

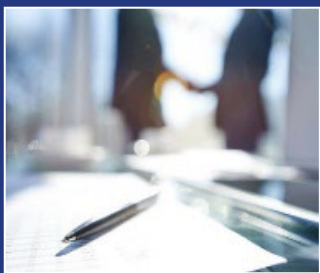


BANQUE PSA FINANCE
A STELLANTIS COMPANY



ANNUAL REPORT 2021

“FINANCING & SERVICES ENABLING
MOBILITY FOR ALL”



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Message from the
Chief Executive Officer

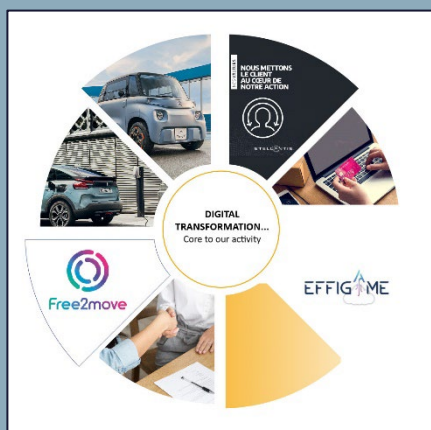
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STELLANTIS

BANQUE PSA FINANCE
A STELLANTIS COMPANY



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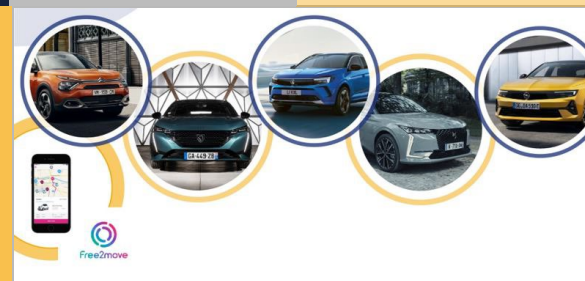
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1.1 MESSAGE FROM REMY BAYLE

CHIEF EXECUTIVE OFFICER OF BANQUE PSA FINANCE

For Banque PSA Finance, 2021 was based on three major pillars: the **Energy Transition, Mobility and Digital Transformation at the Service of Customer Experience**.

All Banque PSA Finance teams, as well as those of its subsidiaries and joint ventures, contributed to these strategic axes.

For the second year in a row, the COVID-19 health crisis continued to impact our activities. Nevertheless, this crisis has forced us to continually review our business model and our processes: Banque PSA Finance has adapted and completely revised its way of working, thanks to the unwavering commitment of all its employees. The work organization has been redesigned, with teleworking becoming a reality, which has made it possible to protect all employees.

In addition to this health crisis, there is also the semi-conductor supply crisis for all car manufacturers. In this unprecedented context, Banque PSA Finance committed to finding solutions by developing new tailor-made offers for the STELLANTIS brands or by proposing contract extensions where longer delivery times had to be overcome and the needs of our customers met.

Energy Transition and Mobility: a reality that has become obvious to all!

Banque PSA Finance has participated in all product launches of the Peugeot, Citroën, DS Automobiles, Opel and Vauxhall brands, paying particular attention to electric and hybrid versions, by adapting its financing solutions to the best level of services for customers (insurance, package including a charging station and mobility solutions).

The Low Emission Vehicle (LEV) offering has been a true success, with a financing penetration rate of 81% among B2C customers. A simulation tool, Total Cost of Ownership (TCO), was specially developed and rolled out in nine countries to provide the best possible advice to customers. It shows customers the annual savings made by choosing a hybrid or electric vehicle. The Bank's ongoing support for the brands contributes to achieving the STELLANTIS carbon emission targets.

Digital Transformation at the Service of Customer Experience

In 2021, Banque PSA Finance continued to invest in innovation, mainly focusing on online sales, the digitization of after-sales processes to remain customer-centric, and connected mobility offers.



Though an **innovative and 100% online process**, Banque PSA Finance provides access to electric mobility for one in two Citroën AMI customers, at the same cost as a monthly public transport fee. Equally, customers can now start their shopping experience online or at a point of sale and end it with a salesperson or at home: the continuity of the shopping experience is guaranteed.

Banque PSA Finance continued its efforts to enhance its customers' **personal web spaces**. Over 330,000 were opened this year. In total, more than one million customers have a personal online account, which allows them to be autonomous and efficient in the management of their contract.

Strong performance in a difficult economic and industrial context

These efforts have enabled us to maintain our sales performance. The financing penetration rate remained close to last year at 31.9%. The insurance and services penetration rate reached 164.0%. In a declining market, the Bank recorded a total of 941,271 new and used vehicle financing contracts, up +2.3% compared to 2020 for the Peugeot, Citroën and DS Automobiles brands.

Our partnership-based business model has demonstrated its relevance and thanks to a good management of margins, operating costs and the cost of risk, **Banque PSA Finance's profitability reached its highest level** in 2021 with an operating income amounting to €1,120 million.

At the end of 2021, STELLANTIS announced a project that should strengthen the potential of its financing activities in Europe, which would allow Banque PSA Finance to open and write a new page in its history: 2022 should be devoted to the preparation of this new challenge, with a view to its implementation in the first half of 2023.

RÉMY BAYLE
CHIEF EXECUTIVE OFFICER



1.2 BPF GOVERNANCE

BOARD OF DIRECTORS

Chairman

Member of the Appointments Committee
Member of Wages and Salaries Committee
PHILIPPE DE ROVIRA

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

AUTOMOBILES PEUGEOT
Permanent Representative
LINDA JACKSON

EXECUTIVE COMMITTEE

Director

Chief Executive Officer
RÉMY BAYLE

Deputy Managing Officer
HELENE BOUTELEAU

STATUTORY AUDITORS

Principal Statutory Auditors

**ERNST & YOUNG
AUDIT
MAZARS**

Substitute
Statutory Auditors

**PICARLE & ASSOCIES
GUILLAUME POTEL**

As at 12.31.2021

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 00039 – APE business identifier code: 6419Z – Interbank code: 13168N

www.banquepsafinance.com

Tel: +33 (1) 61 45 45 45

1.3. MAIN EVENTS

Year 2021...

ENERGY TRANSITION & MOBILITY

DIGITAL TRANSFORMATION
SERVING THE
CUSTOMER EXPERIENCE



CITROËN AMI

45% penetration on Citroën AMI sales (100% online)



QUALITY & CUSTOMER RELATIONS

Rising/Improving client recommendations, with an increase in Net Promoter Score (NPS) by 17 points.



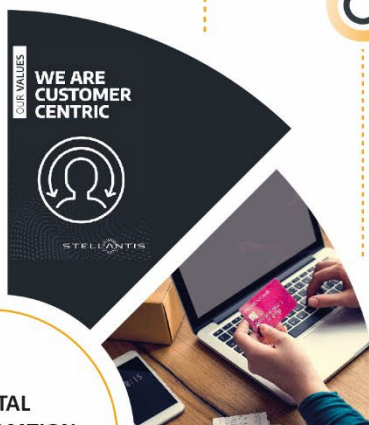
LEV

81% financing penetration with B2C customers



E-PAYMENT

Almost 800 000 transactions



DIGITAL TRANSFORMATION...
Core to our activity



FREE2MOVE LEASE

Growth of the leasing portfolio by 13%



Free2move

EFFIGAME



SERVICES & INSURANCES

Usage based car insurance available in 4 countries : France, Italy, Belgium, Great Britain.



EFFIGAME TRAINING

- ➡ 10 000 users
- ➡ 3 modules offered : B2B, LEV, Loyalty
- ➡ 6 countries deployed

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.

1996.

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

2009.

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

2014.

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

2017.

BPF strengthened its cooperation Business Model with BNPP PF for the Opel Vauxhall brands by creating Opel Vauxhall Finance Ltd/SA.

2021.

STELLANTIS

The 16th January 2021, the merger of Peugeot (Groupe PSA) with Fiat Chrysler Automobiles N.V. (FCA); the birth of Stellantis N.V.

1.5 KEY FIGURES



3,400 EMPLOYEES WORLDWIDE



954,000 VEHICLES FINANCED



1,564,600 INSURANCE AND SERVICES



17 COUNTRIES



of which **75,000** ELECTRIFIED VEHICLES

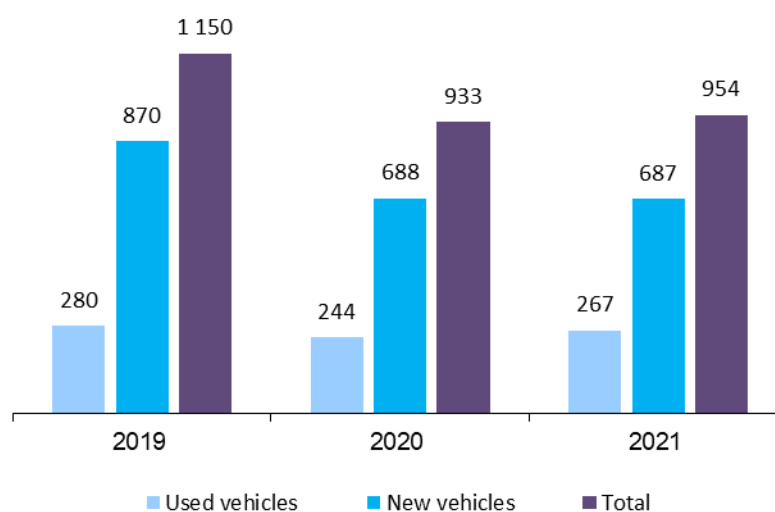
CONTRACTS SOLD



of which **24,500** ONLINE SALES

BPF KEY FIGURES (EXCLUDING CHINA)

End-user financed vehicles
(In thousands of vehicles)

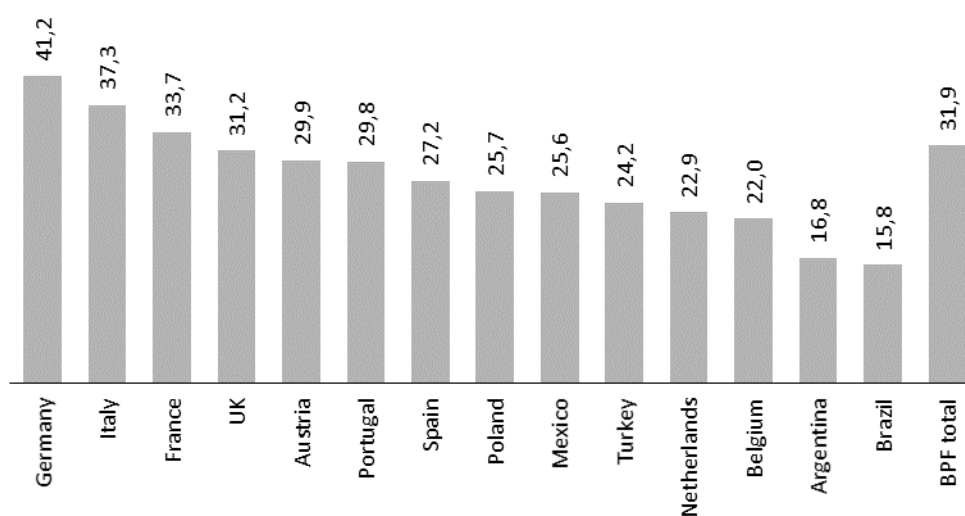


1.5 KEY FIGURES

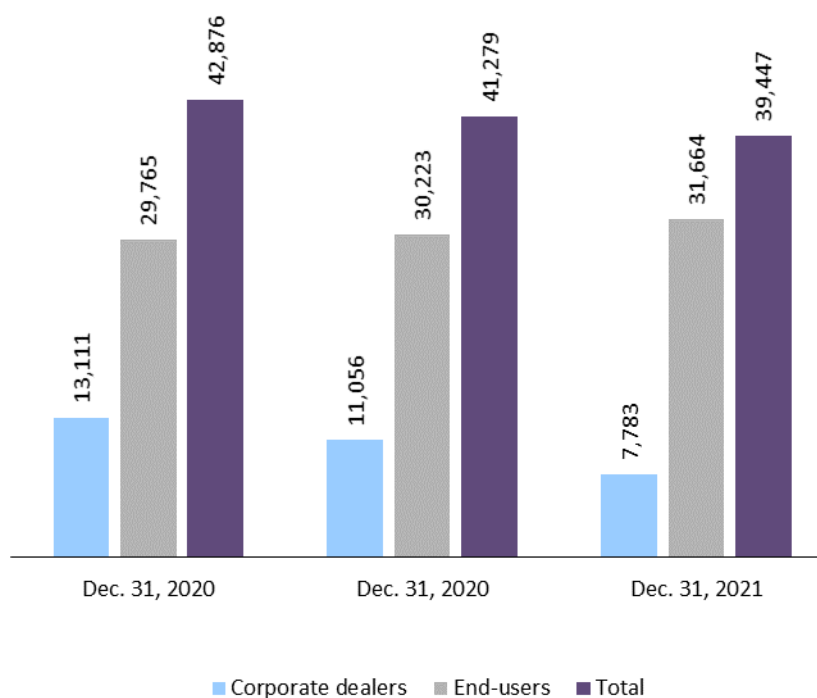
BPF KEY FIGURES (EXCLUDING CHINA)

Penetration rates by country (as a %) at December 31, 2021

(BPF NV financing / Peugeot, Citroën, DS Automobiles, Opel and Vauxhall vehicle registrations)



Change in loans outstanding at the end of the period by customer segment, in IFRS 8 format (in millions of euros)

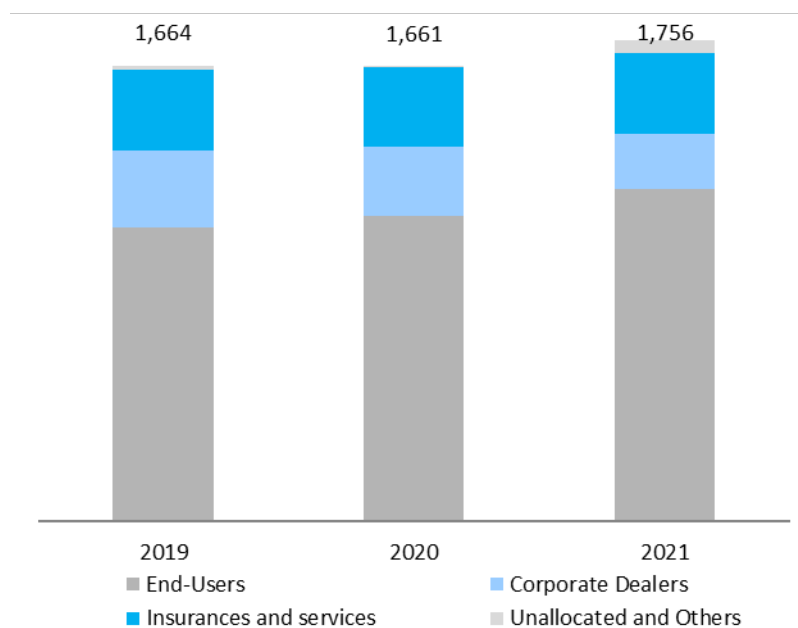


1.5 KEY FIGURES

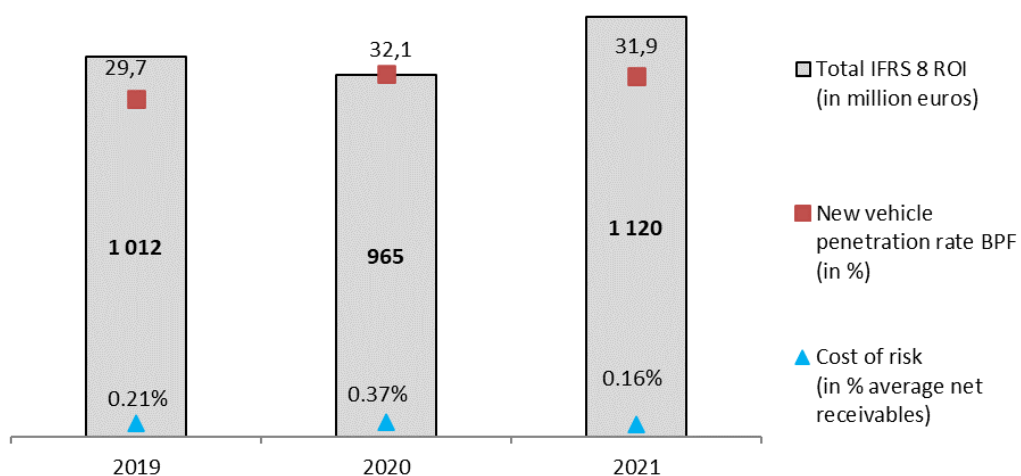
BPF KEY FIGURES (EXCLUDING CHINA)

Evolution of Net Banking Revenue, in IFRS 8 format (excluding PPA)

(In millions of euros)



Recurring Operating Income, New Vehicle Penetration Rate, Cost of Risk, in IFRS 8 format







1.6 LOCATIONS & PARTNERSHIPS



BPF : A partnership strategy

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

-  Santander
-  Donfeng Peugeot Citroën Automobiles & Donfeng Motor Group
-  BNPP PF & Santander Consumer Finance
-  Other partners for commercial actions or outsourced management.



1.7 STRATEGY & VISION

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

1. A robust, partnership-based business model

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 and China.

2. A mobility player and payment facilitator

BPF supports STELLANTIS so that it can become a major global player in new mobility services for consumers, by integrating service, insurance and mobility solutions across all projects and products for B2B, and later B2C, customers. BPF offers e-payment solutions based on an operational partnership with leading players in order to quickly and easily pay for the services and products marketed by the Peugeot, Citroën, DS Automobiles, Opel and Vauxhall brands.

3. New frontiers

BPF supports the international expansion of STELLANTIS, notably 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

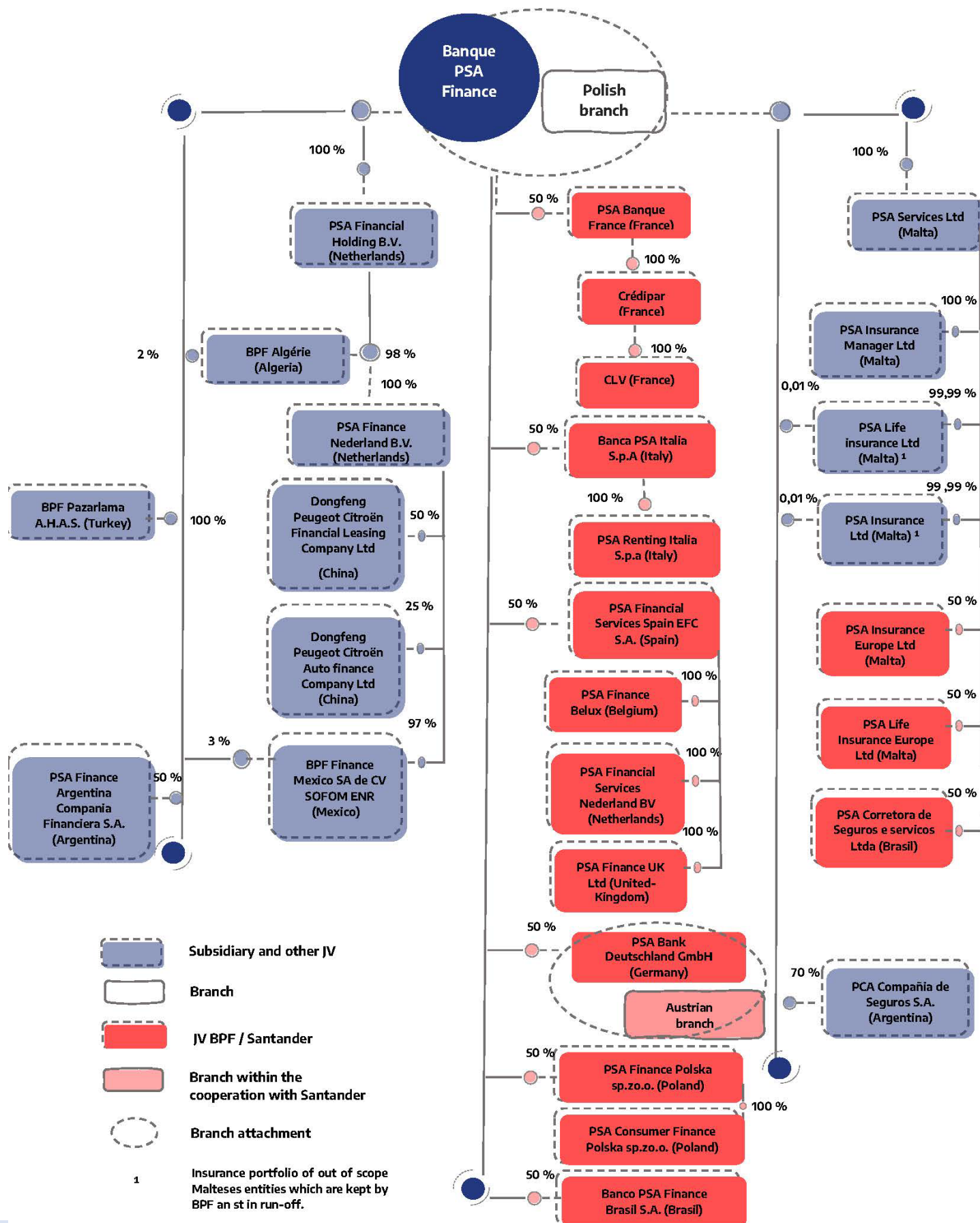
BPF is part of the digital strategy of the STELLANTIS growth plan, the goal of which is to place customers at the heart of its activities. BPF is redesigning the pathway of online customers so that they can perform their own financing and insurance simulations and explore the “contract life cycle” on 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 “selling on line” by integrating financing, service and insurance solutions into the digital journeys of countries.



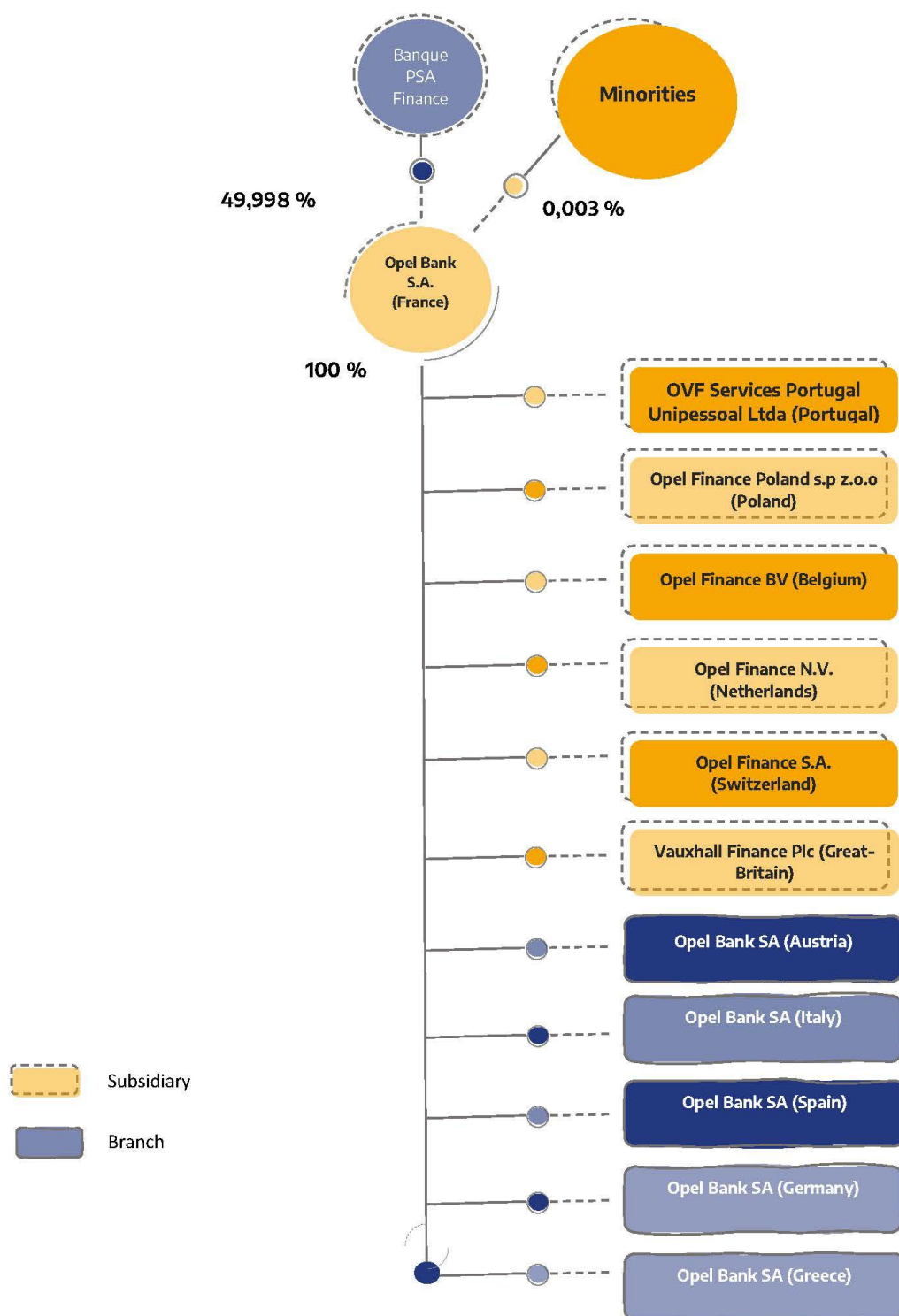
1.8 ORGANIZATIONAL CHARTS

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

Organizational chart for the Peugeot Citroën DS Automobiles Finance scope



Organizational chart for the Opel Vauxhall Finance scope (working with BNP Paribas Personal Finance S.A.)





1.9 BUSINESS ANALYSIS OF BANQUE PSA FINANCE

1.9.1 MAIN EVENTS AT STELLANTIS

STELLANTIS maintains its market share in a complicated health and economic context

At the end of 2021, STELLANTIS's market share was 8.2%, the same performance as in 2020. This represents a volume of 6.6 million vehicles. Recent product launches included the DS 4, the Jeep Grand Cherokee L, Grand Wagoneer and Wagoneer, the Opel Mokka and the Peugeot 308.

In **Europe**, the market share was stable at 19.4%, i.e. up 0.1 point compared to 2020.

In **North America**, the Group maintained a high market share, of 11.2%, down slightly compared to 2020, by 0.7 point.

In **South America**, the Group recorded strong growth with a market share of 22.9%, i.e. an increase of 3.9 points compared to 2020.

In the **Middle East & Africa**, STELLANTIS's market share was down by 1.8 points to 11.8%.

In **China, India and Asia-Pacific**, market shares were up slightly, by 0.1 point, and respectively represented 0.5% and 0.8% in market share.

The Group ramps up its electrification

The Group's **electric push** continued throughout the year. Either the New Peugeot 308, either the new DS4, have their own Hybrid plug-in version. The new C4 has its electric version named e-C4 as well as the new Mokka has its e-Mokka or Fiat 500 has the new version Fiat 500 e. Furthermore, all the brands have among the LCV range, electric versions and the group is even anticipating future technological developments by offering a new range of hydrogen utility vehicles.

These new versions will be particularly suited to accelerating the implementation of low-emission zones ("ZFE") in France.

The Group plans to invest over €30 billion in electrification and software by 2025, while remaining the automotive sector benchmark in terms of performance with an investment efficiency 30% higher than the industry average.

Electric vehicles (BEV) will meet customer expectations, with an autonomy range of 500 to 800 km/300 to 500 miles and a fast-charging capacity of 32 km/20 miles per minute.

Four platforms constitute the technological base of the electrified vehicles of the STELLANTIS brands. They are designed with a high level of adaptability (length and width) and component sharing, which will generate economies of scale, as each of them will be able to produce two million units per year.

Making electric mobility accessible to all is a priority at STELLANTIS, which plans to achieve a total cost of ownership (TCO) for electric vehicles equivalent to that of combustion engine vehicles by 2026.

COVID-19: Employee health and safety remain the top priority at STELLANTIS

In 2021, the COVID-19 virus was still circulating around the world and the global health situation remains a concern. STELLANTIS's priority is to **protect its employees**. This is the **number one priority** for a company with more than 400,000 employees working in 130 countries.

To protect the health of employees and their families, while continuing our activity, our health teams are consolidating a common protocol.

Telework has become the norm at STELLANTIS and undergone various changes to allow more flexibility in the organization of on-site and remote activities, while offering employees the opportunity to benefit from greater autonomy and a better quality of life.



Towards software transformation: STELLANTIS “TECH COMPANY”

STELLANTIS will develop its activities in the field of **software and connected services** based on five pillars: Services and subscriptions; on-demand functionalities; DaaS (Data as a Service) and fleet services; Vehicle prices and resale value; and market-growth, customer loyalty and cross-selling.

Today, STELLANTIS has **12 million monetizable connected cars** around the world. By 2026, this figure is expected to increase to 26 million vehicles and generate around €4 billion in revenues and, by 2030, it will reach 34 million vehicles and around €20 billion in annual revenues.

With **software** and on-demand functions, through updates, STELLANTIS allows customers to customize their vehicles according to their desires. This reinforces the uniqueness of each of the STELLANTIS brands and the interaction between the vehicle and its driver.

1.9.2 BPF COMMERCIAL PERFORMANCE

Unless otherwise specified, business data in this management report exclude China. The figures for China are presented separately.

NV PENETRATION RATE BY COUNTRY

Countries	New Vehicle Financing BPF (passenger and utility vehicles) ¹		Penetration rate BPF (in %)	
	2021	2 020	2021	2 020
France	222,755	217,576	33.7	32.5
United Kingdom	85,622	84,660	31.2	32.0
Germany	122,283	119,045	41.2	41.3
Italy	90,121	85,094	37.3	36.4
Spain	55,104	66,630	27.2	32.4
Belgium	20,760	26,483	22.0	25.2
Netherlands	13,663	15,306	22.9	22.1
Austria	9,514	9,667	29.9	31.2
Switzerland ²	54	3,148		28.8
Poland	11,711	10,464	25.7	23.1
Portugal	12,675	10,000	29.8	24.4
Europe	644,262	648,073	33.0	33.0
Brazil	8,367	9,970	15.8	37.2
Argentina	6,762	8,118	16.8	23.9
Mexico	2,902	2,381	25.6	24.7
Latin America	18,031	20,469	17.2	29.1
Turkey	22,932	18,272	24.2	17.2
Rest of the World	22,932	18,272	24.2	17.2
Total without China	685,225	686,814	31.9	32.1
China	31,628	21,520	37.2	44.1

¹ Passenger cars and light commercial vehicles loans, taken into account sale on crédit, financial lease and operational lease financed to dealers' network

² PSA Finance Switzerland is in the perimeter until 30.06.2020

Over 2021 as a whole, the Peugeot, Citroën, DS Automobiles, Opel and Vauxhall brands established 685,225 new vehicle (NV) contracts, a volume that was stable compared to 2020

in a market that remained disrupted by the semiconductor crisis.



Loyalty-building offers ("Ballon" installment contracts, buyback contracts, long-term leases) continued their growth in the G10, notably with the arrival of LEVs for which customers have made massive use of leasing offers. The share of loyalty offers was over 79% of NV financing production (B2C, B2B).

A. MARKETING POLICY AND PERFORMANCE

In 2021, Banque PSA Finance (BPF) financed 31.9% of the Group's new vehicle sales. The Group comprises the Peugeot, Citroën and DS Automobiles ("PCD") scope and the Opel and Vauxhall ("OV") scope. The penetration rate was stable, at -0.2 point compared to 2020, but increased by 2.2 points compared to 2019 (benchmark year excluding Covid).

In a context impacted by both the continuing health crisis, on the one hand, and the shortage of electronic components, on the other, new vehicle registrations were up 1.1% compared to 2020 but remained 25.9% lower than in 2019. After a good start to the year, registrations fell sharply in the second half due to the components crisis. In terms of markets outside of Europe (PCD only), volumes increased by 97% in Brazil and by 74% in China.

In this specific context, the overall volume of NV/UV financing remained stable.

A significant marketing system was put in place throughout the year and made it possible to maintain a strong performance despite the context. Overall, NV penetration reached 31.9%. Different types of actions were carried out, for example: specific financing campaigns, enhanced support to support the launches of new models and LEVs, the intensification of the digital channel, and new flexible offers to meet the new mobility needs of customers. As a whole, this system resulted in a volume of 685,225 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-financed unit amount, which reached almost €17,150 in 2021 as regards new vehicles. For used vehicles, the average amount financed was €11,950.

B. NEW VEHICLE FINANCING

In 2021, BPF financed 685,225 new vehicles sold by dealers for the Peugeot, Citroën, DS Automobiles, Opel and Vauxhall brands.

Europe

In Europe, the number of new vehicle financing contracts for the Peugeot, Citroën, DS Automobiles, Opel and Vauxhall brands was directly impacted by the reduction in registrations linked to the health context and the semiconductor crisis. In terms of volumes, the number of contracts fell by 0.6% to 644,262 for the five brands. In terms of geographic areas, the trends were as follows:

In France: 222,755 contracts representing a penetration rate of 33.7%, i.e. an increase of 1.2 points. The main reason for this increase was an improvement in both B2C and B2B performance.

In Germany, performance remained at a high level, at 41.2%, with a marked increase in performance for Opel, which reached 41.9%. Reinforced synergies among the brands, a renewed marketing action plan to develop sales of electric and hybrid vehicles, and strong B2B performance were the main drivers of these good results.


In Spain, performance was down due to an unfavorable mix, with a lower weighting of B2C where performance was high. 47% of registrations were made by B2B customers among whom a significant proportion of sales was ineligible for financing. Overall, the penetration rate stood at 27.2%, i.e. 5.2 points more than the previous year;

In the United Kingdom, in a context which is still unsettled, the situation remained complicated for PCD due to lower performance in the B2B segment and in particular in the field of utility vehicles. 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 31.2%.

In Italy, performance improved with a market buoyed at the start of the year by renewal premiums, which reached a penetration rate of 37.3%, i.e. an increase of 0.9 point. The weighting of loyalty-building offers continued to increase through the measures established to support the government bonus. For Opel, momentum was buoyed by the success of new models such as the Mokka and the new electric utility vehicle range.

In Belgium and Luxembourg, in a very competitive market, performance was down as a result of a higher weighting of ineligible volumes. In this context, penetration reached 22%. Major marketing actions are planned to generate traffic during the show period.

In Poland, PCD penetration continued to grow, reaching 37.3%. Renewed efforts with the Brands and strengthened positions in B2B were the keys to improved performance. For Opel, the situation was more nuanced, with a penetration rate of 10.4%.



New B2B offers were provided to strengthen performance in this market, which represents more than 80% of registrations.

Latin America (PCD only)

In Argentina, the economic context remained complicated, with high inflation, a depreciation of the currency and very high interest rates. Faced with this situation, financing penetration was down, to 16.8%, because customers preferred the savings plan to finance their vehicle rather than the traditional loan.

In Brazil, penetration fell sharply, to 15.8%, due to a weak eligible market in 2021. A change is expected in 2022.

In Mexico, despite a significant risk related to certain market segments (small companies, artisan-traders), performance remained stable with penetration reaching 25.6%. In 2022, financing activities will be conducted by Grupo Financiero Inbursa with which BPF has signed an agreement for the sale of its subsidiary PBF Finance Mexico.

Other countries

Turkey: in a growing market, financing performance was up in 2021 with a penetration rate of 24.2%, i.e. +7 points. The new marketing system launched at the end of 2020 led to an improved performance.

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

In China (PCD only)

The car market, undergoing a catch-up phase at the start of the year, continued the trend in 2021 at a slower pace than the previous year due to the impact of the components crisis, from May. It ended at +1.4% in wholesale and +3.6% in retail above 20 million units. DPCA's turnaround plan bore fruit and registrations of the Peugeot, Citroën and DS Automobiles brands stood at 85,068 units at the end of December 2021 compared to 48,759 in 2020 (+75%).

In addition, DPCA is actively exploring new distribution models to complement the sales made by dealers; platform sales have so far impacted the penetration of financial companies. Nonetheless, DPCAFC and DPCFLC's new contract volumes amounted to 31,628 contracts, up 46.9%. The penetration rate of financing granted by DPCAFC and DPCFLC for DPCA and DS Automobiles contracted to 37.2%, compared to 44.1% in 2020 when 21,520 financing contracts were granted, in a context of a strong increase in volumes.

DPCAFC's individual customer penetration remains close to 50% on the dealers' sales channel.

With the DPCA takeover, DPCAFC began a strategic shift by discontinuing UV in September in order to refocus its business model. The UV volume granted remained close to what it had been over 2020 as a whole, at 34,284 compared to 35,427. Financing for the other brands was slightly impacted and stood at 11,221 compared to 13,911 vehicles. As part of this strategic reorientation, however, DPCAFC took over a B2B activity. Already at a strong level at the end of 2020, thanks to the continuous improvement of decision-making tools, the cost of risk could be further improved in 2021, notably for used vehicles.

The leasing company DPCFLC granted 13,653 new contracts compared to 9,374 in 2020, its second year, including 1,762 for our brands, and 11,439 NV and 452 UV for other brands. DPCFLC is acquiring expertise in the field of "hailing cars" financing and in 2021 launched a "direct leasing" test, as this product remains very marginal in China (5% of the leasing market).

Total outstandings for the two entities thus amounted to €1,478 million at the end of the period, compared to €1,176 million at the end of December 2020, an increase of 25.7% resulting from the DPCA recovery and the growth in FLC volumes, which offset the decrease in AFC used vehicles.

C. USED VEHICLE FINANCING

Globally, 266,654 UV financing contracts were completed in 2021, i.e. +9% compared to last year, benefiting from a very dynamic UV market as a result of the semiconductor crisis which impacted NV production. The penetration of the label (for PCD) increased and reached 29.4% in 2021 compared to 27.0% in 2019. It should be noted that the European scope represents 96% of production.

As in the case of the new vehicle business, specific offers were put in place to take advantage of the dynamics of this market. Reinforcement of loyalty-building offers, deferred payment, and promotional campaigns with the brands. A significant system will be pursued in the first half of 2022 to increase the volumes of certified vehicles. In terms of production, G5 volumes represent 90% of all contracts completed.

It is also worth noting the increase in UV loyalty-building offers, which represented 37% in 2021.

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 associating BPF and PSA created in 2016, aims to develop the STELLANTIS B2B Long-Term Lease activity for the Peugeot, Citroën, DS Automobiles, Opel and Vauxhall brands in Europe.

It offers all its customers, whatever the size of their fleet, a set of services adapted to their business: maintenance, insurance, connected services (Connect Fleet, Car Sharing, etc.), fleet management and services related to fleet electrification.

In 2021, across the scope where F2ML operates (France, Great Britain, Germany, Spain, Italy, Belux, the Netherlands, Portugal, Poland and Austria),

F2ML saw its portfolio grow by 13.3% despite an unstable automotive environment due to supply issues.

The number of vehicles registered and financed in 2021 breaks down as follows:

- as regards Peugeot, Citroën and DS Automobiles, the penetration rate of the brands' B2B sales was 17.6%, up 0.6 point compared to previous year, with 121,798 financing contracts concluded;
- as regards Opel and Vauxhall, the penetration rate of the brands' B2B sales was 18.7%, up 5.2 points compared to 2020, with 40,706 financing contracts concluded.

This increase in volumes enabled F2ML to be the leading leaser on the French market in 2021.

1.9.3 FINANCING AND SAVINGS ACTIVITIES FOR END USERS

Depending on the market, four types of products 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 VEHICLE FINANCING AND USED VEHICLE FINANCING

Excluding China, the total production of financing for the End User amounted to 941,271 contracts, down 2.3% compared to the same period the previous year.

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

<i>(in number of contracts)</i>	2021	2 020	% change
Installment contracts	511,071	509,951	+ 0.2
Leasing activity and other financing	430,200	409,723	+ 5.0
TOTAL	941,271	919,674	+ 2.3

<i>(in million euros, excluding accrued interests)</i>	2021	2 020	% change
Installment contracts	6,780	6,320	+ 7.3
Leasing activity and other financing	7,706	7,099	+ 8.6
TOTAL	14,486	13,419	+ 8.0

NV/UV BREAKDOWN

<i>(in number of contracts)</i>	2021	2 020	% change
End-user financing	941,271	919,674	+ 2.3
of which new vehicles	674,617	675,571	- 0.1
of which used vehicles	266,654	244,103	+ 9.2

<i>(in million euros)</i>	2021	2 020	% change
End-user financing	14,486	13,419	+ 8.0
of which new vehicles	11,317	10,694	+ 5.8
of which used vehicles	3,169	2,725	+ 16.3

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

<i>(in number of contracts)</i>	2021	2 020	% change
France	304,258	294,190	+ 3.4
United Kingdom	165,810	150,650	+ 10.1
Germany	163,902	160,110	+ 2.4
Italy	105,091	96,129	+ 9.3
Spain	68,295	76,831	- 11.1
Belux	25,394	30,367	- 16.4
Portugal	13,848	11,234	+ 23.3
Netherlands	16,668	19,348	- 13.9
Switzerland	70	7,096	- 99.0
Austria	16,219	16,290	- 0.4
Poland	14,279	12,670	+ 12.7
Europe	893,834	874,915	+ 2.2
Brazil	11,621	13,790	- 15.7
Argentina	7,540	8,624	- 12.6
Mexico	2,944	2,410	+ 22.2
Latin America	22,105	24,824	- 11.0
Turkey	25,332	19,935	+ 27.1
Rest of the World	25,332	19,935	+ 27.1
Total	941,271	919,674	+ 2.3

END-USER FINANCING ACTIVITY IN CHINA AND OUTSTANDING IN CHINA

	2021	2 020	% change
End-user loans (including leases)			
Number of vehicles financed (new and used)	89 024	78 901	+ 12.8
Amount of financing <i>(in million euros, excluding interests)</i>	889	745	+ 19.3
Outstanding loans (in million euros)			
	Dec. 31, 2021	Dec. 31, 2020	% change
End-user loans <i>(including leases)</i>	1 285	1 050	+ 22.3
Corporate dealers loans	193	125	+ 54.4
Total loans	1 478	1 176	+ 25.7

B. RETAIL SAVING BUSINESS

As regards the partnership with SCF, the consumer savings business is present in France and Germany and is owned in equal measure by Banque PSA Finance and Santander Consumer Finance. The retail savings product consists of savings accounts and term deposit accounts. The proportion of outstanding amounts is 86% for savings accounts and 14% for term deposit accounts.

In France, results were very satisfactory, with an increase in the volume of deposits from €2,828 million at December 31, 2020 to €2,956 million at December 31, 2021. Despite the ongoing health crisis, the Distingo offer remained attractive to customers and prospects, and collection was in line with targets.

In Germany, deposits from individual customers were up slightly compared to December 31, 2020. Outstanding loans represented €1,883 million at December 31, 2021 (of which €306 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). The total volume of deposits at December 31, 2021 increased slightly to €1,772 million.

IFRS8			
	Dec. 31, 2021	Dec. 31, 2020	% change
Outstanding (customers deposits) (in million euros)	6,611	6,035	+ 9.5
<i>Of which France ("Distingo", PCD perimeter)</i>	2,956	2,828	+ 4.5
<i>Of which Germany (PCD perimeter)</i>	1,883	1,633	+ 15.3
<i>Of which Germany ("Opel Bank Deposits", OVF perimeter)</i>	1,772	1,574	+ 12.7

1.9.4 CORPORATE DEALER FINANCING ACTIVITIES

PRODUCTION OF NEW FINANCING FOR CORPORATE DEALER CUSTOMERS (EXCLUDING CHINA)

	2021	2 020	% change
Number of vehicles	1,750,453	1,996,755	- 12.3
Amount (in million euros)	48,514	51,020	- 4.9
of which vehicles	45,834	48,521	- 5.5
of which spare parts and other financing	2,680	2,499	+ 7.2

PRODUCTION OF NEW FINANCING FOR CORPORATE DEALER CUSTOMERS IN CHINA

Corporate dealer loans	2021	2 020	% change
Number of vehicles financed	57 023	37 164	+ 53.4
Amount of financing (in million euros, including spare parts)	1 025	580	+ 76.7

BPF is a strategic partner of the distribution networks of the Citroën, DS Automobiles, Peugeot, Opel and Vauxhall brands of STELLANTIS. 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 2021, excluding China, 1,750,453 vehicles were financed, which represents a decrease of 12.3% compared to 2020, stemming from the global electronic components crisis, which has led to a fall in production at the STELLANTIS plants.

The amount of new financing granted was down, in direct relation to the impact of the electronic components crisis on volumes.

In China, the use of platforms by DPCA to complete its dealerships also impacted the penetration of dealer financing, which decreased from 81.2% to 64.2%, close to its level of two years ago. DPCAFC was able to finance 57,023 vehicles compared to 37,164 vehicles over the same period the previous year (+53.4%). Outstandings at the end of the period were up sharply to €193 million (+54.4%) due to higher rhythm of invoicing.

1.9.5 INSURANCE AND SERVICES ACTIVITIES

PRODUCTION OF NEW INSURANCE AND SERVICE CONTRACTS

<i>(in number of contracts)</i>	2021	2 020	% change
Financial services	582,534	644,737	- 9,6
Car insurance	239,874	227,642	+ 5,4
Vehicle-related services	742,177	731,734	+ 1,4
Total	1,564,585	1,604,113	- 2,5

PENETRATION RATE ON FINANCING

<i>(In %)</i>	2021	2 020	% change
Financial services	61.1	69.1	- 8.1
Car insurance	25.1	24.4	+ 0.7
Vehicle-related services and other services	77.8	78.5	- 0.7
Total	164.0	172.0	- 8.0

The Group anticipated the need to build high value-added mobility products for the end user; insurance and services notably guaranteeing care-free protection and mobility. With this in mind, the Insurance Business Unit was created with the mission of overseeing insurance matters, monitoring commercial performance and managing insurance companies, as well as brokers owned by the Group, and brokerage activities in Europe, Turkey, China, Argentina, Mexico and Brazil.

BPF and the Peugeot, Citroën, DS Automobiles, Opel, Vauxhall and Free2Move brands offer the end user a line of insurance and services — personal, automotive, financial and mobility — that may or may not be marketed along with the loan (credit insurance, financial loss insurance, cosmetic warranty, extended warranty, car insurance and extended warranty and maintenance contracts, etc.).

For the entire BPF scope, overall penetration was almost 1.7 contract per client financed, despite an unfavorable global economic context in 2021. The proportion of fleets and B2B customers was more importante and explains the variation in insurance linked to financing. Insurance penetration in the B2C segment remains strong. The evolution of the B2B/B2C customer mix has required the adaptation of the product range to meet the new needs of customers, and nearly 49

insurance and service products were launched in 2021 for the Peugeot, Citroën, DS Automobiles, Opel and Vauxhall brands.

Lastly, as a major component of an automotive or mobility line, Car Insurance remains a service with great growth potential and the product is present in all markets where BPF has decided to operate. In 2021, 25% of vehicles financed by the BPF Group were sold with Car Insurance - an increase of 0.7 point compared to 2020. The electric vehicle, the connected car and carpooling are all developments that have a significant impact on this product, such as insurance according to usage. The experience acquired from several years of integrating this product into the Brands' universe gives STELLANTIS and BPF a clear advantage.

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 2021, it continued to make a significant contribution to BPF's production margin, to the tune of €296 million, i.e. up €5 million compared to 2020.



1.9.6 OTHER INFORMATION

1.9.6.1 EMPLOYEES

As of December 31, 2021, BPF's total workforce represents 89 full-time equivalent ("FTE") employees directly employed by BPF's various subsidiaries and branches.

To this number are added 378 automotive activity employees who are fully devoted and seconded to BPF, whose employees are managed through the Group's Human Resources policy, the details of which are provided in STELLANTIS's Registration Document.

The 2,902 employees of the joint venture companies established in the framework of our cooperation agreements are accounted for by the joint ventures.

1.9.6.2 REAL ESTATE HOLDINGS

BPF does not own any real estate assets and its registered office is located in premises leased by STELLANTIS. 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 regarding various financial captives located in Italy, including Banca PSA Italia S.p.A. (and extended to BPF in its capacity as the parent company) and Opel Finance S.p.A., targeting possible exchanges of sensitive information between these captives, notably through professional associations, the Italian competition authority sentenced, in early 2019, all the captives, as well as their parent companies, and the professional associations, to penalties amounting to a cumulative amount in excess of €678 million.

BPF, Banca PSA Italia S.p.A and Opel Finance SpA, which had been sentenced to approximately €38.5 million, €6 million and €10 million respectively (note that Opel Finance SpA was jointly and severally sentenced 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 against this decision to the Council of State, which in its decision ("Sentenza") of 3 February 2022 dismissed the Italian competition authority by confirming the judgment of TAR Lazio of Rome.

At the end of 2021, BPF was informed of the intention of a group of consumers to initiate proceedings in the UK courts (High Court of Justice of England and Wales) on the grounds that BPF had, since September 1, 2009, made available to said consumers Peugeot, Citroën and DS Automobiles vehicles that did not comply with the regulations on polluting emissions.

In the context of such proceedings, BPF will analyze all the arguments brought forward, in particular in the light of the fact that BPF stopped providing financing products in the United Kingdom as of February 2015 and that BPF is not involved in the manufacturing process of the offending vehicles.



1.9.7 OUTLOOK

On December 17, 2021, STELLANTIS announced its project to reinforce the potential of its financing activities in Europe. In this context, BPF is aiming to reorganize its financing activities through joint ventures established with BNPP PF or SCF in each country. They will be in charge of financing activities for all the STELLANTIS brands (formerly PSA and formerly FCA). Consequently, it is foreseen that the two partners will carry out financing activities (excluding B2B Operational Leasing) via joint ventures with BPF for all of the STELLANTIS brands. BNPP PF will be the exclusive partner of STELLANTIS for this segment in Germany, Austria and the United Kingdom. SCF will be the exclusive partner of STELLANTIS for this segment in France, Italy, Spain, Belgium, Poland, the Netherlands and Portugal, through a commercial agreement.

The agreements could be concluded during the first quarter of 2022, following the preliminary information and consultation procedures on the project with the employee representative bodies. The planned transactions should take place in the first half of 2023, after obtaining the required authorizations from the competent competition authorities and regulators.

Pending the implementation of this new organization, BPF will continue to assert its mission of fulfilling, with the highest level of operational excellence, its role of “Financial Captive” for the Peugeot, Citroën, DS Automobiles, Opel and Vauxhall brands.

1.10 ANALYSIS OF FINANCIAL RESULTS

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

- Information in **consolidated format** corresponding to the consolidated financial statements, including those of Banque PSA Finance (BPF) and its fully consolidated subsidiaries; and information according to the equity method for companies in the scope of the BPF and Santander agreement, companies in the scope of the BPF and BNP Paribas Personal Finance (BNPP PF) agreement and the companies in China, Dongfeng Peugeot Citroën Auto Finance Co and Dongfeng Peugeot Citroën Financial Leasing Co.

Lastly, as of July 1, 2019, consistent with the analysis of the audit of other partnerships, the Argentinian entity PSA Finance Argentina

Compania Financiera SA, held in partnership with Banco Bilbao Vizcaya Argentina, is consolidated through 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		
	2021	2020	% change	2021	2020	% change
Net banking revenue without OVF PPA ²	52	23	+ 126.1	1,756	1,661	+ 5.8
Net banking revenue including OVF PPA ²	52	23	+ 126.1	1,775	1,704	+ 4.2
General operating expenses and equivalent ³	-25	-20	+ 25.0	-591	-589	+ 0.3
Cost of risk	0	1	- 100.0	-64	-150	- 57.3
Recurring Operating income	27	4	+ 575.0	1,120	965	+ 16.1
Share in net income of associates and joint ventures accounted for using the equity method ⁴	419	351	+ 19.4	11	11	0
Other Non operating income	-43	-27	+ 59.3	-50	-36	+ 38.9
Pre-tax net income	403	328	+ 23.2	1,081	940	+ 15.0
Income taxes	9	7	+ 28.6	-260	-263	- 1.1
Net income	412	335	+ 23.0	821	677	+ 21.3

¹ - The items on the income statement transitioning from IFRS 8 to Consolidated format can be found in note 25 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 €19.5million at the end of December 2021, vs €43.4 million at the end of December 2020, in IFRS 8 format. This effect is mainly allocated to End-user activities. Including also €38.5 million Italian antitrust fine cancellation

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 Dongfeng Peugeot Citroën Financial leasing Co, Ltd settled November 2018 is part of the consolidated perimeter since 2019

At the end of 2021, the percentage of ownership of Dongfeng Peugeot Citroën Financial Leasing Co was increased to 50%; the company is still accounted for under the equity method.

1.10.1 NET BANKING REVENUE

NET BANKING REVENUE ("NBR") BY PORTFOLIO

(in million euros)

	Consolidated			IFRS 8		
	2021	2020	% change	2021	2020	% change
End-users	0	0		1,231	1,152	+ 6.8
Corporate dealers	1			202	255	- 20.6
Insurances and Services (including net refinancing costs)	8	17	- 52.9	298	291	+ 2.4
Unallocated and other¹	43	6	+ 616.7	44	6	+ 633.3
Total NBR including OVF PPA²	52	23	+ 126.1	1,775	1,704	+ 4.2
Total NBR without OVF PPA²	52	23	+ 126.1	1,756	1,661	+ 5.7

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. Including also 38.5 million euros Italian antitrust fine cancellation.

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 €19.5 million at the end of December 2021, vs €43.4 million at the end of December 2020, in IFRS 8 format. This effect is mainly allocated to End-user activities.

Consolidated net banking revenue was €52 million at December 31, 2021, with a hyperinflation accounting impact in Argentina of -€9.6 million on NBR, compared to -€5.2 million in 2020. This amount includes the cancellation of the Italian antitrust fine, following a favorable decision by the Italian Council of State.

Net banking revenue in IFRS 8 format increased slightly to €1,775 million at December 31, 2021, compared to €1,704 million at December 31, 2020. 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, 2021, NBR per IFRS 8 also included a €20 million reversal of the Purchase Price Allocation from the Opel Vauxhall Finance acquisition and was mainly allocated to the "End User" business. Excluding this effect, NBR from operating activities increased 5.7% to €1,756 million.

1.10.2 GENERAL OPERATING EXPENSES AND EQUIVALENT

At end-December 2021, general operating expenses and equivalent amounted to -€26 million in consolidated format.

Per IFRS 8, general operating expenses remained near-identical, amounting to -€591 million at the end of December 2021, compared to -€589 million at the end of December 2020. After a year in 2020 when operating expenses were adapted to the situation and to the decline in business, several projects restarted in 2021.

1.10.3 COST OF RISK

The cost of risk in consolidated format was zero at December 31, 2021.

Per IFRS 8, the cost of risk amounted to -€64 million, or -0.16% of average net outstanding loans, as compared to -€150 million and -0.37% of net outstanding loans in 2020.

The cost of risk for the End User business per IFRS 8 (individuals and businesses) amounted to -€61 million or -0.15% of average net outstanding loans. The cost of risk was very well managed in 2021, with the Covid-19 crisis having no major impact on risk in 2021. The €29 million provision established in 2020 in order to take into account the exceptional circumstances brought about by the Covid-19 crisis was reversed. Instead, forward-looking effects were included in the calculation of Retail provisions, based on macro-economic scenarios, to take into account the future impacts of the Covid-19 crisis.

The cost of risk for the Corporate Dealer business per IFRS 8 was reflected as an expense of -€3 million or -0.04% of average net outstanding loans. The €8 million provision established in 2020 in order to take into account the exceptional circumstances brought about by the Covid-19 crisis was reversed.



1.10.4 OPERATING INCOME

Consolidated operating income amounted to €27 million, up €23 million compared to 2020, the losses resulting from the amortization of the portfolio of run-off companies and the restart of several projects were more than offset by the cancelation of the Italian antitrust fine.

Operating income per IFRS 8 amounted to €1,120 million, up 16.1%, compared to €965 million in 2020. This improvement is essentially the result of cost of risk adjustments. Net banking revenue rose despite the crisis period, to €1,775 million (+4.2% compared to the end of December 2020), while operating expenses remained almost stable at -€591 million at the end of December 2021, compared to -€589 million at the end of 2020.

1.10.5 CONSOLIDATED NET INCOME

Consolidated net income amounted to €412 million, up 23.0%.

1.11 FINANCIAL POSITION

1.11.1 BALANCE SHEET

Assets at December 31, 2021 amounted to a total of €45,477 million in IFRS 8 format, a decrease of 3.6% mainly due to dealer loans and receivables down -29.6% (-€3.3 billion) partially offset by an increase in End User trade receivables (+4.8%, to €1.4 billion).

BALANCE SHEET

(in million euros)

Consolidated¹

IFRS8¹

Assets	2,021	2,020	% change	2,021	2,020	% change
Financial assets at fair value through profit or loss	58	304	- 80.9	93	318	- 70.8
Loans and advances to credit institutions, at amortized costs	455	459	- 0.9	2,310	2,712	- 14.8
Customer loans and receivables, at amortized costs	28	31	- 9.7	38,996	40,752	- 4.3
Deferred tax assets	3	2	+ 50.0	152	114	+ 33.3
Investments in associates and joint ventures accounted for using the equity method ⁽²⁾	2,718	2,632	+ 3.3	175	125	+ 40.0
Other assets	734	377	+ 94.7	3,751	3,161	+ 18.7
Total assets	3,996	3,805	+ 5.0	45,477	47,182	- 3.6

Equity and liabilities	2,021	2,020	% change	2,021	2,020	% change
Deposits from credit institutions	23	26	- 11.5	19,728	22,084	- 10.7
Due to customers	1	2	- 50.0	7,139	6,546	+ 9.1
Debt securities	0	207	- 100.0	9,655	10,110	- 4.5
Deferred tax liabilities	0	0	+ 0.0	567	485	+ 16.9
Other liabilities	188	178	+ 5.6	2,061	2,058	+ 0.1
Equity	3,784	3,392	+ 11.6	6,327	5,899	+ 7.3
Total equity and liabilities	3,996	3,805	+ 5.0	45,477	47,182	- 3.6

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

² Joint ventures with the Santander Group (with the sale of the Swiss subsidiary to Santander Consumers EFC on June 30, 2020), with BNPP PF and, since July 2019, the Argentinian entity PSA Argentina Compania Financiera S.A owned in partnership with Banco Bibao Viscaya Argentina accounted for using the equity method in consolidated format accounts. China, as part of the partnership with Dongfeng Peugeot Citroën Automobiles and Dongfeng Motor Group, has been accounted for using the equity method since 2006, in consolidated and in IFRS 8 format accounts. The subsidiary Dongfeng Peugeot Citroën Financial Leasing Co., Ltd. (50% owned since October 21) was created in November 2018 and is consolidated from 2019.

³ Operating lease contracts and investment properties reclassified from Customer loans and receivables to Other assets (in IFRS8, €451M at 31/12/21 and €527M at 31/12/20).

1.11.2 OUTSTANDING LOANS

OUTSTANDING LOANS BY CUSTOMER SEGMENT

(in million euros)

	Consolidated			IFRS 8		
	Dec. 31, 2021	Dec. 31, 2020	% change	Dec. 31, 2021	Dec. 31, 2020	% change
Corporate dealers	28	30	- 3.4	7 783	11,056	- 29.6
End-users	0	1	+ 0.0	31 664	30,223	+ 4.8
Total financed Loans and Receivables	28	31	- 6.7	39 447	41,279	- 4.4

Consideration in the financed outstandings of operating leases and investment properties (€ 451M as at 31/12/21, € 527M as at 31/12/20)

OUTSTANDING LOANS BY REGION

(in million euros)

	Consolidated			IFRS 8		
	Dec. 31, 2021	Dec. 31, 2020	% change	Dec. 31, 2021	Dec. 31, 2020	% change
G5 countries ¹	0	0	+ 0.0	36 224	37,471	- 3.3
Rest of Europe	0	1	+ 0.0	2 847	3,500	- 18.7
Latin America	28	30	- 6.9	376	309	+ 22.1
Rest of the world	0	0	+ 0.0	0	0	+ 0.0
Total	28	31	- 6.7	39 447	41,279	- 4.4

¹ G5 countries: France, United-Kingdom, Germany, Italy, Spain.

1.11.3 IMPAIRMENT OF OUTSTANDING LOANS

End-user non-performing loans	Dec. 31, 2021	Dec. 31, 2020
S3 outstanding loans (in million euros)	486	333
Ratio of impairment of S3 loans	44,5%	62,0%
S3 loans / total outstanding of all loans	1,5%	1,1%

The share of doubtful loans compared to total loans was 1.5%. This increase in doubtful loans is mainly due to the introduction of the new definition of default for a part of the bank's portfolio, which has led to reclassifications between stages without any fundamental change in the level of risk. The hedging rate for doubtful loans, per IFRS 9, was 45% across the IFRS 8 scope. This reduction in the hedging rate was directly correlated to the reclassification of outstandings, linked to the introduction of the abovementioned new definition of default for part of the portfolio.

Excluding reclassified items, the hedging rate remained stable overall.

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 three "stages", notably with a declassification to Stage 2 when a significant credit risk degradation is detected from the outset.

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.

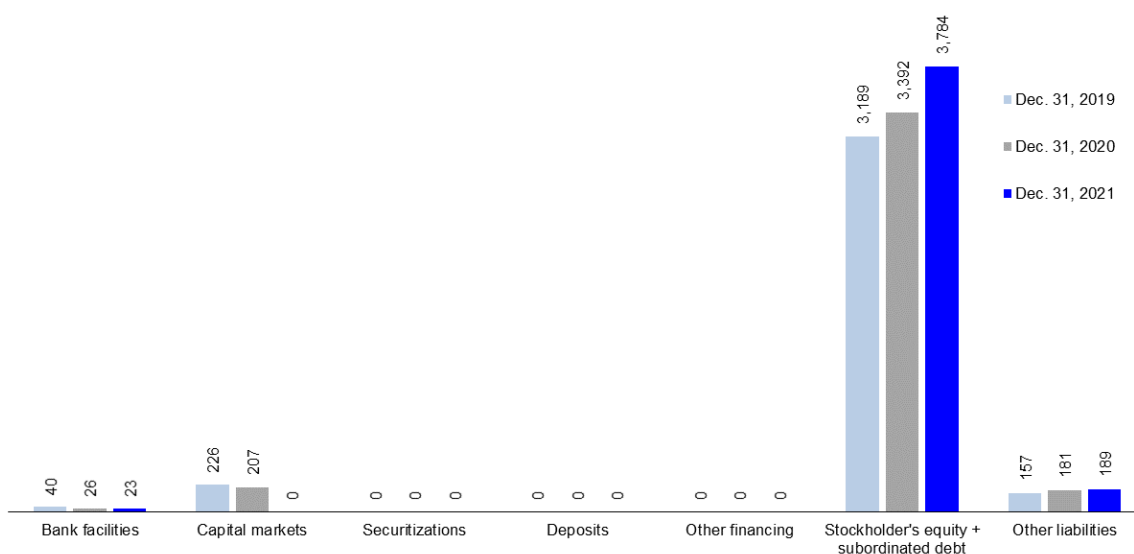
1.11.4 REFINANCING POLICY

TYPES OF FINANCING BY SOURCE

(in million euros)	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Bank facilities	23	26	40
Bonds + BMTN	0	0	0
EMTN	0	204	223
Other	0	3	3
<i>Long-Term</i>	<i>0</i>	<i>207</i>	<i>226</i>
CD	0	0	0
CP	0	0	0
Other	0	0	0
<i>Short-Term</i>	<i>0</i>	<i>0</i>	<i>0</i>
Capital markets	0	207	226
Securitizations	0	0	0
Deposits	0	0	0
Other financing	0	0	0
Total external refinancing	23	233	266
Stockholder's equity + subordinated debt	3 784	3 392	3 189
Other liabilities	189	181	157
Total assets	3 996	3 805	3 612

SOURCES OF FINANCING (IN MILLIONS OF EUROS)

(EXCLUDING UNDRAWN AND CONFIRMED BANK CREDIT LINES)





On the partnership scope, the joint ventures manage their own financing, with, in most cases, a refinancing commitment from the partner.

On the scope excluding partnerships, BPF relies on local bank refinancing for its activities in Mexico.

1.11.5 SECURITY OF LIQUIDITY

Other than local financing in Mexico, as BPF has not had any significant external financing since the repayment of its last bond in April 2021, liquidity security is now based on liquid investments with top-tier counterparties.

At December 31, 2021, the liquidity reserve (available invested cash) amounted to €699 million (see Note 20) including €75 million of high-quality liquid assets, before weighting for the calculation of the liquidity coverage ratio (LCR). BPF's consolidated LCR was 478% at December 31, 2021.

Moreover, at December 31, 2021, BPF had undrawn committed credit facilities totaling €90 million (see Note 20).

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

1.11.6 CREDIT RATINGS

Since the establishment of its partnerships, BPF has decided to no longer seek ratings from rating agencies.

1.12 EQUITY, RISKS AND PILLAR 3

(see section 2.4 of the consolidated financial statements, “Statement of changes in consolidated equity and minority interests”).

1.12.1 CAPITAL MANAGEMENT

At December 31, 2021, consolidated equity totaled € 3 784 million, up €392 million compared to €3,392 million at December 31, 2020. The €354 million difference is mainly due to the integration of €412 million in consolidated net income for the year, a distribution of reserves in the amount of €106 million, and the gains and losses recognized directly in equity in the amount of €82 million in 2021.

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 wholly-owned by BPF, which are accounted for using the equity method as regards the regulatory scope, and fully consolidated as regards the accounting scope (PSA Services Ltd, PSA Insurance Ltd, PSA Life Insurance Ltd, PSA Insurance Manager Ltd and PCA Compania de Seguros S.A.).

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

<i>(in million euros)</i>	Consolidated Balance Sheet	Regulatory Restatements ¹	Regulatory Balance Sheet
Assets at Dec. 31, 2021	3 996	-128	3 868
Cash, central banks, post office banks	499	0	499
Financial assets at fair value through profit or loss	58	-58	0
Hedging instruments	0	0	0
Available-for-sale financial assets	0	0	0
Loans and advances to credit institutions	455	-88	367
Customer loans and receivables	28	0	28
Tax assets	4	-2	2
Accruals and other assets	147	-81	66
Investments in associates and joint ventures accounted for using the equity method	2 718	125	2 843
Fixed assets	87	-24	63
Goodwill	0	0	0
Liabilities at Dec. 31, 2021	3 996	-128	3 868
Hedging instruments	0	0	0
Deposits from credit institutions	23	0	23
Due to customers	1	8	9
Debt Securities	0	0	0
Fair value adjustments to debt portfolios hedged against interest rate risks	0	0	0
Tax liabilities	8	-6	2
Accruals and other liabilities	89	-41	48
Liabilities related to insurance contracts	87	-87	0
Provisions	4	-1	3
Equity	3 784	-1	3 783

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;

- ineligible income, namely all income for the second half of 2021, unaudited, and forecast dividend in respect of income for the first half of 2021;
- net 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;
- additional value adjustments on assets and liabilities measured at fair value;
- 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;
- subordinate loans issued;
- 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 linked to RWA in the capital requirements calculation, with the remaining portion being deducted from regulatory capital;
- Deferred tax assets resulting from temporary differences. A share may be linked to RWA in the capital requirements calculation, with the remaining portion being deducted from regulatory capital.

BPF regulatory capital amounted to €441 million at the end of 2021, compared to €182 million at the end of 2020.

TRANSITION TABLE FROM ACCOUNTING EQUITY TO REGULATORY CAPITAL

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Accounting equity	3 784	3 392
Adjustment related to the difference between the consolidated regulatory and accounting scopes	-1	-1
Regulatory equity	3 783	3 391
Minority interests	0	0
Profit not eligible ¹	-266	-223
Investments in associates and joints ventures accounted for using the equity method or not consolidated (*)	-2 777	-2 693
Deferred tax assets arising from temporary differences (*)	0	-1
Intangible assets	-47	-40
Deferred tax assets on tax loss carryforwards	0	0
Cash flow hedge reserve	-1	-1
Subordinated loans to entities using the equity method	-251	-251
Other regulatory deductions	0	0
Tier 1 regulatory capital (*)	441	182

¹ In 2021, ineligible income comprised all H2 2021 income (-€203 million) and the proposed dividend on H1 2021 income (-€63 million). In 2020, ineligible income comprised all H2 2020 income (-€176 million) and the proposed dividend on H1 2020 income (-€47 million).

(*) Following a change in the method used to calculate BPF's regulatory capital, in 2020, the amount of equity investments deducted from regulatory capital increased by -€51 million while the amount of deferred tax assets arising from temporary differences deducted from regulatory capital increased by -€1 million, which represented an overall impact of -€52 million. As a result, adjusted regulatory capital at December 31, 2020 decreased by -€52 million to reach €182 million.

1.12.1.2 CAPITAL REQUIREMENTS

Since December 2016, following the implementation of the agreement with the Santander Group and thus the reduction of its regulatory 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).

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.

European Union Regulation 2019/876 of May 20, 2019 amended the CRR of Regulation 575/2013 and created CRR2. CRR2 applies from June 28, 2021. BPF's Basel III solvency ratio was not materially impacted by the implementation of CRR2.

As part of the application of the new Basel III regulation, BPF confirms a strong financial position. At December 31, 2021, the Basel III solvency ratio in respect of Pillar I thereby amounted to 107.8%, compared to 27.1% at December 31, 2020. Basel III regulatory capital amounted to €441 million and capital requirements stood at €33 million.

CAPITAL REQUIREMENTS AND RISK WEIGHTED ASSETS

(in million euros)	Dec. 31, 2021		Dec. 31, 2020	
	Weighted assets	Capital requirements	Weighted assets	Capital requirements
Credit risk (*)	299	24	501	40
Standard approach (*)	299	24	501	40
Sovereign	0	0	1	0
Credit institutions	58	5	81	6
Companies	36	3	307	25
Retail customers	0	0	0	0
Other Assets ¹ (*)	205	16	112	9
Operational risk (standard approach)	15	1	25	2
Market risk	95	8	209	17
Total (*)	409	33	735	59
Regulatory capital (*)		441		182
Solvency ratio		107,8%		24,8%
Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)¹	166	13	69	5

¹ Other credit risk assets include, among others, amounts below the deduction thresholds which are weighted at 250% in the RWA.

(*) Following the change in the method used to calculate BPF's regulatory capital (see table showing the transition from accounting equity to regulatory capital), credit risk fell by €127 million in 2020 and amounted to €501 million. Total risk also decreased by €127 million and amounted to €735 million. As a result, the solvency ratio in 2020 fell by 2.3 points to 24.8%.

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 sets a minimum requirement of 3% since the establishment of CRR2/CRD5 last 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 575/2013 and its update in Regulation (EU) 2019/876 - CRR2.

In the context of the COVID-19 pandemic, the European Union, through the publication of Decision (EU) 2020/1306, authorized a temporary exclusion of certain exposures in relation to the Eurosystem's central banks for the calculation of the ratio, until June 28, 2021.

This decision was repealed by Decision (EU) 2021/1074 of the European Central Bank of June 18, 2021 which extends until March 31, 2022 the authorization to exclude certain exposures from the leverage ratio.

The leverage ratio calculated with this exclusion of €449 million amounts to 125% at December 31, 2021, compared to 34% at 12/31/2020 with an exclusion of €174 million. The increase is mainly related to the increase in regulatory capital as well as the increase in the temporary exclusion.

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 BREAKDOWN OF LEVERAGE EXPOSURES

(in million euros)	31 déc. 2021	31 déc. 2020
Tier 1 regulatory capital (*)	441	182
Total assets according to the consolidated financial statements	3 996	3 805
Adjustment related to the difference between the consolidated regulatory and accounting scopes	-128	-127
Regulatory deductions on CET1 equity (*)	-3 076	-2 986
Exclusion of hedging derivatives non taken into account in the balance sheet exposure	0	-1
Total exposure on balance sheet (*)	792	691
Application of mark-to-market derivatives increase	0	2
Replacement cost of derivatives transactions after clearing on margin calls	0	0
Total exposure on derivatives	0	2
Exposure related to commitments given	42	33
Application of regulatory conversion factors	-31	-16
Total exposure to off-balance sheet items	11	18
Total leverage exposure (without temporary exclusion) (*)	803	711
Temporary exclusion	-449	-174
Total leverage exposure (with temporary exclusion) (*)	354	537
LEVERAGE RATIO (with temporary exclusion) (*)	125%	34%

(*) The adjusted data at December 31, 2020 take into account a €52 million increase in regulatory deductions on CET1 equity (see explanations, at the bottom of the table showing the transition from accounting equity to regulatory capital, paragraph 1.12.1.2). This increase simultaneously led to a decrease in equity, which fell to €182 million, as well as to a decrease in leverage exposure (with temporary exclusion), which fell to €537 million. The adjusted leverage ratio at December 31, 2020 (with temporary exclusion) fell by 6 points to 34%.

Key indicators

Pursuant to Regulation (EU) 2021/637, the format of Pillar 3 tables at December 31, 2021 is changing according to the EBA technical standards (EBA/ITS/2020/04).

KEY METRICS TABLE (EU KM1)

(in million euros)		December, 31 2021	December, 30 2020
Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital (*)	441	182
2	Tier 1 capital (*)	441	182
3	Total capital (*)	441	182
Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount (*)	409	735
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%) (*)	107,8%	24,8%
6	Tier 1 ratio (%) (*)	107,8%	24,8%
7	Total capital ratio (%) (*)	107,8%	24,8%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0,50%	0,50%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0,28%	0,28%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0,38%	0,38%
EU 7d	Total SREP own funds requirements (%)	8,50%	8,50%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2,50%	2,50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0,00%	0,00%
9	Institution specific countercyclical capital buffer (%)	0,00%	0,00%
EU 9a	Systemic risk buffer (%)	0,00%	0,00%
10	Global Systemically Important Institution buffer (%)	0,00%	0,00%
EU 10a	Other Systemically Important Institution buffer	0,00%	0,00%
11	Combined buffer requirement (%)	2,50%	2,50%
EU 11a	Overall capital requirements (%)	11,00%	11,00%
12	CET1 available after meeting the total SREP own funds requirements (%)	0,00%	(**)

(in million euros)

		December, 31 2021	December, 31 2020
Leverage ratio			
13	Total exposure measure (*)	354	537
14	Leverage ratio (%) (*)	125%	34%
Exigences de fonds propres supplémentaires pour faire face au risque de levier excessif (en pourcentage de la mesure de l'exposition totale)			
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0,62%	(**)
EU 14b	of which: to be made up of CET1 capital (percentage points)	0,35%	(**)
EU 14c	Total SREP leverage ratio requirements (%)	4,01%	(**)
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer requirement (%)	0,00%	(**)
EU 14e	Overall leverage ratio requirements (%)	4,01%	(**)
Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	75	80
EU 16a	Cash outflows - Total weighted value	63	41
EU 16b	Cash inflows - Total weighted value	568	519
16	Total net cash outflows (adjusted value)	16	10
17	Liquidity coverage ratio (%)	478%	784%
Net Stable Funding Ratio			
18	Total available stable funding	3 787	(**)
19	Total required stable funding	3 237	(**)
20	NSFR ratio (%)	117,0%	(**)

(**) 2020 figures are corrected data as shown in tables "Transition table from accounting equity to regulatory capital", "Capital requirements and risk weighted assets" and "Leverage ratio and details of leverage exposure".

(**) These data were not available at the end of December 2020, before CRR2 implementation in June 2021.

1.12.2 OVERVIEW OF ENCUMBERED ASSETS

BPF had no encumbered assets at December 31, 2021.



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

They relate to the inability of customers to meet the payment of their obligations.

As regards transactions involving PCDF activities, BPF does not bear any residual value risk contractually, except in the United Kingdom,

where regulations offer individual customers (installment contracts) the possibility of requesting the repurchase of their 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 the financing activities of the Peugeot, Citroën and DS Automobiles 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;

- inventory audits, the frequency of which depends on the risk profile of the dealership, as well as on the retention of registration documents and, lastly, on financing contracts which provide that at any time, according to the provisions in force in the country, the financed vehicles may be pledged.

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 principal 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 and items already deducted from regulatory capital.

GEOGRAPHIC BREAKDOWN AND BREAKDOWN BY PORTFOLIO OF THE GROUP'S GROSS EXPOSURE AT DECEMBER 31, 2021

<i>(in million euros)</i>	Banks and Administrations	Companies	Of which SME	Retail	Of which SME	Other categories	Total gross exposure	Distribution in %
France	652	8	0	0	0	104	764	92%
Europe (excl. France)	1	0	0	0	0	0	1	0%
Latin America	5	62	0	0	0	1	68	8%
Rest of the World	1	0	0	0	0	0	1	0%
Overall total	659	70	0	0	0	105	834	100%
Distribution in %	79%	8%	0%	0%	0%	13%	100%	

BREAKDOWN BY RESIDUAL MATURITY OF THE GROUP'S BALANCE SHEET EXPOSURE AT DECEMBER 31, 2021

<i>(in million euros)</i>	Banks and Administrations	Companies	Retail	Other categories	Total balance sheet exposure
Residual value lower than 3 months	615	22	0	26	663
3 months to 1 year	0	6	0	1	7
1 to 5 years	0	0	0	40	40
More than 5 years	0	0	0	3 158	3 158
Overall total	615	28	0	3 225	3 868

BREAKDOWN BY PORTFOLIO OF THE GROUP'S NET EXPOSURE AT DECEMBER 31, 2021

<i>(in million euros)</i>	Gross exposure	Of which Exposure in default	General risk adjustments	Specific risk adjustments	Exposure net of provisions
Banks and Administrations	659	0	0	0	659
Companies	70	0	0	0	70
Retail	0	0	0	0	0
Other categories	105	0	0	0	105
Overall total	834	0	0	0	834

GEOGRAPHIC BREAKDOWN OF THE GROUP'S NET EXPOSURE AT DECEMBER 31, 2021

<i>(in million euros)</i>	Gross exposure	Of which Exposure in default	General risk adjustments	Specific risk adjustments	Exposure net of provisions
France	764	0	0	0	764
Europe (excl. France)	1	0	0	0	1
Latin America	68	0	0	0	68
Rest of the World	1	0	0	0	1
Overall total	834	0	0	0	834

BREAKDOWN OF ADJUSTMENTS FOR CREDIT RISK AT DECEMBER 31, 2021

<i>(in million euros)</i>	Banks and Administrations	Companies	Retail	Other categories	Overall total
Gross exposure	659	70	0	105	834
Balance sheet exposure	658	29	0	105	792
Off-balance sheet exposure	1	41	0	0	42
Provisions	0	0	0	0	0
Collateral	0	0	0	0	0
Off-balance sheet average CCF	100%	17%	-	-	18%
Value exposed at risk	659	36	0	105	800
RWA	58	36	0	205	299
Average RW	9%	100%	0%	195%	37%

1.12.3.2 FINANCIAL AND MARKET RISKS

All the principles explained below apply to BPF fully controlled entities. Risk management of the BPF/Santander and BPF/BNPP 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

Risk factors

The liquidity risk to which BPF is exposed depends on:

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

Risk measurement, control and monitoring

There are two components to managing the liquidity risk of joint ventures:

- firstly, most Banque PSA Finance subsidiaries or joint ventures are backed by a top-tier refinancing partner: Santander Consumer Finance for Peugeot, Citroën and DS Automobiles in Europe, BNPP for Opel and Vauxhall in Europe, Santander in Brazil, BBVA in Argentina, etc.;
- secondly, there is 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.

For the scope excluding partnerships, liquidity risk management is based on a policy that requires looking for liquid investments with top-tier counterparties.

Risk measurement and monitoring are based on the daily or monthly calculation, as appropriate, of risk indicators as well as on ALM Committees within each JV and at the BPF level (which meet monthly to monitor the implementation of the defined general policy, current and forecast risk levels, compliance with thresholds and any potential measures to be taken to better assess, control and monitor liquidity risk) and on the BPF Risk Management Committee.

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, 2021, sensitivity to a 2% increase across the rate curve would amount to a negative income of -€3.6 million. Over the year as a whole, in 2021, income from this simulation fluctuated between -€3 million and -€3.8 million.

There are several aspects to rate risk control:

- the definition of the general policy;
- interest rate risk indicators and related thresholds to determine the level of risk;
- the 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 structural currency position amounted to €94 million at December 31, 2021);
- operational currency risk (the operational currency position amounted to -€1.0 million at December 31, 2021).



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.

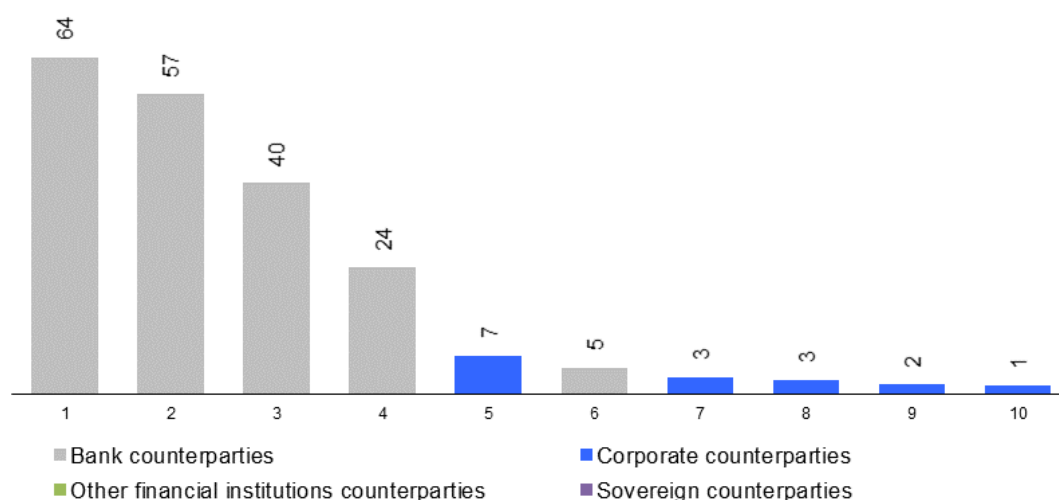
At December 31, 2021, BPF's commitments to STELLANTIS amounted to €7 million or 1.6% of the regulatory capital.

On the same date, the Bank's top ten commitments, excluding those to the Group, amounted to €206 million or 46.8% of the regulatory capital. By counterparty category, the top ten commitments break down as follows:

- Banks: €190 million/43.1% of the regulatory capital;
- Corporate dealers (excl. PSA): €16 million/3.7% of the regulatory capital;
- Other counterparty institutions: €0 million;
- Sovereign counterparties: €0 million.

TOP TEN WEIGHTED EXPOSURES TO CREDIT RISK

(AMOUNTS IN MILLIONS OF EUROS, EXCLUDING THE GROUP)



1.12.3.4 OPERATIONAL RISK

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 measurement, 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 back testing, 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

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

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.

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.

The prevention of these risks is carried out through several mechanisms, such as:

- compliance with banking secrecy and the obligation of professional discretion;
- 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

STELLANTIS 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 STELLANTIS 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.

Risk measurement, control and monitoring

Risk limits apply to subscription, insurance product sale and claims management policies. Limits are monitored using the reports presented monthly 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

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:

- sales volumes of the STELLANTIS brands 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.

Risk measurement, control and monitoring

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

Pursuant to the Order of November 3, 2014 on the internal control of credit institutions, the internal control system implemented by BPF is structured around three levels of control, with a first tier of control provided by the operational units, a second tier provided by employees dedicated to this second tier of control, and a third tier involving periodic control and carried out by the internal audit function.

The fundamental principles underpinning the organization and implementation of internal control are set out in an internal control charter. This internal control charter sets out the organization, scope and missions, as well as the operating procedures of the Bank's control system. It was amended in 2021 to take into account the changes made to the aforementioned Order of November 3, 2014 by the Orders of December 22, 2020, January 6, 2021 and February 25, 2021.

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

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

The Compliance verification function is responsible for preventing, controlling and overseeing compliance risks. It ensures observance of 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-tier 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 involve:

- a recurring assessment of the effectiveness of the management of operational risks provided by first-tier control mechanisms implemented by the Bank's central structures and subsidiaries, as well as by service providers;
- 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;
- the formalization and monitoring of recommendations;
- the collection and analysis of IT incidents.



These three divisions use 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 setting in perspective 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.

As for 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).

Regarding the risk control functions 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:

- the governance (which is overseen both centrally by the Global Risk Committee, which performs a supervisory role for the system as a whole, and 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 the 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.

As for the scope of the BNPP PF partnership

Similar to what is described above with regard to BPF, the internal control of OVF entities is based, 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 BNPP 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 CONTROL

The third line of defense is performed by the internal audit function whose purpose it is to verify the compliance of operations, the level of risk, respect of procedures and the effectiveness of permanent controls.

It is carried out by the internal audit teams in the form of one-off assignments, according to a multi-year audit plan built in a risk-based approach and covering all of the Bank’s activities, organizations and entities, including subcontracting, for a maximum period of five years.

1.13.3 OVERSIGHT OF THE SYSTEM BY THE SUPERVISORY BODY

The internal control system is monitored by the supervisory body (BPF’s Board of Directors), notably through Committee meetings.

The Board of Directors ensures that the main risks are properly managed and ensures the system’s reliability. Through the Audit and Risk Committee, the Board of Directors 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.

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

If necessary, it may consult with BPF's Chairman, Managing Directors (*Directeurs Généraux*) and statutory auditors and with any person as necessary for its work. Regular meetings are held between the Chairman of the Audit and Risk Committee and representatives of the internal audit, permanent control, compliance and risk management functions, without the presence of BPF management.

Management (Effective Managers within the meaning of the Order of November 3, 2014) is responsible for defining and implementing the internal control system. It monitors whether it is functioning correctly and ensures the adequacy of its missions and resources. It carries out its duties in this area, in particular by referring to the minutes of the internal control meeting, the central body for the operational management of internal control.

Pursuant to the Order of November 3, 2014 as amended, the BPF the Chief Executive Officer was appointed as the Effective Manager responsible for the coherence and effectiveness of the second-tier permanent control as well as the periodic control carried out by the internal audit function.

1.13.4 ORGANIZATIONAL STRUCTURE OF THE BANK'S 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 relate amongst others to banking and financial transactions, loan approvals, lending terms, new products and services and expenditure commitments.

The Bank's main policies are specified and implemented in the framework of the quarterly Audit and Risk Committee meeting or in the framework of Operational Committees, which meet regularly at the level of the central departments or finance companies. These specific committees deal amongst others with credit risks and follow-up 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.

During these committees, the following topics are also reviewed and submitted to decision:

- lending margins;
- products and processes, including the associated risks;
- the corporate dealer and fleet financing applications 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 transaction, and the management of the Bank's liquidity, interest rate and currency risks;
- monitoring of the IT security policy;



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 formally registered as a credit institution and is subject to the supervision of the French banking regulator (*Autorité de Contrôle Prudentiel et de Résolution* - the French Prudential Control and Resolution Authority) as part of the indirect supervision exercised by the European Central Bank under the European Single Supervisory Mechanism (SSM); the BPF Group conducts its operations throughout the world through branches and subsidiaries. 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 in the framework of the creation of STELLANTIS, BPF's share capital has been held by Stellantis N.V. (9,348,180 shares representing 74.93% of the share capital), by two subsidiaries which are wholly-owned by Stellantis N.V., namely Automobiles Peugeot SA (which holds 2,002,862 shares, or 16.05% of BPF's share capital) and by Automobiles Citroën SA (which holds 1,125,203 shares, or 9.02% of BPF's share capital). One share is also personally owned by one member of the Board of Directors.

1.14.2 INTRA-GROUP AGREEMENTS

BPF has contractual ties with STELLANTIS companies, which provide support services to the BPF Group by virtue of a services contract for, among other things, refinancing, cash and liquidity, interest rate, counterparty and exchange risk management. 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. Moreover, BPF and its affiliated companies have trademark use licenses that allow them to offer their products and/or services to customers under the STELLANTIS brands.

The aforementioned companies are compensated via a service fee, to which are added fees for specific transactions or operations. The total amount paid in 2021 by the BPF Group in this respect amounted to €99.9 million.

1.14.3 PROPOSED APPROPRIATION OF INCOME TO BE SUBMITTED TO THE ORDINARY GENERAL MEETING OF APRIL 14, 2022

The General Meeting will be asked to allocate 2021 profit amounting to €351 251 180,35 to the retained earnings, which as a result will amount to €1.666.059.059,76.

1.14.4 INFORMATION ON THE SUPERVISORY BODY

1.14.4.1 BOARD OF DIRECTORS

BPF is a *Société Anonyme* (a French limited liability corporation). Pursuant to our articles of association, our Board of Directors must be made up of not less than three or more than twelve 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 six 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 STELLANTIS non-employee directors receive compensation for their duties as directors (formerly attendance fees), while the other directors perform their duties without charge.

The Board of Directors sets BPF's strategy and oversees its effective implementation by Management. 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 FY 2021 and list of the corporate positions that ended during FY 2021, among the Directors of Banque PSA Finance and the Permanent Representatives of Directors

Philippe De Rovira

Chairman of the Board of Directors and Director

Since February 22, 2021

Current term expires in 2026

Born on June 8, 1973

Other positions held during FY 2021

Chairman and Member of the Supervisory Board

- Autobiz

Chairman of the Board of Directors

- Fidis S.p.A

Director

- FCA BANK S.p.A.
- Peugeot Distribution Service

Member of Strategic Committee

- ARAMIS Group

Permanent Representative of Stellantis N.V.

- Board of Directors of Automobiles Peugeot

Positions that ended during FY 2021

Permanent Representative of Peugeot S.A.

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

Director

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

Member of the Supervisory Board

- Opel Automobile GmbH

Olivier Bourges

Chairman of the Board of Directors and Director

First appointed to the Board on September 29, 2016

Term expired in February 22, 2021

Born on December 24, 1966

Other positions held during FY 2021

Chairman of the Supervisory Board

- Dongfeng Peugeot Citroën Automobile Sales Company Ltd

Member of the Supervisory Board

- PSA Management Company Co Ltd (Wuhan)

Director

- PCMA Holding BV
- Automotive Cells Company SE
- Dongfeng Peugeot Citroën Automobiles Company Ltd
- FCA US LLC

Positions that ended during FY 2021

Chairman of the Board of Directors and Director

- Banque PSA Finance

Member of the Managing Board

- Peugeot S.A.

Rémy Bayle**Chief Executive Officer and Director**

First appointed to the Board on April 23, 2015

Current term expires in 2027

Born on December 26, 1961

Other positions held during FY 2021**Member of the Board and Vice-Chairman**

- Association française des Sociétés Financières (ASF)

Chairman of the Board of Directors and Director

- Compagnie pour la location de véhicules - CLV

Vice-Chairman and Director

- Opel Bank S.A. (France)

Director

- PSA Banque France (formerly SOFIB)

Brigitte Courtehoux**Director**

First appointed to the Board on February 22, 2019

Current term expires in 2027

Born July 10, 1971

Other positions held during FY 2021**Chairman and Director**

- Free2move Iberia S.A.U

Chairman

- Free2move SAS

Member of the Supervisory Board

- Opel Automobile GmbH

Director

- Free2move North America, Inc
- Free2move eSolutions S.P.A.

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 2021**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 2021**No other position.**

Peugeot S.A.**Director**

First appointed to the Board on December 15, 1982

Term expired in January 16, 2021 (due to the absorption of Peugeot S.A. by FCA N.V., now Stellantis N.V.)

Positions that ended during FY 2021**Director**

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

Founding member

- GIE PSA Peugeot Citroën



Automobiles Peugeot**Director**

First appointed to the Board on December 15, 1982

Current term expires in 2022

Other positions held during FY 2021

Director

- GLM1
- SOPRIAM (Morocco)
- Société Tunisienne Automobile Financière Immobilière et Maritime
- Peugeot Citroën Production Algérie SPA
- Peugeot Algérie

Associate Manager

- Peugeot Média Production SNC

Jean-Philippe Imparato**Permanent Representative of Automobiles Peugeot**

Since September 29, 2016

Until February 22, 2021

Born on August 27, 1966

Positions that ended during FY 2021

Chief Executive Officer, Chairman of the Board

- Automobiles Peugeot

Permanent Representative of Automobiles Peugeot

- Board of Directors of Banque PSA Finance

Chairman and Director

- Peugeot Distribution Service
- PSA Retail Italia S.P.A.

Member of the Supervisory Board

- Citroën Nederland B.V.

Director

- Dongfeng Peugeot Citroën Automobiles Company Ltd
- Peugeot Motor Company
- PSA Retail UK Limited
- Dongfeng Peugeot Citroën Automobile Sales Company Ltd
- PSAG Automobiles Comercial Espana S.A.
- PSAR Portugal S.A.

Linda Jackson**Permanent Representative of Automobiles Peugeot**

Since February 22, 2021

Born on November 19, 1958

Other positions held during FY 2021

Chief Executive Officer

- Automobiles Peugeot

Chairman of the Board of Directors

- PSA Retail Italia SPA

Director

- Dongfeng Peugeot Citroën Automobile Sales Company Ltd
- Dongfeng Peugeot Citroën Automobiles Company Ltd
- PSAG Automoviles Comercial Espana S.A.
- ARAMIS GROUP

List of the corporate positions held in 2021 by the, non-Director, Deputy Chief Executive Officer of Banque PSA Finance

Hélène Bouteleau

Executive Managing Deputy Director

First appointed to the Board on March 31, 2021

Current term expires in 2027

Duration of term of office aligned with that of the Chief Executive Officer

Born on July 22, 1975

Other positions held during FY 2021

Member of the Supervisory Board

- PSA Bank Deutschland GmbH

Director

- Opel Bank SA
- PSA Finance UK Ltd
- PSA Financial Services Spain EFC, SA
- PSA Banque France
- CREDIPAR
- Banca PSA Italia S.p.A.

Arnaud de Lamothe

Executive Managing Deputy Director

First appointed to the Board on February 1, 2017

Term expired in March 31, 2021

Duration of term of office aligned with that of the Chief Executive Officer

Born on September 24, 1966

Other positions held during FY 2021

Director

- Opel Bank S.A.

Positions that ended during FY 2021

Chairman and Director

- Bank PSA Finance Rus (Russia)
- PSA Financial Services Spain EFC SA

Member of the Supervisory Board

- PSA Bank Deutschland GmbH

Director

- PSA Banque France
- CREDIPAR
- PSA Finance UK Ltd

Executive Managing Deputy Director

- Banque PSA Finance

1.14.4.2 COMMITTEES

A. THE AUDIT AND RISK COMMITTEE

As at **January 1, 2022**, the Audit and Risk Committee is comprised of the following members:

Name	Position at STELLANTIS
Laurent Garin, Chairman	Board Member of Banque PSA Finance
Catherine Pariset	Board Member of Banque PSA Finance

B. THE APPOINTMENTS COMMITTEE

Name	Position at STELLANTIS
Catherine Pariset, Chairman	Board Member of Banque PSA Finance
Laurent Garin	Board Member of Banque PSA Finance
Philippe De Rovira	Chairman of the Board of Directors of Banque PSA Finance and Chief Affiliates Officer of STELLANTIS

C. THE WAGES AND SALARIES COMMITTEE

Name	Position at STELLANTIS
Catherine Pariset, Chairman	Board Member of Banque PSA Finance
Laurent Garin	Board Member of Banque PSA Finance
Philippe De Rovira	Chairman of the Board of Directors of Banque PSA Finance and Chief Affiliates Officer of STELLANTIS

D. THE EXECUTIVE COMMITTEE

As of **January 1, 2022**, the executive committee consists of the following members:

Name	Position
Rémy Bayle	Chief Executive Officer Banque PSA Finance
Hélène Bouteleau	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 & Accounting Officer
Philippe Terdjman	Marketing & Innovation Officer and Regional Director for India and Asia-Pacific
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.

STELLANTIS and BPF involve their social partners in this commitment through the signature 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.

STELLANTIS 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

STELLANTIS & BPF have voluntarily formalized their actions to foster diversity in its social dialogue. 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, reaffirmed the Group's commitment to guaranteeing equal treatment on the basis of direct and indirect criteria, combating prejudice, and preventing any form of discrimination,

whether conscious or unconscious, 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, the STELLANTIS Integrity Helpline replaced the Speak4Compliance alert system in November 2021, making it possible to receive, process and manage, in a secure and confidential manner, reports of violations of STELLANTIS & BPF compliance rules. 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

The STELLANTIS policy, applied at BPF, on the social and professional integration of people with disabilities is implemented with a view to maintaining the employment of people with disabilities and carrying out actions to improve their quality of life, to conducting preventive actions and to promoting their professional integration. Adopting such an approach benefits everyone as well as the bank's performance.

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2.1 Consolidated Balance Sheet

<i>(in million euros)</i>	<i>Notes</i>	Dec. 31, 2021	Dec. 31, 2020
Assets			
Cash, central banks	3	499	174
Financial assets at fair value through profit or loss	4	58	304
Hedging instruments	5	-	1
Financial assets at fair value through Equity		-	-
Debt securities at amortized cost		-	-
Loans and advances to credit institutions, at amortized cost	6	455	459
Customer loans and receivables, at amortized cost	7, 23	28	31
Fair value adjustments to finance receivables portfolios hedged against interest rate risks		-	-
Current tax assets	24.1	1	12
Deferred tax assets	24.1	3	2
Accruals and other assets	8	147	118
Investments in associates and joint ventures accounted for using the equity method	9	2 718	2 632
Property and equipment	10	2	3
Intangible assets	10	85	69
Goodwill		-	-
Total assets		3 996	3 805

<i>(in million euros)</i>	<i>Notes</i>	Dec. 31, 2021	Dec. 31, 2020
Equity and liabilities			
Central banks		-	-
Financial liabilities at fair value through profit or loss		-	-
Hedging instruments		-	1
Deposits from credit institutions	11	23	26
Due to customers	12	1	2
Debt securities	13	-	207
Fair value adjustments to debt portfolios hedged against interest rate risks		-	2
Current tax liabilities	24.1	8	12
Deferred tax liabilities	24.1	-	-
Accruals and other liabilities	14	89	80
Liabilities related to insurance contracts	15.1	87	78
Provisions	16	4	5
Subordinated debt		-	-
Equity		3 784	3 392
- Equity attributable to equity holders of the parent		3 782	3 391
- Share capital and other reserves		1 160	1 160
- Consolidated reserves		2 726	2 417
- Of which Net income - equity holders of the parent		412	335
- Gains and losses recognized directly in Equity		(104)	(186)
- Of which Net income - equity holders of the parent (share of items recycled in profit or loss)		-	-
- Minority interests		2	1
Total equity and liabilities		3 996	3 805

2.2 Consolidated Statement of Income

<i>(in million euros)</i>	<i>Notes</i>	Dec. 31, 2021	Dec. 31, 2020
Net interest revenue on customer transactions		43	9
- Interest and other revenue on assets at amortized cost	21	2	4
- 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		-	-
- Other revenue and expense		41	5
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	(2)
- Interest and other revenue from loans and advances to credit institutions		1	1
- Interest on deposits from credit institutions		(3)	(2)
- Interest on debt securities		1	(8)
- Interest on passbook savings accounts		-	-
- Expenses related to financing commitments received		-	-
- Fair value adjustments to financing liabilities hedged against interest rate risks		2	3
- Interest on hedging instruments		3	9
- Fair value adjustments to hedging instruments		(2)	(5)
- 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)	(1)
Margin on sales of Insurance services	15.2	9	16
- Earned premiums		26	18
- Paid claims and change in liabilities related to insurance contracts		(17)	(2)
Margin on sales of services		(1)	1
- Revenues		1	1
- Expenses		(2)	-
Net banking revenue		52	23
General operating expenses	22	(10)	(6)
- Personnel costs		(4)	(5)
- Other general operating expenses		(6)	(1)
Depreciation and amortization of intangible and tangible assets	10	(15)	(14)
Gains and losses on investments in companies and other disposals of		-	-
Gross operating income		27	3
Cost of risk	23	-	1
Operating income		27	4
Share in net income of associates and joint ventures accounted for	9	419	351
Impairment on goodwill		-	-
Pension obligation - expense		-	-
Pension obligation - income		-	-
Other non-operating items		(43)	(27)
Pre-tax income		403	328
Income taxes	24.2	9	7
Net income for the year		412	335
- of which attributable to equity holders of the parent		412	335
- of which minority interests		-	-
Net income - Earnings per share (in €)		33,7	26,8

2.3 Net Income and Gains and Losses Recognized Directly in Equity

	Dec. 31, 2021			Dec. 31, 2020		
	Before tax	Tax	After tax	Before tax	Tax	After tax
<i>(in million euros)</i>						
Net income	403	9	412	328	7	335
- of which minority interests			-			-
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	76	-	76	(7)	-	(7)
OCI of joint ventures	-	-	-	-	-	-
Total recyclable in profit and loss items	76	-	76	(6)	-	(6)
- of which minority interests			-			-
Not recyclable in profit and loss items						
Actuarial gains and losses on pension obligations	-	-	-	-	-	-
OCI of joint ventures	8	(2)	6	(7)	2	(5)
Total gains and losses recognized directly in Equity	84	(2)	82	(13)	2	(11)
- of which minority interests			-			-
Total net income and gains and losses recognized directly in Equity	487	7	494	315	9	324
- of which attributable to equity holders of the parent			494			324
- of which minority interests			-			-

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

(in million euros)	Share capital and other reserves (1)			Fair value adjustments - equity holders of the parent							
	Share capital	Issue, share and merger premiums and liquidation surplus	Legal reserve and other reserves	Consolidated reserves	Fair value adjustments to hedging instruments	Actuarial gains and losses on pension obligations	Exchange difference	OCI of joint ventures	Equity attributable to equity holders of the parent	Minority interests	Total equity
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
Distribution of dividends by:											
- Banque PSA Finance				(106)					(106)		(106)
- Other companies				-					-	-	-
Net Income (2)				412	-	-	-	-	412	-	412
Gains and Losses Recognized Directly in Equity					-	-	47	35	82	-	82
Hyperinflation effects (2)				5	-	-	-	-	5	1	6
Other (3)				(2)	-	-	-	-	(2)	-	(2)
At December 31, 2021	199	643	318	2 726	(1)	-	(16)	(87)	3 782	2	3 784

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 €-6 million in Net Income (of which attributable to equity holders of the parent: €-5 million and Minority interests: €-1 million), fully covered by a positive change in Equity (of which Equity attributable to equity holders of the parent: €5 million and Minority interests: €1 million) in 2021. In 2020, the implementation of IAS 29 led to a negative impact of €-3 million in Net Income (of which attributable to equity holders of the parent: €-3 million), fully covered by a positive change in Equity (of which Equity attributable to equity holders of the parent: €3 million).

(3) This amount includes the impact of additional 25% of Dongfeng Peugeot Citroën Financial Leasing Co. See Notes 1 and 9.2.4.

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

2.5 Consolidated Statement of Cash Flows

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Pre-tax income	403	328
Net depreciation of tangible and intangible assets	15	13
Net provisions and impairment	(17)	(3)
Share in net income of equity-accounted companies	(419)	(351)
Net loss/(net gain) on investing activities	66	20
(Income)/Charges of financing activities	-	-
Other movements	(41)	15
Total of non-monetary items included in pre-tax income and other adjustments	(396)	(306)
Change in credit institutions items	19	(87)
Change in customer items	4	44
Change in financial assets and liabilities	(194)	20
Change in non-financial assets and liabilities	12	(9)
Dividends received from equity-accounted entities	303	270
Tax paid	12	7
Net increase/(decrease) of assets and liabilities provided by operating activities	156	245
Net cash provided by operating activities (A)	163	267
Change in equity investments	78	6
- Outflows for the acquisitions of shares in subsidiaries, net of cash transferred	-	-
- Inflows from disposals of shares in subsidiaries, net of cash transferred	2	4
- Outflows for the acquisitions of shares in equity-accounted companies	(23)	-
- Inflows from disposals of shares in equity-accounted companies	97	-
- Other change in equity investments	2	2
Change in property and equipment and intangible assets	(28)	(17)
- Outflows for the acquisitions of property and equipment and intangible assets	(28)	(17)
- Inflows from disposals of property and equipment and intangible assets	-	-
Effect of changes in scope of consolidation	-	-
Net cash provided by investing activities (B)	50	(11)
Cash flows from or to shareholders	(106)	(112)
- Outflows for the dividends paid to:		
- Stellantis	(106)	(112)
- Minority shareholders	-	-
- Inflows from issuance of equity instruments	-	-
Other net cash from financing activities	(1)	-
Net cash provided by financing activities (C)	(107)	(112)
Effect of changes in exchange rates (D)	1	(1)
Net increase/(decrease) of cash and cash equivalents (A+B+C+D)	107	143
Cash and cash equivalents at the beginning 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
Cash and cash equivalents at the end of the period	699	592
Cash, central banks (assets and liabilities)	499	174
Demand accounts (assets and liabilities) and loans/borrowings with credit institutions	200	418

2.6 Notes to the consolidated financial statements

Notes

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Note 1 Main Events of the period and Scope Evolution

A. Main Events of the period

Economic context and health crisis COVID-19

The emergence of the coronavirus in 2020 and its expansion through the year of 2021 affect economic and commercial activities worldwide. This situation does not impact the continuity of operations of Banque PSA Finance and has no significant impact on the financial statements as of end of December 2021.

As the result of this crisis, measures have been put in place in 2020 for customers in entities (payment holidays), but almost none were necessary in 2021. The contracts concerned have not been derecognized. These changes did not generate substantial changes in cash flows (IFRS 9 paragraph 5.4.3). In 2020, these postponements were carried out within the framework set by the EBA to neutralize the downgrading into forbearance of these so-called "COVID-19" postponement operations. It was not the case in 2021.

The most significant impact identified at this stage concerns the cost of risk at the level of the partnerships (see notes 9.2.1 and 9.2.1). The overlay provision of €37 million as of end of 2020 for the entities of the partnership with Santander Consumer Finance Europe was released at December 31, 2021, following the recalibration of IFRS 9 scenarios along with the integration of new ones. For entities of the partnership with BNP Paribas Personal Finance in Europe, IFRS 9 cost of risk calculation parameters were updated during 2021, resulting in an increase of €2 million the « COVID-19 » provision, up to an amount of €6 million at December 31, 2021.

Given the consolidation under equity method for joint ventures, the net impact on cost of risk of 2021 booked in Share in net income of associates and joint ventures is €+16,5 million euros.

Binding combination agreement between Groupe PSA and Fiat Chrysler Automobiles

At January 16, 2021, Peugeot S.A. ("Groupe PSA" – as Banque PSA Finance parent company), and Fiat Chrysler Automobiles N.V. ("FCA") merged at 50/50 their businesses to create the 4th largest global automotive OEM by volume and 3rd largest by revenue. This operation has no impact on Banque PSA Finance consolidated financial statements at December 31, 2021.

The new group's Dutch-domiciled parent company, Stellantis N.V., owns 74,928% of Banque PSA Finance, Automobiles Peugeot holds 16,053% and Automobiles Citroën 9,019%.

Memorandum of Understanding signed by Stellantis for a reorganization of financing activities in Europe

On December 17th, 2021, Stellantis N.V. announced having entered into exclusive negotiations with BNP Paribas Personal Finance (BNPP PF), Crédit Agricole Consumer Finance (CACF) and Santander Consumer Finance (SCF) aimed at better organizing Stellantis' current European financing landscape to bring consistent and attractive financing activities to all Stellantis brand customers, dealers and distributors.

For Banque PSA Finance this means reorganization of its financing activities (except for operational B2B leasing), with the aim to have a single joint venture per country, each with a single partner, being either BNPP PF (Great Britain, Germany and Austria) or SCF (France, Italy, Spain, Belgium, Poland, Netherlands and, through a commercial agreement, Portugal), managing financing activities for all Stellantis brands.

The relevant agreements could be signed in Q1 2022 upon completion of the information and consultation procedures with staff representative bodies regarding this plan.

The proposed transactions should be completed during the first half of 2023 once the required authorizations have been obtained from the relevant anti-trust authorities and market regulators.

An analysis of the agreement with regards to IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, has been carried out. There is no impact on the financial statements of Banque PSA Finance as at December 31, 2021.

B. Scope Evolution

In March 2021, PSA Finance Hungaria (non consolidated entity) and Peugeot Citroën Leasing Russie has been liquidated without any impact on consolidated financial statements of Banque PSA Finance.

In May 2021, PSA Insurance Manager Ltd absorbed the entity PSA Insurance Solutions Ltd.

In July 2021, Banque PSA Finance transferred PSA Finance UK Ltd shares to PSA Financial services Spain E.F.C. S.A., without any impact on consolidated income statement of Banque PSA Finance.

In August 2021, Banque PSA Finance transferred PSA Finance Belux and PSA Financial Services Nederland B.V. shares to PSA Financial services Spain E.F.C. S.A, without any impact on consolidated income statement of Banque PSA Finance.

In September 2021, Banque PSA Finance, through Dutch subsidiary PSA Finance Nederland, acquired additional 25% of Dongfeng Peugeot Citroën Financial Leasing Co. from Dongfeng Motor Groupe Co. Ltd.. The impact of this transaction is not significant on Banque PSA Finance consolidated financial statements (see notes 2.4 and 9.2.4). Dongfeng Peugeot Citroën Financial Leasing Co. remains consolidated under the equity method.

In October 2021, the fully consolidated company Bank PSA Finance Rus was deconsolidated, with a significant impact of €-45.6 million related to the recycling of translation reserves in the consolidated income statement in other non-operating items of Banque PSA Finance.

In 24 November 2021, Banque PSA Finance signed an agreement with Grupo Financiero Inbursa on the transfer of Banque PSA Finance Mexico SA shares for the 1st quarter of 2022 subject to the agreement of the local regulator. In view of the non-significant impacts involved by this transaction, no adjustment to the consolidated financial statements of PSA Finance Bank was done as of end of December, 2021.

Partnership with Santander Consumer Finance

In January 2021, the joint venture PSA Bank Deutschland sold €500 million worth of automobile loans to the fund Auto ABS German VAC 2021. The fund issued €466.2 million worth of A bonds and €33.8 million worth of B 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 German VAC has been accounted for using the equity method since January 2021.

In June 2021, the joint venture CREDIPAR sold €1 006.3 million worth of automobile loans to the Auto ABS French Leases 2021 – Fonds G. The fund issued €800 million worth of A bonds, €65.4 million worth of B bonds and €140.9 million worth of C 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 French Leases 2021 – Fonds G has been accounted for using the equity method since June 2021.

In November 2021, the joint venture PSA Bank Deutschland sold €600 million worth of automobile loans to the fund Auto ABS German Lease Master 2021. The fund issued €463.8 million worth of A bonds, €23.1 million worth of B bonds, €31.5 million worth of C bonds, €21 million worth of D bonds, €39.6 million worth of E bonds, €12 million worth of F bonds and €9 million worth of G 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 German Lease Master 2021 has been accounted for using the equity method since November 2021.

Partnership with BNP Paribas Personal Finance

In June 2021, the joint venture Vauxhall Finance plc sold €442.9 million worth of automobile loans to the Ecarat 12 plc. The fund issued €349.9 million worth of A bonds, €27.5 million worth of B bonds and €65.5 million worth of C 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 12 plc has been accounted for using the equity method since June 2021.

C. List of Consolidated Companies

Companies	Country ISO code	Banque PSA Finance interest			Dec. 31, 2021		Dec. 31, 2020	
		% Direct	Indirect		Consolidation method	% interest	Consolidation method	% interest
			%	Held by				
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	FC	100
Banque PSA Finance Mexico SA de CV SOFOM ENR	MX	3	97	PSA Finance Nederland B.V.	FC	100	FC	100
Bank PSA Finance Rus	RU	-	-		-	-	FC	100
BPF Pazarlama A.H.A.S.	TR	100	-		FC	100	FC	100
Peugeot Citroën Leasing Russie	RU	-	-		-	-	FC	100
Insurance								
PSA Services Ltd	MT	100	-		FC	100	FC	100
PSA Insurance Ltd	MT	0,01	99,99	PSA Services Ltd	FC	100	FC	100
PSA Life Insurance Ltd	MT	0,01	99,99	PSA Services Ltd	FC	100	FC	100
PSA Insurance Manager Ltd	MT	-	100	PSA Services Ltd	FC	100	FC	100
PSA Insurance Solutions Ltd	MT	-	-		-	-	FC	100
PCA Compañía de Seguros S.A	AR	70	-		FC	70	FC	70
Other companies								
PSA Finance Nederland B.V.	NL	-	100	PSA Financial Holding B.V.	FC	100	FC	100
PSA Financial Holding B.V.	NL	100	-		FC	100	FC	100
Joint ventures	(1)							
Joint ventures in Europe :								
- with Santander Consumer Finance								
PSA Finance Belux	BE	-	50	PSA Financial Services Spain E.F.C. S.A.	EM	50	EM	50
PSA Bank Deutschland GmbH	DE	50	-		EM	50	EM	50
PSA Bank Österreich GmbH, Austria Branch	AT	-	-		EM	50	EM	50
PSA Financial Services Spain E.F.C. S.A.	ES	50	-		EM	50	EM	50
PSA Banque France	FR	50	-		EM	50	EM	50
Crédipar	FR	-	50	PSA Banque France	EM	50	EM	50
CLV	FR	-	50	Crédipar	EM	50	EM	50
PSA Finance UK Ltd	GB	-	50	PSA Financial Services Spain E.F.C. S.A.	EM	50	EM	50
Banca PSA Italia S.p.A.	IT	50	-		EM	50	EM	50
PSA Renting Italia S.p.A.	IT	-	50	Banca PSA Italia S.p.A.	EM	50	EM	50
PSA Insurance Europe Ltd	MT	-	50	PSA Services Ltd	EM	50	EM	50
PSA Life Insurance Europe Ltd	MT	-	50	PSA Services Ltd	EM	50	EM	50
PSA Financial Services Nederland B.V.	NL	-	50	PSA Financial Services Spain E.F.C. S.A.	EM	50	EM	50
PSA Finance Polska Sp. z o.o.	PL	50	-		EM	50	EM	50
PSA Consumer Finance Polska Sp. z o.o.	PL	-	50	PSA Finance Polska Sp. z o.o.	EM	50	EM	50
- with BNP Paribas Personal Finance								
Opel Finance BVBA	BE	-	50	Opel Bank S.A	EM	50	EM	50
Opel Finance S.A.	CH	-	50	Opel Bank S.A	EM	50	EM	50
Opel Bank S.A	FR	50	-		EM	50	EM	50
Opel Bank S.A., Germany Branch (2)	DE	-	-		EM	50	EM	50
Opel Bank S.A., Spain Branch	ES	-	-		EM	50	EM	50
Opel Bank S.A., Greece Branch	GR	-	-		-	-	EM	50
Opel Bank S.A., Italy Branch	IT	-	-		EM	50	EM	50
Opel Bank S.A., Austria Branch	AT	-	-		EM	50	EM	50
Vauxhall Finance plc (3)	GB	-	50	Opel Bank S.A	EM	50	EM	50
Opel Finance N.V.	NL	-	50	Opel Bank S.A	EM	50	EM	50
Joint ventures in Brazil, with Santander								
Banco PSA Finance Brasil S.A.	BR	50	-		EM	50	EM	50
PSA Corretora de Seguros e Serviços Ltda	BR	-	50	PSA Services Ltd	EM	50	EM	50
Joint venture in China, with Dongfeng Peugeot Citroën								
Dongfeng Peugeot Citroën Auto Finance Company	CN	-	25	PSA Finance Nederland B.V.	EM	25	EM	25
Dongfeng Peugeot Citroën Financial Leasing Co.	CN	-	50	PSA Finance Nederland B.V.	EM	50	EM	25
Joint venture in Argentina, with Banco Bilbao Vizcaya Argentaria								
PSA Finance Argentina Compania Financiera S.A.	AR	50	-		EM	50	EM	50
Special purpose entities	(1)							
- with Santander Consumer Finance								
Auto ABS Belgium Loans 2019 SA	BE	-	-		EM	50	EM	50
Auto ABS German Lease Master 2019	DE	-	-		EM	50	EM	50
Auto ABS German VAC 2021	DE	-	-		EM	50	-	-
Auto ABS German Lease Master 2021	DE	-	-		EM	50	-	-
Auto ABS Spanish Loans 2016	ES	-	-		-	-	EM	50
Auto ABS Spanish Loans 2018	ES	-	-		EM	50	EM	50
Auto ABS Spanish Loans 2020-1	ES	-	-		EM	50	EM	50
Auto ABS DFP Master Compartment France 2013	FR	-	-		EM	50	EM	50
Auto ABS French Loans Master	FR	-	-		EM	50	EM	50
Auto ABS French Leases Master	FR	-	-		EM	50	EM	50
FCT Auto ABS LT Leases Master	FR	-	-		EM	50	EM	50
Auto ABS German Loans Master	FR	-	-		EM	50	EM	50
Auto ABS French Leases 2018 - Fonds E	FR	-	-		EM	50	EM	50
Auto ABS French Leases 2021 - Fonds G	FR	-	-		EM	50	-	-
Auto ABS UK Loans plc	GB	-	-		EM	50	EM	50
Auto ABS UK Loans 2017 plc	GB	-	-		EM	50	EM	50
Auto ABS UK Loans 2019 - Fonds 4	GB	-	-		EM	50	EM	50
Auto ABS Italian 2018.1 S.r.l.	IT	-	-		EM	50	EM	50
Auto ABS Italian Loans 2019	IT	-	-		EM	50	EM	50
Auto ABS Italian Rainbow Loan 2020-1 S.r.l.	IT	-	-		EM	50	EM	50
- with BNP Paribas Personal Finance								
Ecarat 10 Germany	FR	-	-		EM	50	EM	50
Ecarat 10 plc	GB	-	-		EM	50	EM	50
Ecarat 11 plc	GB	-	-		EM	50	EM	50
Ecarat 12 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 entity 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, 2021 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 standards and interpretations applied at December 31, 2021 were unchanged compared with December 31, 2020 except for the adoption of standards and interpretations whose application was compulsory for the first time in 2021.

New IFRSs and IFRIC Interpretations applicable compulsorily in the fiscal year commencing on January 1, 2021

The new texts, which application is compulsory on January 1, 2021 and applied by Banque PSA Finance are the following:

- Amendment to IFRS 4 - Insurance contracts – deferral of IFRS 9

According to this amendment, eligible insurers can get the extension of the temporary exemption from applying IFRS 9 – Financial instruments in order to align the application date of IFRS 9 with the date of the upcoming IFRS 17 – Insurance Contracts. This amendment concerns the extension of the temporary exemption from applying IFRS 9 from January 1, 2021 to January 1, 2023.

- IAS 19: Employee Benefits – Attributing Benefit to Periods of Service

In April 2021, the IFRS Interpretations Committee (IFRIC) published an agenda decision in order to clarify the periods of service to which benefits are attributed for defined benefit plans under IAS 19.

When the plan expects the payment of a retirement benefit to employees provided that they are employed when they reach their retirement age, and the amount of which depends on seniority while being capped at a certain number of years of service, the obligation is spread over the years of service prior to retirement in respect of which the employees are entitled to the benefit.

The defined benefit plans proposed by some of the entities consolidated under equity method have such pension obligations but they are not capped at a specified number of years of service. Therefore, the application of this interpretation had no impact on the financial statements.

Other texts do not impact significantly Banque PSA Finance.

New IFRSs and IFRIC Interpretations non applicable compulsorily in the European Union in the fiscal year commencing on January 1, 2021

Potential impact of texts or projects published by IASB and IFRIC with compulsory application in the European Union from the period after January 1st, 2021, 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. Even if the drafting of the standard has now been completed, the work of interpretation is in progress under the auspices of the Transition Resource Group (TRG) formed by the IASB.

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 intend to facilitate the implementation of the standard. The first date of application is delayed 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 going on.

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 applicable 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 H 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 18th, 2022.

A. Basis of Consolidation

A.1 Consolidation Methods

In accordance with IFRS 10, companies in which Banque PSA Finance directly or indirectly holds an exclusive control 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.

According to IAS 28, 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, 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

On the date of entry into force of IFRS 9 – Financial Instruments on January 1st, 2018, PSA Finance has elected to continue recognising hedging transactions under IAS 39. The underlying principles of 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, are described in section C "Financial assets and liabilities", below. The principles of valuation at fair value are applied in accordance with IFRS 13.

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 profits of subsidiaries, associates or joint-ventures as the group could not be forced to materialize any temporary difference on undistributed profits 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.5.2 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 19.

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 IAS 39;
- 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, 2021, 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 IAS 39, 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 and excluding

the effect of the application of hedge accounting (refer to paragraph C.4.3 hereafter), 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.

Group pension obligations are mainly located in entities consolidated under equity method.

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.

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").

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, 2021	Dec. 31, 2020
Cash	-	-
Central banks (1)	499	174
- of which compulsory reserves deposited with the Banque de France	-	-
Total	499	174

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

Note 4 Financial Assets at Fair Value Through Profit or Loss

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Marketable securities booked at fair value through profit or loss	58	304
- Marketable securities	58	304
- Mutual funds	58	297
- Mutual funds qualified as cash equivalents (1)	-	235
- Units held by insurance companies	58	62
- of which accrued interest	-	(2)
- Certificates of deposit and Treasury bills	-	-
- Bonds issued by the securitization funds in the Santander joint venture	-	7
- of which held by insurance companies	-	7
- 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	-	-
- Equity Securities, gross value	3	28
- PSA Financial d.o.o. (2)	3	3
- PSA Finance Hungaria Zrt (3)	-	25
- Equity Securities Impairment (2) (3)	(3)	(28)
Total	58	304

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 liquidity reserve (see Note 17.2). The decrease of the mutual funds qualified as cash equivalents is mainly due to the refund of the EMTN in April 2021 for \$ 250 million (see Notes 12 & 15).

(2) 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.

(3) The PSA Finance Hungaria Zrt has been liquidated in March 2021 (Note 1).

Note 5 Hedging Instruments - Assets

5.1 Analysis by Nature

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Adjustment accounts - commitments in foreign currencies (1)	-	26
- of which related companies	-	-
Accrued income on swaps designated as hedges	-	3
- of which related companies	-	-
Positive fair value of instruments designated as hedges of:	-	2
- Borrowings	-	-
- EMTNs/BMTNs	-	2
- of which due to hedging cross currency swaps' basis spread	-	-
- 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)
Total	-	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. Following the EMTN reimbursement of \$250 million, cross currency swap arrived at maturity.

5.2 Offsetting swaps with margin call designated as hedges - Assets

For 2021

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

For 2020

(in million euros)	Asset gross amount		Asset net amount before offsetting	Offsetting with received margin calls	Balance Sheet amount after offsetting
	Swap's winning leg	Swap's losing leg			
Positive valued swaps					
Adjustment accounts - commitments in foreign currencies					
- 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)	-

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

Analysis of Demand and Time Accounts

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Demand accounts	200	182
- Ordinary accounts in debit	197	180
- of which allocated to the liquidity reserve (1)	197	180
- of which held by insurance companies	84	64
- of which related companies	61	38
- Loans and advances at overnight rates (1)	3	2
Time accounts	255	277
- Time accounts qualified as cash equivalents (1)	-	-
- Subordinated loans	251	251
- of which related companies	251	251
- Other	4	26
- of which held by insurance companies	4	3
Accrued interest	-	-
- of which related companies	-	-
Total	455	459

(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 liquidity reserve (see Note 20.2).

Note 7 Customer Loans and Receivables, at amortized cost

7.1 Analysis by Type of Financing

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Installment contracts	-	1
Wholesale financing	28	30
Principal and interest	28	30
- Related companies	-	-
- Non-group companies	28	30
Ordinary accounts in debit	-	-
- Related companies	-	-
- Cash pooling (2):		
- Before offsetting	6	2
- Offsetting	(6)	(2)
- Other	-	-
- Non-group companies	-	-
Total Loans and Receivables at Amortized Cost	28	31

(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 2021

(in million euros)	IFRS 8 Segment	End user		Total at Dec. 31, 2021
		Corporate Dealers (A - see B Note 23.1)	Retail Corporate and equivalent (B - see A Note 23.1) (C - see C Note 23.1)	
Type of financing				
Installment contracts		-	-	-
Wholesale financing		28	-	28
Deferred items included in amortized cost		-	-	-
Total customer loans by segment (based on IFRS 8)		28	-	28

For 2020

(in million euros)	IFRS 8 Segment	End user		Total at Dec. 31, 2020
		Corporate Dealers (A - see B Note 23.1)	Retail (B - see A Note 23.1) Corporate and equivalent (C - see C Note 23.1)	
Type of financing				
Installment contracts		-	1	-
Buyback contracts		-	-	-
Wholesale financing		30	-	-
Total customer loans by segment (based on IFRS 8)		30	1	-

7.3 Analysis by Currency

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Net loans and receivables		
ARS	-	-
EUR	-	-
GBP	-	-
MXN	28	30
PLN	-	1
RUB	-	-
Total	28	31

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 2021

<i>(in million euros)</i>	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, 2021
Installment contracts	-	-	-	-	-	-	-
Gross	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Buyback contracts	-	-	-	-	-	-	-
Gross	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Long-term leases	-	-	-	-	-	-	-
Gross	-	-	-	-	-	-	-
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Wholesale financing	-	22	-	6	-	-	28
Gross	-	22	-	6	-	-	28
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Other finance receivables	-	-	-	-	-	-	-
Gross	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Ordinary accounts in debit	-	-	-	-	-	-	-
Gross	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deferred items included in amortized	-	-	-	-	-	-	-
Total net loans and receivables	-	22	-	6	-	-	28
Gross	-	22	-	6	-	-	28
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deferred items included in amortized cost	-	-	-	-	-	-	-

For 2020

<i>(in million euros)</i>	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	-	-	-	-	-	-	-
Total net loans and receivables	-	21	4	6	-	-	31
Gross	-	21	4	6	-	-	31
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deferred items included in amortized cost	-	-	-	-	-	-	-

Note 8 Accruals and Other Assets

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Other receivables	28	32
- Related companies	22	22
- of which insurance activities	7	6
- Non-group companies	6	10
- of which insurance activities	4	7
Dividends receivable from Joint Ventures	21	29
- of which insurance activities	21	20
Prepaid and recoverable taxes	30	30
- of which insurance activities	26	26
Accrued income	66	25
- Related companies	5	6
- Non-group companies	61	19
- of which insurance activities	22	18
Prepaid expenses	1	1
Other	1	1
- Related companies	-	-
- Non-group companies	1	1
- of which insurance activities	-	-
Total	147	118

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

9.1 Investments

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
At the beginning of the period	2 632	2 604
Change in consolidation scope	11	-
Capital increase/(decrease) and contributions to reserves	(86)	(2)
Share in net income	419	351
Distribution of dividends	(295)	(290)
Gains and Losses Recognized Directly in Equity	33	(33)
Hyperinflation effects (1)	4	2
At the end of the period	2 718	2 632
- 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, 2021. Indeed, no impairment has appeared since December 31, 2020.

Table of Changes by Geographical Area

	Europe		Brazil	China		Argentina		
	Partnership with	BNP Santander Consumer Finance	Paribas Personnal Finance	Santander	Dongfeng Peugeot Citroën	of which goodwill (2)	Banco Bilbao Vizcaya Argentaria	Total
(in million euros)								
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		-	-	-	-	-	2	2
At December 31, 2020		1 897	579	23	126	3	7	2 632
Change in consolidation scope					11	-		11
Capital increase/(decrease) and contributions to reserves		(99)			13			(86)
Share in net income		334	72	2	11	-	-	419
Distribution of dividends		(274)	(19)	(2)	-	-	-	(295)
Gains and Losses Recognized Directly in Equity		15	4	-	15	-	(1)	33
Hyperinflation effects (1)		-	-	-	-	-	4	4
At December 31, 2021		1 873	636	23	176	3	10	2 718

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 €-7 millions in Net Income (of which Minority interests: €-3 million), fully covered by a positive change in Equity (of which Minority interests: €3 million).

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

On December 27, 2012, the proceeds from disposal of 25% shares in the Chinese subsidiary reduced the goodwill to CNY37.8 million and on March 2015, the proceeds from disposal of 25% shares in the Chinese subsidiary reduced the goodwill to CNY18.8 million (€3 million at December 31, 2021).

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 Spain (ES) ; in January 2016 to Italy (IT) ; in February 2016 to the Netherlands (NL) ; in May 2016 to Belgium (BE) ; in July 2016 to Austria (AT) and Germany (DE) and in October 2016 to Poland (PL).

Equity accounted percentage: 50%

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

Key Balance Sheet Items

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Customer loans and receivables	28 854	30 468
Other assets	3 977	3 513
Total assets	32 831	33 981
Refinancing	21 454	23 021
Other liabilities	7 630	7 166
Equity	3 747	3 794
Total equity and liabilities	32 831	33 981

Key Income Statement Items

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Gross revenues of banking activities, insurance activities and other services	2 270	2 213
Expenses of banking activities, insurance activities and other services	(983)	(961)
Net banking revenue	1 287	1 252
General operating expenses and equivalent	(363)	(361)
Gross operating income	924	891
Cost of risk (1)	(39)	(112)
Operating income	885	779
Non-operating items	(8)	(8)
Pre-tax income	877	771
Income taxes	(208)	(223)
Net income for the year	669	548

⁽¹⁾ At December 31, 2021, the cost of risk includes a reversal of the "Overlay-COVID-19" provision booked as of end of 2020 of €37 million cf. note 1.

Statement of changes from 100% Equity to equity method

<i>(in million euros)</i>	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	of which exchange difference
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)
Capital increase/(decrease) and contributions to reserves (2)	(197)		(99)	49		(50)	
Net income of the period	669		334			334	
Distribution of dividends	(548)		(274)			(274)	
Gains and Losses Recognized Directly in Equity	29		15			15	13
At December 31, 2021	3 747	50%	1 873	(1 263)	-	610	(24)

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

(2) The capital increase is linked to the transfer of the PSA Finance UK Ltd, PSA Finance Belux and PSA Financial Services Nederland B.V. shares from Banque PSA Finance to PSA Financial services Spain E.F.C. S.A. (cf. note 1).

Consolidated Balance Sheet items after equity method

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Investments in associates and joint ventures accounted for using the equity method	1 873	1 897
Total assets	1 873	1 897
Equity		
- Historical value of the shares owned (1)	1 263	1 312
- Consolidated reserves - equity holders of the parent	610	585
- of which share in net income accounted for using the equity method	334	274
Total equity and liabilities	1 873	1 897

(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, 2021	Dec. 31, 2020
Customer loans and receivables (1)	9 766	9 974
Other assets (1)	1 390	1 949
Total assets	11 156	11 923
Refinancing	7 621	8 726
Other liabilities	2 262	2 040
Equity	1 273	1 157
Total equity and liabilities	11 156	11 923

(1) The presentation of figures as of December 31, 2020 takes into account the reclassification of operating lease contracts and investment property from customer loans and receivables to other assets for an amount of €527 million.

Key Income Statement Items

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Gross revenues of banking activities, insurance activities and other services	698	704
Expenses of banking activities, insurance activities and other services	(282)	(298)
Net banking revenue (1)	416	406
General operating expenses and equivalent	(190)	(196)
Gross operating income	226	210
Cost of risk (2)	(23)	(37)
Operating income	203	173
Non-operating items	1	(1)
Pre-tax income	204	172
Income taxes	(60)	(44)
Net income for the year	144	128

(1) Of which a positive impact of €19 million euros at December 31, 2021 (€43 million euros at December 31, 2020) related to the Price Purchase Allocation: see Note 25.2.

(2) In 2021, the cost of risk includes an additional "Overlay-COVID-19" provision of €2 million. See 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, 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)
Net income of the period	144		72			72	
Distribution of dividends	(37)		(19)			(19)	
Gains and Losses Recognized Directly in Equity	9		4			4	1
At December 31, 2021	1 273	50%	636	(489)	-	147	(1)

(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, 2021	Dec. 31, 2020
Investments in associates and joint ventures accounted for using the equity method	636	579
Total assets	636	579
Equity		
- Historical value of the shares owned (1)	489	489
- Consolidated reserves - equity holders of the parent	147	90
- of which share in net income accounted for using the equity method	72	64
Total equity and liabilities	636	579

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

9.2.3 Partnership with Santander in Brazil

The partnership in Brazil began in August 2016.

Equity accounted percentage: 50%

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

Key Balance Sheet Items

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Customer loans and receivables	256	217
Other assets	19	21
Total assets	275	238
Refinancing	222	186
Other liabilities	6	5
Equity	47	47
Total equity and liabilities	275	238

Key Income Statement Items

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Gross revenues of banking activities, insurance activities and other services	30	36
Expenses of banking activities, insurance activities and other services	(14)	(18)
Net banking revenue	16	18
General operating expenses and equivalent	(8)	(9)
Gross operating income	8	9
Cost of risk	(2)	(1)
Operating income	6	8
Income taxes	(2)	(3)
Net income for the year	4	5

Statement of changes from 100% Equity to equity method

<i>(in million euros)</i>	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	of which exchange difference
At December 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)
Net income of the period	4		2			2	
Distribution of dividends	(4)		(2)			(2)	
Gains and Losses Recognized Directly in Equity	-		-			-	-
At December 31, 2021	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

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Investments in associates and joint ventures accounted for using the equity method	23	23
Total assets	23	23
Equity		
- Historical value of the shares owned (1)	27	27
- Consolidated reserves - equity holders of the parent	(4)	(4)
- of which share in net income accounted for using the equity method	2	2
Total equity and liabilities	23	23

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

9.2.4 Partnership with Dongfeng in China

The partnership in China concerns the subsidiaries Dongfeng Peugeot Citroën Auto Finance Company Ltd and Dongfeng Peugeot Citroën Financial Leasing Co consolidated since November 2019.

Equity accounted percentage of the subsidiary Dongfeng Peugeot Citroën Auto Finance Company Ltd: 25%

Equity accounted percentage of the subsidiary Dongfeng Peugeot Citroën Financial Leasing Co: 50% (See Note 1)

Fully financial information

Key Balance Sheet Items

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Customer loans and receivables	1 478	1 176
Other assets	157	130
Total assets	1 635	1 306
Refinancing	922	687
Other liabilities	93	126
Equity	620	493
Total equity and liabilities	1 635	1 306

Key Income Statement Items

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Gross revenues of banking activities, insurance activities and other services	149	128
Expenses of banking activities, insurance activities and other services	(63)	(47)
Net banking revenue	86	81
General operating expenses and equivalent	(20)	(19)
Gross operating income	66	62
Cost of risk	(11)	(4)
Operating income	55	58
Non-operating items	-	-
Pre-tax income	55	58
Income taxes	(14)	(15)
Net income for the year	41	43

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 (3)	Equity after equity method	of which exchange difference
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)
Capital increase/(decrease) and contributions to reserves	26		13	(13)	-	-	
Acquisition of 25% (2)	-		11	(12)	-	(1)	1
Net income of the period	41		11	-	-	11	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	60		15		-	15	16
At December 31, 2021	620		173	(67)	3	109	16

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

(2) This amount includes the impact of additional 25% of Dongfeng Peugeot Citroën Financial Leasing Co. See notes 1 and 2.4.

Consolidated Balance Sheet items after equity method

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Investments in associates and joint ventures accounted for using the equity method (3)	176	126
Total assets	176	126
Equity		
- Historical value of the shares owned (1)	67	42
- Consolidated reserves - equity holders of the parent	109	84
- of which share in net income accounted for using the equity method	11	11
Total equity and liabilities	176	126

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

(3) 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, 2021	Dec. 31, 2020
Customer loans and receivables	92	62
Other assets	8	7
Total assets	100	69
Refinancing	62	30
Other liabilities	18	24
Equity	20	15
Total equity and liabilities	100	69

Key Income Statement Items

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Gross revenues of banking activities, insurance activities and other services	24	14
Expenses of banking activities, insurance activities and other services	(22)	(11)
Net banking revenue	2	3
General operating expenses and equivalent	(3)	(2)
Gross operating income	(1)	1
Cost of risk	-	-
Operating income	(1)	1
Non-operating items	-	-
Pre-tax income	(1)	1
Income taxes	1	(1)
Net income for the year	-	-

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, 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	4		2	-	-	2	-
At December 31, 2020	15	50%	7	(13)	-	(6)	(6)
Capital increase/(decrease) and contributions to reserves	-		-	-	-	-	-
Net income of the period	-		-	-	-	-	-
Distribution of dividends	-		-	-	-	-	-
Gains and Losses Recognized Directly in Equity	(2)		(1)	-	-	(1)	(1)
Hyperinflation effects (1)	7		4	-	-	4	-
At December 31, 2021	20	50%	10	(13)	-	(3)	(7)

(1) The implementation of IAS 29 led a negative impact of €-7 million in Net Income (of which Minority interests: €-3 million), fully covered by a positive change in Equity (of which Minority interests: €3 million).

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

Consolidated Balance Sheet items after equity method

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Investments in associates and joint ventures accounted for using the equity method	10	7
Total assets	10	7
Equity		
- Historical value of the shares owned (1)	13	13
- Consolidated reserves - equity holders of the parent	(3)	(6)
- of which share in net income accounted for using the equity method	-	-
Total equity and liabilities	10	7

(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, 2021			Dec. 31, 2020		
	Cost	Depreciation/	Net	Cost	Depreciation/	Net
Property and equipment	4	(2)	2	5	(2)	3
- Buildings - Right of use (1)	1	(1)	-	2	(1)	1
- Vehicules	-	-	-	-	-	-
- Other	3	(1)	2	3	(1)	2
Intangible assets	292	(207)	85	262	(193)	69
- Softwares	288	(203)	85	258	(189)	69
- of which software right of use	2	-	2	-	-	-
- Other	4	(4)	-	4	(4)	-
Total	296	(209)	87	267	(195)	72

Table of changes in gross values

(in million euros)	Dec. 31, 2020				Dec. 31, 2021
	Gross value Fixed Assets	Additions	Disposals	Other movements	Gross value Fixed Assets
Property and equipment	5	1	(2)	-	4
- Buildings - Right of use (1)	2	1	(2)	-	1
- Vehicules	-	-	-	-	-
- Other	3	-	-	-	3
Intangible assets	262	30	-	-	292
- Softwares	258	30	-	-	288
- of which software right of use	-	2	-	-	2
- Other	4	-	-	-	4
Total	267	31	(2)	-	296

Table of changes in amortization

(in million euros)	Dec. 31, 2020				Dec. 31, 2021
	Amortization Fixed Assets	Charges	Reversals (2)	Other movements	Amortization Fixed Assets
Property and equipment	(2)	-	-	-	(2)
- Buildings - Right of use (1)	(1)	-	-	-	(1)
- Vehicules	-	-	-	-	-
- Other	(1)	-	-	-	(1)
Intangible assets	(193)	(15)	1	-	(207)
- Softwares	(189)	(15)	1	-	(203)
- of which software right of use	-	-	-	-	-
- Other	(4)	-	-	-	(4)
Total	(195)	(15)	1	-	(209)

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

(2) Including depreciation reversals related to disposals.

Note 11 Deposits from Credit Institutions

11.1 Analysis of Demand and Time Accounts

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Demand deposits (non-group institutions)	-	-
- Ordinary accounts in credit	-	-
- Accounts and deposits at overnight rates	-	-
- Other amounts due to credit institutions	-	-
Accrued interest	-	-
Time deposits (non-group institutions)	23	26
- Conventional bank deposits	23	26
Accrued interest	-	-
Total deposits from credit institutions at amortized cost	23	26

11.2 Analysis by Currency

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

	Dec. 31, 2021		Dec. 31, 2020	
<i>(in million euros)</i>	Demand deposits	Time deposits	Demand deposits	Time deposits
ARS	-	-	-	-
EUR	-	-	-	-
GBP	-	-	-	-
MXN	-	23	-	26
PLN	-	-	-	-
RUB	-	-	-	-
Total	-	23	-	26

11.3 Analysis by Maturity of Deposits from Credit Institutions

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

	Dec. 31, 2021	Dec. 31, 2020
<i>(in million euros)</i>	Time deposits	Time deposits
0 to 3 months	12	26
3 to 6 months	11	-
6 months to 1 year	-	-
1 to 5 years	-	-
Over 5 years	-	-
Total	23	26

Note 12 Due to Customers

12.1 Analysis of Demand and Time Accounts

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Demand accounts	1	2
- Ordinary accounts in credit		
- Dealers' ordinary accounts in credit	1	2
- Non-group companies	1	2
- Cash pooling (1):		
- Before offsetting	6	2
- Offsetting	(6)	(2)
Total deposits from credit institutions at amortized cost	1	2

⁽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)

(in million euros)	Dec. 31, 2021		Dec. 31, 2020	
	Demand deposits	Time deposits	Demand deposits	Time deposits
ARS	-	-	-	-
EUR	1	-	2	-
GBP	-	-	-	-
MXN	-	-	-	-
PLN	-	-	-	-
RUB	-	-	-	-
Total	1	-	2	-

Note 13 Debt Securities

13.1 Analysis by Nature

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Interbank instruments and money-market securities (non-group institutions)	-	204
- EMTNs and BMTNs (1)	-	204
- Certificates of deposit and "billets de trésorerie"	-	-
Accrued interest	-	3
Other debt securities	-	-
Total debt securities at amortized cost	-	207

(1) The issued \$250 million EMTN was refunded in April 2021, as the linked cross currency swap.

13.2 Analysis by Repayment Currency

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

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
ARS	-	-
EUR	-	-
USD	-	204
Total	-	204

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)

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
0 to 3 months	-	-
3 to 6 months	-	204
6 months to 1 year	-	-
1 to 5 years	-	-
Over 5 years	-	-
Total	-	204

Note 14 Accruals and Other Liabilities

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
Trade payables	41	31
- Related companies (1)	35	27
- of which insurance activities	1	-
- Non-group companies	6	4
- of which insurance activities	5	-
Financial Debts	2	1
- of which insurance activities	2	1
Accrued payroll and other taxes	3	2
Accrued charges	8	8
- Related companies	(3)	(1)
- of which insurance activities	(3)	(2)
- Non-group companies	11	9
- of which insurance activities	1	-
Other payables	7	10
- Related companies	2	5
- of which insurance activities	2	5
- Non-group companies	5	5
- of which insurance activities	4	5
Deferred income	28	28
- Related companies	2	2
- of which insurance activities	2	2
- Non-group companies	26	26
- of which insurance activities (2)	26	26
- of which margin calls received on swaps designated as hedges (3)	-	-
Other	-	-
- Non-group companies	-	-
Total	89	80

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

(2) Deferred income related to insurance activity for €26 million at December 31, 2021.

(3) At December 31, 2021, BPF does not hold any swap designated as hedges. 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 (see Note 5.2).

Note 15 Insurance Activities

15.1 Liabilities Related to Insurance Contracts

(in million euros)	Dec. 31, 2020	Written premiums	Earned premiums	Claims paid	Claims incurred	Dec. 31, 2021
Unearned premium reserve (UPR)	32	36	(26)			42
Claims reserve						
- Claims reserve - reported claims	14			(3)	3	14
- Claims reserve - claims incurred but not reported (IBNR)	32			-	(1)	31
Total liabilities related to insurance contracts	78	36	(26)	(3)	2	87

15.2 Income from Activities

(in million euros)	Dec. 31, 2021	Dec. 31, 2020
+ Earned premiums	26	18
Written premiums	36	34
Change in insurance liabilities (UPR)	(10)	(16)
- Cost	(17)	(2)
Claims expenses	(8)	(4)
Change in insurance liabilities (except for UPR)	1	8
Other income (expense)	(10)	(6)
- of which related companies	(7)	(5)
Margin on sales of Insurance activities	9	16

Note 16 Provisions

(in million euros)	Dec. 31, 2020	Changes	Exchange difference	Dec. 31, 2021
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	2	(1)	-	1
Other	2	-	-	2
Total	5	(1)	-	4

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.

The issued \$250 million EMTN was refunded in April 2021, as the linked cross currency swap.

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 very short term cash investments with leading counterparties. 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 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 2021 is not significant (-€1 million at December 31, 2021 versus -€0.2 million at the end of 2020).

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 (1)	MXN	PLN	RUB (1)	BRL	TOTAL
Position at Dec. 31, 2021	1	71	-	2	14	-	8	96
Position at December 31, 2020	1	51	123	2	13	12	7	209

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

(1) Following changes in group structure (cf.note 1), Banque PSA Finance has not anymore structural foreign exchange position in GBP and RUB.

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 €90 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 2021.

Note 19 Fair Value of Financial Assets and Liabilities

(in million euros)	Fair value		Book value		Difference	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Assets						
Cash, central banks	499	174	499	174	-	-
Financial assets at fair value through profit or loss (1)(2)	58	304	58	304	-	-
Hedging instruments (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)	462	445	455	459	7	(14)
Customer loans and receivables, at amortized cost (5)	28	31	28	31	-	-
Equity and liabilities						
Central banks	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss (1)	-	-	-	-	-	-
Hedging instruments (1)	-	1	-	1	-	-
Deposits from credit institutions (6)	23	26	23	26	-	-
Due to customers (3)	1	2	1	2	-	-
Debt securities (6)	-	210	-	209	-	(1)

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, 2021	Dec. 31, 2020
Financing commitments		
Commitments received from credit institutions (1)	90	141
Commitments given to credit institutions	-	-
Commitments given to customers	-	-
Guarantee commitments		
Commitments received from credit institutions	-	2
- guarantees received in respect of customer loans	-	2
- guarantees received in respect of securities held	-	-
- other guarantees received from credit institutions	-	-
Guarantees given to credit institutions	1	1
Commitments given to customers	7	15
- Banque PSA Finance	7	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, 2021	Dec. 31, 2020
Liquidity Reserve	699	591
- Reserves deposited with the central banks (see Note 3)	499	174
- Mutual funds qualified as cash equivalents (see Note 4) (1)	-	235
- Ordinary accounts in debit (see Note 6)	197	180
- Loans and advances at overnight rates (see Note 6)	3	2
Undrawn bank facilities	90	141
- Revolving bilateral bank facilities (2)	90	140
- Other bank facilities	-	1
Total	789	732

(1) The decrease of the mutual funds qualified as cash equivalents is mainly due to the refund of the EMTN in April 2021.

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

Note 21 Interest and Other Revenue on Assets at Amortized Cost

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Installment contracts	-	-
- of which related companies	-	-
Buyback contracts	-	-
- of which related companies	-	-
Wholesale financing	2	4
- of which related companies	1	3
Total	2	4

Note 22 General Operating Expenses

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Personnel costs	(4)	(5)
- Wages and salaries	(4)	(4)
- Payroll taxes	-	(1)
Other general operating expenses	(6)	(1)
- External expenses	(107)	(102)
- of which related companies	(102)	(96)
- Re-invoicing	101	101
- of which related companies	98	98
Total	(10)	(6)

General Operating Expenses by Geographical Area

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Country ISO code:		
AR	(1)	(1)
FR	(1)	2
GB	-	-
IT	-	-
MT	(6)	(3)
MX	(1)	(1)
NL	-	-
PL	(1)	(1)
RU	-	(2)
TR	-	-
Total	(10)	(6)

Note 23 Cost of risk

23.1 Cost of risk and changes in Loans

(in million euros)	Dec. 31, 2020	Net new loans and exchange difference (1)	Cost of risk for the period at Dec. 31, 2021	Balance at Dec. 31, 2021
Retail				
Stage 1 loans	1	(1)	-	-
Stage 2 loans	-	-	-	-
Stage 3 loans	-	-	-	-
Guarantee deposits (lease financing)	-	-	-	-
Total	1	(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)	1	(1)	-	-
Recoveries on loans written off in prior periods	-	-	-	-
Retail cost of risk			-	
Corporate dealers				
Stage 1 loans	29	(2)	-	27
Stage 2 loans	1	-	-	1
Stage 3 loans	-	-	-	-
Total	30	(2)	-	28
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 (B - see A Note 7.2)	30	(2)	-	28
Recoveries on loans written off in prior periods	-	-	-	-
Corporate dealers cost of risk			-	
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	30	(3)	-	27
Stage 2 loans	1	-	-	1
Stage 3 loans	-	-	-	-
Guarantee deposits	-	-	-	-
Total	31	(3)	-	28
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 (Note 7.2)	31	(3)	-	28
Recoveries on loans written off in prior periods	-	-	-	-
Total cost of risk			-	

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

<i>(in million euros)</i>	Retail	Corporate dealers	Corporate and equivalent	Dec. 31, 2021	Dec. 31, 2020
Stage 1 loans					
Allowances	-	-	-	-	-
Reversals	-	-	-	-	1
Stage 2 loans					
Allowances	-	-	-	-	-
Reversals	-	-	-	-	-
Stage 3 loans					
Allowances	-	-	-	-	-
Reversals	-	-	-	-	-
Credit losses	-	-	-	-	-
Recoveries on loans written off in prior	-	-	-	-	-
Cost of Risk	-	-	-	-	1

Note 24 Income Taxes

24.1 Evolution of Balance Sheet Items

<i>(in million euros)</i>	Dec. 31, 2020	Income	Equity	Payment	Exchange difference and other (1)	Dec. 31, 2021
Current tax						
Assets	12					1
Liabilities	(12)					(8)
Total	-	7	-	(12)	(2)	(7)
Deferred tax						
Assets	2					3
Liabilities	-					-
Total	2	2	-	-	(1)	3

(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 2021 Annual Report, Note 2 Accounting Policies, last paragraph of chapter 2.A.

From January 1st, 2021 the tax rate applied by Banque PSA Finance S.A decreased from 32,023% to 28,41%.

French branch of Stellantis N.V. could not benefit from the transfer of the tax losses generated by Banque PSA Finance S.A. prior to the merger, which will therefore be definitively lost. Amount of associated deferred tax asset derecognized is €20,9 million. Derecognition of this deferred tax asset, already 100% provisioned, does not generate any impact in the consolidated statement of income of Banque PSA Finance.

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Current tax	7	4
Deferred tax	2	3
Deferred taxes arising in the year	(19)	(1)
Unrecognized deferred tax assets and impairment losses	21	4
Total	9	7

24.3 Banque PSA Finance tax proof

<i>(in million euros)</i>	Dec. 31, 2021	Dec. 31, 2020
Pre-tax income	403	328
Neutralization of the share in net income of associates and joint ventures accounted for using the equity method	(419)	(351)
Permanent differences	23	33
Taxable Income	7	10
<i>Legal tax rate in France for the period</i>	<i>28,4%</i>	<i>32,0%</i>
Theoretical tax	(2)	(3)
Impact of differences in foreign tax rates	-	(1)
Impact of changes in France tax rates	-	(5)
Adjustment related to the previous year	-	1
Deferred tax asset write-downs	(21)	-
Tax refund to insurance companies	11	12
Other	-	(1)
Income taxes before impairment of assets on tax loss carry forwards	(12)	3
<i>Group effective tax rate</i>	<i>167,9%</i>	<i>0,0%</i>
Deferred tax assets on tax loss carry forwards:		
- Allowances	-	-
- Reversals	21	4
Income taxes	9	7

24.4 Deferred Tax Assets on Tax Loss Carry Forwards

<i>(in million euros)</i>	Dec. 31, 2020	New tax losses	Tax losses utilized in the year	Charges / Reversals (1)	Deferred tax asset write-downs (1)	Exchange difference and other	Dec. 31, 2021
Deferred tax assets on tax loss carry forwards	23	2	-		(21)	-	4
Allowances	(23)			21		-	(2)
Total	-	2	-	21	(21)	-	2

(1) French branch of Stellantis N.V. could not benefit from the transfer of the tax losses generated by Banque PSA Finance S.A. prior to the merger, which will therefore be definitively lost. Amount of associated deferred tax asset derecognized is €20,9 million. Derecognition of this deferred tax asset, already 100% provisioned, does not generate any impact in the consolidated statement of income of Banque PSA Finance.

Note 25 Segment Information

Segment information is disclosed before the equity method accounting of the joint ventures and after elimination of intragroup transactions.

25.1 Key Balance Sheet Items

At December 31, 2021

(in million euros)	IFRS 8 segment information Balance Sheet as at Dec. 31, 2021	Equity-method accounting of equity attributable to group in JV	Consolidated Balance Sheet at Dec. 31, 2021
Assets			
Customer loans and receivables, at amortized cost	38 996	(38 968)	28
- Corporate dealers	7 763	(7 735)	28
- End user	31 233	(31 233)	-
Financial assets at fair value through profit or loss	93	(35)	58
Financial assets at fair value through Equity	-	-	-
Debt securities at amortized cost	185	(185)	-
Loans and advances to credit institutions, at amortized cost	2 310	(1 855)	455
Deferred tax assets	152	(149)	3
Investments in associates and joint ventures accounted for using the equity method (1)	175	2 543	2 718
Other assets	3 566	(2 832)	734
Total Assets	45 477	(41 481)	3 996
Liabilities			
Deposits from credit institutions	19 728	(19 705)	23
Due to customers	7 139	(7 138)	1
Debt securities	9 655	(9 655)	-
Liabilities related to insurance contracts	225	(138)	87
Deferred tax liabilities	567	(567)	-
Other liabilities	1 836	(1 735)	101
Equity	6 327	(2 543)	3 784
Total Liabilities	45 477	(41 481)	3 996

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

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 (2)	40 752	(40 721)	31
- Corporate dealers	11 056	(11 026)	30
- End user	29 696	(29 695)	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)	2 957	(2 580)	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.

(2) The presentation of figures as of December 31, 2020 takes into account the reclassification of operating lease contracts and investment property from customer loans and receivables to other assets for an amount of €527 million.

25.2 Key Income Statement Items

At December 31, 2021

(in million euros)	IFRS 8 Income statement excl. PPA at Dec. 31, 2021	OVF PPA impact at Dec. 31, 2021	IFRS 8 Income statement at Dec. 31, 2021	Presentation differences IFRS 8 vs Publishable Income Statement	Equity-method accounting of equity attributable to group in JV	Publishable Income Statement at Dec. 31, 2021
Net banking revenue	1 756	19	1 775	-	(1 723)	52
- Financing activities	1 458	19	1 477	-	(1 433)	44
- Corporate dealers	199	3	202	-	(201)	1
- End user	1 214	17	1 231	-	(1 231)	-
- Unallocated	45	(1)	44	-	(1)	43
- Insurance and services	298	-	298	-	(290)	8
Cost of risk	(67)	3	(64)	-	64	-
- Financing activities	(67)	3	(64)	-	64	-
- Corporate dealers	(6)	3	(3)	-	3	-
- End user	(61)	-	(61)	-	61	-
Net income after cost of risk	1 689	22	1 711	-	(1 659)	52
- Financing activities	1 391	22	1 413	-	(1 369)	44
- Corporate dealers	193	6	199	-	(198)	1
- End user	1 153	17	1 170	-	(1 170)	-
- Unallocated	45	(1)	44	-	(1)	43
- Insurance and services	298	-	298	-	(290)	8
General operating expenses and equivalent	(591)	-	(591)	-	566	(25)
Operating income	1 098	22	1 120	-	(1 093)	27
Share in net income of associates and joint ventures accounted for using the equity method (1)	11	-	11	-	408	419
Other items	(50)	-	(50)	-	7	(43)
Pre-tax income	1 059	22	1 081	-	(678)	403
Income taxes	(255)	(5)	(260)	-	269	9
Net income	804	17	821	-	(409)	412

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

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.

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		Localization	Type of activity (NACE code)
		Dec. 2021	Dec. 2020		
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
BR	Opel Finance BVBA	EM	EM	Kontich	K64
	Banco PSA Finance Brasil S.A.	EM	EM	Sao Paulo	K64
CH	PSA Corretora de Seguros e Serviços Ltda	EM	EM	Sao Paulo	K65
	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
DZ	Opel Bank S.A., Germany Branch	EM	EM	Russelsheim	K64
	Auto ABS German VAC 2021	EM	-	Frankfurt	K64
ES	Auto ABS German Lease Master 2021	EM	-	Luxembourg	K64
	BPF Algérie	FC	FC	Algiers	K64
FR	PSA Financial Services Spain E.F.C. S.A.	EM	EM	Madrid	K64
	Auto ABS Spanish Loans 2016	-	EM	Madrid	K64
GB	Auto ABS Spanish Loans 2018	EM	EM	Madrid	K64
	Auto ABS Spanish Loans 2020-1	EM	EM	Madrid	K64
GR	Opel Bank S.A., Spain Branch	EM	EM	Madrid	K64
	Banque PSA Finance	FC	FC	Poissy	K64
IT	Crédipar	EM	EM	Poissy	K64
	CLV	EM	EM	Poissy	N77
MX	PSA Banque France	EM	EM	Poissy	K64
	Auto ABS French Loans Master	EM	EM	Paris	K64
NL	Auto ABS DFP Master Compartment France 2013	EM	EM	Paris	K64
	Auto ABS French Leases Master	EM	EM	Paris	K64
PL	FCT Auto ABS LT Leases Master	EM	EM	Paris	K64
	Opel Bank S.A	EM	EM	Poissy	K64
RU	Auto ABS German Loans Master	EM	EM	Paris	K64
	Auto ABS French Leases 2018 - Fonds E	EM	EM	Paris	K64
TR	Ecarat 10 Germany	EM	EM	Paris	K64
	Auto ABS French Leases 2021 - Fonds G	EM	-	Paris	K64
AT	PSA Finance UK Ltd	EM	EM	Redhill	K64
	Auto ABS UK Loans plc	EM	EM	London	K64
GB	FCT Auto ABS UK Loans 2017 plc	EM	EM	London	K64
	Auto ABS UK Loans 2019 - Fonds 4	EM	EM	London	K64
GR	Vauxhall Finance plc	EM	EM	Cardiff	K64
	Ecarat 10 PLC	EM	EM	London	K64
IT	Ecarat 11 PLC	EM	EM	London	K64
	Ecarat 12 PLC	EM	-	London	K64
MX	Opel Bank S.A., Greece Branch	-	EM	Maroussi - Athens	K64
	PSA Renting Italia S.p.A.	EM	EM	Milan	N77
NL	Banca PSA Italia S.p.A.	EM	EM	Milan	K64
	Opel Bank S.A., Italy Branch	EM	EM	Rome	K64
PL	Auto ABS Italian 2018.1 S.r.l.	EM	EM	Conegliano	K64
	Auto ABS Italian Loans 2019	EM	EM	Conegliano	K64
RU	Auto ABS Italian Rainbow Loan 2020-1 S.r.l.	EM	EM	Conegliano	K64
	PSA Services Ltd	FC	FC	Ta' Xbiex	K64
TR	PSA Insurance Ltd	FC	FC	Ta' Xbiex	K65
	PSA Life Insurance Ltd	FC	FC	Ta' Xbiex	K65
MX	PSA Insurance Manager Ltd	FC	FC	Ta' Xbiex	K65
	PSA Insurance Solutions Ltd	-	FC	Ta' Xbiex	K65
NL	PSA Insurance Europe Ltd	EM	EM	Ta' Xbiex	K65
	PSA Life Insurance Europe Ltd	EM	EM	Ta' Xbiex	K65
PL	Banque PSA Finance Mexico SA de CV SOFOM ENR	FC	FC	Mexico	K64
	PSA Finance Nederland B.V.	FC	FC	Amsterdam	K64
RU	PSA Financial Holding B.V.	FC	FC	Amsterdam	K64
	PSA Financial Services Nederland B.V.	EM	EM	Amsterdam	K64
TR	Opel Finance N.V.	EM	EM	Breda	K64
	Banque PSA Finance, Polish branch	FC	FC	Warsaw	K64
AT	PSA Consumer Finance Polska Sp. z o.o	EM	EM	Warsaw	K64
	PSA Finance Polska Sp. z o.o.	EM	EM	Warsaw	K64
MX	Bank PSA Finance Rus	-	FC	Moscow	K64
	Peugeot Citroën Leasing Russie	-	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, 2021

(in million euros)		Income statement items						
		Pre-tax income						
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)
AR	-	7	1	-	-	(1)	-	7
AT	-			6	6			
BE	-			9	9			
BR	-			2	2			
CH	-			2	2			
CN	-			11	11			
DE	-			52	52			
DZ	-	-	-	-		-	-	-
ES	-			23	23			
FR	-	57	40	203	174	(2)	-	-
GB	-	-	-	58	58	-	-	-
GR	-			-	-			
IT	-	-	-	47	47	-	-	-
MT	-	37	7	22	23	10	2	55
MX	-	3	2	1		-	-	10
NL	-	3	1	11	9	-	-	-
PL	-	-	-	2	3	-	-	7
RU	-	-	-	(46)		-	-	-
SE	-			-	-			
TR	-	1	1	-		-	-	10
Total	-	108	52	403	419	7	2	89

(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, 2021.

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, 2021	Dec. 31, 2020
Customer loans and receivables	-	-
Other assets	10	6
Total assets	10	6
Refinancing	-	-
Other liabilities	4	2
Equity		
- Elimination (1)	1	1
- Consolidated reserves - equity holders of the parent	3	2
- Minority interests	2	1
Total equity and liabilities	10	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, 2021	Dec. 31, 2020
Net banking revenue	1	2
General operating expenses	(1)	-
Gross operating income	-	2
Cost of risk	-	-
Operating income	-	2
Income taxes	(1)	(1)
Net income for the year	(1)	1
- of which minority interests	-	-
- of which attributable to equity holders of the parent	(1)	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, 2019	2	30%	1	(1)
Net income of the period	1		-	
Dividends	-		-	
Gains and Losses Recognized Directly in Equity	-		-	
Hyperinflation effects	1		-	
At December 31, 2020	4	30%	1	(1)
Net income of the period (1)	(1)		-	-
Dividends	-		-	-
Gains and Losses Recognized Directly in Equity	-		-	-
Hyperinflation effects (1)	3		1	-
At December 31, 2021	6	30%	2	(1)

(1) The implementation of IAS 29 led a negative impact of €3 million in Net Income, of which €3 million fully covered by a positive change in Equity.

Note 28 Auditors fees

(in million euros)	Ernst & Young		Mazars	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Audit				
- Statutory and contractual audit services				
- Banque PSA Finance	0,2	0,1	0,2	0,2
- Fully-consolidated companies	0,1	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	0,3	2,1	0,2	2,3

(1): Amounts in "Audit related services" refer in 2020 to PCAOB and USGAAS fees for the merger of PSA and FCA groups.

Note 29 Subsequent Events

Following an investigation conducted in May 2017 against various financial captives located in Italy, including Banca PSA Italia S.p.A and Opel Finance S.p.A, 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. Banque PSA Finance S.A., Banca PSA Italia S.p.A. and Opel Finance S.p.A., which were fined approximately €38.5m, €6m and €10m respectively, had appealed against this decision. On November 24, 2020, the court (TAR Lazio in Rome) had overturned the Italian competition authority's decision in its entirety but end of December 2020, the Italian competition authority had decided to appeal this decision before the Council of State.

On February 3rd, 2022, the Italian Council of State rendered its decision (« Sentenza ») and dismissed the Italian competition authority, confirming the judgment of the TAR Lazio in Rome.

Based on this favourable judgment rendered between December 31st, 2021 and the date of approval of the accounts by the Board, and given the fact that Banque PSA Finance S.A. initially paid the 38,5 M€ fine in 2019, a revenue for this same amount was booked in the 2021 consolidated financial statements, in Other revenue and expense of the Net Banking Revenue, for the reimbursement to be received from the Italian authority.

No other event that could have a material impact on business decisions made on the basis of these financial statements, occurred between December 31, 2021 and the Board of Directors' meeting approving these financial statements, i.e. February 18, 2021.

2.7 Statutory auditors' report on the consolidated financial statements

For the year ended December, 31 2021

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,

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 31st December 2021.

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 2021 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.

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, 2021 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..

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 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 on December 31, 2021 amounted to €2,718 million, for a balance sheet total of €3,996 million and a share of profit of €419 million, for a net profit group share of €412 million.	<p>Our work consisted primarily in:</p> <ul style="list-style-type: none">➤ 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) analysing 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.

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.

➤ 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.

Specific verifications

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.

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 of 31st December 2021, Audit Firm MAZARS and Audit Firm ERNST & YOUNG Audit were in the 17th year and 11th year of total uninterrupted engagement respectively.

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.

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 1st, 2022

The Statutory Auditors
French original signed by

MAZARS

Matthew Brown

ERNST & YOUNG Audit

Luc Valverde

Statement from the person responsible for the 2021 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 taken all reasonable steps to this effect, that the information contained in this document is, to my knowledge, consistent with the truth and do not include any omission that could lead to a false interpretation.

I hereby certify, to my knowledge, that the annual 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

Société anonyme. Share capital: €199,619,936
Registered office: 2-10 Boulevard de l'Europe – 78 300 POISSY- France
R.C.S. (Trade and Companies Register) of Versailles 325 952 224 - Siret 325 952 224 00039
APE business identifier code: 6419Z
Interbank code: 13168N
Phone: +33 1 61 45 45 45
www.banquepsafinance.com