STELLANTIS

BANQUE PSA FINANCE
A STELLANTIS COMPANY

Free2move

ANNUAL RESULTS
2022

"FINANCING & SERVICES ENABLING AFFORDABLE MOBILITY FOR ALL"

STELLANTIS

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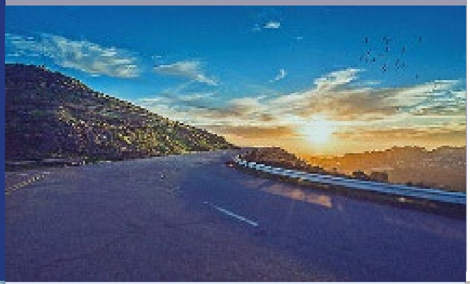

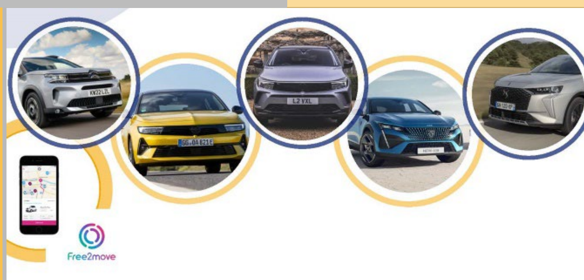

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1.1 MESSAGE FROM REMY BAYLE

CHIEF EXECUTIVE OFFICER OF BANQUE PSA FINANCE

In 2022, the year was marked by many challenges, related to a chaotic global economic and political situation, with the automotive industry continuing its energy transition towards electrification. This particular economic context had a strong impact on our business, and the acceleration of inflation led to very sharp increases in interest rates over a very short period across all markets.

2022 was also the year to prepare the bank's transformation in order to expand its scope to all Stellantis brands in Europe and thus strengthen the potential of our activities. This new organization of Stellantis financial services will pave the way for a wider future for our increasingly innovative, multi-brand and multi-cultural company.

In this particular context, Banque PSA Finance maintained its roadmap, which is still based on three major pillars: **the energy transition, mobility and digital transformation at the service of the customer experience.**

Energy transition and mobility: obvious to all!

The weight of LEV (Low Emission Vehicles) in overall brand registrations increased sharply in 2022, from 12% to 18%. Banque PSA Finance stepped up its efforts to support brands in their electrification strategy; our penetration of LEV-type vehicles is 39.6%, of which 71.5% in B2C.

To reinforce our presence within the brands and accentuate our role in the rise of electrification, we completed not only our financing range but also our flexible solutions. In France, with the Peugeot brand, we launched a new variable-mileage LTL product, which consists of a monthly payment according to the actual use of the vehicle: a customer subscribes to an offer with a defined monthly mileage and in the cases where mileage is exceeded, a monthly invoice is sent to the customer. This innovative formula adapts as far as possible to actual consumption.

We also rolled out financing products across the various markets in Europe with a flexible option, where customers can decide to modify their contract if they wish and which is a key element in making the transition to an electric vehicle. Lastly, we launched a subscription solution in the Netherlands in July and we will continue to launch subscriptions in France, Spain, Italy and Germany in the coming months.

We also helped to strengthen the TCO (Total Cost of Ownership) approach, with a specific tool that convinces customers to opt for a hybrid or electric vehicle by comparing the monthly costs of a combustion engine vehicle and an LEV, while demonstrating potential savings. These Bank initiatives support the trajectory of the Group's brands to reduce CO2 emissions.

Mobility and digital transformation at the service of the customer experience

This year, Banque PSA Finance continued to invest in innovation, mainly focusing on online sales and the digitization of after-sales processes in order to keep the customer at the heart of its concerns. For example, the bank contributed significantly to the success of AMI, via the financing offer that facilitates access to AMI with an **innovative 100% online journey** and this at a cost equivalent to a monthly public transport fee.

In 2022, the year saw a major change in the online financing process by integrating Open Banking and Open DATA systems, significantly reducing customers' efforts to complete their financing file online. In addition, for a large proportion of customers who initiate their shopping experience online but wish to receive assistance at some point in their journey, Banque PSA Finance offers them the opportunity to contact an e-seller to finalize their distance selling. This simplification of the online pathways offered to our customers will continue, in order to truly offer “disruptive” pathways.

The bank also continued its efforts to enhance personal online spaces for its customers. Over 301,000 accounts were opened this year. In total, more than one million four hundred thousand 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

2022 was a very volatile year, with the health situation still somewhat unstable, and where everyone's vigilance remained necessary. Despite market developments and headwinds (semiconductor shortages or logistical issues), we maintained a high level of performance in both financing and insurance. Performance for B2C customers reached 51.5% in 2022, and for B2B results improved to reach 27.1%, with a further increase in F2M Lease.

At the same time, we continued to improve our quality of service to achieve a Net Promoter Score (NPS) above 48. Our business model based on partnerships remains relevant, with good management of margins, operating costs and the cost of risk, and, in addition to exceptional items, the profitability of Banque PSA Finance reached a record level in 2022 with pre-tax income of €1,131 million.

Lastly, this year was also devoted to the preparation of our project to reorganize our financing activities in Europe, an implementation that will be effective in the second quarter of 2023.

Thanks to these solid foundations and the commitment of all our teams, I am convinced that the Bank will continue to write its history within and at the service of Stellantis. We are ready for the next step.

RÉMY BAYLE

CHIEF EXECUTIVE OFFICER

1.2 BPF GOVERNANCE

BOARD OF DIRECTORS

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

Director
Chief Executive Officer
RÉMY BAYLE

Director
BRIGITTE COURTEHOUX

Director
Chairwoman of the Appointments Committee
Chairwoman of the 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

SENIOR MANAGEMENT

Director
Chief Executive Officer
RÉMY BAYLE

Deputy Chief Executive Officer
HELENE BOUTELEAU

STATUTORY AUDITORS

Principal Statutory Auditors

ERNST & YOUNG AUDIT

MAZARS

Substitute Statutory Auditors

PICARLE & ASSOCIES
GUILLAUME POTEL

Position as of December 31, 2022

BANQUE PSA FINANCE

Société anonyme (limited-liability corporation) with a share capital of €199,619,936. Registered office – 2-10 Boulevard 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

In 2022...

ENERGY TRANSITION & MOBILITY

DIGITAL TRANSFORMATION SERVING THE CUSTOMER EXPERIENCE

QUALITY & CUSTOMER RELATIONS

High level of requirements for Quality of Service and Customer Satisfaction: Net Promoter Score (NPS) continuously improving, +6 Points vs 2021.

MARKETING

Increasingly flexible financing offers: introduction of three products: subscription with Drive4joy, flexible LLD with Flex & Free, and a product intended for LEVs based on invoicing per kilometer - "Electric as you Go".

LEV

An essential partner for the brands to support them in their electrification strategy: the penetration of LEV-type vehicles is 39.6%, of which 71.5% in B2C.

E-PAYMENT

Nearly 900,000 payment transactions carried out in 2022, i.e., +6% vs 2021. System in 6 European countries. Project to expand the scope in Europe and outside Europe.

EFFIGAME TRAINING

Expanded use of this AI-based training tool. Launch of the 5th training module on UV (used vehicles).

DIGITAL

Customer / Dealer chat (written electronic conversations):
Every month, 16,000 customer contacts live via chat
Every month, 8,000 contacts with car dealerships, live via chat

Roll-out of the e-signature in all countries:
73% electronic signature rate on eligible B2C contracts

Digital customer area:
+200,000 myFinance accounts created this year

SERVICES & INSURANCES

Services and insurance, a catalyst for mobility and flexibility accessible to all Stellantis customers

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 14 countries.

2008.

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.

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

3,500
EMPLOYEES WORLDWIDE

814,414
VEHICLES FINANCED

1,392,702
INSURANCE AND SERVICES CONTRACTS SOLD

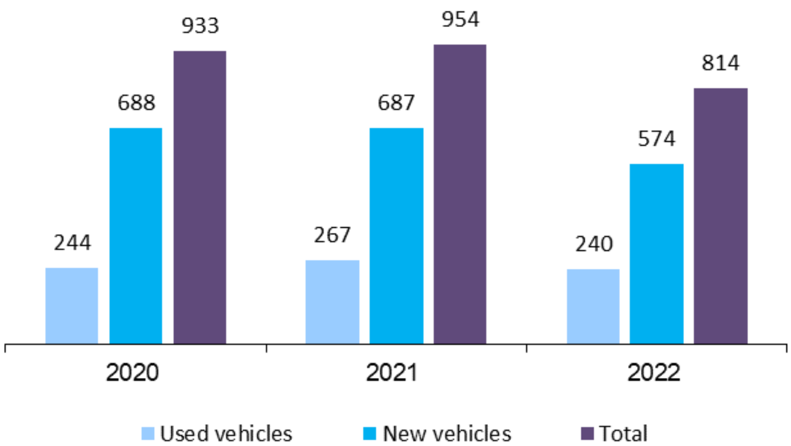
14
COUNTRIES

Including **102,193**
ELECTRIFIED VEHICLES

Including **31,500**
ONLINE SALES FINANCED

BPF KEY FIGURES (EXCLUDING CHINA)

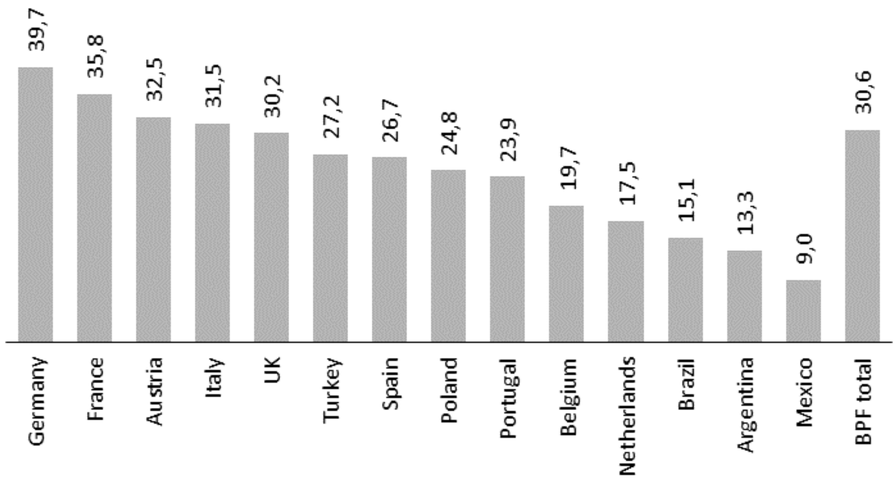
Change in the number of end-user financed vehicles
(In thousands of vehicles)



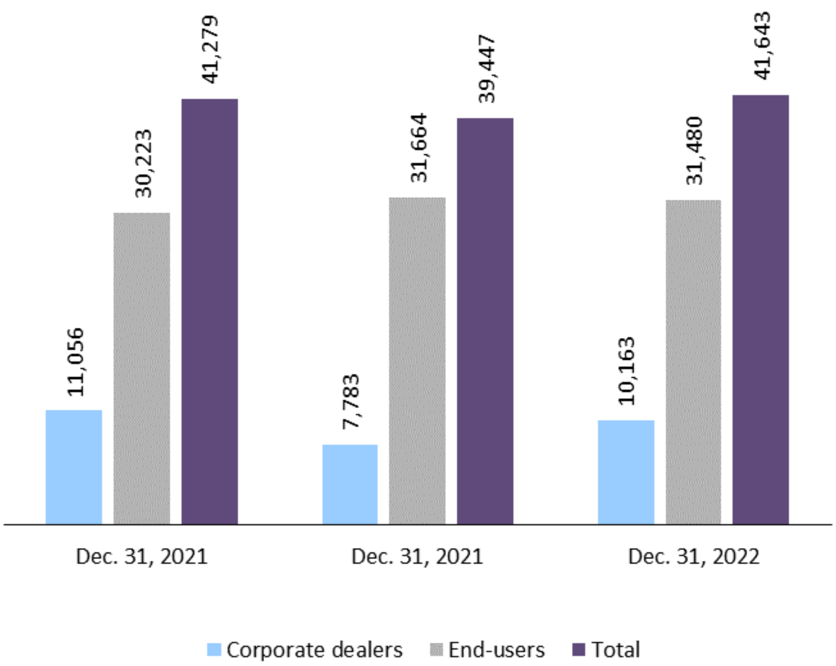
BPF KEY FIGURES (EXCLUDING CHINA)

Penetration rates by country (as a %) at December 31, 2022

(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)***

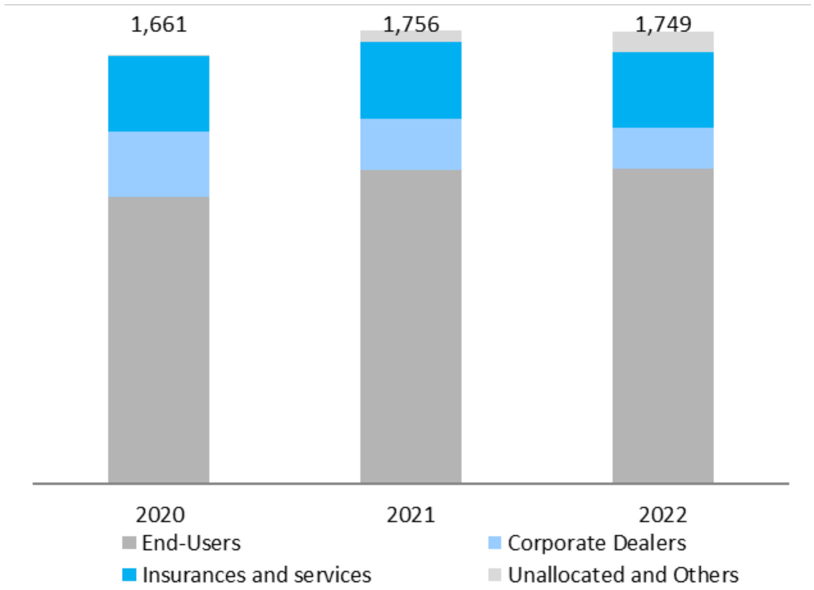


1.5 KEY FIGURES

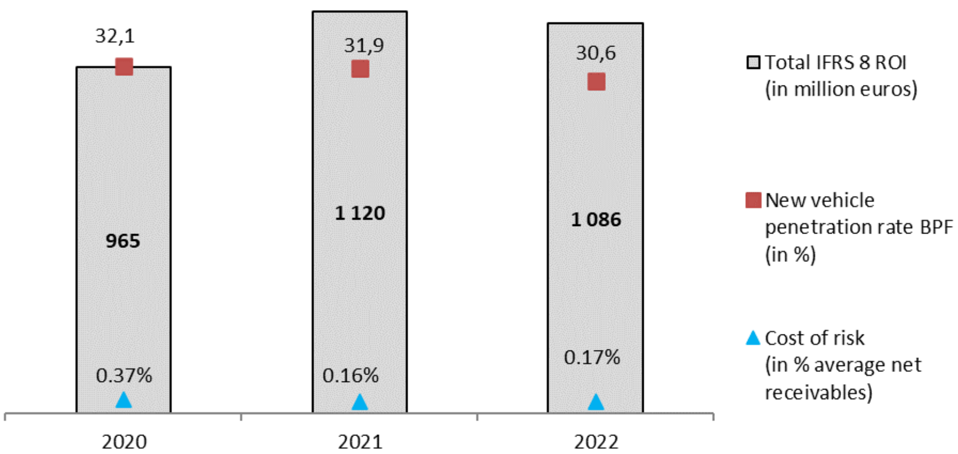
BPF KEY FIGURES (EXCLUDING CHINA)

Change in 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

* Completion of the sale of BPF Finance Mexico, SOFOM, E.N.R. on December 14, 2022

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

Banque PSA Finance (BPF)'s strategy is to support STELLANTIS in the implementation and roll-out of its "DARE FORWARD 2030" strategic growth plan. It is a strategy that has three 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).

2. A mobility player and payment facilitator

BPF supports STELLANTIS with a view to it becoming a major global player in new forms of mobility for consumers, by integrating service, insurance and mobility solutions across all projects and products for both B2B and 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.

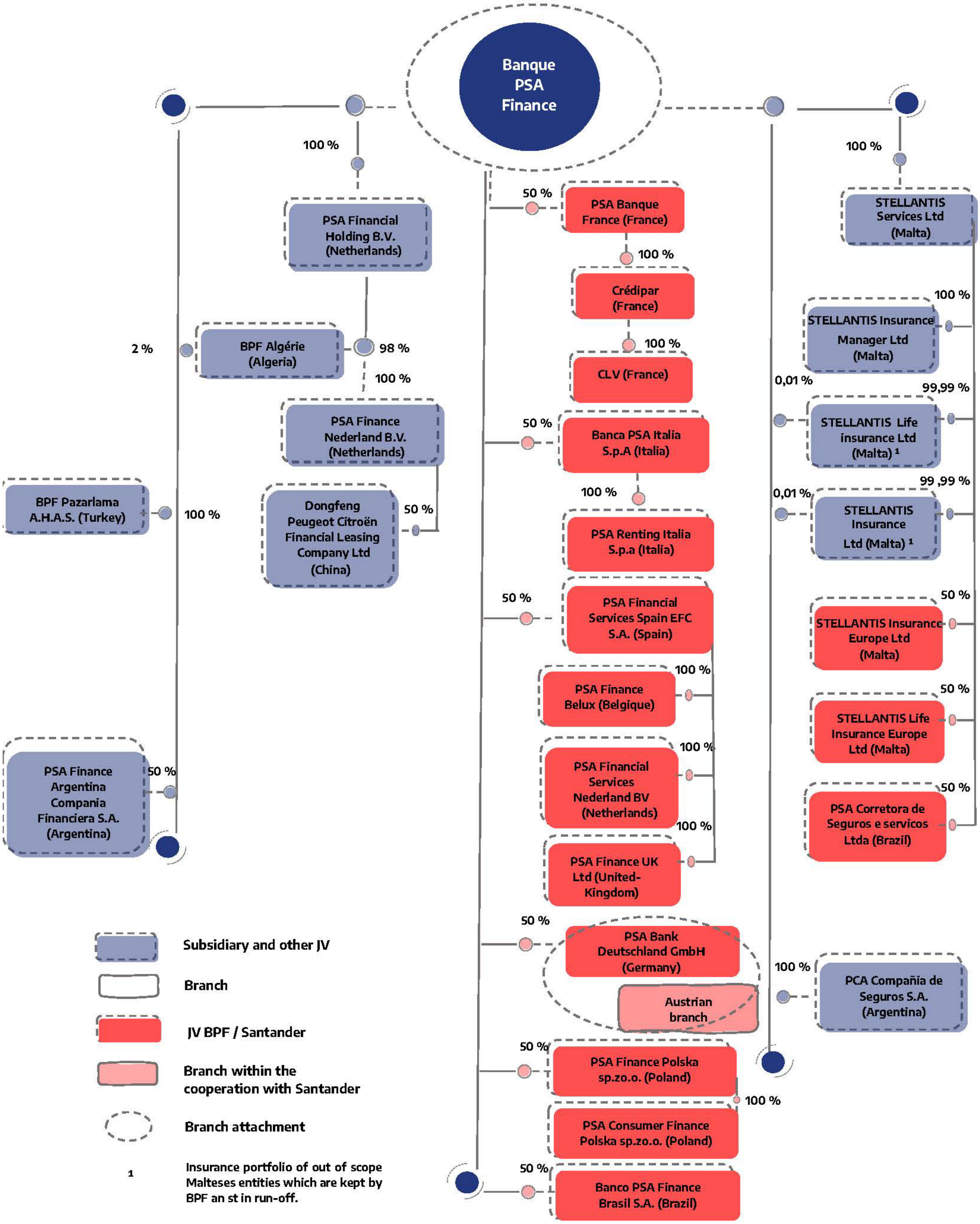
3. Digital transformation

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.

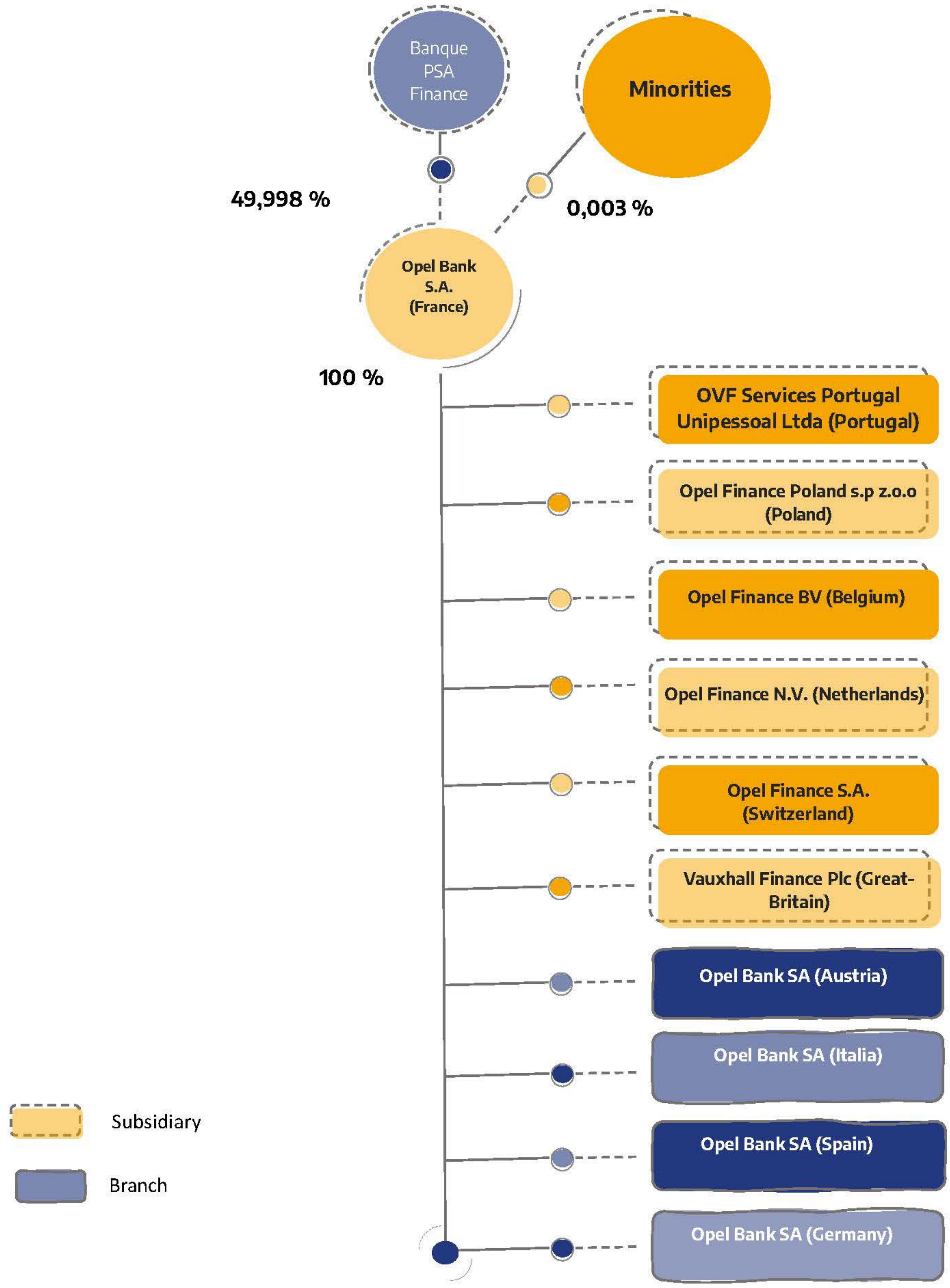
1.8 ORGANIZATIONAL CHARTS

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 Delivers Record Full Year 2022 Results: Global BEV Sales Up 41%. Progressing Fast on Dare Forward 2030 Execution

Net revenues of €179.6 billion, reach up 18% compared to 2021 Pro Forma reflecting strong net pricing, favorable vehicle mix and positive FX translation effects. The Net profit of €16.8 billion, is up 26% (1).

Adjusted operating income (2) up 29% (1) to €23.3 billion, with 13.0% margin, exceeds 2030 target of >12%; all segments contributing to both top and bottom-line growth.

Industrial free cash flows (3) of €10.8 billion, up 78% (1), showing early progress toward 2030 objective of >€20 billion.

Net cash synergies of €7.1 billion, more than two years ahead of €5.0 billion annual steady state target. Strong balance sheet, with Industrial available liquidity at €61.3 billion.

Stellantis is No. 1 EU30 Commercial Vehicles BEV sales, No. 2 EU30 Overall BEV sales, No. 1 U.S. PHEV sales.

With the 2023 launch of the First U.S. BEV, Ram ProMaster, 23 BEV nameplates now in market, 9 additional BEVs in 2023.

€4.2 billion ordinary dividend corresponding to €1.34 per share to be paid, subject to shareholder approval.

Board approved program to buyback company shares for a value of up to €1.5 billion, to be executed in the open market by end 2023.

Stellantis N.V. posted record full year 2022 results with €16.8 billion Net profit and €23.3 billion Adjusted Operating Income (AOI) and demonstrated fast progress on Dare Forward 2030 as the Company gained momentum on electrification, software development and vertical integration at a pivotal time for the industry.

Stellantis is already on pace to deliver on its Dare Forward 2030 strategic plan commitments, while working to preserve freedom of mobility. Launched in March 2022, Dare Forward 2030 is built upon three fundamental pillars that will lead the Company to achieve its financial ambition of doubling Net Revenues to €300 billion by 2030 (as compared to 2021), while sustaining double-digit AOI margins throughout the decade.

CARE :

Stellantis has the ambition to achieve carbon net zero by 2038 with an intermediate target of cutting carbon emissions in half by 2030 (5), compared to 2021 levels. In 2022, the Company reduced its industrial and real estate (Scopes 1 & 2) carbon footprint by 11% (6). As it pushes to become No. 1 in customer satisfaction, Stellantis achieved an ~30% reduction in vehicle defect rates three months after delivery to the end-customer. All of the Company's key HR processes have been aligned with its diversity and inclusion commitments and 27% of leadership positions are now held by women, targeting 30% by 2025.

TECH :

Stellantis' electrification push accelerated with a 41% increase in global battery electric vehicle (BEV) sales year-over-year, to 288,000 vehicles in 2022. With 23 BEVs now in market, the BEV portfolio will more than double to 47 by the end of 2024, supporting the target to have more than 75 BEVs globally and global BEV sales of 5 million by 2030. Notably the Jeep® brand revealed the first phase of its BEV offensive with the launch of Jeep Avenger, the first-ever fully electric Jeep SUV and now the European Car of the Year 2023. It also premiered the all-electric Jeep Recon and Wagoneer "S", both intended for the North American and other major global markets. The Ram brand followed, unveiling earlier this month its highly anticipated all-new, allelectric Ram 1500 REV production version that will be available in Q4 2024.

Stellantis is No. 1 in EU30 Commercial Vehicles BEV sales and No. 2 in EU30 for overall BEV sales with the Fiat New 500 as the No. 1 selling BEV in Italy and the Peugeot e-208 No. 1 in France. The Company is positioned as No. 1 in the U.S. for plug-in hybrid electric vehicle (PHEV) sales, with the Jeep Wrangler 4xe as the No. 1 selling PHEV in both the U.S. and Canada.

The Company confirmed locations for five gigafactories (three in Europe and two in North America), with Automotive Cells Company, Samsung SDI and LG Energy Solution. As vertical integration of raw materials continues to be a focus, separate agreements were signed with Vulcan Energy, Controlled Thermal Resources, Alliance Nickel Limited (formerly GME Resources Limited), Element 25 and Terrafame.

The software growth strategy is on track to achieve its 2030 targets of €20 billion Net Revenues and ~40% Gross Margin, as the business grew by 25% in 2022 vs. 2021. At the end of the year, Stellantis' monetizable connected car parc (based on 5-year rolling car parc) was ~13 million vehicles, targeting ~34 million by 2030. STLA Brain and standardization efforts from legacy systems and solutions to significantly reduce ECUs per vehicle by >50%.

VALUE :

Stellantis prioritized its seven accretive businesses to complement its core business and achieved year-over-year (1) growth.

U.S. Finco operations continued to expand, with approximately 90% of U.S. dealers enrolled to date.

Unveiled fulsome Circular Economy strategy, including first Circular Economy Hub in Italy and strategic partnership with Qinomic to develop proof of concept for electric retrofitting of light commercial vehicles.

Mobilisights, an independent business unit fully dedicated to growing the Company's data as a service business, launched in January 2023.

All regions are growing and delivering record profitability. The "Third Engine" – Middle East & Africa, South America, and China and India & Asia Pacific – grew Net revenues by 34% y-o-y (1) and more than doubled its AOI contribution to €3.8 billion for 2022, making progress to achieve the target of more than 25% of the Company's global Net revenues by 2030.

What Stellantis has demonstrated in its initial two years is just a glimpse of the major impact the Company expects to have on mobility ecosystems in the future.

NOTES :

(1) Completed merger of Peugeot S.A. ("PSA") with and into Fiat Chrysler Automobiles N.V. ("FCA") on January 16, 2021 ("Merger"). On January 17, 2021, combined company was renamed Stellantis N.V. ("Stellantis" or "Company"). PSA was determined to be the acquirer for accounting purposes, therefore, the historical financial statements of Stellantis represent the continuing operations of PSA, which also reflect the loss of control and the classification of Faurecia S.E. ("Faurecia") as a discontinued operation as of January 1, 2021 with the restatement of comparative periods. Acquisition date of business combination was January 17, 2021, therefore, results of FCA for the period January 1 - 16, 2021 are excluded from full year 2021 results unless otherwise stated. 2021 Pro Forma results are presented as if the Merger had occurred on January 1, 2020 and include results of FCA for the period January 1 – 16, 2021.

(2) Adjusted operating income/(loss) excludes from Net profit/(loss) from continuing operations adjustments comprising restructuring, impairments, asset write-offs, disposals of investments and unusual operating income/(expense) that are considered rare or discrete events and are infrequent in nature, as inclusion of such items is not considered to be indicative of the Company's ongoing operating performance, and also excludes Net financial expenses/(income), Tax expense/(benefit) and Share of the profit/(loss) of equity method investees. Unusual operating income/(expense) are impacts from strategic decisions, as well as events considered rare or discrete and infrequent in nature, as inclusion of such items is not considered to be indicative of the Company's ongoing operating performance. Unusual operating income/(expense) includes but may not be limited to: impacts from strategic decisions to rationalize Stellantis' core operations; facility-related costs stemming from Stellantis' plans to match production capacity and cost structure to market demand, and convergence and integration costs directly related to significant acquisitions or mergers.

(3) Industrial free cash flows is calculated as Cash flows from operating activities less: cash flows from operating activities from discontinued operations; cash flows from operating activities related to financial services, net of eliminations; investments in property, plant and equipment and intangible assets for industrial activities; contributions of equity to joint ventures and minor acquisitions of consolidated subsidiaries and equity method and other investments; and adjusted for: net intercompany payments between continuing operations and discontinued operations; proceeds from disposal of assets and contributions to defined benefit pension plans, net of tax. For the year ended December 31, 2021, Pro Forma Industrial free cash flows includes the Industrial free cash flows of FCA for the period January 1 - January 16, 2021. The timing of Industrial free cash flows may be affected by the timing of monetization of receivables and the payment of accounts payables, as well as changes in other components of working capital, which can vary from period to period due to, among other things, cash management initiatives and other factors, some of which may be outside of the Company's control.

(5) Including Scopes 1 and 2 (-75% in absolute emissions tCO_2eq) and Scope 3 (-50% in intensity emissions tCO_2eq/vh)

(6) In absolute emissions tCO_2 vs. baseline 2021

1.9.2 BPF COMMERCIAL PERFORMANCE

Unless otherwise specified, business data in this management report exclude China. The figures for China are presented separately and cover, for 2022, 11 months for DPCAFC and 12 months for DPCFLC.

NV PENETRATION RATE BY COUNTRY

	New Vehicle Financing BPF (passenger and utility vehicles)[1]		Penetration rate BPF (in %)	
Countries	**2 022**	**2 021**	**2 022**	**2 021**
France	198,114	222,755	35.8	33.7
United Kingdom	71,671	85,622	30.2	31.2
Germany	99,003	122,283	39.7	41.2
Italy	62,923	90,121	31.5	37.3
Spain	43,993	55,104	26.7	27.2
Belgium	16,534	20,760	19.7	22.0
Netherlands	9,558	13,663	17.5	22.9
Austria	6,808	9,514	32.5	29.9
Switzerland[2]	0	54	0	0
Poland	8,410	11,711	24.8	25.7
Portugal	9,929	12,675	23.9	29.8
Europe	**526,943**	**644,262**	**32.2**	**33.0**
Brazil	11,133	8,367	15.1	15.8
Argentina	6,683	6,762	13.3	16.8
Mexico	741	2,902	9.0	25.6
Latin America	**18,557**	**18,031**	**14.0**	**17.2**
Turkey	27,188	22,932	27.2	24.2
Rest of the World	**27,188**	**22,932**	**27.2**	**24.2**
Total without China	**572,688**	**685,225**	**30.6**	**31.9**
China	**29,720**		**37.3**	**37.2**

[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 2022 as a whole, 572,688 new vehicle (NV) contracts were signed for the Peugeot, Citroën, DS Automobiles, Opel and Vauxhall brands, a volume down compared to 2021 in a market that was impacted both by economic conditions related to the shortage of semiconductors and by raw material prices.

Loyalty-building offers ("Balloon" installment contracts, leasing with a purchase option, long-term leases) account for the majority of production, i.e. 80% of contracts completed. This type of offer is even more important for LEVs, i.e. **93.8%.** The development of loyalty-building offers in the used vehicle segment should also be noted.

A. MARKETING POLICY AND PERFORMANCE

In 2022, Banque PSA Finance (BPF) financed 30.6% 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. Penetration was down by 1.3 points compared to 2021. It should be noted that as a result of the disruptions related to the economic and logistical context, we are seeing a decline in sales according to various channels: decline in sales to individuals and significant growth in sales to companies where the market is particularly competitive.

In this context, new vehicle registrations were down by 16% compared to 2021. Registrations fell sharply as a result of the components crisis. Regarding markets outside Europe (PCD only), volumes in Brazil are recovering but Argentina is declining, due to the very unstable and increasingly inflationary economic context.

Overall, the volume of NV/UV financing was down and was impacted by the decline in NV registrations and a limited stock of UV. It should also be noted that there was a sharp increase in central bank benchmark rates in order to combat inflation, which increases the cost of financing for the end user. This phenomenon has particularly affected Europe and South America, where inflation has reached record levels.

Faced with this situation, a significant sales system was put in place over the year in order to maintain good performances. Overall, NV penetration reached 30.6%. 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 the generalization of new flexible offers to meet different budgets and the new mobility needs of customers. As a whole, this system resulted in a volume of 572,688 units.

In addition to these actions to limit the impact on volumes, the development of sales of electric and hybrid vehicles as well as the significant weight of loyalty-building offers led to a significant increase in the average BPF unit financed, which, in 2022, reached nearly €18,500 for NV and €13,500 for UV.

B. NEW VEHICLE FINANCING

Europe

In Europe, the number of new vehicle financing contracts for the Peugeot, Citroën, DS Automobiles, Opel and Vauxhall brands is directly affected by the fall in registrations. In terms of volumes, the number of contracts fell by 18% to 526,943 for the five brands. In terms of geographic areas, the trends were as follows:

In France: 198,114 contracts representing a penetration rate of 35.8%, i.e. an increase of 2.1 points. This market grew mainly due to resistance in the B2C market thanks to LPO offers, representing, for PCD, 86.4% of the total B2C channel and, for Opel, 90%. B2B performance continued to increase in a market representing a larger share.

In Germany, performance remained at a high level, at 39.7%, largely driven by the strong performance of electric and hybrid vehicles, which reached a penetration rate of 50.3%. Opel penetration reached 41.3%. This result stemmed from stronger synergies with the brands and dynamic and effective commercial action plans.

In Spain, performance was down due to an unfavorable mix, with a lower weighting of B2C. Despite the high B2C performance, at 62.5%, the mix effect was not offset. It should be noted that a significant portion of B2B consists of sales ineligible for financing. Overall, penetration remained stable at 26.7%.

In the United Kingdom, despite a market that remained disrupted, performance improved for PCD compared to 2021 thanks notably to better penetrations in the B2B segments but also in B2C, and to the action plans put in place with the brands. Performance for Opel was down due to a breakdown by channel favoring large accounts. Overall, penetration reached 30.2%.

In Italy, we observed a decline in performance linked to a change in sales channels generated by the end of government subsidies for electric and hybrid vehicles. The retail market had been very buoyant and these measures had enabled the Italian market to maintain very good momentum. Nevertheless, this year, penetration was down by 5.8 points to 31.5%. Conversely, this year the market was buoyed by sales to corporates and key accounts. However, the weight of loyalty-building offers continued to increase and now represents 76% for PCD.

In Belgium and Luxembourg, in a very competitive market, performance was down, especially in the first part of the year. In the second half of the year, there was a recovery compared to the equivalent period in 2021, thanks to the reinforced action plan with the brands and promotion in the dealer network. In this context, penetration reached 19.7%. To strengthen commercial performance, major actions are planned to generate traffic during the Brussels trade show period.

In Poland, the market fell by 26% heavily impacted by inflation and the geopolitical context. It should be noted that the increase in benchmark rates has been particularly strong since the start of the year. Overall, penetration reached 24.8%. The continued pursuit of actions with the Brands, and the reinforcement in the field of B2B (representing 80% of registrations) made it possible to limit the impacts of this difficult context.

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 13.3%, because customers preferred the savings plan to finance their vehicle rather than the traditional loan.

In Brazil, penetration increased in the second half of the year compared to 2021, due to a larger eligible market with the latest vehicle launches. Overall, penetration reached 15.1%

Other countries

Turkey: in a growing market, financing performance was up in 2022 with a penetration rate of 27.2%, i.e. +3 points. The action plans with the brands and the entire commercial system led to an increase in performance throughout the year.

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

In China (PCD only)

In 2022, the automotive market was marked by various lockdowns related to Covid, then by a catch-up period with the support of a favorable tax policy for a few months. The wholesale market thus progressed and, at the end of December, closed at 21.5 million units (+1.2 million or +6%) while deliveries to customers on the retail market saw a lesser increase to 21.1 million units (+0.4 million or 2%). The recovery of DPCA continued and posted an increase in its sales thanks to exports; in the Chinese market, its retail sales were able to maintain growth, at 89,464 units over 12 months, compared to 84,642 the previous year (+5.7%), after a strong increase in 2021 compared to 2020 (+75%), while DS Automobiles increased its sales to 576 units compared to 426 (+35%).

As indicated in 2021, DPCA continued, especially until the end of August, to explore new distribution models to supplement the sales made by the network; platform sales impacted the penetration of financial companies during this period, which improved as of September. DPCA also launched a telephone platform for direct sales to customers, in which DPCAFC was involved. DPCAFC and DPCFLC new contract volumes for PCD amounted to 29,720 contracts (AFC over 11 months), down 6%. Over this effective period of 11 months for AFC and 12 months for FLC, the penetration rate of financing granted by DPCAFC and DPCFLC for DPCA and DS Automobiles vehicles increased slightly to 37.3% vs 37.2%.

In 2022, DPCAFC continued its work to refocus on shareholder brands and, after discontinuing UV in September 2021, discontinued non-Group NV, which still represented 11,221 vehicles in 2021 and only amounted to 714 vehicles at the end of November 2022. As of September, DPCAFC launched, ahead of the sale transaction, the business with certain JV brands of the Dongfeng group (“Seres group”): 1,076 retail contracts were signed, mainly in November. In 2022, DPCAFC’s cost of risk was impacted by the run-off of the UV and ANV portfolios, and various Covid blocking periods; some regions having been blocked for several months in a row. These blocking periods affected the solvency of customers in these portfolios, with NV risk remaining stable at a low level. DPCAFC reinforced its provisions to deal with this temporary risk, bearing in mind that the outstanding amount of these two portfolios is decreasing very rapidly, reaching RMB 2.1 billion at the end of November 2022 compared to RMB 4.6 billion at the end of 2021.

The leasing company DPCFLC granted 6,328 new contracts compared to 13,653 in 2021, including 557 for our brands, and 5,761 NV and 10 UV for other brands. The volume of private vehicles, which remained the main source of contracts, was down in 2022, these activities having been severely disrupted by the Covid lockdown periods. With the disposal of DPCAFC, the outstandings at the end of December only included the leasing company and stood at €195 million compared to €229 million the previous year, a decrease of 14.8%. At the end of November, the DPCAFC's outstandings amounted to €971 million, down 22.6% compared to December 2021, mainly due to the decline in the UV and ONV run-off portfolios.

C. USED VEHICLE FINANCING

Globally, 240,365 UV financing contracts were completed in 2022, i.e. -10%, mainly impacted by the UK market and the increase in the refinancing rate. Excluding the UK, volumes were stable despite a lack of available vehicles due to the components crisis, which limited the production of NV and impacted the supply of UV. BPF increased its UV penetration on Spoticar label sales.

As with the new vehicle business, specific offers were put in place to support the UV market through the reinforcement of loyalty offers and promotional campaigns with the brands. A significant system will be maintained in the first half of 2023 in order to continue to develop the volumes of certified vehicles. In terms of production, G5 volumes represent 90% of all contracts completed.

Loyalty-building offers increased significantly in UV and represented 43% in 2022, i.e. +6 points compared to 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 2022, across the scope where F2ML operates (France, Great Britain, Germany, Spain, Italy, Belux, the Netherlands, Portugal, Poland and Austria), F2ML saw its fleet grow by 3.2% to reach 458,800 vehicles, despite an unstable automotive environment due to supply issues. All brands combined, F2ML registered and financed 140,185 vehicles in 2022, i.e. 20.2% of the B2B sales of the brands in its scope, an increase of 0.3 points compared to 2021.

This growth enabled F2ML to consolidate its position as the leading leaser on the French market and to strengthen its presence in other countries where the B2B Long-Term Leasing market continues to grow.

1.9.3 FINANCING AND SAVINGS ACTIVITIES FOR END USERS

Depending on the market, six types of products are offered by Banque PSA Finance (BPF) for individuals (B2C) and professional customers (B2B):

- Installment Contracts (IC)
- Leasing with a purchase option (LPO)
- Long-Term Leases (LTL)
- Flexible Long-Term Leases
- Subscription
- Savings

A. NEW VEHICLE FINANCING AND USED VEHICLE FINANCING

Excluding China, the total production of financing intended for End User amounted to 801,193 projects, down by 14.9% compared to the same period the previous year.

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

(in number of contracts)	2 022	2 021	% change
Installment contracts	420,136	511,071	- 17.8
Leasing activity and other financing	381,057	430,200	- 11.4
TOTAL	**801,193**	**941,271**	**- 14.9**

(in million euros, excluding accrued interests)	2 022	2 021	% change
Installment contracts	6,022	6,780	- 11.2
Leasing activity and other financing	7,426	7,706	- 3.6
TOTAL	**13,447**	**14,486**	**- 7.2**

NV/UV BREAKDOWN

(in number of contracts)	2 022	2 021	% change
End-user financing	**801,193**	**941,271**	**- 14.9**
of which new vehicles	561,064	674,617	- 16.8
of which used vehicles	240,129	266,654	- 9.9

(in million euros)	2 022	2 021	% change
End-user financing	**13,447**	**14,486**	**- 7.2**
of which new vehicles	10,221	11,317	- 9.7
of which used vehicles	3,226	3,169	+ 1.8

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

(in number of contracts)	2 022	2 021	% change
France	278,006	304,258	- 8.6
United Kingdom	127,227	165,810	- 23.3
Germany	140,480	163,902	- 14.3
Italy	80,364	105,091	- 23.5
Spain	55,097	68,295	- 19.3
Belux	21,893	25,394	- 13.8
Portugal	11,041	13,848	- 20.3
Netherlands	12,535	16,668	- 24.8
Switzerland		70	- 100.0
Austria	13,488	16,219	- 16.8
Poland	11,063	14,279	- 22.5
Europe	**751,194**	**893,834**	**- 16.0**
Brazil	13,655	11,621	+ 17.5
Argentina	7,340	7,540	- 2.7
Mexico	749	2,944	- 74.6
Latin America	**21,744**	**22,105**	**- 1.6**
Turkey	28,255	25,332	+ 11.5
Rest of the World	**28,255**	**25,332**	**+ 11.5**
Total	**801,193**	**941,271**	**- 14.9**

END-USER FINANCING ACTIVITY IN CHINA AND OUTSTANDING IN CHINA

	2 022	2 021	% change
End-user loans *(including leases)*			
Number of vehicles financed (new and used)	37 293	89 024	- 58.1
Amount of financing *(in million euros, excluding interests)*	449	889	- 49.5

Outstanding loans *(in million euros)*	Dec. 31, 2 022	Dec. 31, 2 021	% change
End-user loans *(including leases)*	194	1 285	- 84.9
Corporate dealers loans	0	193	- 100.0
Total loans	**194**	**1 478**	**- 86.9**

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 outstandings in France amounted to 89% for savings accounts and 11% for term deposit accounts.

In France, results were very satisfactory, with an increase in the volume of deposits from €2,956 million at December 31, 2021 to €3,059 million at December 31, 2022. The Distingo offer remained attractive to customers and prospects, and collection was in line with targets.

In Germany, deposits from individual customers were down compared to December 31, 2021. Outstanding loans represented €1,748 million at December 31, 2022 (of which €368 million in term deposit accounts).

Regarding OVF, the German branch of Opel Bank S.A. (France) offers its customers in Germany, a savings accounts via an online platform. The bank is offering overnight deposits and term deposits (1, 2, 3 years). The amount of deposits was stable and stood at €1,787 million at December 31, 2022, a slight increase compared to the end of 2021.

	IFRS8		
	Dec. 31, 2022	Dec. 31, 2021	% change
Outstanding (customers deposits) *(in million euros)*	**6,594**	**6,611**	- 0.2
Of which France ("Distingo", PCD perimeter)	3,059	2,956	+ 3.5
Of which Germany (PCD perimeter)	1,748	1,883	- 7.1
Of which Germany ("Opel Bank Deposits", OVF perimeter)	1,787	1,772	+ 0.8

1.9.4 CORPORATE DEALER FINANCING ACTIVITIES

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

	2 022	2 021	% change
Number of vehicles	**1,636,982**	**1,750,453**	**- 6.5**
Amount *(in million euros)*	**49,368**	**48,514**	**+ 1.8**
of which vehicles	46,224	45,834	+ 0.9
of which spare parts and other financing	3,145	2,680	+ 17.4

PRODUCTION OF NEW FINANCING FOR CORPORATE DEALER CUSTOMERS IN CHINA

BPF is a strategic partner of the dealer 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 (NV, UV, demonstration vehicles and spare parts), short-term cash financing, and even medium- and long-term investment financing allowing business to be sustained long-term.

In 2022, excluding China, 1,636,982 vehicles were financed, which represents a decrease of 7% compared to 2021, stemming from the ongoing global electronic components crisis, which has led to a fall in production at the STELLANTIS plants.

The amount of new financing granted increased by 2%, which is directly linked to the increase in vehicle sale prices achieved during the year.

In China, the use of platforms by DPCA to complete its network impacted the penetration of network financing during the first eight months of the year; in total, the wholesale penetration showed a slight increase to 65.7% at the end of November, compared to 64.2% the previous year. DPCAFC was able to finance 52,612 vehicles at the end of November compared to 50,133 vehicles over the same period the previous year (+5%).

1.9.5 INSURANCE AND SERVICES ACTIVITIES

PRODUCTION OF NEW INSURANCE AND SERVICE CONTRACTS

(in number of contracts)	2 022	2 021	% change
Financial services	523,843	582,534	- 10,1
Car insurance	229,206	239,874	- 4,4
Vehicle-related services	639,653	742,177	- 13,8
Total	**1,392,702**	**1,564,585**	**- 11,0**

PENETRATION RATE ON FINANCING

(In %)	2 022	2 021	% change
Financial services	64.3	61.1	+ 3.3
Car insurance	28.1	25.1	+ 3.0
Vehicle-related services and other services	78.5	77.8	+ 0.7
Total	**171.0**	**164.0**	**+ 7.0**

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 STELLANTIS Insurance Business Unit was created with the mission of overseeing insurance matters, monitoring commercial performance in the field and managing insurance companies, as well as brokers owned by the Group, and brokerage activities in Europe, Turkey, Argentina 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 stood at 171%, i.e. more than 1.7 contracts per customer financed, despite a less favorable global context in 2022. Insurance penetration in the individuals segment was 196%, up 11 points compared to 2021, i.e. more than 1.9 contracts per B2C customer. Among B2B customers, the share of fleets and key account customers was higher and explains the -3-point change from 2021 to 2022 in insurance penetration to 110% in 2022.

The evolution of the B2B/B2C customer mix has required the adaptation of the product range to meet the new needs of customers, and thus 32 insurance and service products were launched in 2022 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 2022, 28.1% of vehicles financed by the BPF Group were sold with Car Insurance - an increase of 3 point compared to 2021. 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 2022, it continued to make a significant contribution to BPF's results, to the tune of €292 million.

1.9.6 OTHER INFORMATION

1.9.6.1 EMPLOYEES

As of December 31, 2022, BPF's total workforce represents 87 full-time equivalent ("FTE") employees directly employed by BPF's various subsidiaries and branches.

To this number are added 411 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 2,933 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

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

The impact of the cost of proceedings initiated by or against BPF and their consequences on BPF's financial statements are taken into account in its provisioning policy and are subject to ongoing adjustments, reviewed with the Statutory Auditors, in order to avoid an overall negative effect on its financial position.

At the end of 2021, BPF was informed of the intention of several consumers in the United Kingdom, to initiate proceedings against it, before the High Court of Justice of England and Wales in London, on the grounds that BPF had, since September 1, 2009, made available to these consumers vehicles of the Peugeot, Citroën and DS Automobiles brands 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

In Europe

Following exclusive negotiations initiated on December 17, 2021, Stellantis NV signed new framework agreements with its European financial partners on April 1, 2022. These are framework agreements signed with BNP Paribas Personal Finance ("BNPP PF"), Crédit Agricole Consumer Finance ("CACF") and Santander Consumer Finance ("SCF") aimed at transforming the current configuration of Stellantis's financing activities in Europe.

These framework agreements are part of Stellantis's "Dare Forward 2030" strategic plan, and will enable:

- The creation of a multi-brand operational leasing company 50%-owned by Stellantis and 50%-owned by CACF, which would be the result of the merger of the Leasys and Free2move Lease activities, in order to become a European leader with a view to having a fleet of 1 million vehicles by 2026;

- A reorganization of financing activities through Joint Ventures established by BPF with BNPP PF or SCF in each country, in charge of financing activities for all the Stellantis brands.

This new organization should be operational in the second quarter of 2023, after obtaining the required authorizations from the relevant competition authorities and regulators.

Moreover, in Europe, environmental and regulatory changes are having an impact on the distribution model of the automotive industry, leading automotive brands towards electrification. In this context, Stellantis is required to develop a new Retailer model in Europe with its dealers to improve the customer experience. Stellantis's vision is to promote a sustainable distribution model based on a high-performing, efficient and optimized Stellantis multi-brand dealer network. Stellantis and its commercial partners share the ambition of becoming the leader in customer satisfaction, in products and services, in all markets, while ensuring a complete energy transition. Stellantis chose to give itself the necessary time to hold discussions with its retailer partners by launching this transformation project in the summer of 2021 with 50 working groups, bringing together 200 retailers from 10 different countries. The new Retailer model will be implemented from mid-2023, starting with three countries (Austria, Belux and the Netherlands) and will be gradually extended to all European countries after the first pilot phase.

As part of the implementation of this new Retailer model, BPF will continue to affirm its mission of fulfilling its role of "Financial Captive" with the highest level of operational excellence.

In Latin America

On November 30, 2022, Stellantis N.V. and Banco Santander (Brasil) S.A. announced that they had decided, by mutual agreement, to reorganize their automotive financing partnership in Brazil. The contract signed with Banco Santander Brasil includes:

- The purchase by Banque PSA Finance S.A. of a 50% stake in Banco PSA Finance Brasil S.A., a 50/50 joint venture between a subsidiary of Banco Santander Brasil and Banque PSA Finance S.A.;
- The purchase by Stellantis Services Ltd. of a 50% stake in PSA Corretora de Seguros e Services Ltd, a 50/50 joint venture between Banco Santander Brasil and Stellantis Services Ltd.

The completion of the transactions will be subject to the fulfillment of certain conditions precedent customary in similar transactions, including obtaining the necessary regulatory approvals.

Once these transactions are completed, Banque PSA S.A. will become the sole shareholder of Banco PSA Finance Brasil and Stellantis Services Ltd. will be the sole shareholder of PSA Corretora.

In Mexico, on December 14, 2022, Banque PSA Finance S.A. and Grupo Financiero Inbursa S.A.B. de C.V. announced the completion of the sale of BPF Finance Mexico, SOFOM, E.N.R.

The logic behind the agreement was to combine the financial services for all Stellantis brands into a single entity. BPF Finance Mexico will be immediately merged with STM Financial S.A.B. de C.V., SOFOM, E.R., a subsidiary of Grupo Financiero Inbursa, which already provides, through a White Label contract, retail and wholesale financing for all former FCA brands marketed in Mexico.

This arrangement, based on an Inbursa subsidiary dedicated to Stellantis, leaves the door open to strengthening their cooperation in the future, for example through a joint venture.

In Argentina, on August 23, 2022, Banque PSA Finance S.A. has purchased to BNP Paribas Cardif the 30% stake of Peugeot Citroën Argentina Compañía de Seguros S.A., becoming the sole shareholder of the insurance company in the country.

This transaction is a confirmation of the commitment and the strategy of the Stellantis Insurance business unit, in order to continue developing the Stellantis Insurance Activities in Argentina

In China

The business model was being redefined in 2022, the historic DPCAFC JV having been sold to our partner Dongfeng, with an effective date of December 15, 2022, to concentrate the financing of the Stellantis brands in the 100%-owned AFC, inherited from the merger with FCA, and BPF applying to acquire 100% of the shares of the leasing company DPCFLC. A transaction that should be completed in the first quarter of 2023.

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 Banque PSA Finance (BPF) with its fully consolidated subsidiaries, and information in equity method format for the companies falling in the scope of the BPF and Santander cooperation, the companies in the scope of the BPF and BNP Paribas Personal Finance (BNPP PF) cooperation and the companies in China Dongfeng Peugeot Citroën Auto Finance Co (over 11 months due to its exit from the scope in December) and Dongfeng Peugeot Citroën Financial Leasing Co (over 12 months). Lastly, as of July 1, 2019, in line with the analysis of the audit of other partnerships, the Argentinian entity PSA Finance Argentina Compania Financiera SA, held in partnership with Banco Bilbo Vizcaya Argentina, is consolidated using the equity method.

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

Note 23.2 of the consolidated financial statements shows the transition between consolidated data and IFRS 8 data.

(in million euros)	*Consolidated* [1]			*IFRS 8* [1]		
	2 022	**2 021**	**% change**	**2 022**	**2 021**	**% change**
Net banking revenue without OVF PPA [2]	*15*	*52*	*- 71.2*	*1,749*	*1,756*	*- 0.4*
Net banking revenue including OVF PPA[2]	15	52	- 71.2	1,749	1,775	- 1.5
General operating expenses and equivalent[3]	-33	-25	+ 32.0	-596	-591	+ 0.8
Cost of risk	0	0	+ 0.0	-67	-64	+ 4.7
Recurring Operating income	**-18**	**27**	**- 166.7**	**1,086**	**1,120**	**- 3.0**
Share in net income of associates and joint ventures accounted for using the equity method[4]	437	419	+ 4.3	16	11	+ 45.5
Other Non operating income	29	-43	- 167,4	29	-50	- 158.0
Pre-tax net income	**448**	**403**	**+ 11.2**	**1,131**	**1,081**	**+ 4.6**
Income taxes	-1	9	- 111.1	-263	-260	+ 1.2
Net income	**447**	**412**	**+ 8.5**	**868**	**821**	**+ 5.7**

[1] - The items on the income statement transitioning from IFRS 8 to Consolidated format can be found in note 23.2 of the consolidated financial statements.

[2] - The amortization of the Purchase Price Allocation ("PPA") related to OVF acquisition in 2017 has €-0,5 million impact on the Net Banking Revenue at the end of December 2022, vs €19,5 million at the end of December 2021, in IFRS 8 format. This effect is mainly allocated to End-user activities. Including also €16 million Italian antitrust fine cancellation for JVs.

[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.

At the end of 2022, DPCAFC was entirely sold to DongFeng and BPF no longer holds shares in this company. Dongfeng Peugeot Citroen Financial Leasing Co, held at 50%, is the object of an auction process for the acquisition of the 50% stake currently held by Dongfeng; this process should be completed in the first quarter of 2023. The company remains recognized using the equity method.

1.10.1 NET BANKING REVENUE

NET BANKING REVENUE ("NBR") BY PORTFOLIO

(in million euros)	*Consolidated*			*IFRS 8*		
	2 022	2 021	% change	2 022	2 021	% change
End-users	0	0		1,221	1,231	- 0.8
Corporate dealers	0	1	- 100.0	159	202	- 21.3
Insurances and Services (including net refinancing costs)	9	8	+ 12.5	292	298	- 2.0
Unallocated and other[1]	6	43	- 86.0	77	44	+ 75.0
Total NBR including OVF PPA[2]	**15**	**52**	**- 71.2**	**1,749**	**1,775**	**- 1.5**
Total NBR without OVF PPA[2]	***15***	***52***	***- 71.2***	***1,749***	***1,756***	***- 0.4***

[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 €16 million Italian antitrust fine cancellation for JVs.

[2] - The amortization of the Purchase Price Allocation ("PPA") related to OVF acquisition in 2017 has €-0,5 million impact on the Net Banking Revenue at the end of December 2022, vs €19,5 million at the end of December 2021, in IFRS 8 format. This effect is mainly allocated to End-user activities.

Consolidated net banking revenue was €15 million at December 31, 2022, with a hyperinflation accounting impact in Argentina of -€2,9 million on NBR. The 2021 amount included the cancellation of the Italian antitrust fine, following a favorable decision by the Italian Council of State.

Net banking revenue in IFRS 8 format was virtually stable at €1,749 million at December 31, 2022 compared to €1,756 million at December 31, 2021 with a hyperinflation accounting impact of -€15.1 million, compared to -€9.6 million in 2021. 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. As of December 31, 2022, IFRS 8 NBR also includes -€1 million from the reversal of the Purchase Price Allocation resulting from the acquisition of Opel Vauxhall Finance; this amount was +€20 million in 2021.

1.10.2 GENERAL OPERATING EXPENSES AND EQUIVALENT

At end-December 2022, general operating expenses and equivalent amounted to -€32 million in consolidated format.

Per IFRS 8, general operating expenses remained near-identical, amounting to -€596 million at the end of December 2022, compared to -€591 million at the end of December 2021. These changes were mainly due to the start of several projects.

1.10.3 COST OF RISK

The cost of risk in consolidated format was zero at December 31, 2022.

Per IFRS 8, the cost of risk amounted to -€67 million, or -0.17% of average net outstanding loans, as compared to -€64 million and -0.16% of net outstanding loans in 2021.

The cost of risk for the end-user business per IFRS 8 (individuals and businesses) amounted to -€63 million or -0.20% of average net outstanding loans. The cost of risk remained very well managed in 2022 in a very tense economic context throughout 2022. The cost of risk includes a positive impact of 0.06% related to the introduction of the new default rules in the calculation of IFRS 9 provisions. The cost of risk for the Corporate Dealer business per IFRS 8 was reflected as an expense of -€4 million or -0.05% of average net outstanding loans.

1.10.4 OPERATING INCOME

Consolidated operating income amounted to -€18 million, down €45 million compared to 2021; this decrease resulted from the recognition, in 2021, of the cancellation of the Italian antitrust fine.

Recurring operating income per IFRS 8 came to €1,086 million, down -3.0% compared to €1,120 million in 2021. This slight decrease was the result of, in addition to the cancellation of the Italian antitrust fine recorded in 2021, the cost of risk adjustments and the start-up of several projects. Net banking revenue excluding PPA remained virtually stable despite the period of sharp increases in interest rates at €1,749 million (-0.4% compared to the end of December 2021) and operating expenses did not change much at -€596 million at the end of December 2022 compared to -€591 million at the end of 2021.

1.10.5 CONSOLIDATED NET INCOME

Consolidated net income amounted to €447 million, up 8.5%, compared to the year 2021.

1.11 FINANCIAL POSITION

1.11.1 BALANCE SHEET

Assets at December 31, 2022 amounted to a total of €48,009 million in IFRS 8 format, up by 5.6% mainly due to loans and receivables on the network increasing +30.6% (+€2.4 billion).

CONSOLIDATED BALANCE SHEET

(in million euros)	*Consolidated*[1]			*IFRS8*[1]		
Assets	**2,022**	**2,021**	**% change**	**2,022**	**2,021**	**% change**
Financial assets at fair value through profit or loss	65	58	+ 12.1	183	93	+ 96.8
Loans and advances to credit institutions, at amortized costs	580	455	+ 27.5	1,810	2,310	- 21.6
Customer loans and receivables, at amortized costs	0	28	- 100.0	41,040	38,996	+ 5.2
Deferred tax assets	8	3	+ 166.7	221	152	+ 45.4
Investments in associates and joint ventures accounted for using the equity method (2)	2,858	2,718	+ 5.2	36	175	- 79.4
Other assets	948	734	+ 29.2	4,719	3,751	+ 25.8
Total assets	**4,459**	**3,996**	**+ 11.6**	**48,009**	**45,477**	**+ 5.6**
Equity and liabilities	**2,022**	**2,021**	**% change**	**2,022**	**2,021**	**% change**
Deposits from credit institutions	0	23	- 100.0	22,096	19,728	+ 12.0
Due to customers	1	1	+ 0.0	7,074	7,139	- 0.9
Debt securities	0	0	+ 0.0	8,405	9,655	- 12.9
Deferred tax liabilities	1	0	+ 0.0	730	567	+ 28.7
Other liabilities	236	188	+ 25.5	2,661	2,061	+ 29.1
Equity	4,221	3,784	+ 11.5	7,043	6,327	+ 11.3
Total equity and liabilities	**4,459**	**3,996**	**+ 11.6**	**48,009**	**45,477**	**+ 5.6**

[1] The items on the balance sheet transitioning from IFRS 8 to Consolidated accounts can be found in note 23.1 of the consolidated financial statements.

[2] Joint ventures with the Santander Group, with BNPP PF and, since July 2019, the Argentinian entity PSA Argentina Compania Financiera S.A owned in partnership with Banco Bilbao Viscaya Argentina accounted for using the equity method in consolidated format accounts. Shares in the partnership with Dongfeng Peugeot Citroën Automobiles and Dongfeng Motor Group, were sold by the end of 2022. The subsidiary Dongfeng Peugeot Citroën Financial Leasing Co., Ltd. (50% owned sinco October 21) was created in November 2018 and is consolidated from 2019.

[3] Operating lease contracts and investment properties reclassed from Customer loans and receivables to Other assets (in IFRS8, €603M at 31/12/22 and €451M at 31/12/21).

1.11.2 OUTSTANDING LOANS

OUTSTANDING LOANS BY CUSTOMER SEGMENT

(in million euros)	*Consolidated*			*IFRS 8*		
	Dec. 31, 2022	**Dec. 31, 2021**	**% change**	**Dec. 31, 2022**	**Dec. 31, 2021**	**% change**
Corporate dealers	0	28	- 100.0	10 163	7,783	+ 30.6
End-users	0	0	+ 0.0	31 480	31,664	- 0.6
Total financed Loans and Receivables	**0**	**28**	**- 100.0**	**41 643**	**39,447**	**+ 5.6**

Consideration in the financed outstandings of operating leases and investment properties (€ 603M as at 31/12/22, € 451M as at 31/12/21)

OUTSTANDING LOANS BY REGION

(in million euros)	***Consolidated***			***IFRS 8***		
	Dec. 31, 2022	**Dec. 31, 2021**	**% change**	**Dec. 31, 2022**	**Dec. 31, 2021**	**% change**
countries[1]	0	0	+ 0.0	38 443	36,224	+ 6.1
Rest of Europe	0		+ 0.0	2 690	2,847	- 5.5
Latin America	0	28	- 100.0	511	376	+ 35.6
Rest of the world	0	0	+ 0.0	0	0	+ 0.0
Total	**0**	**28**	**- 100.0**	**41 643**	**39,447**	**+ 5.6**

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

1.11.3 IMPAIRMENT OF OUTSTANDING LOANS

End-user non-performing loans	**Dec. 31, 2022**	**Dec. 31, 2021**
S3 oustanding loans (in million euros)	516	486
Ratio of impairment of S3 loans	40,4%	44,5%
S3 loans / total outstanding of all loans	**1,6%**	**1,5%**

The share of doubtful loans compared to total loans was 1.6%, a very slight increase compared to the previous year. The hedging rate for S3 outstandings was 40%, down compared to the previous year. This decrease in the hedging rate was directly linked to the extension to the entire loan portfolio of the new definition of default in the IFRS 9 provisioning methodology.

Application of the IFRS 9 norm

Provisioning models compliant with the IFRS 9 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 are reviewed by an independent validation entity, and the entire process is audited on a regular basis. The models are back-tested on a regular basis to ensure their stability and performance.

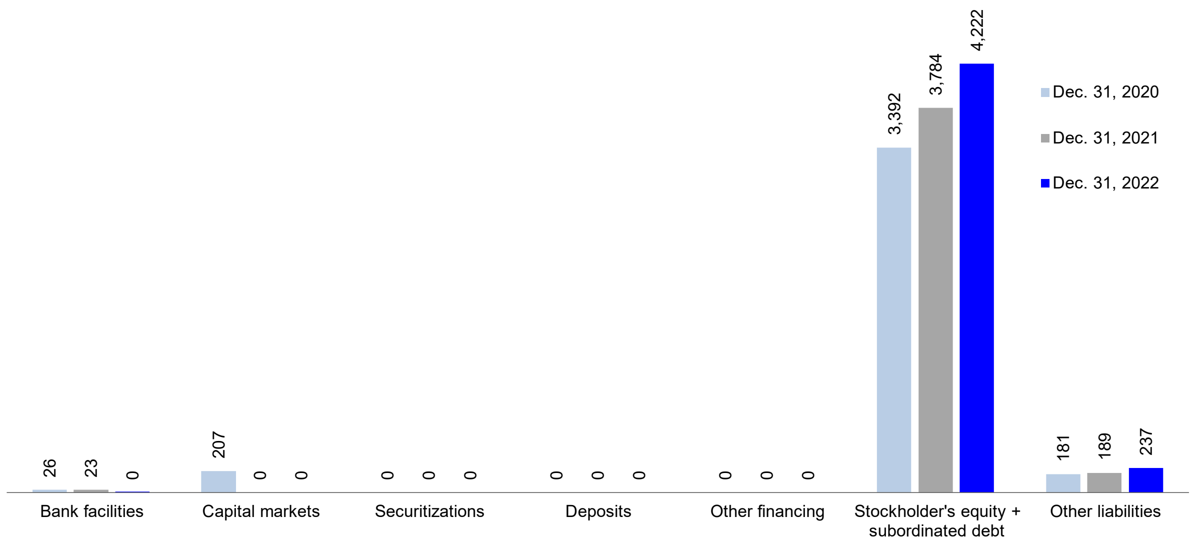
1.11.4 REFINANCING POLICY

TYPES OF FINANCING BY SOURCE

(in million euros)	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019
Bank facilities	**0**	**23**	**26**
Bonds + BMTN	0	0	0
EMTN	0	0	204
Other	0	0	3
Long-Term	0	*0*	*207*
CD	0	0	0
CP	0	0	0
Other	0	0	0
Short-Term	0	*0*	*0*
Capital markets	**0**	**0**	**207**
Securitizations	**0**	**0**	**0**
Deposits	**0**	**0**	**0**
Other financing	**0**	**0**	**0**
Total external refinancing	**0**	**23**	**233**
+ subordinated debt	4 222	3 784	3 392
Other liabilities	237	189	181
Total assets	**4 459**	**3 996**	**3 805**

SOURCES OF FINANCING (IN MILLION 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 no longer relies on local refinancing following the discontinuation of its activities in Mexico in December 2022.

1.11.5 SECURITY OF LIQUIDITY

As BPF no longer has any significant external financing since the repayment of its last bond issue in April 2021, liquidity security now relies on liquid investments with first-rate counterparties.

At December 31, 2022, the liquidity reserve (available invested cash) amounted to €859 million (see Note 18) including €75 million of high- quality liquid assets, before weighting for the calculation of the liquidity coverage ratio (LCR). BPF's consolidated LCR was 554% at December 31, 2022.

Moreover, at December 31, 2022, BPF had undrawn committed credit facilities totaling €90 million.

The bank facilities are not affected by any covenants or restrictions outside of standard market practices, however they do have the following 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.

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

1.12.1 CAPITAL MANAGEMENT

At December 31, 2022, consolidated equity totaled €4,221 million, up €437 million compared to €3,784 million at December 31, 2021. The €437 million difference is mainly due to the integration of €447 million in consolidated net income for the year 2022, the gains and losses recognized directly in equity in the amount of -€18 million in 2022 and the impact of hyperinflation in Argentina in the amount of €9 million in 2022 (see Section 2.4 of the consolidated financial statements, "Statement of changes in consolidated equity and minority interests").

1.12.1.1 THE BANK'S EQUITY

The regulatory scope used to calculate the solvency ratio is identical to the scope of consolidation as described in Note 1.C to the consolidated financial statements, with the exception of the insurance companies 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 (Stellantis Services Ltd, Stellantis Insurance Ltd, Stellantis Life Insurance Ltd, Stellantis Insurance Manager Ltd et PCA Compania de Seguros S.A.).

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

(in million euros)	Consolidated Balance Sheet	Regulatory Restatements[1]	Regulatory Balance Sheet
Assets at Dec. 31, 2022	**4459**	**-173**	**4 286**
Cash, central banks	542	0	542
Financial assets at fair value through profit or loss	65	-65	0
Loans and advances to credit institutions, at amortized cost	580	-85	495
Tax assets	8	-8	0
Accruals and other assets	273	-127	146
Investments in associates and joint ventures accounted for using the equity method	2858	154	3012
Fixed assets	133	-42	91
Liabilities at Dec. 31, 2022	**4 459**	**-173**	**4 286**
Due to customers	1	8	9
Tax liabilities	3	-2	1
Accruals and other liabilities	105	-53	52
Liabilities related to insurance contracts	125	-125	0
Provisions	4	-2	2
Equity	4221	1	4222

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;
- Items 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 2022, unaudited, and forecast dividend in respect of income for the first half of 2022;
- 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 €693 million at the end of 2022, compared to €441 million at the end of 2021.

TRANSITION TABLE FROM ACCOUNTING EQUITY TO REGULATORY CAPITAL

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Accounting equity	**4 221**	**3 784**
Adjustment related to the difference between the consolidated regulatory and accounting scopes	1	-1
Regulatory equity	**4 222**	**3 783**
Minority interests	0	0
Profit not eligible[1]	-292	-266
Investments in associates and joints ventures accounted for using the equity method or not consolidated	-2 908	-2 777
Deferred tax assets arising from temporary differences	0	0
Intangible assets	-76	-47
Deferred tax assets on tax loss carryforwards	0	0
Cash flow hedge reserve	-2	-1
Subordinated loans to entities using the equity method	-251	-251
Other regulatory deductions	0	0
Tier 1 regulatory capital	**693**	**441**

[1] In 2022, ineligible income comprised all H2 2022 income (€225 million) and the proposed dividend on H1 2022 income (€67 million). In 2021, ineligible income comprised all H2 2021 income (€203 million) and the proposed dividend on H1 2021 income (€63 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, 2022, the Basel III solvency ratio in respect of Pillar I thereby amounted to 101.9%, compared to 107.8% at December 31, 2021. Basel III regulatory capital amounted to €693 million and capital requirements stood at €54 million.

TRANSITION TABLE FROM ACCOUNTING EQUITY TO REGULATORY CAPITAL

	December, 31 2022		December, 31 2021	
(in million euros)	Weighted assets	Capital requirements	Weighted assets	Capital requirements
Credit risk	**487**	**39**	**299**	**24**
Standard approach	**487**	**39**	**299**	**24**
Sovereign	0	0	0	0
Credit institutions	123	10	58	5
Companies	67	5	36	3
Retail customers	0	0	0	0
Other Assets[1]	297	24	205	16
Operational risk (standard approach)	**15**	**1**	**15**	**1**
Market risk	**178**	**14**	**95**	**8**
Total	**680**	**54**	**409**	**33**
Regulatory capital		**693**		**441**
Solvency ratio		**101.9%**		**107.8%**
Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)[1]	**260**	**21**	**166**	**13**

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

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 amounted to 66% at December 31, 2022 compared to 125% at December 31, 2021. The decrease was mainly related to the end of the possibility of temporarily excluding certain exposures vis-à-vis Eurosystem central banks.

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)	December 31, 2022	December 31, 2021
Tier 1 regulatory capital (*)	**693**	**441**
Total assets according to the consolidated financial statements	**4 459**	**3 996**
Adjustment related to the difference between the consolidated regulatory and accounting scopes	-173	-128
Regulatory deductions on CET1 equity	-3 237	-3076
Exclusion of hedging derivatives non taken into account in the balance sheet exposure	0	0
Total expositions on balance sheet	**1 049**	**792**
Application of mark-to-market derivatives increase	0	0
Replacement cost of derivatives transactions after clearing on margin calls	0	0
Total exposition on derivatives	**0**	**0**
Exposures related to commitments given	5	42
Application of regulatory conversion factors	0	-31
Total exposure to off-balance sheet items	**5**	**11**
Total leverage exposure (without temporary exclusion)	**1 054**	**803**
Temporary exclusion	0	-449
Total leverage exposure (with temporary exclusion)	1 054	354
LEVERAGE RATIO (with temporary exclusion)	**66%**	**125%**

(*) See transition table from accounting equity to regulatory capital

Key indicators

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

KEY INDICATORS TABLE (EU KM1)

(in million euros)		December, 31 2022	December, 31 2021
Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	693	441
2	Tier 1 capital	693	441
3	Total capital	693	441
Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	680	409
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	101.9%	107.8%
6	Tier 1 ratio (%)	101.9%	107.8%
7	Total capital ratio (%)	101.9%	107.8%
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%	0.00%

(in million euros)		December, 31 2022	December, 31 2021
Leverage ratio			
13	Total exposure measure	1 054	354
14	Leverage ratio (%)	66%	125%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.33%	0.62%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.18%	0.35%
EU 14c	Total SREP leverage ratio requirements (%)	3.33%	4.01%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	3.33%	4.01%
Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	75	75
EU 16a	Cash outflows - Total weighted value	54	63
EU 16b	Cash inflows - Total weighted value	816	568
16	Total net cash outflows (adjusted value)	14	16
17	Liquidity coverage ratio (%)	554%	478%
Net Stable Funding Ratio			
18	Total available stable funding	4 226	3 787
19	Total required stable funding	3 470	3 237
20	NSFR ratio (%)	121.8%	117.0%

1.12.2 OVERVIEW OF ENCUMBERED ASSETS

BPF had encumbered assets at December 31, 2022. They involve a €15 million pledge granted by the parent company Banque PSA Finance to the company Crédipar, which is 50%-owned with Santander Consumer Finance, to guarantee any payment default by its customer Vinci SA.

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. He regularly reports on his work to BPF's Audit and Risk Committee and Risk Management Committee.

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 risk 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. 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.

With regard to financing transactions, BPF does not contractually bear any residual value risk, except in the United Kingdom where regulations offer individual customers (installment contracts) the possibility of requesting the purchase of their vehicle from the lender under certain conditions, and in Germany for a very small portion of OVF activities.

Risk measurement, control and monitoring

Risk is measured at the moment of approval and throughout the life of each loan 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 and BPF 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.

Doubtful loans in the Corporate Dealer and Non-Dealer Corporate and Equivalent portfolios are impaired on the basis of an individual analysis, taking into account the value of any guarantees held.

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 Dealer and Non-Dealer 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 the risk measurement models.

GEOGRAPHIC BREAKDOWN AND BREAKDOWN BY PORTFOLIO OF THE GROUP'S GROSS EXPOSURE AT DECEMBER 31, 2022

(in million euros)	Banks and Administrations	Companies	*Of which SME*	Retail	*Of which SME*	Other categories	Total gross exposure	Distribution in %
France	734	5	0	0	0	138	**877**	83%
Europe (excl. France)	55	0	0	0	0	0	**55**	5%
Latin America	0	0	0	0	0	0	**0**	0%
Rest of the Word	1	120	0	0	0	3	**124**	12%
Overall total	**790**	**125**	**0**	**0**	**0**	**141**	**1 056**	100%
Distribution in %	75%	12%	0%	0%	0%	13%	100%	

BREAKDOWN BY RESIDUAL MATURITY OF THE GROUP'S BALANCE SHEET EXPOSURE AT DECEMBER 31, 2022

(in million euros)	Banks and Administrations	Companies	Retail	Other categories	Total balance sheet exposure
Residual value lower than 3 months	229	2	0	678	**909**
3 months to 1 year	0	0	0	8	**8**
1 to 5 years	15	0	0	0	**15**
More than 5 years	0	0	0	3 354	**3 354**
Overall total	**244**	**2**	**0**	**4 040**	**4 286**

BREAKDOWN BY PORTFOLIO OF THE GROUP'S NET EXPOSURE AT DECEMBER 31, 2022

(in million euros)	Gross exposure	*Of which Exposure in default*	General risk adjustments	Specific risk adjustments	Exposure net of provisions
Banks and Administrations	790	0	0	0	**790**
Companies	125	0	0	0	**125**
Retail	0	0	0	0	**0**
Other categories	141	0	0	0	**141**
Overall total	**1 056**	**0**	**0**	**0**	**1 056**

GEOGRAPHIC BREAKDOWN OF THE GROUP'S NET EXPOSURE AT DECEMBER 31, 2022

(in million euros)	Gross exposure	*Of which Exposure in default*	General risk adjustments	Specific risk adjustments	Exposure net of provisions
France	877	0	0	0	877
Europe (excl. France)	55	0	0	0	55
Latin America	0	0	0	0	0
Rest of the Word	124	0	0	0	124
Overall total	**1 056**	**0**	**0**	**0**	**1 056**

BREAKDOWN OF ADJUSTMENTS FOR CREDIT RISK AT DECEMBER 31, 2022

(in million euros)	Banks and Administrations	Companies	Retail	Other categories	Overall total
Gross exposure	790	125	0	141	**1 056**
Balance sheet exposure	790	120	0	141	**1 051**
Off-balance sheet exposure	0	5	0	0	**5**
Provisions	0	0	0	0	**0**
Collateral	0	0	0	0	**0**
Off-balance sheet average CCF	-	100%	-	-	**100%**
Value exposed at risk	790	125	0	141	**1 056**
RWA	123	67	0	297	**487**
Average RW	16%	54%	0%	211%	**46%**

1.12.3.2 FINANCIAL AND MARKET RISKS

All the principles explained below apply to entities controlled directly or indirectly by BPF. 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 group 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 joint ventures are backed by a top-tier refinancing partner: Santander Consumer Finance for Peugeot, Citroën and DS Automobiles in Europe, BNPP Personal Finance 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 securitisations, collections of deposits, bonds issuance, 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 calculation, depending on the case, on a daily or monthly basis, of risk indicators as well as on:

- Monthly ALM Committees within each joint venture and at BPF level, which monitor the implementation of the defined general policy, the current and anticipated level of risk, compliance with the limits and any measures taken to better measure, control or monitor liquidity risk;
- A 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, 2022, sensitivity to a 2% increase across the rate curve would amount to negative income of -€3.1 million on the economic value of equity (Market Value of Equity). Over the year as a whole, in 2022, income from this simulation fluctuated between -€2.9 million and -€3.9 million.

Interest rate risk management can be broken down into several components:

- 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 (Asset Liability Management) Committee 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 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 carried out in the form of bank deposits with leading 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 €179 million at December 31, 2022);
- Operational currency risk (the operational currency position amounted to -€0.7 million at December 31, 2022).

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 on bank counterparties.

Risk measurement, control and monitoring

Risk limits have been set for individual credit concentration risk and concentration risk on exposures to bank counterparties.

These limits are monitored on a constant basis and reported every two months to the Banque PSA Finance Risk Management Committee.

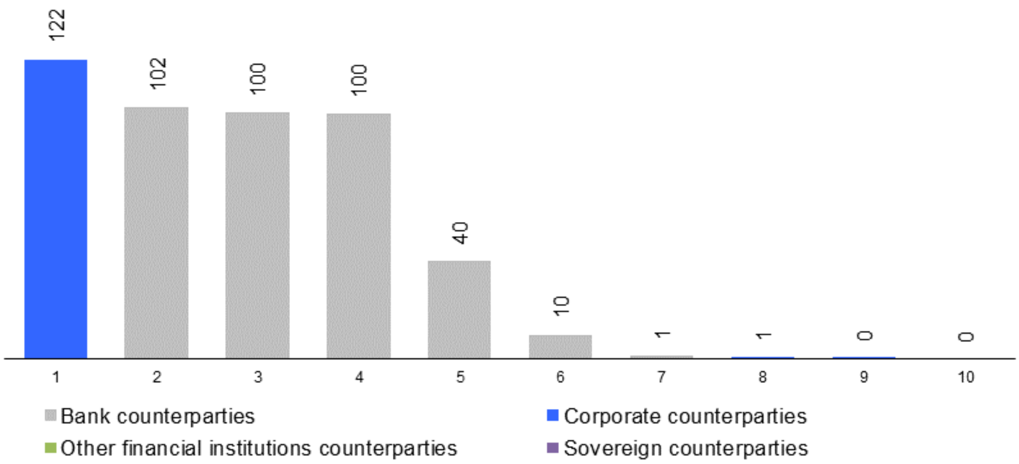
At December 31, 2022, BPF's commitments to STELLANTIS amounted to €4 million or 0.6% of regulatory capital.

On the same date, the Bank's top ten commitments, excluding those to the Group, amounted to €477 million or 68.8% of regulatory capital. By counterparty category, the top ten commitments break down as follows:

- Banks: €354 million/51.1% of regulatory capital;
- Corporate (excluding STELLANTIS): €122 million/17.6% of 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

Definition and risk factors

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

Risk 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 management system is based on similar fundamentals, but it uses tools (risk mapping, information systems) specific to the corresponding scope. 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

Definition and risk factors

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

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

Risk measurement, control and monitoring

Risk is measured in advance through a system of regulatory monitoring 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, the circulation of specific computer applications, particularly to detect individuals with political exposure or whose assets have been frozen, as well as controls.

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

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

1.12.3.7 REPUTATIONAL RISK

Definition and risk factors

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

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

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 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.

Definition and risk factors

STELLANTIS Insurance activities 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;
- 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. Regular controls and audits are carried out by the compliance officer of each entity. 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 regulations and the methods of presenting the offer and the subscriptions are reviewed during the Insurance Marketing & Commercial Committee (IMCC) meetings held every month and are also discussed with the Insurance Managers of each subsidiary and branch of BPF.

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

Financial market risks are governed by an investment policy that respects CSR criteria and is organized by identifying specific risks and defining risk limits 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 Luxembourg law and of securitization;
- A maximum investment period no longer than five years;
- Selection of counterparties limited to "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 at 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, as well as distribution policies;
- Regulatory or tax changes on the level of vehicle emissions, as well as traffic restrictions in certain 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 notably ensures that obligations are met with regard data protection, the prevention of money laundering and the compliance of new or significantly modified products and services, and manages the anti-corruption system. It has the appropriate systems and training. It also provides responsible for regulatory oversight.

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, on the other, risks related to operational and IT activities, as well as risks of non-compliance.

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 Bank's main risks are managed and ensures the internal control system's reliability. Though 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 Bank's Audit and Risk Committee prioritizes its missions according to the risks identified. Its duties include the planning, supervision and review of internal audits, and the review of the audit plan of the Statutory Auditors. It is 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.

Where necessary, it may consult BPF's Chairman, Managing Directors and Statutory Auditors, as well as any person deemed useful for the execution of 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 notably with credit risks, where changes in delinquencies and losses are examined and the performance of risk selection tools for the retail and corporate portfolios (fleets and dealer networks) is analyzed.

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

- Margins relating to financing activities;
- 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;
- Compliance work.

1.14 SHARE OWNERSHIP

1.14.1 SHARE CAPITAL

BPF is a limited-liability corporation (Société Anonyme) organized under French law. Its registered office is located at 2-10 Boulevard de L'Europe, 78300 Poissy, in France. BPF is officially recognized as a credit institution and is subject to the supervision of the French banking regulator (Autorité de Contrôle Prudentiel et de Résolution) 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 across the world through subsidiaries and companies jointly owned at 50% with other partners. These branches and affiliates also hold licenses for their specific activities when needed.

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

BPF's share capital is held by Stellantis N.V. (9,348,180 shares representing 74.93% of the share capital) and 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 2022 by the BPF Group in this respect amounted to €121 million.

1.14.3 PROPOSED APPROPRIATION OF INCOME TO BE SUBMITTED TO THE ORDINARY GENERAL MEETING OF APRIL 12, 2023

The General Meeting will be asked to allocate FY 2022 profit amounting to €118 897 728,67 to retained earnings, which, as a result, will amount to €1 784 956 788,43.

1.14.4 INFORMATION ON THE SUPERVISORY BODY

1.14.4.1 BOARD OF DIRECTORS

BPF is a limited-liability corporation (Société Anonyme) whose Board of Directors must be made up of no less than three and no 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, 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 relating to its refinancing, management structure and major transactions, and in particular partnerships, acquisitions and disposals liable to have an impact on its balance sheet and results, or on the Bank's risk profile.

List of the corporate positions held during FY 2022 and list of the corporate positions that ended during FY 2022, among the Directors of Banque PSA Finance and the Permanent Representatives of Directors

Philippe DE ROVIRA **Président du Conseil d'Administration et Administrateur** Depuis le 22 février 2021 Echéance du mandat : 2026 Né le 8 juin 1973	**Autres mandats exercés au cours de l'exercice 2022** ***Président et Membre du Conseil de Surveillance*** • Autobiz ***Président du Conseil d 'Administration*** • Fidis S.p.A ***Administrateur*** • FCA BANK S.p.A. • Peugeot Distribution Service • ARAMIS Group ***Représentant permanent de Stellantis N.V.*** • Conseil d'Administration d'Automobiles Peugeot
Rémy BAYLE **Directeur Général et Administrateur** Début de mandat : 23 avril 2015 Echéance du mandat : 2027 Né le 26 décembre 1961	**Autres mandats exercés au cours de l'exercice 2022** ***Membre du Conseil et Vice-Président*** • Association française des Sociétés Financières (ASF) ***Président du Conseil d'Administration et Administrateur*** • Compagnie pour la location de véhicules – CLV ***Vice-Président et Administrateur*** • Opel Bank S.A. (France) ***Administrateur*** • PSA Banque France (ex SOFIB)
Brigitte COURTEHOUX **Administrateur** Début de mandat : 22 février 2019 Echéance du mandat : 2027 Née le 10 juillet 1971	**Autres mandats exercés au cours de l'exercice 2022** ***Président et Administrateur*** • Free2move Iberia S.A.U ***Président*** • Free2move SAS ***Présidente du Conseil de surveillance*** • SHARE NOW GmbH (Allemagne) ***Membre du Conseil de surveillance*** • Opel Automobile GmbH ***Administrateur*** • Free2moveNorth America, Inc • Free2move eSolutions S.P.A. **Mandats ayant pris fin au cours de l'exercice 2022** ***Membre du conseil de surveillance*** Opel Automobile GmbH (Allemagne)

Catherine PARISET	**Autres mandats exercés au cours de l'exercice 2022**
Administrateur - Président des Comités des Nominations et des Rémunérations – Membre du Comité d'Audit et des Risques **Président du Conseil d'Administration et Administrateur** Début de mandat : 22 février 2019 Echéance du mandat : 2024 Née le 22 août 1953	***Administrateur Indépendant*** • Natixis • Generali IA • Generali Vie • Generali Retraite (France)

Laurent GARIN	**Autres mandats exercés au cours de l'exercice 2022**
Administrateur - Président du Comité d'Audit et des Risques – Membre des Comités des Nominations et des Rémunérations Début de mandat : 17 avril 2018 Echéance du mandat : 2024 Né le 7 avril 1955	***Aucun autre mandat.***

Automobiles Peugeot	**Autres mandats exercés au cours de l'exercice 2022**
Administrateur Début de mandat : 15 décembre 1982 Echéance du mandat : 2022	***Administrateur*** • GLM1 • SOPRIAM (Maroc) • Société Tunisienne Automobile Financière Immobilière et Maritime • Peugeot Citroën Production Algérie SPA • Peugeot Algérie ***Gérant associé*** • Peugeot Média Production SNC

Linda JACKSON	**Autres mandats exercés lors de l'exercice 2022**
Représentant permanent d'Automobiles Peugeot Depuis le 22 février 2021 Née le 19 novembre 1958	***Président-Directeur Général*** • Automobiles Peugeot ***Administrateur*** • Dongfeng Peugeot Citroën Automobiles Sales Company Ltd • Dongfeng Peugeot Citroën Automobiles Company Ltd • PSAG Automoviles Comercial Espana, S.A • ARAMIS GROUP **Mandats ayant pris fin au cours de l'exercice 2022** **Président du Conseil d'Administration** • PSA Retail Italia SPA

List of the corporate positions held in 2022 by the non-Director, Deputy Chief Executive Officer of Banque PSA Finance

Hélène BOUTELEAU	Autres mandats exercés au cours de l'exercice 2022
Directeur Général Délégué Début de mandat : 31 mars 2021 Echéance du mandat : 2027 Durée du mandat alignée sur celle du Directeur Général Née le 22 juillet 1975	***Membre du Conseil de Surveillance*** • PSA Bank Deutschland GmbH ***Administrateur*** • Opel Bank SA • PSA Finance UK Ltd • PSA Financial Services Spain EFC, SA • PSA Banque France • CREDIPAR • Banca PSA Italia S.p.A.

1.14.4.2 COMMITTEES

A. THE AUDIT AND RISK COMMITTEE

As at **January 1, 2023**, the Audit and Risk Committee was made up of the following members:

Nom	Fonction
Laurent GARIN, Président	Administrateur de Banque PSA Finance
Catherine PARISET	Administrateur de Banque PSA Finance

B. THE APPOINTMENTS COMMITTEE

Nom	Fonction
Catherine PARISET, Président	Administrateur de Banque PSA Finance
Laurent GARIN	Administrateur de Banque PSA Finance
Philippe de ROVIRA	Président du Conseil d'Administration de Banque PSA Finance et Chief Affiliates Officer de STELLANTIS

C. THE WAGES AND SALARIES COMMITTEE

Nom	Fonction
Catherine PARISET, Président	Administrateur de Banque PSA Finance
Laurent GARIN	Administrateur de Banque PSA Finance
Philippe de ROVIRA	Président du Conseil d'Administration de Banque PSA Finance et Chief Affiliates Officer de STELLANTIS

D. THE EXECUTIVE COMMITTEE

As at **January 1, 2023**, the Executive Committee was made up of the following members:

Name	Position
Rémy BAYLE	Chief Executive Officer Banque PSA Finance
Hélène BOUTELEAU	Deputy Chief Executive Officer, Head of 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.
Thorsten MARSCH	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	Chief Executive Officer STELLANTIS Insurance
Emmanuel LEVRAT	Bank and Services Information System Officer

Name	Position at STELLANTIS
Catherine PARISET, Chairwoman	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

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 at STELLANTIS. 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.

In November 2021, the STELLANTIS Integrity Helpline was launched in order to facilitate the presentation and reporting of facts contrary to the principles set out in the STELLANTIS Code of Conduct. The Integrity Helpline is open to STELLANTIS's suppliers, customers and employees, and thus allows them to report acts of harassment or discrimination.

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, carrying out prevention actions and promoting their professional integration.

1.15 - TABLE OF CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2022

2.1 Consolidated Balance Sheet

(in million euros)	*Notes*	**Dec. 31, 2022**	**Dec. 31, 2021**
Assets			
Cash, central banks	*3*	542	499
Financial assets at fair value through profit or loss	*4*	65	58
Loans and advances to credit institutions, at amortized cost	*5*	580	455
Customer loans and receivables, at amortized cost	*6, 21*	-	28
Current tax assets	*22.1*	-	1
Deferred tax assets	*22.1*	8	3
Accruals and other assets	*7*	273	147
Investments in associates and joint ventures accounted for using the equity method	*8*	2 858	2 718
Property and equipment	*9*	4	2
Intangible assets	*9*	129	85
Total assets		**4 459**	**3 996**

(in million euros)	*Notes*	**Dec. 31, 2022**	**Dec. 31, 2021**
Equity and liabilities			
Deposits from credit institutions	*10*	-	23
Due to customers	*11*	1	1
Current tax liabilities	*22.1*	2	8
Deferred tax liabilities	*22.1*	1	-
Accruals and other liabilities	*12*	105	89
Liabilities related to insurance contracts	*13.1*	125	87
Provisions	*14*	4	4
Equity		**4 221**	**3 784**
- Equity attributable to equity holders of the parent		4 221	3 782
- Share capital and other reserves		1 162	1 160
- Consolidated reserves		3 180	2 726
- *Of which Net income - equity holders of the parent*		447	412
- Gains and losses recognized directly in Equity		(121)	(104)
- *Of which Net income - equity holders of the parent (share of items recycled in profit or loss)*		-	-
- Minority interests		-	2
Total equity and liabilities		**4 459**	**3 996**

2.2 Consolidated Statement of Income

(in million euros)	*Notes*	**Dec. 31, 2022**	**Dec. 31, 2021**
Net interest revenue on customer transactions		**5**	**43**
- Interest and other revenue on assets at amortized cost	*19*	2	2
- Other revenue and expense		3	41
Net gains or losses on financial assets at fair value through profit or loss		**1**	**-**
- Gains and losses on sales of marketable securities		1	-
Net refinancing cost		**5**	**2**
- Interest and other revenue from loans and advances to credit institutions		2	1
- Interest on deposits from credit institutions		(3)	(3)
- Interest on debt securities		6	1
- Fair value adjustments to financing liabilities hedged against interest rate risks		-	2
- Interest on hedging instruments		-	3
- Fair value adjustments to hedging instruments		-	(2)
Net gains and losses related to hyperinflation		**(5)**	**(1)**
Margin on sales of Insurance services	*13.2*	**11**	**9**
- Earned premiums		41	26
- Paid claims and change in liabilities related to insurance contracts		(30)	(17)
Margin on sales of services		**(2)**	**(1)**
- Revenues		1	1
- Expenses		(3)	(2)
Net banking revenue		**15**	**52**
General operating expenses	*20*	**(13)**	**(10)**
- Personnel costs		(5)	(4)
- Other general operating expenses		(8)	(6)
Depreciation and amortization of intangible and tangible assets	*9*	**(20)**	**(15)**
Gross operating income		**(18)**	**27**
Cost of risk	*21*	-	-
Operating income		**(18)**	**27**
Share in net income of associates and joint ventures accounted for using the equity method	*8*	437	419
Other non-operating items		29	(43)
Pre-tax income		**448**	**403**
Income taxes	22.2	(1)	9
Net income for the year		**447**	**412**
- of which attributable to equity holders of the parent		447	412
- of which minority interests		-	-
Net income - Earnings per share (in €)		*35,8*	*33,1*

2.3 Consolidated Statement of Comprehensive Income

	Dec. 31, 2022			Dec. 31, 2021		
(in million euros)	Before tax	Tax	After tax	Before tax	Tax	After tax
Net income	448	(1)	**447**	403	9	**412**
- of which minority interests			-			-
Recyclable in profit and loss items						
Exchange difference	(25)	-	**(25)**	76	-	**76**
OCI of joint ventures	*1*	-	***1***	-	-	**-**
Total recyclable in profit and loss items	(24)	-	**(24)**	76	-	**76**
- of which minority interests			-			-
Not recyclable in profit and loss items						
OCI of joint ventures	10	(4)	**6**	8	(2)	**6**
Total gains and losses recognized directly in Equity	(14)	(4)	**(18)**	84	(2)	**82**
- of which minority interests			-			-
Total net income and gains and losses recognized directly in Equity	434	(5)	**429**	487	7	**494**
- of which attributable to equity holders of the parent			*429*			*494*
- of which minority interests			-			-

2.4 Consolidated Statement of Changes in Equity

	Share capital and other reserves (1)				Fair value adjustments - equity holders of the parent						
(in million euros)	Share capital	Issue, share and merger premiums and liquidation surplus	Legal reserve and other reserves	Consoli-dated reserves	Fair value adjustments to hedging instruments	Actuarial gains and losses on pension obligations	Exchange difference	OCI of joint ventures	Equity attributable to equity holders of the parent	Minority interests	Total equity
At December 31, 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				412	-	-	-	-	**412**	-	**412**
Gains and Losses Recognized Directly in Equity				-	-	-	47	35	**82**	-	**82**
Hyperinflation effects				5	-	-	-	-	**5**	1	**6**
Other				(2)	-	-	-	-	**(2)**	-	**(2)**
At December 31, 2021	**199**	**643**	**318**	**2 726**	**(1)**	**-**	**(16)**	**(87)**	**3 782**	**2**	**3 784**
Distribution of dividends by:											
- Banque PSA Finance				-					**-**		**-**
- Other companies				-					**-**	(1)	**(1)**
Net Income (2)				447	-	-	-	-	**447**	-	**447**
Gains and Losses Recognized Directly in Equity				-	-	-	2	(20)	**(18)**	-	**(18)**
Hyperinflation effects (2)				8	-	-	-	-	**8**	1	**9**
Other			2	(1)	1	-	-	-	**2**	(2)	**-**
At December 31, 2022	**199**	**643**	**320**	**3 180**	**-**	**-**	**(14)**	**(107)**	**4 221**	**-**	**4 221**

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 application of IAS 29 led to a negative impact of €-9 million in Net Income (of which attributable to equity holders of the parent: €-8 million and Minority interests: €-1 million), fully covered by a positive change in Equity (of which Equity attributable to equity holders of the parent: €8 million and Minority interests: €1 million) in 2022. In 2021, the application 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 accordance with the Amendment to IAS 1 - Presentation of Financial Statements - Capital Disclosures, the necessary information is given in the paragraph "Capital Requirements" of the Management Report.

2.5 Consolidated Statement of Cash Flows

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Pre-tax income	**448**	**403**
Net depreciation of tangible and intangible assets	17	15
Net provisions and impairment	36	(17)
Share in net income of equity-accounted companies	(437)	(419)
Net loss/(net gain) on investing activities	(26)	66
(Income)/Charges of financing activities	-	-
Other movements	10	(41)
Total of non-monetary items included in pre-tax income and other adjustments	**(400)**	**(396)**
Change in credit institutions items	(117)	19
Change in customer items	5	4
Change in financial assets and liabilities	(9)	(194)
Change in non-financial assets and liabilities	12	12
Dividends received from equity-accounted entities	140	303
Tax paid	(10)	12
Net increase/(decrease) of assets and liabilities provided by operating activities	**21**	**156**
Net cash provided by operating activities (A)	**69**	**163**
Change in equity investments	**63**	**78**
- Outflows for the acquisitions of shares in subsidiaries, net of cash transferred	-	-
- Inflows from disposals of shares in subsidiaries, net of cash transferred	9	2
- Outflows for the acquisitions of shares in equity-accounted companies	-	(23)
- Inflows from disposals of shares in equity-accounted companies	54	97
- Other change in equity investments	-	2
Change in property and equipment and intangible assets	**(60)**	**(28)**
- Outflows for the acquisitions of property and equipment and intangible assets	(60)	(28)
- Inflows from disposals of property and equipment and intangible assets	-	-
Effect of changes in scope of consolidation	**(2)**	**-**
Net cash provided by investing activities (B)	**1**	**50**
Cash flows from or to shareholders	**(1)**	**(106)**
- Outflows for the dividends paid to:		
- Stellantis	-	(106)
- Minority shareholders	(1)	-
- Inflows from issuance of equity instruments	-	-
Other net cash from financing activities	**(1)**	(1)
Net cash provided by financing activities (C)	**(2)**	**(107)**
Effect of changes in exchange rates (D)	**2**	**1**
Net increase/(decrease) of cash and cash equivalents (A+B+C+D)	**70**	**107**
Cash and cash equivalents at the beginning 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
Cash and cash equivalents at the end of the period	**769**	**699**
Cash, central banks (assets and liabilities)	542	499
Demand accounts (assets and liabilities) and loans/borrowings with credit institutions	227	200

2.6 Notes to the Consolidated Financial Statements

Notes

Note 1 Main Events of the period and Scope Evolution

A. Main Events of the period

In 2022, the year was marked by many challenges, related to a chaotic global economic and political situation, with the automotive industry continuing its energy transition towards electrification, despite continuing logistics difficulties (semiconductors shortage, raw material prices, overseas transport crisis…). This particular economic context had a strong impact on the business of Banque PSA Finance and the acceleration of inflation led to very sharp increases in interest rates over a very short period across all markets.

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

Following the announcement made on December 17th, 2021, Stellantis NV signed new framework agreements on March 31st, 2022 with BNP Paribas Personal Finance (BNPP PF), Crédit Agricole Consumer Finance (CACF) and Santander Consumer Finance (SCF) aimed at re-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. Operational B2B leasing will be then commercialized in Europe though another partnership, between Stellantis and Crédit Agricole Consumer Finance, combining the activities of two brands, Free2Move Lease and Leasys.

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 in regard to IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, has been carried out. There is no impact on the annual consolidated financial statements of Banque PSA Finance at December 31st, 2022.

B. Scope Evolution

In February 2022, the Polish branch of the Banque PSA Finance SA Oddzial w Polsce w likwidacjb was liquidated without significant impact on the 2022 annual consolidated financial statements of Banque PSA Finance at December 31st, 2022.

In April 2022, the non-consolidated Hungarian company PSA Financial d.o.o. has been liquidated, with no significant impact on the annual consolidated financial statements of Banque PSA Finance at December 31st, 2022.

In April 2022, Stellantis N.V. signed an agreement with Dongfeng Motor Group Co., Ltd to restructure its Chinese financing activities through its subsidiary PSA Finance Nederland B.V, 100% owned by Banque PSA Finance.
In December 2022, following the authorizations from the relevant anti-trust authorities and market regulator, 25% share in Dongfeng Peugeot Citroën Auto Finance Company was transferred to Dongfeng Motor Group Co., Ltd.
This disposal generated a net positive impact of €26.6 million in the consolidated income statement of Banque PSA Finance at December 31st, 2022, including €31.2 million in other non-operating items, net of a withholding tax of €13 million in Income taxes and a gain of €8.6 million related to the recycling of translation reserves in income statement, in Share in net income of associates and joint ventures accounted for using the equity method.

Finally, in December 2022, Banque PSA Finance sold to Grupo Financiero Inbursa its Mexican subsidiary, Banque PSA Finance Mexico SA. This disposal resulted in a loss of €3.5 million in other non-operating items, mainly from the recycling of translation reserves in the consolidated income statement.

Partnership with Santander Consumer Finance

In April 2022, the joint-venture company Banca PSA Italia S.P.A transferred €320 million of automotive financing receivables to the Auto ABS Italian Rainbow Loans S.r.l. The notes issued consist of Class A (€288 million) and Class Z (€32 million) bonds. Banca PSA Italia S.P.A retains most of the operational results of the receivables transferred to the fund. As a result, it has been consolidated since April 2022, by equity method.

In May 2022, the joint-venture company PSA Financial Services Spain E.F.C. S.A. has transferred €700 million of auto financing claims to the Auto ABS Spanish Loans 2022-1 fund. The Fund issued Class A (€550.6 million), Class B (€40.9 million), Class C (€36.8 million) and Class D (€71.7 million) bonds. PSA Financial Services Spain E.F.C. S.A. retains most of the operational results associated with the receivables transferred to the fund. As a result, it has been consolidated since May 2022, by equity method.

Partnership with BNP Paribas Personal Finance

In June 2022, Opel Finance BVBA, a Belgian subsidiary of Opel Bank S.A., was deconsolidated without significant impact on the 2022 annual consolidated financial statements of Banque PSA Finance at December 31st, 2022.

C. List of Consolidated Companies

Companies	Country ISO code	% Direct	Banque PSA Finance interest – Indirect %	Held by	Dec. 31, 2022 Consolidation method	Dec. 31, 2022 % interest	Dec. 31, 2021 Consolidation method	Dec. 31, 2021 % interest
Branches								
Polish branch	PL	-	-		-	-	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	-	-		-	-	FC	100
BPF Pazarlama A.H.A.S.	TR	100	-		FC	100	FC	100
Insurance								
Stellantis Services Ltd	MT	100	-		FC	100	FC	100
Stellantis Insurance Ltd	MT	0,01	99,99	Stellantis Services Ltd	FC	100	FC	100
Stellantis Life Insurance Ltd	MT	0,01	99,99	Stellantis Services Ltd	FC	100	FC	100
Stellantis Insurance Manager Ltd	MT	-	100	Stellantis Services Ltd	FC	100	FC	100
PCA Compañía de Seguros S.A	AR	100	-		FC	100	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
Stellantis Insurance Europe Ltd	MT	-	50	Stellantis Services Ltd	EM	50	EM	50
Stellantis Life Insurance Europe Ltd	MT	-	50	Stellantis 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.zo.o.	PL	50	-		EM	50	EM	50
PSA Consumer Finance Polska Sp. z o.o	PL	-	50	PSA Finance Polska Sp.zo.o.	EM	50	EM	50
- with BNP Paribas Personal Finance								
Opel Finance BVBA	BE	-	-		-	-	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	*DE*	-	-		EM	50	EM	50
Opel Bank S.A., Spain Branch	*ES*	-	-		EM	50	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 (2)	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	Stellantis Services Ltd	EM	50	EM	50
Joint venture in China, with Dongfeng Peugeot Citroën								
Dongfeng Peugeot Citroën Auto Finance Company Ltd	CN	-	-		-	-	EM	25
Dongfeng Peugeot Citroën Financial Leasing Co.	CN	-	50	PSA Finance Nederland B.V.	EM	50	EM	50
Joint venture in Argnetina, 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	EM	50
Auto ABS German Lease Master 2021	DE	-	-		EM	50	EM	50
Auto ABS Spanish Loans 2018	ES	-	-		EM	50	EM	50
Auto ABS Spanish Loans 2020-1	ES	-	-		EM	50	EM	50
FT Auto ABS Spanish Loans 2022-1	ES	-	-		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
Auto ABS French Leases 2021 - Fonds G	FR	-	-		EM	50	EM	50
Auto ABS UK Loans plc	GB	-	-		EM	50	EM	50
Auto ABS UK Loans 2017 plc	GB	-	-		-	-	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
Auto ABS Italian Rainbow Loan S.r.l.	IT	-	-		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	EM	50

(1) *see Note 8.2 Detailed information about Associates - Joint ventures.*

(2) *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, 2022 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 Standard Interpretations Committee (SIC).

The standards and interpretations applied at December 31, 2022 were unchanged compared with December 31, 2021 except for the adoption of standards and interpretations whose application was compulsory for the first time in 2022.

New IFRSs and IFRIC Interpretations applicable compulsorily in the fiscal year commencing on January 1, 2022

There is no new text, which application is compulsory in the fiscal year starting January 1st, 2022 applicable by Banque PSA Finance.

New IFRSs and IFRIC Interpretations non applicable compulsorily in the European Union in the fiscal year commencing on January 1, 2022

Potential impact of texts or projects published by IASB and IFRIC with compulsory application in the European Union from the period after January 1st, 2022, or not yet adopted by the European Union is currently being analysed; such is especially the case for:

IFRS 17 - Insurance Contracts

The standard IFRS 17 for insurance contracts, which will replace the transitional standard IFRS 4, was published on May 18, 2017 by the IASB.
Since its publication, it has been the subject of many exchanges between the various stakeholders and the standard setter. On June 25, 2020, the IASB published the amendments to the standard adopted following the deliberation process launched during the last exposure draft of June 2019. On December 9, 2021, the IASB also published an amendment on the presentation of financial assets in comparative information. The European regulation for the adoption of IFRS 17 was published on November 23, 2021.
IFRS 17 will enter into force for fiscal years beginning on or after January 1, 2023.
The transition date of IFRS 17 will therefore be January 1, 2022 for the purposes of the opening balance sheet of the comparative period required by the standard. Banque PSA Finance has applied the amendment to IFRS 4: Insurance contracts – temporary exemption from applying IFRS 9 allowing it to benefit from the extension of the exemption from the application of IFRS 9 – Financial instruments for its insurance entities, in order to align the date of entry into force of the latter with that of IFRS 17 to come – Insurance contracts, i.e. January 1, 2023.
Its first financial statements reflecting the application of this standard will be those as of June 30, 2023.

IFRS 17 sets out principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The definition of an insurance contract has not been modified compared to IFRS 4, with the exception of the assessment of the possibility of a loss for the insurer, which must be carried out on a present value basis.

An entity shall apply IFRS 17 to:

- insurance contracts, including reinsurance contracts, it issues;
- reinsurance contracts it holds; and
- investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

Under IFRS 17, a set or series of insurance contracts with the same or a related counterparty may achieve, or be designed to achieve, an overall commercial effect. In order to report the substance of such contracts, the standard provides that it may be necessary to treat the set or series of contracts as a whole. From a review of the contracts of the insurance entities, no combination of contracts has been considered necessary.
With regards to the separation of components from an insurance contract, no embedded derivatives, distinct investment components and promises to transfer distinct goods or distinct non-insurance services that would need to be accounted for separately have been identified.

The Banque PSA Finance insurance entities that fall within the scope of IFRS 17 are:

- two Maltese fully consolidated entities: Stellantis Insurance Ltd, Stellantis Life Insurance Ltd. The effect of applying IFRS 17 to the entity PCA Compañía de Seguros S.A. being immaterial for Banque PSA Finance, the standard will not be applied for this entity;
- two Maltese entities accounted for using the equity method: Stellantis Insurance Europe Ltd and Stellantis Life Insurance Europe Ltd.

Pursuant to the new IFRS standard, insurance contracts will be measured using a method based on an estimate of future cash flows associated with the fulfilment of the insurer's commitments ("fulfilment value"). Three models are defined in the standard.

Under the General Measurement Model (GMM), or « Building Block Approach », the measurement of the contracts based on the realizable value of the liabilities will be made up of three components:

- the estimates of future cash flows within the boundary of the contract (premiums, services, expenses) probability-weighted and discounted to reflect the time value of money;
- a risk adjustment that reflects the margin/compensation that an entity would require for bearing the uncertainty about the amount and timing of the cash flows;
- a contractual service margin, adapted to the premium paid by the policyholder, in order not to generate a result on the subscription of the contract (except in the case of contracts that are onerous) representing the unearned profit under the insurance contract.

Under the Premium Allocation Approach (PAA), a simplified approach was introduced and may be applied if:

- the coverage period of the insurance contract is one year or less (within the meaning of the contract boundary defined in IFRS 17);
- the entity reasonably expects that such simplification would produce a measurement that would not differ materially from the one that would be produced applying the GMM.

Using this approach, on initial measurement, the carrying amount of the liability is the premiums received at initial recognition, minus any insurance acquisition cash flows at that date (unless the entity chooses to recognise the payments as an expense). At the end of each subsequent reporting period, the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period minus the amount recognised as insurance revenue for services provided in that period. When claims occur, insurance liabilities for claims incurred are measured using the GMM.

Finally, with the Variable Fee Approach, the IASB decided to adapt the GMM for contracts with discretionary participation features.

This approach is related to contracts with direct participation features that meet the following criteria:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The PAA and GMM measurement models will be applied by Banque PSA Finance insurance entities, for which insurance contracts can be divided as follows:

- contracts automatically eligible for the PAA because of a coverage period of one year or less;
- contracts which are not automatically eligible for the PAA because of a coverage period greater than one year among which:
  - o contracts which have been identified as eligible for the PAA as a result of the PAA eligibility testing;
  - o contracts identified as not eligible for PAA as a result of management's assessment following the PAA eligibility testing, for which the GMM model will be applied.

None of the contracts issued have direct participation features

With regards to the level of aggregation of contracts, the unit of account is based on three dimensions under IFRS 17:

- the portfolios of contracts that comprise contracts subject to similar risks and managed together;
- the levels of profitability of the portfolio allowing notably to isolate onerous contracts;
- the annual cohorts that consists in not including contracts issued more than one year apart in the same group.

The insurance contracts issued by the Maltese insurance entities will be divided into portfolios (each portfolio covers a different type of risk) and then further subdivided into classes of profitability, then into contract boundary, and finally by annual cohorts

The main other modalities of application of IFRS 17 at the level of Banque PSA Finance are presented below:

- composition of probability weighted best estimate of fulfilment cash flows: the cash flows will comprise premiums, an estimate of claims, acquisition expenses (for contracts measured under the GMM) and expenses;
- discount rate: entities within the scope of IFRS 17 have an accounting policy choice to recognise the impact of changes in discount rates in profit or loss or allocate between profit or loss and other comprehensive income. The Maltese entities have opted to recognise the impact of change in discount rate through the profit or loss given that their financial assets are measured at fair value through profit or loss. The discount rate will be determined using the bottom-up approach;
- risk adjustment for non-financial risk: according to IFRS 17, "an entity shall adjust the estimate of the present value of the future cash flows to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk". The methodology used to determine the risk adjustment for non-financial risk will be the Value at Risk;
- contractual service margin: it is defined by IFRS 17 as the component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognise as it provides insurance contract services under the insurance contracts in the group. An amount of the contractual service margin for a group of insurance contracts is recognised in profit or loss in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The contractual service margin and the release of the contractual service margin will be calculated on the basis of coverage units at cohort level;
- treatment of insurance acquisition costs: an entity can choose to recognise insurance acquisition cash flows as an expense when incurred for the groups of insurance contracts applying the PAA or alternatively amortize them over the coverage period. The Maltese entities have elected to expense acquisition costs as incurred as it is considered to be operationally easier to perform with no significant impact on the income statement;
- treatment of time value of money: under IFRS 17, for contracts eligible to the PPA, an entity is not required to adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk if, at initial recognition, the entity expects that the time between providing each part of the services and the related premium due date is no more than a year. The Maltese entities will not accrete interest on the liabilities for remaining coverage where there is a period of one year or less in these situations;
- revenue recognition: under IFRS 17, an entity shall allocate the expected premium receipts to each period of insurance contract services:
  - o on the basis of the passage of time; but
  - o if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

There are no groups which have been identified where the pattern of release from risk differs significantly from the passage of time. In other words, there is no seasonality in the claims patterns. Accordingly, for the groups of contracts measured under the PAA, the revenue earning pattern will be commensurate with the passage of time (i.e. straight line).

Banque PSA Finance will present its consolidated financial statements according to the format proposed by the ANC Recommendation N°2022-01 of April 8, 2022, as follows:

- in the income statement, the additional items relating to the insurance activities carried out will be presented within the Net Banking Revenue. In particular, general operating expenses directly related to insurance contracts will be presented within Net Banking Revenue;
- on the balance sheet, items specific to the insurance activities carried out will be created. With regard to insurance activity investments, Banque PSA Finance did not retain their presentation in a separate asset item but their breakdown into the accounting categories of the banking activity.

In terms of transitional provisions, the application of IFRS 17 is in principle retrospective, with nevertheless possible simplification measures when the information for a totally retrospective approach will not be available on the date of first application. Banque PSA Finance has opted for the full retrospective approach.

In accordance with the standard, Banque PSA Finance will present comparative information for fiscal year 2022. The transition from IFRS 4 to IFRS 17 will lead to the cancellation of insurance contract assets and liabilities recognized under the old standard by offsetting them against equity. The impact on the opening balance sheet as of January 1, 2022 (transition date) is currently being estimated and should result in a decrease in technical provisions for insurance contracts and an increase in investments in equity accounted companies. The impact on the restated income statement for fiscal year 2022 has not been finalized at this stage, but should impact Net Banking Revenue, General operating expenses and the Investments in associates and joint ventures accounted for using the equity method.

The amendment published by the IASB on December 9, 2021 on the presentation of financial assets in comparative information allows, on option, to apply the principles of IFRS 9 to all financial assets for the comparative year 2022, including those derecognised during the comparative year. Banque PSA Finance has not taken this option.
The project to implement IFRS 9 at the level of the Maltese entities will have a limited impact given that:
- debt instruments held, classified as financial assets held to maturity under IAS 39, will continue to be measured at amortized cost under IFRS 9. The general impairment model of IFRS 9 with a three-stage approach will be applied (see paragraph C.4.4 below).
- UCITS will continue to be measured at fair value through profit or loss.

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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.

On April 8th, 2022, the ANC College adopted Recommendation N° 2022-01 related to the presentation of the consolidated financial statements of banking institutions under international accounting standards to meet the presentation requirements of IFRS 17 – Insurance contracts.
This recommendation replaces the Recommendation n°2017-02 of June 2, 2017. It will apply from the date of first application of IFRS 17, i.e. January 1st, 2023.
The analysis of impacts for Banque PSA Finance is presented in the previous section related to IFRS 17.

The consolidated financial statements include the financial statements of Banque PSA Finance and the French and foreign companies in the Banque PSA Finance, 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 were approved by the Board of Directors on February 20, 2023.

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:
- indication of an impairment of the investments in equity method consolidated entities identified, usually based on the value in use resulting from the Medium Term Plans prepared in the framework of partnership governance,
- measurement of the investments in equity method consolidated entities,
- 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 trade date accounting to financial assets and liabilities. Consequently, when the trade 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 trade 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 17.

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

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

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

This caption also includes:
- the positive fair value of other derivatives that do not qualify for hedge accounting under IAS 39;
- securities receivable, which are recognized as from the trade 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, 2022, 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.

The different customer categories are presented in paragraph F. Segment information below.

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 on the basis of the recoverable amount of the receivable, i.e. the present value of estimated recoverable future cash flows. 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").

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.

With the entry into force of IFRS 17 on January 1, 2023, the principles of recognition, measurement and presentation will change (see paragraph IFRS 17 – Insurance Contracts above).

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 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 transferred to profit or loss.

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. These signature commitments are reported at their nominal amount in note 18 – 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 15 – Derivatives.

Note 3 Cash, Central Banks

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Cash	-	-
Central banks (1)	542	499
- *of which compulsory reserves deposited with the Banque de France*	-	-
Total	**542**	**499**

(1) *The reserves deposited with the central banks are included in Banque PSA Finance liquidity reserve (see Note 18.2).*

Note 4 Financial Assets at Fair Value Through Profit or Loss

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Marketable securities booked at fair value through profit or loss	**65**	**58**
- Marketable securities	65	58
- Mutual funds	65	58
- Units held by insurance companies	65	58
- *of which accrued interest*	-	(1)
Equity securities booked at fair value through profit or loss	**-**	**-**
- Equity Securities, gross value	-	3
- PSA Financial d.o.o. (1)	-	3
- Equity Securities Impairment (1)	-	(3)
Total	**65**	**58**

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) *PSA Financial d.o.o., the 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.The subsidiary has been liquidated in April 2022 (Note 1).*

Note 5 Loans and Advances to Credit Institutions, at amortized cost

Analysis of Demand and Time Accounts

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Demand accounts	**227**	**200**
- Ordinary accounts in debit	227	197
- of which allocated to the liquidity reserve (1)	*227*	*197*
- of which held by insurance companies	*73*	*84*
- of which related companies	*55*	*61*
- Loans and advances at overnight rates (1)	-	3
Time accounts	***352***	**255**
- Time accounts qualified as cash equivalents (1)	-	-
- Subordinated loans	251	251
- of which related companies	*251*	*251*
- Other	101	4
- of which related companies	*15*	-
- of which held by insurance companies	*11*	*4*
Accrued interest	***1***	**-**
- of which related companies	*1*	-
Total	**580**	**455**

(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 18.2).*

Note 6 Customer Loans and Receivables, at amortized cost

6.1 Analysis by Type of Financing

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Wholesale financing	-	**28**
Principal and interest	-	28
- Related companies	-	-
- Non-group companies	-	28
Ordinary accounts in debit	-	-
- Related companies	-	-
- Cash pooling (1):		
- Before offsetting	6	6
- Offsetting	(6)	(6)
Total Loans and Receivables at Amortized Cost	-	**28**

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

6.2 Customer Loans and Receivables by Segment

For 2022

		End user		
(in million euros) IFRS 8 Segment	Corporate Dealers (A - see B Note 21.1)	Retail (B - see A Note 21.1)	Corporate and equivalent (C - see C Note 21.1)	Total at Dec. 31, 2022
Type of financing				
Wholesale financing	-	-	-	-
Total customer loans by segment (based on IFRS 8)	-	-	-	-

For 2021

		End user		
(in million euros) IFRS 8 Segment	Corporate Dealers (A - see B Note 21.1)	Retail (B - see A Note 21.1)	Corporate and equivalent (C - see C Note 21.1)	Total at Dec. 31, 2021
Type of financing				
Wholesale financing	28	-	-	28
Total customer loans by segment (based on IFRS 8)	**28**	-	-	**28**

6.3 Analysis by Currency

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Net loans and receivables		
MXN	-	28
Total	-	**28**

6.4 Analysis by Maturity

For 2022

(in million euros)	Not broken down	0 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total at Dec. 31, 2022
Wholesale financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross	-	-	-	-	-	-	-
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Total net loans and receivables	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gross	-	-	-	-	-	-	-
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deferred items included in amortized cost	-	-	-	-	-	-	-

For 2021

(in million euros)	Not broken down	0 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Total at Dec. 31, 2021
Wholesale financing	**-**	**22**	**-**	**6**	**-**	**-**	**28**
Gross	-	22	-	6	-	-	28
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Total net loans and receivables	**-**	**22**	**-**	**6**	**-**	**-**	**28**
Gross	-	22	-	6	-	-	28
Guarantee deposits	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Deferred items included in amortized cost	-	-	-	-	-	-	-

Note 7 Accruals and Other Assets

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Other receivables	**141**	**28**
- Related companies	129	22
- of which insurance activities	*3*	*7*
- Non-group companies	12	6
- of which insurance activities	*10*	*4*
Dividends receivable from Joint Ventures	**26**	**21**
- of which insurance activities	*21*	*21*
Prepaid and recoverable taxes	**42**	**30**
- of which insurance activities	*38*	*26*
Accrued income	**60**	**66**
- Related companies	6	5
- Non-group companies	54	61
- of which insurance activities	*52*	*22*
Prepaid expenses	**4**	**1**
Other	**-**	**1**
- Related companies	-	-
- Non-group companies	-	1
- of which insurance activities	*-*	*-*
Total	**273**	**147**

Note 8 Investments in Associates and Joint Ventures Accounted for using the Equity Method

8.1 Investments

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
At the beginning of the period	**2 718**	**2 632**
Change in consolidation scope	(137)	11
Capital increase/(decrease) and contributions to reserves	-	(86)
Share in net income	437	419
Distribution of dividends	(145)	(295)
Gains and Losses Recognized Directly in Equity	(21)	33
Hyperinflation effects (1)	6	4
At the end of the period	**2 858**	**2 718**
- of which goodwill	*-*	*3*

The valuation of investments in associates and joint ventures (consolidated under equity method) is not subject to impairment as of December 31, 2022. Indeed, no impairment has appeared since December 31, 2021.
The transfer of the interest held in the entity Dongfeng Peugeot Citroën Auto Finance Company Ltd (25% of the company consolidated by equity method by Banque PSA Finance) to Dongfeng Motor Group Co., Ltd has been done in December 2022. as indicated in the note 1.

Table of Changes by Geographical Area

	Europe		Brazil	China		Argentina	
(in million euros) Partnership with	Santander Consumer Finance	BNP Paribas Personnal Finance	Santander	Dongfeng Peugeot Citroën	*of which goodwill (2)*	Banco Bilbao Vizcaya Argentaria	Total
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	-	-	-	-	-	4	4
At December 31, 2021	**1 873**	**636**	**23**	**176**	**3**	**10**	**2 718**
Change in consolidation scope		-		(134)	*(3)*		(137)
Capital increase/(decrease) and contributions to reserves	-	-	-	-	-	-	-
Share in net income	342	78	2	16	-	(1)	437
Distribution of dividends	(137)	-	(3)	(5)	-	-	(145)
Gains and Losses Recognized Directly in Equity	(11)	4	3	(13)	-	(4)	(21)
Hyperinflation effects (1)	-	-	-	-	-	6	6
At December 31, 2022	**2 067**	**718**	**25**	**40**	**-**	**11**	**2 858**

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 application of IAS 29 led a negative impact of €-12 millions in Net Income (of which Minority interests: €-6 million), fully covered by a positive change in Equity (of which Minority interests: €6 million).

8.2 Detailed information about Associates - Joint ventures

The following information is given according to IFRS 12:

8.2.1 Partnership with Santander Consumer Finance in Europe
8.2.2 Partnership with BNP Paribas Personal Finance in Europe
8.2.3 Partnership with Santander in Brazil
8.2.4 Partnership with Dongfeng in China
8.2.5 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.

8.2.1 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

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Customer loans and receivables	30 434	28 854
Other assets	4 344	3 977
Total assets	**34 778**	**32 831**
Refinancing	22 441	21 454
Other liabilities	8 203	7 630
Equity	4 134	3 747
Total equity and liabilities	**34 778**	**32 831**

Key Income Statement Items

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Gross revenues of banking activities, insurance activities and other services	2 534	2 270
Expenses of banking activities, insurance activities and other services	(1 223)	(983)
Net banking revenue	**1 311**	**1 287**
General operating expenses and equivalent	(373)	(363)
Gross operating income	**938**	**924**
Cost of risk	(32)	(39)
Operating income	**906**	**885**
Non-operating items	(3)	(8)
Pre-tax income	**903**	**877**
Income taxes	(218)	(208)
Net income for the year	**685**	**669**

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, 2020	**3 794**	**50%**	**1 897**	**(1 312)**	**-**	**585**	**(37)**
Capital increase/(decrease) and contributions to reserves	(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)**
Capital increase/(decrease) and contributions to reserves	(1)		-	1		1	
Net income of the period	685		342			342	
Distribution of dividends	(275)		(137)			(137)	
Gains and Losses Recognized Directly in Equity	(22)		(11)			(11)	*(11)*
At December 31, 2022	**4 134**	**50%**	**2 067**	**(1 262)**	**-**	**805**	**(35)**

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

Consolidated Balance Sheet items after equity method

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Investments in associates and joint ventures accounted for using the equity method	2 067	1 873
Total assets	**2 067**	**1 873**
Equity		
- Historical value of the shares owned (1)	1 262	1 263
- Consolidated reserves - equity holders of the parent	805	610
- *of which share in net income accounted for using the equity method*	*342*	*334*
Total equity and liabilities	**2 067**	**1 873**

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

8.2.2 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, 2022**	**Dec. 31, 2021**
Customer loans and receivables	10 095	9 766
Other assets	1 295	1 390
Total assets	**11 390**	**11 156**
Refinancing	7 651	7 621
Other liabilities	2 303	2 262
Equity	1 436	1 273
Total equity and liabilities	**11 390**	**11 156**

Key Income Statement Items

(in million euros)	**Dec. 31, 2022**	**Dec. 31, 2021**
Gross revenues of banking activities, insurance activities and other services	735	698
Expenses of banking activities, insurance activities and other services	(335)	(282)
Net banking revenue (1)	**400**	**416**
General operating expenses and equivalent	(177)	(190)
Gross operating income	**223**	**226**
Cost of risk	(27)	(23)
Operating income	**196**	**203**
Non-operating items	2	1
Pre-tax income	**198**	**204**
Income taxes	(43)	(60)
Net income for the year	**155**	**144**

(1) *Of which an impact of €0 million at December 31, 2022 (€19 million at December 31, 2021) related to the Price Purchase Allocation: see Note 23.2.*

Statement of changes from 100% Equity to equity method

(in million euros)	**Equity before equity method**	**Percentage of equity method**	**Share of profit of equity method**	**Elimination of shareholder's equity (1)**	**Goodwill**	**Equity after equity method**	***of which exchange difference***
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)**
Net income of the period	155		78			78	
Distribution of dividends	-		-			-	
Gains and Losses Recognized Directly in Equity	8		4			4	*(3)*
At December 31, 2022	**1 436**	**50%**	**718**	**(489)**	**-**	**229**	**(4)**

(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, 2022**	**Dec. 31, 2021**
Investments in associates and joint ventures accounted for using the equity method	718	636
Total assets	**718**	**636**
Equity		
- Historical value of the shares owned (1)	489	489
- Consolidated reserves - equity holders of the parent	229	147
- of which share in net income accounted for using the equity method	*78*	*72*
Total equity and liabilities	**718**	**636**

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

8.2.3 Partnership with Santander in Brazil

The partnership in Brazil began in August 2016.

Equity accounted percentage: 50%

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

Key Balance Sheet Items

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Customer loans and receivables	410	256
Other assets	29	19
Total assets	**439**	**275**
Refinancing	374	222
Other liabilities	14	6
Equity	51	47
Total equity and liabilities	**439**	**275**

Key Income Statement Items

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Gross revenues of banking activities, insurance activities and other services	58	30
Expenses of banking activities, insurance activities and other services	(35)	(14)
Net banking revenue	**23**	**16**
General operating expenses and equivalent	(9)	(8)
Gross operating income	**14**	**8**
Cost of risk	(8)	(2)
Operating income	**6**	**6**
Income taxes	(1)	(2)
Net income for the year	**5**	**4**

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, 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)**
Net income of the period	5		2			2	
Distribution of dividends	(7)		(3)			(3)	
Gains and Losses Recognized Directly in Equity	6		3			3	*3*
At December 31, 2022	**51**	**50%**	**25**	**(27)**	**-**	**(2)**	**(15)**

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

Consolidated Balance Sheet items after equity method

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Investments in associates and joint ventures accounted for using the equity method	25	23
Total assets	**25**	**23**
Equity		
- Historical value of the shares owned (1)	27	27
- Consolidated reserves - equity holders of the parent	(2)	(4)
- *of which share in net income accounted for using the equity method*	*2*	*2*
Total equity and liabilities	**25**	**23**

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

8.2.4 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. The transfer of the interest held in the entity Dongfeng Peugeot Citroën Auto Finance Company Ltd (25% of the company consolidated by equity method by Banque PSA Finance) to Dongfeng Motor Group Co., Ltd has been done in December 2022. as indicated in notes 1 and 8.1.

Equity accounted percentage of the subsidiary Dongfeng Peugeot Citroën Auto Finance Company Ltd: 0%
Equity accounted percentage of the subsidiary Dongfeng Peugeot Citroën Financial Leasing Co: 50%

Fully financial information

Key Balance Sheet Items

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Customer loans and receivables	194	1 478
Other assets	14	157
Total assets	**208**	**1 635**
Refinancing	131	922
Other liabilities	3	93
Equity	74	620
Total equity and liabilities	**208**	**1 635**

Key Income Statement Items

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Gross revenues of banking activities, insurance activities and other services	129	149
Expenses of banking activities, insurance activities and other services	(52)	(63)
Net banking revenue	**77**	**86**
General operating expenses and equivalent	(22)	(20)
Gross operating income	**55**	**66**
Cost of risk	(22)	(11)
Operating income	**33**	**55**
Non-operating items	-	-
Pre-tax income	**33**	**55**
Income taxes	(9)	(14)
Net income for the year	**24**	**41**

Statement of changes from 100% Equity to equity method

(in million euros)	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill (2)	Equity after equity method	*of which exchange difference*
At December 31, 2020	**493**	**25%**	**123**	**(42)**	**3**	**84**	**(1)**
Change in consolidation scope	-		-	-	-	-	
Capital increase/(decrease) and contributions to reserves	26		13	(13)	-	-	
Acquisition of 25%	-		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**
Capital increase/(decrease) and contributions to reserves							
Sales of the participation in Dongfeng Peugeot Citroën Auto Finance Company Ltd	(501)		(134)	32	(3)	(105)	
Net income of the period	24		16	-	-	16	
Distribution of dividends	(20)		(5)	-	-	(5)	
Gains and Losses Recognized Directly in Equity	(49)		(13)		-	(13)	*(13)*
At December 31, 2022	**74**		**37**	**(35)**	**-**	**2**	**3**

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

Consolidated Balance Sheet items after equity method

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Investments in associates and joint ventures accounted for using the equity method	37	176
Total assets	**37**	**176**
Equity		
- Historical value of the shares owned (1)	35	67
- Consolidated reserves - equity holders of the parent	2	109
- of which share in net income accounted for using the equity method	*16*	*11*
Total equity and liabilities	**37**	**176**

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

8.2.5 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 1, 2019, consistently with other partnership control analysis.

Equity accounted percentage: 50%

Fully financial information

Key Balance Sheet Items

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Customer loans and receivables	101	92
Other assets	7	8
Total assets	**108**	**100**
Refinancing	50	62
Other liabilities	36	18
Equity	22	20
Total equity and liabilities	**108**	**100**

Key Income Statement Items

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Gross revenues of banking activities, insurance activities and other services	27	24
Expenses of banking activities, insurance activities and other services	(27)	(22)
Net banking revenue	**-**	**2**
General operating expenses and equivalent	(4)	(3)
Gross operating income	**(4)**	**(1)**
Cost of risk	-	-
Operating income	**(4)**	**(1)**
Non-operating items	-	-
Pre-tax income	**(4)**	**(1)**
Income taxes	1	1
Net income for the year	**(3)**	**-**

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, 2020	**15**	**50%**	**7**	**(13)**	**-**	**(6)**	**(6)**
Net income of the period	-		-	-	-	-	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	(2)		(1)	-	-	(1)	*(1)*
Hyperinflation effects	7		4	-	-	4	-
At December 31, 2021	**20**	**50%**	**10**	**(13)**	**-**	**(3)**	**(7)**
Net income of the period	(3)		(1)	-	-	(1)	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	(7)		(4)	-	-	(4)	*(4)*
Hyperinflation effects (1)	12		6	-	-	6	-
At December 31, 2022	**22**	**50%**	**11**	**(13)**	**-**	**(2)**	**(11)**

(1) The application of IAS 29 led a negative impact of €-12 million in Net Income (of which Minority interests: €-6 million), fully covered by a positive change in Equity (of which Minority interests: €6 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, 2022	Dec. 31, 2021
Investments in associates and joint ventures accounted for using the equity method	11	10
Total assets	**11**	**10**
Equity		
- Historical value of the shares owned (1)	13	13
- Consolidated reserves - equity holders of the parent	(2)	(3)
- *of which share in net income accounted for using the equity method*	*(1)*	-
Total equity and liabilities	**11**	**10**

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

Note 9 Property and equipment and intangible assets

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

	Dec. 31, 2022			Dec. 31, 2021		
(in million euros)	Cost	Depreciation/	Net	Cost	Depreciation/	Net
Property and equipment	**6**	**(2)**	**4**	**4**	**(2)**	**2**
- Buildings - Right of use (1)	1	(1)	-	1	(1)	-
- Vehicules	-	-	-	-	-	-
- Other	5	(1)	4	3	(1)	2
Intangible assets	**352**	**(223)**	**129**	**292**	**(207)**	**85**
- Softwares	348	(219)	129	288	(203)	85
- of which software right of use	*6*	*(1)*	*5*	*2*	-	*2*
- Other	4	(4)	-	4	(4)	-
Total	**358**	**(225)**	**133**	**296**	**(209)**	**87**

Table of changes in gross values

(in million euros)	Dec. 31, 2021 Gross value Fixed Assets	Additions	Disposals	Other movements	Dec. 31, 2022 Gross value Fixed Assets
Property and equipment	**4**	**3**	**(1)**	**-**	**6**
- Buildings - Right of use (1)	1	-	-	-	1
- Vehicules	-	-	-	-	-
- Other	3	3	(1)	-	5
Intangible assets	**292**	**61**	**(1)**	**-**	**352**
- Softwares	288	61	(1)	-	348
- of which software right of use	*2*	*4*	-	-	*6*
- Other	4	-	-	-	4
Total	**296**	**64**	**(2)**	**-**	**358**

Table of changes in amortization

(in million euros)	Dec. 31, 2021 Amortization Fixed Assets	Charges	Reversals (2)	Other movements	Dec. 31, 2022 Amortization Fixed Assets
Property and equipment	**(2)**	**-**	**-**	**-**	**(2)**
- Buildings - Right of use (1)	(1)	-	-	-	(1)
- Vehicules	-	-	-	-	-
- Other	(1)	-	-	-	(1)
Intangible assets	**(207)**	**(20)**	**4**	**-**	**(223)**
- Softwares	(203)	(20)	4	-	(219)
- of which software right of use	-	*(1)*	-	-	*(1)*
- Other	(4)	-	-	-	(4)
Total	**(209)**	**(20)**	**4**	**-**	**(225)**

(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 10 Deposits from Credit Institutions

10.1 Analysis of Demand and Time Accounts

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Time deposits (non-group institutions)	-	**23**
- Conventional bank deposits	-	23
Accrued interest	-	-
Total deposits from credit institutions at amortized cost	-	**23**

10.2 Analysis by Currency

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

	Dec. 31, 2022		Dec. 31, 2021	
(in million euros)	Demand deposits	Time deposits	Demand deposits	Time deposits
MXN	-	-	-	23
Total	-	-	-	**23**

10.3 Analysis by Maturity of Deposits from Credit Institutions

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

	Dec. 31, 2022	Dec. 31, 2021
(in million euros)	Time deposits	Time deposits
0 to 3 months	-	12
3 to 6 months	-	11
Total	-	**23**

Note 11 Due to Customers

11.1 Analysis of Demand and Time Accounts

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Demand accounts	1	**1**
- Ordinary accounts in credit		
- Dealers' ordinary accounts in credit	1	1
- Non-group companies	1	1
- Cash pooling (1):		
- Before offsetting	6	6
- Offsetting	(6)	(6)
Total deposits from credit institutions at amortized cost	1	**1**

(1) Under the cash pooling agreement with PSA International (Related company), the asset and liability amounts are offset in accordance with IAS 32 (see Note 6.1).

11.2 Analysis by Currency

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

	Dec. 31, 2022		Dec. 31, 2021	
(in million euros)	Demand deposits	Time deposits	Demand deposits	Time deposits
EUR	1	-	1	-
Total	1	-	**1**	-

Note 12 Accruals and Other Liabilities

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Trade payables	**38**	**41**
- Related companies (1)	35	35
- of which insurance activities	*1*	*1*
- Non-group companies	3	6
- of which insurance activities	*2*	*5*
Financial Debts	**5**	**2**
- of which insurance activities	*5*	*2*
Accrued payroll and other taxes	**4**	**3**
Accrued charges	**13**	**8**
- Related companies	(2)	(3)
- of which insurance activities	*(3)*	*(3)*
- Non-group companies	15	11
- of which insurance activities	*-*	*1*
Other payables	**16**	**7**
- Related companies	3	2
- of which insurance activities	*3*	*2*
- Non-group companies	13	5
- of which insurance activities	*13*	*4*
Deferred income	**27**	**28**
- Related companies	1	2
- of which insurance activities	*1*	*2*
- Non-group companies	26	26
- of which insurance activities (2)	*26*	*26*
Other	**2**	**-**
- Non-group companies	2	-
Total	**105**	**89**

(1) *It is mainly made of re-invoicing of IT expenses and technical assistance with PSA Automobiles S.A..*

(2) *Deferred income related to insurance activity for €26 million at December 31, 2022.*

Note 13 Insurance Activities

13.1 Liabilities Related to Insurance Contracts

(in million euros)	Dec. 31, 2021	Written premiums	Earned premiums	Claims paid	Claims incurred	Other	Dec. 31, 2022
Unearned premium reserve (UPR)	42	75	(41)	-	-	-	**76**
Claims reserve							
- Claims reserve - reported claims	14	-	-	(1)	1	-	**14**
- Claims reserve - claims incurred but not reported (IBNR)	31	-	-	-	5	(1)	**35**
Total liabilities related to insurance contracts	**87**	**75**	**(41)**	**(1)**	**6**	**(1)**	**125**

13.2 Income from Activities

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
+ Earned premiums	**41**	**26**
Written premiums	75	36
Change in insurance liabilities (UPR)	(34)	(10)
- Cost	**(30)**	**(17)**
Claims expenses	(12)	(8)
Change in insurance liabilities (except for UPR)	(4)	1
Other income (expense)	(14)	(10)
- of which related companies	*(9)*	*(7)*
Margin on sales of Insurance activities	**11**	**9**

Note 14 Provisions

(in million euros)	Dec. 31, 2021	Changes	Exchange difference	Dec. 31, 2022
Provisions for pensions and other post-retirement benefits	-	-	-	-
Provisions for doubtful commitments:				
- Corporate dealers	-	-	-	-
- Corporate and equivalent	-	-	-	-
Provisions for fiscal risks	1	1	-	2
Provisions for commercial and tax disputes	1		-	1
Other	2	(1)	-	1
Total	4	-	-	4

Note 15 Derivatives

Group Interest Rate Management Policy

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

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

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 21.

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 have been placed from time to time in bank deposits with a maturity of less than 2 months and can be

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 2022 is not significant (-€0,7 million at December 31, 2022 versus -€1 million at the end of 2021).

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 labelled in foreign currencies) and future profits and losses are not hedged. As the business of subsidiaries will, by definition, continue for an indefinite period, any such hedges would represent long-term open positions.

(in million euros)	ARS	CNY	MXN	PLN	BRL	TOTAL
Position at December 31, 2022	2	154	-	13	10	**179**
Position at December 31, 2021	*1*	*71*	*2*	*14*	*8*	***96***

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

Note 16 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 two items involved are given in Note 6.4 with respect to Customer Loans and Receivables and in Note 10.3 with respect to Deposits from Credit Institutions.

Covenants

Banque PSA Finance had undrawn committed credit facilities totaling €90 million.

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

- the loss of direct or indirect ownership by Stellantis of the majority of BPF shares;
- Banque PSA Finance’s loss of its status as a bank.

Note 17 Fair Value of Financial Assets and Liabilities

(in million euros)	Fair value		Book value		Difference	
	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Assets						
Cash, central banks	542	499	542	499	-	-
Financial assets at fair value through profit or loss (1)(2)	65	58	65	58	-	-
Loans and advances to credit institutions, at amortized cost (3)(4)	549	462	580	455	(31)	7
Customer loans and receivables, at amortized cost (5)	-	28	-	28	-	-
Equity and liabilities						
Deposits from credit institutions (6)		23	-	23	-	-
Due to customers (3)	1	1	1	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 falue through profit or loss" 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),

(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).

Note 18 Other Commitments

18.1 Other Commitments

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Financing commitments		
Commitments received from credit institutions (1)	90	90
Guarantees given to credit institutions	1	1
Commitments given to customers	4	7
- Banque PSA Finance	4	7

(1) *This refers to undrawn bank facilities. (see Note 18.2)*

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

18.2 Financial Security

Financial security refers to liquidity reserve and undrawn bank facilities.

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Liquidity Reserve	**769**	**699**
- Reserves deposited with the central banks (see Note 3)	542	499
- Ordinary accounts in debit (see Note 5)	227	197
- Loans and advances at overnight rates (see Note 5)	-	3
Undrawn bank facilities	**90**	**90**
- Revolving bilateral bank facilities (1)	90	90
Total	**859**	**789**

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

Note 19 Interest and Other Revenue on Assets at Amortized Cost

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Wholesale financing	**2**	**2**
- *of which related companies*	*2*	*1*
Total	**2**	**2**

Note 20 General Operating Expenses

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Personnel costs	**(5)**	**(4)**
- Wages and salaries	(4)	(4)
- Payroll taxes	(1)	-
Other general operating expenses	**(8)**	**(6)**
- External expenses	(111)	(107)
- *of which related companies*	*(123)*	*(102)*
- Re-invoicing	103	101
- *of which related companies*	*98*	*98*
Total	**(13)**	**(10)**

Note 21 Cost of risk

21.1 Cost of risk and changes in Loans

(in million euros)	Dec. 31, 2021	Net new loans and exchange difference (1)	Cost of risk for the period at Dec. 31, 2022	Balance at Dec. 31, 2022
Retail				
Stage 1 loans	-	-	-	-
Stage 2 loans	-	-	-	-
Stage 3 loans	-	-	-	-
Guarantee deposits (lease financing)	-	-	-	-
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 (A - see B Note 6.2)	**-**	**-**	**-**	**-**
Recoveries on loans written off in prior periods			-	
Retail cost of risk			-	
Corporate dealers				
Stage 1 loans	27	(27)	-	-
Stage 2 loans	1	(1)	-	-
Stage 3 loans	-	-	-	-
Total	**28**	**(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 6.2)	**28**	**(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 6.2)	**-**	**-**	**-**	**-**
Recoveries on loans written off in prior periods			-	
Corporate and equivalent cost of risk			-	
Total loans				
Stage 1 loans	27	(27)	-	-
Stage 2 loans	1	(1)	-	-
Stage 3 loans	-	-	-	-
Guarantee deposits	-	-	-	-
Total	**28**	**(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 6.2)	**28**	**(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.*

21.2 Change in cost of risk

(in million euros)	Retail	Corporate dealers	Corporate and equivalent	Dec. 31, 2022	Dec. 31, 2021
Stage 1 loans					
Allowances	-	-	-	-	-
Reversals	-	-	-	-	-
Stage 2 loans					
Allowances	-	-	-	-	-
Reversals	-	-	-	-	-
Stage 3 loans					
Allowances	-	-	-	-	-
Reversals	-	-	-	-	-
Credit losses	-	-	-	-	-
Recoveries on loans written off in prior periods	-	-	-	-	-
Cost of Risk	**-**	**-**	**-**	**-**	**-**

Note 22 Income Taxes

22.1 Evolution of Balance Sheet Items

(in million euros)	Dec. 31, 2021	Income	Equity	Payment	Exchange difference and other (1)	Dec. 31, 2022
Current tax						
Assets	1					-
Liabilities	(8)					(2)
Total	**(7)**	**(5)**	**-**	**10**	**-**	**(2)**
Deferred tax						
Assets	3					8
Liabilities	-					(1)
Total	**3**	**4**	**-**	**-**	**-**	**7**

(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.*

22.2 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 2022 Annual Report, Note 2 Accounting Policies, last paragraph of chapter 2.A.

From January 1st, 2022 the tax rate applied by Banque PSA Finance S.A decreased from 28,41% to 25,83%.

(in million euros)	Dec. 31, 2022	Dec. 31, 2021
Current tax	**(5)**	**7**
Deferred tax	**4**	**2**
Deferred taxes arising in the year	5	(19)
Unrecognized deferred tax assets and impairment losses	(1)	21
Total	**(1)**	**9**

22.3 Banque PSA Finance tax proof

(in million euros)	**Dec. 31, 2022**	**Dec. 31, 2021**
Pre-tax income	448	403
Neutralization of the share in net income of associates and joint ventures accounted for using the equity method	(437)	(419)
Permanent differences	(22)	23
Taxable Income	**(11)**	**7**
Legal tax rate in France for the period	*25,8%*	*28,4%*
Theoretical tax	**3**	**(2)**
Deferred tax asset write-downs	-	(21)
Tax refund to insurance companies	10	11
Tax withheld at disposal of shares (1)	(13)	-
Income taxes before impairment of assets on tax loss carry forwards	**-**	**(12)**
Group effective tax rate	*0,0%*	*167,9%*
Deferred tax assets on tax loss carry forwards:		
- Allowances	(2)	-
- Reversals	1	21
Income taxes	**(1)**	**9**

(1) *As part of disposal of Dongfeng Peugeot Citroën Auto Finance Company (DPCAFC) entity (cf. Note 1).*

22.4 Deferred Tax Assets on Tax Loss Carry Forwards

(in million euros)	**Dec. 31, 2021**	**New tax losses**	**Tax losses utilized in the year**	**Charges / Reversals**	**Deferred tax asset write-downs**	**Exchange difference and other**	**Dec. 31, 2022**
Deferred tax assets on tax loss carry forwards	4	7	-		-	(2)	9
Allowances	(2)			(1)		1	(2)
Total	**2**	**7**	**-**	**(1)**	**-**	**(1)**	**7**

Note 23 Segment Information

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

23.1 Key Balance Sheet Items

At December 31, 2022

(in million euros)	IFRS 8 segment information Balance Sheet as at Dec. 31, 2022	Equity-method accounting of equity attributable to group in JV	Consolidated Balance Sheet at Dec. 31, 2022
Assets			
Customer loans and receivables, at amortized cost	41 040	(41 040)	-
- *Corporate dealers*	*10 147*	*(10 147)*	-
- *End user*	*30 893*	*(30 893)*	-
Financial assets at fair value through profit or loss	183	(118)	65
Financial assets at fair value through Equity	-	-	-
Debt securities at amortized cost	226	(226)	-
Loans and advances to credit institutions, at amortized cost	1 810	(1 230)	580
Deferred tax assets	221	(213)	8
Investments in associates and joint ventures accounted for using the equity method (1)	36	2 822	2 858
Other assets	4 493	(3 545)	948
Total Assets	**48 009**	**(43 550)**	**4 459**
Liabilities			
Deposits from credit institutions	22 096	(22 096)	-
Due to customers	7 074	(7 073)	1
Debt securities	8 405	(8 405)	-
Liabilities related to insurance contracts	269	(144)	125
Deferred tax liabilities	730	(729)	1
Other liabilities	2 392	(2 281)	111
Equity	7 043	(2 822)	4 221
Total Liabilities	**48 009**	**(43 550)**	**4 459**

(1) *See Note 8 Investments in Associates and Joint Ventures Accounted for using the Equity Method.*

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
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 8 Investments in Associates and Joint Ventures Accounted for using the Equity Method.*

23.2 Key Income Statement Items

At December 31, 2022

(in million euros)	IFRS 8 Income statement excl. PPA at Dec. 31, 2022	OVF PPA impact at Dec. 31, 2022	IFRS 8 Income statement at Dec. 31, 2022	Presentation differences IFRS 8 vs Publishable Income Statement	Equity-method accounting of equity attributable to group in JV	Publishable Income Statement at Dec. 31, 2022
Net banking revenue	**1 749**	**-**	**1 749**	**-**	**(1 734)**	**15**
- Financing activities	***1 457***	***-***	***1 457***	***-***	***(1 451)***	***6***
- Corporate dealers	*159*	*-*	*159*	*-*	*(159)*	*-*
- End user	*1 221*	*-*	*1 221*	*-*	*(1 221)*	*-*
- Unallocated	*77*	*-*	*77*		*(71)*	*6*
- Insurance and services	***292***	***-***	***292***	***-***	***(283)***	***9***
Cost of risk	**(67)**	**-**	**(67)**	**-**	**67**	**-**
- Financing activities	***(67)***	***-***	***(67)***	***-***	***67***	***-***
- Corporate dealers	*(4)*	*-*	*(4)*	*-*	*4*	*-*
- End user	*(63)*	*-*	*(63)*	*-*	*63*	*-*
Net income after cost of risk	**1 682**	**-**	**1 682**	**-**	**(1 667)**	**15**
- Financing activities	***1 390***	***-***	***1 390***	***-***	***(1 384)***	***6***
- Corporate dealers	*155*	*-*	*155*	*-*	*(155)*	*-*
- End user	*1 158*	*-*	*1 158*	*-*	*(1 158)*	*-*
- Unallocated	*77*	*-*	*77*	*-*	*(71)*	*6*
- Insurance and services	***292***	***-***	***292***	***-***	***(283)***	***9***
General operating expenses and equivalent	**(596)**	**-**	**(596)**	**1**	**562**	**(33)**
Operating income	**1 086**	**-**	**1 086**	**1**	**(1 105)**	**(18)**
Share in net income of associates and joint ventures accounted for using the equity method (1)	*16*	-	16	-	421	437
Other items	*29*	-	29	-	-	29
Pre-tax income	**1 131**	**-**	**1 131**	**1**	**(684)**	**448**
Income taxes	(263)	-	(263)	(1)	263	(1)
Net income	**868**	**-**	**868**	**-**	**(421)**	**447**

(1) See Note 8 Investments in Associates and Joint Ventures Accounted for using the Equity Method.

A 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 8 Investments in Associates and Joint Ventures Accounted for using the Equity Method.

Note 24 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 24.1 Locations by country

Country ISO code	Entity	Consolidation method Dec. 2022	Consolidation method Dec. 2021	Localization	Type of activity (NACE code)
AR	PSA Finance Argentina Compania Financiera S.A.	EM	EM	Buenos Aires	K64
	PCA Compañía de Seguros S.A	FC	FC	Buenos Aires	K65
AT	PSA Bank Österreich GmbH, Austria Branch	EM	EM	Vienna	K64
	Opel Bank S.A., Austria Branch	EM	EM	Vienna	K64
BE	PSA Finance Belux	EM	EM	Brussels	K64
	Auto ABS Belgium Loans 2019 SA	EM	EM	Bruxelles	K64
	Opel Finance BVBA	-	EM	Kontich	K64
BR	Banco PSA Finance Brasil S.A.	EM	EM	Sao Paulo	K64
	PSA Corretora de Seguros e Serviços Ltda	EM	EM	Sao Paulo	K65
CH	Opel Finance S.A.	EM	EM	Studen	K64
CN	Dongfeng Peugeot Citroën Auto Finance Company Ltd	-	EM	Beijing	K64
	Dongfeng Peugeot Citroën Financial Leasing Co.	EM	EM	Beijing	N77
DE	PSA Bank Deutschland GmbH	EM	EM	Neu-Isenburg	K64
	Auto ABS German Lease Master 2019	EM	EM	Luxembourg	K64
	Opel Bank S.A., Germany Branch	EM	EM	Russelsheim	K64
	Auto ABS German VAC 2021	EM	EM	Frankfurt	K64
	Auto ABS German Lease Master 2021	EM	EM	Luxembourg	K64
DZ	BPF Algérie	FC	FC	Algiers	K64
ES	PSA Financial Services Spain E.F.C. S.A.	EM	EM	Madrid	K64
	Auto ABS Spanish Loans 2018	EM	EM	Madrid	K64
	Auto ABS Spanish Loans 2020-1	EM	EM	Madrid	K64
	FT Auto ABS Spanish Loans 2022-1	EM	-	Madrid	K64
	Opel Bank S.A., Spain Branch	EM	EM	Madrid	K64
FR	Banque PSA Finance	FC	FC	Poissy	K64
	Crédipar	EM	EM	Poissy	K64
	CLV	EM	EM	Poissy	N77
	PSA Banque France	EM	EM	Poissy	K64
	Auto ABS French Loans Master	EM	EM	Paris	K64
	Auto ABS DFP Master Compartment France 2013	EM	EM	Paris	K64
	Auto ABS French Leases Master	EM	EM	Paris	K64
	FCT Auto ABS LT Leases Master	EM	EM	Paris	K64
	Opel Bank S.A	EM	EM	Poissy	K64
	Auto ABS German Loans Master	EM	EM	Paris	K64
	Auto ABS French Leases 2018 - Fonds E	-	EM	Paris	K64
	Ecarat 10 Germany	EM	EM	Paris	K64
	Auto ABS French Leases 2021 - Fonds G	EM	EM	Paris	K64
GB	PSA Finance UK Ltd	EM	EM	Redhill	K64
	Auto ABS UK Loans plc	EM	EM	London	K64
	Auto ABS UK Loans 2017 plc	-	EM	London	K64
	Auto ABS UK Loans 2019 - Fonds 4	EM	EM	London	K64
	Vauxhall Finance plc	EM	EM	Cardiff	K64
	Ecarat 10 PLC	EM	EM	London	K64
	Ecarat 11 PLC	EM	EM	London	K64
	Ecarat 12 PLC	EM	EM	London	K64
IT	PSA Renting Italia S.p.A.	EM	EM	Milan	N77
	Banca PSA Italia S.p.A.	EM	EM	Milan	K64
	Opel Bank S.A., Italy Branch	EM	EM	Rome	K64
	Auto ABS Italian 2018.1 S.r.l.	EM	EM	Conegliano	K64
	Auto ABS Italian Loans 2019	EM	EM	Conegliano	K64
	Auto ABS Italian Rainbow Loan 2020-1 S.r.l.	EM	EM	Conegliano	K64
	Auto ABS Italian Rainbow Loan S.r.l.	EM	-	Conegliano	K64
MT	Stellantis Services Ltd	FC	FC	Ta' Xbiex	K64
	Stellantis Insurance Ltd	FC	FC	Ta' Xbiex	K65
	Stellantis Life Insurance Ltd	FC	FC	Ta' Xbiex	K65
	Stellantis Insurance Manager Ltd	FC	FC	Ta' Xbiex	K65
	Stellantis Insurance Europe Ltd	EM	EM	Ta' Xbiex	K65
	Stellantis Life Insurance Europe Ltd	EM	EM	Ta' Xbiex	K65
MX	Banque PSA Finance Mexico SA de CV SOFOM ENR	-	FC	Mexico	K64
NL	PSA Finance Nederland B.V.	FC	FC	Amsterdam	K64
	PSA Financial Holding B.V.	FC	FC	Amsterdam	K64
	PSA Financial Services Nederland B.V.	EM	EM	Amsterdam	K64
	Opel Finance N.V.	EM	EM	Breda	K64
PL	Banque PSA Finance, Polish branch	-	FC	Warsaw	K64
	PSA Consumer Finance Polska Sp. z o.o	EM	EM	Warsaw	K64
	PSA Finance Polska Sp.zo.o.	EM	EM	Warsaw	K64
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 24.2 Income statement items and employees by country

At December 31, 2022

Country	*(in million euros)* Public investment subsidies received	Income statement items: Sales and revenue (1)	Net banking revenue	Pre-tax income: 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	-	14	6	3	*(1)*	(1)	(1)	6
AT	-			4	*4*			-
BE	-			8	*8*			
BR	-			2	*2*			
CH	-			1	*1*			
CN	-			16	*16*			
DE	-			49	*49*			
DZ	-	-	-	-		-	-	-
ES	-			24	*24*			
FR	-	10	6	176	*186*	(1)	-	-
GB	-			66	*66*			
IT	-			50	*50*			
MT	-	35	-	11	*22*	10	5	66
MX	-	2	1	(3)		-	-	2
NL	-	3	1	39	*7*	(13)	-	-
PL	-			1	*3*			
TR	-	-	1	1		-	-	13
Total	**-**	**64**	**15**	**448**	***437***	**(5)**	**4**	**87**

(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, 2022.

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 25 Auditors fees

(in million euros)	Ernst & Young Dec. 31, 2022	Ernst & Young Dec. 31, 2021	Mazars Dec. 31, 2022	Mazars Dec. 31, 2021
Audit				
- Statutory and contractual audit services				
- Banque PSA Finance	0,2	0,2	0,2	0,2
- Fully-consolidated companies	0,4	0,1	-	-
- *of which France*	-	-	-	-
- Audit-related services				
- Banque PSA Finance	-	-	-	-
- Fully-consolidated companies	-	-	-	-
- *of which France*	-	-	-	-
Other services provided to fully-consolidated subsidiaries				
- Legal and tax services	-	-	-	-
- Other (1)	0,0	-	-	-
Total	**0,6**	**0,3**	**0,2**	**0,2**

(1) Including services other than statutory audit for the amount of €20 thousand.

Note 26 Subsequent Events

No other event that could have a material impact on business decisions made on the basis of these financial statements, occurred between December 31, 2022 and the Board of Directors' meeting approving these financial statements, i.e. February 20, 2023.

2.7 Statutory auditors' report on the consolidated financial statements

For the year ended December, 31 2022

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 2022.

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 2022 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, 2022 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

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 8 "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 24 "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, 2022 amounted to €2,858million, for a balance sheet total of €4,459 million and a share of profit of €437 million, for a net profit group share of €447 million. In this context, we considered that the valuation and the share of result of investments in associates and joint ventures are a key audit matter due to their importance in the consolidated financial statements, the multiplicity of entities and their specific governance through partnerships not controlled by Banque PSA Finance, and the high level of management judgment required to determine the value in use of these investments.	Our work consisted primarily in: ➢ examining the process of preparing the consolidated financial statements and related control procedures; ➢ preparing and sending audit instructions to the local auditors of the Group entities; these instructions are adapted to entities of each partnerships; ➢ coordinating and close monitoring of the work performed by the local auditors, and reviewing their conclusions and their work in areas of significant risks; ➢ performing procedures centrally, including (i) 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. ➢ 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, especially in the particular macro-economic, geopolitical and logistical context of financial year 2022.

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 12th, 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 2022, Audit Firm MAZARS and Audit Firm ERNST & YOUNG Audit were in the 18th year and 12th 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 8, 2023

The Statutory Auditors
French original signed by

MAZARS	ERNST & YOUNG Audit
Matthew Brown	Luc Valverde

Statement from the person responsible for the 2022 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 does not include any omission that could lead to a false interpretation.

I hereby certify that, to my knowledge, the annual financial statements have been prepared in accordance with the applicable accounting standards and provide a true image of Banque PSA Finance S.A.'s assets, financial position and results 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 results and the financial position 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 position and the financial statements provided in this document, as well as reading this document in its entirety.

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

STELLANTIS

BANQUE PSA FINANCE

A STELLANTIS COMPANY

BANQUE PSA FINANCE

Société anonyme (limited-liability corporation) with a share capital of €199,619,936
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