



BANQUE PSA FINANCE
A STELLANTIS COMPANY



HALF-YEAR MANAGEMENT REPORT 2022

“FINANCING & SERVICES ENABLING MOBILITY FOR ALL”



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STELLANTIS

BANQUE PSA FINANCE
A STELLANTIS COMPANY

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AT JUNE 30, 2022

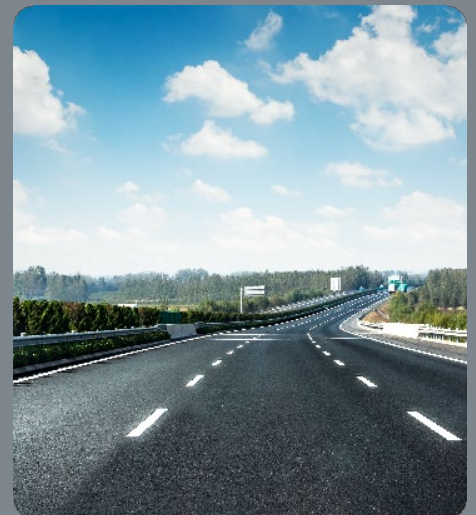


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1.1 BPF GOVERNANCE

BOARD OF DIRECTORS

Chairman

Member of the Appointments Committee
Member of Wages and Salaries Committee

PHILIPPE DE ROVIRA

Director

Chief Executive Officer

RÉMY BAYLE

Director

BRIGITTE COURTEHOUX

Director

Chairman of the Appointments Committee

Chairman of Wages and Salaries
Committee

Member of the Audit & Risk Committee

CATHERINE PARISET

Director

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

LAURENT GARIN

Director

AUTOMOBILES PEUGEOT

Permanent Representative

LINDA JACKSON

EXECUTIVE COMMITTEE

Director

Chief Executive Officer

RÉMY BAYLE

Executive Managing Deputy Director

HELENE BOUTELEAU

STATUTORY AUDITORS

Principal Statutory Auditors

**ERNST & YOUNG
AUDIT MAZARS**

Substitute Statutory
Auditors

**PICARLE & ASSOCIES
GUILLAUME POTEL**

Position as of June 30, 2022

BANQUE PSA FINANCE

Société anonyme (limited company). Share capital: €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

1.2 KEY FIGURES



3,400
EMPLOYEES
WORLDWIDE



433,000
VEHICLES FINANCED



713,000
INSURANCE AND SERVICES
CONTRACTS SOLD



17
COUNTRIES



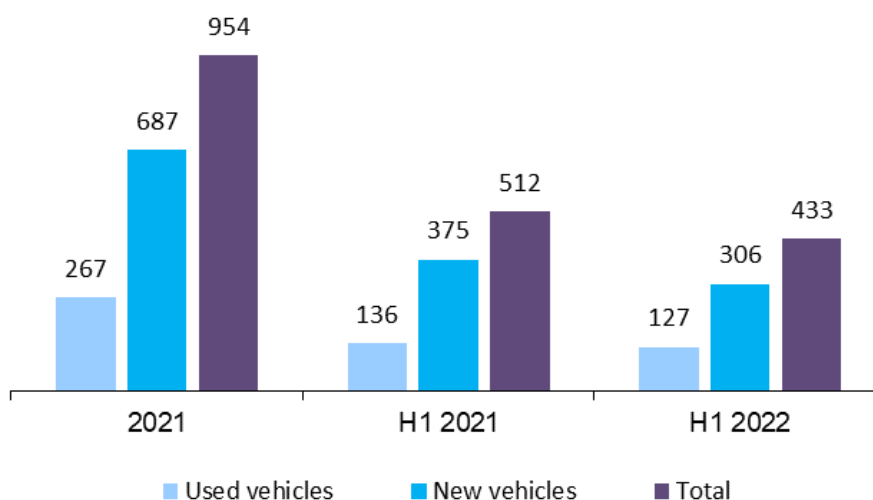
of which **57,000**
ELECTRIFIED VEHICLES



of which **14,500**
ONLINE SALES

BPF KEY FIGURES (EXCLUDING CHINA)

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

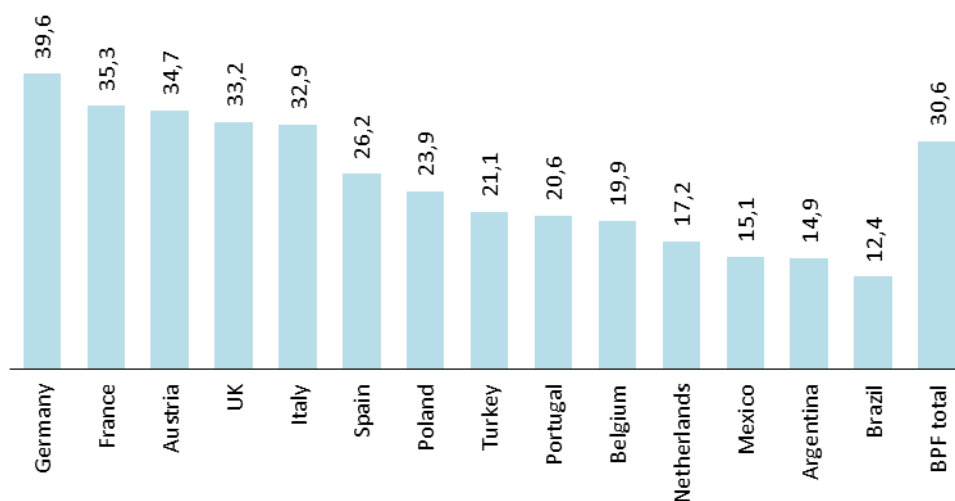


1.2 KEY FIGURES

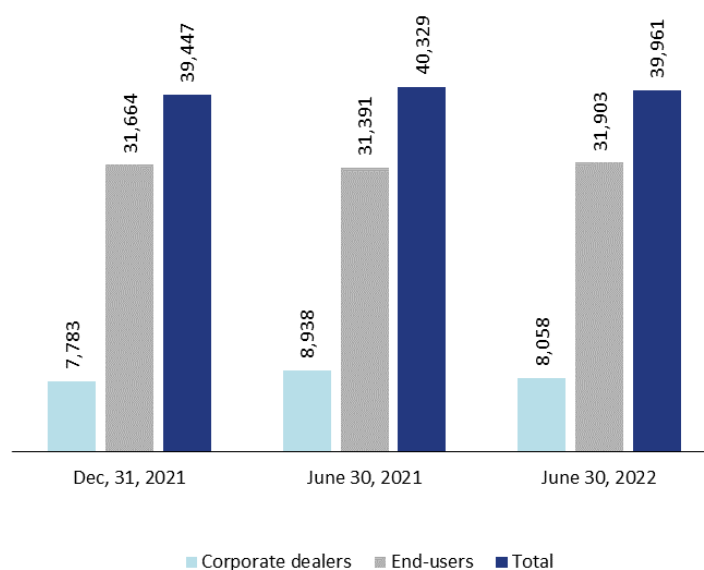
BPF KEY FIGURES (EXCLUDING CHINA)

Penetration rates by country (as a %) at June 30, 2022

(New vehicle financing BPF/vehicle registrations of PCD and OV brands)

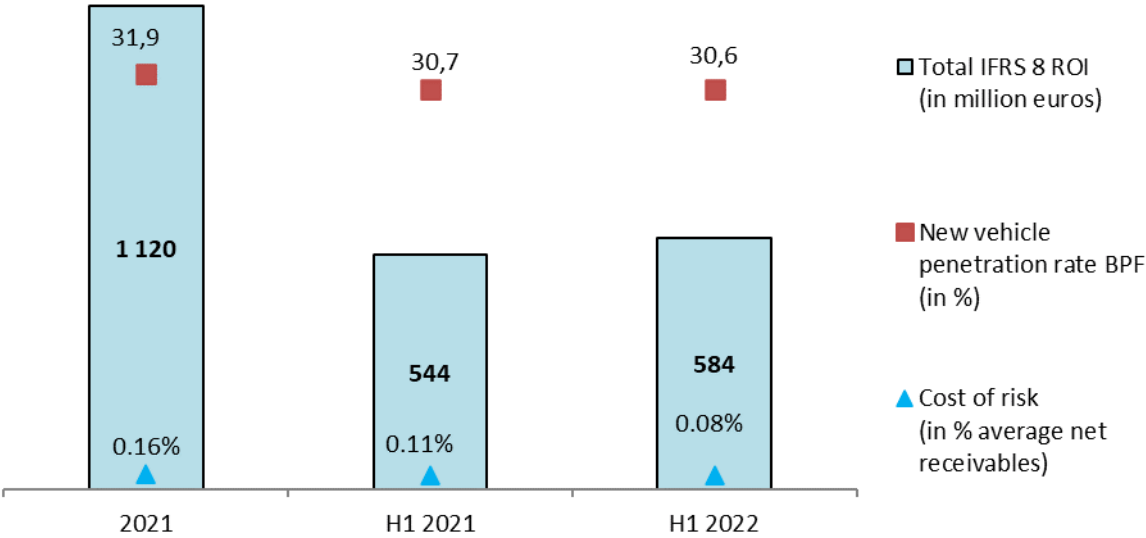
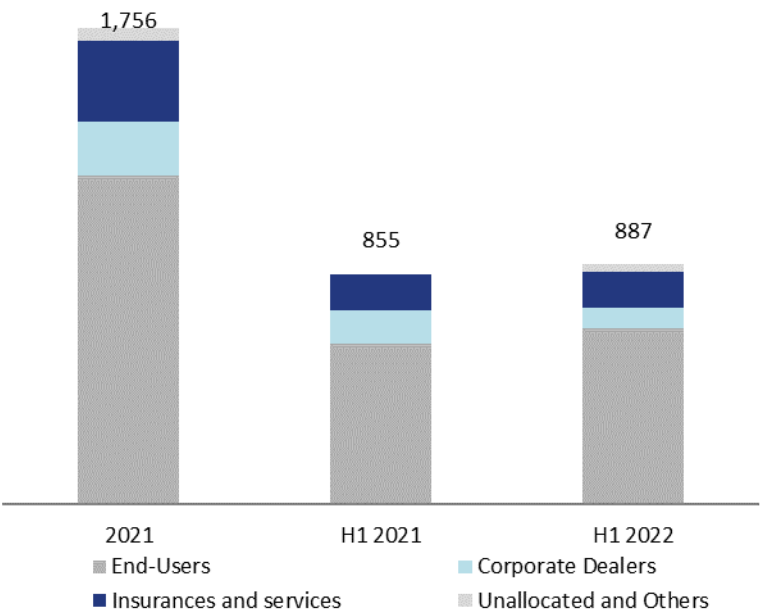


Evolution of loans outstanding by customer segment, in IFRS 8 (in million euros)



1.2 KEY FIGURES

BPF KEY FIGURES (EXCLUDING CHINA)
Change in Net Banking Revenue in IFRS 8 format
(In millions of euros)



1.3 LOCATIONS & PARTNERSHIPS



BPF : A partnership strategy

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

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

1.4 BUSINESS ANALYSIS OF BANQUE PSA FINANCE

1.4.1 BPF COMMERCIAL PERFORMANCE

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

The figures for China are presented separately.

NV PENETRATION RATE BY COUNTRY

Countries	New Vehicle Financing BPF (passenger and utility vehicles) ¹		Penetration rate BPF (in %)	
	H1 2022	H1 2021	H1 2022	H1 2021
France	104,966	124,158	35.3	33.1
United Kingdom	45,480	41,425	33.2	26.6
Germany	50,340	58,642	39.6	36.5
Italy	37,165	57,597	32.9	35.9
Spain	21,300	29,489	26.2	26.3
Belgium	9,527	13,936	19.9	23.4
Netherlands	5,418	6,967	17.2	21.6
Austria	3,865	5,100	34.7	28.1
Switzerland ²		54		
Poland	4,324	6,765	23.9	26.2
Portugal	4,349	8,849	20.6	36.6
Europe	286,734	352,982	32.4	31.4
Brazil	4,195	3,942	12.4	18.8
Argentina	4,056	3,316	14.9	16.0
Mexico	691	1,591	15.1	24.6
Latin America	8,942	8,849	13.7	18.4
Turkey	9,629	12,577	21.1	25.9
Rest of the World	9,629	12,577	21.1	25.9
Total without China	305,305	374,408	30.6	30.7
China	13,368	12 825	31.7	43.8

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



In the first half of 2022, 305,305 new vehicle contracts were signed for the Peugeot, Citroën, DS, Opel and Vauxhall brands, i.e. a decline of 18.45% due to production disruptions related notably to the shortage of semiconductors.

Loyalty-building offers (Balloon installment contracts, buyback contracts, long-term leases) remained at a high level and represented more than 75% of new vehicle financing production in the B2C segment (individuals and employees) for European countries, and increased for used vehicles to reach 42%. These offers, presented in the form of financing + services packages, help to booster customer loyalty to the Group's brands.

A. MARKETING POLICY AND PERFORMANCE

In the first half of 2022, Banque PSA Finance (BPF) financed 30.6% of Stellantis' sales of new vehicles for the Peugeot, Citroën, DS Automobiles ("PCD") and Opel and Vauxhall ("OV") brands. Penetration is stable compared to 2021 while the market remains impacted by the health crisis and the shortage of raw materials with direct effects on the cost of vehicles and their availability. Moreover, the context of rapid increases in financing rates combined with delays in vehicle delivery times, generated a squeeze in new Retail contract production margins; this had a minor impact on first half results but will impact future results. In a constantly growing sales market for electric and hybrid vehicles (LEV), Banque PSA Finance saw a change of more than 35% in its financing on these vehicles in the first half of 2022 compared to last year. For these vehicles, financing penetration with individual customers notably reached 76.6% for PCD and 66.2% for OV.

Packaged financing offers specific to LEVs made it possible to achieve this good performance. In the first half of the year, new vehicle registrations of the Peugeot, Citroën, DS, Opel and Vauxhall brands fell by 21% in European markets. In terms of markets outside of Europe (PCD only), volumes increased by 61% in Brazil and by 31% in Argentina.

In this context, total new and used vehicle financing fell by 15.4%.

In terms of both new and used vehicles, the large proportion of loyalty products led to a significant increase in the BPF average-unit-financed amount, which reached almost €18,500 in the first half of 2022 for new vehicles compared to €16,900 in 2021 for PCD. In used vehicles, the average amount reached €13,000.


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 18.8%.

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

- In France: 104,966 contracts representing a penetration of 35.3%, i.e. an increase of 2.2 points thanks to improved performance in both B2B and B2C. It is worth highlighting the excellent performance achieved in the LEV (Low Emission Vehicle) segment, where penetration exceeded 90%.
- In Germany, performance increased by 3.1 points with a penetration of 36.3%. It is worth noting a good B2C performance for Opel, at 85.6%, and a penetration of 65% in B2B for PCD. It is also worth highlighting that a significant proportion of registrations was achieved in LEV, 19% for PCD and 18.5% for Opel, bearing in mind that the financing penetration in this segment exceeded 70% in B2C.
- In Spain, performance was stable, with penetration of 26.2% vs. 26.3% in 2021. Registrations were down sharply (27.5%) as a result of a decrease in B2C, which now represents only 28.7% of registrations for PCD, and an increase in B2B, which reached 41.4% of registrations for Opel and 39% for PCD (+10 points vs. 2021). In this context, performance among B2C customers remained at very high levels, buoyed by major campaigns with the brands and an increase in the weight of loyalty-building offers (Balloon Credit).
- In the United Kingdom, in a market that remained in decline, -14% for Vauxhall and -12% for PCD, penetration was up and reached 33.2% vs. 26.6% in 2021. As in Spain, the results were impacted by a lower performance for



PCD in the B2B segment, which represents a much higher share of registrations. With regard to B2B for OV, sales activities were stepped up in LCV Light Commercial Vehicles with the development of online offers and new loyalty programs. This entire system resulted in a 1.3-point increase in performance. With regard to OV, it is worth noting a better B2B performance, which increased by 2.6 points.

- In Italy, there was a sharp decline in the market in the first half of the year, after registrations in 2021 were boosted by State grants to encourage customers to renew their old vehicles. For PCDOV, registrations fell by 30% and financing penetration fell by 3 points to 32.9%. Performance was impacted by the sales mix, with a greater weighting of B2B and a weaker eligible market.
- In Belgium and Luxembourg, in a very competitive market, performance was down by -3.5 points in terms of penetration, with differing trends for Opel, where performance was up slightly, and for PCD, where penetration was down. Performance was significantly impacted by the decline in the B2C market, which now represents only 27.7% of PCD registrations, while penetration in this segment is increasing. Significant sales activities, notably in B2B, were put in place to support the change in the market mix.
- In Poland, the economic context was marked by high inflation, which led to a very sharp increase in benchmark rates, which in turn resulted in an increase in financial conditions for all players. Faced with this situation, the objective was to protect the profitability of operations, and therefore volumes made for the fleets were reduced. Overall, penetration reached 23.9%.

Latin America (PCD only)

In Argentina, the economic context continued to be underpinned by high inflation and very high interest rates, and, moreover, the brands are suffering from very low inventories. Faced with this situation, financing penetration fell by 1.1 points to 14.9%. It should also be noted that many customers are increasingly turning to the savings plan to finance their vehicles. With the launch of new models in the second half of the year, new fund-raising campaigns are planned to improve performance.

In Brazil, the eligible market continued to decline, resulting in a decrease in penetration, which stood at 12.4%. As is the case for Argentina, new models should be launched in the second half of the year and will enable the Group to leverage a larger eligible market.

Other countries


Turkey: in a declining market, performance in financing was down by 4 points. New offers are planned for the second half of the year, because the volume of registrations is much higher in the second half of the year. Therefore, an improvement in performance is expected. In this country, outstanding loans are recognized by the partner, and BPF receives a sales commission.

In China (PCD only)

The first part of the year was marked by Covid-related restrictions impacting the market, which nevertheless recovered vigorously at the end of June when restrictions were lifted. At the end of June 2022, the total retail market was estimated at 9.2 million units, down 10% (-1 million vehicles). Registrations of the Peugeot, Citroën and DS brands nevertheless reached 42,228 units, up 44.2% compared to the first half of 2021.

The penetration rate of the financing granted by DPCAFC for DPCA vehicles was impacted by the new method of marketing DPCA vehicles via platforms, without financing, concerning an increasing share of sales. Penetration stood at 31.7% compared to 43.8% in mid-2021 for a volume that nevertheless increased by 12.8% to 13,368 loans. Following the end of used vehicle financing via intermediaries at the end of September 2021, the financing volume of other brands was also impacted. In total, only 566 loans for used vehicles and other brands were granted compared to 27,307 in the first half of 2021, marking a strong refocusing of the strategy on the brands. The volume of new AFC contracts was therefore down sharply in the first half of the year to 13,597 units compared to 38,851 a year earlier. Moreover, in a context complicated by Covid in the first half of the year, DPCAFC recorded an increase in its risks on portfolios excluding OEMs, in a quasi-run-off situation (almost no new contracts). We expect a gradual improvement in the coming months as Covid restrictions are lifted.

The leasing company DPCFLC granted 2,988 new contracts compared to 7,225 in the first half of 2021. DPCFLC, with its range of products including balloons and deposit rates accessible to DPCA customers, was able to increase the share of new DPCA contracts, while continuing to develop its expertise for professional



customers using Group vehicles, or non-Group vehicles for "hailing cars".

The total outstanding loans of the two entities were down by 7.9% compared to H1 2021 due to the end of the used-vehicle/other AFC brands portfolio, and reached €1.23 billion at the end of the period compared to €1.35 billion at the end of June 2021.

C. USED VEHICLE FINANCING

Within the PCDOV scope, 127,119 used vehicle financing contracts were completed in the first half of 2022, i.e. -6.7% compared to the first half of 2021, bearing in mind that the business is suffering from rather low inventories. Note the G10 scope represented 95% of production.

As in the case of new vehicle activities, specific offers were put in place to boost loyalty-building offers (financing with vehicle take-back). In the first half of 2022, loyalty-building offers represented 42% of contracts signed. Communication was further developed on the Spoticar sites (used-vehicle certification for the Peugeot, Citroën, Opel and Vauxhall brands) and makes it possible to present the vehicles with a highlighted note on the monthly payment. An important system will be maintained in the second half. It should be noted that the

average financed amount for used vehicles has continued to increase. In terms of production, G5 volumes represent over 90% of all contracts completed.

All the actions implemented to increase production are based on a risk management policy.

D. FREE2MOVE LEASE

In the first half of 2022, Free2moveLease (a joint venture between BPF and Stellantis) completed 73,894 long-term vehicle leases. This volume represents 19.4% of the B2B registrations of the Citroën, DS, Opel, Peugeot and Vauxhall brands. The entity is present in 11 European countries: France, Great Britain, Germany, Spain, Italy, Belgium, Luxembourg, the Netherlands, Portugal, Poland and Austria.

In a difficult context for the automotive sector, where B2B registrations fell by 11.2%, F2ML proved resilient on PCDF with a positive penetration of 0.3 points (20.0% in 2022 compared to 19.7% in 2021), but recorded a decline of -5.4 points for OVF (17.7% in 2022 compared to 23.1% in 2021).

1.4.2 FINANCING AND SAVINGS ACTIVITIES FOR END USERS

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

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

A. NEW VEHICLE FINANCING AND USED VEHICLE FINANCING

Excluding China, the total production of financing for end-customers amounted to 426,653 loans at end-June 2022, down by -15.4% compared to the same period the previous year.

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

<i>(in number of contracts)</i>	H1 2022	H1 2021	% change
Installment contracts	227,391	275,717	- 17.5
Leasing activity and other financing	199,262	228,683	- 12.9
TOTAL	426,653	504,400	- 15.4

<i>(in million euros, excluding accrued interests)</i>	H1 2022	H1 2021	% change
Installment contracts	3,360	3,537	- 5.0
Leasing activity and other financing	3,807	4,049	- 6.0
TOTAL	7,167	7,586	- 5.5

NV/UV BREAKDOWN

<i>(in number of contracts)</i>	H1 2022	H1 2021	% change
End-user financing	426,653	504,400	- 15.4
of which new vehicles	299,534	368,108	- 18.6
of which used vehicles	127,119	136,292	- 6.7

<i>(in million euros)</i>	H1 2022	H1 2021	% change
End-user financing	7,167	7,586	- 5.5
of which new vehicles	5,484	6,025	- 9.0
of which used vehicles	1,683	1,561	+ 7.8

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

<i>(in number of contracts)</i>	H1 2022	H1 2021	% change
France	144,368	165,885	- 13.0
United Kingdom	79,012	84,810	- 6.8
Germany	70,860	78,066	- 9.2
Italy	47,088	64,934	- 27.5
Spain	27,050	36,242	- 25.4
Belux	12,391	16,117	- 23.1
Portugal	5,058	9,516	- 46.8
Netherlands	6,918	8,419	- 17.8
Switzerland		70	- 100.0
Austria	7,496	8,153	- 8.1
Poland	5,504	8,069	- 31.8
Europe	405,745	480,281	- 15.5
Brazil	5,545	5,205	+ 6.5
Argentina	4,470	3,567	+ 25.3
Mexico	699	1,607	- 56.5
Latin America	10,714	10,379	+ 3.2
Turkey	10,194	13,740	- 25.8
Rest of the World	10,194	13,740	- 25.8
Total	426,653	504,400	- 15.4

END-USER FINANCING ACTIVITY IN CHINA AND OUTSTANDING IN CHINA

	H1 2022	H1 2021	% change
End-user loans (including leases)			
Number of vehicles financed (new and used)	16 585	46 077	- 64.0
Amount of financing <i>(in million euros, excluding interests)</i>	196	446	- 56.1

Outstanding loans (in million euros)	June 30, 2022	June 30, 2021	% change
End-user loans <i>(including leases)</i>	1 083	1 178	- 8.1
Corporate dealers loans	149	175	- 14.9
Total loans	1 232	1 353	- 9.0

B. RETAIL SAVING BUSINESS

Concerning the partnership with Santander Consumer Finance, the consumer savings business in France and Germany is equally owned by the two partners. The retail savings product in France and Germany consists of savings products and fixed term deposits. The proportion of outstanding amounts is 88% for savings accounts and 12% for term deposit accounts. In France, results were very satisfactory, with a €114 million increase in the volume of deposits at June 30, 2022 versus December 31, 2021. Despite the health crisis, the Distingo offer remained attractive to customers and prospects, and collection was in line with

targets. In Germany, individual deposits were up by €100 million compared to December 31, 2021. Outstanding loans represented €1,983 million at June 30, 2022 (of which €248 million in fixed term deposit accounts).

With regards to OVF, the German subsidiary of Opel Bank S.A. (France) is offering deposit accounts through an online platform to its customers in Germany. The bank is offering overnight deposits and term deposits (1, 2, 3 years). Volume was up by €110 million compared to December 31, 2021.

IFRS8			
	June 30, 2022	Dec. 31, 2021	% change
Outstanding (customers deposits) (in million euros)	6,935	6,611	+ 4.9
<i>Of which France ("Distingo", PCD perimeter)</i>	<i>3,070</i>	<i>2,956</i>	<i>+ 3.9</i>
<i>Of which Germany (PCD perimeter)</i>	<i>1,983</i>	<i>1,883</i>	<i>+ 5.3</i>
<i>Of which Germany ("Opel Bank Deposits", OVF perimeter)</i>	<i>1,882</i>	<i>1,772</i>	<i>+ 6.2</i>

1.4.3 CORPORATE DEALER FINANCING ACTIVITIES

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

	H1 2022	H1 2021	% change
Number of vehicles	827,111	972,854	- 15.0
Amount (in million euros)	24,496	26,559	- 7.8
of which vehicles	22,972	25,275	- 9.1
of which spare parts and other financing	1,525	1,284	+ 18.7

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

In 2022, excluding China, in the PCD and OV network, 827,111 vehicles were financed, which represents a decrease of 15% compared to 2021, related to the continuation of the global semiconductor crisis which slowed vehicle manufacturing. The aggregate amounts financed decreased by only 8% in a context of rising vehicle prices.

PRODUCTION OF NEW FINANCING FOR CORPORATE DEALER CUSTOMERS IN CHINA

Corporate dealer loans	H1 2022	H1 2021	% change
Number of vehicles financed	21 921	24 854	- 11.8
Amount of financing (in million euros, including spare parts)	380	420	- 9.5

In China, DPCAFC was both in Wholesale and Retail, impacted by DPCA's new marketing methods. The penetration of DPCA network financing thus decreased from 74.2% to 55.0% from mid-June 2021 to mid-June 2022, with the penetration of dealerships remaining close to 80%. In the first half of the year, DPCAFC financed 21,921 vehicles

compared to 24,854 the previous year, i.e. -11.8%. Wholesale outstanding loans, after being high over the half-year due to the impact of Covid on dealer activity, contracted significantly at the end of June with the recovery of the market and sales.

1.4.4 INSURANCE AND SERVICES ACTIVITIES

PRODUCTION OF NEW INSURANCE AND SERVICE CONTRACTS

(in number of contracts)	H1 2022	H1 2021	% change
Financial services	270,354	308,439	- 12,3
Car insurance	114,615	128,887	- 11,1
Vehicle-related services	328,126	393,654	- 16,6
Total	713,095	830,980	- 14,2

PENETRATION RATE ON FINANCING

(In %)	H1 2022	H1 2021	% change
Financial services	62.4	60.3	+ 2.1
Car insurance	26.5	25.2	+ 1.3
Vehicle-related services and other services	75.7	76.9	- 1.2
Total	164.6	162.4	+ 2.2



Very early on, the brands anticipated the need to build high value-added mobility products for the end-user, insurance and services guaranteeing extensive protection and mobility.

In this perspective, the Insurance Business Unit was created, with the mission of piloting insurance matters, monitoring commercial performance and managing insurance companies or brokers owned by Stellantis in Europe, Turkey, China, Argentina, Mexico and Brazil.

BPF and the Peugeot, Citroën, DS, Opel and Vauxhall Brands offer the retail customer an entire line of insurance and services – personal, automotive and financial – that may or may not be marketed along with the loan (repayment insurance/credit protection, gap insurance, bodywork insurance, car insurance, extended warranty and maintenance agreements, travel insurance, etc.).

For all of the PCD and OV brands, overall penetration was up by +2.2 points compared to the first half

of 2021, and stood at almost two contracts per client financed.

The first half of 2022 saw the creation of 21 new products for all brands.

Lastly, as a major component of an automotive or mobility line, Car Insurance continues to be the service with great growth potential. In the first half of 2022, 11.7% of registrations of the PCD and OV brands sold were sold with Car Insurance and the offer was available in all markets where BPF operates. The coming of autonomous vehicles, electric vehicles, car-sharing presents changes that should have a very significant impact on this product. The experience garnered from several years of putting this product into the brands gives Stellantis and BPF a clear advantage in keeping up with changes in this product.

The insurance business is developed in all markets where BPF operates and thus contributes significantly to the production margin of Stellantis. For the first half of 2022, the BPF insurance margin totaled €130 million.

1.5 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 then Dongfeng Peugeot Citroën Financial Leasing Co. 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 10.2 of the consolidated financial statements shows the transition between consolidated data and IFRS 8 data.

STATEMENT OF INCOME

(in million euros)

	Consolidated ¹			IFRS 8 ¹		
	H1 2022	H1 2021	% change	H1 2022	H1 2021	% change
Net banking revenue without OVF PPA ²	3	4	- 25.0	887	842	+ 5.3
Net banking revenue including OVF PPA ²	3	4	- 25.0	887	855	+ 3.7
General operating expenses and equivalent ³	-11	-7	+ 57.1	-288	-289	- 0.3
Cost of risk	0	0	+ 0.0	-15	-22	- 31.8
Recurring Operating income	-8	-3	+ 166.7	584	544	+ 7.4
Share in net income of associates and joint ventures accounted for using the equity method ⁴	229	213	+ 7.5	5	6	- 16.7
Other Non operating income	0			2	-2	- 200.0
Pre-tax net income	221	210	+ 5.2	591	548	+ 7.8
Income taxes	0		+ 0.0	-146	-131	+ 11.5
Net income	221	210	+ 5.2	445	417	+ 6.7

¹ - The items on the income statement transitioning from IFRS 8 to Consolidated format can be found in note 10.2 of the condensed consolidated financial statements.

² - The amortization of the Purchase Price Allocation ("PPA") related to OVF acquisition in 2017 has had no impact on the Net Banking Revenue at the end of June 2022, vs €12.7 million at the end of June 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 Vizcaya Argentina accounted for using the equity method in Consolidated format accounts. China, as part of the partnership with Dongfeng Peugeot Citroën Automobiles and Dongfeng Motor Group, has been accounted for using the equity method since 2006, in consolidated and in IFRS 8 format accounts. the branch Dongfeng Peugeot Citroën Financial Leasing Co, Ltd settled November 2018 is part of the consolidated perimeter since 2019

1.5.1 NET BANKING REVENUE

NET BANKING REVENUE ("NBR") BY PORTFOLIO

(in million euros)

	Consolidated			IFRS 8		
	H1 2022	H1 2021	% change	H1 2022	H1 2021	% change
End-users	0	0		649	607	+ 7.0
Corporate dealers	0	0		78	121	- 35.5
Insurances and Services (including net refinancing costs)	1	1	+ 0.0	130	133	- 2.3
Unallocated and other¹	2	3	- 33.3	31	-6	- 600.0
Total NBR including OVF PPA²	3	4	- 25.0	887	855	+ 3.7
Total NBR without OVF PPA²	3	4	- 25.0	887	842	+ 5.3

¹ - Represents primarily refinancing cost adjustment reflecting the fact that interest expenses are allocated to customer segments based on average financing levels, and on the assumption that loans are financed fully with debt. Including also €38.5 million Italian antitrust fine cancellation.

² - The amortization of the Purchase Price Allocation ("PPA") related to OVF acquisition in 2017 has had no impact on the Net Banking Revenue at the end of June 2022, vs €12,7 million at the end of June 2021, in IFRS 8 format. This effect is mainly allocated to End-user activities.

Consolidated net banking revenue was €3 million at June 30, 2022, with a hyperinflation accounting impact in Argentina of -€3.4 million on the NBR compared with -€1.5 million in the first half of 2021.

Net banking revenue per IFRS 8 is increasing by 5.3% to €887 million at June 30, 2022, compared with €842 million at June 30, 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. In the first half of 2022, IFRS 8 NBR did not include any impact related to the reversal of the Purchase Price Allocation resulting from the acquisition of Opel Vauxhall Finance.

1.5.2 GENERAL OPERATING EXPENSES AND EQUIVALENT

At end-June 2022, general operating expenses and equivalents amounted to €11 million in consolidated format.

Per IFRS 8, general operating expenses were stable at €288 million at the end of June 2022 compared with €289 million at end-June 2021.

1.5.3 COST OF RISK

Per IFRS 8, the cost of risk was -€15 million, or -0.08% of average net outstanding loans, as compared to -€22 million and -0.11% of net outstanding loans in the first half of 2021.

The cost of risk for the End User business per IFRS 8 (individuals and businesses) amounted to -€14 million or -0.09% of average net outstanding loans.

The cost of risk remained well guided over the first half of the year in most countries where BPF operates. The establishment of the new definition of default in the provisioning systems during the first half of 2022 led to a reversal of provisions which had a very positive impact on overall results for this half-year.

The cost of risk for the Corporate Dealer business per IFRS 8 was reflected as an expense of -€1.5 million or -0.04% of average net outstanding loans. It should be noted that the provision for network restructuring made at the end of December was maintained at the end of June 2022. The establishment of the new definition of default in the provisioning systems during the first half of 2022 had no significant impact on results.



1.5.4 OPERATING INCOME

Consolidated operating income amounted to -€8 million, down -€5 million compared to 2021 mainly due to the launch of new projects.

Recurring operating income per IFRS 8 came to €584 million, up 7.4% compared to €544 million in 2021. This change is mainly due to an improved Cost of Risk and

Net Banking Revenue, which amounted to €887 million (vs €842 million at the end of June 2021).

1.5.5 CONSOLIDATED NET INCOME

Net income in consolidated format amounted to €221 million, up by 5.2%.

1.6 FINANCIAL POSITION

1.6.1 BALANCE SHEET

Assets at June 30, 2022 totaled €46,375 million in IFRS 8 format, up 2.0%, primarily because of the

increase in customer loans and receivables and in other assets.

BALANCE SHEET

(in million euros)

	Consolidated ¹			IFRS8 ¹		
Assets	H1 2022	2,021	% change	H1 2022	2,021	% change
Financial assets at fair value through profit or loss	32	58	- 44.8	109	93	+ 17.2
Loans and advances to credit institutions, at amortized costs	513	455	+ 12.7	1,943	2,310	- 15.9
Customer loans and receivables, at amortized costs	25	28	- 10.7	39,444	38,996	+ 1.1
Deferred tax assets	6	3	+ 100.0	193	152	+ 27.0
Investments in associates and joint ventures accounted for using the equity method ⁽²⁾	2,752	2,718	+ 1.3	38	175	- 78.3
Other assets	915	734	+ 24.7	4,648	3,751	+ 23.9
Total assets	4,243	3,996	+ 6.2	46,375	45,477	+ 2.0
Equity and liabilities	H1 2022	2,021	% change	H1 2022	2,021	% change
Deposits from credit institutions	19	23	- 17.4	20,524	19,728	+ 4.0
Due to customers	2	1	+ 100.0	7,501	7,139	+ 5.1
Due to securities	0	0	+ 0.0	8,584	9,655	- 11.1
Deferred tax liabilities	1	0	+ 0.0	647	567	+ 14.1
Other liabilities	192	188	+ 2.1	2,375	2,061	+ 15.2
Equity	4,029	3,784	+ 6.5	6,744	6,327	+ 6.6
Total equity and liabilities	4,243	3,996	+ 6.2	46,375	45,477	+ 2.0

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

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

³ Operating lease contracts and investment properties reclassified from Customer loans and receivables to Other assets (in IFRS8, €517M at 30/06/22 and €451M at 31/12/21).

1.6.2 OUTSTANDING LOANS

OUTSTANDING LOANS BY CUSTOMER SEGMENT

(in million euros)

	Consolidated			IFRS 8		
	June 30, 2022	Dec. 31, 2021	% change	June 30, 2022	Dec. 31, 2021	% change
Corporate dealers	25	28	- 14.3	8 058	7,783	+ 3.5
End-users	0	0	+ 0.0	31 903	31,664	+ 0.8
Total financed Loans and Receivables	25	28	- 14.3	39 961	39,447	+ 1.3

Consideration in the financed outstandings of operating leases and investment properties (€ 517M as at 30/06/22, € 451M as at 31/12/21)

(in million euros)

	Consolidated			IFRS 8		
	June 30, 2022	Dec. 31, 2021	% change	June 30, 2022	Dec. 31, 2021	% change
	0	0	+ 0.0	36 635	36,224	+ 1.1
Rest of Europe	0		+ 0.0	2 865	2,847	+ 0.6
Latin America	24	28	- 11.1	462	376	+ 22.6
Rest of the world	0	0	+ 0.0	0	0	+ 0.0
Total	25	28	- 14.3	39 961	39,447	+ 1.3

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

1.6.3 IMPAIRMENT OF OUTSTANDING LOANS

End-user non-performing loans	June 30, 2022	Dec. 31, 2021
S3 outstanding loans (in million euros)	507	486
Ratio of impairment of S3 loans	39,8%	44,5%
S3 loans / total outstanding of all loans	1,6%	1,5%

The share of doubtful loans as a percentage of total loans stood at 1.6%, which remains at a very good level. The increase recorded compared to December 2021 is due to the introduction in certain countries of the new definition of default.

The coverage rate for doubtful loans under IFRS 9 was 40% for the IFRS 8 scope, down compared to the end of December 2021; this decrease was linked to the recognition of the improvement in risk measured in certain countries when the risk parameters were revised over the period.

1.7 EQUITY, RISKS, PILLAR 3

1.7.1 CAPITAL AND CAPITAL REQUIREMENTS

In the context of the implementation of the Basel III regulation, BPF confirms it has a strong financial position. At March 31, 2022*, the Basel III solvency ratio in respect of pillar I amounted to 126.2%, compared with

107.8% at December 31, 2021. Basel III regulatory capital amounted to €611 million and capital requirements stood at €39 million.

CAPITAL REQUIREMENTS AND RISK WEIGHTED ASSETS

(in million euros)	March, 31 2022		December, 31 2021	
	Weighted assets	Capital requirements	Weighted assets	Capital requirements
Credit risk	371	30	299	24
Standard approach	371	30	299	24
Sovereign	0	0	0	0
Credit institutions	67	5	58	5
Companies	32	3	36	3
Retail customers	0	0	0	0
Other Assets ¹	272	22	205	16
Operational risk (standard approach)	15	1	15	1
Market risk	98	8	95	8
Total	484	39	409	33
Regulatory capital		611		441
Solvency ratio		126.2%		107.8%
Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)¹	229	18	166	13

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

* BPF provides data as of March 31, 2022 as these were the most recent data available. The data as of June 30, 2022 were not available at the date of publication.

1.7.2 RISK FACTORS AND RISK MANAGEMENT


The principal risk factors to which BPF could be exposed include:

- credit risk on the retail and corporate portfolios;
- financial risks (comprising liquidity risk, interest-rate risk, counterparty risk, and currency risk) and market risk;
- operational risks including "cyber-risk," non-compliance risk, legal and model risk;
- concentration risk;
- reputational risk;

- strategic risk;
- specific risks related to the insurance business and services.

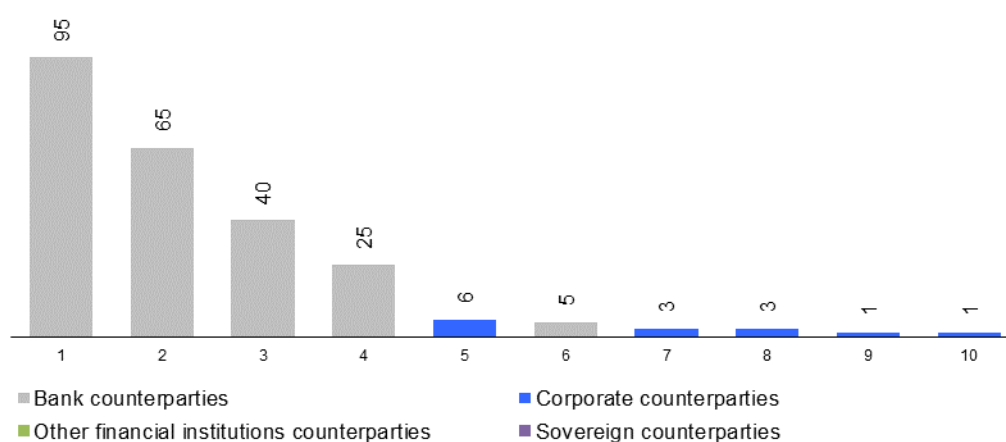
Details of these risk factors and risk management systems are set out in the BPF 2021 Annual Report (section 1.12.3).

Risk management is defined within the framework of a governance system that includes, in particular, the identification of risks, the implementation of risk mitigation measures and first- and second-level controls, the determination of the acceptable level of risk and the monitoring of these risks, which is formalized in the BPF Risk Appetite Dashboard, the validation of measurement methods or models and the implementation of stress tests.



Risk monitoring within the Santander Consumer Finance and BNPP PF cooperations is carried out by joint Global Risk Committees, and deployed in each JV or local entity by local Risk Committees.

TOP 10 CREDIT RISK-WEIGHTED EXPOSURES (AMOUNTS EXPRESSED IN MILLIONS OF EUROS, EXCLUDING STELLANTIS)





1.8 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.

1.8.1 PERMANENT CONTROLS

1.8.1.1 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).

1.8.1.2 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 regulatory intelligence and ensures regulatory compliance.

The other two divisions are grouped together in a second-tier internal control department whose role is to control financial and accounting risks, on the one hand, and, 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”.


1.8.2 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.

1.8.3 OVERSIGHT OF THE SYSTEM BY THE SUPERVISORY BODY

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



The Board of Directors ensures that the main risks are properly managed and ensures the system's reliability. Through the Audit and Risk Committee, the Board of Directors reviews the lessons to be learned from risk monitoring activities and from periodic and permanent controls.

The Audit and Risk Committee meets at least four times a year.

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

The Audit and Risk Committee also ensures compliance with regulatory requirements and the planning and implementation of measures to comply with these requirements.

Finally, the Audit and Risk Committee reviews the consolidated financial statements and the subsidiaries' individual financial statements in accordance with the accounting methods used.

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

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

Pursuant to the Order of November 3, 2014 as amended, the BPF 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.



1.9 MAIN EVENTS AND EVENTS AFTER THE REPORTING PERIOD

The main events of the first half of 2022 are described in Note 1 to the condensed consolidated financial statements hereunder. Subsequent events are described in Note 11 to the condensed consolidated financial statements hereunder.

We and our subsidiaries respect the laws and regulations in force in the countries in which we operate.

Most of our legal proceedings consist of disputes relating to non-payments by end-user customers, and to a lesser extent by dealers in the course of our day-to-day business.

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

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2.1 Consolidated Balance Sheet

<i>(in million euros)</i>	<i>Notes</i>	June 30, 2022	Dec. 31, 2021
Assets			
Cash, central banks	3	538	499
Financial assets at fair value through profit or loss	4	32	58
Financial assets at fair value through Equity		-	-
Loans and advances to credit institutions, at amortized cost	5	513	455
Customer loans and receivables, at amortized cost		25	28
Current tax assets		1	1
Deferred tax assets		6	3
Accruals and other assets		129	147
Investments in associates and joint ventures accounted for using the equity method	6	2 752	2 718
Property and equipment		3	2
Intangible assets		95	85
Goodwill		-	-
Assets held for sale	6	149	-
Total assets		4 243	3 996

<i>(in million euros)</i>	<i>Notes</i>	June 30, 2022	Dec. 31, 2021
Equity and liabilities			
Hedging instruments		-	-
Deposits from credit institutions		19	23
Due to customers		2	1
Debt securities		-	-
Current tax liabilities		2	8
Deferred tax liabilities		1	-
Accruals and other liabilities		81	89
Liabilities related to insurance contracts	7.1	106	87
Provisions		3	4
Equity		4 029	3 784
- Equity attributable to equity holders of the parent		4 027	3 782
- Share capital and other reserves		1 162	1 160
- Consolidated reserves		2 951	2 726
- Of which Net income - equity holders of the parent		222	412
- Gains and losses recognized directly in Equity		(86)	(104)
- Of which Net income - equity holders of the parent (share of items recycled in profit or loss)		-	-
- Minority interests		2	2
Total equity and liabilities		4 243	3 996

2.2 Consolidated Statement of Income

<i>(in million euros)</i>	<i>Notes</i>	June 30, 2022	June 30, 2021	Dec. 31, 2021
Net interest revenue on customer transactions		3	3	43
- Interest and other revenue on assets at amortized cost		1	1	2
- Other revenue and expense		2	2	41
Net refinancing cost		1	-	2
- Interest and other revenue from loans and advances to credit institutions		1	-	1
- Interest on deposits from credit institutions		(2)	(1)	(3)
- Interest on debt securities		2	(1)	1
- Fair value adjustments to financing liabilities hedged against interest rate risks		-	2	2
- Interest on hedging instruments		-	2	3
- Fair value adjustments to hedging instruments		-	(2)	(2)
Net gains and losses related to hyperinflation		(2)	-	(1)
Margin on sales of Insurance services	7.2	2	2	9
- Earned premiums		17	12	26
- Paid claims and change in liabilities related to insurance contracts		(15)	(10)	(17)
Margin on sales of services		(1)	(1)	(1)
- Revenues		-	-	1
- Expenses		(1)	(1)	(2)
Net banking revenue		3	4	52
General operating expenses		(2)	-	(10)
- Personnel costs		(2)	(2)	(4)
- Other general operating expenses		-	2	(6)
Depreciation and amortization of intangible and tangible assets		(9)	(7)	(15)
Gross operating income		(8)	(3)	27
Cost of risk		-	-	-
Operating income		(8)	(3)	27
Share in net income of associates and joint ventures accounted for using the equity method	6	229	213	419
Other non-operating items		-	-	(43)
Pre-tax income		221	210	403
Income taxes		-	-	9
Net income for the year		221	210	412
- of which attributable to equity holders of the parent		222	210	412
- of which minority interests		(1)	-	-
Net income - Earnings per share (in €)		17,8	16,8	33,1

2.3 Consolidated Statement of Comprehensive Income

	June 30, 2022			June 30, 2021			Dec. 31, 2021		
	Before tax	Tax	After tax	Before tax	Tax	After tax	Before tax	Tax	After tax
<i>(in million euros)</i>									
Net income	221	-	221	210	-	210	403	9	412
- of which minority interests			(1)			-			-
Recyclable in profit and loss items									
Exchange difference	4	-	4	18	-	18	76	-	76
OCI of joint ventures	1	-	1	-	-	-	-	-	-
Total recyclable in profit and loss items	5	-	5	18	-	18	76	-	76
- of which minority interests			-			-			-
Not recyclable in profit and loss items									
OCI of joint ventures	15	(5)	10	8	(3)	5	8	(2)	6
Total gains and losses recognized directly in Equity	20	(5)	15	26	(3)	23	84	(2)	82
- of which minority interests			-			-			-
Total net income and gains and losses recognized directly in Equity	241	(5)	236	236	(3)	233	487	7	494
- of which attributable to equity holders of the parent			237			233			494
- of which minority interests			(1)			-			-

2.4 Consolidated Statement of Changes in Equity

	Share capital and other reserves (1)			Fair value adjustments - equity holders of the parent							Total equity
	Share capital	Issue, share and merger premiums and liquidation surplus	Legal reserve and other reserves	Consolidated reserves	Fair value adjustments to hedging instruments	Actuarial gains and losses on pension obligations	Exchange difference	OCI of joint ventures	Equity attributable to equity holders of the parent	Minority interests	
<i>(in million euros)</i>											
At December 31, 2020	199	643	318	2 417	(1)	-	(63)	(122)	3 391	1	3 392
At June 30, 2021	199	643	318	2 629	(1)	-	(61)	(101)	3 626	1	3 627
Distribution of dividends by:											
- Banque PSA Finance				(106)					(106)		(106)
- Other companies				-					-	-	-
Net Income				202	-	-	-	-	202	-	202
Gains and Losses Recognized											
Directly in Equity				-	-	-	45	14	59	-	59
Hyperinflation effects				2	-	-	-	-	2	1	3
Other				(1)	-	-	-	-	(1)	-	(1)
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				-					-	-	-
Net Income (2)				222	-	-	-	-	222	(1)	221
Gains and Losses Recognized											
Directly in Equity				-	-	-	-	15	15	-	15
Hyperinflation effects (2)				6	-	-	-	-	6	1	7
Other			2	(3)	1	-	1	1	2	-	2
At June 30, 2022	199	643	320	2 951	-	-	(15)	(71)	4 027	2	4 029

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

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

(2) The implementation of IAS 29 led to a negative impact of €-7 million in Net Income (of which attributable to equity holders of the parent: €-6 million and Minority interests: €-1 million), fully covered by a positive change in Equity (of which Equity attributable to equity holders of the parent: €6 million and Minority interests: €1 million) in 2022. In 2021, the implementation of IAS 29 led to a negative impact of €-6 million in Net Income (of which attributable to equity holders of the parent: €-5 million and Minority interests: €-1 million), fully covered by a positive change in Equity (of which Equity attributable to equity holders of the parent: €5 million and Minority interests: €1 million).

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

2.5 Consolidated Statement of Cash Flows

<i>(in million euros)</i>	June 30, 2022	June 30, 2021	Dec. 31, 2021
Pre-tax income	221	210	403
Net depreciation of tangible and intangible assets	8	7	15
Net provisions and impairment	15	(18)	(17)
Share in net income of equity-accounted companies	(229)	(213)	(419)
Net loss/(net gain) on investing activities	3	23	66
(Income)/Charges of financing activities	-	-	-
Other movements	(12)	(10)	(41)
Total of non-monetary items included in pre-tax income and other adjustments	(215)	(211)	(396)
Change in credit institutions items	(23)	19	19
Change in customer items	7	4	4
Change in financial assets and liabilities	25	(192)	(194)
Change in non-financial assets and liabilities	1	9	12
Dividends received from equity-accounted entities	86	127	303
Tax paid	(6)	(10)	12
Net increase/(decrease) of assets and liabilities provided by operating activities	90	(43)	156
Net cash provided by operating activities (A)	96	(44)	163
Change in equity investments	2	1	78
- Outflows for the acquisitions of shares in subsidiaries, net of cash transferred	-	-	-
- Inflows from disposals of shares in subsidiaries, net of cash transferred	2	1	2
- Outflows for the acquisitions of shares in equity-accounted companies	-	-	(23)
- Inflows from disposals of shares in equity-accounted companies	-	-	97
- Other change in equity investments	-	-	2
Change in property and equipment and intangible assets	(16)	(8)	(28)
- Outflows for the acquisitions of property and equipment and intangible assets	(16)	(8)	(28)
- Inflows from disposals of property and equipment and intangible assets	-	-	-
Effect of changes in scope of consolidation	-	-	-
Net cash provided by investing activities (B)	(14)	(7)	50
Cash flows from or to shareholders	-	-	(106)
- Outflows for the dividends paid to:	-	-	-
- Stellantis	-	-	(106)
- Minority shareholders	-	-	-
- Inflows from issuance of equity instruments	-	-	-
Other net cash from financing activities	(1)	(1)	(1)
Net cash provided by financing activities (C)	(1)	(1)	(107)
Effect of changes in exchange rates (D)	-	2	1
Net increase/(decrease) of cash and cash equivalents (A+B+C+D)	81	(50)	107
Cash and cash equivalents at the beginning of the period	699	592	592
Cash, central banks (assets and liabilities)	499	174	174
Demand accounts (assets and liabilities) and loans/borrowings with credit institutions	200	418	418
Cash and cash equivalents at the end of the period	780	542	699
Cash, central banks (assets and liabilities)	538	350	499
Demand accounts (assets and liabilities) and loans/borrowings with credit institutions	242	192	200

Notes to the condensed consolidated 2.6 financial statements

Notes

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Note 1 Main Events of the period and Scope Evolution

A. Main Events of the period

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.

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 regards to IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, has been carried out. There is no impact on the condensed consolidated financial statements of Banque PSA Finance at June 30th, 2022.

B. Scope Evolution

In November 2021, Banque PSA Finance signed an agreement with Grupo Financiero Inbursa on the transfer of Banque PSA Finance Mexico SA shares for the 1st quarter of 2022 subject to the agreement of the local regulator, which is still pending. In view of the non-significant impacts involved by this transaction, no adjustment to the condensed consolidated financial statements of Banque PSA Finance was done at June 30th, 2022.

In February 2022, the Polish branch of the Banque PSA Finance SA Oddział w Polsce w likwidacji was liquidated without significant impact on the 2022 condensed consolidated financial statements of Banque PSA Finance at June 30th, 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.

On one hand, this agreement concerns 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. In regards to IFRS 5, the shares of Dongfeng Peugeot Citroën Auto Finance Company Ltd are reclassified as assets held for sale in the 2022 condensed consolidated financial statements of Banque PSA Finance at June 30th, 2022.

On the other hand, the agreement defines conditions for the acquisition of 50% of Dongfeng Peugeot Citroën Financial Leasing Co by Dongfeng Motor Group Co., Ltd., which may

thus become a 100% subsidiary of PSA Finance Nederland B.V. and may be consolidated line by line in the consolidated accounts of Banque PSA Finance. This announcement has no impact on the condensed consolidated financial statements of Banque PSA Finance at June 30th, 2022.

The proposed transactions should be completed during the second half of 2022, once the required authorizations have been obtained from the relevant anti-trust authorities and market regulators.

In April 2022, the non-consolidated Hungarian company PSA Financial d.o.o. has been liquidated, with no significant impact on the condensed consolidated financial statements of Banque PSA Finance at June 30th, 2022.

Partnership with Santander Consumer Finance

In April 2022, the joint-venture company Banca PSA Italia S.P.A transferred EUR €320 million of automotive financing receivables to the Auto ABS Italian Rainbow Loans S.r.l. The notes issued consist of Class A (EUR €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 condensed consolidated financial statements of Banque PSA Finance at June 30th, 2022.

Note 2 Accounting Policies

The interim consolidated financial statements for the six months ended June 30th, 2022 have been prepared in accordance with IAS 34 – Interim Financial Reporting, which allows presenting a selection of explanatory notes. The condensed interim consolidated financial statements should be read and understood together with the 2021 consolidated financial statements.

The accounting principles applied to prepare the interim consolidated financial statements for the six months ended June 30th, 2022, are identical to those used to prepare the 2021 consolidated financial statements, with the exception of the application of new compulsory standards and interpretations, see section: “New IFRSs and IFRIC Interpretations applicable compulsorily in the fiscal year commencing on January 1st, 2022”.

In accordance with European Council Regulation 1606/2002/EC dated July 19, 2002 on the application of International Accounting Standards from January 1st, 2005, Banque PSA Finance’s consolidated financial statements for the year ended December 31st, 2021 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable and adopted by the European Union as of that date. No significant difference can be observed within Banque PSA Finance between the IFRS as published by the IASB and as endorsed by the European Union, including regarding the application date.

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

The presentation of Banque PSA Finance’s interim consolidated financial statements for the six months ended June 30th, 2022 is prepared according to the ANC Recommendation N°2017-02 of June 2, 2017 related to the presentation of the consolidated financial statements of banking institutions under international accounting standards 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 in progress.

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

There is no new text, which application is compulsory in the fiscal year commencing 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 1st, 2022

The only potentially early applicable standard for Banque PSA Finance from January 1st, 2022 is IFRS 17 – Insurance contracts. Banque PSA Finance will apply it from January 1st, 2023.

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

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

Note 3 Cash, Central Banks

(in million euros)	June 30, 2022	Dec. 31, 2021
Cash	-	-
Central banks (1)	538	499
- of which compulsory reserves deposited with the Banque de France	-	-
Total	538	499

(1) The reserves deposited with the central banks are included in Banque PSA Finance liquidity reserve (see Note 9.2).

Note 4 Financial Assets at Fair Value Through Profit or Loss

(in million euros)	June 30, 2022	Dec. 31, 2021
Marketable securities booked at fair value through profit or loss	32	58
- Marketable securities	32	58
- Mutual funds	32	58
- Units held by insurance companies	32	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	32	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)	June 30, 2022	Dec. 31, 2021
Demand accounts	242	200
- Ordinary accounts in debit	242	197
- of which allocated to the liquidity reserve (1)	242	197
- of which held by insurance companies	126	84
- of which related companies	79	61
- Loans and advances at overnight rates (1)	-	3
Time accounts	271	255
- Time accounts qualified as cash equivalents (1)	-	-
- Subordinated loans	251	251
- of which related companies	251	251
- Other	20	4
- of which related companies	15	-
- of which held by insurance companies	5	4
Total	513	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 9.2).

Note 6 Investments in Associates and Joint Ventures Accounted for Using the Equity Method

6.1 Investments

(in million euros)	June 30, 2022	Dec. 31, 2021
At the beginning of the period	2 718	2 632
Change in consolidation scope	-	11
Capital increase/(decrease) and contributions to reserves	-	(86)
Share in net income	229	419
Distribution of dividends	(64)	(295)
Gains and Losses Recognized Directly in Equity	15	33
Hyperinflation effects (1)	3	4
At the end of the period	2 901	2 718
- of which goodwill (2)	3	3
- of which investment held for sale	149	-

The valuation of investments in associates and joint ventures (consolidated under equity method) is not subject to impairment as of June 30, 2022. Indeed, no impairment has appeared since December 31, 2021.

The investment in entity Dongfeng Peugeot Citroën Auto Finance Company Ltd as well as the goodwill, for an amount of €149 million as of June 30, 2022, are reclassified as assets held for sale as indicated in note 1.

Table of Changes by Geographical Area

		Europe		Brazil	China		Argentina	
	Partnership with	Santander Consumer Finance	BNP Paribas Personal Finance	Santander	Dongfeng Peugeot Citroën	of which goodwill (2)	Banco Bilbao Vizcaya Argentaria	Total
(in million euros)								
At december 31, 2020		1 897	579	23	126	3	7	2 632
Change in consolidation scope								-
Capital increase/(decrease) and contributions to reserves		-						-
Share in net income		169	37	1	6	-	-	213
Distribution of dividends		(109)	(19)	(2)	-	-	-	(130)
Gains and Losses Recognized Directly in Equity		10	5	2	5	-	(1)	21
Hyperinflation effects		-	-	-	-	-	2	2
At June 30, 2021		1 967	602	24	137	3	8	2 738
Change in consolidation scope					11	-		11
Capital increase/(decrease) and contributions to reserves		(99)			13			(86)
Share in net income		165	35	1	5	-	-	206
Distribution of dividends		(165)	-	-	-	-	-	(165)
Gains and Losses Recognized Directly in Equity		5	(1)	(2)	10	-	-	12
Hyperinflation effects		-	-	-	-	-	2	2
At December 31, 2021		1 873	636	23	176	3	10	2 718
Change in consolidation scope			-		-	-		-
Capital increase/(decrease) and contributions to reserves		-			-			-
Share in net income		178	46	1	5	-	(1)	229
Distribution of dividends		(62)	-	(2)	-	-	-	(64)
Gains and Losses Recognized Directly in Equity		(3)	10	3	6	-	(1)	15
Hyperinflation effects (1)		-	-	-	-	-	3	3
At June 30, 2022		1 986	692	25	187	3	11	2 901

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

(1) The implementation of IAS 29 led a negative impact of €-7 millions in Net Income (of which Minority interests: €-4 million), fully covered by a positive change in Equity (of which Minority interests: €4 million).

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

On December 27, 2012, the proceeds from disposal of 25% shares in the Chinese subsidiary reduced the goodwill to CNY37.8 million and on March 2015, the proceeds from disposal of 25% shares in the Chinese subsidiary reduced the goodwill to CNY18.8 million (€3 million at June 30, 2022).

6.2 Detailed information about Associates - Joint ventures

The following information is given according to IFRS 12:

- 6.2.1 Partnership with Santander Consumer Finance in Europe
- 6.2.2 Partnership with BNP Paribas Personal Finance in Europe
- 6.2.3 Partnership with Santander in Brazil
- 6.2.4 Partnership with Dongfeng in China
- 6.2.5 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.

6.2.1 Partnership with Santander Consumer Finance in Europe

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

Equity accounted percentage: 50%

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

Key Balance Sheet Items

<i>(in million euros)</i>	June 30, 2022	Dec. 31, 2021
Customer loans and receivables	29 009	28 854
Other assets	4 413	3 977
Total assets	33 422	32 831
Refinancing	21 286	21 454
Other liabilities	8 165	7 630
Equity	3 971	3 747
Total equity and liabilities	33 422	32 831

Key Income Statement Items

<i>(in million euros)</i>	June 30, 2022	June 30, 2021	Dec. 31, 2021
Gross revenues of banking activities, insurance activities and other services	1 303	1 151	2 270
Expenses of banking activities, insurance activities and other services	(642)	(520)	(983)
Net banking revenue	661	631	1 287
General operating expenses and equivalent	(187)	(181)	(363)
Gross operating income	474	450	924
Cost of risk	3	(9)	(39)
Operating income	477	441	885
Non-operating items	-	(2)	(8)
Pre-tax income	477	439	877
Income taxes	(121)	(100)	(208)
Net income for the year	356	339	669

Statement of changes from 100% Equity to equity method

<i>(in million euros)</i>	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	of which exchange difference
At December 31, 2020	3 794	50%	1 897	(1 312)	-	585	(37)
Capital increase/(decrease) and contributions to reserves	-		-	-		-	
Net income of the period	339		169			169	
Distribution of dividends	(218)		(109)			(109)	
Gains and Losses Recognized Directly in Equity	20		10			10	9
At June 30, 2021	3 935	50%	1 967	(1 312)	-	655	(28)
Capital increase/(decrease) and contributions to reserves	(197)		(99)	49		(50)	
Net income of the period	330		165			165	
Distribution of dividends	(330)		(165)			(165)	
Gains and Losses Recognized Directly in Equity	9		5			5	4
At December 31, 2021	3 747	50%	1 873	(1 263)	-	610	(24)
Capital increase/(decrease) and contributions to reserves	-		-	-		-	
Net income of the period	356		178			178	
Distribution of dividends	(125)		(62)			(62)	
Gains and Losses Recognized Directly in Equity	(7)		(3)			(3)	(5)
At June 30, 2022	3 971	50%	1 986	(1 263)	-	723	(29)

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

Consolidated Balance Sheet items after equity method

<i>(in million euros)</i>	June 30, 2022	Dec. 31, 2021
Investments in associates and joint ventures accounted for using the equity method	1 986	1 873
Total assets	1 986	1 873
Equity		
- Historical value of the shares owned (1)	1 263	1 263
- Consolidated reserves - equity holders of the parent	723	610
- of which share in net income accounted for using the equity method	178	334
Total equity and liabilities	1 986	1 873

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

6.2.2 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)	June 30, 2022	Dec. 31, 2021
Customer loans and receivables	9 972	9 766
Other assets	1 307	1 390
Total assets	11 279	11 156
Refinancing	7 454	7 621
Other liabilities	2 441	2 262
Equity	1 384	1 273
Total equity and liabilities	11 279	11 156

Key Income Statement Items

(in million euros)	June 30, 2022	June 30, 2021	Dec. 31, 2021
Gross revenues of banking activities, insurance activities and other services	357	355	698
Expenses of banking activities, insurance activities and other services	(144)	(144)	(282)
Net banking revenue (1)	213	211	416
General operating expenses and equivalent	(84)	(96)	(190)
Gross operating income	129	115	226
Cost of risk	(15)	(11)	(23)
Operating income	114	104	203
Non-operating items	3	-	1
Pre-tax income	117	104	204
Income taxes	(25)	(30)	(60)
Net income for the year	92	74	144

(1) Of which an impact of €0 million at June 30, 2022 (€13 million at June 30, 2021 and €19 million at December 31, 2021) related to the Price Purchase Allocation: see Note 10.2.

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	74		37			37	
Distribution of dividends	(37)		(19)			(19)	
Gains and Losses Recognized Directly in Equity	9		5			5	-
At June 30, 2021	1 203	50%	602	(489)	-	113	(2)
Net income of the period	70		35			35	
Distribution of dividends	-		-			-	
Gains and Losses Recognized Directly in Equity	-		(1)			(1)	1
At December 31, 2021	1 273	50%	636	(489)	-	147	(1)
Net income of the period	92		46			46	
Distribution of dividends	-		-			-	
Gains and Losses Recognized Directly in Equity	19		10			10	-
At June 30, 2022	1 384	50%	692	(489)	-	203	(1)

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

Consolidated Balance Sheet items after equity method

(in million euros)	June 30, 2022	Dec. 31, 2021
Investments in associates and joint ventures accounted for using the equity method	692	636
Total assets	692	636
Equity		
- Historical value of the shares owned (1)	489	489
- Consolidated reserves - equity holders of the parent	203	147
- of which share in net income accounted for using the equity method	46	72
Total equity and liabilities	692	636

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

6.2.3 Partnership with Santander in Brazil

The partnership in Brazil began in August 2016.

Equity accounted percentage: 50%

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

Key Balance Sheet Items

<i>(in million euros)</i>	June 30, 2022	Dec. 31, 2021
Customer loans and receivables	324	256
Other assets	26	19
Total assets	350	275
Refinancing	282	222
Other liabilities	18	6
Equity	50	47
Total equity and liabilities	350	275

Key Income Statement Items

<i>(in million euros)</i>	June 30, 2022	June 30, 2021	Dec. 31, 2021
Gross revenues of banking activities, insurance activities and other services	24	14	30
Expenses of banking activities, insurance activities and other services	(14)	(6)	(14)
Net banking revenue	10	8	16
General operating expenses and equivalent	(4)	(4)	(8)
Gross operating income	6	4	8
Cost of risk	(4)	(1)	(2)
Operating income	2	3	6
Income taxes	(1)	(2)	(2)
Net income for the year	1	1	4

Statement of changes from 100% Equity to equity method

<i>(in million euros)</i>	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	of which exchange difference
At December 31, 2020	47	50%	23	(27)	-	(4)	(18)
Net income of the period	1		1			1	
Distribution of dividends	(4)		(2)			(2)	
Gains and Losses Recognized Directly in Equity	3		2			2	2
At June 30, 2021	47	50%	24	(27)	-	(3)	(16)
Net income of the period	3		1			1	
Distribution of dividends	-		-			-	
Gains and Losses Recognized Directly in Equity	(3)		(2)			(2)	(2)
At December 31, 2021	47	50%	23	(27)	-	(4)	(18)
Net income of the period	1		1			1	
Distribution of dividends	(5)		(2)			(2)	
Gains and Losses Recognized Directly in Equity	7		3			3	4
At June 30, 2022	50	50%	25	(27)	-	(2)	(14)

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

Consolidated Balance Sheet items after equity method

<i>(in million euros)</i>	June 30, 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	1	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 PSA Services Ltd.

6.2.4 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 investment in entity Dongfeng Peugeot Citroën Auto Finance Company Ltd as well as the goodwill, for an amount of €149 million as of June 30, 2022, are reclassified as assets held for sale as indicated in notes 1 and 6.1.

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

Equity accounted percentage of the subsidiary Dongfeng Peugeot Citroën Financial Leasing Co: 50%

Fully financial information

Key Balance Sheet Items

<i>(in million euros)</i>	June 30, 2022	Dec. 31, 2021
Customer loans and receivables	1 232	1 478
Other assets	202	157
Total assets	1 434	1 635
Refinancing	690	922
Other liabilities	84	93
Equity	660	620
Total equity and liabilities	1 434	1 635

Key Income Statement Items

<i>(in million euros)</i>	June 30, 2022	June 30, 2021	Dec. 31, 2021
Gross revenues of banking activities, insurance activities and other services	75	67	149
Expenses of banking activities, insurance activities and other services	(33)	(28)	(63)
Net banking revenue	42	39	86
General operating expenses and equivalent	(10)	(9)	(20)
Gross operating income	32	30	66
Cost of risk	(7)	(2)	(11)
Operating income	25	28	55
Non-operating items	-	-	-
Pre-tax income	25	28	55
Income taxes	(7)	(3)	(14)
Net income for the year	18	25	41

Statement of changes from 100% Equity to equity method

<i>(in million euros)</i>	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill (2)	Equity after equity method	of which exchange difference
At December 31, 2020	493	25%	123	(42)	3	84	(1)
Net income of the period	25		6	-	-	6	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	20		5		-	5	6
At June 20, 2021	538	25%	134	(42)	3	95	5
Capital increase/(decrease) and contributions to reserves	26		13	(13)	-	-	
Acquisition of 25%	-		11	(12)	-	(1)	1
Net income of the period	16		5	-	-	5	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	40		10		-	10	10
At December 31, 2021	620		173	(67)	3	109	16
Net income of the period	18		5	-	-	5	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	22		6		-	6	6
At June 30, 2022	660		184	(67)	3	120	22

(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

<i>(in million euros)</i>	June 30, 2022	Dec. 31, 2021
Investments in associates and joint ventures accounted for using the equity method (2) (3)	187	176
Total assets	187	176
Equity		
- Historical value of the shares owned (1)	67	67
- Consolidated reserves - equity holders of the parent	120	109
- of which share in net income accounted for using the equity method	5	11
Total equity and liabilities	187	176

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

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

(3) Of which Investments in Associates and Joint Ventures accounted for using the equity method held for sale as well as the goodwill, for an amount of €149 million as of June 30, 2022, in the shares of the entity Dongfeng Peugeot Citroën Auto Finance Company Ltd.

6.2.5 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)	June 30, 2022	Dec. 31, 2021
Customer loans and receivables	113	92
Other assets	8	8
Total assets	121	100
Refinancing	82	62
Other liabilities	16	18
Equity	23	20
Total equity and liabilities	121	100

Key Income Statement Items

(in million euros)	June 30, 2022	June 30, 2021	Dec. 31, 2021
Gross revenues of banking activities, insurance activities and other services	13	11	24
Expenses of banking activities, insurance activities and other services	(14)	(10)	(22)
Net banking revenue	(1)	1	2
General operating expenses and equivalent	(2)	(2)	(3)
Gross operating income	(3)	(1)	(1)
Cost of risk	-	-	-
Operating income	(3)	(1)	(1)
Non-operating items	-	-	-
Pre-tax income	(3)	(1)	(1)
Income taxes	1	1	1
Net income for the year	(2)	-	-

Statement of changes from 100% Equity to equity method

(in million euros)	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (2)	Goodwill	Equity after equity method	of which exchange difference
At December 31, 2020	15	50%	7	(13)	-	(6)	(6)
Capital increase/(decrease) and contributions to reserves	-	-	-	-	-	-	-
Net income of the period	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-
Gains and Losses Recognized Directly in Equity	(1)	-	(1)	-	-	(1)	(1)
Hyperinflation effects	3	-	2	-	-	2	-
At June 30, 2021	17	50%	8	(13)	-	(5)	(7)
Capital increase/(decrease) and contributions to reserves	-	-	-	-	-	-	-
Net income of the period	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	-
Gains and Losses Recognized Directly in Equity	(1)	-	-	-	-	-	-
Hyperinflation effects	4	-	2	-	-	2	-
At December 31, 2021	20	50%	10	(13)	-	(3)	(7)
Capital increase/(decrease) and contributions to reserves	-	-	-	-	-	-	-
Net income of the period	(2)	-	(1)	-	-	(1)	-
Distribution of dividends	-	-	-	-	-	-	-
Gains and Losses Recognized Directly in Equity	(2)	-	(1)	-	-	(1)	(1)
Hyperinflation effects (1)	7	-	3	-	-	3	-
At June 30, 2022	23	50%	11	(13)	-	(2)	(8)

(1) The implementation of IAS 29 led a negative impact of €-7 million in Net Income (of which Minority interests: €-4 million), fully covered by a positive change in Equity (of which Minority interests: €4 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)	June 30, 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 7 Insurance Activities

7.1 Liabilities Related to Insurance Contracts

(in million euros)	Dec. 31, 2021	Written premiums	Earned premiums	Claims paid	Claims incurred	June 30, 2022
Unearned premium reserve (UPR)	42	34	(17)			59
Claims reserve						
- Claims reserve - reported claims	14			(1)	1	14
- Claims reserve - claims incurred but not reported (IBNR)	31			-	2	33
Total liabilities related to insurance contracts	87	34	(17)	(1)	3	106

7.2 Income from Activities

(in million euros)	June 30, 2022	June 30, 2021	Dec. 31, 2021
+ Earned premiums	17	12	26
Written premiums	34	18	36
Change in insurance liabilities (UPR)	(17)	(6)	(10)
- Cost	(15)	(10)	(17)
Claims expenses	(5)	(4)	(8)
Change in insurance liabilities (except for UPR)	(2)	(2)	1
Other income (expense)	(8)	(4)	(10)
- of which related companies	(4)	(3)	(7)
Margin on sales of Insurance activities	2	2	9

Note 8 Fair Value of Financial Assets and Liabilities

	Fair value		Book value		Difference	
(in million euros)	June 30, 2022	Dec. 31, 2021	June 30, 2022	Dec. 31, 2021	June 30, 2022	Dec. 31, 2021
Assets						
Cash, central banks	538	499	538	499	-	-
Financial assets at fair value through profit or loss (1)(2)	32	58	32	58	-	-
Loans and advances to credit institutions, at amortized cost (3)(4)	487	462	513	455	(26)	7

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

- (1) The fair values of financial assets at fair value through profit or loss and hedging instruments are measured based on Euribor or other interbank market rates and on the daily exchange rates set by the European Central Bank.
- (2) The fair value of investments in companies, which are included in "Financial assets at fair value through Equity" since January 1st, 2018, is considered as being equal to the most recent transaction price, corresponding to the purchase of the shares. An impairment is recognized in the rare cases when long-term losses are anticipated.
- (3) With the exception of Subordinated loans, the Loans and advances to credit institutions and Customer loans and receivables are short-term operations at adjustable rate, are accordingly close to their amortized cost.

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

- For Subordinated loans see footnote (4),
- (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).

Note 9 Other Commitments

9.1 Other Commitments

<i>(in million euros)</i>	June 30, 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 9.2)

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

9.2 Financial Security

Financial security refers to liquidity reserve and undrawn bank facilities.

<i>(in million euros)</i>	June 30, 2022	Dec. 31, 2021
Liquidity Reserve	780	699
- Reserves deposited with the central banks (see Note 3)	538	499
- Ordinary accounts in debit (see Note 5)	242	197
- Loans and advances at overnight rates (see Note 5)	-	3
Undrawn bank facilities	90	90
- Revolving bilateral bank facilities (1)	90	90
Total	870	789

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

Note 10 Segment Information

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

10.1 Key Balance Sheet Items

At June 30, 2022

(in million euros)	IFRS 8 segment information Balance Sheet as at June 30, 2022	Equity-method accounting of equity attributable to group in JV	Consolidated Balance Sheet at June 30, 2022
Assets			
Customer loans and receivables, at amortized cost	39 444	(39 419)	25
- Corporate dealers	8 040	(8 015)	25
- End user	31 404	(31 404)	-
Financial assets at fair value through profit or loss	109	(77)	32
Financial assets at fair value through Equity	-	-	-
Debt securities at amortized cost	223	(223)	-
Loans and advances to credit institutions, at amortized cost	1 943	(1 430)	513
Deferred tax assets	193	(187)	6
Investments in associates and joint ventures accounted for using the equity method (1) (2)	37	2 715	2 752
Other assets (2)	4 426	(3 511)	915
Total Assets	46 375	(42 132)	4 243
Liabilities			
Deposits from credit institutions	20 524	(20 505)	19
Due to customers	7 501	(7 499)	2
Debt securities	8 584	(8 584)	-
Liabilities related to insurance contracts	260	(154)	106
Deferred tax liabilities	647	(646)	1
Other liabilities	2 115	(2 029)	86
Equity	6 744	(2 715)	4 029
Total Liabilities	46 375	(42 132)	4 243

(1) See Note 6 Investments in Associates and Joint Ventures Accounted for Using the Equity Method.

(2) Of which the investment in entity Dongfeng Peugeot Citroën Auto Finance Company Ltd as well as the goodwill, for an amount of 149 million euros as of June 30th 2022, which are the subject of a reclassification as assets held for sale as indicated in note 1 and 6.1.

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 (2)	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 6 Investments in Associates and Joint Ventures Accounted for Using the Equity Method.

10.2 Key Income Statement Items

At June 30, 2022

(in million euros)	IFRS 8 Income statement excl. PPA at June 30, 2022	OVF PPA impact at June 30, 2022	IFRS 8 Income statement at June 30, 2022	Presentation differences IFRS 8 vs Publishable Income Statement	Equity-method accounting of equity attributable to group in JV	Publishable Income Statement at June 30, 2022
Net banking revenue	887	-	887	-	(884)	3
- Financing activities	757	-	757	-	(755)	2
- Corporate dealers	78	-	78	-	(78)	-
- End user	649	-	649	-	(649)	-
- Unallocated	30	-	30	-	(28)	2
- Insurance and services	130	-	130	-	(129)	1
Cost of risk	(15)	-	(15)	-	15	-
- Financing activities	(15)	-	(15)	-	15	-
- Corporate dealers	(1)	-	(1)	-	1	-
- End user	(14)	-	(14)	-	14	-
Net income after cost of risk	872	-	872	-	(869)	3
- Financing activities	742	-	742	-	(740)	2
- Corporate dealers	77	-	77	-	(77)	-
- End user	635	-	635	-	(635)	-
- Unallocated	30	-	30	-	(28)	2
- Insurance and services	130	-	130	-	(129)	1
General operating expenses and equivalent	(288)	-	(288)	-	277	(11)
Operating income	584	-	584	-	(592)	(8)
Share in net income of associates and joint ventures accounted for using the equity method (1)	5	-	5	-	224	229
Other items	2	-	2	-	(2)	-
Pre-tax income	591	-	591	-	(370)	221
Income taxes	(146)	-	(146)	-	146	-
Net income	445	-	445	-	(224)	221

(1) See Note 6 Investments in Associates and Joint Ventures Accounted for Using the Equity Method.

At June 30, 2021

(in million euros)	IFRS 8 Income statement excl. PPA at June 30, 2021	OVF PPA impact at June 30, 2021	IFRS 8 Income statement at June 30, 2021	Presentation differences IFRS 8 vs Publishable Income Statement	Equity-method accounting of equity attributable to group in JV	Publishable Income Statement at June 30, 2021
Net banking revenue	842	13	855	-	(851)	4
- Financing activities	709	13	722	-	(719)	3
- Corporate dealers	120	1	121	-	(121)	-
- End user	594	13	607	-	(607)	-
- Unallocated	(5)	(1)	(6)	-	9	3
- Insurance and services	133	-	133	-	(132)	1
Cost of risk	(24)	2	(22)	-	22	-
- Financing activities	(24)	2	(22)	-	22	-
- Corporate dealers	4	2	6	-	(6)	-
- End user	(28)	-	(28)	-	28	-
Net income after cost of risk	818	15	833	-	(829)	4
- Financing activities	685	15	700	-	(697)	3
- Corporate dealers	124	3	127	-	(127)	-
- End user	566	13	579	-	(579)	-
- Unallocated	(5)	(1)	(6)	-	9	3
- Insurance and services	133	-	133	-	(132)	1
General operating expenses and equivalent	(289)	-	(289)	-	282	(7)
Operating income	529	15	544	-	(547)	(3)
Share in net income of associates and joint ventures accounted for using the equity method (1)	6	-	6	-	207	213
Other items	(2)	-	(2)	-	2	-
Pre-tax income	533	15	548	-	(338)	210
Income taxes	(127)	(4)	(131)	-	131	-
Net income	406	11	417	-	(207)	210

(1) See Note 6 Investments in Associates and Joint Ventures Accounted for Using the Equity Method.

Note 11 **Subsequent Events**

No other event that could have a material impact on business decisions made on the basis of these financial statements, occurred between June 30, 2022 and the Board of Directors' meeting approving these financial statements, i.e. July 22, 2022.

This is a free translation into English of the statutory auditors' review report on the condensed half-yearly consolidated financial statements issued in French and is provided solely for the convenience of English-speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

2.7 Statutory auditors' review report on the condensed half-yearly consolidated financial statements

Période du 1er janvier au 30 juin 2022

To the Chief Executive Officer,

In our capacity as statutory auditors of Banque PSA Finance and in response to your request in the context of the external control of financial information, we performed a review of the accompanying condensed half-yearly consolidated financial statements for the period from January 1st, to June 30, 2022.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

The Statutory Auditors

French original signed by

MAZARS

ERNST & YOUNG Audit

Matthew Brown

Luc Valverde



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