BANQUE PSA FINANCE

HALF-YEAR REPORT

2015

BOARD OF DIRECTORS

Jean-Baptiste Chasseloup de Chatillon
Chairman

Rémy Bayle
Director

Carlos Tavares
Director

Michel Philippin
Director
Chairman of the Audit & Risk Committee
Chairman of the appointment and incentives committee

François Pierson
Director
Member of the Audit & Risk Committee
Member of the appointment and incentives committee

PEUGEOT S.A.
Director
Permanent Representative:
Olivier Bourges
Member of the Audit & Risk Committee
Member of the appointment and incentives committee

AUTOMOBILES PEUGEOT
Director
Permanent Representative:
Maxime Picat

EXECUTIVE COMMITTEE

Rémy Bayle
Executive Officer

Alain Martinez
Executive Managing Officer

STATUTORY AUDITORS

Ernst & Young Audit
Mazars

SUBSTITUTE AUDITORS

PICARLE et associés
Guillaume Potel

Position as of July 27, 2015

BANQUE PSA FINANCE

Société anonyme (limited company). Share capital: €177,408,000

Registered office: 75, avenue de la Grande Armée – 75116 Paris code:
R.C.S (Trade and Companies Register number): Paris 325 952 224 - Siret 325 952 224 00013
APE Business identifier code: 6419Z
Interbank code 13168N

www.banquepsafinance.com
Telephone: + 33 (1) 46 39 66 33
Registered with the Register of Insurance Intermediaries (ORIAS) under Number 07 008 501,
www.orias.fr.

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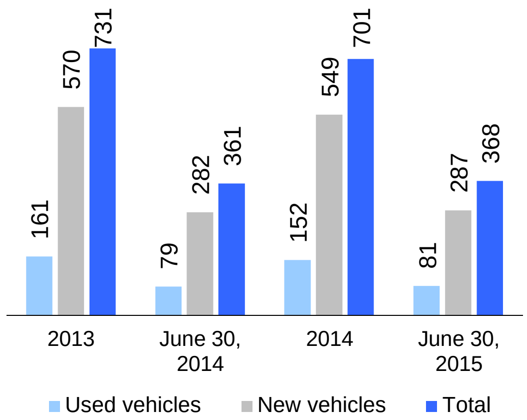
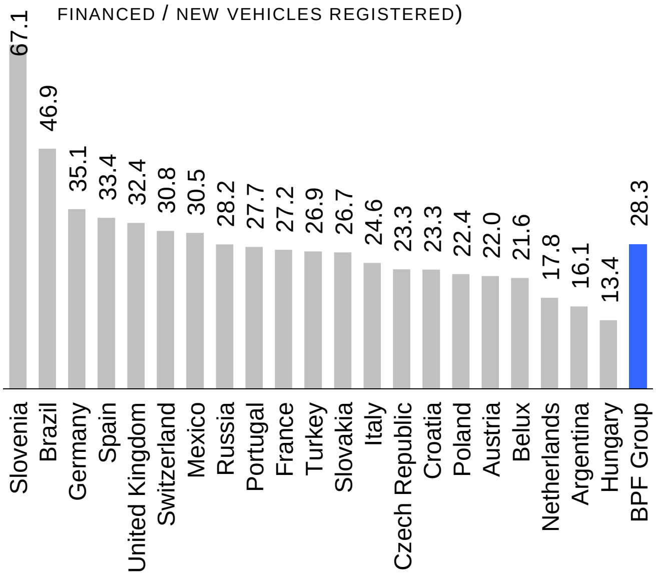
1 MANAGEMENT REPORT

1.1 Key figures

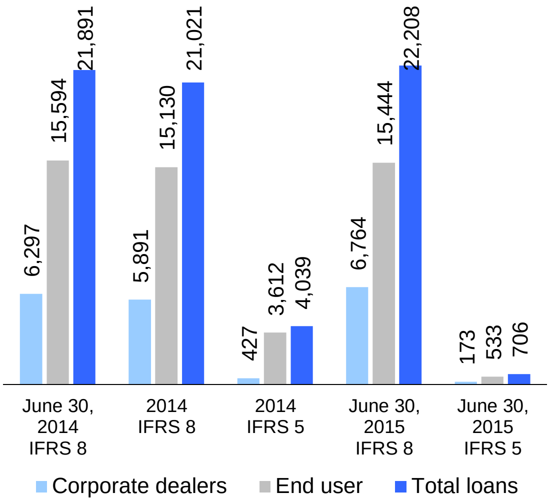
NUMBER OF VEHICLES FINANCED, END-USER LOANS
(IN THOUSAND VEHICLES)



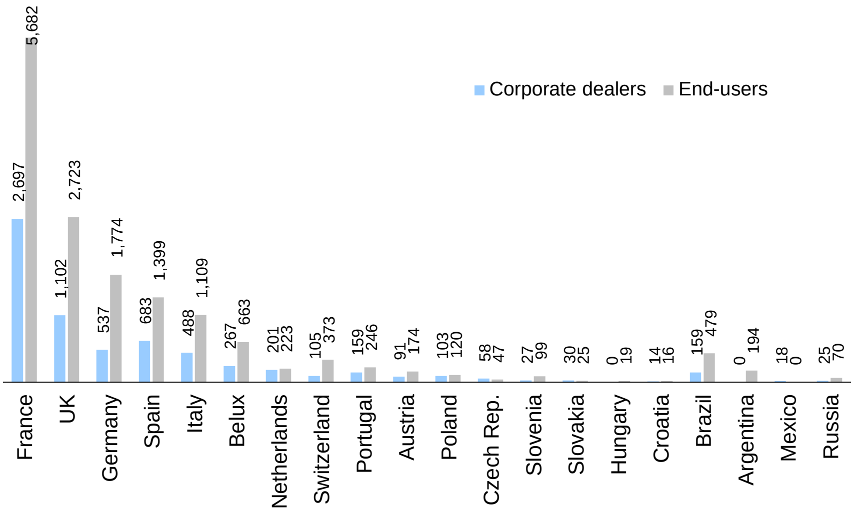
PENETRATION RATE BY COUNTRY AT JUNE 30, 2015
(AS OF % PSA PEUGEOT CITROEN NEW VEHICLES FINANCED / NEW VEHICLES REGISTERED)



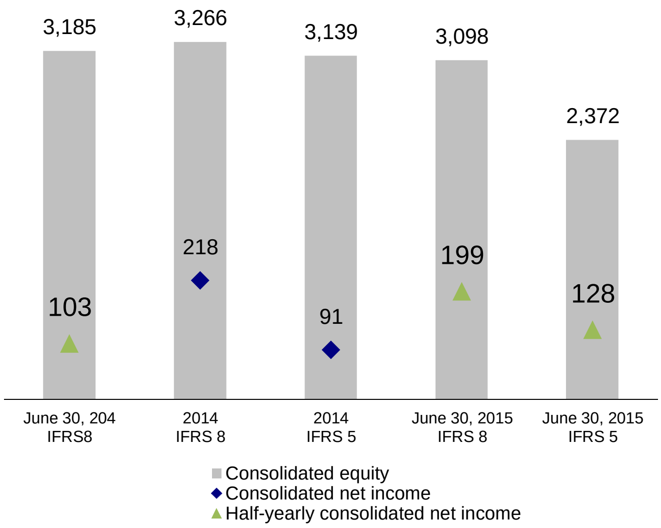
END-USERS AND CORPORATE DEALERS LOANS AT JUNE 30, 2015 (IN MILLION EUROS)



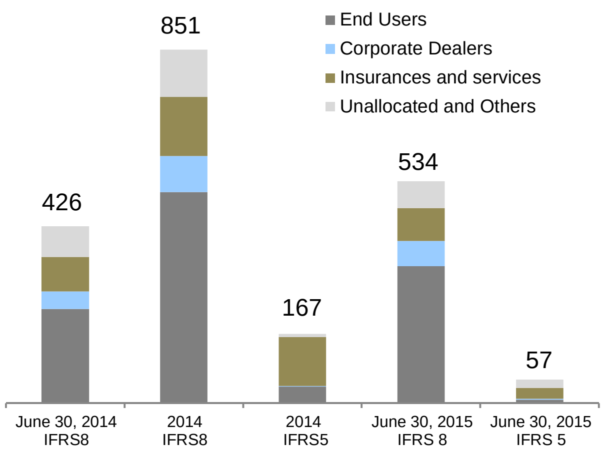
OUTSTANDING BY COUNTRY AT JUNE 30, 2015 – IFRS 8 (IN MILLION EUROS)



EQUITY AND NET INCOME AT JUNE 30, 2015
(IN MILLION EUROS)



NET BANKING REVENUE
(IN MILLION EUROS)



1.2 Operations and results

1.2.1 Definition of concepts in the Management Report

The 2015 Management report presents information in two fashions:

The first fashion is to present financial performance in the format of IFRS 5, which is the method for presenting the financial statements in light of the highly probable disposal of business activities under the cooperative agreement between Banque PSA Finance (hereafter called “BPF”) and Santander Consumer Finance (hereafter called “SCF”). IFRS 5 involves reclassifying the portion related to entities that are within the scope of cooperation (including the retail portfolios of the Spanish and Italian entities which are now integrated into the scope of the BPF/SCF agreement), as well as all activities done in Brazil, into specific sections of the balance sheet and income statement. In addition, certain liabilities used to finance assets held for sale are also reclassified.

Note 2 to the consolidated financial statements goes into more detail concerning the accounting treatments employed to comply with IFRS 5.

The second fashion presents financial performance in the format of IFRS 8, which:

- Does not reflect the above reclassifications;
- Consolidates the joint-ventures France, United Kingdom and Malta (not significant as of end June 2015) in full integration;
- Neutralizes certain expenses recognized in the IFRS 5 format, specifically:
  - o the impairment of the Disposal group (€10 million after tax at the end of June 2015 reflects the extension of scope to include Spain and Italy the retail portfolios and Brazil);
  - o the expenses related to early repayment of certain liabilities (€10 million after taxes at the end of June 2015).

Note 27 to the consolidated financial statements provides further details on the move from the IFRS 8 format to the IFRS 5 format.

An additional level of detail has also been provided to operating data: these are always presented in total, but a precision is presented for operating data for the entities within the scope of the BPF/SCF cooperation.

Unless otherwise mentioned, the results presented in this half-year report exclude operations in China, as the relevant entity is not consolidated through full integration, but integrated according to the equity method in IFRS 5 and in IFRS 8.

1.2.2 Summary of financial information

The following historical consolidated financial overview is based on the consolidated financial statements of BPF included in this half-year report and prepared in accordance with International *Financial Reporting Standards* (*IFRS*) as adopted by the European Union. Our consolidated financial statements were audited by our statutory auditors Ernst & Young Audit and Mazars for 2015 and 2014.

New financing

				of which scope of cooperation[1]		
	June 30, 2015	**June 30, 2014**	**% change**	**June 30, 2015**	**June 30, 2014**	**% change**
End-user loans						
Number of vehicles financed	368,126	360,781	+2.0	340,479	334,660	+1,7
Amount of financing *(in million euros excluding accrued interests)*	4,148	3,867	+7.3	4,006	3,710	+8.0
Corporate dealer loans						
Number of vehicles financed	853,973	881,877	-3.2	828,826	836,755	-0.9
Amount of vehicles financing *(in million euros)*	16,992	16,650	+2.1	16,519	15,843	+4.3
Amount of financing for spare parts and other *(in million euros)*	1,652	1,645	+0.4	1,585	1,558	+1.7
Insurance and services activity						
Number of new contracts	745,324	729,807	+2.1	693,084	672,888	+3.0

[1] - Countries included in the Partnership with SCF (included Retail portfolio of Italy and Spain) as well as the forthcoming partnership in Brazil.

CONSOLIDATED BALANCE SHEET

(in million euros)

Assets	IFRS 5 June 30, 2015	IFRS 5 Dec. 31, 2014	IFRS 5 % change	IFRS 8[1] June 30, 2015	IFRS 8[1] Dec. 31, 2014	IFRS 8[1] % change
Financial assets at fair value through profit or loss	404	455	-11.2	422	455	-7.3
Loans and advances to credit institutions	191	1,070	-82.1	1,719	2,297	-25.2
Customer loans and receivables	706	4,039	-82.5	22,208	21,021	+5.6
Deferred tax assets	31	83	-62.7	91	92	-1.1
Other assets	11,386	19,384	-41.3	1,102	1,281	-14.0
Total assets	**12,718**	**25,031**	**-49.2**	**25,542**	**25,146**	**+1.6**

Equity and liabilities	IFRS 5 June 30, 2015	IFRS 5 Dec. 31, 2014	IFRS 5 % change	IFRS 8[1] June 30, 2015	IFRS 8[1] Dec. 31, 2014	IFRS 8[1] % change
Deposits from credit institutions	1,341	6,353	-78.9	8,618	6,633	+29.9
Debt securities	2,261	6,135	-63.1	7,854	10,964	-28.4
Other liabilities	6,744	9,404	-28.3	5,972	4,283	+39.4
Equity	2,372	3,139	-24.4	3,098	3,266	-5.1
Total equity and liabilities	**12,718**	**25,031**	**-49.2**	**25,542**	**25,146**	**+1.6**

[1] - The items on the transition from IFRS 8 to IFRS 5 format can be found in Note 27 of the consolidated financial statements.

CONSOLIDATED STATEMENT OF INCOME

(in million euros)	IFRS 5 June 30, 2015	IFRS 5 June 30, 2014 Proforma	IFRS 5 % change	IFRS 8[1] June 30, 2015	IFRS 8[1] June 30, 2014	IFRS 8[1] % change
Net banking revenue	57	105	- 45.7	534	426	+ 25.4
General operating expenses and equivalent[2]	-37	-27	+ 37.0	-213	-201	+ 6.0
Cost of risk	-1	-6	- 83.3	-27	-53	- 49.1
Operating income	**19**	**72**	**- 73.6**	**294**	**172**	**+ 70.9**
Share in net income of associates and joint ventures accounted for using the equity method[3]	59	5	+ 1080.0	7	5	+ 40.0
Other Non operating income[4]	-120	-232	- 48.3	-15	-2	+ 650.0
Pre-tax net income	**-42**	**-155**	**-72.9**	**286**	**175**	**+63.4**
Income taxes	29	41	- 29.3	-87	-72	+ 23.6
Net income from continuing operations	**-13**	**-114**	**- 88.6**	**199**	**103**	**+93.2**
Profit/(loss) of operations to be taken over by partnership	**141**	**217**	**-35.0**	**0**	**0**	
Net income for the year	**128**	**103**	**+ 24.3**	**199**	**103**	**+ 93.2**

[1] - The items on the transition from IFRS 8 to IFRS 5 format can be found in Note 27 of the consolidated financial statements.
[2] - Including depreciation, amortization and impairment of intangible and tangible assets, and gains and losses on disposals of fixed assets.
[3] - Joint venture in China, France and United Kingdom in IFRS5 at June 30, 2015. Only Joint venture in China in IFRS8.
[4] - Including costs of the non-transferred liabilities of operations to be taken over by partnership in IFRS 5.

OUTSTANDING LOANS

BY CUSTOMER SEGMENT

(in million euros)

	IFRS 5			IFRS 8[1]		
	June 30, 2015	Dec. 31, 2014	% change	June 30, 2015	Dec. 31, 2014	% change
Corporate dealers	173	427	-59.5	6,764	5,891	+14.8
End-user	533	3,612	-85.2	15,444	15,130	+2.1
of which Retail	498	3,497	-85.8	13,894	13,636	+1.9
of which Corporate and equivalent	35	115	-69.6	1,550	1,494	+3.7
Total Customer Loans and Receivables	**706**	**4,039**	**-82.5**	**22,208**	**21,021**	**+5.6**

[1] - The items on the transition from IFRS 8 to IFRS 5 format can be found in Note 27 of the consolidated financial statements.

BY GEOGRAPHICAL REGION

(in million euros)

	IFRS 5			IFRS 8		
	June 30, 2015	Dec. 31, 2014	% change	June 30, 2015	Dec. 31, 2014	% change
France	(2)	70	-102.9	8,379	8,072	+3.8
Western Europe (excluding France)	66	2,540	-97.4	12,326	11,318	+8.9
Central and Eastern Europe	335	319	+5.0	558	521	+7.1
Latin America	212	998	-78.8	850	998	-14.8
Rest of the world	95	112	-15.2	95	112	-15.2
Total	**706**	**4,039**	**-82.5**	**22,208**	**21,021**	**+5.6**

NET BANKING REVENUE BY PORTFOLIO

(in million euros)

	IFRS 5			IFRS 8[1]		
	June 30, 2015	June 30, 2014 Proforma	% change	June 30, 2015	June 30, 2014	% change
End-user	9	18	-50.0	330	227	+45.4
of which Retail	*9*	*18*	*-50.0*	*304*	*217*	*+40.1*
of which Corporate and equivalent	*0*	*0*		*26*	*10*	*+160.0*
Corporate dealers	2	3	-33.3	61	42	+45.2
Insurances and Services (including net refinancing costs)	26	67	-61.2	79	83	-4.8
Unallocated and other[2]	20	17	+17.6	64	74	-13.5
Total	**57**	**105**	**-45.7**	**534**	**426**	**+25.4**

[1] - The items on the transition from IFRS 8 to IFRS 5 format can be found in Note 27 of the consolidated financial statements.

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

1.2.3 BPF Branches and Subsidiaries operations

1.2.3.1 Introduction

BPF is a wholly-owned subsidiary of the PSA Peugeot Citroën Group and finances the sale of vehicles at Peugeot, Citroën and DS dealerships in the 23 countries (including China) where it is located.

It also provides dealers of the three brands with financing for inventory (new and used vehicles) and spare parts, as well as other financing such as working capital, and offers a complete range of financial, insurance and other services to individuals and businesses.

Its status as financier of PSA Peugeot Citroën Group allows BPF to offer its individual and business clients a large range of mobility solutions including finance, insurance and service within the packaged products.

The online retail savings market was launched in France in 2013, in Belgium in September 2014 and in Germany in October 2014.

Finally, BPF and SCF announced on July 10, 2014 that they had signed a framework Agreement to set up a partnership covering 11 European countries.

This partnership between BPF and Santander CF, the consumer finance division of Banco Santander, will take the form of ten dedicated local partnerships in Germany, Austria, Belgium, Spain, France, Italy, Netherlands, Poland, United Kingdom, Switzerland and a commercial partnership in Portugal. This transaction will enhance commercial capabilities for PSA Peugeot Citroën's brands enabling them to increase their penetration of the car finance market. It will boost and add longevity to the BPF businesses by offering competitive products only to the brands and customers of PSA Peugeot Citroën. The contemplated scope of the transaction will cover approximately 90% of BPF's current activities.

On February 2, 2015 BPF and SCF announced that the first two joint companies obtained approval from the regulatory bodies to carry out banking operations in France and the United Kingdom. From now on, these companies will provide financing for Peugeot, Citroën and DS car dealers and their customers in these two countries. These first two companies represent 58% of the loans covered by the framework agreement.

In May 2015, two new insurance companies owned 50-50 by Banque PSA Finance and Santander CF started up, distributing products in France and the United Kingdom. They will also provide distribution of insurance products for other countries in the partnership as and when these roll out.

The launch of activities in the nine other countries should be finalized during 2015 and in early 2016.

2015 is the year for extending the partnership with SCF:

- on the one hand, for Spain and Italy, the partnership was extended to retail activity, which had not been included in the original agreement;
- on the other hand, BPF announced on July 24, 2015 that it had signed a framework agreement with Banco Santander Brazil to develop a partnership between the two groups in Brazil. The transaction has been submitted for approval to the Brazilian competition and regulation authorities.

The new joint ventures, held equally and accounted for using the equity method by Banque PSA Finance, will enable Banque PSA Finance to enhance its profitability in these countries and will result in a positive cash impact of up to €1.5 billion for PSA Peugeot Citroën Group by 2018.

The launch of these joint ventures will enhance the financing activities of Banque PSA Finance and thus restore its full ability to access markets.

1.2.3.2 Target organization of the cooperation with SCF

The cooperation will be set up in each country through the legal steps described below:

i. Investment by SCF through newly created organizations

In Germany, a new German subsidiary will be created, owned 50/50 by BPF and SCF, to which the business of the existing German subsidiary will be contributed.

In Austria, a new branch will be created, owned 50/50 by BPF and SCF, to which the operations of the existing Austrian branch office will be contributed. This new branch office will be an institution of the newly created German subsidiary.

In Italy, a new Italian subsidiary will be created, owned 50/50 by BPF and SCF, to which the operations of the existing Italian branch office will be contributed. An agreement in principle, not yet formally ratified, was reached between BPF and SCF that the base-case scenario would include assumption of the retail portfolios by the new entity, which was not the case at December 31, 2014.

In Spain, a new Spanish subsidiary will be created, owned 50/50 by BPF and SCF, to which the operations of the existing Spanish branch office will be contributed. An agreement in principle, not yet formally ratified, was reached between BPF and SCF that the base-case scenario would include assumption of the retail portfolios by the new entity, which was not the case at December 31, 2014.

In Malta, two Maltese subsidiaries were created, owned 50/50 by BPF and SCF, as insurance companies.

ii. Investment by SCF through existing entities

In France, at the beginning of February 2015, SCF made a 50% equity investment in SOFIB, which from that point owns 100% of Crédipar and 100% of SOFIRA. CLV will continue to be wholly-owned by Crédipar. It should be noted that in May 2015, Sofira was acquired by Credipar through a merger.

In Belgium, SCF will make a 50% equity investment in BPF's existing Belgian subsidiary, to which the deposit activities performed by BPF's existing Belgian branch office will have been transferred previously.

In the United Kingdom, at the beginning of February 2015, SCF invested in the capital of the existing English subsidiary of BPF to which the activities of the existing branch had previously been transferred.

In Switzerland, the equity of BPF's existing subsidiary will be sold to the newly created Spanish subsidiary, owned 50/50 by BPF and SCF.

In the Netherlands, the equity of BPF's Dutch subsidiary will be sold to the Belgian subsidiary, owned 50/50 by BPF and SCF.

iii. Investment by SCF in Poland

In Poland, SCF will make a 50% equity investment in a newly created Polish subsidiary, to which the business conducted by BPF's existing Polish branch office, and the existing BPF leasing business will have been previously transferred.

iv. Signing of a marketing cooperation agreement with BPF in Portugal

In Portugal, BPF's existing Portuguese branch office and its Portuguese subsidiary will be sold to SCF subsidiaries. A marketing cooperation agreement will also enter into by BPF and SCF subsidiaries.

1.2.3.3 Our Products and Services

Our financing products, insurance and services include the following:

- ***End-user Financing (75% of outstanding customer loans and receivables per IFRS 5 and 70% per IFRS 8 as of June 30, 2015***). We offer individuals, small- and medium-sized businesses, and corporate and equivalent customers a range of financing solutions to purchase new and used vehicles, including installment loans, as well as various leasing solutions with or without purchase options, and package products including financing, services and insurance;
- ***Financing the corporate dealership network (25% of outstanding customer loans per IFRS 5 and 30% per IFRS 8 as of June 30, 2015***). We provide Peugeot, Citroën and DS dealers with financing for inventories of new and used vehicles and spare parts, as well as other types of financing such as working capital;
- ***Insurance and services***. We provide end-user customers and corporate dealers of the three brands with a wide range of insurance products and services, such as whole-life insurance, unemployment insurance, disability insurance, supplemental insurance to protect vehicles, automobile insurance, and vehicle-related services such as extended warranties, maintenance contracts or service provisions;
- ***Retail savings*****.** The retail savings market is present in France, Germany and Belgium and consists of Passbook savings accounts and Term deposit accounts (only in France and Germany). The overall proportion of these outstandings is approximately 90% and 10% respectively, with a definite advantage to Term deposits in terms of customer retention. The growing revenue from this activity in the three countries confirms the relevance of the plan implemented in response to the real economy. The marketing success met with also proves the confidence of savers in the growth outlook for the PSA Peugeot Citroën Group and for BPF. This business is fully consolidated into the SCF partnership.

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1.2.3.4 Geographical coverage

We provide financing to end-user customers in 23 countries (including China) which accounted for about 87% of Peugeot, Citroën and DS vehicle sales as of June 30, 2015. Our principal markets are France, China and other Western European countries (notably the United Kingdom, Spain, Germany and Italy), Argentina and Brazil.

1.3 Analysis of operational results

1.3.1 Vehicle sales for Peugeot, Citroën and DS

During the first half, vehicle sales for Peugeot, Citroën and DS amounted to 1,547,000 units, an increase of 0.4%. Sales improved in Europe, China, in the Middle East/Africa region which became the third development pillar of the Group, and in the India-Pacific region.

The position of the brands is demonstrated by:

- The worldwide success of the Peugeot 308, number one in sales of the Brand;
- The successful bid by Citroën C4 Cactus with 90,000 sales since its launch a year ago and 35 awards received throughout the world;
- The DS premium brand pursued its development with the launch of the new DS 5.

The European leadership of the Group strengthens the reduction of emissions by an average of 106.9 g of CO2/km during the first five months of the year, thanks in particular to the commercial success and performance of its 3 cylinder gasoline engines.

In Europe, Group sales amounted to 984,000 units, up 2.9% compared to the first half of 2014.

Peugeot sales improved by 6.7%, in particular thanks to the excellent performance of the Peugeot 308, number 3 in sales in the C sector (sedans and station wagons) in Europe and leader of the segment in France. In the compact SUV segment, Peugeot retains its second place position in Europe with 57% of sales made in the two highest trim levels.

Citroën registrations increased by 2.8%. The brand benefits from its repositioning introduced a year ago, from its virtuous commercial policy and the success of passenger vehicle innovations. The Citroën C4 Cactus, welcomed by international critics particularly with the "World Car Design of the Year" award last April in New York, recorded more than 43,000 sales in the half year. For its part, the new C1 recorded more than 32,000 sales during the half year, an increase of 54% over its predecessor.

DS recorded 40,700 sales with an increase of 14.8% between the first and second quarter of 2015, marked by the launch of the new DS 5. The Brand pursues its long term premium positioning strategy and celebrates 60 years since the first DS by launching a "1955" limited edition for the entire range of models.

The first half of 2015 is thus marked by the opening of new DS Stores, the most recent of which are in Paris, Geneva, Luxembourg and Milan. Currently, the DS network includes 9 DS stores and 65 DS salons.

In China and Southeast Asia, sales of the PSA Peugeot Citroën group amount to 368,000 vehicles, an increase of 2.2% compared to the first half of 2014.

With 11.1% growth in China, for the second consecutive year, Peugeot confirms itself among the international brands which grew the most in the market: the 2008 and 3008 SUVs registered an increase of 34%, the new 408 sedan has an excellent beginning (+68% compared to the previous model 408), supported by the 308 S launched in April.

In China, Citroën sales decreased 6.7% compared to the first half of 2014, largely affected by the end of the versions with weak margins such as the former C-Elysée, and the contraction of the hatchback sedan segment in which the Brand made all of its sales until the successful launch of the C3-XR SUV in December 2014 (more than 30,000 sales). The Citroën C-Elysée remains the Brand's best seller with more than 46,000 during the half year.

DS registered, in China, an increase of 4% of its sales, thanks in particular to the success of the DS 6. At the same time, the Brand pursues development of its distribution network and thus has 84 DS stores in the 60 largest cities. Today, China represents 20% of the brand's worldwide sales.

Africa and the Middle East are historic markets for the Group which, during the first half, consolidated the strong positions that it holds in several markets, first in Tunisia, second in Morocco and third in Algeria.

Peugeot, with 61,700 sales during the first half, improved 11% with respect to 2014. The Brand benefited from the recovery of the Turkish market, where it gained 0.6% of market share. In Algeria, Peugeot also improved its market share by moving from 10.8% to 13% and consolidates its position as number three in the market.

Citroën, with 38,300 sales, increased by 53% by gaining positions in two major markets in the zone, Turkey and Algeria (+1 point and +0.5%, respectively), thanks in particular to the success of the Citroën C-Elysée, the Brand's best seller in these two countries.

In Latin America and Eurasia, the markets are in recession and Peugeot and Citroën have focused on steering margins by concentrating on the most profitable vehicles and those that are locally manufactured. In Mexico, Peugeot sales improved by 19.6% thanks to the success of the Peugeot 301 and Partner, and to the launch of the new 308.

In India and the Pacific, Peugeot sales increased strongly, particularly in Korea (+132%), led by the Peugeot 2008. Citroën also recorded strong growth, particularly in Japan, with a 67% increase in deliveries, thanks to the success of the Grand C4 Picasso.

PSA PEUGEOT CITROËN REGISTRATIONS (BPF PERIMETER, EXCLUDING CHINA)

By Geographical Region	June 30, 2015	June 30, 2014	% change
France	358,953	352,760	2%
Western Europe (excluding France)	512,377	482,683	6%
Central and Eastern Europe	36,587	42,546	-14%
Latin America	70,870	111,688	-37%
Rest of the World	37,123	40,781	-9%
Total	**1,015,910**	**1,030,458**	**-1%**

1.3.2 BPF commercial activity

1.3.2.1 End-user Financing

In an economic context that remained tense in certain markets, BPF increased its penetration by 1 point compared with the first half of 2014 thanks to an improvement in its competitiveness linked to better refinancing terms.

In terms of volume, BPF reported a higher number of new vehicle contracts (+2%) in its available market, which itself was down 1.4%. Leasing transactions (buyback leases and long-term leases) experienced a significant improvement of 7%, demonstrating BPF's intent to emphasize products creating customer loyalty; these two leasing techniques favor more rapid renewal and better profitability.

In the first half of 2015, vehicle registration numbers changed in varying ways according to region: The Big 5 (France, United Kingdom, Germany, Spain and Italy) increased by +4.2% and the Middle 5 (Belgium, Switzerland, Austria, Netherlands and Portugal) all grew by +4.9% whereas the countries in Central and Eastern Europe and Latin America experienced a significant decrease of -14% and -36.5% respectively. As for Russia, given the strong deterioration in economic conditions, PSA sales decreased by 75.6% during the first half of 2015. Finally, the Chinese market declined slightly by 1.8%, but nevertheless represents 330,596 registrations.

Overall, despite the strong tensions in certain markets, BPF recorded an increase of 2% in the financing volume for new vehicles/used vehicles. Used vehicles experienced a reversal in the previously noted negative tendency, with an increase in volume in the first half of 2015 (+2.3%) through the effect of reinforced commercial action thanks to better refinancing terms.

The table below provides information relating to BPF's end-user financing activity in the first half of 2014 and of 2015.

NEW END-USER FINANCING FOR NEW AND USED VEHICLES

				Of which partnership perimeter[1]		
in number of contracts	June 30, 2015	June 30, 2014	% change	June 30, 2015	June 30, 2014	% change
Installment sales	242,362	243,284	- 0.4	220,185	221,299	- 0.5
Leasing activity and other financing	125,764	117,497	+ 7.0	105,842	91,025	+ 16.3
Total	**368,126**	**360,781**	**+ 2.0**	**326,027**	**312,324**	**+ 4.4**
in million euros (excluding accrued interests)						
Installment sales	2,329	2,212	+ 5.3	2,226	2,085	+ 6.8
Leasing activity and other financing	1,819	1,655	+ 9.9	1,780	1,625	+ 9.5
Total	**4,148**	**3,867**	**+ 7.3**	**4,006**	**3,710**	**+ 8.0**

[1] - Countries included in the Partnership with SCF (included Retail portfolio of Italy and Spain) as well as the forthcoming partnership in Brazil.

The following table illustrates the amount of new financing granted in the first half of 2014 and in the first half of 2015 by customer segment.

FINANCING OF NEW AND USED VEHICLES BY CUSTOMER PORTFOLIO

				of which scope of cooperation[1]		
(in million euros)	**June 30, 2015**	**June 30, 2014**	**% change**	**June 30, 2015**	**June 30, 2014**	**% change**
Retail financing	3,698	3,401	+8.7	3,559	3,246	+9.6
of which new vehicles	3,045	2,809	+8.4	2,924	2,667	+9.6
of which used vehicles and other	653	592	+10.3	635	579	+9.7
Corporate and equivalent financing	450	466	-3.4	447	464	-3.7
End-users financing	**4,148**	**3,867**	+7.3	**4,006**	**3,710**	+8.0

[1] - Countries included in the Partnership with SCF (included Retail portfolio of Italy and Spain) as well as the forthcoming partnership in Brazil.

Production as an amount of new financing for individuals and small- and medium-sized businesses increased by +8.7% between the first half of 2014 and the first half of 2015. The amount of new vehicle financing for this segment also increased by 8.4% during the first half of 2015 and there was also a strong increase of +10.3% in financing for used vehicles. This evolution is notably related to an increase in financed capital for new vehicles/used vehicles compared to the first half of 2014 (new vehicles: +7% and used vehicles: +9%). Concerning the corporate and equivalent segment, the production as an amount of new and used vehicle financing decreased by 3.4%.

The following table breaks down the end-user loans made in the first half of 2014 and in the first half of 2015 by region, based on the number of vehicles financed.

FINANCING OF NEW AND USED VEHICLES BY REGION

(in number of contracts)	**June 30, 2015**	**June 30, 2014**	**% change**
France	137,090	131,123	+4.6
Western Europe (excluding France)	184,985	175,109	+5.6
Central and Eastern Europe	11,167	12,085	-7.6
Latin America	23,521	34,168	-31.2
Rest of the world	11,363	8,296	+37.0
Total	**368,126**	**360,781**	**+2.0**
Of which cooperation	**326,027**	**312,324**	**+4.4**

A. New Vehicle Financing

287,423 new PSA vehicles via installment contracts or leases, representing an increase of 2% compared to the first half of 2014.

The Bank's overall rate of penetration was 28.3% at the end of June 2015, reflecting sustained strong sales performance and close cooperation with the PSA Group brands enabling expansion of joint operations.

Compared to first semester of 2014, BPF recorded an increase in performance in the two countries in which the SCF cooperation started: +0.6 point in France and +3.8 points in Great Britain.

With respect to the other Big 5 countries, it should be noted that high-level penetration was maintained in Spain (33.4%) and there was a 35.1% increase in revenue in Germany (+1.6 points compared to the first half of 2014). Globally, of the Big 5 that represent 76% of new vehicle contracts, penetration was 29.3%, or +0.8 point compared to the first half of 2014.

In Latin America, despite strong changes in refinancing terms, a significant decline in the auto market in Argentina and in Brazil due to deteriorated economic situations, the penetration held at 16.1% in Argentina and increased 7.3 points in Brazil to reach 46.9%.

B. Used Vehicle Financing

The volume of used vehicle finance contracts increased by 2.3% compared with the data from June 30, 2014, with a significant increase in France and Spain. This tendency should continue during the second half with the expected development of used vehicle volume in Great Britain as a result of new agreements signed between the large groups. In addition, with the decrease in refinancing terms, specific action plans were implemented in various countries (France, Belgium, Switzerland, Austria, Argentina, etc.).

This growth in volume is accomplished through risk management with a constantly selective use of the acceptance and profitability criteria.

With respect to the growth in used vehicle revenue, the positive tendency observed in the second half of 2014 continues as a result of better competitiveness and the success of new services (maintenance agreements) offered in this segment.

It should be noted that there was good performance and even strong growth in markets such as Slovenia, Russia and especially Turkey, where production increased by 5 times.

BFP's used vehicle financing is now concentrated in four countries: France, Germany, United Kingdom and Spain, the latter market representing the strongest growth of Western Europe (+22.5%).

1.3.2.2 Corporate Dealer Financing

Outstanding corporate dealer loans increased by 14.8% under IFRS 8, and was €6,764 million at the end of June 2015.

BPF financed dealers for a total of 853,973 vehicles as of the end of June 2015, representing a 1.9% increase in financing compared to June 2014, reflecting in particular a favorable change in the mix and effects of the policy of upmarket positioning.

The following table sets forth the new corporate dealer financing activity for June 2014 and 2015.

NEW CORPORATE DEALERS FINANCING

				of which scope of cooperation[1]		
	June 30, 2015	**June 30, 2014**	**% change**	**June 30, 2015**	**June 30, 2014**	**% change**
Number of vehicles	**853,973**	**881,877**	**-3.2**	**828,826**	**836,755**	**-0.9**
Amount *(in million euros)*	**18,644**	**18,295**	**+1.9**	**18,104**	**17,401**	**+4.0**
of which vehicles	16,992	16,650	+2.1	16,519	15,843	+4,3
of which spare parts and other	1,652	1,645	+0.4	1,585	1,558	+1.7

[1] - Countries included in the Partnership with SCF (included Retail portfolio of Italy and Spain) as well as the forthcoming partnership in Brazil.

OUTSTANDING CORPORATE DEALER LOANS

(in million euros)	*IFRS 5*			*IFRS 8*		
	June 30, 2015	**Dec. 31, 2014**	**% change**	**June 30, 2015**	**Dec. 31, 2014**	**% change**
Vehicles	156	310	-49.7	5,108	4,290	+19.1
Spare parts and other	17	117	-85.5	1,656	1,601	+3.4
Total	**173**	**427**	**-59.5**	**6,764**	**5,891**	**+14.8**

Geographically, the change in the number of vehicles financed on a corporate dealer basis highlights the net recovery of France and Western Europe in the first half of 2015.

1.3.2.3 Financing in China

While the Chinese market seems to be witnessing a slowdown in the middle of 2015, following years of strong growth, BPF pursued its strong growth during the first half, through its DPCAFC joint venture with total loans of €1,948 million at the end of June 2015 as compared to €1,534 million at the end of December 2014, i.e. an increase of 27% in six months.

This is not reflected in the figures relating to the Bank's consolidated end-user loans and receivables, because the Chinese subsidiary is accounted for by the equity method.

The new vehicle retail loan penetration reached 16.2% in 2014 highlighting the increasing use of car loans by Chinese end-users and the attractiveness of financing campaigns organized by DPCA. The penetration of dealer loans is also growing,

In order to strengthen the synergies between the car manufacturer DPCA and its captive vehicle financing, BPF and DPCA agreed in March 2015 to a transfer of shares, under the terms of which DPCA now holds 50% of the shares of DPCAFC, BP holds 25% and the DongFeng Group holds 25%. The management of the JV will be assumed jointly by the three partners.

The following table sets forth information relating to our subsidiary's financing in China.

Financing in China

	June 30, 2015	June 30, 2014	% change
End-users *loans (including leases)*			
Number of vehicles financed *(new and used)*	61,582	49,916	+23.4
Amount of financing agreed *(in million euros, excluding accrued interests)*	535	374	+43.0
Corporate dealer loans			
Number of vehicles financed	199,516	181,045	+10.2
Amount of financing agreed *(in million euros, including replacement parts)*	3,261	2,407	+35.5

Outstanding *loans (in million euros)*	June 30, 2015	Dec. 31, 2014	% change
End-users loans (including leases)	1,139	913	+24.8
Corporate dealer loans	809	621	+30.3
Total loans	**1,948**	**1,534**	**+27.0**

As part of PSA and BPF's expansion in China, BPF is continuing to assist CAPSA (50/50 joint venture between Chang'An and PSA) with a view to helping to develop and finance a dealership network as well as offering loans and services to CAPSA's customer thanks to the financial support via local banks.

A partnership agreement between Banque PSA Finance, CAPSA, the Alibaba group, and the leasing company GCFL was signed on June 6, 2015 aimed at allowing DS to become the first luxury vehicle brand to be offered in China with online financing.

1.3.2.4 Insurance and Services

At the end of June 2015, the insurance and services margin (excluding net cost of refinancing) stood at €26 million per IFRS 5 and €79 million per IFRS 8, compared to €83 million per IFRS 8 as of June 30, 2014. This margin is made up of commissions on insurance product sales and renewals as well as PSA Insurance underwriting profits.

- The margin on insurance services ("Make" products) contributed €54 million per IFRS 8 during the first half of 2015, down from €59 million in during the first half of 2014. From the income at the end of June 2015, it was decided to allocate €3 million to provision risk related to a market dispute concerning the special tax rate on insurance contracts applicable to policies covering financial losses on lease and installment contracts.
- Earned premiums before adjustment (TCA) were €77 million, up €2 million compared to end of June 2014, while the cost of claims and other changes in liabilities related to insurance activities represented an expense of €20 million at the end of June 2015 compared to €17 million at the end of June 2014.

The margin on sales of other insurance products and services ("Buy" products) stood at €10 million euro per IFRS 5 and €25 million per IFRS 8 at the end of June 2015, an increase of €1 million compared to €24 million per IFRS 8 at the end of June 2014.

Restated for the TCA adjustment, the total margin on insurance products and services was almost stable (€82 million at the end of June 2015 compared to €83 million at the end of June 2014).

Net banking revenue on services

	IFRS 5			*IFRS 8*		
(in million euros)	June 30, 2015	June 30, 2014 Proforma	% change	June 30, 2015	June 30, 2014	% change
Margin on sales of Insurance services[1]	16	58	-72.4	54	59	-8.5
Margin on sales of services	10	9	+11.1	25	24	+4.2
Total[2]	**26**	**67**	**-61.2**	**79**	**83**	**-4.8**

[1] - After elimination of intra-segment transactions, which are primarily commissions paid by PSA Insurance to other Group entities (see Note 17.3.1 of the consolidated financial statements for IFRS 5 part).
[2] - Excluding refinancing cost (see Note 27.2 consolidated financial statements for IFRS8 part).

1.3.2.5 Retail savings market

BPF's intent to inform actors proposing one of the most attractive offers in the market, by adapting products and prices, showed its efficacy in three countries, where the savings business had been launched.

France, which retail savings activity was transferred from BPF to the joint venture SOFIB at the beginning of the year, was characterized by a strong inclination of retaining customers, mainly due its success with Term deposit accounts and its "Real Economy" positioning. Indeed, and despite an end to the promotional campaigns in August 2014, outstanding loans as of June 30, 2015 were slightly higher than those of December 31, 2014 (€1,075 million, including €184 million from Term deposit accounts in 2014, versus €952 million at end 2014).

Following a slow start, Belgium demonstrated strong potential for savings online, with strong growth in the activity during the first half of 2015. Outstanding debts represent €368 million at the end of June 2015 compared with €48 million at the end of 2014.

As for Germany, the very fast roll-out witnessed at the end of 2014 continued during the first half of 2015, with outstanding debts surpassing €1,444 million at the end of June 2015 (compared with €1,074 million at the end of 2014). Term deposit accounts represented €148 million of outstanding debt at the end of June 2015. Still, the German market is characterized by strong client volatility and a more significant "rate" elasticity than in other markets in which BPF offers its online savings accounts.

The outlook for 2015 is directly related to the agreements with our partner SCF, and now relies on a solid base in the three countries, which calls for implementing innovative marketing techniques and setting up an effective and powerful organization.

SAVINGS BUSINESS

	IFRS 5			*IFRS 8*		
	June 30, 2015	**Dec. 31, 2014**	**% change**	**June 30, 2015**	**Dec. 31, 2014**	**% change**
Outstanding *(in million euros)*	**1,812**	**2,074**	-12.6	**2,887**	**2,074**	+39.2
of which France	-	952	-100.0	1,075	952	+12.9
of which Germany	1,444	1,074	+34.5	1,444	1,074	+34.5
of which Belgium	368	48	+666.7	368	48	+666.7

				***of which scope of cooperation*[1]**		
	June 30, 2015	**Dec. 31, 2014**	**% change**	**June 30, 2015**	**Dec. 31, 2014**	**% change**
Number of active contracts	94,589	69,079	+36.9	94,589	69,079	+36.9
Average loan by contract *(in thousand euros)*	30	30	+0.0	30	30	+0.0

[1] - Countries included in the Partnership with SCF (included Retail portfolio of Italy and Spain) as well as the forthcoming partnership in Brazil.

1.3.3 Results of operations

NET INCOME FOR THE YEAR

(in million euros)	IFRS 5 June 30, 2015	IFRS 5 June 30, 2014 Proforma	IFRS 5 % change	IFRS 8[1] June 30, 2015	IFRS 8[1] June 30, 2014	IFRS 8[1] % change
Net banking revenue	57	105	- 45.7	534	426	+ 25.4
General operating expenses and equivalent[2]	-37	-27	+ 37.0	-213	-201	+ 6.0
Cost of risk	-1	-6	- 83.3	-27	-53	- 49.1
Operating income	**19**	**72**	**- 73.6**	**294**	**172**	**+ 70.9**
Share in net income of associates and joint ventures accounted for using the equity method[3]	59	5	+ 1080.0	7	5	+ 40.0
Other Non operating income[4]	-120	-232	- 48.3	-15	-2	+ 650.0
Pre-tax net income	**-42**	**-155**	**-72.9**	**286**	**175**	**+63.4**
Income taxes	29	41	- 29.3	-87	-72	+ 23.6
Net income from continuing operations	**-13**	**-114**	**- 88.6**	**199**	**103**	**+93.2**
Profit/(loss) of operations to be taken over by partnership	**141**	**217**	**-35.0**	**0**	**0**	
Net income for the year	**128**	**103**	**+ 24.3**	**199**	**103**	**+ 93.2**

[1] - The items on the transition from IFRS 8 to IFRS 5 format can be found in Note 27 of the consolidated financial statements.
[2] - Including depreciation, amortization and impairment of intangible and tangible assets, and gains and losses on disposals of fixed assets.
[3] - Joint venture in China, France and United Kingdom in IFRS5 at June 30, 2015. Only Joint venture in China in IFRS8.
[4] - Including costs of the non-transferred liabilities of operations to be taken over by partnership in IFRS 5.

1.3.3.1 Net banking revenue

The net banking revenue per IFRS 5 stood at €57 million as of June 30, 2015 compared to €105 million at June 30, 2014. This €48 million decrease is linked to accounting treatments, as insurance “make products are no longer eliminated. The net banking revenue per IFRS 8 increased by 25.4% to €534 million as of June 30, 2015, up from €426 million as of June 30, 2014. This increase resulted from better refinancing terms of the two joint ventures in France and United Kingdom.

1.3.3.2 General Operating Expenses

The general operating expenses and equivalent stood at €37 million as of June 30, 2015 per IFRS 5 versus €27 million at June 30, 2014. This €10 million increase is explained by the cooperation project costs paid by BPF S.A. They stood at €213 million at June 30, 2015 compared to €201 million as of June 30, 2015 per IFRS 8. This increase is the result of various unfavorable effects including the strengthening of the joint ventures France and United Kingdom (in particular, creation of treasury functions), the increase in costs related to the cooperation project with SCF (in particular outside fees) as well as a tax increase linked to the activity. Such unfavorable effects were partially compensated by gain on IT.

1.3.3.3 Cost of risk

As of June 30, 2015, the cost of risk stood at €1 million per IFRS 5 and €27 million per IFRS 8, or 0.25% of the average net outstanding loans, compared to €6 million per IFRS 5 and in €53 million per IFRS 8 as of June 30, 2014, or 0.50% of the average net outstanding loans.

The cost of risk for BPF retail exposure (individuals and small- and medium-sized businesses) stood at €24 million as of June 30, 2015 per IFRS 8 (0.34% of the average net outstanding retail loans). This figure, which is a significant improvement compared to 2014 (€47 million per IFRS 8 in the first half of 2014, or 0.67% of the average net outstanding retail loans), reflects the Bank's continuous improvement in terms of risk started during previous years.

This improvement includes almost all the BPF subsidiaries that continue to benefit from the favorable effect of all the risk control measures offered since the beginning of the financial crisis starting in 2008 and continued since then. This improvement in the quality of the portfolios of the BPF subsidiaries is reflected in the net decrease in default rates as well as the reduced losses in the majority of the BPF countries.

1.3.3.4 Operating Income

The operating income stood at €19 million per IFRS 5 and €294 million per IFRS 8, up by 70.9% compared to €172 million per IFRS 8 as of June 30, 2014. This increase is largely the result of the increase in net banking revenue and the decrease in cost of risk.

1.3.3.5 Consolidated Net Income

The consolidated net income stood at €128 million per IFRS 5. The consolidated net income stood at €199 million per IFRS 8 at the end of June 2015 compared with €103 million at the end of June 2014. The increase in net revenue per IFRS 8 is partially explained by the positive change in operating income and by the writedown of deferred taxes recorded during the first half of 2014 and not carried forward in the first half of 2015.

The effective corporate tax rate decreased to 28.4% of taxable earnings per IFRS 8 at June 30, 2015, excluding the writedown of deferred taxes, as compared to 28.8% at the end of June 2014.

Per IFRS 5, the share in net income of equity associates and joint ventures increased from €5 million as of June 30, 2014 to €59 million as of June 30, 2015 as a result of accounting for the France and United Kingdom joint ventures using the equity method.

1.4 Financial Situation

1.4.1 Assets

1.4.1.1 General

The assets as of June 30, 2015 amount to a total of €12,718 million per IFRS 5. The assets as of June 30, 2015 were €25,542 million per IFRS 8, an increase of 1.6%, principally related to the increase in loans and advances to clients (+€1.2 billion) offset by the decrease in loans and advances to credit institutions (-€578 million).

1.4.1.2 Outstanding Loans

The outstanding loans (including installment and lease contracts) stood at €706 million per IFRS 5, and €22,208 million per IFRS 8, down 5.6% compared to end 2014. End-user loans were up 2.1% per IFRS 8 and Corporate dealer financing increased by 14.8%. The following table presents outstanding loans by customer segment as of the end of 2015 and 2014.

BY TYPE OF LOAN

(in million euros)	*IFRS 5*			*IFRS 8*[1]		
	June 30, 2015	**Dec. 31, 2014**	**% change**	**June 30, 2015**	**Dec. 31, 2014**	**% change**
Corporate dealers	173	427	-59.5	6,764	5,891	+14.8
End-user	533	3,612	-85.2	15,444	15,130	+2.1
of which Retail	498	3,497	-85.8	13,894	13,636	+1.9
of which Corporate and equivalent	35	115	-69.6	1,550	1,494	+3,7
Total Customer Loans and Receivables	**706**	**4,039**	**-82.5**	**22,208**	**21,021**	**+5.6**

[1]The items on the transition from IFRS 8 to IFRS 5 format can be found in Note 27 of the consolidated financial statements.

The following table shows the geographic distribution of outstanding loans:

OUTSTANDING LOANS BY REGION

IFRS 5

(in million euros)	**June 30, 2015**			**December 31, 2014**		
	Corporate dealers	End user	Total	Corporate dealers	End user	Total
France[1]		-2	-2		70	70
Western Europe (excluding France)	1	65	66	83	2,457	2,540
Central and Eastern Europe	129	206	335	119	200	319
Latin America	18	194	212	190	808	998
Rest of the world	25	70	95	35	77	112
Total	**173**	**533**	**706**	**427**	**3,612**	**4,039**

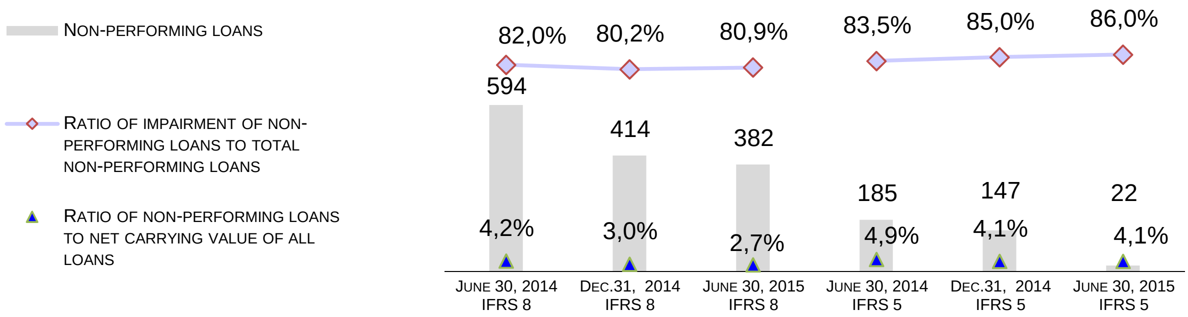
[1] - The negative loans per IFRS 5 are related to a netting accounting entry with PSA International entity current accounts.

IFRS 8

(in million euros)	**June 30, 2015**			**December 31, 2014**		
	Corporate dealers	End user	Total	Corporate dealers	End user	Total
France	2,697	5,682	8,379	2,437	5,635	8,072
Western Europe (excluding France)	3,633	8,693	12,326	3,041	8,277	11,318
Central and Eastern Europe	232	326	558	188	333	521
Latin America	177	673	850	190	808	998
Rest of the world	25	70	95	35	77	112
Total	**6,764**	**15,444**	**22,208**	**5,891**	**15,130**	**21,021**

1.4.2 Provisions for Non-performing loans

RETAIL NON-PERFORMING LOANS (IN MILLION EUROS, EXCEPT PERCENTAGES)



The improvement in risk for the Bank is reflected by a decline in the non-performing loans which is explained by a new reduction of entries (13% reduction on an annual basis) as compared with 2014 while the capital credit losses remain supported by the volumes entered during preceding years.

The impairment provisions for non-performing loans increased slightly with respect to the end of 2014 due to the Bank's prudent provisioning policy.

1.4.3 Refinancing

Our strong capital base, coupled with a quality asset portfolio, provide us with a strong foundation for obtaining financing.

Accordingly, our financing strategy is to diversify liquidity sources as broadly as possible, matching the maturities of assets and liabilities, and hedging exposure to currency and interest rate risk.

During the first half of 2015, BPF made use of various sources of financing: deposits (retail savings account, Term deposits in France, Germany and Belgium), bonds, securitizations, as well as syndicated credit facilities and revolving bilaterals. As a regulated credit institution, we also have access to sources of liquidity such as the European Central Bank ("ECB").

As part of its financing policy, the Bank can seize market opportunities to refinance in advance and thus optimize its financing structure. It uses this capacity to borrow on bank and capital markets in euros or foreign currencies to finance its activity.

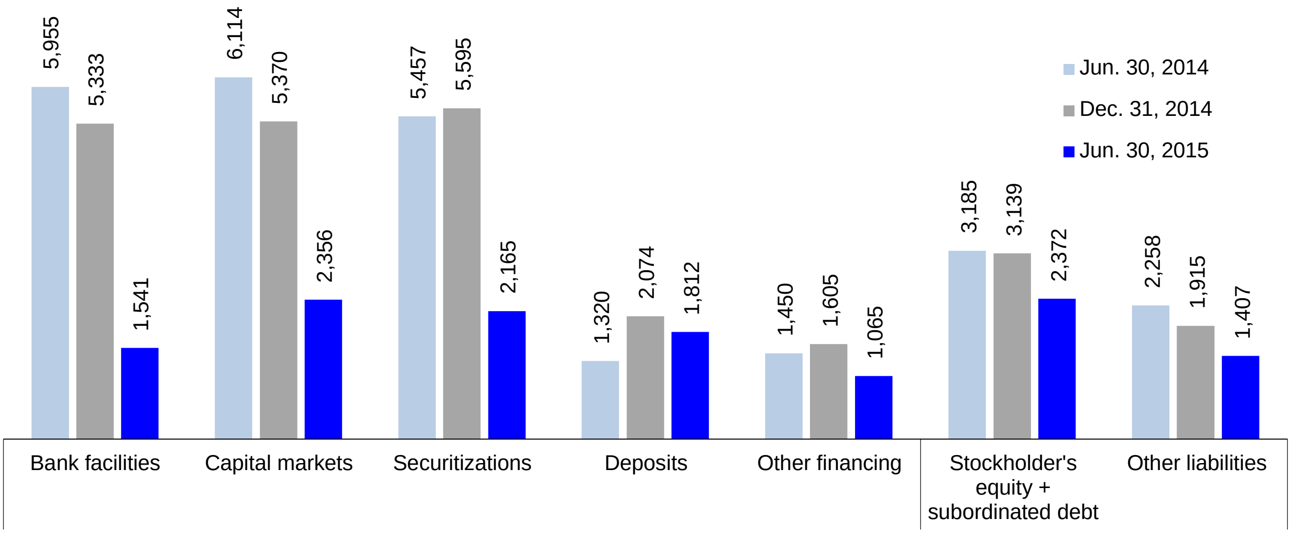
Furthermore, BPF possesses solid financial security which is based on a reserve of liquidity, undrawn revolving bilateral lines, syndicated backup lines, a guarantee of the French State for its bond issues and collateral available at the European Central Bank (see Note 20.3 to the consolidated financial statements).

At June 30, 2015, 17% of the financing was provided by bank facilities, 27% by the capital markets, 24% by securitization transactions, 12% by "others" financing (including 4% from public origin such as the ECB), and 20% by the savings business. At December 31, 2014, these sources provided 27%, 27%, 28%, 8% (7% of public origin) and 10% of the Bank's financing, respectively.

The following chart breaks down the Bank's financing by source at June 30, 2014, December 31, 2014 and June 30, 2015.

Sources of Financing *((in million euros)*

(EXCLUDING NON-DRAWN CONFIRMED BANK CREDIT LINES)



The first joint ventures between BPF and SCF launched their operations in February 2015 in France and the United Kingdom. These launches also allowed BPF to announce that it would no longer use the French State guarantee for new bond issues. The French State guarantee, voted for on December 29, 2012 by the French Parliament and approved by the European Commission on July 29, 2013, was granted for a maximum amount of principal of €7 billion. It is secured by the loans issued by Banque PSA Finance between January 1, 2013 and, according to that which was originally planned, December 31, 2016.

This French State guarantee amounting to €1,500 million was used via two bond issues: €1,200 million in April 2013 and €300 million in July 2014. These two bond issues were the subject of a debt repurchase in March 2015 of which the notional residuals were €257 million and €13 million, respectively. These two bond issues will continue to benefit from the guarantee by the French State until their maturity.

The Bank's outstanding short- and medium-term capital market financing stood at €2,356 million at June 30, 2015, compared with €5,370 million at December 31, 2014.

On February 5, 2015, BPF announced a new five-year syndicated loan for €700 million. The same day, BPF repaid and canceled the syndicated loan of €4.1 billion signed January 11, 2013, the revolving credit of €1.2 billion signed January 11, 2013, and the syndicated loan with an initial amount of €2 billion signed on December 13, 2011. These transactions took place within the framework of the launch of the SCF-BPF partnership in France and the United Kingdom, leading to a strong reduction in the financing needs of BPF and the associated financial securities.

The Bank had €1,541 million in outstanding bank loans at June 30, 2015 versus €5,333 million at December 31, 2014.

Moreover, the outstanding amount of loan securitizations (including the Brazilian FIDC) increased from €5,595 million at December 31, 2014 to €2,165 million at June 30, 2015 for the scope excluding the joint ventures in France and the United Kingdom. All of our securitization transactions are fully consolidated and carried on balance sheet. Total receivables sold to securitization vehicles were €3,262 million at June 30, 2015 and €8,890 million at December 31, 2014 (see Note 8.3 of the consolidated financial statements).

In February 2015, BPF placed in the secondary market the securitization operation "Auto ABS 2012-3 FTA" initially held by BPF for a total of €668 million in senior tranches with a fixed rate of 0.60% per year.

In addition, structured financing with the ECB represented €400 million at June 30, 2015 (see Note 13 of the consolidated financial statements). This source of financing was used by BPF for an amount of €1,300 million at December 31, 2014. This decrease is linked to the start of French and United Kingdom joint venture, refinancing need being therefore lower. The total amount of the assets deposited as collateral with the ECB amounted to €594 million at June 30, 2015, of which €195 million of customer receivables, compared with €2,009 million at December 31, 2014, of which €749 million of customer receivables (see Note 20.1 of the consolidated financial statements).

1.4.4 Security of liquidity

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

At June 30, 2015, financing with an original maturity of 12 months or more represented 55% of the total (versus 75% at December 31, 2014), in accordance with the methods defined in 2013, providing continued solid coverage of potential liquidity risk.

Financing is arranged with maturities that comfortably cover the maturities of the retail financing portfolio.

BPF constantly seeks to maintain a certain level of liquidity on its balance sheet, as well as bilateral revolving and syndicated backup lines in order to cover at least six months of financing requirements. The 6-month target corresponds to the results of a stress test assuming continued financing of projected new lending without recourse to the financial markets. At June 30, 2015, the liquidity reserve (available liquid investments) represented €2,584 million (see Note 20.3 of the consolidated financial statements).

As of June 30, 2015, BPF holds undrawn committed credit facilities of €2,077 million, including €700 million in syndicated backup lines (see Note 20.2 of the consolidated financial statements).

As of June 30, 2015, the syndicated loan is due in February 2020. It was concluded with a group of banks comprised of leading banking institutions. This backup credit line had not been drawn upon at June 30, 2015.

The credit facilities do not have any covenants or restrictions that exceed market practices, with the following notable three exceptions which can lead to cancellation of the credit facilities:

- the loss of direct or indirect control by PSA of the majority of BPF shares;
- the loss by BPF of its status as a bank;
- the failure to have maintained a minimum 11% ratio of Common Equity Tier One equity.

At June 30, 2015, BPF has customer commitments in the amount of €342 million compared with €1,258 million at December 31, 2014. In addition, the amount of guarantee commitments given in favor of customers is €12 million versus €66 million as of December 31, 2014 (see Note 20.1 to the consolidated financial statements)

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1.4.5 Credit Ratings

BPF's credit rating is related to that of Peugeot S.A., its business level and the bank's financial structure.

It should be noted that the partnership with Santander could modify BPF's credit rating in 2015 based mainly on the results of the joint ventures not consolidated by BPF, and on the results of its capitalization policy. When the implementation of the joint ventures in France and the United Kingdom were announced, BPF also announced that it would no longer use the guarantee by the French government for its bond issues. During the first half of 2015:

- Standard & Poor's changed its long-term credit rating of Peugeot S.A. to BB- on April 22, 2015 and consequently changed the rating of BPF to BB+ on April 28, 2015.
- Moody’s Investors Service changed the long-term credit rating of Peugeot S.A. to Ba3 on February 19, 2015, and the long-term credit rating of BPF to Baa3 on February 27, 2015. The short-term credit rating of Peugeot S.A. remains unchanged (NP) and that of BPF was changed to P-3 on February 27, 2015.

Any revision in these credit ratings is likely to affect the capacity to obtain short, medium and long term financing.

1.4.6 Capital and Capital Requirements

On April 6, 2009, the French banking supervisor, Autorité de Contrôle Prudentiel or ACP (formerly called the Commission Bancaire and now named "ACPR" or Autorité de Contrôle Prudentiel et de Résolution) authorized BPF to use the internal rating based "advanced" approaches (IRBA) to calculate the minimum capital requirement for the retail portfolio and the internal rating based "foundation" approaches (IRBF) for the corporate portfolio. This measure took effect on January 1, 2009 in France, Germany, United Kingdom, Spain and Portugal. In 2010, the IRBF and IRBA approaches were also authorized for Italy, and in 2011 for Belgium and the Netherlands.

Following the establishment of English and French joint ventures with SCF, their capital requirements continued to be calculated using the IRB method as of March 31, 2015. At the end of June 2015, the IRB method was maintained for the joint venture in France and the standard method was used for the joint venture in the United Kingdom. A confirmation process of the homologations obtained is underway, proceeding in parallel for each joint venture under the separate guidance of the ECB for the joint venture in France and by the PRA for the joint venture in the United Kingdom.

In this context, Regulation 575/2013/EU and Directive 2013/36/EU of the European Parliament and the Council introduced a new banking legislative package since January 1, 2014 for banks of EU countries, called "CRD4 package".

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

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

BPF's consolidated regulatory capital is now calculated according to this new regulation. Therefore, the negative difference between the recognized impairment and expected impairment losses (calculated using statistical methods) is deducted from the Core Tier One Capital. When this difference is positive, it is added to the tier two capital within the limit of 0.6% of the weighted exposures obtained using the internal rating based approaches (IRBA and IRBF).

As part of the application of this new regulation Basel III, BPF confirms a strong financial position. At March 31, 2015, the Basel III CRD4 capital ratio in respect of Pillar I thereby amounted to 15.14%, compared with 13.51% as of December 31, 2014 because of the RWA exit of the French and United Kingdom joint ventures. The Basel III Tier 1 capital amounted to €1,451 million, taking into account the deduction of the difference between recognized impairment and expected actual losses on the IRB scope (-€109 million), and the minimum capital requirement stood at €767 million.

Since the consolidated prudential capital of the bank consists exclusively of Core Tier 1 Capital, the changes in the definition of "Core Tier 1" Equity resulting from the implementation of the aforementioned "CRD4 package" did not have any significant impact on the solvency ratio.

Operational risk is measured using the standard approach, and the minimum capital requirement is calculated by applying a 12% ratio to the retail net banking revenue and 15% ratio to the non-retail net banking revenue. The exchange rate risk corresponding to charges at the branches and subsidiaries which do not benefit from an exemption on the part of the ACPR is zero.

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

The rate increase, between December 31, 2014 and March 31, 2015 is explained by the decrease in regulatory capital more than offset by a decline in the risk-weighted assets (RWA) of the denominator. The decrease in RWA (-€8,451 million) is primarily explained by the equity method, in the BPF consolidated financial statements, of the French and United Kingdom entities following the creation of joint ventures with SCF in these countries. The assets of these entities are therefore no longer included in the RWA calculations. The decrease in regulatory capital (-€985 million) is explained primarily by three factors:

- the dividend payment by BPF of €918 million to its shareholder, PSA Peugeot Citroën Group (effect on regulatory capital -€533 million associated with the distribution on BPF reserves, made possible after the transfer of the French and U.K. entities due to the extinction of the risk linked to the loans);
- a decrease in the recordable depreciation/expected losses in IRB scope associated with the equity method of accounting of the French and United Kingdom entities (impact on regulatory capital of +€99 million);
- increase in the investments in equity affiliates or non-consolidated entities (impact on regulatory capital of -€581 million). It should be noted that at end March 2015, in prudential standards, BPF held investments in the amount of €784 million in non-consolidated or equity affiliate (insurance entities, Chinese subsidiary and joint ventures in France and the United Kingdom with SCF). A share of these investments equal to 10% of the regulatory capital can be included in the RWA calculation; the remaining share (€581 million) coming from a deduction from regulatory capital.

CAPITAL REQUIREMENTS

(in million euros)	6 countries IRB Mar. 31, 2015[1]	8 countries IRB Dec. 31, 2014
Credit risk		
Standard approach	348	435
including capital requirements associated with investment in non-consolidated or equity affiliates	41	35
Foundation internal ratings-based approach (IRBF)	165	457
Advanced internal ratings-based approach (IRBA)	180	416
Subtotal	**693**	**1 308**
Operational risk - Capital Requirement (standard approach)	74	135
Currency risk - Capital Requirement (structural currency position)	0	0
Total Capital Requirement "Basel" (A)	**767**	**1 443**
Total Risk Weighted Assets (A)/0,08=(B)	9 586	18 037
Total regulatory capital "Basel" (C)	**1 451**	**2 436**
Of which expected impairment loss vs. IFRS accounting impairment	**-109**	**-207**
including deduction of investment in non-consolidated or equity affiliates (share not included in the calculation of capital requirements)	**-581**	**0**
Capital adequacy ratio "Basel" : (C)/(B)	**15,14%**	**13,51%**

[1] - In March 2015, Countries included in the IRB perimeter are now 6, beacuse of the use of Equity Method for French and United Kingdom entities following the set-up of Joint companies withh SCF in those countries.

All the data used to model and calculate credit risk is extracted from our management accounting systems. The latter, over the eight markets covered by the internal rating based approach in place at the end of March 2015 (including 6 countries under the IRB in the calculation or regulatory capital due to the equity method of the French and United Kingdom entities), feed into the common risk databases: CRB (Central Risk Base for retail) and BUIC (Corporate base) that are used to homogeneously track all the risk parameters applicable to BPF.

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

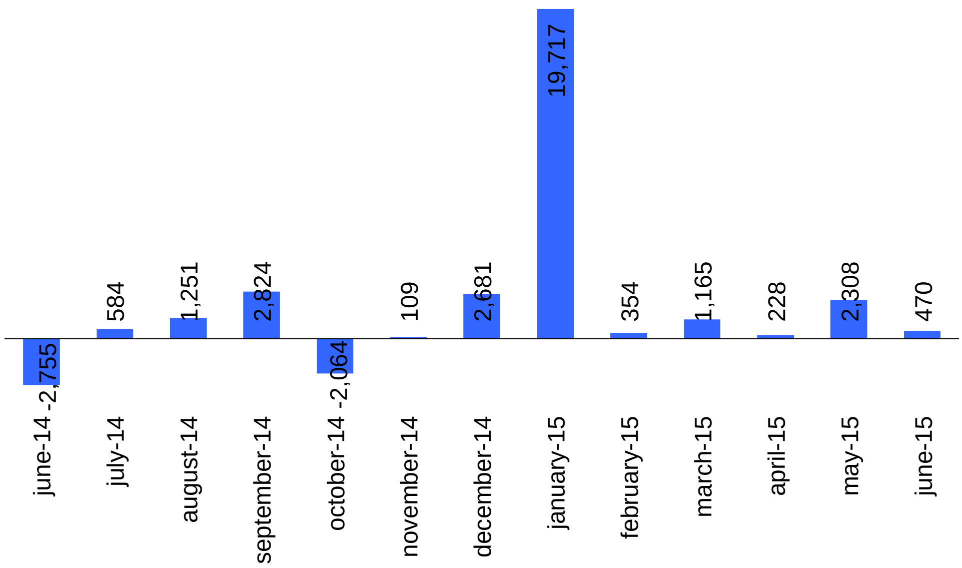
1.5 Risk factors and risk management

The main risk factors to which BPF may be exposed, as well as the methods used to assess, control and monitor risks, are presented in the 2014 Annual Report (Section 1.6 Risk Factors and Risk Management) and include:

- Business Risk
- Credit risk on the retail and corporate portfolios;
- Financial risks and market risk, with financial risks comprising liquidity risk, the interest rate risk on the loan portfolio, counterparty risk and currency risk;
- Risks related to securitization operations;
- Concentration risk is approached under three angles: Individual concentration of the credit portfolio, sector concentration related to corporate fleet and non-corporate fleet business customers, and concentration of bank refinancing granted to BPF;
- Operational, non-compliance and reputational risks;
- Specific risks related to the insurance business and services;
- Correlation between BPF and its shareholder.

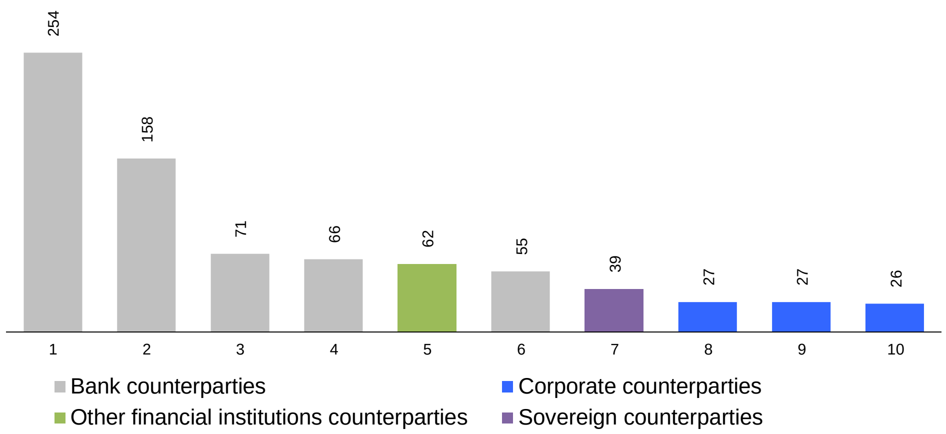
The risk factors and the ways in which they are managed are the same as those described for fiscal year 2014.

SENSITIVITY TO A 1-POINT INCREASE IN INTEREST RATES *(in thousands euros)*



January situation is linked to the preparation of the launching of French and United Kingdom Joint Ventures

TOP TEN RISK-WEIGHTED EXPOSURES TO CREDIT RISK AT JUNE 30, 2015
(in million euros, excluding financing extended to PSA Peugeot Citroën Group entities)



1.6 Internal control

In line with the order dated November 3, 2014 on internal control levels of banking sector business, payment and investment services, overseen by the French banking regulatory authority, the Autorité de Contrôle Prudentiel et de Résolution, the internal control measures implemented by BPF are organized around the functions of recurring and periodic controls, and the first tier controls are performed by the operating units.

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

1.6.1 Recurring controls

1.6.1.1 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 they are performed by dedicated employees within the operating units. The first-tier controls are supervised by the units responsible for second-tier controls.

1.6.1.2 Second-tier Controls

Second-tier controls include compliance controls and controls over operational risks within the finance companies, insurance companies and corporate units, including those arising from refinancing and cash management services performed by the PSA Peugeot Citroën Group on behalf of BPF. Responsibility for second-tier controls is therefore divided among three units:

- Compliance Control;
- Operational Risk Control of Finance Companies and central structures;
- Operational risk in accounting, IT, refinancing and cash management.

1.6.2 Periodic Controls

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

They are performed by the internal auditors, based on an Internal Audit plan that provides for all of our units and processes (including those that are outsourced) to be audited at least once every three years.

1.6.3 Oversight by Executive Management and the Board

The internal periodic controls are handled by executive management: the Board of Directors (particularly through the work of the Audit and Risk Committee) and of BPF's management, in general by holding dedicated meetings.

2

CONSOLIDATED STATEMENTS - JUNE 30, 2015

2.1 Consolidated Balance Sheet

(in million euros)	June 30, 2015	Dec. 31, 2014
Assets		
Cash, central banks, post office banks (Note 4)	7	308
Financial assets at fair value through profit or loss (Note 5)	404	455
Hedging instruments (Note 6)	17	58
Available-for-sale financial assets	20	14
Loans and advances to credit institutions (Note 7)	191	1,070
Customer loans and receivables (Notes 8, 25 and 27)	706	4,039
Fair value adjustments to finance receivables portfolios hedged against interest rate risks (Note 18.3)	17	39
Held-to-maturity investments	-	-
Current tax assets (Note 26.1)	4	9
Deferred tax assets (Note 26.1)	31	83
Accruals and other assets (Note 9)	140	254
Investments in associates and joint ventures accounted for using the equity method (Note 10)	743	104
Property and equipment	1	5
Intangible assets	65	63
Goodwill	1	1
Total assets of continuing operations	**2,347**	**6,502**
Total assets of operations to be taken over by partnership	**10,371**	**18,529**
Total assets (Note 27)	**12,718**	**25,031**

(in million euros)	June 30, 2015	Dec. 31, 2014
Equity and liabilities		
Central banks, post office banks	-	-
Financial liabilities at fair value through profit or loss (Note 11)	1	4
Hedging instruments (Note 12)	15	54
Deposits from credit institutions (Notes 13 and 27)	1,341	6,353
- *of which debts of continuing operations*	*269*	*930*
- *of which non-transferred debts of operations to be taken over by partnership*	*1,072*	*5,423*
Due to customers (Note 14)	672	420
- *of which debts of continuing operations*	*12*	*420*
- *of which non-transferred debts of operations to be taken over by partnership*	*660*	-
Debt securities (Notes 15 and 27)	2,261	6,135
- *of which debts of continuing operations*	*19*	*2,881*
- *of which non-transferred debts of operations to be taken over by partnership*	*2,242*	*3,254*
Fair value adjustments to debt portfolios hedged against interest rate risks (Note 18.3)	42	71
Current tax liabilities (Note 26.1)	13	8
Deferred tax liabilities (Note 26.1)	13	24
Accruals and other liabilities (Note 16)	473	215
Liabilities related to insurance contracts (Note 17.1)	74	67
Provisions	29	33
Subordinated debt	-	-
Total liabilities of continuing operations	**4,934**	**13,384**
Total transferred liabilities of operations to be taken over by partnership	**5,412**	**8,508**
Equity	2,372	3,139
- Equity attributable to equity holders of the parent	2,335	3,101
- Share capital and other reserves	835	835
- Consolidated reserves	1,693	2,474
- *Of which Net income - equity holders of the parent*	*122*	*87*
- Income and expenses recognized directly in Equity	(193)	(208)
- Minority interests	37	38
Total equity and liabilities (Note 27)	**12,718**	**25,031**

2.2 Consolidated Statement of Income

(in million euros)	June 30, 2015	June 30, 2014 proforma	Dec. 31, 2014 proforma
Net interest revenue on customer transactions (Note 27.2)	**51**	**57**	**105**
- Interest and other revenue on assets at amortized cost (Notes 21 and 27.3)	57	71	137
- Fair value adjustments to finance receivables hedged against interest rate risks (Note 18.3)	(9)	6	16
- Interest on hedging instruments	(7)	(14)	(26)
- Fair value adjustments to hedging instruments (Note 18.3)	10	(5)	(17)
- Interest expense on customer transactions	(2)	(1)	(2)
- Other revenue and expense	2	-	(3)
Net investment revenue (Note 27.2)	**2**	**1**	**2**
- Interest and dividends on marketable securities	1	-	-
- Fair value adjustments to assets valued using the fair value option (Note 18.4)	(1)	-	1
- Gains and losses on sales of marketable securities	2	1	1
- Investment acquisition costs	-	-	-
Net refinancing cost (Note 27.2)	**(18)**	**(21)**	**(52)**
- Interest and other revenue from loans and advances to credit institutions	3	2	3
- Interest on deposits from credit institutions (Note 22)	(22)	(27)	(63)
- Interest on debt securities (Note 23)	(9)	(19)	(54)
- Interest on passbook savings accounts	-	-	-
- Expenses related to financing commitments received	(17)	(14)	(12)
- Fair value adjustments to financing liabilities hedged against interest rate risks (Note 18.3)	29	13	36
- Interest on hedging instruments	30	48	94
- Fair value adjustments to hedging instruments (Note 18.3)	(26)	(15)	(34)
- Fair value adjustments to financing liabilities valued using the fair value option (Note 18.4)	-	-	-
- Debt issuing costs	(6)	(9)	(22)
Net gains and losses on trading transactions	**(4)**	**1**	**1**
- Interest rate instruments (Note 18.4)	-	1	1
- Currency instruments	(4)	-	-
Net gains and losses on available-for-sale financial assets	**-**	**-**	**-**
Margin on sales of Insurance services (Note 17.3)	**16**	**58**	**92**
- Earned premiums	69	72	121
- Paid claims and change in liabilities related to insurance contracts	(53)	(14)	(29)
Margin on sales of services	**10**	**9**	**19**
- Revenues	10	9	19
- Expenses	-	-	-
Net banking revenue (Notes 27.2 and 27.3)	**57**	**105**	**167**
General operating expenses (Note 24)	**(28)**	**(26)**	**(47)**
- Personnel costs	(5)	(5)	(10)
- Other general operating expenses	(23)	(21)	(37)
Depreciation and amortization of intangible and tangible assets	(9)	-	(10)
Gains and losses on investments in companies and other disposals of fixed assets	-	(1)	-
Gross operating income	**20**	**78**	**110**
Cost of risk (Notes 25, 27.2 and 27.3)	(1)	(6)	(14)
Operating income (Notes 27.2 and 27.3)	**19**	**72**	**96**
Share in net income of associates and joint ventures accounted for using the equity method	59	5	12
Impairment on goodwill	-	-	-
Pension obligation - expense	-		-
Pension obligation - income	-	-	-
Other non-operating items	3	-	(5)
Costs of non-transferred debts of operations to be taken over by partnership	(123)	(232)	(457)
Pre-tax income	**(42)**	**(155)**	**(354)**
Income taxes (Note 26.2)	29	41	58
Net income of continuing operations	**(13)**	**(114)**	**(296)**
- of which attributable to equity holders of the parent	(19)	(120)	(300)
Gross income of operations to be taken over by partnership	201	330	541
Income tax on operations to be taken over by partnership (Note 26.2)	(60)	(113)	(154)
Net income of operations to be taken over by partnership (Note 3.3)	**141**	**217**	**387**
Net income for the year	**128**	**103**	**91**
- of which minority interests	6	6	4
- of which attributable to equity holders of the parent	122	97	87
Net income of continuing operations - attributable to equity holders of the parent - per share (in €)	*(1.7)*	*(10.9)*	*(27.1)*
Net income - Earnings per share (in €)	*11.0*	*8.7*	*7.9*

2.3 Net Income and Income and Expenses Recognized Directly in Equity

(in million euros)	June 30, 2015 Before tax	June 30, 2015 Tax	June 30, 2015 After tax	June 30, 2014 Before tax	June 30, 2014 Tax	June 30, 2014 After tax	Dec. 31, 2014 Before tax	Dec. 31, 2014 Tax	Dec. 31, 2014 After tax
Net income	159	(31)	**128**	175	(72)	**103**	187	(96)	**91**
- of which exchange difference transferred in profit and loss			*(14)*			*-*			*-*
- of which minority interests			*6*			*6*			*4*
Recyclable in profit and loss elements									
Fair value adjustments to hedging instruments (1)(2)	(2)	1	**(1)**	(1)	-	**(1)**	(1)	-	**(1)**
- of which revaluation reversed in net income	*-*	*-*	***-***	*(1)*	*-*	***(1)***	*(1)*	*-*	***(1)***
- of which revaluation directly by equity	*(2)*	*1*	***(1)***	*-*	*-*	***-***	*-*	*-*	***-***
Exchange difference	32	-	**32**	14	-	**14**	(15)	-	**(15)**
- of which operations to be taken over by partnership	*13*	*-*	***13***	*24*	*-*	***24***	*5*	*-*	***5***
Total recyclable in profit and loss elements	30	1	**31**	13	-	**13**	(16)	-	**(16)**
- of which minority interests			*1*			*(4)*			*(2)*
Not recyclable in profit and loss elements									
Actuarial gains and losses on pension obligations	-	-	**-**	1	-	**1**	(6)	2	**(4)**
- of which operations to be taken over by partnership	*-*	*-*	***-***	*1*	*-*	***1***	*(6)*	*2*	***(4)***
Total income and expenses recognized	30	1	**31**	14	-	**14**	(22)	2	**(20)**
- of which minority interests			*1*			*(4)*			*(2)*
Total net income and income and expenses recognized directly in Equity	189	(30)	**159**	189	(72)	**117**	165	(94)	**71**
- of which minority interests			*7*			*2*			*2*
- of which attributable to equity holders of the parent			*152*			*115*			*69*

(1) The amounts recognized in equity as well as the deferred taxes, are recycled in profit and loss when the hedged item has an impact in income statement.

(2) Including a €1.6 million loss due to hedging cross currency swaps' basis spread at June 30, 2015 (€1.5 million loss at December 31, 2014).

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

	Share capital and other reserves (1)				Fair value adjustments - equity holders of the parent					
(in million euros)	Share capital	Issue, share and merger premiums	Legal reserve and other reserves	Consoli-dated reserves	Fair value adjustments to hedging instruments	Actuarial gains and losses on pension obligations	Exchange difference	Equity attributable to equity holders of the parent	Minority interests	Total equity
At December 31, 2013	**177**	**340**	**318**	**2,610**	**-**	**(2)**	**(188)**	**3,255**	**41**	**3,296**
Dividends paid by:										
- Banque PSA Finance				(223)				(223)		(223)
- Other companies				-				-	(5)	(5)
Net Income and Income and Expenses Recognized Directly in Equity				97	(1)	1	18	115	2	117
At June 30, 2014	**177**	**340**	**318**	**2,484**	**(1)**	**(1)**	**(170)**	**3,147**	**38**	**3,185**
Net Income and Income and Expenses Recognized Directly in Equity				(10)	-	(5)	(31)	(46)	-	(46)
At December 31, 2014	**177**	**340**	**318**	**2,474**	**(1)**	**(6)**	**(201)**	**3,101**	**38**	**3,139**
Dividends paid by:										
- Banque PSA Finance				(918)				(918)		(918)
- Other companies								-	(8)	(8)
Net Income and Income and Expenses Recognized Directly in Equity				137	(1)	(2)	18	152	7	159
At June 30, 2015	**177**	**340**	**318**	**1,693**	**(2)**	**(8)**	**(183)**	**2,335**	**37**	**2,372**

Share capital amounts to €177 million, made up of 11,088,000 common shares, all fully paid. There were no changes in capital during the period.

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

2.5 Consolidated Statement of Cash Flows

(in million euros)	June 30, 2015	June 30, 2014 proforma	Dec. 31, 2014 proforma
Income attributable to equity holders of Banque PSA Finance	**(19)**	**(120)**	**(300)**
Restatement of costs of non-transferred debts of operations to be taken over by partnership, after taxes	81	152	300
Elimination of income without cash effect:			
- Minority interests in income of subsidiaries	6	6	4
- Net income of associates accounted for using the equity method, net of dividends received	(59)	(5)	(12)
- Change in depreciation, amortization and other provisions	16	8	56
- Change in deferred taxes	(48)	(70)	(88)
- (Profit)/loss on disposals of assets	(3)	-	-
Funds from operations	**(26)**	**(29)**	**(40)**
Increase/decrease in:			
- loans and advances to credit institutions	7,421	41	17
- deposits from credit institutions	(3,012)	92	199
Change in customer loans and receivables	1,522	53	148
Increase/decrease in:			
- amounts due to customers	(968)	(174)	39
- financial assets at fair value through profit or loss	1,341	(15)	(27)
- financial liabilities at fair value through profit or loss	(14)	-	2
- hedging instruments	(5)	27	10
- debt securities	(276)	(312)	(522)
Change in working capital: assets	170	(8)	(2)
Change in working capital: liabilities	11	1	(21)
Net cash provided by operating activities	**6,164**	**(324)**	**(197)**
Acquisitions of shares in subsidiaries	(9)	-	(9)
Proceeds from disposals of shares in subsidiaries	(10)	-	-
Investments in fixed assets	(11)	(5)	(12)
Proceeds from disposals of fixed assets	-	-	1
Effect of changes in scope of consolidation	-	-	-
Net cash used by investing activities	**(30)**	**(5)**	**(20)**
Dividends paid to PSA Peugeot Citroën Group	(570)	(228)	(228)
Dividends paid to minority interests	-	-	-
Capital increase	-	-	-
Net dividends received from operations to be taken over by partnership	74	92	231
Net cash used by financing activities	**(496)**	**(136)**	**3**
Costs of non-transferred debts of operations to be taken over by partnership, after taxes	(81)	(152)	(300)
Changes in liabilities due to financing of operations to be taken over by partnership	(6,748)	(296)	(855)
Total net cash of financing operations to be taken over by partnership	**(6,829)**	**(448)**	**(1,155)**
Net income of operations to be taken over by partnerships	141	217	388
Change in assets and liabilities of operations to be taken over by partnership	(439)	808	2,010
Net dividends paid by operations to be taken over by partnership	(74)	(92)	(231)
Total net cash from operations to be taken over by partnership	**(372)**	**933**	**2,167**
Effect of changes in exchange rates	-	6	1
Net change in cash and cash equivalents	**(1,563)**	**26**	**799**
Cash and cash equivalents at the beginning of the period	**2,603**	**1,804**	**1,804**
Cash, central banks, post office banks	331	466	466
Marketable securities qualified as cash equivalents	299	200	200
Current account advances and loans and advances at overnight rates	1,332	1,138	1,138
Time accounts qualified as cash equivalents	641	-	-
Cash and cash equivalents at the end of the period	**1,040**	**1,830**	**2,603**
Cash, central banks, post office banks	24	43	331
- of which operations to be taken over by partnership	*17*	*6*	*27*
Marketable securities qualified as cash equivalents	299	14	299
Current account advances and loans and advances at overnight rates	593	1,123	1,332
- of which operations to be taken over by partnership	*553*	*764*	*1,167*
Time accounts qualified as cash equivalents	124	650	641

2.6 Notes to the Consolidated Financial Statements

Notes

Note 1 Main Events of the period and Group Structure

A. Main Events of the period

Partnership between Banque PSA Finance and Santander Consumer Finance

Banque PSA Finance and Santander Consumer Finance ("Santander CF") announced the signing of a binding Framework Agreement on July 10, 2014, which will establish a partnership between the two groups in eleven European countries.

This partnership between Banque PSA Finance and Santander CF, the consumer finance division of Banco Santander, will take the form of ten dedicated local partnerships in Germany, Austria, Belgium, Spain, France, Italy, Netherlands, Poland, United Kingdom, Switzerland and a commercial partnership in Portugal. This transaction will enhance commercial capabilities for PSA Peugeot Citroën's brands enabling them to increase their penetration of the car finance market. It will also create a dynamic and sustainable financing activity for Banque PSA Finance, thanks to competitive offers dedicated to PSA Peugeot Citroën's brands and customers. The perimeter of the partnership will cover 90% of Banque PSA Finance's current activities.

On February 2, 2015, Banque PSA Finance and Santander CF announced that the first two joint ventures received approval from the regulatory authorities to carry out banking activities in France and in the UK. From now on, these companies provide financing for Peugeot, Citroën and DS car dealers and their customers in these two countries. These first two companies represent 58% of the loans covered by the framework agreement.

In May 2015 two new insurance companies owned 50-50 by Banque PSA Finance and Santander CF started, distributing products in France and the United Kingdom. They will also provide distribution of insurance products for other countries in the partnership as and when these roll out.

The launch of activities in the nine other countries should be finalized in 2015 and 2016.

2015 is the year of the additional scope of the partnership with Santander CF:
- on the one hand, the partnership was extended to the Retail activity in Spain and Italy, activity initially not included;
- on the other hand, Banque PSA Finance announced on July 24, 2015 the signing of a framework agreement with Banco Santander Brazil to develop a partnership between the two groups in Brazil. The transaction has been submitted for approval to the Brazilian competition and regulation authorities.

The consequences of the extension of the partnership are described in Note 3, notably:
- new 2014 proforma in Note 3.2;
- effect on Income statement and Balance sheet of extending the scope of the partnership in Note 3.4 (distinction between initial scope and extension of the scope).

The new joint ventures held equally and accounted for using the equity method by Banque PSA Finance will enable Banque PSA Finance to enhance its profitability in these countries and will result in a positive cash impact of up to €1.5 billion for PSA Peugeot Citroën Group by 2018.

The launch of these joint ventures will enhance the financing activities of Banque PSA Finance and thus restore its full ability to access markets.

In accordance with IFRS 5, accounting impacts are described in section I of Note 2 and in Note 3.

€7 billion State guarantee

Under Article 85 of the Amending Finance Act of December 29, 2012, the Minister for the Economy is authorised to provide a State guarantee for a fee for securities issued between January 1, 2013 and December 31, 2016 by Banque PSA Finance in order to enable it to refinance itself. It is a guarantee for a maximum of €7 billion in capital, and does not represent a transfer of funds from the French State to Banque PSA Finance. It is only in the event of Banque PSA Finance defaulting that the Bank's counterparties could ask the State to honour the guarantee.

A guarantee monitoring committee, including representatives of the French State and the Group, monitors the proper operation of the guarantee.

Of this guarantee, a total of €1,500 million was used via two EMTN: €1,200 million issued in April 2013 and €300 million issued in July 2014. In March 2015, €942.9 million of the first issuance and €287 million of the second issuance were repaid. These two issuances will continue to be covered by this guarantee until the repayment of the remaining amount: €257.1 million for the first issuance and €13 million for the second issuance (see Note 15).

After launching the first 50-50 joint ventures between Banque PSA Finance and Santandar Consumer Finance (Santander CF and affiliates) in France and the UK, Banque PSA Finance decided, on February 2, 2015, not to use the French State guarantee for new bond issues.

Other sources of financing

On February 05, 2015, Banque PSA Finance signed a new five year syndicated loan for €700 million. On the same day, Banque PSA Finance repaid and canceled the syndicated term-loan signed in January 11, 2013 for €4,099 million, the revolving credit signed in January 11, 2013 for €1,200 million and the syndicated credit facilities signed in December 13, 2011 for €2,000 million. These operations are part of the starting of the partnership between Banque PSA Finance and Santander CF in France and in the UK, which resulted in a significant reduction in the financing needs of Banque PSA Finance and associated financial guarantees.

In parallel, structured financing with the ECB represented €400 million at June 30, 2015 (see Note 13). Banque PSA Finance used this source of financing for an amount of €1,300 million at December 31, 2014. The total amount of assets deposited as collateral with the ECB stood at €594 million at June 30, 2015, of which €195 million of customer receivables, compared to €2,009 million at December 31, 2014, of which €749 million of customer receivables (see Note 20.1).

In addition, the outstanding amount of loan securitizations (including the Brazilian FIDC) for the scope without the joint ventures in France and United Kingdom changed from €5,595 million at December 31, 2014 to €2,165 million at June 30, 2015 (including accrued interests, see Note 15.1). Total receivables sold to securitization vehicles were €3,262 million at June 30, 2015 and €8,890 million as of December 31, 2014 (see Note 8.3).

The individual passbook savings account product launched in France in 2013 was sold in 2015 to the partnership in France with Santander Cf.

The one launched in Belgium and in Germany in 2014 represents an outstanding of €1.812 million as of June 30, 2015, of which €1.444 million in Germany.
The development strategy of the passbook savings account enables Banque PSA Finance to fulfill market's expectations and continue at the same time a diversified refinancing policy.

Thanks to those different funding sources, Banque PSA Finance is in a position to cover its refinancing needs for the next twelve months at least, and until the closing of the transactions with Santander Consumer Finance (see Note 20.4).

B. Changes in Group Structure

In January 2015 Banque PSA Finance sold the French subsidiaries Crédipar and Sofira to another subsidiary, Sofib. In early February 2015 Banque PSA Finance sold 50% of its subsidiary Sofib to Santander, creating a non-significant capital gain on disposals in the consolidated financial statements of Banque PSA Finance Group. In accordance with IFRS 11 (Partnerships), the Sofib subsidiary in partnership with Santander is a joint venture. Accordingly, it has been accounted by the equity method since February 2015. The subsidiaries and sub-subsidiaries of Sofib (Crédipar, Sofira and CLV) as well as the associated securitization vehicles (FCT Auto ABS 2011-1, FCT Auto ABS 2012-1, FCT Auto ABS French Loans Master, FCT ABS DFP Master Compartment France 2013, FCT Auto ABS 2013-2, FCT Auto ABS2 2013-A and FCT Auto ABS3 – Compartiment 2014-01) have been accounted by the equity method since February 2015.

In January 2015 the Banque PSA Finance UK branch transferred nearly all of its assets and liabilities to PSA Wholesale Ltd. In early February 2015 Banque PSA Finance sold 50% of its subsidiary PSA Wholesale Ltd, which became PSA Finance UK, to Santander, creating a non- significant capital gain on disposals in the consolidated financial statements of Banque PSA Finance Group. In accordance with IFRS 11, the PSA Finance UK subsidiary in partnership with Santander is a joint venture. Accordingly, it has been accounted by the equity method since February 2015. The associated fund Auto ABS UK Loans plc has been accounted by the equity method since February 2015.

In March 2015, Banque PSA Finance, through PSA Finance Nederland, its Dutch subsidiary, sold 25% of its participation in DongFeng Peugeot Citroën Auto Finance Co (DPCAFC) to DongFeng Peugeot Citroën Automobile (DPCA, joint venture 50% PSA Peugeot Citroën / 50% DongFeng Motor Group). The result of this operation was a non- significant capital gain on disposals in the consolidated financial statements of Banque PSA Finance Group.

In May 2015, the subsidiary Crédipar (subsidiary of the subsidiary Sofib) absorbed the subsidiary Sofira (subsidiary of the subsidiary Sofib). This transaction had no impact on the consolidated financial statements of Banque PSA Finance Group.

In May 2015 two new companies in partnership with Santander, 50% owned by the subsidiary PSA Services Ltd (99.99% owned by PSA Assurances S.A.S, itself 90% owned by Banque PSA Finance) were created in Malta: PSA Insurance Europe Ltd, a non-life insurance company, and PSA Life Insurance Europe Ltd, a life insurance company. In accordance with IFRS 11, these joint ventures have been accounted by the equity method since May 2015.

In May 2015, a new insurance intermediary was created in Malta: PSA Insurance Manager Ltd, which provides insurance management services to four insurance companies located in Malta. Since it is 99.99% owned by the subsidiary PSA Services Ltd, it has been fully consolidated since May 2015.

Note 2 Accounting Policies

The interim consolidated financial statements for the six months ended June 30, 2015 have been prepared in accordance with IAS 34 – Interim Financial Reporting, which allows to present a selection of explanatory notes. The condensed interim consolidated financial statements should be red and understood in conjunction with the 2014 consolidated financial statements.

The accounting principles applied to prepare the interim consolidated financial statements for the six months ended June 30, 2015, are identical to those used to prepare the 2014 consolidated financial statements, with the exception of the application of new compulsory standards and interpretations, see section: "New compulsory standards and interpretations applicable on January 1, 2015".

In accordance with European Council Regulation 1606/2002/EC dated July 19, 2002 on the application of international accounting standards from January 1, 2005, Banque PSA Finance's consolidated financial statements for the year ended December 31, 2014 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable and adopted by the European Union as of that date.

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

New IFRSs and IFRIC Interpretations applicable compulsorily in the fiscal year commencing on January 1, 2015

The new texts, whose application is compulsory in the fiscal year commencing January 1, 2015 and applied by Banque PSA Finance Group are the following:

- Annual Improvements to International Reporting Standards 2011-2013 Cycle.

The objective of these annual improvements is to address non-urgent, but necessary issues discussed by the IASB during the project cycle that began in 2011 on areas of inconsistency in International Financial Reporting Standards (IFRS) or where clarification of wording is required.

Amendments to IFRS 3 and 13 are clarifications or corrections to the respective standards.

Amendments to International Accounting Standard (IAS) 40 involve changes to the existing requirements or additional guidance on the implementation of those requirements.

These texts do not impact significantly Banque PSA Finance.

New IFRSs and IFRIC Interpretations non applicable compulsorily in the European Union in the fiscal year commencing on January 1, 2015

Potential impact of texts published by IASB and IFRIC with compulsory application in the European Union from the period after January 1st, 2015, or not yet adopted by the European Union is currently being analyzed; such is especially the case for:

- IFRS 15 - Revenue from Contracts with Customers. The final version of this standard was published by the IASB in May 2014. This standard is effective for annual periods beginning on or after January 1, 2018 subject to the adoption by the European Union. IFRS 15 concerns requirements for the recognition of revenue from Contracts with Customers. Contracts that are within the scope of other standards are excluded of the scope of IFRS 15 : Contracts on Leases, Insurance Contracts and Financial Instruments. As a consequence, the major part of Banque PSA Finance's revenues is excluded from the scope of this new standard. Concerning other cases, no modifications of accounting methods are expected (fees of new business providers). Thus, this standard does not have significant impacts on Banque PSA Finance.

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

The final version of IFRS 9 groups together 3 phases:

- Classification and Measurement;
- Impairment;
- Hedge accounting.

The package of improvements introduced by IFRS 9 includes:

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

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

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

Accounting projects being currently in progress by IASB

- Project Leases. Since more than 8 years the IASB has been working, jointly with the FASB, on the revision of IAS 17 which objective is to prescribe, to lessees and lessors, the appropriate accounting policies and disclosures to apply in relation to leases. The date of the publication of the final version of this standard has not yet been announced. For the moment, this project has no significant impact on Banque PSA Finance for the lessor accounting model, as the measures required by this project on this issue are convergent with IAS 17.

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

The consolidated financial statements include the financial statements of Banque PSA Finance and the French and foreign companies in the Banque PSA Finance Group. The individual financial statements of Banque PSA Finance and its subsidiaries and branches are prepared in accordance with the accounting principles in force in the countries where they do business. These statements are adjusted to comply with Group accounting policies for inclusion in the consolidated financial statements.

The term "related companies" refers to all companies that are fully consolidated in the PSA Peugeot Citroën Group consolidated financial statements.

The interim consolidated financial statements and notes for Banque PSA Finance Group as at June 30, 2015 were approved by the Board of Directors on July 27, 2015.

For your information, we present hereinafter paragraph I of the Note 2 - Accounting Policies published at December 31, 2014.

I. Assets and activities held-for-sale or to be taken over by partnership

An asset or a group of assets with directly associated liabilities is classified as held-for sale or to be taken over by partnership if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case the asset or activity must be available for immediate sale in its present condition and its sale must be highly probable.

These assets or activities to be taken over by partnership are measured at the lower value of their carrying amount and fair value less costs to sell.

Impairment of a group of assets classified as held-for sale (or to be taken over by partnership)

If the fair value of a group of assets held-for sale less selling costs is under its carrying amount after impairment of assets, the difference is allocated to assets held-for sale including the financial assets and is recognised at Banque PSA Finance under “Net income of operations to be taken over by partnership”.

Presentation according to IFRS 5.

The relevant assets and liabilities are shown separately on the balance sheet.

The net income, the statement of cash flows, as well as the Income and Expenses recognized directly in Equity of the assets to be taken over by partnership are presented separately in the consolidated financial statements for all periods of reporting.

These principles have been applicable since December 31, 2014 regarding the partnership between Banque PSA Finance and Santander Consumer Finance.

The operations relating to the partnership of Banque PSA Finance and Santander Consumer Finance take place until 2016. Since the 2014 annual closing, the operation has been considered as the entire and has required taking into account the exhaustive impact of IFRS 5 for different entities of the cooperation scope.

This partnership is described in Note 1.A.

The presentation and measurement of the activities in this scope are realised in the following way.

The assets and liabilities to be taken over by partnership are classified in “Total assets of operations to be taken over by partnership” and “Total transferred liabilities of operations to be taken over by partnership”.

Presentation of the financial debts

Some debts meant to ensure the refinancing of the assets held-for-transfer will not be transferred. As a consequence, lines “Loans and advances to credit institutions” on the one hand and “Debts reprensented by a security” on the other are henceforth presented in two lines: “of which debts of continuing operations” and “of which non-transferred debts of operations to be taken over by partnership”.

These declassified assets are not taken into account in the “Operating income”. The expenses and incomes are classified in the following way:
- “Costs of non-transferred debts of operations to be taken over by partnership”,
- “Gross income of operations to be taken over by partnership”.

Note 3 IFRS 5 Impacts on the Financial Statements

3.1 Assets and operations to be taken over by partnership

The assets or activities to be taken over by partnership are measured at the lower value of their carrying amount and fair value less costs to sell.
The relevant assets and liabilities are shown separately on the balance sheet.
The net income, the statement of cash flows, as well as the Income and Expenses recognized directly in Equity of the assets to be taken over by partnership are presented separately in the consolidated financial statements for all periods of reporting.
These principles are applicable as at June 30, 2015 regarding the partnership between Banque PSA Finance and Santander Consumer Finance.
This partnership is described in Note 1.A.
The presentation and measurement of the activities in this scope are realised in the following way.
The assets and liabilities to be taken over by partnership have been reclassified in “Total assets of operations to be taken over by partnership” and “Total transferred liabilities of operations to be taken over by partnership”. These assets were measured at the last sale price known at the time of valuation, which led to:

- a total expense at December 31, 2014 of €111 million of impairment to the Disposal Group net of income taxe, of which €81 million was impairment of goodwill of Credipar and Sofib (see column "Impairment of disposal group" in Note 3.3),
- a total charge at June 30, 2015 of €10 million of impairment to the Disposal Group net of income tax (see the column ""Impairment of disposal group"" in Note 3.3), reflecting the extension of the cooperation agreement to Brazil and to Retail in Italy and Spain.

Some debts meant to ensure the refinancing of the assets held-for-transfer will not be transferred. As a consequence, lines “Deposits from credit institutions” on the one hand and “Debt securities” on the other are henceforth presented in two lines: “of which debts of continuing operations” and “of which non-transferred debts of operations to be taken over by partnership”.A portion of these debts will be a prepayment, and certain undrawn bank facilities will be closed early (see paragraph "Liquidity Security" in the Management Report).

These prepayments led, pursuant to IAS 39, to the recognition of:

- a €25 million charge for 2014;
- and a €12 million charge for 2015.

The reclassified assets are not taken into account in the “Operating income”. The expenses and incomes are classified in the following way :

- "Costs of non-transferred debts of operations to be taken over by partnership",
- "Gross income of operations to be taken over by partnership".

The impact of this transaction on the balance sheet at June 30, 2015 is as follows:

(in million euros)	**Before reclassification**	**After reclassification**	**IFRS 5 impact at June 30, 2015**
Assets			
Cash, central banks, post office banks (Note 4)	24	7	(17)
Financial assets at fair value through profit or loss (Note 5)	483	404	(79)
Hedging instruments (Note 6)	17	17	-
Available-for-sale financial assets	20	20	-
Loans and advances to credit institutions (Note 7)	772	191	(581)
Customer loans and receivables (Notes 8, 25 and 27)	10,002	706	(9,296)
Fair value adjustments to finance receivables portfolios hedged against interest rate risks (Note 18.3)	17	17	-
Held-to-maturity investments	-	-	-
Current tax assets (Note 26.1)	11	4	(7)
Deferred tax assets (Note 26.1)	109	31	(78)
Accruals and other assets (Note 9)	470	140	(330)
Investments in associates and joint ventures accounted for using the equity method (Note 10)	743	743	-
Property and equipment	11	1	(10)
Intangible assets	65	65	-
Goodwill	1	1	-
Total assets of continuing operations	**12,745**	**2,347**	**(10,398)**
Total assets of operations to be taken over by partnership (1)	**(27)**	**10,371**	**10,398**
Total assets	**12,718**	**12,718**	**-**

(in million euros)	**Before reclassification**	**After reclassification**	**IFRS 5 impact at June 30, 2015**
Equity and liabilities			
Central banks, post office banks	-	-	-
Financial liabilities at fair value through profit or loss	1	1	-
Hedging instruments	15	15	-
Deposits from credit institutions (Note 13)	1,941	1,341	(600)
- *of which debts of continuing operations (Note 13)*	*1,941*	269	*(1,672)*
- *of which non-transferred debts of operations to be taken over by partnership (Note 13)*	-	1,072	*1,072*
Due to customers (Note 14)	2,717	672	(2,045)
- *of which debts of continuing operations (Note 14)*	*2,717*	12	*(2,705)*
- *of which non-transferred debts of operations to be taken over by partnership (Note 14)*	-	660	*660*
Debt securities (Note 15)	4,521	2,261	(2,260)
- *of which debts of continuing operations (Note 15)*	*4,521*	19	*(4,502)*
- *of which non-transferred debts of operations to be taken over by partnership (Note 15)*	-	2,242	*2,242*
Fair value adjustments to debt portfolios hedged against interest rate risks	42	42	-
Current tax liabilities	23	13	(10)
Deferred tax liabilities	52	13	(39)
Accruals and other liabilities (Note 16)	915	473	(442)
Liabilities related to insurance contracts (Note 17.1)	75	74	(1)
Provisions	53	29	(24)
Subordinated debt	-	-	-
Total liabilities of continuing operations	**10,355**	**4,934**	**(5,421)**
Total transferred liabilities of operations to be taken over by partnership (1)	**(9)**	**5,412**	**5,421**
Equity	2,372	2,372	-
- Equity attributable to equity holders of the parent	2,335	2,335	-
- Share capital and other reserves	835	835	-
- Consolidated reserves	1,693	1,693	-
- *Of which Net income - equity holders of the parent*	*122*	*122*	-
- Income and expenses recognized directly in Equity	(193)	(193)	-
- Minority interests	37	37	-
Total equity and liabilities	**12,718**	**12,718**	**-**

(1) In column "Before reclassification", €27 million negative amount in assets and €9 million negative amount in liabilities correspond to the impairment of Disposal Group.

3.2 Restatement of previously published financial statements

Since IFRS 5 is not applied retroactively, there is no restatement on the previously published balance sheet at December 31, 2014.

3.2.1 Consolidated Statement of Income

The impacts of restatements on the consolidated statement of income as at June 30, 2014 were the following:

(in million euros)	June 30, 2014 proforma	June 30, 2014 published	IFRS 5 Impact
Net interest revenue on customer transactions	**57**	**707**	**(650)**
- Interest and other revenue on assets at amortized cost	71	718	(647)
- Fair value adjustments to finance receivables hedged against interest rate risks	6	6	-
- Interest on hedging instruments	(14)	(16)	2
- Fair value adjustments to hedging instruments	(5)	(5)	-
- Interest expense on customer transactions	(1)	(4)	3
- Other revenue and expense	-	8	(8)
Net investment revenue	**1**	**7**	**(6)**
- Interest and dividends on marketable securities	-	6	(6)
- Fair value adjustments to assets valued using the fair value option	-	-	-
- Gains and losses on sales of marketable securities	1	1	-
- Investment acquisition costs	-	-	-
Net refinancing cost (Note 27.2)	**(21)**	**(369)**	**348**
- Interest and other revenue from loans and advances to credit institutions	2	3	(1)
- Interest on deposits from credit institutions	(27)	(126)	99
- Interest on debt securities	(19)	(182)	163
- Interest on passbook savings accounts	-	(18)	18
- Expenses related to financing commitments received	(14)	(68)	54
- Fair value adjustments to financing liabilities hedged against interest rate risks	13	14	(1)
- Interest on hedging instruments	48	36	12
- Fair value adjustments to hedging instruments	(15)	(15)	-
- Fair value adjustments to financing liabilities valued using the fair value option	-	-	-
- Debt issuing costs	(9)	(13)	4
Net gains and losses on trading transactions	**1**	**(2)**	**3**
- Interest rate instruments	1	(1)	2
- Currency instruments	-	(1)	1
Net gains and losses on available-for-sale financial assets	**-**	**-**	**-**
Margin on sales of Insurance services	**58**	**59**	**(1)**
- Earned premiums	72	76	(4)
- Paid claims and change in liabilities related to insurance contracts	(14)	(17)	3
Margin on sales of services	**9**	**24**	**(15)**
- Revenues	9	39	(30)
- Expenses	-	(15)	15
Net banking revenue	**105**	**426**	**(321)**
General operating expenses	**(26)**	**(189)**	**163**
- Personnel costs	(5)	(75)	70
- Other general operating expenses	(21)	(114)	93
Depreciation and amortization of intangible and tangible assets	-	(11)	11
Gains and losses on investments in companies that can be consolidated and other disposals of fixed assets	(1)	(1)	-
Gross operating income	**78**	**225**	**(147)**
Cost of risk	(6)	(53)	47
Operating income	**72**	**172**	**(100)**
Share in net income of associates and joint ventures accounted for using the equity method	5	5	-
Impairment on goodwill	-	-	-
Pension obligation - expense	-	-	-
Pension obligation - income	-	-	-
Other non-operating items	-	-	-
Costs of the non-transferred debts of operations to be taken over by partnership	(232)	(2)	(230)
Pre-tax income	**(155)**	**175**	**(330)**
Income taxes	41	(72)	113
Net income from continuing operations	**(114)**	**103**	**(217)**
- of which attributable to equity holders of the parent	(120)	97	(217)
Gross income of operations to be taken over by partnership	330	-	330
Tax on the net income of operations to be taken over by partnership	(113)	-	(113)
Net income of operations to be taken over by partnership	**217**	**-**	**217**
Net income for the year	**103**	**103**	**-**
- of which minority interests	*6*	*6*	-
- of which attributable to equity holders of the parent	*97*	*97*	-

The impacts of restatements on the 2014 consolidated statement of income after extending the partnership with Santander CF were the following:

(in million euros)	**Dec. 31, 2014 proforma**	**Dec. 31, 2014 published**	**IFRS 5 impact of extending the partnership**
Net interest revenue on customer transactions	**105**	**397**	**(292)**
- Interest and other revenue on assets at amortized cost	137	413	(276)
- Fair value adjustments to finance receivables hedged against interest rate risks	16	16	-
- Interest on hedging instruments	(26)	(26)	-
- Fair value adjustments to hedging instruments	(17)	(17)	-
- Interest expense on customer transactions	(2)	(6)	4
- Other revenue and expense	(3)	17	(20)
Net investment revenue	**2**	**14**	**(12)**
- Interest and dividends on marketable securities	-	12	(12)
- Fair value adjustments to assets valued using the fair value option	1	1	-
- Gains and losses on sales of marketable securities	1	1	-
- Investment acquisition costs	-	-	-
Net refinancing cost (Note 27.2)	**(52)**	**(218)**	**166**
- Interest and other revenue from loans and advances to credit institutions	3	6	(3)
- Interest on deposits from credit institutions	(63)	(102)	39
- Interest on debt securities	(54)	(175)	121
- Interest on passbook savings accounts	-	-	-
- Expenses related to financing commitments received	(12)	(17)	5
- Fair value adjustments to financing liabilities hedged against interest rate risks	36	36	-
- Interest on hedging instruments	94	93	1
- Fair value adjustments to hedging instruments	(34)	(34)	-
- Fair value adjustments to financing liabilities valued using the fair value option	-	-	-
- Debt issuing costs	(22)	(25)	3
Net gains and losses on trading transactions	**1**	**(1)**	**2**
- Interest rate instruments	1	(1)	2
- Currency instruments	-	-	-
Net gains and losses on available-for-sale financial assets	**-**	**-**	**-**
Margin on sales of Insurance services	**92**	**92**	**-**
- Earned premiums	121	121	-
- Paid claims and change in liabilities related to insurance contracts	(29)	(29)	-
Margin on sales of services	**19**	**25**	**(6)**
- Revenues	19	41	(22)
- Expenses	-	(16)	16
Net banking revenue	**167**	**309**	**(142)**
General operating expenses	**(47)**	**(125)**	**78**
- Personnel costs	(10)	(43)	33
- Other general operating expenses	(37)	(82)	45
Depreciation and amortization of intangible and tangible assets	(10)	(19)	9
Gains and losses on investments in companies that can be consolidated and other disposals of fixed assets	-	-	-
Gross operating income	**110**	**165**	**(55)**
Cost of risk	(14)	(39)	25
Operating income	**96**	**126**	**(30)**
Share in net income of associates and joint ventures accounted for using the equity method	12	12	-
Impairment on goodwill	-	-	-
Pension obligation - expense	-	-	-
Pension obligation - income	-	-	-
Other non-operating items	(5)	(11)	6
Costs of the non-transferred debts of operations to be taken over by partnership	(457)	(382)	(75)
Pre-tax income	**(354)**	**(255)**	**(99)**
Income taxes	58	44	14
Net income from continuing operations	**(296)**	**(211)**	**(85)**
- of which attributable to equity holders of the parent	(300)	(215)	(85)
Gross income of operations to be taken over by partnership	541	442	99
Tax on the net income of operations to be taken over by partnership	(154)	(140)	(14)
Net income of operations to be taken over by partnership	**387**	**302**	**85**
Net income for the year	**91**	**91**	**-**
- of which minority interests	*4*	*4*	-
- of which attributable to equity holders of the parent	*87*	*87*	-

3.2.2 Consolidated Statement of Cash Flows

The impacts of restatements on the consolidated statement of cash flows as at June 30, 2014 were the following:

(in million euros)	**June 30, 2014 proforma**	**June 30, 2014 published**	**IFRS 5 Impact**
Income attributable to equity holders of Banque PSA Finance	**(120)**	**97**	**(217)**
Restatement of Costs of the non-transferred debts of operations to be taken over by partnership, after taxes	152	-	152
Elimination of income without cash effect			-
- Minority interests in income of subsidiaries	6	6	-
- Net income of associates accounted for using the equity method, net of dividends received	(5)	(5)	-
- Change in depreciation, amortization and other provisions	8	18	(10)
- Change in deferred taxes	(70)	14	(84)
- (Profit)/loss on disposals of assets	-	-	-
Funds from operations	**(29)**	**130**	**(159)**
Increase/decrease in:			
- loans and advances to credit institutions	41	(8)	49
- deposits from credit institutions	92	664	(572)
Change in customer loans and receivables	53	(450)	503
Increase/decrease in:			
- amounts due to customers	(174)	808	(982)
- financial assets at fair value through profit or loss	(15)	39	(54)
- financial liabilities at fair value through profit or loss	-	(2)	2
- hedging instruments	27	41	(14)
- debt securities	(312)	(1,126)	814
Change in working capital: assets	(8)	(101)	93
Change in working capital: liabilities	1	258	(257)
Net cash provided by operating activities	**(324)**	**253**	**(577)**
Acquisitions of shares in subsidiaries	-	-	-
Proceeds from disposals of shares in subsidiaries	-	-	-
Investments in fixed assets	(5)	(9)	4
Proceeds from disposals of fixed assets	-	4	(4)
Effect of changes in scope of consolidation	-	-	-
Net cash used by investing activities	**(5)**	**(5)**	**-**
Dividends paid to PSA Peugeot Citroën Group	(228)	(228)	-
Dividends paid to minority interests	-	-	-
Capital increase	-	-	-
Net dividends received from operations to be taken over by partnership	92	-	92
Net cash used by financing activities	**(136)**	**(228)**	**92**
Costs of the non-transferred debts of operations to be taken over by partnership, after taxes	(152)	-	(152)
Changes in liabilities due to financing of operations to be taken over by partnership	(296)	-	(296)
Total net cash of financing operations to be taken over by partnership	**(448)**	**-**	**(448)**
Net income of operations to be taken over by partnership	217	-	217
Change in assets and liabilities of operations to be taken over by partnership	808	-	808
Net dividends paid by operations to be taken over by partnership	(92)	-	(92)
Total net cash from operations to be taken over by partnership	**933**	**-**	**933**
Effect of changes in exchange rates	6	6	-
Net change in cash and cash equivalents	**26**	**26**	**-**
Cash and cash equivalents at the beginning of the period	**1,804**	**1,804**	**-**
Cash, central banks, post office banks	466	466	-
Mutual funds qualified as cash equivalents	200	200	-
Current account advances and loans and advances at overnight rates	1,138	1,138	-
Time accounts qualified as cash equivalents	-	-	-
Cash and cash equivalents at the end of the period	**1,830**	**1,830**	**-**
Cash, central banks, post office banks	43	43	-
- of which operations to be taken over by partnership	*6*	-	*6*
Mutual funds qualified as cash equivalents	14	14	-
Current account advances and loans and advances at overnight rates	1,123	1,123	-
- of which operations to be taken over by partnership	*764*	-	*764*
Time accounts qualified as cash equivalents	650	650	-

The impacts of restatements on the 2014 consolidated statement of cash flows after extending the partnership with Santander CF were the following:

(in million euros)	Dec. 31, 2014 proforma	Dec. 31, 2014 published	IFRS 5 impact of extending the partnership
Income attributable to equity holders of Banque PSA Finance	**(300)**	**(215)**	**(85)**
Restatement of Costs of the non-transferred debts of operations to be taken over by partnership, after taxes	300	251	49
Elimination of income without cash effect			-
- Minority interests in income of subsidiaries	4	4	-
- Net income of associates accounted for using the equity method, net of dividends received	(12)	(12)	-
- Change in depreciation, amortization and other provisions	56	65	(9)
- Change in deferred taxes	(88)	(80)	(8)
- (Profit)/loss on disposals of assets	-	-	-
Funds from operations	**(40)**	**13**	**(53)**
Increase/decrease in:			
- loans and advances to credit institutions	17	18	(1)
- deposits from credit institutions	199	269	(70)
Change in customer loans and receivables	148	375	(227)
Increase/decrease in:			
- amounts due to customers	39	344	(305)
- financial assets at fair value through profit or loss	(27)	31	(58)
- financial liabilities at fair value through profit or loss	2	1	1
- hedging instruments	10	29	(19)
- debt securities	(522)	(547)	25
Change in working capital: assets	(2)	33	(35)
Change in working capital: liabilities	(21)	(118)	97
Net cash provided by operating activities	**(197)**	**448**	**(645)**
Acquisitions of shares in subsidiaries	(9)	(9)	-
Proceeds from disposals of shares in subsidiaries	-	-	-
Investments in fixed assets	(12)	(15)	3
Proceeds from disposals of fixed assets	1	2	(1)
Effect of changes in scope of consolidation	-	-	-
Net cash used by investing activities	**(20)**	**(22)**	**2**
Dividends paid to PSA Peugeot Citroën Group	(228)	(228)	-
Dividends paid to minority interests	-	-	-
Capital increase	-	-	-
Net dividends received from operations to be taken over by partnership	231	231	-
Net cash used by financing activities	**3**	**3**	**-**
Costs of the non-transferred debts of operations to be taken over by partnership, after taxes	(300)	(251)	(49)
Changes in liabilities due to financing of operations to be taken over by partnership	(855)	(1,197)	342
Total net cash of financing operations to be taken over by partnership	**(1,155)**	**(1,448)**	**293**
Net income of operations to be taken over by partnership	388	302	86
Change in assets and liabilities of operations to be taken over by partnership	2,010	1,746	264
Net dividends paid by operations to be taken over by partnership	(231)	(231)	-
Total net cash from operations to be taken over by partnership	**2,167**	**1,817**	**350**
Effect of changes in exchange rates	1	1	-
Net change in cash and cash equivalents	**799**	**799**	**-**
Cash and cash equivalents at the beginning of the period	**1,804**	**1,804**	**-**
Cash, central banks, post office banks	466	466	-
Mutual funds qualified as cash equivalents	200	200	-
Current account advances and loans and advances at overnight rates	1,138	1,138	-
Time accounts qualified as cash equivalents	-	-	-
Cash and cash equivalents at the end of the period	**2,603**	**2,603**	**-**
Cash, central banks, post office banks	331	331	-
- of which operations to be taken over by partnership	*27*	*23*	*4*
Mutual funds qualified as cash equivalents	299	299	-
Current account advances and loans and advances at overnight rates	1,332	1,332	-
- of which operations to be taken over by partnership	*1,167*	*970*	*197*
Time accounts qualified as cash equivalents	641	641	-

3.3 Synthetic Income Statement of operations to be taken over by partnership

For the first half of 2015

(in million euros)	Before impairment of disposal group	Impairment of disposal group	June 30, 2015
Net banking revenue	**323**	**-**	**323**
General operating expenses and equivalent	(99)	-	(99)
Gross operating income	**224**	**-**	**224**
Cost of risk	(11)	-	(11)
Operating Income	**213**	**-**	**213**
Impairment on goodwill	-	-	-
Other non-operating items	3	(15)	(12)
Pre-tax income	**216**	**(15)**	**201**
Income taxes	(65)	5	(60)
Net income from operations to be taken over by partnership	**151**	**(10)**	**141**

For the first half of 2014

(in million euros)	Before impairment of disposal group	Impairment of disposal group	June 30, 2014 proforma
Net banking revenue	**552**	**-**	**552**
General operating expenses and equivalent	(174)	-	(174)
Gross operating income	**378**	**-**	**378**
Cost of risk	(46)	-	(46)
Operating Income	**332**	**-**	**332**
Impairment on goodwill	-	-	-
Other non-operating items	(2)	-	(2)
Pre-tax income	**330**	**-**	**330**
Income taxes	(113)	-	(113)
Net income from operations to be taken over by partnership	**217**	**-**	**217**

For 2014

(in million euros)	Before impairment of disposal group	Impairment of disposal group	Dec. 31, 2014 proforma
Net banking revenue	**1,116**	**-**	**1,116**
General operating expenses and equivalent	(341)	-	(341)
Gross operating income	**775**	**-**	**775**
Cost of risk	(102)	-	(102)
Operating Income	**673**	**-**	**673**
Impairment on goodwill	-	(81)	(81)
Other non-operating items	(6)	(45)	(51)
Pre-tax income	**667**	**(126)**	**541**
Income taxes	(169)	15	(154)
Net income from operations to be taken over by partnership	**498**	**(111)**	**387**

3.4 Effect of extending the scope of the partnership with Santander CF

3.4.1 At the 2014 consolidated statement of income

(in million euros)	IFRS 8 Income statement at Dec. 31, 2014	Initial scope of the partnership: Reclassifications	Initial scope of the partnership: Revaluation	IFRS 5 Income statement published at Dec. 31, 2014	Additional scope of partnership: reclassifications (1)	Proforma IFRS 5 Income statement at Dec. 31, 2014
Net interest revenue on customer transactions (at amortized cost)	**1,411**	(1,014)	-	**397**	(292)	105
Net investment revenue	**14**	-	-	**14**	(12)	2
Net refinancing cost	**(713)**	495	-	**(218)**	166	(52)
Net gains or losses on trading transactions	**(3)**	2	-	**(1)**	2	1
Net gains or losses on available-for-sale financial assets	**-**	-	-	**-**	-	-
Margin on sales of insurance services	**94**	(2)	-	**92**	-	92
Margin on sales of other services	**48**	(23)	-	**25**	(6)	19
Net banking revenue	**851**	**(542)**	**-**	**309**	**(142)**	**167**
General operating expenses	**(375)**	250	-	**(125)**	78	(47)
Depreciation and amortization of intangible and tangible assets	**(22)**	3	-	**(19)**	9	(10)
Gains and losses on investments in companies that can be consolidated and other disposals of fixed assets	**(1)**	1	-	**-**	-	-
Gross operating income	**453**	**(288)**	**-**	**165**	**(55)**	**110**
Cost of risk	**(116)**	77	-	**(39)**	25	(14)
Operating Income	**337**	**(211)**	**-**	**126**	**(30)**	**96**
Share in net income of associates and joint ventures accounted for using the equity method	**12**	-	-	**12**	-	12
Impairment on goodwill	**-**	-	-	**-**	-	-
Pension obligation - expense	**-**	-	-	**-**	-	-
Pension obligation - income	**-**	-	-	**-**	-	-
Other non-operating items	**(11)**	-	-	**(11)**	6	(5)
Costs of the non-transferred debts of operations to be taken over by partnership	**-**	(357)	(25)	**(382)**	(75)	(457)
Pre-tax income	**338**	**(568)**	**(25)**	**(255)**	**(99)**	**(354)**
Income taxes	**(120)**	155	9	**44**	14	58
Net income from continued operations	**218**	**(413)**	**(16)**	**(211)**	**(85)**	**(296)**
Gross income of operations to be taken over by partnership	**-**	568	(126)	**442**	99	541
Tax on the net income of operations to be taken over by partnership	**-**	(155)	15	**(140)**	(14)	(154)
Net income of operations to be taken over by partnership	**-**	**413**	**(111)**	**302**	**85**	**387**
Net income for the year	**218**	**-**	**(127)**	**91**	**-**	**91**

(1) The additional scope of the partnership with Santander CF involved Brazil and retail business in Spain and Italy.

3.4.2 At the 2014 consolidated balance sheet

(in million euros)	**IFRS 8 Consolidated balance sheet at Dec. 31, 2014**	Initial scope of the partnership with Santander CF		**IFRS 5 Consolidated balance sheet published at Dec. 31, 2014**	Additional scope of partnership: reclassifications (1)	**Proforma IFRS 5 Consolidated balance sheet at Dec. 31, 2014**
		Reclassifications	Revaluation			
Assets						
Customers loans and receivables	21,028	(16,989)	-	4,039	(3,249)	790
Securities	455	-	-	455	(96)	359
Loans and advances to credit institutions	2,297	(1,227)	-	1,070	(234)	836
Deferred tax assets	97	(14)	-	83	(50)	33
Assets of operations to be taken over by partnership	-	18,655	(126)	18,529	3,810	22,339
Other assets	1,280	(425)	-	855	(181)	674
Total Assets	**25,157**	**-**	**(126)**	**25,031**	**-**	**25,031**
Liabilities						
Deposits from credit institutions	6,633	(280)	-	6,353	(496)	5,857
- *of which debts of continuing operations*	*6,633*	*(5,703)*	-	*930*	*(496)*	*434*
- *of which non-transferred debts of operations to be taken over by partnership*	-	*5,423*	-	*5,423*	-	*5,423*
Due to customers	2,801	(2,381)	-	420	(102)	318
- *of which debts of continuing operations*	*2,801*	*(2,381)*	-	*420*	*(402)*	*18*
- *of which non-transferred debts of operations to be taken over by partnership*	-	-	-	-	*300*	*300*
Debt securities	10,964	(4,829)	-	6,135	(851)	5,284
- *of which debts of continuing operations*	*10,964*	*(8,083)*	-	*2,881*	*(2,597)*	*284*
- *of which non-transferred debts of operations to be taken over by partnership*	-	*3,254*	-	*3,254*	*1,746*	*5,000*
Liabilities related to insurance contracts	67	-	-	67	-	67
Deferred tax liabilities	338	(305)	(9)	24	-	24
Liabilities of operations to be taken over by partnership	-	8,523	(15)	8,508	1,553	10,061
Other liabilities	1,088	(728)	25	385	(104)	281
Equity	3,266	-	(127)	3,139	-	3,139
Total Liabilities	**25,157**	**-**	**(126)**	**25,031**	**-**	**25,031**

(1) The additional scope of the partnership with Santander CF involved Brazil and retail business in Spain and Italy.

3.5 Partnership implementation with Santander CF: impact on the first half of 2015

(in million euros)	Proforma 2014 consolidated balance sheet	Partnership implementation with Santander CF in France and United Kingdom		Restructured refinancing	Reduction of equity by payment of dividends	Other	Published consolidated balance sheet at June 30, 2015
		Transfer of assets and liablities under partnership	Equity-method accounting of equity attributable to Group in JV				
Assets							
Customers loans and receivables	790	(71)	-	-	-	(13)	706
Securities	359	-	-	(3,258)	-	3,303	404
Loans and advances to credit institutions	836	603	-	3,060	(570)	(3,738)	191
Deferred tax assets	33	-	-	-	-	(2)	31
Available-for-sale financial assets	14	617	(617)	-	-	6	20
Investments in associates and joint ventures accounted for using the equity method	104	-	617	-	-	22	743
Assets of operations to be taken over by partnership	22,339	(11,178)	-	-	-	(790)	10,371
Other assets	556	20	-	-	-	(324)	252
Total Assets	**25,031**	**(10,009)**	**-**	**(198)**	**(570)**	**(1,536)**	**12,718**
Liabilities							-
Deposits from credit institutions	5,857	-	-	(2,999)	-	(1,517)	1,341
- *of which debts of continuing operations*	*434*	-	-	-	-	*(165)*	*269*
- *of which non-transferred debts of operations to be taken over by partnership*	*5,423*	-	-	*(2,999)*	-	*(1,352)*	*1,072*
Due to customers	318	-	-	-	-	354	672
- *of which debts of continuing operations*	*18*	-	-	-	-	*(6)*	*12*
- *of which non-transferred debts of operations to be taken over by partnership*	*300*	-	-	-	-	*360*	*660*
Debt securities	5,284	-	-	(1,878)	-	(1,145)	2,261
- *of which debts of continuing operations*	*284*	-	-	-	-	*(265)*	*19*
- *of which non-transferred debts of operations to be taken over by partnership*	*5,000*	-	-	*(1,878)*	-	*(880)*	*2,242*
Liabilities related to insurance contracts	67	-	-	-	-	7	74
Deferred tax liabilities	24	-	-	-	-	(11)	13
Liabilities of operations to be taken over by partnership	10,061	(10,015)	-	4,679	-	687	5,412
Other liabilities	281	-	-	-	348	(56)	573
Equity	3,139	6	-	-	(918)	145	2,372
Total Liabilities	**25,031**	**(10,009)**	**-**	**(198)**	**(570)**	**(1,536)**	**12,718**

The disposal of the assets and liabilities for the subsidiaries in France and in the United Kingdom taken up in joint ventures (€11,178 million and €10,015 million) is offset by the cash received from Santander CF for acquiring shares (€603 million) and the value of the joint ventures retained by the Group (€617 million).

The repayment of Group-sourced financing provided to the joint ventures amounted to €4,679 million.

The Group's external refinancing liabilities were reimbursed over the half year for €4,877 million (€2,999 million of Deposits from credit institutions and €1,878 million of Debt securities).

Equity was reduced through the distribution of a dividend (€570 million already paid out and €348 million that remains to be paid).

Note 4 Cash, Central Banks, Post Office Banks

(in million euros)	June 30, 2015		Dec. 31, 2014	
	Assets to be taken over by partnership	Continuing operations	Assets to be taken over by partnership	Continuing operations
Cash and post office banks	-	-	-	1
Central banks (1)	17	7	23	307
- of which compulsory reserves deposited with the Banque de France	*-*	*6*	*-*	*26*
Total	**17**	**7**	**23**	**308**
	24		**331**	

(1) *The reserves deposited with the central banks are included in Banque PSA Finance Group's liquidity reserve (see Note 20.3).*

Note 5 Financial Assets at Fair Value Through Profit or Loss

(in million euros)	June 30, 2015		Dec. 31, 2014	
	Assets to be taken over by partnership	Continuing operations	Assets to be taken over by partnership	Continuing operations
Marketable securities	79	403	-	451
- Mutual funds	46	89	-	149
- Mutual funds qualified as cash equivalents (1)	46	1	-	47
- Units held by insurance companies	-	88	-	102
- Certificates of deposit and Treasury bills	33	63	-	50
- of which held by securitization funds	*33*	*-*	*-*	*50*
- Treasury bonds (OAT) qualified as cash equivalents (1)	-	251	-	252
Fair value adjustments	-	-	-	1
Marketable securities booked at fair value through profit or loss	**79**	**403**	**-**	**452**
- of which accrued interest	*-*	*1*	*-*	*-*
Foreign exchange hedging instruments	**-**	**-**	**-**	**-**
- Related companies	*-*	*-*	*-*	*-*
Accrued interest on trading derivatives (2)	**-**	**-**	**-**	**-**
Fair value of trading derivatives (2)	**-**	**1**	**-**	**3**
Total	**79**	**404**	**-**	**455**
	483		**455**	

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 mutual funds and Treasury bonds are included in Banque PSA Finance Group's liquidity reserve (see Note 20.3).*

(2) *Only a restricted number of swaps are classified as held for trading and have a limited impact on the income statement (see Note 18.4). See the detail of these swaps in Note 18.1, footnote (1).*

Note 6 Hedging Instruments - Assets

6.1 Analysis by Nature

(in million euros)	June 30, 2015	Dec. 31, 2014
Adjustment accounts - commitments in foreign currencies (1)	**94**	**58**
- of which related companies	*1*	*-*
Accrued income on swaps designated as hedges	**34**	**93**
- of which related companies	*-*	*-*
Positive fair value of instruments designated as hedges of:	**51**	**89**
- Borrowings	1	2
- EMTNs/BMTNs	46	73
- of which due to hedging cross currency swaps' basis spread	*(3)*	*(1)*
- Bonds	3	14
- Certificates of deposit	-	-
- Other debts securities	-	-
- Customer loans (Installment contracts, Buyback contracts and Long-term leases) (2)	1	-
- Variable rate EMTN (Cash Flow Hedge)	-	-
Offsetting positive fair value and received margin calls (see Note 6.2)	**(162)**	**(182)**
Total	**17**	**58**

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

Fair Value Hedge effectiveness is analysed in Note 18.3.

(1) *Adjustment accounts are used to record fair value adjustments to currency swaps designated as hedges of foreign currency customer loans refinanced in euros and foreign currency financing liabilities. These fair value adjustments are offset by adjustments arising from the remeasurement of the underlying foreign currency customer loans and financing liabilities at period-end exchange rates (see Notes 12 and 18.2.A).*

(2) *So are swaps hedging customer loans that are to be taken over by partnership. The hedges are effective (see Note 18.3) and the same principles were applied to continuing operations and operations to be taken over by partnership. In light of the margin call mechanisms and the balance sheet offsets (see Note 6.2), the decision was made not to reclassify, since the impact in profit and loss was not material.*

6.2 Offsetting swaps with margin call designated as hedges - Assets

For 2015

(in million euros)

Positive valued swaps	Asset gross amount: Swap's winning leg	Asset gross amount: Swap's losing leg	Asset net amount before offsetting	Offsetting with received margin calls	Balance sheet amount after offsetting
Adjustment accounts - commitments in foreign currencies	**449**	**(355)**	**94**	**-**	**94**
- Cross currency swap with margin call	447	(355)	92	-	**92**
- Other instruments	2	-	2	-	**2**
Accrued income	**36**	**(2)**	**34**	**-**	**34**
- Swaps with margin call	36	(2)	34	-	**34**
- Swaps without margin call	-	-	-	-	**-**
Positive fair value	**547**	**(496)**	**51**	**-**	**51**
- Swaps with margin call	545	(495)	50	-	**50**
- Swaps without margin call	2	(1)	1	-	**1**
Offsetting	-	-	-	(162)	**(162)**
Total assets	**1,032**	**(853)**	**179**	**(162)**	**17**
Margin calls received on swaps designated as hedges (deferred income - see Note 16)	-	-	163	(162)	**1**
Total liabilities	**-**	**-**	**163**	**(162)**	**1**

For 2014

(in million euros)

Positive valued swaps	Asset gross amount: Swap's winning leg	Asset gross amount: Swap's losing leg	Asset net amount before offsetting	Offsetting with received margin calls	Balance sheet amount after offsetting
Accrued income	**99**	**(6)**	**93**	**-**	**93**
- Swaps with margin call	99	(6)	93	-	**93**
- Swaps without margin call	-	-	-	-	**-**
Positive fair value	**584**	**(495)**	**89**	**-**	**89**
- Swaps with margin call	576	(495)	81	-	**81**
- Swaps without margin call	8	-	8	-	**8**
Offsetting	-	-	-	(182)	**(182)**
Total assets	**683**	**(501)**	**182**	**(182)**	**-**
Margin calls received on swaps designated as hedges (deferred income - see Note 16)	-	-	186	(182)	**4**
Total liabilities	**-**	**-**	**186**	**(182)**	**4**

Note 7 Loans and Advances to Credit Institutions

Analysis of Demand and Time Accounts

(in million euros)	June 30, 2015 Assets to be taken over by partnership	June 30, 2015 Continuing operations	Dec. 31, 2014 Assets to be taken over by partnership	Dec. 31, 2014 Continuing operations
Demand accounts (non-group institutions)	**553**	**40**	**970**	**362**
- Ordinary accounts in debit	553	40	970	362
- of which held by securitization funds	*350*	-	*557*	*142*
- of which held by insurance companies	-	*17*	-	-
- Cash receivables for securities to be delivered	-	-	-	-
Time accounts (non-group institutions)	**27**	**151**	**257**	**707**
- Time accounts qualified as cash equivalents (1)	23	101	-	641
- Subordinated loans (2)	-	50	-	50
- Time accounts held by securitization funds	-	-	257	-
- Other	4	-	-	16
Accrued interest	**1**	**-**	**-**	**1**
Total	**581**	**191**	**1,227**	**1,070**
	772		**2,297**	

(1) Time accounts qualified as cash equivalents are included in Banque PSA Finance Group's liquidity reserve (see Note 20.3).

(2) Under the belgium collaterization.

Note 8 Customer Loans and Receivables

8.1 Analysis by Type of Financing

(in million euros)	June 30, 2015 Assets to be taken over by partnership	June 30, 2015 Continuing operations	Dec. 31, 2014 Assets to be taken over by partnership	Dec. 31, 2014 Continuing operations
Installment contracts	**4,212**	**353**	**5,568**	**2,968**
- of which securitized (1)	*2,090*	-	*3,351*	*1,626*
Buyback contracts (2)	**532**	**125**	**1,596**	**352**
Principal and interest	573	141	1,842	385
- of which securitized (1)	-	-	*1,229*	-
Unaccrued interest on buyback contracts	(41)	(16)	(246)	(33)
- of which securitized (1)	-	-	*(176)*	-
Long-term leases (2)	**1,820**	**58**	**4,528**	**198**
Principal and interest	2,011	63	4,914	223
- Related companies	-	-	-	-
- Non-group companies	2,011	63	4,914	223
- of which securitized (1)	*963*	-	*1,698*	-
Unaccrued interest on long-term leases	(141)	(4)	(345)	(16)
- of which securitized (1)	*(65)*	-	*(156)*	-
Leasing deposits	(50)	(1)	(41)	(9)
- of which securitized (1)	*(8)*	-	*(7)*	-
Wholesale financing	**2,620**	**167**	**4,482**	**333**
Principal and interest	2,620	167	4,556	333
- Related companies	22	1	90	4
- Non-group companies	2,598	166	4,466	329
- of which securitized (1)	*282*	-	*1,325*	-
Wholesale financing deposits	-	-	(74)	-
- Related companies	-	-	(68)	-
- Non-group companies	-	-	(6)	-
Other finance receivables	**88**	**4**	**731**	**125**
Ordinary accounts in debit	**59**	**6**	**142**	**21**
- Related companies	-	6	1	-
- Cash pooling (3):				
- Before offsetting	-	71	7	9
- Offsetting of continuing operations	-	(65)	-	(9)
- Other	-	-		-
- Non-group companies	59	-	141	21
Deferred items included in amortized cost - Customers loans and receivables	**(35)**	**(7)**	**(58)**	**42**
- Deferred acquisition costs	175	9	263	141
- Deferred loan set-up costs	(52)	(8)	(43)	(53)
- Deferred manufacturer and dealer contributions	(158)	(8)	(278)	(46)
Total Loans and Receivables at Amortized Cost	**9,296**	**706**	**16,989**	**4,039**
- of which securitized (1)	*3,262*	-	*7,264*	*1,626*
- of which loans and receivables given as collateral (4)	*412*	-	*866*	*131*
	10,002		**21,028**	

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

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

(3) Under the cash pooling agreement with PSA International, the asset and liability amounts are offset in accordance with IAS 32 (see Note 14).

(4) Corresponding to receivables given as collateral at June 30, 2015 (see Note 20.1):
- *€195 million to the ECB,*
- *and €217 million to credit institutions: €131 million by the Italian branch and €86 million by the Belgian subsidiary.*

8.2 Customer Loans and Receivables by Segment

For 2015

IFRS 8 Segment / Type of financing	Corporate Dealers (A - see B Note 25.1)		End user: Retail (B - see A Note 25.1)		End user: Corporate and equivalent (C - see C Note 25.1)		Total at June 30, 2015	
	Assets to be taken over by partnership	Continuing operations	Assets to be taken over by partnership	Continuing operations	Assets to be taken over by partnership	Continuing operations	Assets to be taken over by partnership	Continuing operations
(in million euros)								
Installment contracts	14	1	4,141	350	57	2	4,212	353
Buyback contracts	14	-	442	117	76	8	532	125
Long-term leases	17	1	1,614	37	189	20	1,820	58
Wholesale financing	2,620	167	-	-	-	-	2,620	167
Other finance receivables	70	4	18	-	-	-	88	4
Ordinary accounts in debit	59	-	-	-	-	6	59	6
Deferred items included in amortized cost	(1)	-	(31)	(6)	(3)	(1)	(35)	(7)
Total customer loans by segment (based on IFRS 8)	**2,793**	**173**	**6,184**	**498**	**319**	**35**	**9,296**	**706**
	2,966		**6,682**		**354**		**10,002**	

For 2014

IFRS 8 Segment / Type of financing	Corporate Dealers (A - see B Note 25.1)		End user: Retail (B - see A Note 25.1)		End user: Corporate and equivalent (C - see C Note 25.1)		Total at Dec. 31, 2014	
	Assets to be taken over by partnership	Continuing operations	Assets to be taken over by partnership	Continuing operations	Assets to be taken over by partnership	Continuing operations	Assets to be taken over by partnership	Continuing operations
(in million euros)								
Installment contracts	14	18	5,522	2,930	32	20	5,568	2,968
Buyback contracts	34	1	1,505	332	57	19	1,596	352
Long-term leases	120	8	3,108	114	1,300	76	4,528	198
Wholesale financing	4,482	333	-	-	-	-	4,482	333
Other finance receivables	691	46	38	79	2	-	731	125
Ordinary accounts in debit	134	21	-	-	8	-	142	21
Deferred items included in amortized cost	(11)	-	(34)	42	(13)	-	(58)	42
Total customer loans by segment (based on IFRS 8)	**5,464**	**427**	**10,139**	**3,497**	**1,386**	**115**	**16,989**	**4,039**
	5,891		**13,636**		**1,501**		**21,028**	

8.3 Securitization programs

(in million euros)						Sold receivables				
						at June 30, 2015		at Déc. 31, 2014		
Country of Seller	Seller	Fund	Country of Fund	Date of Sale	Type of Financing	Assets to be taken over by partnership	Continuing operations	Assets to be taken over by partnership	Continuing operations	at the origin
France	Crédipar	Auto ABS 2011-1	France	July 07, 2011	Installment contracts	-	-	232	-	1,050
		Auto ABS 2012-1	France	July 12, 2012	Buyback contracts (1)	-	-	1,053	-	1,080
		Auto ABS French Loans Master	France	First sale on Nov. 29, 2012 (2)	Installment contracts	-	-	102	-	N/A
		Auto ABS 2013-2	France	June 7, 2013	Installment contracts	-	-	450	-	495
		Auto ABS2 2013-A	France	Oct. 31, 2013	Long-term leases (3)	-	-	716	-	735
		Auto ABS3 - Compartment 2014-01	France	Dec. 31, 2014	Installment contracts	-	-	419	-	430
	Sofira	Auto ABS DFP Master Compartment France 2013	France	First sale on Apr. 09, 2013 (2)	Wholesale financing	-	-	1,056	-	N/A
Germany	Banque PSA Finance's branch	Auto ABS German Loans 2011-2	France	Nov. 15, 2011	Installment contracts	183	-	276	-	800
		Auto ABS 2013-1	France	May 04, 2013	Long-term leases (3)	276	-	373	-	478
		Auto ABS German Lease Master	France	First sale on Oct. 10, 2013 (2)	Long-term leases (3)	340	-	209	-	N/A
		Auto ABS DFT Master Compartment Germany 2013	France	First sale on Nov. 07, 2013 (2)	Wholesale financing	282	-	269	-	N/A
		Auto ABS German Loans Master	France	First sale on Nov. 13, 2013 (2)	Installment contracts	523	-	455	-	N/A
Spain	Banque PSA Finance's branch	Auto ABS 2012-3	Spain	Nov. 23, 2012	Installment contracts	662	-	-	774	800
Italy	Banque PSA Finance's branch	Auto ABS S.r.l. 2012-2	Italy	Oct. 17, 2012	Installment contracts	115	-	-	180	621
		Auto ABS Italian Loans Master S.r.l.	Italy	Sept 15, 20124	Installment contracts	507	-	-	484	N/A
United Kingdom	Banque PSA Finance's branch	Auto ABS UK Loans PLC	United Kingdom	Dec. 6, 2012	Installment contracts	-	-	1,417	-	1,331
Switzer-land	PSA Finance Suisse S.A.	Auto ABS Swiss Leases 2013 GmbH	Switzerland	Nov. 21, 2013	Long-term leases (3)	274	-	237	-	245
Brazil	Banco PSA Finance Brasil S.A.	FIDC	Brazil	First sale on April 13, 2010 (4)	Installment contracts	100	-	-	188	N/A
Assigned loans, total						**3,262**	**-**	**7,264**	**1,626**	
						3,262		**8,890**		

The French, Spanish, Italian, Swiss, British funds and the Brazilian FIDC are special purpose entities that are fully consolidated, as Banque PSA Finance holds the power and its subsidiaries and branches retain the majority of the risks (principally credit risk) and rewards (net banking income) generated by the special entities.

The credit enhancement techniques used by the Banque PSA Finance group as part of its securitization transactions retain on its books the financial risks inherent in these transactions. The Group also finances all the liquidity reserves which enable it to manage specific risks. Lastly, the Group remains the exclusive beneficiary of the benefits which derive from these transactions, particularly where the remuneration received in consideration for the placing of the senior and mezzanine tranches on the majority of the transactions is concerned.

The French securitization vehicles (FCTs) and the fund in the United Kingdom were zeroed out in 2015 since they have been accounted by the equity method since February 2015, following the implementation of the joint ventures with Santander CF in France and the United Kingdom.

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

(1) *Sold receivables correspond to future finance buyback contracts revenues.*

(2) *These funds make it possible to purchase the new production in a continuous way.*

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

(4) *The FIDC is an open-end fund that can purchase successive packages of loans, in line with the agreement entered into with Banco Santander CF.*

Note 9 Accruals and Other Assets

(in million euros)	June 30, 2015 Assets to be taken over by partnership	June 30, 2015 Continuing operations	Dec. 31, 2014 Assets to be taken over by partnership	Dec. 31, 2014 Continuing operations
Other receivables	**161**	**77**	**180**	**141**
- Related companies	34	23	93	29
- Non-group companies	127	54	87	112
- of which insurance activities	-	*10*	-	-
Prepaid and recoverable taxes	**29**	**9**	**24**	**16**
Accrued income	**-**	**42**	**13**	**27**
- Related companies	-	-	-	-
- Non-group companies	-	42	13	27
- of which insurance activities	-	*18*	-	*18*
Prepaid expenses	**35**	**9**	**30**	**32**
- of which margin calls paid on swaps designated as hedges (1)	-	*4*	-	*8*
Other	**105**	**3**	**57**	**38**
- Related companies	3	-	-	3
- Non-group companies	102	3	57	35
Total	**330**	**140**	**304**	**254**
	470		**558**	

(1) *At June 30, 2015, the margin calls paid on swaps designated as hedges were offset with the negative fair value for an amount of €11 million, compared to €28 million at December, 31, 2014 (see Note 12.2).*

Note 10 Investments in Associates and Joint Ventures Accounted for Using the Equity Method

10.1 Investments

(in million euros)	June 30, 2015	Dec. 31, 2014
At the beginning of the period	**104**	**83**
Share in net income	59	12
Capital increase (1)	3	-
Change in Group structure (2)	560	-
Goodwill	-	-
Exchange difference	17	9
At the end of the period	**743**	**104**
- of which goodwill (3)	*3*	*5*

(1) *In Malta, PSA Insurance Europe Ltd and Life Insurance Europe Ltd were created, owned 50/50 by BPF and Santander CF.*

(2) *In France, Banque PSA Finance and Santander CF made each other a 50% equity investment in Sofib. In the United Kingdom, Banque PSA Finance and Santander CF made each other a 50% equity investment in PSA Finance UK Ltd.*
According to IFRS 11, these subsidiaries are joint ventures and were consequently accounted for using the equity method.

(3) *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 (€7 million at December 31, 2011).*
On December 27, 2012, the proceeds from disposal of 25% shares in the Chinese subsidiary reduced the goodwill to CNY37.8 million (€5 million at December 31, 2014).
On March 2015, the proceeds from disposal of 25% shares in the Chinese subsidiary reduced the goodwill to CNY18.8 million (€2.8 million at June 30, 2015).
The goodwill was added to the carrying amount of the investment presented in "Investments in Associates and Joint Ventures Accounted for using the Equity Method".

10.2 Detailed information about Associates - Joint ventures

This information is given according to IFRS 12 and concerns:

10.2.1 Partnership with Dongfeng Peugeot Citroën in China

Dongfeng Peugeot Citroën Auto Finance Company Ltd
Beijing, China
Equity accounted percentage: 25%

Fully financial information after Group standard adjustments

Key Balance Sheet Items

(in million euros)	June 30, 2015	Dec. 31, 2014
Customer loans and receivables	1,948	1,534
Other assets	35	31
Total assets	**1,983**	**1,565**
Refinancing	1,414	1,176
Other liabilities	329	190
Equity	240	199
Total equity and liabilities	**1,983**	**1,565**

Key Income Statement Items

(in million euros)	June 30, 2015	June 30, 2014	Dec. 31, 2014
Net banking revenue	**46**	**22**	**57**
General operating expenses and equivalent	(10)	(7)	(18)
Gross operating income	**36**	**15**	**39**
Cost of risk	(4)	(1)	(8)
Operating income	**32**	**14**	**31**
Income taxes	(8)	(4)	(8)
Net income for the year	**24**	**10**	**23**

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*
Equity at December 31, 2013	**157**	**50%**	**78**	**(65)**	**5**	**18**	***2***
Net income of the period	10		5			5	
Capital increase	-		-	-		-	
Exchange difference	(2)		(1)			(1)	*(1)*
At June 30, 2014	**165**	**50%**	**82**	**(65)**	**5**	**22**	***1***
Net income of the period	13		12			7	
Exchange difference	21		9			10	*10*
At December 31, 2014	**199**	**50%**	**99**	**(65)**	**5**	**39**	***11***
Net income of the period	24		8			8	
Disposal of 25% shares	-		(55)	32	(2)	(25)	*(9)*
Exchange difference after disposal	17		8			8	*8*
At June 30, 2015	**240**	**25%**	**60**	**(33)**	**3**	**30**	***10***

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

Consolidated balance sheet items after equity method

(in million euros)	June 30, 2015	Dec. 31, 2014
Investments in associates and joint ventures accounted for using the equity method	63	104
Total assets	**63**	**104**
Equity		
- Historical value of the shares owned (1)	33	65
- Consolidated reserves - equity holders of the parent	30	39
Total equity and liabilities	**63**	**104**

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

10.2.2 Partnership with Santander CF in France

The partnership in France concerns the following entities:

Subsidiaries:

Sofib	*owned 50:50 by Banque PSA Finance and Santander CF*
Crédipar	*100% owned by Sofib*
CLV	*100% owned by Sofib*

Special purpose entities:
Auto ABS 2011-1
Auto ABS 2012-1
Auto ABS French Loans Master
Auto ABS DFP Master Compartment France 2013
Auto ABS 2013-2
Auto ABS2 2013-A
Auto ABS3 - Compartment 2014-01

Equity accounted percentage: 50%

The amounts below represent the combined financial statements of these entities.

Fully financial information after Group standard adjustments

Key Balance Sheet Items

(in million euros)	**June 30, 2015**
Customer loans and receivables	8,388
Other assets	952
Total assets	**9,340**
Refinancing	6,279
Other liabilities	2,056
Equity	1,005
Total equity and liabilities	**9,340**

Key Income Statement Items

(in million euros)	**June 30, 2015**
Net banking revenue	**199**
General operating expenses and equivalent	(72)
Gross operating income	**127**
Cost of risk	(17)
Operating income	**110**
Income taxes	(36)
Net income for the year	**74**

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***
Equity at June 30, 2015	**1,005**	**50%**	**503**	**(470)**	**-**	**33**	**-**

(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, 2015**
Investments in associates and joint ventures accounted for using the equity method	503
Total assets	**503**
Equity	
- Historical value of the shares owned (1)	470
- Consolidated reserves - equity holders of the parent	33
Total equity and liabilities	**503**

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

10.2.3 Partnership with Santander CF in United Kingdom

The partnership in United-Kingdom concerns the following entities:

Subsidiary:
PSA Finance UK Ltd *owned 50/50 by Banque PSA Finance and Santander CF*

Special purpose entity:
Auto ABS UK Loans Plc

Equity accounted percentage: 50%

The amounts below represent the combined financial statements of these entities.

Fully financial information after Group standard adjustments

Key Balance Sheet Items

(in million euros)	**June 30, 2015**
Customer loans and receivables	3,825
Other assets	455
Total assets	**4,280**
Refinancing	3,794
Other liabilities	136
Equity	350
Total equity and liabilities	**4,280**

Key Income Statement Items

(in million euros)	**June 30, 2015**
Net banking revenue	**61**
General operating expenses and equivalent	(19)
Gross operating income	**42**
Cost of risk	4
Operating income	**46**
Income taxes	(9)
Net income for the year	**37**

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 June 30, 2015	**350**	**50%**	**174**	**(147)**	**-**	**27**	***9***

(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, 2015**
Investments in associates and joint ventures accounted for using the equity method	174
Total assets	**174**
Equity	
- Historical value of the shares owned (1)	147
- Consolidated reserves - equity holders of the parent	27
Total equity and liabilities	**174**

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

10.2.4 Partnership with Santander CF in Malta

The partnership in Malta concerns the following entities:

Insurance subsidiaries owned 50/50 by Banque PSA Finance and Santander CF
PSA Insurance Europe Ltd
PSA Life Insurance Europe Ltd

Equity accounted percentage: 45%
(PSA Services Ltd is 99.99% owned by PSA Assurance S.A.S., itself 90% owned by Banque PSA Finance)

The amounts below represent the combined financial statements of these entities.

Fully financial information after Group standard adjustments are not material as at June 30, 2015.

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 June 30, 2015	**6**	**45%**	**3**	**(3)**	**-**	**-**	**-**

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

Consolidated balance sheet items after equity method

(in million euros)	**June 30, 2015**
Investments in associates and joint ventures accounted for using the equity method	3
Total assets	**3**
Equity	
- Historical value of the shares owned (1)	3
- Consolidated reserves - equity holders of the parent	-
Total equity and liabilities	**3**

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

Note 11 Financial Liabilities at Fair Value Through Profit or Loss

(in million euros)	**June 30, 2015**	**Dec. 31, 2014**
Accrued expense on trading derivatives (1)	-	1
Fair value of trading derivatives (1)	1	3
Total	**1**	**4**

Fair value is determined by applying valuation techniques based on observable market data (level 2).
(1) *Only a restricted number of swaps are classified as held for trading and have a limited impact on the income statement (see Note 18.4). See the detail of these swaps in Note 18.1, footnote (1).*

Note 12 Hedging Instruments - Liabilities

12.1 Analysis by Nature

(in million euros)	June 30, 2015	Dec. 31, 2014
Adjustment accounts - commitments in foreign currencies (1)	**-**	**18**
- of which related companies	*-*	*18*
Accrued expenses on swaps designated as hedges	**10**	**19**
- of which related companies	*-*	*1*
Negative fair value of instruments designated as hedges of:	**16**	**45**
- Borrowings	-	-
- EMTNs/BMTNs	-	-
- Bonds	3	14
- Certificates of deposit	-	-
- Customer loans (Installment contracts, Buyback contracts and Long-term leases) (2)	13	31
- Variable rate EMTN (Cash Flow Hedge)	-	-
Offsetting negative fair value and paid margin calls (see Note 12.2)	**(11)**	**(28)**
Total	**15**	**54**

Fair value is determined by applying valuation techniques based on observable market data (level 2).
Fair Value Hedge effectiveness is analysed in Note 18.3.

(1) *Adjustment accounts are used to record fair value adjustments to currency swaps designated as hedges of foreign currency customer loans refinanced in euros and foreign currency financing liabilities. These fair value adjustments are offset by adjustments arising from the remeasurement of the underlying foreign currency customer loans and financing liabilities at period-end exchange rates (see Notes 6 and 18.2.A).*

(2) *So are swaps hedging customer loans that are to be taken over by partnership. The hedges are effective (see Note 18.3) and the same principles were applied to continuing operations and operations to be taken over by partnership. In light of the margin call mechanisms and the balance sheet offsets (see Note 12.2), the decision was made not to reclassify, since the impact in profit and loss was not material.*

12.2 Offsetting swaps with margin call designated as hedges - Liabilities

For 2015

(in million euros)	Liability gross amount		Liability net amount before offsetting	Offsetting with paid margin calls	Balance sheet amount after offsetting
Negative valued swaps	Swap's winning leg	Swap's losing leg			
Accrued expense	**-**	**10**	**10**	**-**	**10**
- Swaps with margin call	-	9	9	-	**9**
- Swaps without margin call	-	1	1	-	**1**
Negative fair value	**(3)**	**19**	**16**	**-**	**16**
- Swaps with margin call	(2)	16	14	-	**14**
- Swaps without margin call	(1)	3	2	-	**2**
Offsetting	-	-	-	(11)	**(11)**
Total liabilities	**(3)**	**29**	**26**	**(11)**	**15**
Margin calls paid on swaps designated as hedges (prepaid expenses - see Note 9)	-	-	15	(11)	**4**
Total assets	-	-	15	(11)	4

For 2014

(in million euros)	Liability gross amount		Liability net amount before offsetting	Offsetting with paid margin calls	Balance sheet amount after offsetting
Negative valued swaps	Swap's winning leg	Swap's losing leg			
Accrued expense	**(2)**	**21**	**19**	**-**	**19**
- Swaps with margin call	(2)	20	18	-	**18**
- Swaps without margin call	-	1	1	-	**1**
Negative fair value	**(35)**	**80**	**45**	**-**	**45**
- Swaps with margin call	(35)	74	39	-	**39**
- Swaps without margin call	-	6	6	-	**6**
Offsetting	-	-	-	(28)	**(28)**
Total liabilities	**(37)**	**101**	**64**	**(28)**	**36**
Margin calls paid on swaps designated as hedges (prepaid expenses - see Note 9)	-	-	36	(28)	**8**
Total assets	**-**	**-**	**36**	**(28)**	**8**

Note 13 Deposits from Credit Institutions

Analysis of Demand and Time Accounts

(in million euros)	June 30, 2015			Dec. 31, 2014		
	Debts of operations to be taken over by partnership		Debts of continuing operations	Debts of operations to be taken over by partnership		Debts of continuing operations
	Transferred	Non-transferred		Transferred	Non-transferred	
Demand deposits (non-group institutions)	**85**	**-**	**10**	**56**	**-**	**145**
- Ordinary accounts in credit	79	-	7	44	-	142
- Accounts and deposits at overnight rates	6	-	3	10	-	3
- Other amounts due to credit institutions	-	-	-	2	-	-
Accrued interest	**-**	**-**	**-**	**-**	**-**	**-**
Time deposits (non-group institutions)	**502**	**1,071**	**236**	**222**	**5,407**	**752**
- Conventional bank deposits	314	671	170	37	880	587
- Drawdowns on syndicated term loan (see Note 20.2)	-	-	-	-	2,999	-
- Drawdowns on revolving bilateral credit lines (see Note 20.2)	100	-	66	64	228	165
- of which deposits from the Italian collateralization (see Note 20.1)	*100*	-	-	-	-	*100*
- Drawdowns in the framework of the Belgian collateralization (see Note 20.1)	88	-	-	121	-	-
- Deposits from the ECB (see Note 20.1)	-	400	-	-	1,300	-
Deferred items included in amortized cost of deposits from credit institutions	**-**	**-**	**(6)**	**-**	**(10)**	**(5)**
- Debt issuing costs (deferred charges)	-	-	(6)	-	(10)	(5)
Accrued interest	**13**	**1**	**29**	**2**	**26**	**38**
Total deposits from credit institutions at amortized cost	**600**	**1,072**	**269**	**280**	**5,423**	**930**
		1,941			**6,633**	

Note 14 Due to Customers

	June 30, 2015			Dec. 31, 2014	
	Debts of operations to be taken over by partnership		Liabilities of continuing operations	Transferred liabilities of operations to be taken over by partnership	Liabilities of continuing operations
(in million euros)	Transferred	Non-transferred			
Demand accounts	**1,873**	**-**	**1**	**2,165**	**98**
- Ordinary accounts in credit					
- Dealers' ordinary accounts in credit					
- Related companies (1)	60	-	-	30	26
- Non-group companies	126	-	-	171	65
- Cash pooling (2):					
- Before offsetting	6	-	65	7	8
- Offsetting of continuing operations	-	-	(65)	-	(8)
- Passbook savings accounts (3)	1,661	-	-	1,908	-
- Other amounts due to Customers					
- Related companies	-	-	-	3	-
- Non-group companies	20	-	1	46	7
Accrued interest	**3**	**-**	**-**	**-**	**-**
- of which passbook savings accounts (3)	*3*	-	-	-	-
Time deposits	**169**	**660**	**11**	**214**	**322**
- Term deposit accounts (3)	148	-	-	165	-
- Corporate time deposit (3)					
- Related companies	-	660	5	-	305
- Other					
- Related companies	1	-	-	-	1
- Non-group companies	20	-	6	49	16
Accrued interest	**-**	**-**	**-**	**2**	**-**
- of which time deposits (3)	-	-	-	*1*	-
Total	**2,045**	**660**	**12**	**2,381**	**420**
		2,717		**2,801**	

(1) Primarily comprising subsidiaries' payment accounts concerning transactions with the PSA Peugeot Citroën Group.

(2) Under the cash pooling agreement with PSA International (Related company), the asset and liability amounts are offset in accordance with IAS 32 (see Note 8.1).

(3) In the segment information, "Passbook savings accounts", "Term deposit accounts" and "Corporate time deposit" are classified in "Refinancing" (see Notes 27.1 and 27.3). The corresponding interest and expenses are classified in "Net refinancing cost" in the income statement.

Note 15 Debt Securities

15.1 Analysis by Nature

(in million euros)	June 30, 2015 – Debts of operations to be taken over by partnership – Transferred	June 30, 2015 – Debts of operations to be taken over by partnership – Non-transferred	June 30, 2015 – Debts of continuing operations	Dec. 31, 2014 – Debts of operations to be taken over by partnership – Transferred	Dec. 31, 2014 – Debts of operations to be taken over by partnership – Non-transferred	Dec. 31, 2014 – Debts of continuing operations
Interbank instruments and money-market securities (non-group institutions)	**-**	**2,209**	**20**	**-**	**3,186**	**2,011**
- EMTNs and BMTNs (1)	-	2,209	18	-	3,137	2,011
- of which paper in the process of being delivered	-	-	-	-	-	-
- Certificates of deposit and "billets de trésorerie"		-	2		49	-
- of which paper in the process of being delivered	-	-	-	-	-	-
Accrued interest	**-**	**36**	**1**	**-**	**71**	**29**
Deferred items included in amortized cost of debt	**-**	**(3)**	**(2)**		**(3)**	**(10)**
- Debt issuing costs and premiums (deferred charges)	-	(3)	(2)	-	(3)	(10)
Bonds	**2,041**	**-**	**-**	**4,830**	**-**	**545**
- Issued by securitization funds (see Note 15.2)	2041	-	-	4830	-	545
Accrued interest	**-**	**-**	**-**	**-**	**-**	**-**
- of which securitization	-	-	-	-	-	-
Other debt securities	**179**	**-**	**-**	**-**	**-**	**251**
- of which securitization: senior shares (see Note 15.2)	*95*	-	-	-	-	*174*
Accrued interest	**40**	**-**	**-**	**-**	**-**	**55**
- of which securitization	*29*	-	-	-	-	*46*
Total debt securities at amortized cost	**2,260**	**2,242**	**19**	**4,830**	**3,254**	**2,881**
		4,521			**10,965**	

(1) *Including €270,1 million State-guaranteed bonds at June 30, 2015 (€1,500 million at December 31, 2014)(see Note 20.4).*

15.2 Securitization programs

Bonds (Except Accrued interest)

(in million euros)					Issued Bonds				
					at June 30, 2015		at December 31, 2014		at the origin
Country of Seller	Fund	Country of Fund	Bonds	Rating	Transferred debts of operations to be taken over by partnership	Debts of continuing operations	Transferred debts of operations to be taken over by partnership	Debts of continuing operations	
France				*Fitch/Moody's*					
	Auto ABS 2011-1	France	A Bonds	AAA/Aaa	-	-	155	-	956
			B Bonds	-	-	-	94	-	94
				Fitch/S&P					
	Auto ABS 2012-1	France	A Bonds	AAA/AAA	-	-	724	-	724
			B Bonds	-	-	-	356	-	356
				Fitch/Moody's					
	Auto ABS French Loans Master	France	A Bonds	AAA/Aaa	-	-	99	-	N/A
			B Bonds	-	-	-	10	-	N/A
				Fitch/Moody's					
	Auto ABS 2013-2	France	A Bonds	AAA/Aaa	-	-	429	-	450
			B Bonds	A+/A2	-	-	20	-	20
			C Bonds	-	-	-	25	-	25
				Moody's/S&P					
	Auto ABS DFP Master Compartment France 2013	France	A Bonds	Aaa/AAA	-	-	550	-	N/A
			S Bonds	Aaa/AAA	-	-	225	-	N/A
			B Bonds	-	-	-	290	-	N/A
				Moody's/DBRS					
	Auto ABS2 2013-A	France	A Bonds	Aaa/AAA	-	-	522	-	522
			B Bonds	A2/A	-	-	52	-	52
			C Bonds	-	-	-	162	-	162
				Fitch/DBRS					
	AUTO ABS3 FCT COMPARTMENT 2014-1	France	A Bonds	AAA/AAA	-	-	397	-	397
			B Bonds	A/A	-	-	23	-	23
			C Bonds	-	-	-	10	-	10
Germany				*Fitch/Moody's*					
	Auto ABS German Loans 2011-2	France	A Bonds	AAA/Aaa	116	-	211	-	720
			B Bonds	-	80	-	80	-	80
				Fitch/Moody's					
	Auto ABS 2013-1	France	A Bonds	AAA/Aaa	174	-	272	-	361
			B Bonds	-	116	-	116	-	116
				Fitch/Moody's					
	Auto ABS German Lease Master	France	A Bonds	AAA/Aaa	241	-	150	-	N/A
			B Bonds	-	91	-	57	-	N/A
				Moody's/S&P					
	Auto ABS DFT Master Compartment Germany 2013	France	A Bonds	Aaa/AAA	189	-	189	-	N/A
			B Bonds	-	117	-	116	-	N/A
				Fitch/Moody's					
	Auto ABS German Loans Master	France	A Bonds	AAA/Aaa	177	-	118	-	
			A Bonds	AAA/Aaa	279	-	279	-	N/A
			B Bonds	-	81	-	69	-	N/A
				Fitch/DBRS					
Spain	Auto ABS 2012-3	Spain	A Bonds	AA-/AA(low)	554	-	-	668	668
			B Bonds	-/CCC	132	-	-	132	132
Italy				*Fitch/S&P*					
	Auto ABS S.r.l. 2012-2	Italy	A Bonds	AA/AA	39	-	-	107	537
			B Bonds	-	94	-	-	94	94
				Fitch/DBRS					
	Auto ABS Italian Loans Master S.r.l.	Italy	A Bonds	AA+/AA	459	-	-	438	N/A
			B Bonds	-	66	-	-	62	N/A
				Fitch					
United Kingdom	Auto ABS UK Loans PLC	United Kingdom	A Bonds	AAA	-	-	996	-	905
			B Bonds	-	-	-	237	-	426
			B Bonds	-	-	-	243	-	
Switzerland	Auto ABS Swiss Leases 2013 GmbH	Switzerland	A Bonds	-	231	-	200	-	196
Elimination of intercompany transactions (1)					(1,195)	-	(2,646)	(956)	
Total					**2,041**		**4,830**		

(1) *Some transactions were purchased by Banque PSA Finance, including A Bonds, which are accepted as collateral by the ECB.*

The bonds of the French securitization vehicles (FCTs) and of the fund in the United Kingdom were zeroed out in 2015 since these funds have been accounted by using the equity method since february 2015, following the implementation of the joint ventures with Santander CF in France and the United Kingdom.

Other debt securities (Except Accrued interest)

(in million euros)				at June 30, 2015		at Dec. 31, 2014	at the origin
Country of Seller	**Fund**	**Country of Fund**	**Issued Securities**	Transferred debts of operations to be taken over by partnership	Debts of continuing operations	Debts of continuing operations	
Brazil	FIDC	Brazil	Senior	95	-	174	N/A
			Subordinated	13	-	11	N/A
Elimination of intercompany transactions				(13)	-	(11)	
Total				**95**	**-**	**174**	

The French, Spanish, Italian, Swiss, British funds and the Brazilian FIDC are special purpose entities that are fully consolidated, as Banque PSA Finance holds the power and its subsidiaries and branches retain the majority of the risks (principally credit risk) and rewards (net banking income) generated by the special entities.

Note 16 Accruals and Other Liabilities

(in million euros)	June 30, 2015		Dec. 31, 2014	
	Liabilities to be taken over by partnership	Continuing operations	Liabilities to be taken over by partnership	Continuing operations
Trade payables	**194**	**63**	**156**	**84**
- Related companies (1)	189	54	128	71
- Non-group companies	5	9	28	13
Accrued payroll and other taxes	**67**	**7**	**112**	**25**
Accrued charges	**42**	**23**	**122**	**44**
- Related companies	1	1	10	1
- Non-group companies	41	22	112	43
- of which insurance activities	*-*	*5*	*-*	*2*
Other payables	**16**	**366**	**60**	**4**
- Related companies (2)	-	348	47	-
- Non-group companies	16	18	13	4
- of which insurance activities	*-*	*7*	*-*	*-*
Deferred income	**33**	**8**	**25**	**37**
- Related companies	-	-	8	-
- Non-group companies	33	8	17	37
- of which margin calls received on swaps designated as hedges (3)	*-*	*1*	*-*	*4*
Other	**90**	**6**	**124**	**21**
- Non-group companies	90	6	124	21
Total	**442**	**473**	**599**	**215**
	915		**814**	

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

(2) *Of which a €348 million dividend remaining to be paid to PSA Peugeot Citroën Group.*

(3) *At June 30, 2015, the margin calls received on swaps designated as hedges were offset with the positive fair value for an amount of €162 million, compared to €182 million at December,31, 2014 (see Note 6.2).*

Note 17 Insurance Activities

17.1 Liabilities Related to Insurance Contracts

(in million euros)	June 30, 2015		Dec. 31, 2014	
	Liabilities to be taken over by partnership	Continuing operations	Liabilities to be taken over by partnership	Continuing operations
Life insurance liabilities	**-**	**35.3**	**-**	**32.9**
Unearned premium reserve (UPR)	-	7.2	-	7.0
Claims reserve				
- Claims reserve - reported claims	-	11.4	-	10.9
- Claims reserve - claims incurred but not reported (IBNR)	-	16.7	-	15.0
Other	-	-	-	-
Non-life insurance liabilities	**1.2**	**38.5**	**1.0**	**33.6**
Unearned premium reserve (UPR)	-	5.3	-	5.3
Provision pour sinistre à payer (PSAP):				
- Claims reserve - reported claims	1.2	8.2	1.0	8.0
- Claims reserve - claims incurred but not reported (IBNR)	-	25.0	-	20.3
Other	-	-	-	-
Total liabilities related to insurance contracts	**1.2**	**73.8**	**1.0**	**66.5**
	75.0		**67.5**	

17.2 Change in Liabilities Related to Insurance Contracts for continuing operations

17.2.1 Unearned Premium Reserve (UPR)

(in million euros)	Life	Non-Life	Total
At the beginning of the period	**7.0**	**5.3**	**12.3**
+ Written premiums	30.0	39.6	69.6
- Earned premiums	(29.8)	(39.6)	(69.4)
+ Other movements	-	-	-
At the end of the period	**7.2**	**5.3**	**12.5**

17.2.2 Claims Reserve

(in million euros)	Life	Non-Life	Total
At the beginning of the period	**25.9**	**28.3**	**54.2**
of which reported claims	10.9	8.0	18.9
of which claims incurred but not reported (IBNR)	15.0	20.3	35.3
- Claims paid in current period	(4.9)	(4.0)	(8.9)
+ Claims incurred in current period	5.1	6.9	12.0
+ Claims incurred in prior years	2.0	2.0	4.0
+ Other movements	-	-	-
At the end of the period	**28.1**	**33.2**	**61.3**
of which notified claims	*11.4*	*8.2*	*19.6*
of which claims incurred but not reported (IBNR)	*16.7*	*25.0*	*41.7*

17.3 Income from Activities for continuing operations

17.3.1 Technical Income from Insurance Activities

(in million euros)	June 30, 2015	June 30, 2014	Dec. 31, 2014
+ Earned premiums	**69.4**	**71.8**	**121.0**
- Cost	**(53.0)**	**(14.2)**	**(29.4)**
Claims expenses	*(8.9)*	*(8.3)*	*(16.7)*
Change in insurance liabilities (except for UPR)	*(7.1)*	*(5.9)*	*(12.4)*
Brokerage fees	*(37.0)*	*-*	*(0.3)*
- Before elimination of intercompany transactions	*(37.0)*	*(31.8)*	*(170.3)*
- Elimination of intercompany transactions (1)	*-*	*31.8*	*170.0*
Margin on sales of Insurance activities	**16.4**	**57.6**	**91.6**
+/- Other technical income (expense)	**(1.3)**	**(0.5)**	**(1.2)**
Personnel costs	*(0.1)*	*(0.1)*	*(0.1)*
Other technical income (expense)	*(1.2)*	*(0.4)*	*(1.1)*
- Before elimination of intercompany transactions	*(1.6)*	*(0.4)*	*(1.3)*
- Elimination of intercompany transactions	*0.4*	*-*	*0.2*
+ Investment income, net	**(0.1)**	**0.1**	**0.6**
- Before elimination of intercompany transactions	*(0.1)*	*0.3*	*0.8*
- Elimination of intercompany transactions	*-*	*(0.2)*	*(0.2)*
Contribution to operating income	**15.0**	**57.2**	**91.0**

(1) In 2015, the brokerage fees are no longer eliminated with the joint ventures in France and in the United Kingdom, following their being accounted using the equity method (€25 million). Consequently, starting in 2015, we no longer eliminate the brokerage fees with the future joint ventures in partnership with Santander CF (€12 million).

17.3.2 Non-technical Income from Insurance Activities

(in million euros)	June 30, 2015	June 30, 2014	Dec. 31, 2014
+/- Other non-technical income (expense)	**0.3**	**(1.0)**	**(2.4)**
Personnel costs	*(0.6)*	*(0.5)*	*(1.1)*
Other non-technical income (expense)	*0.9*	*(0.5)*	*(1.3)*
- Before elimination of intercompany transactions	*1.1*	*(0.6)*	*(0.9)*
- Elimination of intercompany transactions	*(0.2)*	*0.1*	*(0.4)*
Contribution to operating income	**0.3**	**(1.0)**	**(2.4)**

17.3.3 Operating Income from Insurance Activities

(in million euros)	June 30, 2015	June 30, 2014	Dec. 31, 2014
Technical income	15.0	57.2	91.0
Non-technical income	0.3	(1.0)	(2.4)
Contribution to operating income	**15.3**	**56.2**	**88.6**

Note 18 Derivatives

Group Interest Rate Management Policy

(See the "Financial Risks and Market Risk" section of the 2014 Management Report)

Interest rate risk:

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

Currency risk:

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

Counterparty risk:

Banque PSA Finance's exposure to counterparty risk is limited to its use of derivatives governed by standard FBF or ISDA agreements and very short term cash investments with leading counterparties. Almost all the swaps (more than 93%) are swaps with weekly margin call. Customer credit risk is discussed in Note 25.

The bank limits the exposure at the minimum from the implementation of its investment policy. Available cash other than interbank loans and reserves deposited with central banks is invested solely in very short-term retail certificates of deposits and in mutual funds.

18.1 Banque PSA Finance Interest Rate Position

(in million euros)	0 to 1 year	1 to 5 years	+5 years	Total at June 30, 2015
Financial assets				
Wholesale financing	2,787	-	-	2,787
Fixed rate customer financing	2,519	4,635	-	7,154
Other adjustable rate loans and receivables	61	-	-	61
Fixed rate financial assets	-	-	-	-
Other financial assets	1,279	-	-	1,279
Total financial assets (a)	**6,646**	**4,635**	**-**	**11,281**
Other financial assets (derivatives and fair value adjustments to hedged finance receivables portfolios)	**34**	**-**	**-**	**34**
Non financial assets				
Fixed assets and goodwill	-	77	-	77
Other non financial assets	1,326	-	-	1,326
Total non financial assets	**1,326**	**77**	**-**	**1,403**
Total assets				*12,718*
Financial liabilities				
Hedged fixed rate debt	(2,042)	(58)	(223)	(2,323)
Hedged adjustable rate debt	(3,924)	-	-	(3,924)
Other borrowings and deposits	(2,821)	-	-	(2,821)
Total financial liabilities (b)	**(8,787)**	**(58)**	**(223)**	**(9,068)**
Other financial liabilities (derivatives and fair value adjustments to hedged debt portfolios)	**(57)**	**-**	**-**	**(57)**
Non financial liabilities				
Other non financial liabilities	(1,221)	-	-	(1,221)
Total non financial liabilities	**(1,221)**	**-**	**-**	**(1,221)**
Equity (3)	**-**	**(2,372)**	**-**	**(2,372)**
Total equity and liabilities				*(12,718)*
Net position before hedging = (a) + (b)	**(2,141)**	**4,577**	**(223)**	**2,213**
Derivatives - Notional amounts				
Derivatives hedging financial assets				
Swaps hedging fixed rate retail financing (Fair Value Hedge)				
- borrowing leg	(2,372)	(2,649)	-	(5,021)
- lending leg	5,021	-	-	5,021
Swaps hedging marketable securities (Fair Value Hedge)				
- borrowing leg	-	-	-	-
- lending leg	-	-	-	-
Total derivatives hedging financial assets (c)	**2,649**	**(2,649)**	**-**	**-**
Derivatives hedging financial liabilities				
Swaps hedging fixed rate debt (Fair Value Hedge) (2)				
- lending leg	2,003	20	223	2,246
- borrowing leg	(2,246)			(2,246)
Classified as held for trading swaps (unachievable hedging test) (1)				
- lending leg	39	38	-	77
- borrowing leg	(77)	-	-	(77)
Swaps hedging adjustable rate debt (Cash Flow Hedge)				
- borrowing leg	(18)	-	-	(18)
- lending leg	18	-	-	18
Total derivatives hedging financial liabilities (d)	**(281)**	**58**	**223**	**-**
Trading transactions (e) (1)	**-**	**3**	**-**	**3**
Derivatives net position = (c) + (d) + (e)	**2,368**	**(2,588)**	**223**	**3**
Net position after hedging (3)	**227**	**1,989**	**-**	**2,216**
Note: Net position after hedging in December 2014	*333*	*3,573*	-	*3,906*

This table analyzes financial assets and liabilities based on their maturity, for fixed rate items, or the next repricing date, for adjustable rate items. It is before IFRS 5 reclassifications: it takes into account 100% of customer loans and receivables and 100% of debts.

In the section dealing with derivatives, the lending leg of swaps and other derivative transactions are reported as a positive amount and the borrowing leg is reported as a negative amount.

(1) *Out of €9,983 million total swaps nominal at June 30, 2015:*
a) €1,357 million swaps set up by the United Kingdom branch, represent closed positions with no impact on income and set each other off within trading portfolios of contracts with similar characteristics.
b) €80 million represent a restricted number of swaps classified as held for trading, including:
- €77 million swaps which cover fixed rate debt, reclassified following an unachevievable hedging test;
- €3 million of cross currency swaps (open positions).
The impact of these swaps on the income statement is not material (see Notes 5, 11 and 18.4). Note that none of the swaps from the trading portfolio, and including those in open positions, are included in the negotiation portfolio as defined by the banking supervisor for regulatory reporting purposes.

(2) *Including €1,260 million of hedging swaps closed at consolidated level, set up during securitization transactions.*

(3) *The net position after hedging, with maturities ranging from 0 to 1 year, is not material. The net position after hedging, with maturities ranging from 1 to 5 years, amounts to €1,989 million and is fully hedged by equity.*

18.2 Banque PSA Finance Residual Positions in Foreign Currencies

A. Operational Positions in Foreign Currencies

These positions are hedged using currency swaps, cross currency swaps and forward foreign exchange contracts.
As a result of the hedging policy, substantial changes in currencies exchange rates will only have a limited impact on the Group net income.

Parent's External Positions

(in million euros)	HUF	CHF	CNY	CZK	GBP	JPY	MXN	PLN	RUB	USD
Assets	10	227	-	18	282	-	-	140	-	7
Liabilities	-	(243)	-	-	(219)	-	-	-	-	(454)
Net position before hedging	**10**	**(16)**	**-**	**18**	**63**	**-**	**-**	**140**	**-**	**(447)**
Hedging assets	(10)	-	-	(18)	(62)	-	-	(140)	-	-
Hedging liabilities	-	16	-	-	-	-	-	-	-	447
Hedging position	**(10)**	**16**	**-**	**(18)**	**(62)**	**-**	**-**	**(140)**	**-**	**447**
Net position after hedging at June 30, 2015	**-**	**-**	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**
Note: December 2014	**-**	**-**	**-**	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**

Subsidiaries' External Positions

(in million euros)	EUR /PLN	HUF /CHF	BRL /EUR	EUR /GBP	HRK /EUR	HUF /EUR	EUR /CNY	EUR /TRY	EUR /USD
Assets	-	5	-	11	22	1	-	-	-
Liabilities	-	(5)	(5)	(11)	(22)	(1)	-	-	-
Net position before hedging	**-**	**-**	**(5)**	**-**	**-**	**-**	**-**	**-**	**-**
Hedging assets	-	-	-	-	-	-	-	-	-
Hedging liabilities	-	-	5	-	-	-	-	-	-
Hedging position	**-**	**-**	**5**	**-**	**-**	**-**	**-**	**-**	**-**
Net position after hedging at June 30, 2015	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Note: December 2014	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

B. Structural Positions in Foreign Currencies

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

(in million euros)	CHF	CNY	CZK	GBP	HRK	HUF	MXN	PLN	RUB	TRY	USD (1)	TOTAL
Position at June 30, 2015	16	81	31	103	3	21	7	45	43	8	161	**519**
Note: December 2014	14	73	30	110	3	20	7	40	37	9	148	**491**

(1) The structural position in US dollars arises from the financing in dollars of the bank's net investment in its Brazilian, Argentine and Russian subsidiaries.

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

(in million euros)	June 30, 2015	Implementation of the partnership	Dec 31, 2014	Fair value adjustments	Ineffective portion recognized in profit or loss
Fair value adjustments to customer loans (Installment contracts, Buyback contracts and Long-term leases)					
- Installment contracts	10	(4)	44		
- Buyback contracts	3	(4)	-		
- Long-term leases	4	(5)	(5)		
Total valuation, net	**17**	**(13)**	**39**	**(9)**	
Derivatives designated as hedges of customer loans					
- Assets (Note 6)	1	-	-		
- Liabilities (Note 12)	(13)	9	(31)		
Total valuation, net	**(12)**	**9**	**(31)**	**10**	**1**
Ineffective portion of gain and losses on outstanding hedging transactions	**5**	**(4)**	**8**		**1**
Fair value adjustments to hedged debt					
- Valuation, net	(1)		(2)		
Total valuation, net	**(1)**	**-**	**(2)**	**1**	
Derivatives designated as hedges of debt					
- Assets (Note 6)	1		2		
- Liabilities (Note 12)	-		-		
Total valuation, net	**1**	**-**	**2**	**(1)**	**0**
Ineffective portion of gain and losses on outstanding hedging transactions	**0**		**0**		**0**
Fair value adjustments to hedged EMTNs/BMTNs					
- Valuation, net	(41)		(69)		
Total valuation, net	**(41)**	**-**	**(69)**	**28**	
Derivatives designated as hedges of EMTNs/BMTNs					
- Assets (Note 6)	49		74		
- Liabilities (Note 12)	-		-		
Total valuation, net	**49**	**-**	**74**	**(25)**	**3**
Ineffective portion of gain and losses on outstanding hedging transactions	**8**		**5**		**3**
Fair value adjustments to hedged bonds					
- Valuation, net	-		-		
Total valuation, net	**-**	**-**	**-**	**-**	
Derivatives designated as hedges of bonds (2)					
- Assets (Note 6)	3	(3)	14		
- Liabilities (Note 12)	(3)	3	(14)		
Total valuation, net	**-**	**-**	**-**	**-**	**0**
Ineffective portion of gain and losses on outstanding hedging transactions	**0**		**0**		**0**
Fair value adjustments to other hedged debt securities					
- Valuation, net	-		-		
Total valuation, net	**-**	**-**	**-**	**-**	
Derivatives designated as hedges of other debt securities					
- Assets (Note 6)	-		-		
- Liabilities (Note 12)	-		-		
Total valuation, net	**-**	**-**	**-**	**-**	**0**
Ineffective portion of gain and losses on outstanding hedging transactions	**0**		**0**		**0**

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

(2) Closed position swaps (set up by Banque PSA Finance and the securitization funds) designated as hedges of the securitization funds' bond debt (see Note 18.1, footnote (2)).

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

(in million euros)	June 30, 2015	Implementation of the partnership	Dec. 31, 2014	Fair value adjustments
Financial assets at fair value (Note 5)				
- Fair value adjustments to marketable securities	-	-	1	(1)
- Fair value of trading derivatives	1	(3)	3	1
Total valuation, net	**1**	**(3)**	**4**	**-**
Financial liabilities at fair value (Note 11)				
- Fair value of trading derivatives	(1)	-	(3)	2
Total valuation, net	**(1)**	**-**	**(3)**	**2**
Impact in profit or loss				**2**

Note 19 Fair Value of Financial Assets and Liabilities

(in million euros)	Fair value		Book value		Difference	
	June 30, 2015	Dec. 31, 2014	June 30, 2015	Dec. 31, 2014	June 30, 2015	Dec. 31, 2014
Assets						
Cash, central banks, post office banks	7	308	7	308	-	-
Financial assets at fair value through profit or loss (1)	404	455	404	455	-	-
Hedging instruments (1)	17	58	17	58	-	-
Available-for-sale financial assets (2)	20	14	20	14	-	-
Loans and advances to credit institutions (3)	191	1,070	191	1,070	-	-
Customer loans and receivables (4)	707	4,012	706	4,048	1	(36)
Equity and liabilities						
Central banks, post office banks	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss (1)	1	4	1	4	-	-
Hedging instruments (1)	15	54	15	54	-	-
Deposits from credit institutions (5)	1,357	6,554	1,342	6,355	(15)	(199)
- *of which debts of continuing operations*	*269*	*931*	*269*	*930*	-	*(1)*
- *of which non-transferred debts of operations to be taken over by partnership*	*1,088*	*5,623*	*1,073*	*5,425*	*(15)*	*(198)*
Due to customers (3)	672	420	672	420	-	-
- *of which debts of continuing operations*	*12*	*420*	*12*	*420*	-	-
- *of which non-transferred debts of operations to be taken over by partnership*	*660*	-	*660*	-	-	-
Debt securities (5)	2,308	6,230	2,302	6,204	(6)	(26)
- *of which debts of continuing operations*	*19*	*2,928*	*19*	*2,914*	-	*(14)*
- *of which non-transferred debts of operations to be taken over by partnership*	*2,289*	*3,302*	*2,283*	*3,290*	*(6)*	*(12)*

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

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

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

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

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

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

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

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

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

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

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

Note 20 Other Commitments

Note 20.1 Other Commitments

(in million euros)	June 30, 2015 – Commitments of operations to be taken over by partnership – Transferred	June 30, 2015 – Commitments of operations to be taken over by partnership – Non-transferred	June 30, 2015 – Commitments of continuing operations	Dec. 31, 2014 – Commitments of operations to be taken over by partnership – Transferred	Dec. 31, 2014 – Commitments of operations to be taken over by partnership – Non-transferred	Dec. 31, 2014 – Commitments of continuing operations
Financing commitments						
Commitments received from credit institutions (see Note 20.2)	120	1,492	465	646	5,200	518
Commitments given to credit institutions	-	-	-	-	-	-
Commitments given to customers (1)	337	-	5	1,128	-	130
- of which Crédipar	-	-	-	*785*	-	-
Guarantee commitments						
Commitments received from credit institutions	241	-	21	169	-	197
- guarantees received in respect of customer loans	241	-	20	169	-	196
- guarantees received in respect of securities held	-	-	1	-	-	1
- other guarantees received from credit institutions	-	-	-	-	-	-
Guarantees given to credit institutions	-	1	-	-	1	-
Commitments given to customers	1	-	11	65	-	1
- Sofib	-	-	-	61	-	-
- Sofira	-	-	-	4	-	-
- Banque PSA Finance	-	-	11	-	-	-
- Italian branch	1	-	-	-	-	1
Other commitments received						
Securities received as collateral	48	-	-	-	-	5
Other commitments given						
Assets given as collateral for proprietary transactions (see Notes 8.1 and 13)	217	594	-	117	2,009	131
- to the ECB (2)	-	594	-	-	2,009	-
- to credit institutions by the Italian branch	131	-	-	-	-	131
- to credit institutions by the Belgian subsidiary	86	-	-	117	-	-
Other	-	-	-	-	-	-

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

(2) Assets given as collateral, of which €195 million customer loans, for short term €400 million financing granted at June 30, 2015; potential short term financing remains for an amount of €61 million (see Note 20.3).

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

Note 20.2 Credit facilities

(in million euros)	June 30, 2015 – Commitments of operations to be taken over by partnership – Transferred	June 30, 2015 – Commitments of operations to be taken over by partnership – Non-transferred	June 30, 2015 – Commitments of continuing operations	Dec. 31, 2014 – Commitments of operations to be taken over by partnership – Transferred	Dec. 31, 2014 – Commitments of operations to be taken over by partnership – Non-transferred	Dec. 31, 2014 – Commitments of continuing operations
Undrawn bank facilities, by drawdown priority (see Note 13)						
Syndicated term loan (1)	-	-	-	-	1,100	-
Revolving bilateral bank facilities (1)(2)	-	792	406	506	954	506
Other bank facilities	120	-	59	140	-	12
Syndicated credit facilities (1)(3)	-	700	-	-	3,146	-
Total	**120**	**1,492**	**465**	**646**	**5,200**	**518**
		2,077			**6,364**	

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

(2) Out of a total of €1,364 million at June 30, 2015.

(3) At June 30, 2015, €700 million expiring in February 2020.

A change in the Banque PSA Finance's rating could lead to an adjustment of the financial terms of some of these credit lines, but their amount would not be reduced.

Note 20.3 Financial Security

Financial security corresponds to liquidity reserve, available collateral with the European Central Bank (ECB) and undrawn bank facilities (see Note 20.2).

	June 30, 2015			Dec. 31, 2014		
	Commitments of operations to be taken over by partnership		Commitments of continuing operations	Commitments of operations to be taken over by partnership		Commitments of continuing operations
(in million euros)	Transferred	Non-transferred		Transferred	Non-transferred	
Liquidity Reserve	86	-	360	23	-	1,247
- Reserves deposited with the central banks (see Note 4)	17	-	7	23	-	307
- Mutual funds qualified as cash equivalents (see Note 5)	46	-	1	-	-	47
- Treasury bonds (OAT) qualified as cash equivalents (see Note 5)	-	-	251	-	-	252
- Time accounts qualified as cash equivalents (see Note 7)	23	-	101	-	-	641
Possibilities of financing from the ECB	-	61	-	-	48	-
Undrawn bank facilities	120	1,492	465	646	5,200	518
Total	**206**	**1,553**	**825**	**669**	**5,248**	**1,765**
		2,584			**7,682**	

Note 20.4 Management of liquidity risk

(see "1.4.4 - Liquidity Security" section)

Banque PSA Finance constantly endeavours to strike the best possible balance between security liquidity, which is an ungoing priority, and optimising its financing costs.

Financing is arranged with maturities that comfortably cover the maturities of the retail financing portfolio.

Banque PSA Finance endeavours to maintain a certain level of financial security (see Note 20.3), in order to cover at least six months' financing needs.The 6-month target corresponds to the results of a stress test assuming continued financing of projected new lending without recourse to the financial markets. At June 30, 2015, the financial security amounted to €2,584 million.

Thanks to the roll-over of bank facilities, along with the deposit activity, the securitization and collateralization programs, and the remaining State-guaranteed bond issues, Banque PSA Finance is in a position to provide its financing plan for the next twelve months at least, and until the closing of the transactions with Santander Consumer Finance.

Note 21 Interest and Other Revenue on Assets at Amortized Cost

(in million euros)	June 30, 2015	June 30, 2014	Dec. 31, 2014
Installment contracts	**44**	**52**	**100**
- of which related companies	*4*	*3*	*6*
- of which securitized	-	-	-
Buyback contracts	**6**	**5**	**11**
- of which related companies	-	-	-
- of which securitized	-	-	-
Long-term leases	**3**	**3**	**6**
- of which related companies	-	-	*1*
- of which securitized	-	-	-
Wholesale financing	**6**	**10**	**18**
- of which related companies	*4*	*7*	*12*
Other finance receivables	**2**	**7**	**13**
- of which related companies	-	-	*1*
Commissions paid to referral agents	**(4)**	**(5)**	**(10)**
- Installment contracts	(3)	(4)	(7)
- Buyback contracts	(1)	(1)	(2)
- Long-term leases	-	-	-
- of which related companies	-	-	*(1)*
Other business acquisition costs	**-**	**(1)**	**(1)**
Interest on ordinary accounts	**-**	**-**	**-**
Interest on guarantee commitments	**-**	**-**	**-**
Total	**57**	**71**	**137**

Note 22 Interest on Deposits from Credit Institutions

This item represents the interest costs, on the one hand on deposit accounts, on the other hand on loans, from the credit institutions.

Note 23 Interest on Debt Securities

(in million euros)	June 30, 2015	June 30, 2014	Dec. 31, 2014
Interest expense on debt securities	(9)	(19)	(54)
Interest expense on bonds and other fixed income securities	-	-	-
- of which securitization: preferred bonds	-	-	-
Total	**(9)**	**(19)**	**(54)**

Note 24 General Operating Expenses

(in million euros)	June 30, 2015	June 30, 2014	Dec. 31, 2014
Personnel costs	**(5)**	**(5)**	**(10)**
- Wages and salaries	(4)	(4)	(8)
- Payroll taxes	(1)	(1)	(2)
- Employee profit sharing and profit-related bonuses	-	-	-
Other general operating expenses	**(23)**	**(20)**	**(37)**
- External expenses	(72)	(62)	(125)
- of which related companies	*(51)*	*(36)*	*(78)*
- Re-invoicing to operations to be taken over by partnership (1)	49	42	88
Total	**(28)**	**(25)**	**(47)**

(1) The re-invoicing will continue after partnerships' implementation.

Note 25 Cost of Risk

The tables below present the cost of risk by customer category, as no significant loss has been incurred on other financial assets.

25.1 Changes in Loans

(in million euros)	Published balance sheet at Dec. 31, 2014	Additional scope of partnership: IFRS 5 reclassifications	Balance sheet at Dec. 31, 2014 after additional reclassifi-cations	Net new loans and exchange difference (1)	Cost of risk: Charges	Cost of risk: Reversals	Cost of risk: Credit losses	Cost of risk: Recoveries on loans written off in prior periods	Cost of risk for the period at June 30, 2015	Balance at June 30, 2015
Retail										
Sound loans with no past-due installments	3,341	(2,779)	562	(83)				-	-	479
Sound loans with past-due installments	118	(84)	34	(8)				-	-	26
Guarantee deposits (lease financing)	(7)	6	(1)	-				-	-	(1)
Non-performing loans	147	(92)	55	(31)			(2)	-	(2)	22
Total (2)	**3,599**	**(2,949)**	**650**	**(122)**	**-**	**-**	**(2)**	**-**	**(2)**	**526**
Impairment of sound loans with past-due installments	(19)	14	(5)	1	-	1	-	-	1	(3)
Impairment of non-performing loans	(125)	75	(50)	32	(3)	2	-	-	(1)	(19)
Total impairment (2)	**(144)**	**89**	**(55)**	**33**	**(3)**	**3**	**-**	**-**	**-**	**(22)**
Deferred items included in amortized cost	**42**	**(49)**	**(7)**	**1**	**-**	**-**	**-**	**-**	**-**	**(6)**
Net book value (A - see B Note 8.2)	**3,497**	**(2,909)**	**588**	**(88)**	**(3)**	**3**	**(2)**	**-**	**(2)**	**498**
Recoveries on loans written off in prior periods								1	1	
Impairment of doubtful commitments					-	-	-	-	-	
Retail cost of risk					**(3)**	**3**	**(2)**	**1**	**(1)**	
Corporate dealers										
Sound loans with no past-due installments	361	(198)	163	4					-	167
Sound loans with past-due installments	2	(2)	-	-					-	-
Guarantee deposits	(1)	1	-	-					-	-
Non-performing loans	99	(80)	19	(2)			(1)		(1)	16
Total	**461**	**(279)**	**182**	**2**	**-**	**-**	**(1)**	**-**	**(1)**	**183**
Impairment of sound loans	(4)	4	-	-	-	-	-	-	-	-
Impairment of non-performing loans	(30)	19	(11)	-	(1)	2	-	-	1	(10)
Total impairment	**(34)**	**23**	**(11)**	**-**	**(1)**	**2**	**-**	**-**	**1**	**(10)**
Deferred items included in amortized cost	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net book value (B - see A Note 8.2)	**427**	**(256)**	**171**	**2**	**(1)**	**2**	**(1)**	**-**	**-**	**173**
Recoveries on loans written off in prior periods								-	-	
Impairment of doubtful commitments					-	-	-	-	-	
Corporate dealers cost of risk					**(1)**	**2**	**(1)**	**-**	**-**	
Corporate and equivalent										
Sound loans with no past-due installments	116	(85)	31	4					-	35
Sound loans with past-due installments	1	-	1	-					-	1
Guarantee deposits	(1)	1	-	-					-	-
Non-performing loans	3	(2)	1	-			-		-	1
Total	**119**	**(86)**	**33**	**4**	**-**	**-**	**-**	**-**	**-**	**37**
Impairment of sound loans	(1)	1	-	-	-	-	-	-	-	-
Impairment of non-performing loans	(3)	2	(1)	-	-	-	-	-	-	(1)
Total impairment	**(4)**	**3**	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**
Deferred items included in amortized cost	**-**	(1)	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**
Net book value (C - see C Note 8.2)	**115**	**(84)**	**31**	**4**	**-**	**-**	**-**	**-**	**-**	**35**
Recoveries on loans written off in prior periods								-	-	
Impairment of doubtful commitments					-	-	-	-	-	
Corporate and equivalent cost of risk					**-**	**-**	**-**	**-**	**-**	
Total loans										
Sound loans with no past-due	3,818	(3,062)	756	(75)	-	-	-	-	-	681
Sound loans with past-due installments	121	(86)	35	(8)	-	-	-	-	-	27
Guarantee deposits	(9)	8	(1)	-	-	-	-	-	-	(1)
Non-performing loans	249	(174)	75	(33)	-	-	(3)	-	(3)	39
Total	**4,179**	**(3,314)**	**865**	**(116)**	**-**	**-**	**(3)**	**-**	**(3)**	**746**
Impairment of sound loans	(5)	5	-	-	-	-	-	-	-	-
Impairment of sound loans with past-due installments	(19)	14	(5)	1	-	1	-	-	1	(3)
Impairment of non-performing loans	(158)	96	(62)	32	(4)	4	-	-	-	(30)
Total impairment	**(182)**	**115**	**(67)**	**33**	**(4)**	**5**	**-**	**-**	**1**	**(33)**
Deferred items included in amortized cost	**42**	**(50)**	**(8)**	**1**	**-**	**-**	**-**	**-**	**-**	**(7)**
Net book value	**4,039**	**(3,249)**	**790**	**(82)**	**(4)**	**5**	**(3)**	**-**	**(2)**	**706**
Recoveries on loans written off in prior periods								1	1	
Impairment of doubtful commitments					-	-	-	-	-	
Total cost of risk					**(4)**	**5**	**(3)**	**1**	**(1)**	

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

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

(2) *The impact of the exit from the revolving credit business following the establishment of the joint venture in France in February 2015 was reflected in a change of negative €104 million in gross outstandings and positive €33 million in reversals.*

25.2 Change in Cost of Risk

(in million euros)	Retail	Corporate dealers	Corporate and equivalent	June 30, 2015	June 30, 2014	Dec. 31, 2014
Sound loans with past-due installments (1)						
Charges	-	-	-	-	(1)	(2)
Reversals	1	-	-	1	-	1
Non-performing loans						
Charges	(3)	(1)	-	(4)	(8)	(18)
Reversals	2	2	-	4	5	14
Doubtful commitments						
Charges	-	-	-	-	-	-
Reversals	-	-	-	-	-	-
Credit losses	(2)	(1)	-	(3)	(3)	(10)
Recoveries on loans written off in prior periods	1	-	-	1	1	1
Cost of risk	**(1)**	**-**	**-**	**(1)**	**(6)**	**(14)**

The Bank's credit management policy is described in the "Credit Risk" section of the 2014 Management Report.

(1) - Regarding Retail, this refers to sound loans with past-due installments.
- Regarding Corporate, this refers to sound loans with or without any past due, all impaired statistically from 2014 forward.

25.3 Information about Defaults with no Impairment

As regards Retail, sound loans in default are systematically impaired (see footnote (1) of Note 25.2).
As regards Corporate, since 2014, given the statistical impairment applied to Corporate sound receivables (see footnote (1) of Note 25.2) there is no longer any such receivable in default that is not impaired.

Note 26 Income Taxes

26.1 Evolution of Balance Sheet Items

(in million euros)	Dec. 31, 2014 IFRS 5 published	Dec. 31, 2014 Additional scope of partnership: reclassi-fications	Dec. 31, 2014 Taxes on continuing operations	Income	Equity	Payment	IFRS 5 reclassifi-cation in Income statement (1)	Exchange difference and other (2)	June 30, 2015 Taxes on continuing operations
Current tax									
Assets	9	(7)	2						4
Liabilities	(8)	1	(7)						(13)
Total	**1**	**(6)**	**(5)**	**(19)**	**-**	**15**	**-**	**-**	**(9)**
Deferred tax									
Assets	83	(50)	33						31
Liabilities	(24)	-	(24)						(13)
Total	**59**	**(50)**	**9**	**48**	**-**	**-**	**(38)**	**(1)**	**18**

(1) Mainly for eliminations of intragroup transactions between continuing operations and operations to be taken over by partnership (see Note 26.2, footnote (1) and (2)).

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

26.2 Income taxes of fully-consolidated companies

Income taxes currently payable represent the amounts paid or currently due to the tax authorities for the period, calculated in accordance with the tax rules and rates in effect in the various countries.

Deferred income taxes relate to timing differences between the recognition of certain items of income and expense for consolidated financial reporting and tax purposes. These differences relate principally to the accounting treatment of leasing and long-term rental transactions, and impairment of non-performing loans.

Deferred taxes are determined as described in the published accounts at December 31, 2013, Note 2.A, last paragraph dedicated to deferred taxes.

The French statutory income tax rate is 33.33%.

The Social Security Financing Act (no. 99-1140) dated December 29, 1999 provided for the introduction of a surtax equal to 3.3% of the corporate income tax liability of French companies. This surtax had the effect of raising the French corporate income tax rate by 1.1%.

France's 4th amended Finance Act dated December 21, 2011 introduced an exceptional 5% surtax for 2011 and 2012, lifting the tax rate for those years to 36.10% and limited the use of tax loss carryforwards to 60% of taxable profit of the year.

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

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

The project of amended France's Finance Act 2014 (under review) provides for the extension of the 10.7% exceptional surtax for 2015 (Article 235 ter ZAA of the French General Tax Code), thus maintaining the tax rate for this year at 38%.

At December 31, 2014, the positive €10.1 million reversal for utilization of end-2013 expense, which had been supplemented at June 30, 2014, was offset by the negative €11.6 million revaluation of deferred tax liabilities.

At June 30, 2015, there was no further revaluation of deferred tax liabilities for the French joint ventures. The impact on earnings is a positive €1 million from the reversal for utilization, the remaining balance down €11 million, having been transferred at the time of establishing the joint venture in France in February 2015.

(in million euros)	June 30, 2015	June 30, 2014	Dec. 31, 2014
Income taxes on continuing operations			
Current tax	**(19)**	**(18)**	**(19)**
Deferred tax	**48**	**59**	**77**
Deferred taxes arising in the period (1)	48	59	77
Unrecognized deferred tax assets and impairment losses	-	-	-
Income taxes on operations to be taken over by partnership			
Current and deferred tax (2)	(60)	(113)	(154)
Total	**(31)**	**(72)**	**(96)**

(1) Including at June 30, 2015, a €38 million positive amount mainly for eliminations of intragroup transactions with operations to be taken over by partnership.

(2) Including at June 30, 2015, a €38 million negative amount mainly for eliminations of intragroup transactions with continuing operations.

These entries have no impact on Banque PSA Finance net income and have no counterparty in balance sheet.

26.3 Banque PSA Finance tax proof

(in million euros)	June 30, 2015	June 30, 2014	Dec. 31, 2014
Pre-tax income of continuing operations	(42)	(155)	(354)
Pre-tax income of operations to be taken over by partnership	201	330	541
Neutralization of the share in net income of associates and joint ventures accounted for using the equity method	(59)	(5)	(12)
Permanent differences	55	(1)	104
Taxable Income	**155**	**169**	**279**
of which retroactive correction following tax audit (1)	-	-	96
Legal tax rate in France for the period	*38.0%*	*38.0%*	*38.0%*
Theoretical tax	**(59)**	**(64)**	**(106)**
Impact of differences in foreign tax rates	9	16	15
Impact of changes in foreign tax rates	-	-	-
Impact of provisional surtax in France	2	2	(1)
Adjustment related to the previous year	4	1	(5)
Tax disputes and adjustments	-	-	-
Deferred tax reversal following tax audit (1)	-	-	35
Other	-	(4)	(5)
Income taxes before impairment of assets on tax loss carryfowards	**(44)**	**(49)**	**(67)**
Group effective tax rate	*28.4%*	*28.8%*	*24.0%*
Deferred tax assets on tax loss carryforwards:			
- Charges (2)	-	(23)	(29)
- Reversals (3)	13	-	-
Income taxes	**(31)**	**(72)**	**(96)**

(1) Following the tax audit, tax basis were retroactively corrected, leading to take into account a €36 million negative impact in current tax. As a consequence, the deferred tax previously recognized in 2013 was reversed in 2014.

(2) See Note 26.4, foonote (2).

(3) Of which €4.5 million of reversed impairment on Spain, classified in Income of operations to be taken over by partnership.

26.4 Deferred Tax Assets on Tax Loss Carryforwards for continuing operations

	Dec. 31, 2014							June 30, 2015
(in million euros)	Balance sheet after IFRS 5 reclassification	Balance sheet after IFRS 5 reclassification	Taxes on continuing operations	New tax losses	Tax losses utilized in the year	Charges / Reversals	Exchange difference and other (1)	Taxes on continuing operations
Deferred tax assets on tax loss carryforwards	52	5	57	3	(13)	-	-	47
Allowances (2)	(33)	5	(28)	-	-	8	-	(20)
Total	**19**	**10**	**29**	**3**	**(13)**	**8**	**-**	**27**

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

(2) In June and December 2014, Banque PSA Finance's previous deferred tax asset on the tax loss carryforward was fully written down, with the use of this loss carryforward creating a €8 million reversal of impairment at June 30, 2015.

Note 27 Segment Information

27.1 Key Balance Sheet Items

For 2015

(in million euros)	Financing activities							
		End user						
	Corporate dealers	Retail	Corporate and equivalent	Unallocated	Insurance and services	Refinancing and securities	Eliminations	Total at June 30, 2015
Assets								
Customers loans and receivables	6,764	13,894	1,550		-	220	(220)	22,208
Securities			700	-	88	286	(652)	422
Loans and advances to credit institutions			3,981	25	35	8,667	(10,989)	1,719
Other assets				1,326	60	258	(451)	1,193
Total Assets							**(12,312)**	**25,542**
Liabilities								
Refinancing (1)	5,282	11,925	1,210	-	-	13,416	(11,810)	20,023
Due to customers (1)	318	27	132	-		16	(37)	456
Liabilities related to insurance contracts					75			75
Other liabilities				1,536	44	775	(465)	1,890
Equity (2)				2,366	41	691		3,098
Total Liabilities							**(12,312)**	**25,542**

For 2014

(in million euros)	Financing activities							
		End user						
	Corporate dealers	Retail	Corporate and equivalent	Unallocated	Insurance and services	Refinancing and securities	Eliminations	Total at Dec. 31, 2014
Assets								
Customers loans and receivables	5,891	13,636	1,494		-	199	(199)	21,021
Securities			249	-	102	305	(201)	455
Loans and advances to credit institutions			2,783	21	100	18,909	(19,516)	2,297
Other assets				1,015	63	560	(265)	1,373
Total Assets							**(20,181)**	**25,146**
Liabilities								
Refinancing (1)	5,469	12,657	1,386	-	-	20,275	(19,810)	19,977
Due to customers (1)	283	25	184	-		23	(101)	414
Liabilities related to insurance contracts					67			67
Other liabilities				1,335	144	213	(270)	1,422
Equity (2)				2,192	28	1,046		3,266
Total Liabilities							**(20,181)**	**25,146**

Segment information is disclosed:
- before IFRS 5 reclassifications;
- before the equity method accounting of the joint ventures with Santander CF;
- and before elimination of inter and intra company transactions, shown in the "Eliminations" column.

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

(2) *Equity is presented after deducting shares eliminated in consolidation, so as to show the contribution of each segment to Banque PSA Finance's reserves.*

Table showing conversion from the IFRS 8 segment information balance sheet to the IFRS 5 publishable balance sheet

For 2015

(in million euros)	IFRS 8 segment information balance sheet as at June 30, 2015	Presentation differences IFRS 8 vs IFRS 5	Reclassi-fications per IFRS 5	Amortized cost of debt retired early	Impairment of disposal group	Partnership implementation with Santander CF (IFRS 3) (1)	IFRS 5 published balance sheet at June 30, 2015
Assets							
Customers loans and receivables	22,208	6	(9,296)	-	-	(12,212)	706
Securities	422	-	(78)	-	-	60	404
Loans and advances to credit institutions	1,719	-	(581)	-	-	(947)	191
Deferred tax assets		113	(78)	-	-	(4)	31
Investments in associates and joint ventures accounted for using the equity method		63	-	-	-	680	743
Assets of operations to be taken over by partnership			10,398	-	(27)	-	10,371
Other assets	1,193	(154)	(365)	-	-	(402)	272
Total Assets	**25,542**	**28**	**-**	**-**	**(27)**	**(12,825)**	**12,718**
Liabilities							
Refinancing	20,023	(20,023)					
Deposits from credit institutions		8,618	(600)	-	-	(6,677)	1,341
Due to customers	456	3,557	(2,045)	-	-	(1,296)	672
Debt securities		7,854	(2,260)	-	-	(3,333)	2,261
Liabilities related to insurance contracts	75	-	(1)	-	-	-	74
Deferred tax liabilities		330	(39)	(12)	-	(266)	13
Liabilities of operations to be taken over by partnership			5,421	-	(9)	-	5,412
Other liabilities	1,890	(308)	(476)	37	-	(570)	573
Equity	3,098	-	-	(25)	(18)	(683)	2,372
Total Liabilities	**25,542**	**28**	**-**	**-**	**(27)**	**(12,825)**	**12,718**

(1) Partnership implementation with Santander CF, in France and United Kingdom in February 2015, and in Malta in May 2015, led to equity-method accounting of equity attributable to the Group for the joint ventures (see Notes 10.2.2, 10.2.3 and 10.2.4).

For 2014

(in million euros)	IFRS 8 segment information balance sheet as at Dec. 31, 2014	Presentation differences IFRS 8 vs IFRS 5	Reclassi-fications per IFRS 5	Amortized cost of debt retired early	Impairment of disposal group	IFRS 5 published balance sheet at Dec. 31, 2014
Assets						
Customers loans and receivables	21,021	7	(16,989)	-	-	4,039
Securities	455	-	-	-	-	455
Loans and advances to credit institutions	2,297	-	(1,227)	-	-	1,070
Deferred tax assets		97	(14)	-	-	83
Investments in associates and joint ventures accounted for using the equity method		104	-	-	-	104
Assets of operations to be taken over by partnership			18,655	-	(126)	18,529
Other assets	1,373	(197)	(425)	-	-	751
Total Assets	**25,146**	**11**	**-**	**-**	**(126)**	**25,031**
Liabilities						
Refinancing	19,977	(19,977)				
Deposits from credit institutions		6,633	(280)	-	-	6,353
Due to customers	414	2,387	(2,381)	-	-	420
Debt securities		10,964	(4,829)	-	-	6,135
Liabilities related to insurance contracts	67	-	-	-	-	67
Deferred tax liabilities		338	(305)	(9)	-	24
Liabilities of operations to be taken over by partnership			8,523	-	(15)	8,508
Other liabilities	1,422	(334)	(728)	25	-	385
Equity	3,266	-	-	(16)	(111)	3,139
Total Liabilities	**25,146**	**11**	**-**	**-**	**(126)**	**25,031**

27.2 Key Income Statement Items

For the first half of 2015

	Financing activities								
		End user			Financial derivative instruments (3)				
(in million euros)	Corporate dealers	Retail	Corporate and equivalent	Unallocated		Insurance and services	Refinancing and securities	Eliminations	Total at June 30, 2015
Net interest revenue on customer transactions (at amortized cost) (1)	127	541	44	45	(22)		8	(61)	682
Net investment revenue	-	-	-	7		-	4	(4)	7
Net refinancing cost (2) (3)	(66)	(237)	(18)	77	22	-	(73)	65	(230)
Net gains or losses on trading transactions							(4)		(4)
Net gains or losses on available-for-sale financial assets									-
Margin on sales of insurance services						17		37	54
Margin on sales of other services						62		(37)	25
Net banking revenue	**61**	**304**	**26**	**129**	**-**	**79**	**(65)**	**-**	**534**
Cost of risk	(2)	(24)	(1)						(27)
Net income after cost of risk	**59**	**280**	**25**	**129**	**-**	**79**	**(65)**	**-**	**507**
General operating expenses and equivalent				(191)		(2)	(20)	-	(213)
Operating Income	**59**	**280**	**25**	**(62)**	**-**	**77**	**(85)**	**-**	**294**
of which Insurance						*16*		*37*	*53*

For the first half of 2014

	Financing activities								
		End user			Financial derivative instruments (3)				
(in million euros)	Corporate dealers	Retail	Corporate and equivalent	Unallocated		Insurance and services	Refinancing and securities	Eliminations	Total at June 30, 2014
Net interest revenue on customer transactions (at amortized cost) (1)	146	558	42	(24)	(19)		16	(12)	707
Net investment revenue	-	-	-	4		-	4	(1)	7
Net refinancing cost (2) (3)	(104)	(341)	(32)	100	19	-	(24)	13	(369)
Net gains or losses on trading transactions							(2)		(2)
Net gains or losses on available-for-sale financial assets									-
Margin on sales of insurance services						27		32	59
Margin on sales of other services						56		(32)	24
Net banking revenue	**42**	**217**	**10**	**80**	**-**	**83**	**(6)**	**-**	**426**
Cost of risk	(6)	(47)							(53)
Net income after cost of risk	**36**	**170**	**10**	**80**	**-**	**83**	**(6)**	**-**	**373**
General operating expenses and equivalent				(187)		(2)	(12)	-	(201)
Operating Income	**36**	**170**	**10**	**(107)**	**-**	**81**	**(18)**	**-**	**172**
of which Insurance						*25*		*32*	*57*

Segment information is disclosed:
- before IFRS 5 reclassifications;
- before the equity method accounting of the joint ventures with Santander CF;
- and before elimination of inter and intra company transactions, shown in the "Eliminations" column.

(1) *Unallocated interest revenue on customer transactions for the part corresponds to the ineffective portion of gains or losses on hedging instruments recognized in the income statement in accordance with IAS 39 for a negative €8.2 million at June 30, 2015 (compared to a positive €0.9 million at June 30, 2014). The other part corresponds to other revenue and expense on customer transactions.*

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

(3) *In line with the Bank's policy of hedging interest rate risks on fixed rate customer loans, the interest differential on the swaps used to hedge these loans is reported in the income statement under "Net interest revenue from hedging instruments" in "Net interest revenue on customer transactions" and is not analysed by segment. The management reporting system, on the other hand, is used internally to manage the subsidiaries and branches whose performance is assessed based on the the original fixed rate of interest granted to customers and the resulting interest margin, determined by reference to the net post-swap, fixed rate refinancing cost communicated by management. Interest differentials on these swaps are therefore included by the management controllers in the net refinancing cost analysed by segment. This explains the €22 million reclassification at June 30, 2015 between "Net refinancing cost" and "Net interest revenue on customer transactions" in the "Financial derivatives instruments" column.*

Table showing conversion from the IFRS 8 segment information income statement to the IFRS 5 publishable income statement

For the first half of 2015

(in million euros)	IFRS 8 Income statement at June 30, 2015	Reclassi-fications per IFRS 5	Reclassi-fication of costs of the non-transferred debts	Revaluation	Partnership implementation with Santander CF (IFRS 3) (1)	IFRS 5 Income statement published at June 30, 2015
Net interest revenue on customer transactions (at amortized cost)	682	(372)	-	-	(259)	51
Net investment revenue	7	(6)	-	-	1	2
Net refinancing cost	(230)	76	90	-	46	(18)
Net gains or losses on trading transactions	(4)	-	-	-	-	(4)
Net gains or losses on available-for-sale financial assets	-	-	-	-	-	-
Margin on sales of insurance services	54	(13)	-	-	(25)	16
Margin on sales of other services	25	(8)	-	-	(7)	10
Net banking revenue	**534**	**(323)**	**90**	**-**	**(244)**	**57**
General operating expenses	(202)	98	-	-	76	(28)
Depreciation and amortization of intangible and tangible assets	(11)	1	-	-	1	(9)
Gains and losses on investments in companies that can be consolidated and other disposals of fixed assets	-	-	-	-	-	-
Gross operating income	**321**	**(224)**	**90**	**-**	**(167)**	**20**
Cost of risk	(27)	11	-	-	15	(1)
Operating Income	**294**	**(213)**	**90**	**-**	**(152)**	**19**
Share in net income of associates and joint ventures accounted for using the equity method	7	-	-	-	52	59
Impairment on goodwill	-	-	-	-	-	-
Pension obligation - expense	-	-	-	-	-	-
Pension obligation - income	-	-	-	-	-	-
Other non-operating items	(15)	(3)	21	-	-	3
Costs of the non-transferred debts of operations to be taken over by partnership	-	-	(111)	(12)	-	(123)
Pre-tax income	**286**	**(216)**	**-**	**(12)**	**(100)**	**(42)**
Income taxes	(87)	65	-	2	49	29
Net income from continued operations	**199**	**(151)**	**-**	**(10)**	**(51)**	**(13)**
Gross income of operations to be taken over by partnership	-	216	-	(15)	-	201
Tax on the net income of operations to be taken over by partnership	-	(65)	-	5	-	(60)
Net income of operations to be taken over by partnership	**-**	**151**	**-**	**(10)**	**-**	**141**
Net income for the year	**199**	**-**	**-**	**(20)**	**(51)**	**128**

(1) Partnership implementation with Santander CF, in France and United Kingdom in February 2015, and in Malta in May 2015, led to equity-method accounting of equity attribuable to the Group for the joint ventures (see Notes 10.2.2, 10.2.3 and 10.2.4).

For the first half of 2014, after extending the partnership with Santander CF (proforma)

(in million euros)	IFRS 8 Income statement at June 30, 2014	Reclassi-fications per IFRS 5	Reclassi-fication of costs of the non-transferred debts	Revaluation	IFRS 5 proforma Income statement as at June 30, 2014
Net interest revenue on customer transactions (at amortized cost)	707	(650)	-	-	57
Net investment revenue	7	(6)	-	-	1
Net refinancing cost (2) (3)	(369)	116	232	-	(21)
Net gains or losses on trading transactions	(2)	3	-	-	1
Net gains or losses on available-for-sale financial assets	-	-	-	-	-
Margin on sales of insurance services	59	(1)	-	-	58
Margin on sales of other services	24	(15)	-	-	9
Net banking revenue	**426**	**(553)**	**232**	**-**	**105**
General operating expenses	(189)	163	-	-	(26)
Depreciation and amortization of intangible and tangible assets	(11)	11	-	-	-
disposals of fixed assets	(1)	-	-	-	(1)
Gross operating income	**225**	**(379)**	**232**	**-**	**78**
Cost of risk	(53)	47	-	-	(6)
Operating Income	**172**	**(332)**	**232**	**-**	**72**
Share in net income of associates and joint ventures accounted for using the equity method	5	-	-	-	5
Impairment on goodwill	-	-	-	-	-
Pension obligation - expense	-	-	-	-	-
Pension obligation - income	-	-	-	-	-
Other non-operating items	(2)	2	-	-	-
Costs of the non-transferred debts of operations to be taken over by partnership	-	-	(232)	-	(232)
Pre-tax income	**175**	**(330)**	**-**	**-**	**(155)**
Income taxes	(72)	113	-	-	41
Net income from continued operations	**103**	**(217)**	**-**	**-**	**(114)**
Gross income of operations to be taken over by partnership	-	330	-	-	330
Tax on the net income of operations to be taken over by partnership	-	(113)	-	-	(113)
Net income of operations to be taken over by partnership	**-**	**217**	**-**	**-**	**217**
Net income for the year	**103**	**-**	**-**	**-**	**103**

Note 28 Subsequent Events

Banque PSA Finance announced on July 24, 2015 the signing of a framework agreement with Banco Santander Brazil (see Note 1.A).

No other event occurred between June 30, 2015 and the Board of Directors' meeting to review the financial statement on July 27, 2015 that could have a material impact on economic decisions made on the basis of these financial statements.

2.7 Statutory Auditor's Report on the Half-yearly Financial Information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the period from January 1 to June, 30, 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Banque PSA Finance, for the period from January 1 to June 30, 2015,

- the verification of the information presented in the half-yearly management report.

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.

1. Opinion on the consolidated financial statements

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 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.

Without qualifying the above conclusion, we draw your attention to note 1.A. "Main Events of the period", note 2 "Accounting Policies" and note 3 "IFRS 5 Impacts on the Financial Statements" to the condensed half-yearly consolidated financial statements concerning the impacts of IFRS 5 after the signing of partnership between your company and Santander Consumer Finance company.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Courbevoie and Paris-La Défense, July 29, 2015

The statutory auditors
French original signed by

MAZARS	ERNST & YOUNG Audit
Anne Veaute	Luc Valverde

Statement from the person responsible for the 2015 half-year report

Person responsible for the half-year report

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

Certification of the person responsible for the half-year report

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

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

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

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

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BANQUE PSA FINANCE

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Société anonyme. Share capital: €177,408,000
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Interbank code: 13168N
Phone: + 33 (0)1 46 39 66 33
www.banquepsafinance.com