BANQUE PSA FINANCE
A STELLANTIS COMPANY

HALF-YEAR REPORT
2021

"FINANCING & SERVICES ENABLING MOBILITY FOR ALL"

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STELLANTIS

BANQUE PSA FINANCE
A STELLANTIS COMPANY

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1.1 BPF GOVERNANCE

BOARD OF DIRECTORS

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

Director
Chief Executive Officer
RÉMY BAYLE

Director
BRIGITTE COURTEHOUX

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

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

Director
AUTOMOBILES PEUGEOT

Permanent Representative
LINDA JACKSON

EXECUTIVE COMMITTEE

Director
Chief Executive Officer
RÉMY BAYLE

Deputy CEO
HÉLÈNE BOUTELEAU

AUDITORS

Statutory auditors holders
ERNST & YOUNG AUDIT

MAZARS

Substitute auditors

PICARLE & ASSOCIES

GUILLAUME POTEL

Position as of June 30, 2021

BANQUE PSA FINANCE

Société anonyme (limited company). Share capital: €199,619,936. Registered office - 2-10 Boulevard de l'Europe - 78 300 POISSY - France

R.C.S. Versailles 325 952 224 - Siret 325 952 224 00039 - Code A.P.E. 6419Z - Interbank code 13168N

www.banquepsafinance.com

Phone: 01 61 45 45 45

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

1.2 KEY FIGURES

16

COUNTRIES

3,500

EMPLOYEES WORLDWIDE

512,000

VEHICLES FINANCED

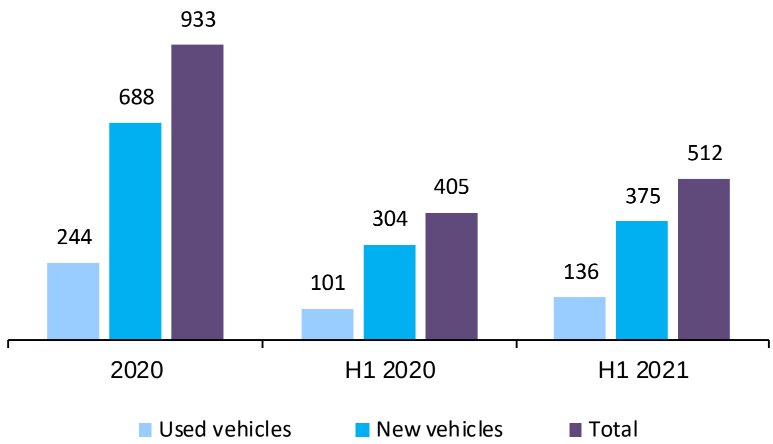
831,000

INSURANCE AND SERVICES CONTRACTS SOLD

BPF KEY FIGURES (EXCLUDING CHINA)

Change in the number of end-user financed vehicles*

(In thousands of vehicles)



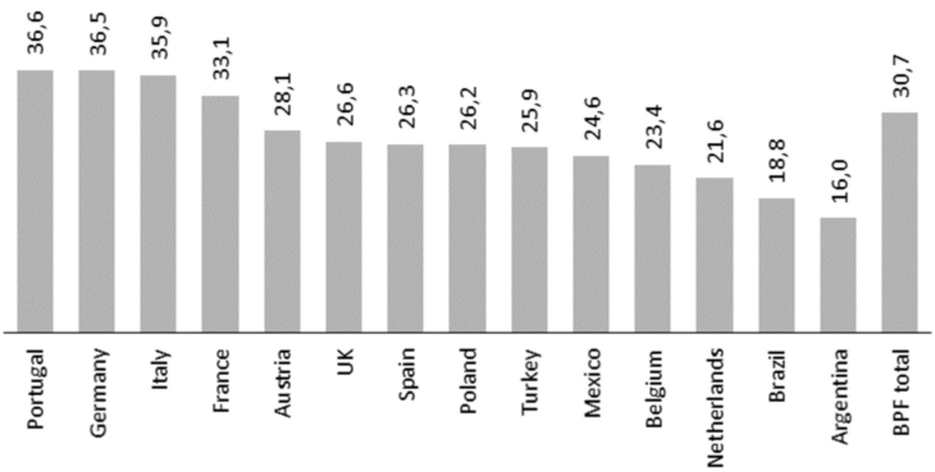
(*) Includes retail financing such as loan/lease with purchase option and long-term rentals made to the dealer network

1 .2 KEY FIGURES

BPF KEY FIGURES (EXCLUDING CHINA)

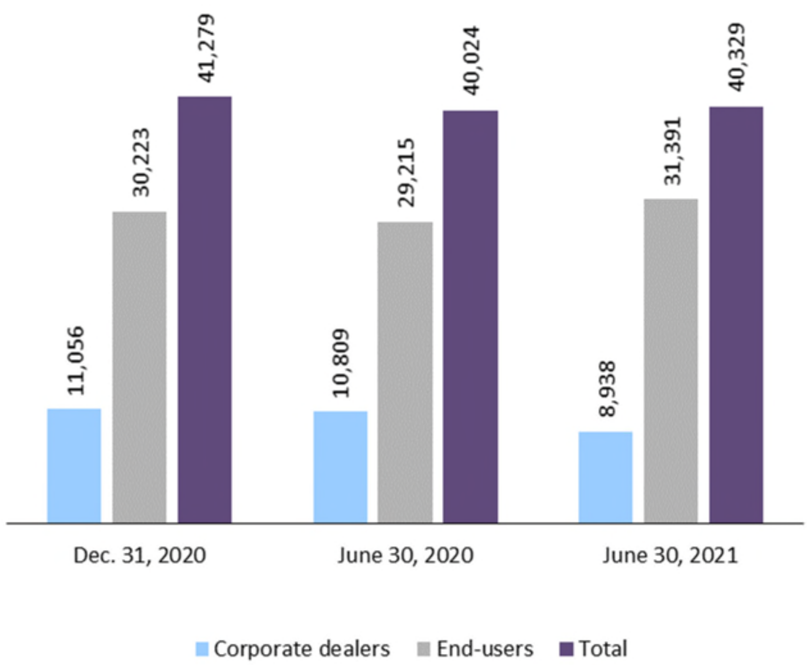
Penetration rates by country (in %) at June 30, 2021

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



(*) Includes retail financing such as loan/lease with purchase option and long-term rentals made to the dealer network

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

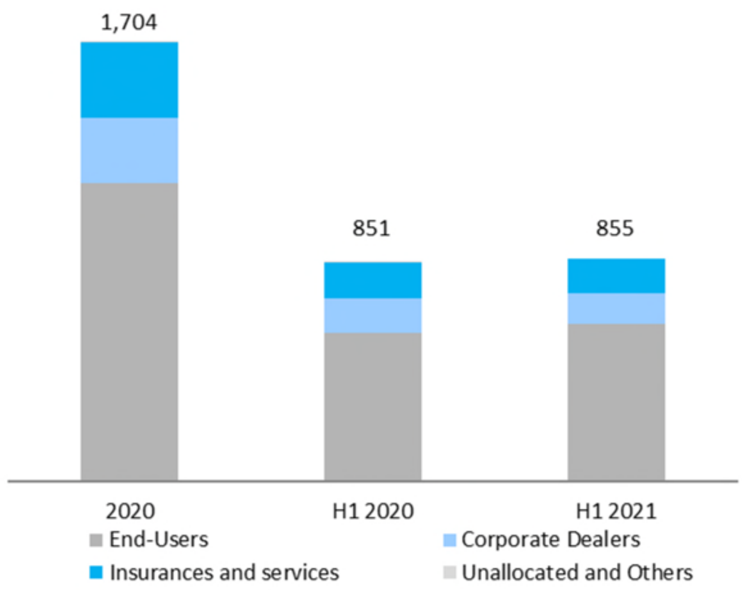


1.2 KEY FIGURES

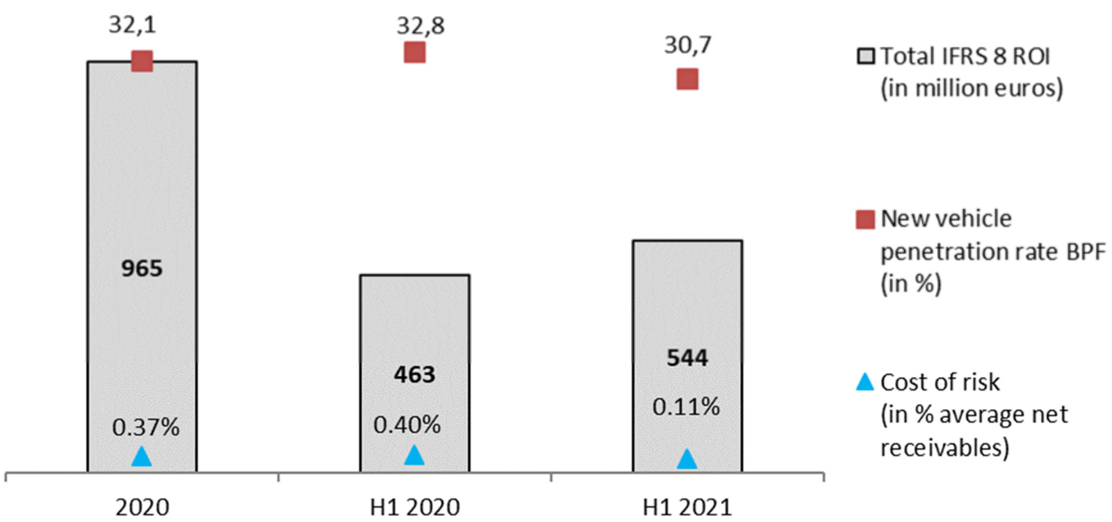
BPF KEY FIGURES (EXCLUDING CHINA)

Evolution of Net Banking Revenue, in IFRS 8

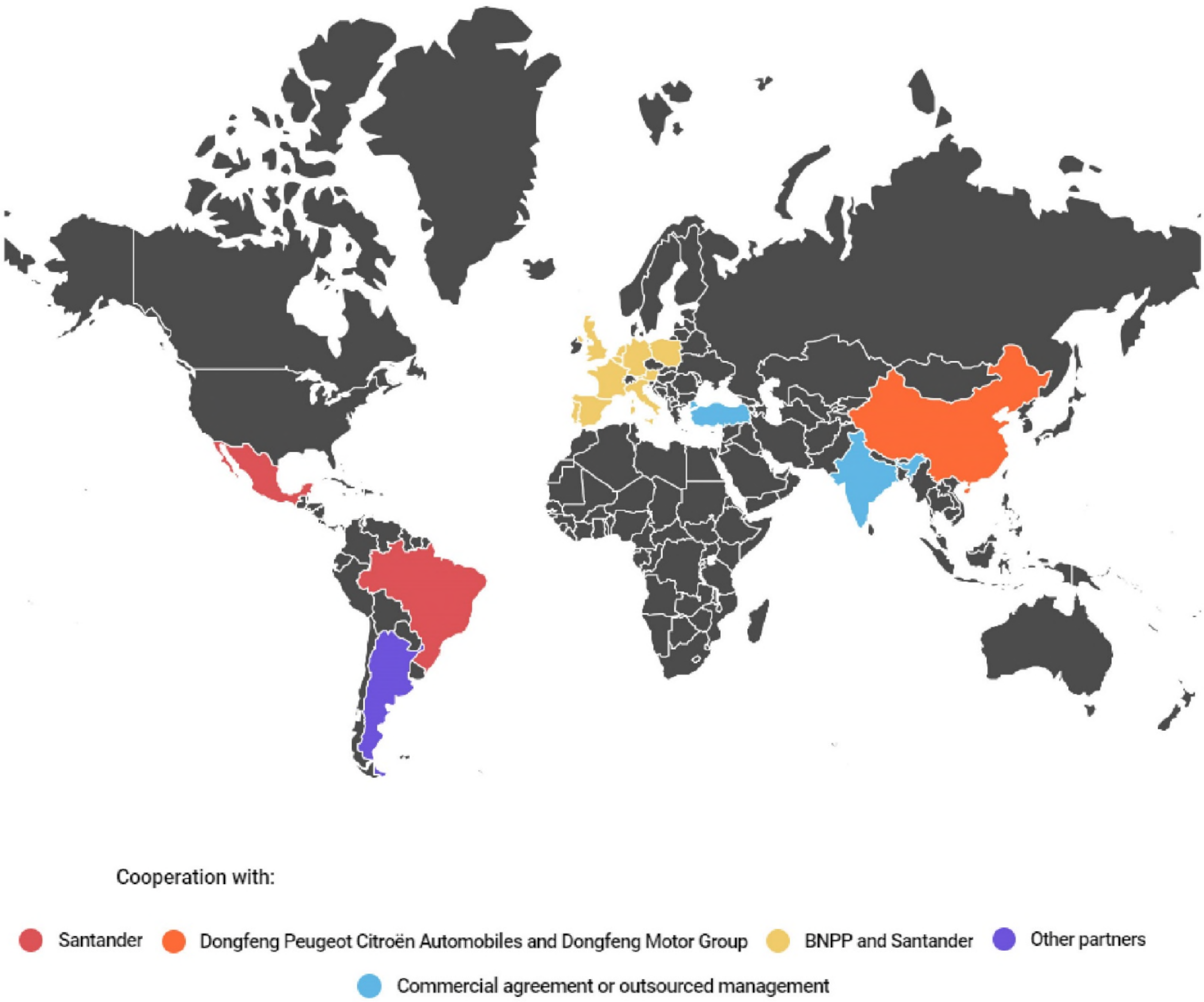
(In million euros)



Recurring Operating Incomes, New Vehicle Penetration, Cost of Risk, in IFRS 8



1.3 LOCATIONS & PARTNERSHIPS



BPF: A partnership strategy

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

1.4 BUSINESS ANALYSIS

1.4.1 COMMERCIAL PERFORMANCE FOR BANQUE PSA FINANCE

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

PENETRATION RATE BY COUNTRY

Countries	New Vehicle Financing BPF (passenger and utility vehicles)[1] H1 2021	H1 2020	Penetration rate BPF (in %) H1 2021	H1 2020
France	124,158	90,836	33.1	31.2
United Kingdom	41,425	37,848	26.6	37.0
Germany	58,642	55,164	36.5	44.2
Italy	57,597	37,699	35.9	36.6
Spain	29,489	27,799	26.3	32.3
Belgium	13,936	13,755	23.4	26.5
Netherlands	6,967	8,050	21.6	23.9
Austria	5,100	4,645	28.1	32.4
Switzerland [2]	54	2,434		28.3
Poland	6,765	4,701	26.2	24.2
Portugal	8,849	5,026	36.6	26.9
Europe	**352,982**	**287,957**	**31.4**	**33.7**
Brazil	3,942	4,909	18.8	42.2
Argentina	3,316	3,905	16.0	26.9
Mexico	1,591	940	24.6	24.3
Latin America	**8,849**	**9,754**	**18.4**	**32.5**
Turkey	12,577	5,516	25.9	13.6
Rest of the World	**12,577**	**5,516**	**25.9**	**13.6**
Total without China	**374,408**	**303,227**	**30.7**	**32.8**
China	**12,825**		**43.8**	**46.3**

[1] Passenger cars and light commercial vehicles loans,taken into account sale on crédit, financial lease and operational lease financed to dealers'network
[2] PSA Finance Switzerland is in the perimeter until 30.06.2020

In the first half of 2021, 374,408 new vehicle (NV) contracts were signed for the Peugeot, Citroën, DS, Opel and Vauxhall brands, representing a 23.5% increase despite major disruptions due to the health crisis in various markets.

Loyalty products (balloon installment contracts, buyback contracts, long-term leases) continued to grow and represented more than 75% of new vehicle financing in the B2C segment (individuals and employees) for European countries and 35% of used vehicle financing. These offers, presented in the form of financing + services packages, help to bolster the renewal rate in the Group's brands.

A. MARKETING POLICY AND PERFORMANCE

In the first half of 2021, Banque PSA Finance (BPF) financed 30.7% of Stellantis' sales of new vehicles for the Peugeot, Citroën, DS Automobiles ("PCD") and Opel and Vauxhall ("OV") brands. Penetration decreased by two points compared to 2020, given that the first half of 2020 was strongly impacted by the health crisis and was characterized by a larger eligible market.

In the first half of the year, new vehicle registrations of the Peugeot, Citroën, DS, Opel and Vauxhall brands increased by 33% in European markets. In terms of markets outside of Europe (PCD only), volumes also increased by 80% in Brazil and by 43% in Argentina.

In this context, total new and used vehicle financing increased by 26%.

To accelerate the recovery in business, major stimulus plans were put in place in the first half of the year. Also noteworthy is the proposal of specific terms and conditions to encourage the development of sales of electric and hybrid vehicles. For these vehicles, financing penetration with individual customers reached 76.5% for PCD.

In terms of both new and used vehicles, the large proportion of loyalty products led to a significant increase in the BPF average-unit-financed amount, which reached almost €16,900 in the first half of 2021 for new vehicles. In used vehicles, the average amount reached €11,768.

B. NEW VEHICLE FINANCING

Europe

In Europe, the number of new vehicle financing contracts for the Peugeot, Citroën, DS, Opel and Vauxhall brands is directly affected by the increase in registrations. In terms of volumes, the number of contracts increased by 23%.

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

- In France: 124,158 contracts representing a penetration of 33.1% i.e., an increase of 1.9 points. The main reason for this increase was the improved B2B performance. At the same time, the high level of B2C performance was maintained;
- In Germany, performance fell by 8 points with a penetration of 36.3%. The closure of the points of sale during the first quarter disrupted business and it is worth noting a drop in performance with B2B customers for PCD, given that this segment represented a larger share of the business. For OV, the performance was affected by a decline in results for B2C customers (inability to organize Open House-type events that generate a lot of traffic).
- In Spain, performance was down (down for PCD and stable for OV). Overall, penetration reached 26.3%; The performance of B2C customers remained at very high levels, but registrations in this segment only represented 20% of the business due to the impact of the health crisis.
- In Great Britain, in a market that is recovering later due to a longer lockdown period, penetration is down to 26.6%. As in Spain, the results were impacted by a lower performance for PCD in the B2B segment, which represents a much higher share of registrations. With regard to OV, it is worth noting a better B2B performance, which increased by 2.6 points.
- In Italy, performance was maintained at a high level of 35.9% thanks to the actions implemented to support the government bonus intended to help customers who own old or high CO2- emissions vehicles to renew their vehicle.
- In Belgium and Luxembourg, in a very competitive market, after a decline at the start of the year, which impacted overall penetration (23.4%), performance is up again. Significant commercial actions, particularly in B2B, have been implemented to support the recovery of business.
- Poland continues to grow with penetration up by 2 points, mainly driven by PCD. Renewed efforts with the brands, strengthened positions in B2B were the main levers for strengthening performance.

Latin America (PCD only)

In Argentina, the economic environment continues to be characterized by high inflation and very high interest rates. Faced with this situation, financing penetration fell by 10.9 points to 16% due to a lower number of campaigns linked to very low inventories.

In Brazil, the eligible market fell sharply, leading to a decrease in penetration.

For these two countries, major commercial transactions are planned for the second half of the year, which should lead to a higher performance.

In Mexico, despite a significant risk related to certain market segments (small companies, artisans traders), performance remained stable. Commercial actions continue to be strengthened while maintaining a risk management policy.

Other countries

Turkey: in a growing market, financing performance was up sharply (+12.3 points) as a result of a renewed commercial policy focused more on financing and services.

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

In China (PCD only)

The automotive market has now resumed its normal course after the sharp fall due to the impact of Covid-19 in 2020. At end-June 2021, the retail market was estimated at a total of 10.3 million units, up by 2.3 million vehicles, i.e., +28%. Registrations of the Peugeot, Citroën and DS brands reached 29,291 units, up by 39.3% compared to 2020, whose figures were strongly affected by the Covid impact.

The penetration rate of financing granted by DPCAFC for DPCA vehicles was impacted by the increase in the B2B mix, for which financing is provided by DPCFLC. It stood at 39.7% compared to 44.2% in mid-2020 for an increase in volume to 11,544 financings. The first half of 2021 was marked by the continued high activity of DPCAFC in terms of used vehicles and financing of other brands, in a more intense competitive environment, with a total of 27,307 financing granted compared to 22,319 in the first half of 2020, which partially offset the manufacturer's volume-related decline in business. In total, 38,851 contracts were written compared with 31,489 at mid-2020 and 39,630 at mid-2019, i.e., +23%. In this context, DPCAFC succeeded in further improving its results in terms of cost of risk control thanks to a continuous improvement of its risk selection systems to adapt them to its new customers. New specific scorecards have been launched to enable automatic acceptance for used vehicles.

The leasing company DPCFLC granted 7,227 new contracts compared to 1,390 in the first half of 2020. In addition to the range of products with balloons and deposit rates available to DPCA customers, DPCFLC is also developing a customer base of professionals using Group or non-Group vehicles, in particular for hailing cars.

The total outstandings of the two entities thus reached €1.3 billion at the end of the period compared to €1.1 billion at the end of December 2020, i.e., +18.3%.

C. USED VEHICLE FINANCING

Within the PCDOV scope, 136,292 used vehicle financing contracts were completed in the first half of 2021, i.e., +34.9% compared to the first half of 2020, bearing in mind that the business is suffering from rather low inventories. Note the G10 scope represented 95% of production.

As in the new vehicle business, specific offers have been put in place to support the upturn in business: strengthened loyalty offers and promotional campaigns with the brands have made it possible to achieve a strong increase in the first half of the year, i.e., + 35,269 loans, exceeding even the performance for 2019. An important system will be maintained in the second half. It should be noted that the average financed amount for used vehicles has continued to increase. In terms of production, G5 volumes represented 90% of all contracts written and increased by 34.9%.

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

D. FREE2MOVE LEASE

In the first half of 2021, Free2moveLease (a joint venture between BPF and Stellantis) completed 68,041 long-term vehicle leases. This volume represents 17.8% of the B2B registrations of the Citroën, DS, Opel, Peugeot and Vauxhall brands. The entity is present in 11 European countries: France, Great Britain, Germany, Spain, Italy, Belgium, Luxembourg, the Netherlands, Portugal, Poland and Austria.

In a volatile automotive environment, F2ML demonstrated its dynamism and increased its volumes by 15.5% compared to the first half of 2019 (and by 43.8% compared to the first half of 2020).

1.4.2 BPF'S END-USER FINANCING AND SAVINGS BUSINESS

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

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

A. NEW VEHICLE FINANCING AND USED VEHICLE FINANCING

Excluding China, the total production of financing for end-customers amounted to 504,400 loans at end-June 2021, up by 26.2% compared to the same period the previous year.

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

(in number of contracts)	H1 2021	H1 2020	% change
Installment contracts	275,717	219,305	+ 25.7
Leasing activity and other financing	228,683	180,250	+ 26.9
TOTAL	**504,400**	**399,555**	**+ 26.2**

(in million euros, excluding accrued interests)	H1 2021	H1 2020	% change
Installment contracts	3,537	2,759	+ 28.2
Leasing activity and other financing	4,049	3,113	+ 30.0
TOTAL	**7,586**	**5,872**	**+ 29.2**

NV/UV BREAKDOWN

(in number of contracts)	H1 2021	H1 2020	% change
End-user financing	**504,400**	**399,555**	**+ 26.2**
of which new vehicles	368,108	298,532	+ 23.3
of which used vehicles	136,292	101,023	+ 34.9

(in million euros)	H1 2021	H1 2020	% change
End-user financing	**7,586**	**5,872**	**+ 29.2**
of which new vehicles	6,025	4,755	+ 26.7
of which used vehicles	1,561	1,117	+ 39.7

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

(in number of contracts)	H1 2021	H1 2020	% change
France	165,885	122,901	+ 35.0
United Kingdom	84,810	60,685	+ 39.8
Germany	78,066	73,893	+ 5.6
Italy	64,934	42,772	+ 51.8
Spain	36,242	31,895	+ 13.6
Belux	16,117	15,427	+ 4.5
Portugal	9,516	5,650	+ 68.4
Netherlands	8,419	9,889	- 14.9
Switzerland	70	5,353	- 98.7
Austria	8,153	7,666	+ 6.4
Poland	8,069	5,557	+ 45.2
Europe	**480,281**	**381,688**	**+ 25.8**
Brazil	5,205	6,682	- 22.1
Argentina	3,567	4,168	- 14.4
Mexico	1,607	956	+ 68.1
Latin America	**10,379**	**11,806**	**- 12.1**
Turkey	13,740	6,061	+ 126.7
Rest of the World	**13,740**	**6,061**	**+ 126.7**
Total	**504,400**	**399,555**	**+ 26.2**

END-USER FINANCING ACTIVITY IN CHINA AND OUTSTANDING IN CHINA

	H1 2021	S1 2020	% change
End-user loans *(including leases)*			
Number of vehicles financed (new and used)	46 077	32 879	+ 40.1
Amount of financing *(in million euros, excluding interests)*	446	306	+ 46.0
Outstanding loans *(in million euros)*	**June 30, 2021**	**June 30, 2020**	**% change**
End-user loans *(including leases)*	1 178	1 044	+ 12.8
Corporate dealers loans	175	98	+ 80.4
Total loans	**1 353**	**1 142**	**+ 18.5**

B. RETAIL SAVING BUSINESS

Concerning the partnership with Santander Consumer Finance, the consumer savings business in France and Germany is equally owned by the two partners. The retail savings product in France and Germany consists of savings products and fixed term deposits. The proportion of outstanding amounts is 85% for savings accounts and 15% for term deposit accounts. In France, results were very satisfactory, with a €156 million increase in the volume of deposits at June 30, 2021 versus December 31, 2020. Despite the health crisis, the Distingo offer remained attractive to customers and prospects, and collection was in line with targets. In Germany, individual deposits were up by €91 million compared to December 31, 2020. Outstandings represented €1,724 million at June 30, 2021 (of which €250 million in fixed term deposit accounts).

With regards to OVF, the German subsidiary of Opel Bank S.A. (France) is offering deposit accounts through an online platform to its customers in Germany. The bank is offering overnight deposits and term deposits (1, 2, 3 years). Volume was up by €88 million compared to December 31, 2020.

	June 30, 2021	Dec. 31, 2020	% change
Outstanding (customers deposits) *(in million euros)*	**6,371**	**6,035**	+ 5.6
Of which France ("Distingo", PCD perimeter)	2,984	2,828	+ 5.6
Of which Germany (PCD perimeter)	1,724	1,633	+ 5.6
Of which Germany ("Opel Bank Deposits", OVF perimeter)	1,662	1,574	+ 5.7

1.4.3 CORPORATE DEALER LOANS

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

	H1 2021	H1 2020	% change
Number of vehicles	**972,854**	**826,731**	**+ 17.7**
Amount *(in million euros)*	**26,559**	**21,149**	**+ 25.6**
of which vehicles	25,275	19,951	+ 26.7
of which spare parts and other financing	1,284	1,198	+ 7.2

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

In 2021, excluding China, in the PCD and OV network, 972,854 vehicles were financed, representing an increase of 18% compared to 2020, achieved by the reopening of markets in the main countries where BPF operates. The amount of new financings granted increased by 27%, which is linked to the increase in volumes and the average amount financed per vehicle.

PRODUCTION OF NEW FINANCING FOR CORPORATE DEALER CUSTOMERS IN CHINA

Corporate dealer loans	H1 2021	S1 2020	% change
Number of vehicles financed	24 854	15 948	+ 55.8
Amount of financing *(in million euros, including spare parts)*	420	225	+ 86.7

In China, thanks to the combined effects of the continued increase in the penetration of the DPCA network financing from 71.4% to 74.2% from mid-June 2020 to mid-June 2021, the recovery in DPCA sales, and the launch of the new 4008/5008 enabling the average amount to be increased, DPCAFC supported the increase in invoicing to the networks by DPCA, financing 24,854 vehicles compared with 15,948 during the same period the previous year (+55.8%).

1.4.4 INSURANCE AND SERVICES

PRODUCTION OF NEW INSURANCE AND SERVICE CONTRACTS

(in number of contracts)	H1 2021	H1 2020	% change
Financial services	308,439	282,699	+ 9,1
Car insurance	128,887	102,563	+ 25,7
Vehicle-related services	393,654	324,704	+ 21,2
Total	**830,980**	**709,966**	**+ 17,0**

PENETRATION RATE ON FINANCING

(In %)	H1 2021	H1 2020	% change
Financial services	60.3	69.8	- 9.5
Car insurance	25.2	25.3	- 0.1
Vehicle-related services and other services	76.9	80.2	- 3.2
Total	**162.4**	**175.3**	**- 12.9**

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

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

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

For all PCD and OV brands, overall penetration is down slightly compared to 2020 and stands at almost two contracts per client financed.

The first half of 2021 saw the creation of 36 new products for all brands.

Lastly, as a major component of an automotive or mobility line, Car Insurance continues to be the service with great growth potential. In 2020, almost 11% of registrations of the PCD and OV brands sold were sold with Car Insurance and the offer was available in all markets where BPF operates. The coming of autonomous vehicles, electric vehicles, car-sharing presents changes that should have a very significant impact on this product. The experience garnered from several years of putting this product into the brands gives Stellantis and BPF a clear advantage in keeping up with changes in this product.

The insurance business is developed in all markets where BPF operates and thus contributes significantly to the production margin of Stellantis. For the first half of 2021, the BPF insurance margin totaled €133 million.

1.5 ANALYSIS OF FINANCIAL RESULTS

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

- **Consolidated** information corresponding to the consolidated financial statements for Banque PSA Finance (BPF) and its fully consolidated subsidiaries, and the companies in the scope of the cooperation between BPF and Santander, the companies in the scope of the cooperation between BPF and BNP Paribas Personal Finance (BNPP PF) and the Chinese companies, Dongfeng Peugeot Citroën Auto Finance Co and Dongfeng Peugeot Citroën Financial Leasing Co., are recognized using the equity method. From July 1, 2019, in line with the assessment of the control of the other partnerships, the Argentinian entity, PSA Finance Argentina Compania Financiera SA, which is owned in partnership with Banco Bilbao Vizcaya Argentina, is recognized using the equity method.
- **IFRS 8 segment information** covering BPF with its fully consolidated companies and the full consolidation of the activities of the partnership with Banco Bilbao Vizcaya, those of the partnership with Santander and those of the partnership with BNPP PF. Financial results from China are still recognized using the equity method. Information in IFRS 8 format corresponds to a management outlook.

Note 22.2 of the consolidated financial statements shows the transition between consolidated data and IFRS 8 data.

STATEMENT OF INCOME

(in million euros)	*Consolidated* [1]			*IFRS 8* [1]		
	H1 2021	**S1 2020**	**% change**	**H1 2021**	**S1 2020**	**% change**
Net banking revenue without OVF PPA [2]	*4*	*8*	*- 50.0*	*842*	*826*	*+ 1.9*
Net banking revenue including OVF PPA [2]	4	8	- 50.0	855	851	+ 0.5
General operating expenses and equivalent [3]	-7	-9	- 22.2	-289	-305	- 5.2
Cost of risk	0	0	+ 0.0	-22	-83	- 73.5
Recurring Operating income	**-3**	**-1**	**+ 200.0**	**544**	**463**	**+ 17.5**
Share in net income of associates and joint ventures accounted for using the equity method [4]	213	168	+ 26.8	6	6	0
Other Non operating income	0	-7	- 100,0	-2	-13	- 84.6
Pre-tax net income	**210**	**160**	**+ 31.3**	**548**	**456**	**+ 20.2**
Income taxes	0	-1	- 100.0	-131	-134	- 2.2
Net income	**210**	**159**	**+ 32.1**	**417**	**322**	**+ 29.5**

[1] - The items on the income statement transitioning from IFRS 8 to Consolidated format can be found in note 22.2 of the consolidated financial statements.

[2] - The amortization of the Purchase Price Allocation ("PPA") related to OVF acquisition in 2017 has had a positive impact on the Net Banking Revenue of €12,7 million at the end of June 2021, vs €24,4 million at the end of June 2020, in IFRS 8 format. This effect is mainly allocated to End-user activities.

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

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

1.5.1 NET BANKING REVENUE

NET BANKING REVENUE ("NBR") BY PORTFOLIO

(in million euros)	*Consolidated*			*IFRS 8*		
	H1 2021	H1 2020	% change	H1 2021	H1 2020	% change
End-users	0	0	+ 0.0	607	571	+ 6.1
Corporate dealers	0	1	- 100.0	121	134	- 10.4
Insurances and Services (including net refinancing costs)	1	3	- 66.7	133	138	- 3.6
Unallocated and other[1]	3	4	- 25.0	-6	8	- 175.0
Total NBR including OVF PPA[2]	**4**	**8**	**- 50.0**	**855**	**851**	**+ 0.5**
Total NBR without OVF PPA[2]	***4***	***8***	***- 50.0***	***842***	***826***	***+ 1.9***

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

[2] - The amortization of the Purchase Price Allocation ("PPA") related to OVF acquisition in 2017 has had a positive impact on the Net Banking Revenue of €12,7 million at the end of June 2021, vs €24,4 million at the end of June 2020, in IFRS 8 format. This effect is mainly allocated to End-user activities.

Consolidated net banking revenue was €4 million at June 30, 2021, with a hyperinflation accounting impact in Argentina of -€1.5 million on the NBR compared with -€0.6 million in the first half of 2020.

Net banking revenue per IFRS 8 is increasing by 0.5% to €855 million at June 30, 2021, compared with €851 million at June 30, 2020. Net banking revenue is derived primarily from net interest income on customer loans and leases, income from insurance and other services offered to the brands' customers. In the first half of 2021, the NBR per IFRS 8 also included a €13 million reversal of the Purchase Price Allocation from the Opel Vauxhall Finance acquisition and was mainly allocated to the "End-User" business. Excluding this effect, the NBR of operating activities is increasing by 1.9% to €842 million.

1.5.2 GENERAL OPERATING EXPENSES AND EQUIVALENT

At end-June 2021, general operating expenses and equivalents amounted to €7 million in consolidated format.

Per IFRS 8, general operating expenses decreased to €290 million at the end of June 2021 compared with €305 million at end-June 2020. The deconsolidation of PSA Finance Suisse SA in the second half of 2020, and productivity effects mainly explain this improvement.

1.5.3 COST OF RISK

Per IFRS 8, the cost of risk was -€22 million, or -0.11% of average net outstanding loans, as compared to -€83 million and -0.40% of net outstanding loans in the first half of 2020.

The cost of risk for the End-User business per IFRS 8 (individuals and businesses) was -€28 million or -0.18% of average net outstanding loans.

The cost of risk remained very positive overall in the first half of the year in all countries where BPF operates. The quality of the financing portfolio as well as the continuation of government aid to cope with the Covid crisis explain this result. It should be noted that the Overlay provision made at the end of December has been maintained overall.

The cost of risk for the Corporate Dealer business per IFRS 8 was reflected in income of €6 million or 0.12% of average net outstanding loans. It should be noted that the Overlay provision made at the end of December has been largely maintained to end-June 2021.

1.5.4 RECURRING OPERATING INCOME

The consolidated recurring operating income amounted to -€3 million, down by -€2 million compared to 2020 mainly due to the discontinuation of operations in Russia.

Recurring operating income per IFRS 8 came to €544 million, up 17.5% compared to €463 million in 2020. This change is essentially the result of a better cost of risk and a decrease in operating expenses. Net banking revenue stood at €842 million (vs. €826 million at end-June 2020).

1.5.5 CONSOLIDATED NET INCOME

Net income in consolidated format amounted to €210 million, up by 32.1%.

1.6 FINANCIAL POSITION

1.6.1 BALANCE SHEET

Assets at June 30, 2021 totaled €46,728 million in IFRS 8 format, down 1.0%, primarily because of the 2.2% reduction in customer loans and receivables (down -€0.9 billion).

BALANCE SHEET

(in million euros)	*Consolidated* [1]			*IFRS8* [1]		
Assets	**H1 2021**	**H1 2020**	**% change**	**H1 2021**	**H1 2020**	**% change**
Financial assets at fair value through profit or loss	57	304	- 81.3	79	318	- 75.2
Loans and advances to credit institutions, at amortized costs	445	459	- 3.1	2,579	2,712	- 4.9
Customer loans and receivables, at amortized costs	26	31	- 16.1	39,866	40,752	- 2.2
Deferred tax assets	3	2	+ 50.0	141	114	+ 23.7
Investments in associates and joint ventures accounted for using the equity method (2)	2,738	2,632	+ 4.0	137	125	+ 9.6
Other assets	550	377	+ 45.9	3,926	3,161	+ 24.2
Total assets	**3,819**	**3,805**	**+ 0.4**	**46,728**	**47,182**	**- 1.0**

Equity and liabilities	**H1 2021**	**H1 2020**	**% change**	**H1 2021**	**H1 2020**	**% change**
Deposits from credit institutions	22	26	- 15.4	20,818	22,084	- 5.7
Due to customers	1	2	- 50.0	6,928	6,546	+ 5.8
Debt securities	0	207	- 100.0	10,202	10,110	+ 0.9
Deferred tax liabilities	0	0	+ 0.0	514	485	+ 6.0
Other liabilities	169	178	- 5.1	2,038	2,059	- 1.0
Equity	3,627	3,392	+ 6.9	6,228	5,899	+ 5.6
Total equity and liabilities	**3,819**	**3,805**	**+ 0.4**	**46,728**	**47,182**	**- 1.0**

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

[2] Joint ventures with the Santander Group (with the sale of the Swiss subsidiary to Santander Consumers EFC on June 30, 2020), with BNPP PF and, since July 2019, the Argentinian entity PSA Argentina Compania Financiera S.A owned in partnership with Banco Bibao Viscaya Argentina accounted for using the equity method in consolidated format accounts. China, as part of the partnership with Dongfeng Peugeot Citroën Automobiles and Dongfeng Motor Group, has been accounted for using the equity method since 2006, in consolidated and in IFRS 8 format accounts. The subsidiary Dongfeng Peugeot Citroën Financial Leasing Co., Ltd. (25% owned) was created in November 2018 and is consolidated from 2019.

[3] Operating lease contracts and investment properties reclassed from Customer loans and receivables to Other assets (in IFRS8, €462M at 30/06/21 and €527M at 31/12/20).

1.6.2 OUTSTANDING LOANS

OUTSTANDING LOANS BY CUSTOMER SEGMENT

(in million euros)	*Consolidated*			*IFRS 8*		
	June 30, 2021	**Dec. 31, 2020**	**% change**	**June 30, 2021**	**Dec. 31, 2020**	**% change**
Corporate dealers	26	30	- 13.8	8,938	11,056	- 19.2
End-users	0	1	+ 0.0	31,391	30,223	+ 3.9
Total financed Loans and Receivables	**26**	**31**	**- 13.3**	**40,329**	**41,279**	**- 2.3**

Consideration in the financed outstandings of operating leases and investment properties (€462M as at 30/06/21, €527M as at 31/12/20)

(in million euros)	*Consolidated*			*IFRS 8*		
	June 30, 2021	**Dec. 31, 2020**	**% change**	**June 30, 2021**	**Dec. 31, 2020**	**% change**
G5 countries[1]	0	0	+ 0.0	37,030	37,471	- 1.2
Rest of Europe	0	1	+ 0.0	2,966	3,500	- 15.2
Latin America	25	30	- 13.8	333	309	+ 7.8
Rest of the world	0	0	+ 0.0	0	0	+ 0.0
Total	**26**	**31**	**- 13.3**	**40,329**	**41,279**	**- 2.3**

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

1.6.3 IMPAIRMENT OF OUTSTANDING LOANS

End-user non-performing loans	**June 30, 2021**	**Dec. 31, 2020**
S3 oustanding loans (in million euros)	427	333
Ratio of impairment of S3 loans	49,6%	62,0%
S3 loans / total outstanding of all loans	**1,4%**	**1,1%**

The share of doubtful loans as a percentage of total loans stood at 1.4%, which remains at a very good level. The increase recorded compared to December 2020 is due to the introduction in certain countries of the new definition of default. Maturity deferrals still in place granted to end-customers related to the Covid-19 crisis now represent marginal amounts in relation to the total portfolio financed.

The coverage rate for doubtful loans under IFRS 9 was 49.6% for the IFRS 8 scope, down compared to the end of December 2020, due to the improvement in risk parameters in some countries.

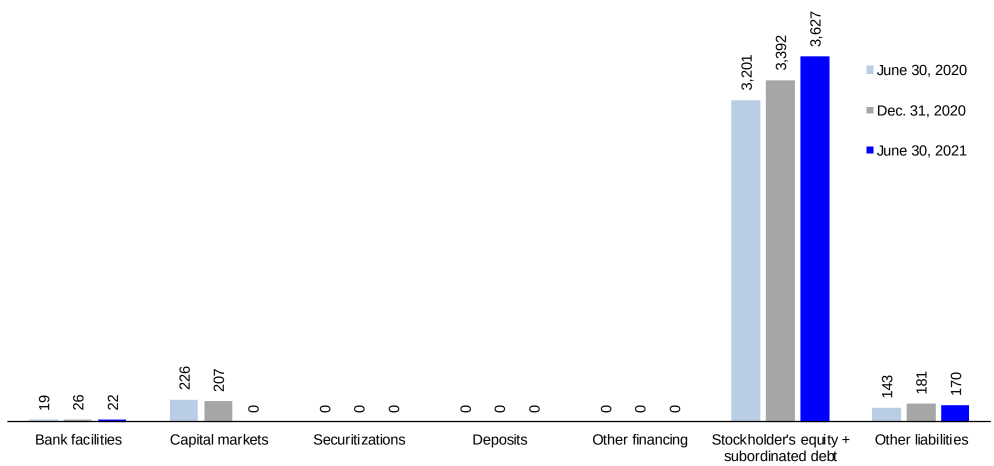
1.6.4 REFINANCING

SOURCES AND TYPES OF FINANCING

(in million euros)	June 30, 2021	Dec. 31, 2020	June 30, 2020
Bank facilities	**22**	**26**	**19**
Bonds + BMTN	0	0	0
EMTN	0	204	223
Other	0	3	3
Long-Term	*0*	*207*	*226*
CD	0	0	0
CP	0	0	0
Other	0	0	0
Short-Term	*0*	*0*	*0*
Capital markets	**0**	**207**	**226**
Securitizations	**0**	**0**	**0**
Deposits	**0**	**0**	**0**
Other financing	**0**	**0**	**0**
Total external refinancing	**22**	**233**	**245**
Stockholder's equity + subordinated debt	3,627	3,392	3,201
Other liabilities	170	181	143
Total assets	**3,819**	**3,805**	**3,589**

SOURCES OF FINANCING (IN MILLION EUROS)

(EXCLUDING CONFIRMED UNDRAWN BANK CREDIT LINES)



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

For the financing of activities not in the scope of these partnerships, BPF relies on a capital structure and an equity ratio that is in compliance with regulatory requirements. Where possible, refinancing is done with the broadest diversification in the sources of liquidity, ensuring that the maturities of the sources of financing are matched with those of its outstanding loans.

1.6.5 SECURITY OF LIQUIDITY

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

At June 30, 2021, the liquidity reserve (available invested cash) represented €542 million (see Note 17.2 to the consolidated financial statements) including €50 million of high-quality liquid assets, before weighting for the calculation of the liquidity coverage ratio (LCR). BPF's LCR was 503% at June 30, 2021.

Moreover, at June 30, 2021, BPF had undrawn, committed credit facilities totaling €90 million (see Note 17.2 to the consolidated financial statements).

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

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

1.6.6 CREDIT RATINGS

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

1.7 EQUITY, RISKS, PILAR 3

1.7.1 CAPITAL AND CAPITAL REQUIREMENTS

In the context of the implementation of the Basel III regulation, BPF confirms it has a strong financial position. At March 31, 2021, the Basel III solvency ratio in respect of pillar I amounted to 43.0%, compared with 27.1% at December 31, 2020. Basel III regulatory capital amounted to €387 million and capital requirements stood at €72 million.

CAPITAL REQUIREMENTS AND RISK WEIGHTED ASSETS

	March, 31 2021		December, 31 2020	
(in million euros)	Weighted assets	Capital requirements	Weighted assets	Capital requirements
Credit risk	**660**	**53**	**628**	**50**
Standard approach	**660**	**53**	**628**	**50**
Sovereign	13	1	1	0
Credit institutions	60	5	81	6
Companies	284	23	307	25
Retail customers	0	0	0	0
Other Assets	303	24	239	19
Operational risk (standard approach)	**25**	**2**	**25**	**2**
Market risk	**217**	**17**	**209**	**17**
Total	**902**	**72**	**862**	**69**
Regulatory capital		**387**		**234**
Solvency ratio		**43.0%**		**27.1%**

1.7.2 RISK FACTORS AND RISK MANAGEMENT

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

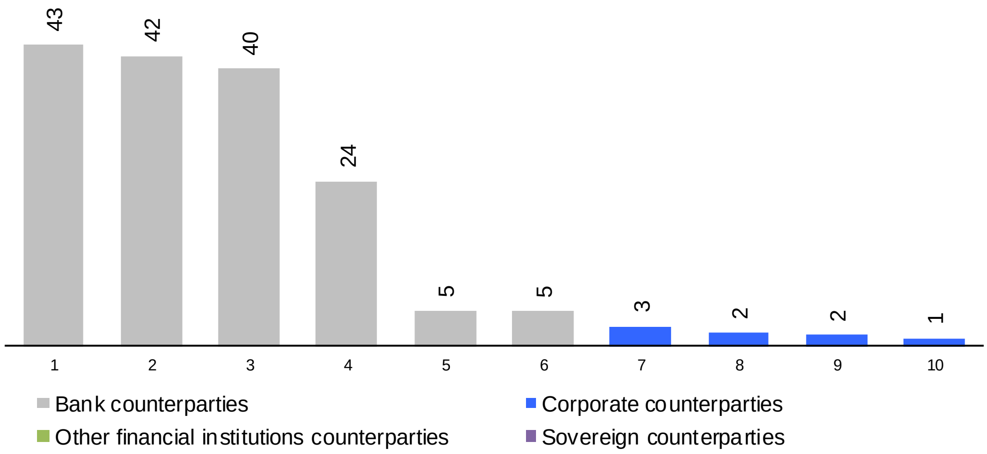
- Credit risk on the retail and corporate portfolios;
- Financial risks (comprising liquidity risk, interest-rate risk, counterparty risk, and currency risk) and market risk;
- Operational risks including "cyber-risk," non-compliance risk, legal and model risk;
- Concentration risk;
- Reputational risk;
- Strategic risk;
- Specific risks related to the insurance business and services.

Details of these risk factors and risk management systems are set out in the BPF 2020 Annual Report (section 1.12.3).

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

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

TOP TEN WEIGHTED EXPOSURES TO CREDIT RISK
(AMOUNTS IN MILLION EUROS, EXCLUDING STELLANTIS)



1.8 INTERNAL CONTROL

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

1.8.1 PERMANENT CONTROLS

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

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

1.8.1.2 PERMANENT CONTROL

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

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

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

- Control of compliance verification;
- A second-tier permanent control function combining both financial and accounting control and control of operational and IT activities.

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

The duties of the two entities tasked with monitoring both financial and accounting risks and operating and IT risks include:

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

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

On the scope of the Santander partnership

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

The compliance control system also includes common procedures:

"Code of conduct", "Whistleblowing policy", "Monitoring Inspections and other communications with supervisory authorities SCF-PSA JVs" (which defines how joint ventures should manage their interactions with regulators and supervisors).

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

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

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

On the scope of the BNPP PF partnership

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

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

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

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

1.8.2 PERIODIC CONTROLS

The internal audit function is in charge of periodic control, called third-tier control, the purpose of which is to verify the compliance of operations, the level of risk, compliance with procedures and the effectiveness of permanent control.

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.

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

1.8.3 OVERSIGHT BY EXECUTIVE MANAGEMENT AND THE BOARD

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

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

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

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

Where appropriate, the Committee may request to consult the Chairman of the Board of Directors of BPF, the effective managers as well as the Statutory Auditors or any other person useful to the performance of their duties. Regular meetings between the Chairman of the Audit and Risk Committee and the representatives of the functions responsible for performing periodic and permanent controls as well as risk management are organized, without the presence of BPF's executive committee.

The effective managers are responsible for defining and implementing the internal control system. It monitors proper functioning and ensures adequacy of missions and means.

1.9 EVENTS AFTER THE REPORTING PERIOD

The main events of the first half of 2021 are described in Note 1 to the consolidated financial statements hereunder. Subsequent events are described in Note 23 to the consolidated financial statements hereunder.

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

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

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

BPF, Banca PSA Italia S.p.A and Opel Finance SpA, which had been sentenced to approximately €38.5 million, €6 million and €10 million respectively (note that Opel Finance SpA was jointly and severally sentenced with General Motors, which was, at the beginning of the proceedings, its parent company), had appealed against this decision.

On November 24, 2020, the court (TAR Lazio in Rome) overturned the Italian competition authority’s decision in its entirety.

At the end of December 2020, the Italian competition authority decided to appeal this decision to the Council of State, which is expected to issue its decision during 2022.

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2.1 Consolidated Balance Sheet

(in million euros)	*Notes*	**June 30, 2021**	**Dec. 31, 2020**
Assets			
Cash, central banks	*3*	350	174
Financial assets at fair value through profit or loss	*4*	57	304
Hedging instruments	*5*	-	1
Financial assets at fair value through Equity		-	-
Debt securities at amortized cost		-	-
Loans and advances to credit institutions, at amortized cost	*6*	445	459
Customer loans and receivables, at amortized cost	*7, 20*	26	31
Fair value adjustments to finance receivables portfolios hedged against interest rate risks		-	-
Current tax assets	*21.1*	12	12
Deferred tax assets	*21.1*	3	2
Accruals and other assets	*8*	113	118
Investments in associates and joint ventures accounted for using the equity method	*9*	2 738	2 632
Property and equipment		3	3
Intangible assets		72	69
Goodwill		-	-
Total assets		**3 819**	**3 805**

(in million euros)	*Notes*	**June 30, 2021**	**Dec. 31, 2020**
Equity and liabilities			
Central banks		-	-
Financial liabilities at fair value through profit or loss		-	-
Hedging instruments		-	1
Deposits from credit institutions	*10*	22	26
Due to customers	*11*	1	2
Debt securities	*12*	-	207
Fair value adjustments to debt portfolios hedged against interest rate risks		-	2
Current tax liabilities	*21.1*	5	12
Deferred tax liabilities	*21.1*	-	-
Accruals and other liabilities	*13*	74	80
Liabilities related to insurance contracts	*14.1*	86	78
Provisions		4	5
Subordinated debt		-	-
Equity		**3 627**	**3 392**
- Equity attributable to equity holders of the parent		3 626	3 391
- Share capital and other reserves		1 160	1 160
- Consolidated reserves		2 629	2 417
- *Of which Net income - equity holders of the parent*		210	335
- Gains and losses recognized directly in Equity		(163)	(186)
- *Of which Net income - equity holders of the parent (share of items recycled in profit or loss)*		-	-
- Minority interests		1	1
Total equity and liabilities		**3 819**	**3 805**

2.2 Consolidated Statement of Income

(in million euros)	*Notes*	**June 30, 2021**	**June 30, 2020**	**Dec. 31, 2020**
Net interest revenue on customer transactions		**3**	**7**	**9**
- Interest and other revenue on assets at amortized cost	*18*	1	3	4
- Fair value adjustments to finance receivables hedged against interest rate risks		-	-	-
- Interest on hedging instruments		-	-	-
- Fair value adjustments to hedging instruments		-	-	-
- Interest expense on customer transactions		-	-	-
- Other revenue and expense		2	4	5
Net gains or losses on financial assets at fair value through profit or loss		**-**	-	-
- Interest and dividends on marketable securities		-	-	-
- Fair value adjustments to assets valued using the fair value option		-	-	-
- Gains and losses on sales of marketable securities		-	-	-
- Investment acquisition costs		-	-	-
- Dividends and net income on Equities		-	-	-
Net gains or losses on financial assets at fair value through Equity		**-**	-	-
Net gains or losses on securities valued at amortized cost		**-**	-	-
Net refinancing cost		**-**	**(1)**	**(2)**
- Interest and other revenue from loans and advances to credit institutions		-	1	1
- Interest on deposits from credit institutions		(1)	(1)	(2)
- Interest on debt securities		(1)	(5)	(8)
- Interest on passbook savings accounts		-	-	-
- Expenses related to financing commitments received		-	-	-
- Fair value adjustments to financing liabilities hedged against interest rate risks		2	(1)	3
- Interest on hedging instruments		2	5	9
- Fair value adjustments to hedging instruments		(2)	-	(5)
- Fair value adjustments to financing liabilities valued using the fair value option		-	-	-
- Debt issuing costs		-	-	-
Net gains and losses on trading transactions		**-**	**-**	**-**
- Interest rate instruments		-	-	-
- Currency instruments		-	-	-
Net gains and losses related to hyperinflation		**-**	**(1)**	**(1)**
Margin on sales of Insurance services	*14.2*	**2**	**3**	**16**
- Earned premiums		12	8	18
- Paid claims and change in liabilities related to insurance contracts		(10)	(5)	(2)
Margin on sales of services		**(1)**	**-**	**1**
- Revenues		-	-	1
- Expenses		(1)	-	-
Net banking revenue		**4**	**8**	**23**
General operating expenses	*19*	**-**	**(3)**	**(6)**
- Personnel costs		(2)	(2)	(5)
- Other general operating expenses		2	(1)	(1)
Depreciation and amortization of intangible and tangible assets		**(7)**	**(6)**	**(14)**
Gains and losses on investments in companies and other disposals of		**-**	**-**	-
Gross operating income		**(3)**	**(1)**	**3**
Cost of risk	*20*	-	-	1
Operating income		**(3)**	**(1)**	**4**
Share in net income of associates and joint ventures accounted for	*9*	213	168	351
Impairment on goodwill		-	-	-
Pension obligation - expense		-	-	-
Pension obligation - income		-	-	-
Other non-operating items		-	(7)	(27)
Pre-tax income		**210**	**160**	**328**
Income taxes	*21.2*	-	(1)	7
Net income for the year		**210**	**159**	**335**
- of which attributable to equity holders of the parent		210	159	335
- of which minority interests		-	-	-
Net income - Earnings per share (in €)		*16,8*	*12,8*	*26,8*

2.3 Net Income and Gains and Losses Recognized Directly in Equity

(in million euros)	June 30, 2021 Before tax	June 30, 2021 Tax	June 30, 2021 After tax	June 30, 2020 Before tax	June 30, 2020 Tax	June 30, 2020 After tax	Dec. 31, 2020 Before tax	Dec. 31, 2020 Tax	Dec. 31, 2020 After tax
Net income	210	-	**210**	160	(1)	**159**	328	7	**335**
- of which minority interests			-			-			-
Recyclable in profit and loss items									
Fair value adjustments to hedging instruments	-	-	**-**	-	-	**-**	1	-	**1**
- of which revaluation reversed in net income	-	-	**-**	-	-	**-**	-	-	**-**
- of which revaluation directly by equity	-		**-**	-	-	**-**	*1*		***1***
Exchange difference	18	-	**18**	(21)	-	**(21)**	(7)	-	**(7)**
OCI of joint ventures	-	-	**-**	-	-	**-**	-	-	**-**
Total recyclable in profit and loss items	18	-	**18**	(21)	-	**(21)**	(6)	-	**(6)**
- of which minority interests			-			-			-
Not recyclable in profit and loss items									
Actuarial gains and losses on pension obligations	-	-	**-**	-	-	**-**	-	-	**-**
OCI of joint ventures	8	(3)	**5**	(7)	2	**(5)**	(7)	2	**(5)**
Total gains and losses recognized directly in Equity	26	(3)	**23**	(28)	2	**(26)**	(13)	2	**(11)**
- of which minority interests			-			-			-
Total net income and gains and losses recognized directly in Equity	236	(3)	**233**	132	1	**133**	315	9	**324**
- of which attributable to equity holders of the parent			*233*			*133*			*324*
- of which minority interests			-			-			-

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

	Share capital and other reserves (1)				Fair value adjustments - equity holders of the parent						
(in million euros)	**Share capital**	**Issue, share and merger premiums and liquidation surplus**	**Legal reserve and other reserves**	**Consoli-dated reserves**	**Fair value adjustments to hedging instruments**	**Actuarial gains and losses on pension obligations**	**Exchange difference (3)**	**OCI of joint ventures**	**Equity attributable to equity holders of the parent**	**Minority interests**	**Total equity**
At December 31, 2019	**199**	**643**	**318**	**2 203**	**(1)**	**-**	**(85)**	**(89)**	**3 188**	**1**	**3 189**
Distribution of dividends by:											
- Banque PSA Finance				(112)					**(112)**		**(112)**
- Other companies				-					**-**	-	**-**
Net Income (2)				159	-	-	-	-	**159**	-	**159**
Gains and Losses Recognized Directly in Equity				(12)	-	-	6	(31)	**(37)**	-	**(37)**
Hyperinflation effects (2)				2	-	-	-	-	**2**	-	**2**
Other					-	-	-	-	**-**	-	**-**
At June 30, 2020	**199**	**643**	**318**	**2 240**	**(1)**	**-**	**(79)**	**(120)**	**3 200**	**1**	**3 201**
Distribution of dividends by:											
- Banque PSA Finance				-					**-**		**-**
- Other companies				-					**-**	-	**-**
Net Income (2)				176	-	-	-	-	**176**	-	**176**
Gains and Losses Recognized Directly in Equity				-	-	-	16	(2)	**14**	-	**14**
Hyperinflation effects (2)				1	-	-	-	-	**1**	-	**1**
Other					-	-	-	-	**-**	-	**-**
At December 31, 2020	**199**	**643**	**318**	**2 417**	**(1)**	**-**	**(63)**	**(122)**	**3 391**	**1**	**3 392**
Distribution of dividends by:											
- Banque PSA Finance				-					**-**		**-**
- Other companies				-					**-**	-	**-**
Net Income (2)				210	-	-	-	-	**210**	-	**210**
Gains and Losses Recognized Directly in Equity					-	-	2	21	**23**	-	**23**
Hyperinflation effects (2)				3	-	-	-	-	**3**	-	**3**
Other				(1)	-	-	-	-	**(1)**	-	**(1)**
At June 30, 2021	**199**	**643**	**318**	**2 629**	**(1)**	**-**	**(61)**	**(101)**	**3 626**	**1**	**3 627**

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

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

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

(3) *Exchange differences include an amount of €-45 million at the exchange rate as of June 30, 2021. This amount is related to the subsidiary Bank PSA Russie that will be probably liquidated during the second half-year 2021. In accordance with IAS 21, the exchange difference will be recycled to the P&L at the liquidation of the entity.*

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

2.5 Consolidated Statement of Cash Flows

(in million euros)	**June 30, 2021**	**June 30, 2020**	**Dec. 31, 2020**
Pre-tax income	**210**	**160**	**328**
Net depreciation of tangible and intangible assets	7	6	13
Net provisions and impairment	(18)	(7)	(3)
Share in net income of equity-accounted companies	(213)	(168)	(351)
Net loss/(net gain) on investing activities	23	-	20
(Income)/Charges of financing activities	-	-	-
Other movements	(10)	3	15
Total of non-monetary items included in pre-tax income and other adjustments	**(211)**	**(166)**	**(306)**
Change in credit institutions items	19	(56)	(87)
Change in customer items	4	40	44
Change in financial assets and liabilities	(192)	15	20
Change in non-financial assets and liabilities	9	23	(9)
Dividends received from equity-accounted entities	127	159	270
Tax paid	(10)	(2)	7
Net increase/(decrease) of assets and liabilities provided by operating activities	**(43)**	**179**	**245**
Net cash provided by operating activities (A)	**(44)**	**173**	**267**
Change in equity investments	**1**	**-**	**6**
- Outflows for the acquisitions of shares in subsidiaries, net of cash transferred	-	-	-
- Inflows from disposals of shares in subsidiaries, net of cash transferred	1	-	4
- Outflows for the acquisitions of shares in equity-accounted companies	-	-	-
- Inflows from disposals of shares in equity-accounted companies	-	-	-
- Other change in equity investments	-	-	2
Change in property and equipment and intangible assets	**(8)**	**(9)**	**(17)**
- Outflows for the acquisitions of property and equipment and intangible assets	(8)	(9)	(17)
- Inflows from disposals of property and equipment and intangible assets	-	-	-
Effect of changes in scope of consolidation	**-**	**-**	**-**
Net cash provided by investing activities (B)	**(7)**	**(9)**	**(11)**
Cash flows from or to shareholders	**-**	**(112)**	**(112)**
- Outflows for the dividends paid to:			
- Stellantis	-	(112)	(112)
- Minority shareholders	-	-	-
- Inflows from issuance of equity instruments	-	-	-
Other net cash from financing activities	**(1)**	-	-
Net cash provided by financing activities (C)	**(1)**	**(112)**	**(112)**
Effect of changes in exchange rates (D)	**2**	**1**	**(1)**
Net increase/(decrease) of cash and cash equivalents (A+B+C+D)	**(50)**	**53**	**143**
Cash and cash equivalents at the beginning of the period	**592**	**449**	**449**
Cash, central banks (assets and liabilities)	174	50	50
Demand accounts (assets and liabilities) and loans/borrowings with credit institutions	418	399	399
Cash and cash equivalents at the end of the period	**542**	**502**	**592**
Cash, central banks (assets and liabilities)	350	121	174
Demand accounts (assets and liabilities) and loans/borrowings with credit institutions	192	381	418

2.6 Notes to the Consolidated Financial Statements

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Note 1 Main Events of the period and Group Structure

A. Main Events of the period

Economic context and health crisis COVID-19

The emergence and expansion of the coronavirus from the beginning of 2020 affect economic and commercial activities worldwide. This situation doesn't impact the continuity of operations of Banque PSA Finance and has no significant impact on the financial statements for the half year of 2021.
Payment holiday have been put in place for customers in entities as a result of the COVID-19 crisis. The contracts concerned have not been derecognized. These changes do not generate substantial changes in cash flows (IFRS 9 paragraph 5.4.3). These postponements are carried out within the framework set by the EBA to neutralize the downgrading into forbearance of these so-called "COVID-19" postponement operations.
The most significant impact identified at this stage that affects the cost of risk in 2020 financial statements is a "COVID-19" provision booked in addition to provisions based on IFRS 9 model (see note 9.2.1 and note 9.2.2) . The overlay provision of €37 million end of 2020 for the entities of the partnership with Santander Consumer Finance Europe amounts to €34 million at June 30, 2021, following the extension of maturity approved by certain European countries.
For entities of the partnership with BNP Paribas Personal Finance in Europe, IFRS 9 cost of risk calculation parameters were updated during the half-year 2021 resulting in an increase of €8 million of « COVID-19 » provision, up to an amount of €11 million at June 30, 2021.
Given the consolidation under equity method for joint ventures, the net impact booked in Share in net income of associates and joint ventures is €-2,5 million euros.

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

At January 16, 2021, Peugeot S.A. ("Groupe PSA" – as Banque PSA Finance parent company), and Fiat Chrysler Automobiles N.V. ("FCA") merged at 50/50 their businesses to create the 4th largest global automotive OEM by volume and 3rd largest by revenue. This operation has no impact on Banque PSA Finance consolidated financial statement at June 30, 2021.

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

B. Changes in Group Structure

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

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

Partnership with Santander Consumer Finance

In January 2021, the joint venture PSA Bank Deutschland sold €500 million worth of automobile loans to the fund Auto ABS German VAC 2021. The fund issued €466.2 million worth of A bonds and €33.8 million worth of B bonds. The joint venture is entitled to the bulk of the operating income generated by the receivables after payment of interest on the bonds. As a consequence, the associated fund Auto ABS German VAC has been accounted by the equity method since January 2021.

In June 2021, the joint venture CREDIPAR sold €1 006.3 million worth of automobile loans to the Auto ABS French Leases 2021 – Fonds G. The fund issued €800 million worth of A bonds, €65.4 million worth of B bonds and €140.9 million worth of C bonds. The joint venture is entitled to the bulk of the operating income generated by the receivables after payment of interest on the bonds. As a consequence, the associated fund Auto ABS French Leases 2021 – Fonds G has been accounted by the equity method since June 2021.

Partnership with BNP Paribas Personal Finance

In June 2021, the joint venture Vauxhall Finance plc sold €442.9 million worth of automobile loans to the Ecarat 12 plc. The fund issued €349.9 million worth of A bonds, €27.5 million worth of B bonds and €65.5 million worth of C bonds. The joint venture is entitled to the bulk of the operating income generated by the receivables after payment of interest on the bonds. As a consequence, the associated fund Ecarat 12 plc has been accounted by the equity method since June 2020.

Note 2 Accounting Policies

The interim consolidated financial statements for the six months ended June 30, 2021 have been prepared in accordance with IAS 34 – Interim Financial Reporting, which allows presenting a selection of explanatory notes. The condensed interim consolidated financial statements should be read and understood together with the 2020 consolidated financial statements. No significant difference can be observed within Banque PSA Finance between the IFRS as published by the IASB and as endorsed by the European Union, including regarding the application date.

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

The accounting principles applied to prepare the interim consolidated financial statements for the six months ended June 30, 2021, are identical to those used to prepare the 2019 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, 2021”.

In accordance with European Council Regulation 1606/2002/EC dated July 19, 2002 on the application of International Accounting Standards from January 1, 2005, Banque PSA Finance’s consolidated financial statements for the year ended December 31, 2020 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable and adopted by the European Union as of that date.

The presentation of Banque PSA Finance’s interim consolidated financial statements for the six months ended June 30, 2021 is prepared according to the recommendation N°2017-02 of June 2, 2017 related to the presentation of the consolidated financial statements of banking institutions on January 1, 2018.

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

The new text, which application is compulsory in the fiscal year commencing January 1, 2021 and applied by PSA Banque France is the following:

Amendments to IFRS 4: Insurance Contracts – deferral of IFRS 9

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

Other texts do not present any significant impact for Banque PSA Finance.

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

Potential impact of texts or projects published by IASB and IFRIC with compulsory application in the European Union from the period after January 1st, 2021, or not yet adopted by the European Union is currently being analyzed; such is especially the case for:

IFRS 17 - Insurance Contracts

After about twenty years of work, on 18 May 2017 the IASB published IFRS 17 – Insurance Contracts. IFRS 17 will replace the interim standard IFRS 4, for financial periods commencing on or after 1 January 2023, if adopted by the European Union.

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

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

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

Note 3 Cash, Central Banks

(in million euros)	June 30, 2021	Dec. 31, 2020
Cash	-	-
Central banks (1)	350	174
- *of which compulsory reserves deposited with the Banque de France*	-	-
Total	**350**	**174**

(1) *The reserves deposited with the central banks are included in Banque PSA Finance liquidity reserve (see Note 17.2).*

Note 4 Financial Assets at Fair Value Through Profit or Loss

(in million euros)	June 30, 2021	Dec. 31, 2020
Marketable securities booked at fair value through profit or loss	**57**	**304**
- Marketable securities	57	304
- Mutual funds	56	297
- Mutual funds qualified as cash equivalents (1)	-	235
- Units held by insurance companies	56	62
- *of which accrued interest*	-	(2)
- Certificates of deposit and Treasury bills	-	-
- Bonds issued by the securitization funds in the Santander joint venture	1	7
- *of which held by insurance companies*	*1*	*7*
- Fair value adjustments	-	-
Foreign exchange hedging instruments	**-**	**-**
Accrued interest on trading derivatives	**-**	**-**
Fair value of trading derivatives	**-**	**-**
Equity securities booked at fair value through profit or loss	**-**	**-**
- Equity Securities, gross value	**3**	28
- PSA Financial d.o.o. (2)	3	3
- PSA Finance Hungaria Zrt (3)	-	25
- Equity Securities Impairment (2) (3)	(3)	(28)
Total	**57**	**304**

Fair value is determined by applying valuation techniques based on observable market data (level 2), except for mutual fund units which are valued at the latest published net asset value (level 1).
The fair value of investments assets is considered as being equal to the most recent transaction price, corresponding to the purchase of the shares. An impairment is recognized in the rare cases when long-term losses are anticipated.

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

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

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

Note 5 Hedging Instruments - Assets

5.1 Analysis by Nature

(in million euros)	June 30, 2021	Dec. 31, 2020
Adjustment accounts - commitments in foreign currencies (1)	-	**26**
- of which related companies	-	-
Accrued income on swaps designated as hedges	-	**3**
- of which related companies	-	-
Positive fair value of instruments designated as hedges of:	-	**2**
- Borrowings	-	-
- EMTNs/BMTNs	-	2
- of which due to hedging cross currency swaps' basis spread	-	-
- Bonds	-	-
- Customer loans (Installment contracts, Buyback contracts and Long-term leases)	-	-
- Variable rate EMTN (Cash Flow Hedge)	-	-
Offsetting positive fair value and received margin calls	-	**(30)**
Total	-	**1**

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

(1) Adjustment accounts are used to record fair value adjustments to currency swaps designated as hedges of foreign currency customer loans refinanced in euros and foreign currency financing liabilities. These fair value adjustments are offset by adjustments arising from the remeasurement of the underlying foreign currency customer loans and financing liabilities at period-end exchange rates. Following the EMTN reimbursment of $250 million, cross currency swap arrived at maturity.

5.2 Offsetting swaps with margin call designated as hedges - Assets

For 2021

(in million euros)	Asset gross amount		Asset net amount before offsetting	Offsetting with received margin calls	Balance Sheet amount after offsetting
Positive valued swaps	Swap's winning leg	Swap's losing leg			
Adjustment accounts - commitments in foreign currencies	**-**	**-**	**-**	**-**	**-**
- Cross currency swap with margin call	-	-	-	-	-
- Other instruments			-	-	-
Accrued income	**-**	**-**	**-**	**-**	**-**
- Swaps with margin call	-	-	-	-	-
- Swaps without margin call	-	-	-	-	-
Positive fair value	**-**	**-**	**-**	**-**	**-**
- Swaps with margin call	-	-	-	-	-
- Swaps without margin call	-	-	-	-	-
Offsetting	-	-		-	**-**
Total assets	**-**	**-**	**-**	**-**	**-**
Margin calls received on swaps designated as hedges (deferred income - see Note 13)	-	-	-	-	**-**
Total liabilities	**-**	**-**	**-**	**-**	**-**

For 2020

(in million euros)	Asset gross amount		Asset net amount before offsetting	Offsetting with received margin calls	Balance Sheet amount after offsetting
Positive valued swaps	Swap's winning leg	Swap's losing leg			
Adjustment accounts - commitments in foreign currencies	**204**	**(178)**	**26**	**-**	**26**
- Cross currency swap with margin call	204	(178)	26	-	26
- Other instruments			-	-	-
Accrued income	**3**	**-**	**3**	**-**	**3**
- Swaps with margin call	3	-	3	-	3
- Swaps without margin call	-	-	-	-	-
Positive fair value	**181**	**(179)**	**2**	**-**	**2**
- Swaps with margin call	181	(179)	2	-	2
- Swaps without margin call	-	-	-	-	-
Offsetting	-	-		(30)	**(30)**
Total assets	**388**	**(357)**	**31**	**(30)**	**1**
Margin calls received on swaps designated as hedges (deferred income - see Note 13)	-	-	30	(30)	**-**
Total liabilities	**-**	**-**	**30**	**(30)**	**-**

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

Analysis of Demand and Time Accounts

(in million euros)	June 30, 2021	Dec. 31, 2020
Demand accounts	192	**182**
- Ordinary accounts in debit	192	180
- of which allocated to the liquidity reserve (1)	*192*	*180*
- of which held by insurance companies	*71*	*64*
- of which related companies	*52*	*38*
Time accounts	*252*	**277**
- Time accounts qualified as cash equivalents (1)	-	-
- Subordinated loans	251	251
- of which related companies	*251*	*251*
- Other	1	26
- of which held by insurance companies	*1*	*3*
Accrued interest	**1**	**-**
- of which related companies	*1*	-
Total	**445**	**459**

(1) The part of ordinary accounts and Loans and advances at overnight rates allocated to the liquidity reserve and time accounts qualified as cash equivalents are included in Banque PSA Finance liquidity reserve (see Note 17.2).

Note 7 Customer Loans and Receivables, at amortized cost

7.1 Analysis by Type of Financing

(in million euros)	June 30, 2021	Dec. 31, 2020
Installment contracts	-	**1**
Buyback contracts (1)	-	**-**
Principal and interest	-	-
Unaccrued interest on buyback contracts	-	-
Wholesale financing	**26**	**30**
Principal and interest	26	30
- Related companies	-	-
- Non-group companies	26	30
Ordinary accounts in debit	-	**-**
- Related companies	-	-
- Cash pooling (2):		
- Before offsetting	6	2
- Offsetting	(6)	(2)
- Other	-	-
- Non-group companies	-	-
Total Loans and Receivables at Amortized Cost	**26**	**31**

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

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

7.2 Customer Loans and Receivables by Segment

For 2021

(in million euros) IFRS 8 Segment	Corporate Dealers (A - see B Note 20.1)	End user: Retail (B - see A Note 20.1)	End user: Corporate and equivalent (C - see C Note 20.1)	Total at June 30, 2021
Type of financing				
Installment contracts	-	-	-	-
Buyback contracts	-	-	-	-
Wholesale financing	26	-	-	26
Deferred items included in amortized cost	-	-	-	-
Total customer loans by segment (based on IFRS 8)	**26**	**-**	**-**	**26**

For 2020

(in million euros) IFRS 8 Segment	Corporate Dealers (A - see B Note 20.1)	End user: Retail (B - see A Note 20.1)	End user: Corporate and equivalent (C - see C Note 20.1)	Total at Dec. 31, 2020
Type of financing				
Installment contracts	-	1	-	1
Buyback contracts	-	-	-	-
Wholesale financing	30	-	-	30
Total customer loans by segment (based on IFRS 8)	**30**	**1**	**-**	**31**

Note 8 Accruals and Other Assets

(in million euros)	June 30, 2021	Dec. 31, 2020
Other receivables	**23**	**32**
- Related companies	16	22
- of which insurance activities	*2*	*6*
- Non-group companies	7	10
- of which insurance activities	*5*	*7*
Dividends receivable from Joint Ventures	**32**	**29**
- of which insurance activities	*-*	*20*
Prepaid and recoverable taxes	**29**	**30**
- of which insurance activities	*26*	*26*
Accrued income	**28**	**25**
- Related companies	6	6
- Non-group companies	22	19
- of which insurance activities	*22*	*18*
Prepaid expenses	**1**	**1**
Other	**-**	**1**
- Related companies	-	-
- Non-group companies	-	1
- of which insurance activities	*-*	*-*
Total	**113**	**118**

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

9.1 Investments

(in million euros)	June 30, 2021	Dec. 31, 2020
At the beginning of the period	**2 632**	**2 604**
Change in consolidation scope	-	-
Capital increase/(decrease) and contributions to reserves	-	(2)
Share in net income	213	351
Distribution of dividends	(130)	(290)
Gains and Losses Recognized Directly in Equity	21	(33)
Hyperinflation effects (1)	2	2
At the end of the period	**2 738**	**2 632**
- of which goodwill (2)	*3*	*3*

The valuation of investments in associates and joint ventures (consolidated under equity method) is not subject to impairment as of June 30, 2021. Indeed, no impairment has appeared since December 31, 2020.

Table of Changes by Geographical Area

	Europe		Brazil	China		Argentina	
(in million euros) Partnership with	Santander Consumer Finance	BNP Paribas Personnal Finance	Santander	Dongfeng Peugeot Citroën	*of which goodwill (2)*	Banco Bilbao Vizcaya Argentaria (3)	Total
At december 31, 2019	**1 846**	**590**	**32**	**128**	*3*	**8**	**2 604**
Change in consolidation scope				-			-
Capital increase/(decrease) and contributions to reserves	-					-	-
Share in net income	133	28	1	6	-	-	168
Distribution of dividends	(126)	(22)	(2)	-	-	-	(150)
Gains and Losses Recognized Directly in Equity	(14)	(5)	(9)	(2)	-	(1)	(31)
Hyperinflation effects (1)	-	-	-	-	-	1	1
At June 30, 2020	**1 839**	**591**	**22**	**132**	**3**	**8**	**2 592**
Change in consolidation scope							-
Capital increase/(decrease) and contributions to reserves	(2)						(2)
Share in net income	141	36	1	5	-	-	183
Distribution of dividends	(80)	(50)	-	(10)	-	-	(140)
Gains and Losses Recognized Directly in Equity	(1)	2	-	(1)	-	(2)	(2)
Hyperinflation effects (1)	-	-	-	-	-	1	1
At December 31, 2020	**1 897**	**579**	**23**	**126**	*3*	**7**	**2 632**
Change in consolidation scope							-
Capital increase/(decrease) and contributions to reserves	-						-
Share in net income	169	37	1	6	-	-	213
Distribution of dividends	(109)	(19)	(2)	-	-	-	(130)
Gains and Losses Recognized Directly in Equity	10	5	2	5	-	(1)	21
Hyperinflation effects (1)	-	-	-	-	-	2	2
At June 30, 2021	**1 967**	**602**	**24**	**137**	*3*	**8**	**2 738**

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

(1) *The implementation of IAS 29 led a negative impact of €-3 millions in Net Income (of which Minority interests: €-2 million), fully covered by a positive change in Equity (of which Minority interests: €2 million).*

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

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

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

9.2 Detailed information about Associates - Joint ventures

The following information is given according to IFRS 12:

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

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

9.2.1 Partnership with Santander Consumer Finance in Europe

The partnership in Europe has started in February 2015 in France (FR) and United Kingdom (UK) and has been extended chronologically in the following countries: in May 2015 to Malta (MT) ; in October 2015 to Switzerland (CH) and Spain (ES) ; in January 2016 to Italy (IT) ; in February 2016 to the Netherlands (NL) ; in May 2016 to Belgium (BE) ; in July 2016 to Austria (AT) and Germany (DE) and in October 2016 to Poland (PL). Switzerland (CH) was sold to Santander Consumer Finance in June 2020.

Equity accounted percentage: 50%

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

Key Balance Sheet Items

(in million euros)	June 30, 2021	Dec. 31, 2020
Customer loans and receivables	29 528	30 468
Other assets	4 415	3 513
Total assets	**33 943**	**33 981**
Refinancing	22 520	23 021
Other liabilities	7 488	7 166
Equity	3 935	3 794
Total equity and liabilities	**33 943**	**33 981**

Key Income Statement Items

(in million euros)	June 30, 2021	June 30, 2020	Dec. 31, 2020
Gross revenues of banking activities, insurance activities and other services	1 151	1 121	2 213
Expenses of banking activities, insurance activities and other services	(520)	(494)	(961)
Net banking revenue	**631**	**627**	**1 252**
General operating expenses and equivalent	(181)	(188)	(361)
Gross operating income	**450**	**439**	**891**
Cost of risk (1)	(9)	(60)	(112)
Operating income	**441**	**379**	**779**
Non-operating items	(2)	(5)	(8)
Pre-tax income	**439**	**374**	**771**
Income taxes	(100)	(107)	(223)
Net income for the year	**339**	**267**	**548**

(1) *In 2021, the cost of risk includes a reversal of "Overlay-COVID-19" provision of €3 million cf. note 1*

Statement of changes from 100% Equity to equity method

(in million euros)	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	*of which exchange difference*
At December 31, 2019	**3 692**	**50%**	**1 846**	**(1 314)**	**-**	**532**	**(25)**
Capital increase/(decrease) and contributions to reserves	-		-	-		-	
Net income of the period	267		133			133	
Distribution of dividends	(252)		(126)			(126)	
Gains and Losses Recognized Directly in Equity	(29)		(14)			(14)	*(14)*
At June 30, 2020	**3 678**	**50%**	**1 839**	**(1 314)**	**-**	**525**	**(39)**
Capital increase/(decrease) and contributions to reserves	(5)		(2)	2		-	
Net income of the period	281		141			141	
Distribution of dividends	(160)		(80)			(80)	
Gains and Losses Recognized Directly in Equity	-		(1)			(1)	*2*
At December 31, 2020	**3 794**	**50%**	**1 897**	**(1 312)**	**-**	**585**	**(37)**
Capital increase/(decrease) and contributions to reserves	-		-			-	
Net income of the period	339		169			169	
Distribution of dividends	(218)		(109)			(109)	
Gains and Losses Recognized Directly in Equity	20		10			10	*9*
At June 30, 2021	**3 935**	**50%**	**1 967**	**(1 312)**	**-**	**655**	**(28)**

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

Consolidated Balance Sheet items after equity method

(in million euros)	**June 30, 2021**	**Dec. 31, 2020**
Investments in associates and joint ventures accounted for using the equity method	1 967	1 897
Total assets	**1 967**	**1 897**
Equity		
- Historical value of the shares owned (1)	1 312	1 312
- Consolidated reserves - equity holders of the parent	655	585
- of which share in net income accounted for using the equity method	*169*	*274*
Total equity and liabilities	**1 967**	**1 897**

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

9.2.2 Partnership with BNP Paribas Personal Finance in Europe

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

Equity accounted percentage: 50%

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

Key Balance Sheet Items

(in million euros)	June 30, 2021	Dec. 31, 2020
Customer loans and receivables (1)	10 005	9 974
Other assets (1)	1 565	1 949
Total assets	**11 570**	**11 923**
Refinancing	8 239	8 726
Other liabilities	2 128	2 040
Equity	1 203	1 157
Total equity and liabilities	**11 570**	**11 923**

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

Key Income Statement Items

(in million euros)	June 30, 2021	June 30, 2020	Dec. 31, 2020
Gross revenues of banking activities, insurance activities and other services	355	373	704
Expenses of banking activities, insurance activities and other services	(144)	(170)	(298)
Net banking revenue (1)	**211**	**203**	**406**
General operating expenses and equivalent	(96)	(100)	(196)
Gross operating income	**115**	**103**	**210**
Cost of risk (2)	(11)	(22)	(37)
Operating income	**104**	**81**	**173**
Non-operating items	-	(2)	(1)
Pre-tax income	**104**	**79**	**172**
Income taxes	(30)	(23)	(44)
Net income for the year	**74**	**56**	**128**

(1) *Of which a positive impact of €13 million euros at June 30, 2021 (€43 million euros at December 31, 2020) related to the Price Purchase Allocation: see Note 22.2.*

(2) *In 2021, the cost of risk includes an additional "Overlay-COVID-19" provision of €8 million cf. note 1*

Statement of changes from 100% Equity to equity method

(in million euros)	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (1)	Goodwill	Equity after equity method	*of which exchange difference*
At Decmber 31, 2019	**1 180**	**50%**	**590**	**(489)**	**-**	**101**	**(1)**
Net income of the period	56		28			28	
Distribution of dividends	(44)		(22)			(22)	
Gains and Losses Recognized Directly in Equity	(11)		(5)			(5)	*(1)*
At June 30, 2020	**1 181**	**50%**	**591**	**(489)**	**-**	**102**	**(2)**
Net income of the period	72		36			36	
Distribution of dividends	(100)		(50)			(50)	
Gains and Losses Recognized Directly in Equity	4		2			2	-
At December 31, 2020	**1 157**	**50%**	**579**	**(489)**	**-**	**90**	**(2)**
Net income of the period	74		37			37	
Distribution of dividends	(37)		(19)			(19)	
Gains and Losses Recognized Directly in Equity	9		5			5	-
At June 30, 2021	**1 203**	**50%**	**602**	**(489)**	**-**	**113**	**(2)**

(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, 2021	Dec. 31, 2020
Investments in associates and joint ventures accounted for using the equity method	602	579
Total assets	**602**	**579**
Equity		
- Historical value of the shares owned (1)	489	489
- Consolidated reserves - equity holders of the parent	113	90
- of which share in net income accounted for using the equity method	*37*	*36*
Total equity and liabilities	**602**	**579**

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

9.2.3 Partnership with Santander in Brazil

The partnership in Brazil began in August 2016.

Equity accounted percentage: 50%

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

Key Balance Sheet Items

(in million euros)	**June 30, 2021**	**Dec. 31, 2020**
Customer loans and receivables	229	217
Other assets	18	21
Total assets	**247**	**238**
Refinancing	191	186
Other liabilities	9	5
Equity	47	47
Total equity and liabilities	**247**	**238**

Key Income Statement Items

(in million euros)	**June 30, 2021**	**June 30, 2020**	**Dec. 31, 2020**
Gross revenues of banking activities, insurance activities and other services	14	21	36
Expenses of banking activities, insurance activities and other services	(6)	(11)	(18)
Net banking revenue	**8**	**10**	**18**
General operating expenses and equivalent	(4)	(5)	(9)
Gross operating income	**4**	**5**	**9**
Cost of risk	(1)	-	(1)
Operating income	**3**	**5**	**8**
Income taxes	(2)	(2)	(3)
Net income for the year	**1**	**3**	**5**

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 Decmber 31, 2019	**66**	**50%**	**32**	**(27)**	**-**	**5**	**(9)**
Net income of the period	3		1			1	
Distribution of dividends	(5)		(2)			(2)	
Gains and Losses Recognized Directly in Equity	(19)		(9)			(9)	*(9)*
At June 30, 2020	**45**	**50%**	**22**	**(27)**	**-**	**(5)**	**(18)**
Net income of the period	2		1			1	
Distribution of dividends	-		-			-	
Gains and Losses Recognized Directly in Equity	-		-			-	-
At december 31, 2020	**47**	**50%**	**23**	**(27)**	**-**	**(4)**	**(18)**
Net income of the period	1		1			1	
Distribution of dividends	(4)		(2)			(2)	
Gains and Losses Recognized Directly in Equity	3		2			2	*2*
At June 30, 2021	**47**	**50%**	**24**	**(27)**	**-**	**(3)**	**(16)**

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

Consolidated Balance Sheet items after equity method

(in million euros)	**June 30, 2021**	**Dec. 31, 2020**
Investments in associates and joint ventures accounted for using the equity method	24	23
Total assets	**24**	**23**
Equity		
- Historical value of the shares owned (1)	27	27
- Consolidated reserves - equity holders of the parent	(3)	(4)
- *of which share in net income accounted for using the equity method*	1	2
Total equity and liabilities	**24**	**23**

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

9.2.4 Partnership with Dongfeng in China

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

Equity accounted percentage: 25%

Fully financial information

Key Balance Sheet Items

(in million euros)	**June 30, 2021**	**Dec. 31, 2020**
Customer loans and receivables	1 353	1 176
Other assets	147	130
Total assets	**1 500**	**1 306**
Refinancing	856	687
Other liabilities	106	126
Equity	538	493
Total equity and liabilities	**1 500**	**1 306**

Key Income Statement Items

(in million euros)	**June 30, 2021**	**June 30, 2020**	**Dec. 31, 2020**
Gross revenues of banking activities, insurance activities and other services	67	67	128
Expenses of banking activities, insurance activities and other services	(28)	(24)	(47)
Net banking revenue	**39**	**43**	**81**
General operating expenses and equivalent	(9)	(9)	(19)
Gross operating income	**30**	**34**	**62**
Cost of risk	(2)	-	(4)
Operating income	**28**	**34**	**58**
Non-operating items	-	-	-
Pre-tax income	**28**	**34**	**58**
Income taxes	(3)	(8)	(15)
Net income for the year	**25**	**26**	**43**

Statement of changes from 100% Equity to equity method

(in million euros)	**Equity before equity method**	**Percentage of equity method**	**Share of profit of equity method**	**Elimination of shareholder's equity (1)**	**Goodwill (2)**	**Equity after equity method**	***of which exchange difference***
At December 31, 2019	**498**	**25%**	**125**	**(42)**	**3**	**86**	**2**
Change in consolidation scope	-		-	-	-	-	
Net income of the period	26		6	-	-	6	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	(6)		(2)		-	(2)	*(2)*
At June 30, 2020	**518**	**25%**	**129**	**(42)**	**3**	**90**	**-**
Net income of the period	17		5	-	-	5	
Distribution of dividends	(38)		(10)	-	-	(10)	
Gains and Losses Recognized Directly in Equity	(4)		(1)		-	(1)	*(1)*
At December 31, 2020	**493**	**25%**	**123**	**(42)**	**3**	**84**	**(1)**
Net income of the period	25		6	-	-	6	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	20		5		-	5	*6*
At June 30, 2021	**538**	**25%**	**134**	**(42)**	**3**	**95**	**5**

(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, 2021**	**Dec. 31, 2020**
Investments in associates and joint ventures accounted for using the equity method (2)	137	126
Total assets	**137**	**126**
Equity		
- Historical value of the shares owned (1)	42	42
- Consolidated reserves - equity holders of the parent	95	84
- *of which share in net income accounted for using the equity method*	*6*	*11*
Total equity and liabilities	**137**	**126**

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

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

9.2.5 Partnership with Banco Bilbao Vizcaya Argentaria in Argentina

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

Equity accounted percentage: 50%

Fully financial information

Key Balance Sheet Items

(in million euros)	June 30, 2021	Dec. 31, 2020
Customer loans and receivables	78	62
Other assets	5	7
Total assets	**83**	**69**
Refinancing	48	30
Other liabilities	18	24
Equity	17	15
Total equity and liabilities	**83**	**69**

Key Income Statement Items

(in million euros)	June 30, 2021	June 30, 2020	Dec. 31, 2020
Gross revenues of banking activities, insurance activities and other services	11	7	14
Expenses of banking activities, insurance activities and other services	(10)	(6)	(11)
Net banking revenue	**1**	**1**	**3**
General operating expenses and equivalent	(2)	(2)	(2)
Gross operating income	**(1)**	**(1)**	**1**
Cost of risk	-	-	-
Operating income	**(1)**	**(1)**	**1**
Non-operating items	-	-	-
Pre-tax income	**(1)**	**(1)**	**1**
Income taxes	1	-	(1)
Net income for the year	**-**	**(1)**	**-**

Statement of changes from 100% Equity to equity method

(in million euros)	Equity before equity method	Percentage of equity method	Share of profit of equity method	Elimination of shareholder's equity (2)	Goodwill	Equity after equity method	*of which exchange difference*
At Decmber 31, 2019	**17**	**50%**	**8**	**(13)**	**-**	**(5)**	**(3)**
Capital increase/(decrease) and contributions to reserves	-		-	-	-	-	-
Net income of the period	(1)		-	-	-	-	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	(2)		(1)	-	-	(1)	-
Hyperinflation effects	2		1	-	-	1	*(1)*
At June, 2020	**16**	**50%**	**8**	**(13)**	**-**	**(5)**	**(4)**
Capital increase/(decrease) and contributions to reserves	-		-	-	-	-	-
Net income of the period	1		-	-	-	-	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	(4)		(2)	-	-	(2)	*(3)*
Hyperinflation effects	2		1	-	-	1	*1*
At December 31, 2020	**15**	**50%**	**7**	**(13)**	**-**	**(6)**	**(6)**
Capital increase/(decrease) and contributions to reserves	-		-	-	-	-	-
Net income of the period	-		-	-	-	-	
Distribution of dividends	-		-	-	-	-	
Gains and Losses Recognized Directly in Equity	(1)		(1)	-	-	(1)	*(1)*
Hyperinflation effects (1)	3		2	-	-	2	-
At June 30, 2021	**17**	**50%**	**8**	**(13)**	**-**	**(5)**	**(7)**

(1) *The implementation of IAS 29 led a negative impact of €-3 million in Net Income (of which Minority interests: €-2 million), fully covered by a positive change in Equity (of which Minority interests: €2 million).*

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

Consolidated Balance Sheet items after equity method

(in million euros)	June 30, 2021	Dec. 31, 2020
Investments in associates and joint ventures accounted for using the equity method	8	7
Total assets	**8**	**7**
Equity		
- Historical value of the shares owned (1)	13	13
- Consolidated reserves - equity holders of the parent	(5)	(6)
- *of which share in net income accounted for using the equity method*	-	-
Total equity and liabilities	**8**	**7**

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

Note 10 Deposits from Credit Institutions

10.1 Analysis of Demand and Time Accounts

(in million euros)	June 30, 2021	Dec. 31, 2020
Demand deposits (non-group institutions)	**-**	**-**
- Ordinary accounts in credit	-	-
- Accounts and deposits at overnight rates	-	-
- Other amounts due to credit institutions	-	-
Accrued interest	**-**	**-**
Time deposits (non-group institutions)	**22**	**26**
- Conventional bank deposits	22	26
Accrued interest	**-**	**-**
Total deposits from credit institutions at amortized cost	**22**	**26**

Note 11 Due to Customers

11.1 Analysis of Demand and Time Accounts

(in million euros)	June 30, 2021	Dec. 31, 2020
Demand accounts	**1**	**2**
- Ordinary accounts in credit		
- Dealers' ordinary accounts in credit	1	2
- Non-group companies	1	2
- Cash pooling (1):		
- Before offsetting	6	2
- Offsetting	(6)	(2)
- Other amounts due to Customers		
- Non-group companies	-	-
Total deposits from credit institutions at amortized cost	**1**	**2**

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

Note 12 Debt Securities

12.1 Analysis by Nature

(in million euros)	June 30, 2021	Dec. 31, 2020
Interbank instruments and money-market securities (non-group institutions)	**-**	**204**
- EMTNs and BMTNs (1)	-	204
- Certificates of deposit and "billets de trésorerie"	-	-
Accrued interest	**-**	**3**
Other debt securities	**-**	**-**
Total debt securities at amortized cost	**-**	**207**

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

Note 13 Accruals and Other Liabilities

(in million euros)	June 30, 2021	Dec. 31, 2020
Trade payables	**32**	**31**
- Related companies (1)	30	27
- of which insurance activities	*-*	*-*
- Non-group companies	2	4
- of which insurance activities	*-*	*-*
Financial Debts	**3**	**1**
- of which insurance activities	*3*	*1*
Accrued payroll and other taxes	**2**	**2**
Accrued charges	**2**	**8**
- Related companies	(2)	(1)
- of which insurance activities	*(3)*	*(2)*
- Non-group companies	4	9
- of which insurance activities	*(2)*	*-*
Other payables	**7**	**10**
- Related companies	3	5
- of which insurance activities	*3*	*5*
- Non-group companies	4	5
- of which insurance activities	*4*	*5*
Deferred income	**28**	**28**
- Related companies	2	2
- of which insurance activities	*2*	*2*
- Non-group companies	26	26
- of which insurance activities (2)	*26*	*26*
- of which margin calls received on swaps designated as hedges (3)	*-*	*-*
Other	**-**	**-**
- Non-group companies	-	-
Total	**74**	**80**

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

(2) *Deferred income related to insurance activity for €26 million at June 30, 2021.*

(3) *At June 30, 2021, BPF does not hold any swap designated as hedges. At December 31, 2020, the margin calls received on swaps designated as hedges were offset with the positive fair value for an amount of €30 million (see Note 5.2).*

Note 14 Insurance Activities

14.1 Liabilities Related to Insurance Contracts

(in million euros)	31.12.2020	Written premiums	Earned premiums	Claims paid	Claims incurred	June 30, 2021
Unearned premium reserve (UPR)	32	18	(12)			**38**
Claims reserve						
- Claims reserve - reported claims	14			(2)	3	**15**
- Claims reserve - claims incurred but not reported (IBNR)	32			-	1	**33**
Total liabilities related to insurance contracts	**78**	**18**	**(12)**	**(2)**	**4**	**86**

14.2 Income from Activities

(in million euros)	June 30, 2021	June 30, 2020	Dec. 31, 2020
+ Earned premiums	**12**	**8**	**18**
Written premiums	18	7	34
Change in insurance liabilities (UPR)	(6)	1	(16)
- Cost	**(10)**	**(5)**	**(2)**
Claims expenses	(4)	(1)	(4)
Change in insurance liabilities (except for UPR)	(2)	(1)	8
Other income (expense)	(4)	(3)	(6)
- of which related companies	*(3)*	*(3)*	*(5)*
Margin on sales of Insurance activities	**2**	**3**	**16**

Note 15 Derivatives

Group Interest Rate Management Policy

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

Interest rate risk:

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

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

Currency risk:

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

Counterparty risk:

Banque PSA Finance's exposure to counterparty risk is limited to its use of derivatives governed by standard FBF or ISDA agreements and very short term cash investments with leading counterparties. Customer credit risk is discussed in Note 20.

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

Banque PSA Finance Residual Positions in Foreign Currencies

A. Operational Positions in Foreign Currencies

These positions are hedged using currency swaps, cross currency swaps and forward foreign exchange contracts. The residual position at the end of June 2021 is not significant (-€0,9 million at June 30, 2021 versus -€0.2 million at the end of 2020).

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

B. Structural Positions in Foreign Currencies

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

(in million euros)	ARS	CNY	GBP	MXN	PLN	RUB	BRL	TOTAL
Position at June 30, 2021	1	53	129	1	13	12	10	**219**
Position at December 31, 2020	*1*	*51*	*123*	*2*	*13*	*12*	*7*	***209***

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

Note 16 Fair Value of Financial Assets and Liabilities

(in million euros)	Fair value June 30, 2021	Fair value Dec. 31, 2020	Book value June 30, 2021	Book value Dec. 31, 2020	Difference June 30, 2021	Difference Dec. 31, 2020
Assets						
Cash, central banks	350	174	350	174	-	-
Financial assets at fair value through profit or loss (1)(2)	57	304	57	304	-	-
Hedging instruments (1)		1	-	1	-	-
Financial assets at fair value through Equity		-	-	-	-	-
Debt securities at amortized cost		-	-	-	-	-
Loans and advances to credit institutions, at amortized cost (3)(4)	442	445	445	459	(3)	(14)
Customer loans and receivables, at amortized cost (5)	26	31	26	31	-	-
Equity and liabilities						
Central banks		-	-	-	-	-
Financial liabilities at fair value through profit or loss (1)		-	-	-	-	-
Hedging instruments (1)		1	-	1	-	-
Deposits from credit institutions (6)	22	26	22	26	-	-
Due to customers (3)	1	2	1	2	-	-
Debt securities (6)	-	210	-	209	-	(1)

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

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

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

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

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

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

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

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

Note 17 Other Commitments

17.1 Other Commitments

(in million euros)	June 30, 2021	Dec. 31, 2020
Financing commitments		
Commitments received from credit institutions (1)	91	141
Commitments given to credit institutions	-	-
Commitments given to customers	-	-
Guarantee commitments		
Commitments received from credit institutions	1	2
- guarantees received in respect of customer loans	1	2
- guarantees received in respect of securities held	-	-
- other guarantees received from credit institutions	-	-
Guarantees given to credit institutions	1	1
Commitments given to customers	15	15
- Banque PSA Finance	15	15
Other commitments received		
Securities received as collateral	-	-

(1) *This refers to undrawn bank facilities (see Note 17.2)*

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

17.2 Financial Security

Financial security refers to liquidity reserve and undrawn bank facilities

(in million euros)	June 30, 2021	Dec. 31, 2020
Liquidity Reserve	**542**	**591**
- Reserves deposited with the central banks (see Note 3)	350	174
- Mutual funds qualified as cash equivalents (see Note 4) (1)	-	235
- Ordinary accounts in debit (see Note 6)	192	180
- Loans and advances at overnight rates (see Note 6)	-	2
Undrawn bank facilities	**91**	**141**
- Revolving bilateral bank facilities (2)	90	140
- Other bank facilities	1	1
Total	**633**	**732**

(1) *The decrease of the mutual funds qualified as cash equivalents is mainly due to the refund of the EMTN in April 2021.*
(2) *Correspond to mainly long-term received financing commitments.*

Note 18 Interest and Other Revenue on Assets at Amortized Cost

(in million euros)	June 30, 2021	June 30, 2020	Dec. 31, 2020
Installment contracts	**-**	**-**	**-**
- *of which related companies*	*-*	*-*	*-*
Buyback contracts	**-**	**-**	**-**
- *of which related companies*	*-*	*-*	*-*
Wholesale financing	**1**	**3**	**4**
- *of which related companies*	*1*	*2*	*3*
Total	**1**	**3**	**4**

Note 19 General Operating Expenses

(in million euros)	June 30, 2021	June 30, 2020	Dec. 31, 2020
Personnel costs	**(2)**	**(2)**	**(5)**
- Wages and salaries	(2)	(2)	(4)
- Payroll taxes	-	-	(1)
Other general operating expenses	**2**	**(1)**	**(1)**
- External expenses	(47)	(49)	(102)
- of which related companies	*(46)*	*(46)*	*(96)*
- Re-invoicing	49	48	101
- of which related companies	*48*	*48*	*98*
Total	**-**	**(3)**	**(6)**

Note 20 Cost of risk

20.1 Cost of risk and changes in Loans

(in million euros)	Dec. 31, 2020	Net new loans and exchange difference (1)	Cost of risk for the period at June 30, 2021	Balance at June 30, 2021
Retail				
Stage 1 loans	1	(1)	-	-
Stage 2 loans	-	-	-	-
Stage 3 loans	-	-	-	-
Guarantee deposits (lease financing)	-	-	-	-
Total	**1**	**(1)**	**-**	**-**
Impairment of stage 1 loans	-	-	-	-
Impairment of stage 2 loans	-	-	-	-
Impairment of stage 3 loans	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**
Deferred items included in amortized cost	**-**	**-**	**-**	**-**
Net book value (A - see B Note 7.2)	**1**	**(1)**	**-**	**-**
Recoveries on loans written off in prior periods			-	
Retail cost of risk			-	
Corporate dealers				
Stage 1 loans	29	(4)	-	25
Stage 2 loans	1	-	-	1
Stage 3 loans	-	-	-	-
Total	**30**	**(4)**	**-**	**26**
Impairment of stage 1 loans	-	-	-	-
Impairment of stage 2 loans	-	-	-	-
Impairment of stage 3 loans	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**
Deferred items included in amortized cost	**-**	**-**	**-**	**-**
Net book value (B - see A Note 7.2)	**30**	**(4)**	**-**	**26**
Recoveries on loans written off in prior periods			-	
Corporate dealers cost of risk			-	
Corporate and equivalent				
Stage 1 loans	-	-	-	-
Stage 2 loans	-	-	-	-
Stage 3 loans	-	-	-	-
Total	**-**	**-**	**-**	**-**
Impairment of stage 1 loans	-	-	-	-
Impairment of stage 2 loans	-	-	-	-
Impairment of stage 3 loans	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**
Deferred items included in amortized cost	**-**	**-**	**-**	**-**
Net book value (C - see C Note 7.2)	**-**	**-**	**-**	**-**
Recoveries on loans written off in prior periods			-	
Corporate and equivalent cost of risk			-	
Total loans				
Stage 1 loans	30	(5)	-	25
Stage 2 loans	1	-	-	1
Stage 3 loans	-	-	-	-
Guarantee deposits	-	-	-	-
Total	**31**	**(5)**	**-**	**26**
Impairment of stage 1 loans	-	-	-	-
Impairment of stage 2 loans	-	-	-	-
Impairment of stage 3 loans	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**
Deferred items included in amortized cost	**-**	**-**	**-**	**-**
Net book value (Note 7.2)	**31**	**(5)**	**-**	**26**
Recoveries on loans written off in prior periods			-	
Total cost of risk			-	

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

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

20.2 Change in cost of risk

(in million euros)	Retail	Corporate dealers	Corporate and equivalent	June 30, 2021	June 30, 2020	Dec. 31, 2020
Stage 1 loans						
Allowances	-	-	-	-	-	-
Reversals	-	-	-	-	-	1
Stage 2 loans						
Allowances	-	-	-	-	-	-
Reversals	-	-	-	-	-	-
Stage 3 loans						
Allowances	-	-	-	-	-	-
Reversals	-	-	-	-	-	-
Credit losses	-	-	-	-	-	-
Recoveries on loans written off in prior	-	-	-	-	-	-
Cost of Risk	**-**	**-**	**-**	**-**	**-**	**1**

Note 21 Income Taxes

21.1 Evolution of Balance Sheet Items

(in million euros)	Dec. 31, 2020	Income	Equity	Payment	Exchange difference and other (1)	June 30, 2021
Current tax						
Assets	12					12
Liabilities	(12)					(5)
Total	**-**	**(1)**	**-**	**10**	**(2)**	**7**
Deferred tax						
Assets	2					3
Liabilities	-					-
Total	**2**	**1**	**-**	**-**	**-**	**3**

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

21.2 Income taxes of fully-consolidated companies

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

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

(in million euros)	June 30, 2021	June 30, 2020	Dec. 31, 2020
Current tax	**(1)**	**(3)**	**4**
Deferred tax	**1**	**2**	**3**
Deferred taxes arising in the period	-	3	(1)
Unrecognized deferred tax assets and impairment losses	1	(1)	4
Total	**-**	**(1)**	**7**

21.3 Banque PSA Finance tax proof

(in million euros)	June 30, 2021	June 30, 2020	Dec. 31, 2020
Pre-tax income	210	160	328
Neutralization of the share in net income of associates and joint ventures accounted for using the equity method	(213)	(168)	(351)
Permanent differences	5	4	33
Taxable Income	**2**	**(4)**	**10**
Legal tax rate in France for the period	*25,8%*	*32,0%*	*25,8%*
Theoretical tax	**(1)**	**1**	**(3)**
Impact of differences in foreign tax rates	-	-	(1)
Impact of changes in France tax rates	-	-	(5)
Adjustment related to the previous year	-	-	1
Other	-	(1)	11
Income taxes before impairment of assets on tax loss carry forwards	**(1)**	**-**	**3**
Group effective tax rate	*40,8%*	*6,8%*	*0,0%*
Deferred tax assets on tax loss carry forwards:			
- Allowances	-	(1)	-
- Reversals	1		4
Income taxes	**-**	**(1)**	**7**

21.4 Deferred Tax Assets on Tax Loss Carry Forwards

(in million euros)	Dec. 31, 2020	New tax losses	Tax losses utilized in the year (2)	Charges / Reversals	Exchange difference and other	June 30, 2021
Deferred tax assets on tax loss carry forwards	23	-	(1)		-	22
Allowances (1)	(23)			1	-	(22)
Total	**-**	**-**	**(1)**	**1**	**-**	**-**

(1) Banque PSA Finance's deferred tax asset on the tax loss carry forward has been fully written down, for an amount of €20.3 million at end of June 2021.

Note 22 Segment Information

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

22.1 Key Balance Sheet Items

At June 30, 2021

(in million euros)	IFRS 8 segment information Balance Sheet as at June 30, 2021	Equity-method accounting of equity attributable to group in JV	Consolidated Balance Sheet at June 30, 2021
Assets			
Customer loans and receivables, at amortized cost	39 866	(39 840)	26
- *Corporate dealers*	*8 918*	*(8 892)*	*26*
- *End user*	*30 948*	*(30 948)*	*-*
Financial assets at fair value through profit or loss	79	(22)	57
Financial assets at fair value through Equity	-	-	-
Debt securities at amortized cost	207	(207)	-
Loans and advances to credit institutions, at amortized cost	2 579	(2 134)	445
Deferred tax assets	141	(138)	3
Investments in associates and joint ventures accounted for using the equity method (1)	137	2 601	2 738
Other assets	3 719	(3 169)	550
Total Assets	**46 728**	**(42 909)**	**3 819**
Liabilities			
Deposits from credit institutions	20 818	(20 796)	22
Due to customers	6 928	(6 927)	1
Debt securities	10 202	(10 202)	-
Liabilities related to insurance contracts	232	(146)	86
Deferred tax liabilities	514	(514)	-
Other liabilities	1 806	(1 723)	83
Equity	6 228	(2 601)	3 627
Total Liabilities	**46 728**	**(42 909)**	**3 819**

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

At December 31, 2020

(in million euros)	IFRS 8 segment information Balance Sheet as at Dec. 31, 2020	Equity-method accounting of equity attributable to group in JV	Consolidated Balance Sheet at Dec. 31, 2020
Assets			
Customer loans and receivables, at amortized cost (2)	40 752	(40 721)	31
- *Corporate dealers*	*11 056*	*(11 026)*	*30*
- *End user*	*29 696*	*(29 695)*	*1*
Financial assets at fair value through profit or loss	318	(14)	304
Financial assets at fair value through Equity	-	-	-
Debt securities at amortized cost	204	(204)	-
Loans and advances to credit institutions, at amortized cost	2 712	(2 253)	459
Deferred tax assets	114	(112)	2
Investments in associates and joint ventures accounted for using the equity method (1)	125	2 507	2 632
Other assets (2)	2 957	(2 580)	377
Total Assets	**47 182**	**(43 377)**	**3 805**
Liabilities			
Deposits from credit institutions	22 084	(22 058)	26
Due to customers	6 546	(6 544)	2
Debt securities	10 110	(9 903)	207
Liabilities related to insurance contracts	209	(131)	78
Deferred tax liabilities	485	(485)	-
Other liabilities	1 849	(1 749)	100
Equity	5 899	(2 507)	3 392
Total Liabilities	**47 182**	**(43 377)**	**3 805**

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

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

22.2 Key Income Statement Items

At June 30, 2021

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

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

A June 30, 2020

(in million euros)	IFRS 8 Income statement excl. PPA at June 30, 2020	OVF PPA impact at June 30, 2020	IFRS 8 Income statement at June 30, 2020	Presentation differences IFRS 8 vs Publishable Income Statement	Equity-method accounting of equity attributable to group in JV	Publishable Income Statement at June 30, 2020
Net banking revenue	**826**	**25**	**851**	**(1)**	**(842)**	**8**
- Financing activities	***688***	***25***	***713***	***(1)***	***(707)***	***5***
- Corporate dealers	*133*	*1*	*134*	*-*	*(133)*	*1*
- End user	*549*	*22*	*571*	*-*	*(571)*	*-*
- Unallocated	*6*	*2*	*8*	*(1)*	*(3)*	*4*
- Insurance and services	***138***	***-***	***138***	***-***	***(135)***	***3***
Cost of risk	**(85)**	**2**	**(83)**	**-**	**83**	**-**
- Financing activities	***(85)***	***2***	***(83)***	***-***	***83***	***-***
- Corporate dealers	*(1)*	*2*	*1*	*-*	*(1)*	*-*
- End user	*(84)*	*-*	*(84)*	*-*	*84*	*-*
Net income after cost of risk	**741**	**27**	**768**	**(1)**	**(759)**	**8**
- Financing activities	***603***	***27***	***630***	***(1)***	***(624)***	***5***
- Corporate dealers	*132*	*3*	*135*	*-*	*(134)*	*1*
- End user	*465*	*22*	*487*	*-*	*(487)*	*-*
- Unallocated	*6*	*2*	*8*	*(1)*	*(3)*	*4*
- Insurance and services	***138***	***-***	***138***	***-***	***(135)***	***3***
General operating expenses and equivalent	**(305)**	**-**	**(305)**		**296**	**(9)**
Operating income	**436**	**27**	**463**	**(1)**	**(463)**	**(1)**
Share in net income of associates and joint ventures accounted for using the equity method (1)	6	-	6	-	162	168
Other items	(13)	-	(13)	-	6	(7)
Pre-tax income	**429**	**27**	**456**	**(1)**	**(295)**	**160**
Income taxes	(128)	(6)	(134)	-	133	(1)
Net income	**301**	**21**	**322**	**(1)**	**(162)**	**159**

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

Note 23 Subsequent Events

No other event occurred between June 30, 2021 and the Board of Directors' meeting to review the financial statement on July 23, 2021 that could have a material impact on business decisions made on the basis of these financial statements.

2.7 Report of the Statutory Auditors on the Consolidated Financial Statements

For the period from January 1 to June 30, 2021

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, 2021;
- the verification of the information presented in the half-yearly management report.

The global crisis related to the Covid-19 pandemic creates special conditions for the preparation and limited review of the condensed half-yearly consolidated financial statements. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our audits.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the 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 limited 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 - the IFRS adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information provided in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our limited 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 30, 2021

The Statutory Auditors

MAZARS	ERNST & YOUNG Audit
Matthew Brown	Luc Valverde

Statement from the person responsible for the 2021 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 provide a true image of the company's assets, financial situation and earning and of all of the companies included in the consolidation, and that the management report of this document presents a true picture of the business, the earnings and of the financial situation of the company and of all of the companies included in the consolidation as well as a description of the main risks and uncertainties that they face.

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

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

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