



# PSA BANQUE FRANCE GROUP



December 2020

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- 1 > **PSA Banque France Group presentation**
- 2 > Business overview
- 3 > Financial results
- 4 > Financial policy and funding



# Long-time expertise in the auto financing industry

## I PSA Banque France within PSA Group

- A global car manufacturer with over two centuries of history
- Auto financing industry for one century

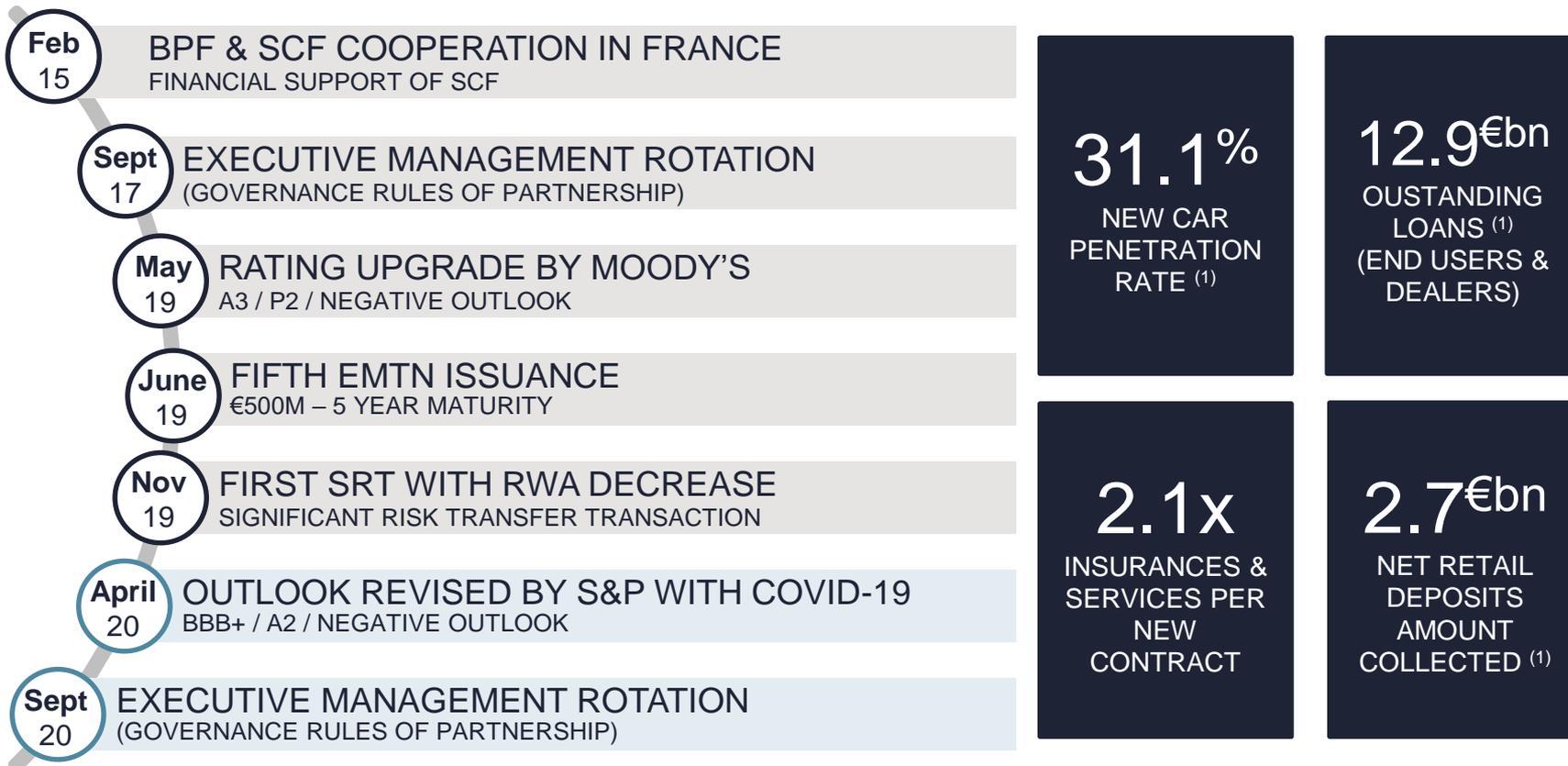


CAR MANUFACTURING

AUTO FINANCING INDUSTRY

BPF : Banque PSA Finance; SCF : Santander Consumer Finance

# Overview



(1) 06/30/2020

# PSA Banque France Group since 2015

## I Joint-venture between BPF and SCF in France

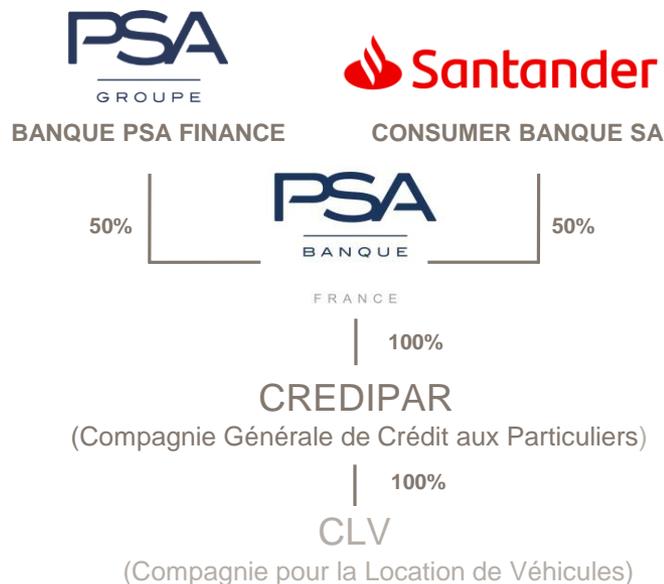
- BPF, historic shareholder / SCF, providing financial support
- Through a shared governance

Operating in France since 1919, PSA Banque France has more than 670,000 active clients (including individuals, professionals, dealers, and small, medium or large corporates, retail deposit).

Since February 2015, PSA Banque France is 50/50 controlled by Banque PSA Finance and Santander Consumer Banque, the French subsidiary of Santander Consumer Finance.

PSA Banque France is a credit institution and parent company that holds 100% of CREDIPAR, which itself holds 100% of CLV. All financing activities are therefore carried out by PSA Banque France and its CREDIPAR and CLV subsidiaries.

PSA Banque France is a credit institution regulated under the supervision of ECB since December 2015 while continuing to send the required information to the French regulator, the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR).



- BPF casting vote
- SCF casting vote



- First rotation in September 2017
- Second rotation in September 2020

# PSA Banque France Group activities

## PSA BANQUE FRANCE

### HOLDING OF THE FRENCH GROUP



Banking activities for dealers

Current accounts  
Overdraft facilities  
Treasury and property loans



Savings accounts  
Term accounts



Access to capital markets  
NEU CP - NEU MTN - EMTN

## CREDIPAR

### COMPAGNIE GENERALE DE CREDITS AUX PARTICULIERS



Entity employing the group workforce



LOANS WITH OR WITHOUT BALLOON

LEASES WITH PURCHASE OPTION

LONG TERM LEASES

INSURANCES & SERVICES

### SOFIRA Stock financing

NEW & DEMO VEHICLES

USED VEHICLES

SPARE PARTS



Securitisation transactions  
Seller – Servicer – Junior notes

## CLV

### COMPAGNIE POUR LA LOCATION DE VEHICULES



Legal entity used for public tenders on Citroën vehicles only.

### NO SET-OFF RISK ON RETAIL CLIENTS



Retail clients may subscribe loans or leases financings and at the same time be a client of the DISTINGO offer.

Both offers are provided by separate legal entities mitigating the set-off risk:

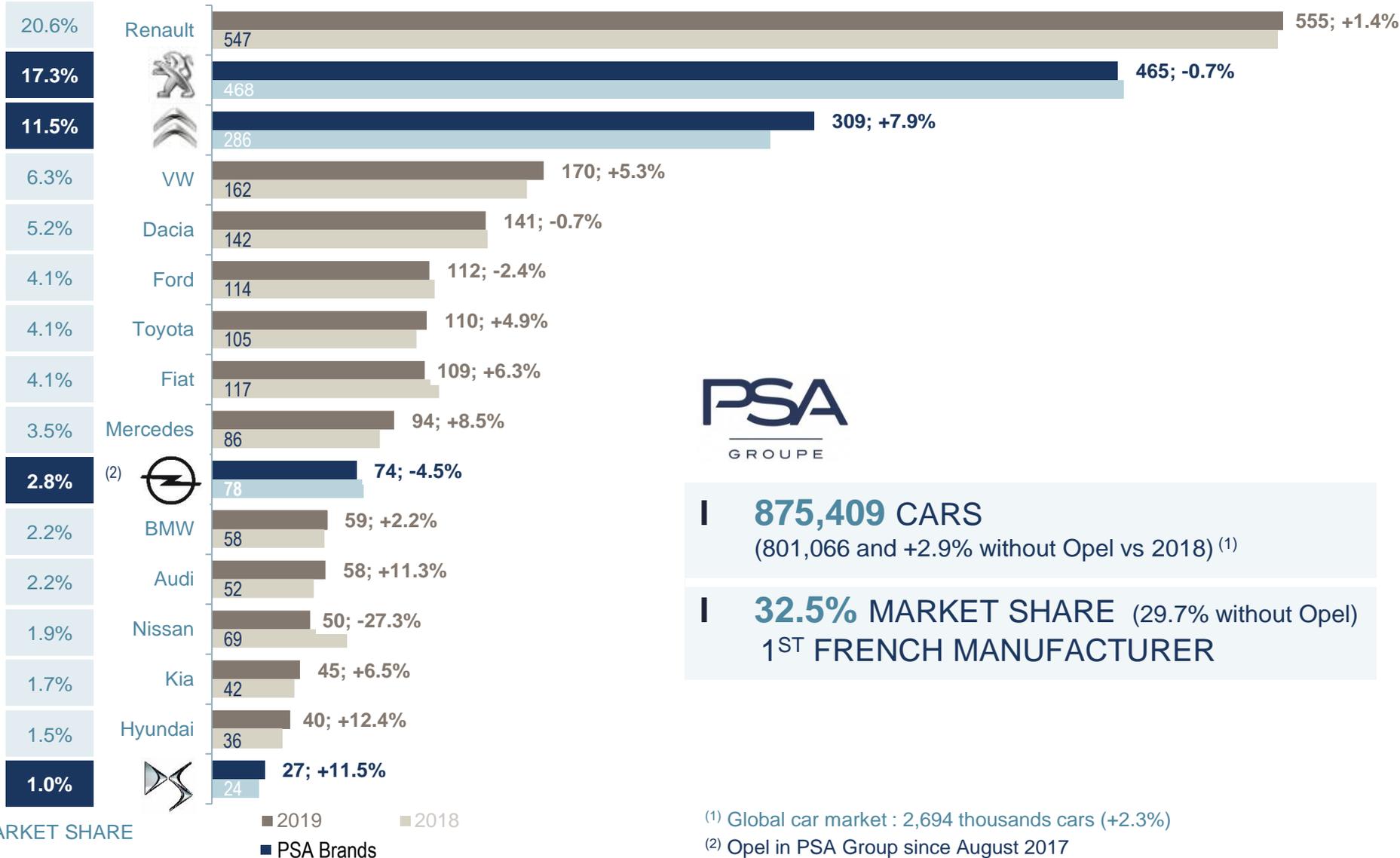
- PSA Banque France for savings
- CREDIPAR and CLV for financings

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# French new car registrations (2019 / 2018)

(in thousands)



**875,409 CARS**  
(801,066 and +2.9% without Opel vs 2018) <sup>(1)</sup>

**32.5% MARKET SHARE** (29.7% without Opel)  
**1<sup>ST</sup> FRENCH MANUFACTURER**

(1) Global car market : 2,694 thousands cars (+2.3%)

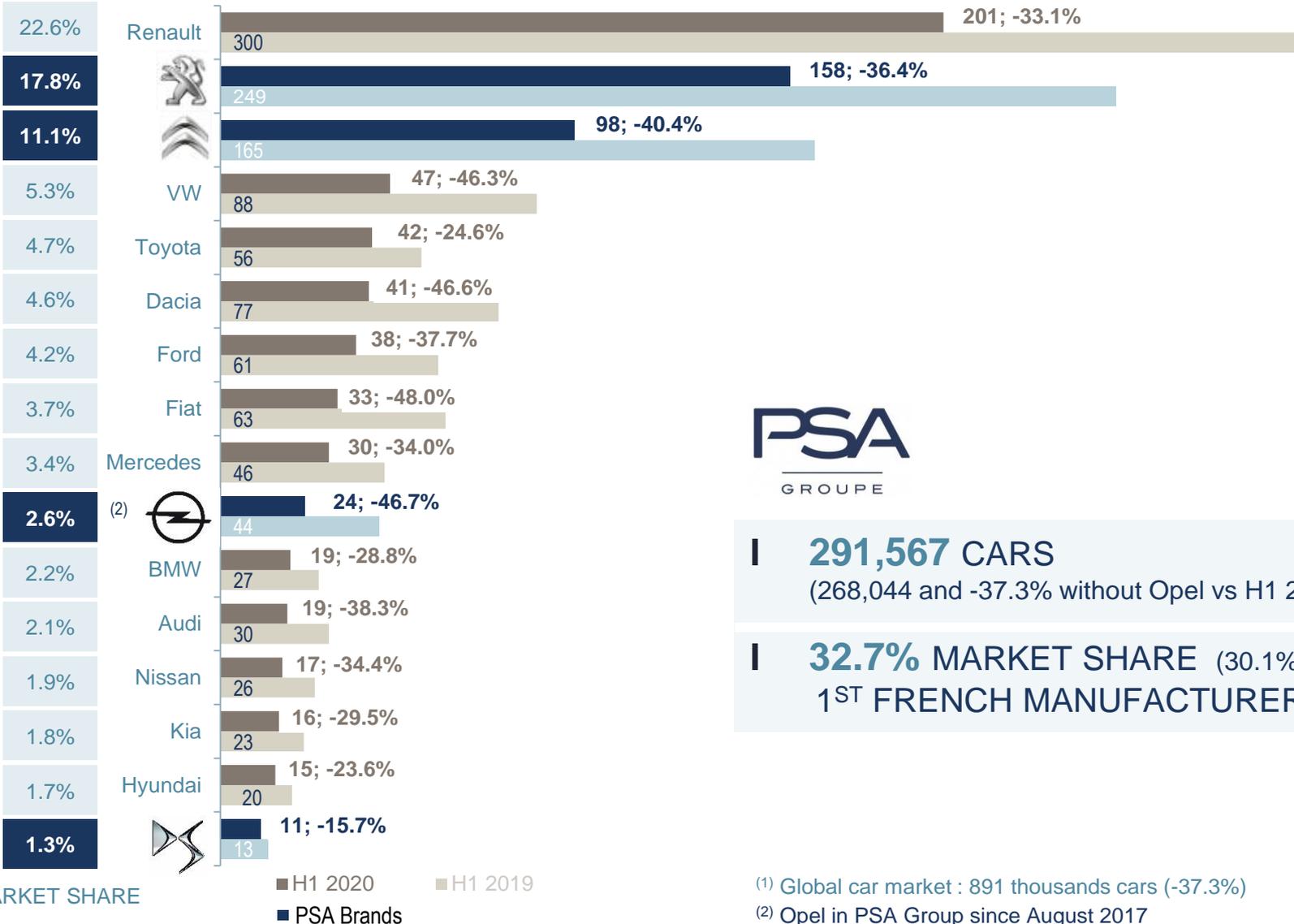
(2) Opel in PSA Group since August 2017

MARKET SHARE

■ 2019 ■ 2018  
■ PSA Brands

# French new car registrations (H1 2020 / H1 2019)

(in thousands)



**291,567 CARS**  
 (268,044 and -37.3% without Opel vs H1 2019) <sup>(1)</sup>

**32.7% MARKET SHARE** (30.1% without Opel)  
**1<sup>ST</sup> FRENCH MANUFACTURER**

<sup>(1)</sup> Global car market : 891 thousands cars (-37.3%)

<sup>(2)</sup> Opel in PSA Group since August 2017

MARKET SHARE

■ H1 2020    ■ H1 2019  
 ■ PSA Brands

# Strength of PSA Banque France's business model

## I Proven track record over decades

- Resilience throughout the crisis
- An extended, structured and customized selection of financing solutions
- A close and privileged relationship with Peugeot, Citroën and DS and their dealer networks.

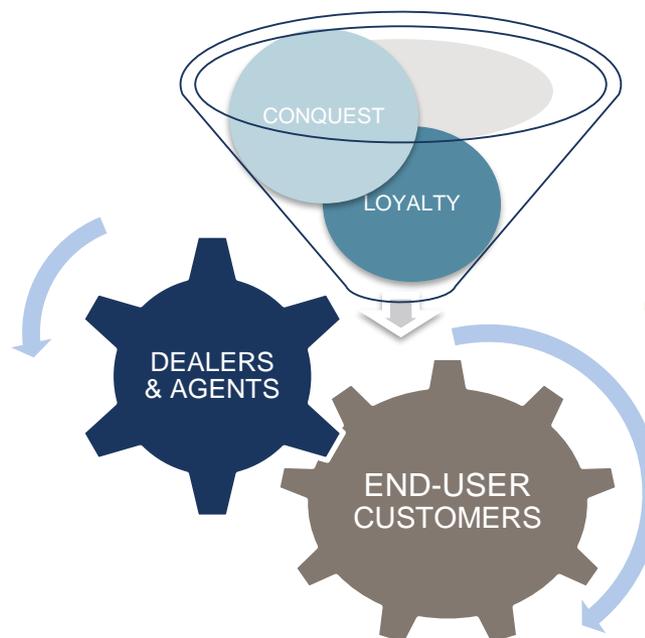


**PSA**  
CAPTIVE  
COMPANY

**SALES**  
**FINANCING**  
**SUPPORT**  
INSURANCE  
PRODUCTS AND  
SERVICES

**RISKS**  
**CONTROL**  
RELATED TO END-  
USER CUSTOMERS  
AND DEALERS  
FINANCING

**STRONG**  
**CAPITAL BASE**  
AND  
**PROFITABILITY**



LOANS, LEASES



CAR, LIFE, GAP INSURANCE  
MAINTENANCE, WARRANTY EXTENSION



PASSBOOK SAVINGS ACCOUNT



# Dedicated financial services

## I Partnership with the three historic brands of PSA Group

- Dedicated financial services partner to PEUGEOT, CITROËN & DS
- Broad range of products to cover end-user customers and dealers' needs



(1) Dealers of the 3 historic brands

(2) Dealers and agents of the brands

# Dealer network



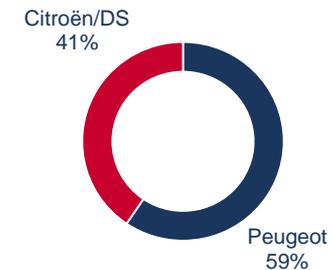
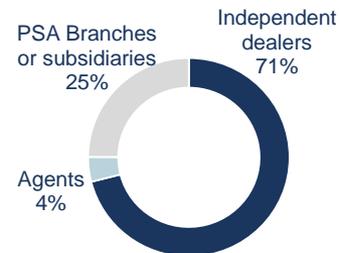
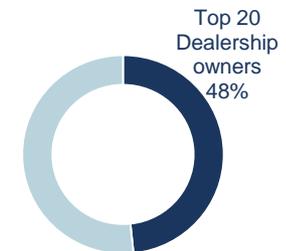
## I Network organization : more than 4,000 partners

- PSA Banque France group's information systems are integrated with those of the Peugeot, Citroën and DS brands, enabling the dealers of these brands to make a global commercial proposal that encompasses the vehicle, its financing solution as well as any services.

**INVESTOR  
(OPÉRATEUR)**  
ONE UNIQUE DEALER  
OR A GROUP OF  
DEALERS WITH THE  
SAME FINAL OWNER  
DEALER  
(CONCESSIONAIRE)

**DEALER  
(CONCESSIONAIRE)**  
A COMPANY WHO  
CONTRACTS WITH A  
BRAND TO SELL  
VEHICLES

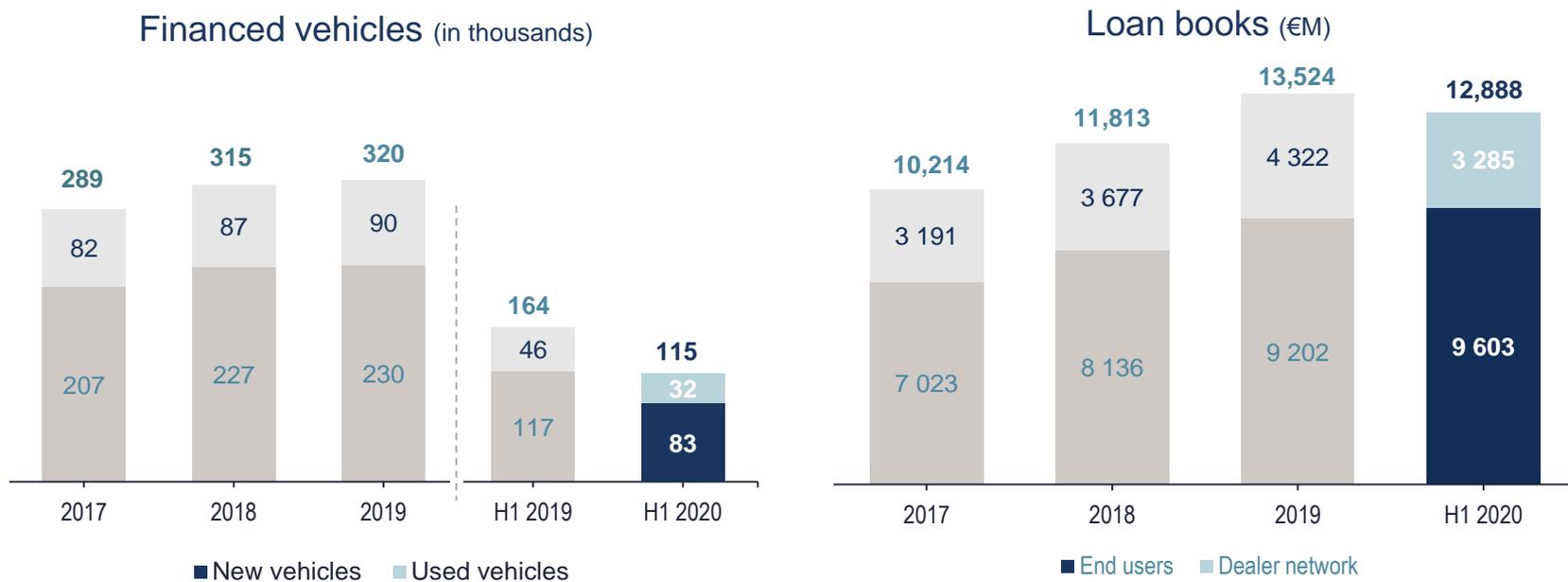
**AGENT**  
COMPANY SELLING  
NEW VEHICLES ONLY  
ON BEHALF OF AN  
AUTHORIZED DEALER  
(MAY ALSO SELL USED  
VEHICLES)



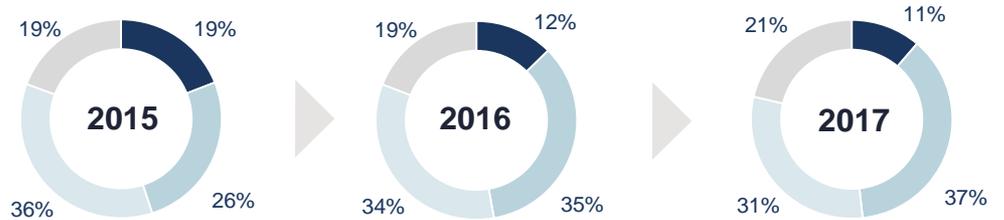
# New financing and outstanding loans

## I Downward trend with Covid-19 crisis for end-user customers & dealers loan books

- 30% decrease in the number of vehicles financed in H1 2020 (vs H1 2019)
- 5% drop in the loan books in H1 2020 due to lower number of vehicles financed
- Loan books breakdown end-users (75%) / dealer network (25%)

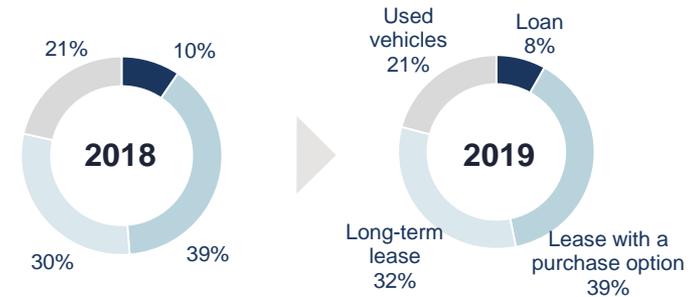


# Business trend

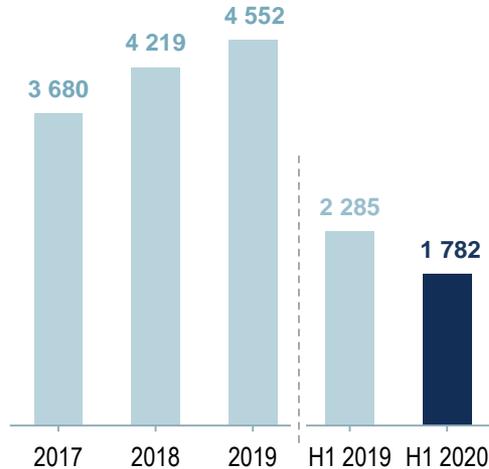


## I Increase of leasing in end-user financing

- Higher average financed amount
- Thanks to enhancement of the mix and a move upmarket in vehicles



New financing volumes (€M)



**-22%**  
H1 2019 – H1 2020

Average financed amount (€)



**+11%**  
H1 2019 – H1 2020



# Business trend



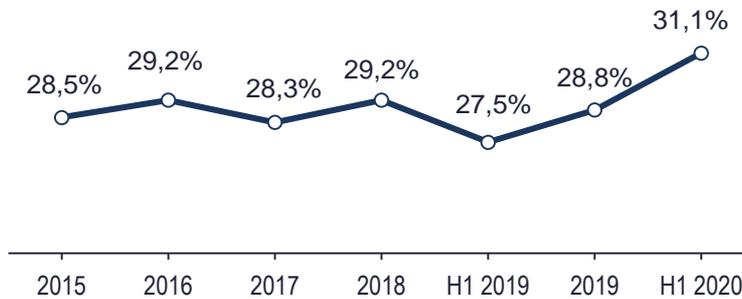
TOUT EST DANS LA BOÎTE



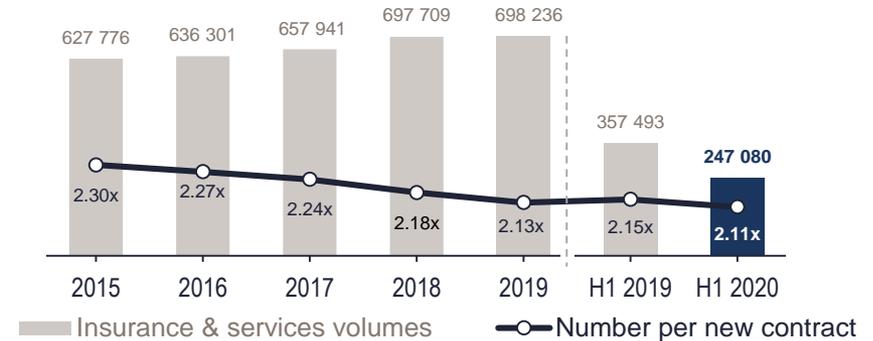
## I Commercial policy

- Diversified insurance and service offerings with a high added value

Financing penetration rate



Insurance and services



<b>Insurances</b>	<ul style="list-style-type: none"> <li>Life and disability insurance</li> <li>GAP insurance</li> </ul>
<b>Additional assistance</b>	<ul style="list-style-type: none"> <li>In case of accident</li> <li>Incurred costs</li> </ul>
<b>Warranty Extension</b>	<ul style="list-style-type: none"> <li>For new cars by the brands</li> <li>For used cars by CREDIPAR</li> </ul>
<b>Maintenance</b>	<ul style="list-style-type: none"> <li>Package or separately</li> <li>Performed in Peugeot, Citroën &amp; DS networks</li> </ul>

(1) New car penetration rate defined as new vehicles financed over PEUGEOT, CITROEN & DS new registered vehicles

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# Consolidated financial statements

- I Solid balance sheet structure
- I Resilient profitability

## BALANCE SHEET (€M)

Assets	Dec.31, 2018	Dec. 31, 2019	Jun. 30, 2020
Cash, central banks, post office banks	329	453	396
Financial assets	2	1	-
Loans and advances to credit institutions	668	979	1,218
Customer loans and receivables	11,813	13,524	12,888
Tax assets	3	10	17
Other assets	329	377	378
Property and equipment	9	18	26
<b>Total assets</b>	<b>13,153</b>	<b>15,362</b>	<b>14,923</b>

## INCOME STATEMENT (€M)

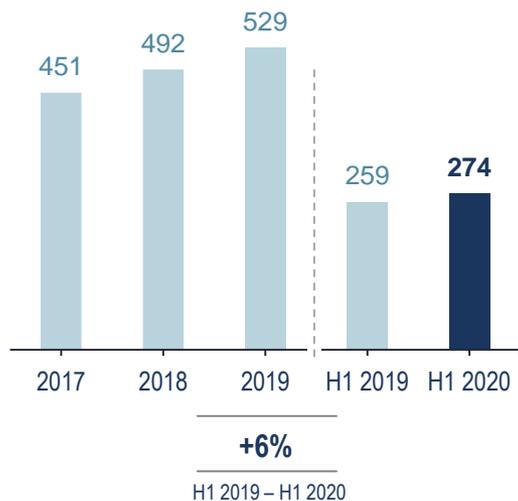
	Jun. 30, 2019	Dec. 31, 2019	Jun. 30, 2020
Net banking income	259	529	274
General operating expenses	(81)	(159)	(82)
Cost of risk	(14)	(37)	(31)
<b>Operating income</b>	<b>164</b>	<b>333</b>	<b>161</b>
Other non-operating income	0	0	(5)
<b>Pre-tax income</b>	<b>164</b>	<b>333</b>	<b>156</b>
Income taxes	(31)	(79)	(48)
<b>Net income for the year</b>	<b>133</b>	<b>254</b>	<b>108</b>

## Equity and liabilities (€M)

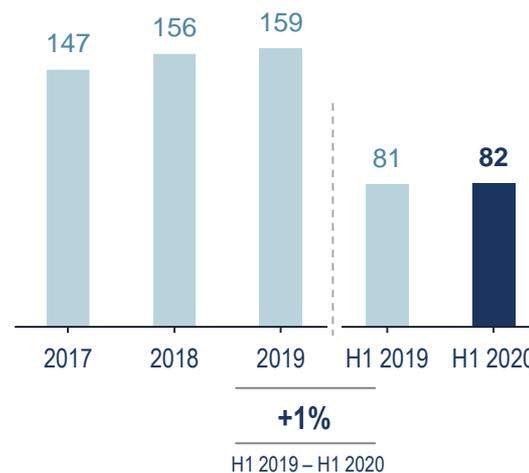
	Dec.31, 2018	Dec. 31, 2019	Jun. 30, 2020
Financial liabilities	3	2	1
Deposits from credit institutions	3,764	3,738	4,074
Amounts due to customers	2,518	2,877	3,099
Debt securities	4,574	5,971	4,972
Tax liabilities	340	377	425
Other liabilities	494	799	766
Subordinated loans	155	155	155
Equity	1,305	1,443	1,431
<b>Total equity and liabilities</b>	<b>13,153</b>	<b>15,362</b>	<b>14,923</b>

# Income statement

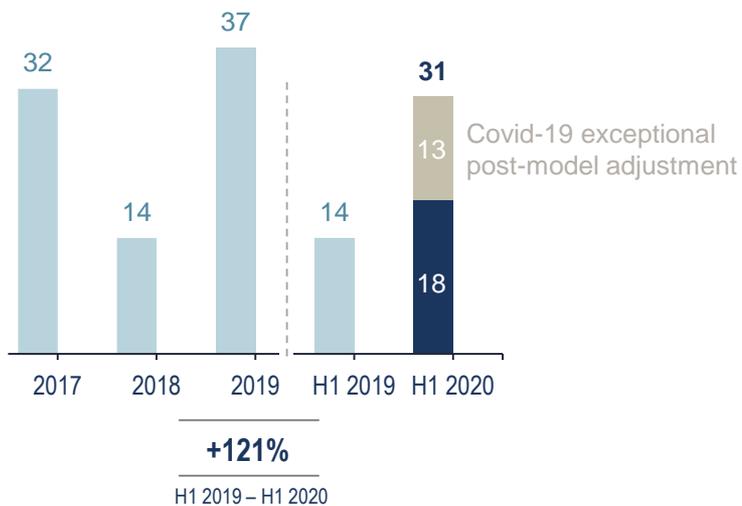
## Net banking income (€M)



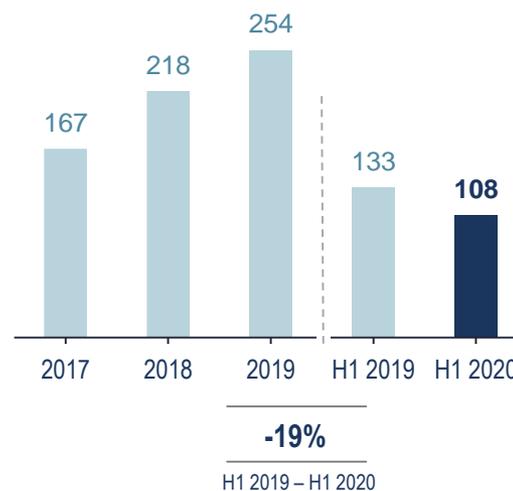
## Operating expenses (€M)



## Cost of risk (€M)



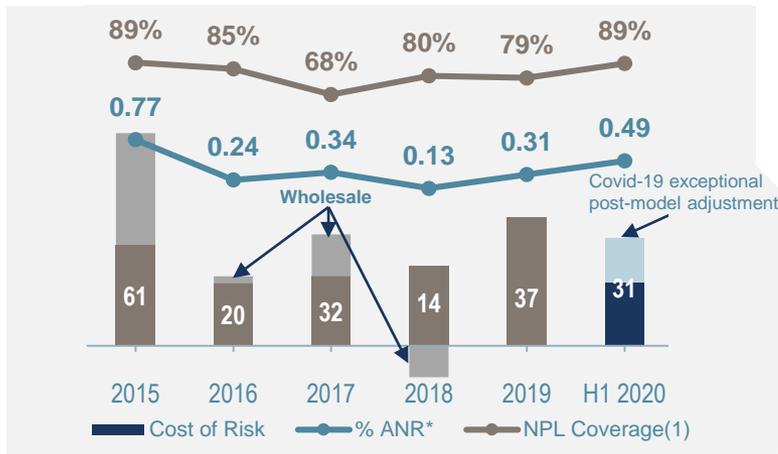
## Profit After Tax (€M)



# Risk policy & cost of risk

## I SCF principles applied

- Oversight risk department
- Low cost of risk



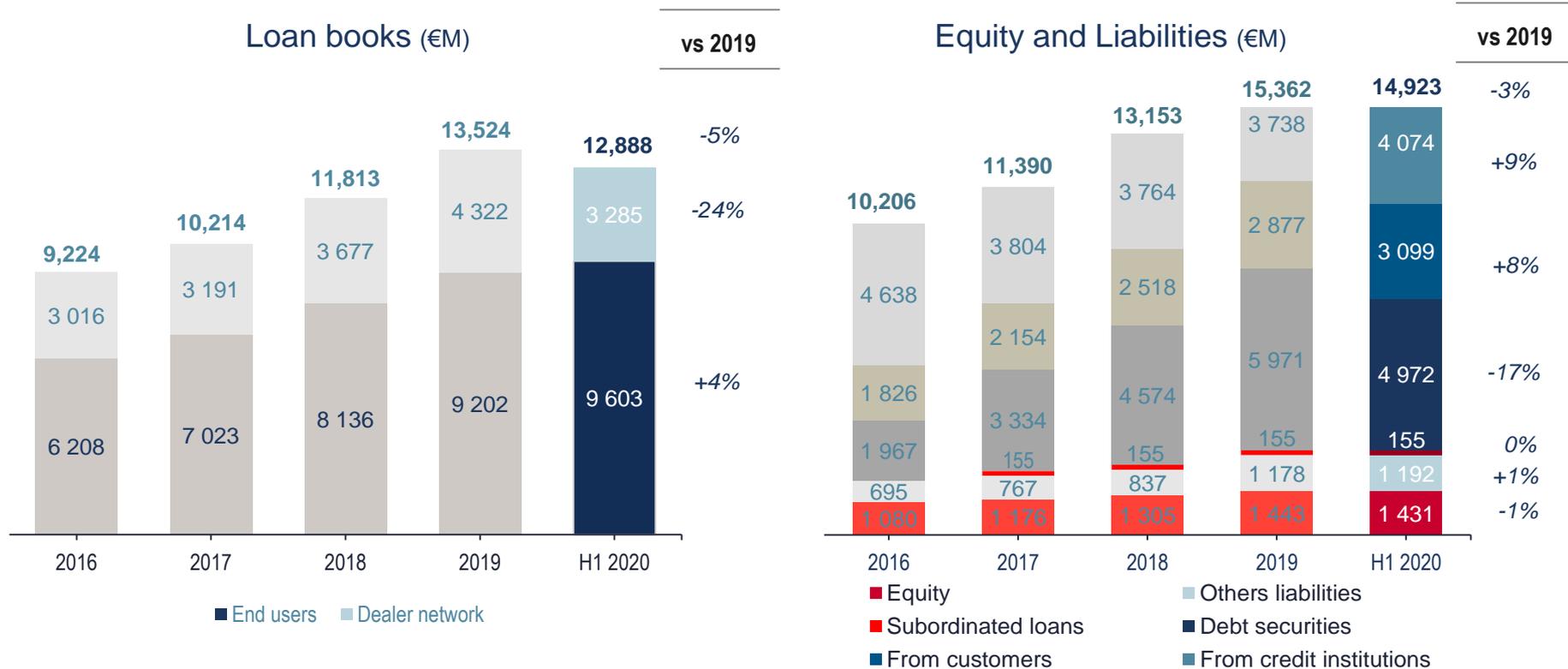
(1) NPL Coverage : coverage rate of non-performing loans by provisions.

H1 2020 : 227€M NPL (1.8%); 2019: 226€M NPL (1.9%); 2018 : 199€M NPL (1.9%); 2017 : 260€M NPL (2.8%); 2016 : 209€M NPL (2.5%); 2015 : 251€M NPL (3.1%).

# Balance Sheet

## I Downward trend on corporate dealers loan books due to Covid-19 crisis

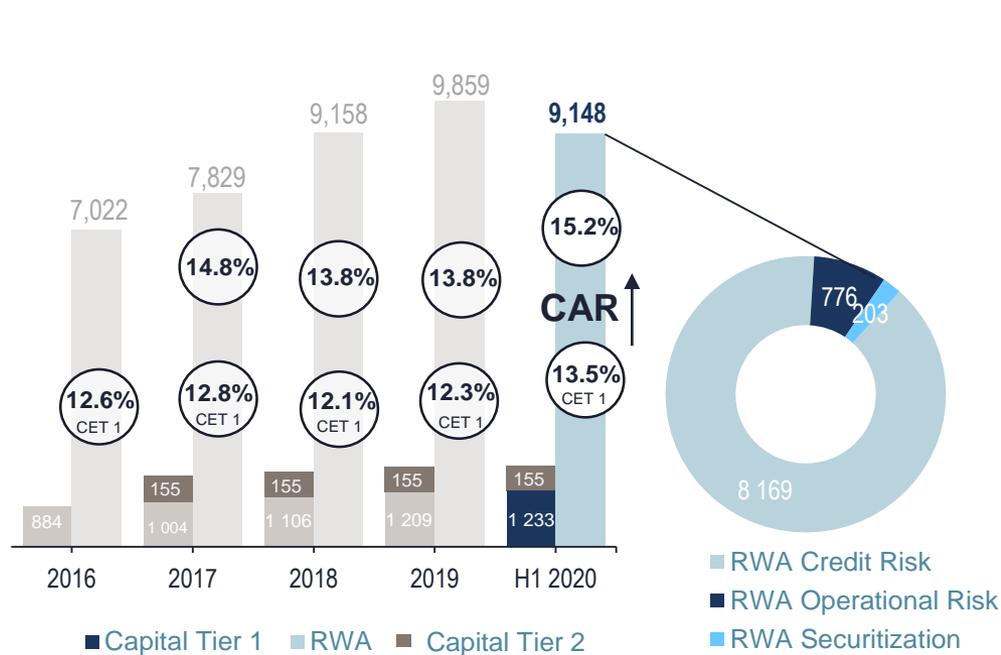
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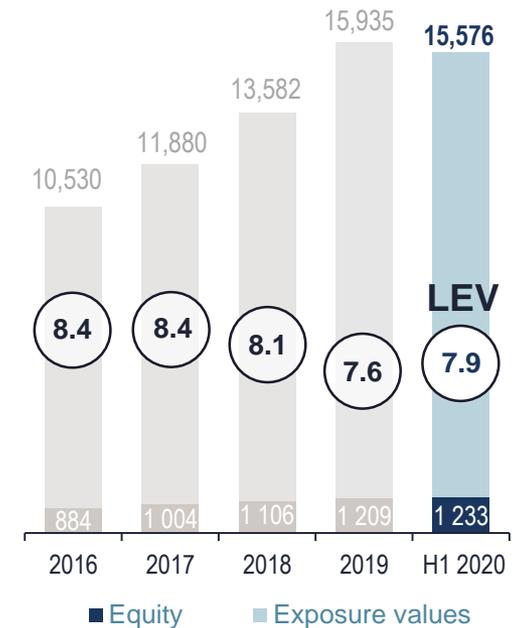
## I Capital Adequate Ratio and Leverage Ratio

- First Significant Risk Transfer Transaction (SRT) in 2019 with a €722m RWA decrease

### Strong Capital Ratio



### High Leverage Ratio



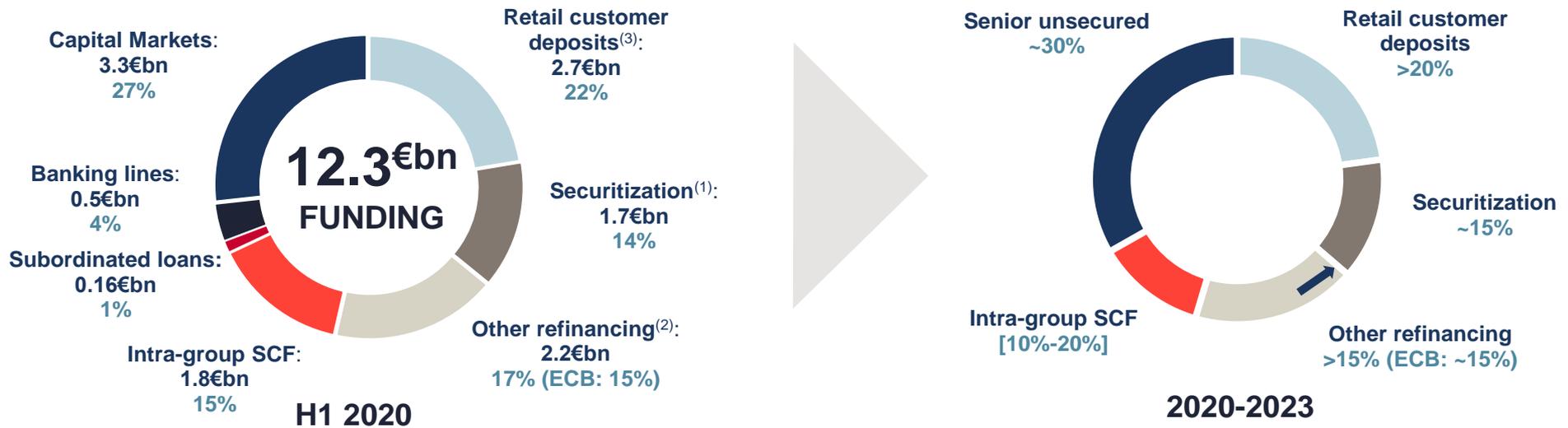
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# Refinancing

## I Diversification of funding sources

- Intragroup refinancing by Santander Consumer Finance: 15%
- Access to Capital Markets since 2016 with five €500M EMTN issuances



(1) Securitization includes all of the securitizations placed on the market

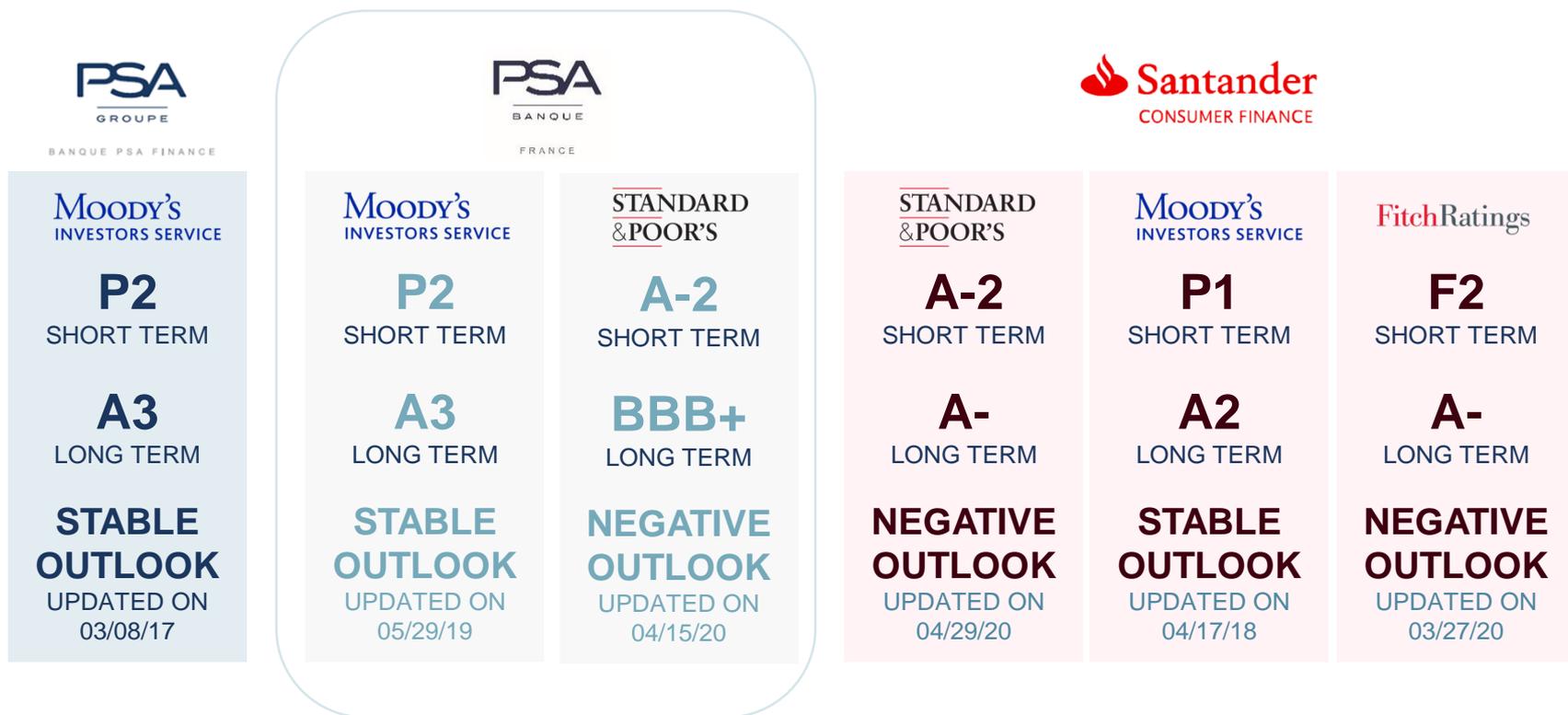
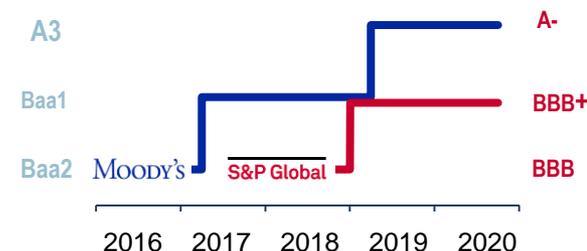
(2) Of which refinancing through the ECB (2015 : participation in TLTRO for a total of 600€M ; 2016: 950€M; 2017: 1,000€M; 2018: 770.8€M; 2019: 1,300€M; H1 2020: 1,800€M) and dealer deposits

(3) Business transferred from BPF to PSA Banque France on April 2015 (passbooks and term deposits)

# Rating of PSA Banque France Group

## I Investment grade rating

- Moody's : upgrade on 05/29/19 to A3 (stable outlook)
- S&P : upgrade on 12/28/18 to BBB+ with outlook revised to negative in April 2020



# Access to capital markets since 2016

## I Debt issuance programmes

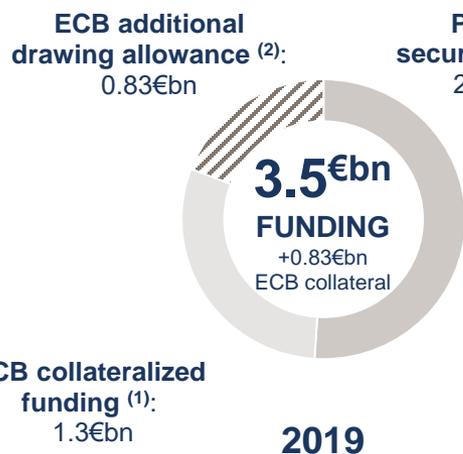
- Since June 2016 : **PBFR <GO>**, **PSABFR <CORP>** Bloomberg pages
- To support diversification of funding sources

NEU CP	NEU MTN	EMTN			EMTN ISSUANCES
<b>06/03/16</b> BANQUE DE FRANCE UPDATE ON 05/20  <b>2.0€bn</b> MAXIMUM <b>A2/P2</b> SHORT TERM	<b>06/03/16</b> BANQUE DE FRANCE UPDATE ON 05/20  <b>1.0€bn</b> MAXIMUM <b>BBB+/A3</b> LONG TERM	<b>06/29/16</b> First AMF VISA <b>12/20</b> PROG. RENEWAL  <b>4.0€bn</b> MAXIMUM <b>BBB+/A3</b> LONG TERM	<b>EURONEXT PARIS LISTING</b>  <b>100€K</b> DENOMINATION	FRENCH LAW  NO GUARANTEE  CROSS-DEFAULT  NEGATIVE PLEDGE	<b>01/04/17</b> <b>500€M</b> 3 YEAR MATURITY  <b>09/27/17</b> <b>500€M</b> 5 YEAR MATURITY  <b>04/11/18</b> <b>500€M</b> 5 YEAR MATURITY  <b>04/03/19</b> <b>500€M</b> 3 YEAR MATURITY  <b>06/13/19</b> <b>500€M</b> 5 YEAR MATURITY

# Securitization

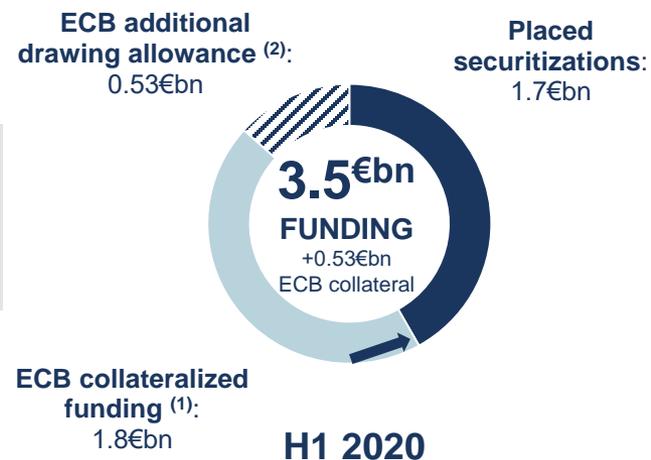
## I A privileged tool as part of the funding strategy

- Solid expertise over more than 10 years
- Increasing participation in TLTRO-III with self-retained ECB eligible securitizations



### WAREHOUSE STRUCTURES

Auto ABS DFP Master – Compartment France 2013	Wholesale
Auto ABS FCT French Loans Master	Loan
Auto ABS French Leases Master – Compartment 2016	Lease
Auto ABS French LT Leases Master	Lease
Auto ABS French Leases 2018	Lease



## FUNDING AND ADDITIONAL ECB ALLOWANCES

(1) ECB/TLTRO operations collateralized by retained senior issuances

(2) Since April 2018, WHS receivables are used as collateral through TRICP channel increasing drawing allowance with ECB

# Retail deposits activity

## I Deposits as a stable source of diversification

- Activity in France transferred from BPF to PSA Banque France Group in April 2015
- Saving products offered 100% online

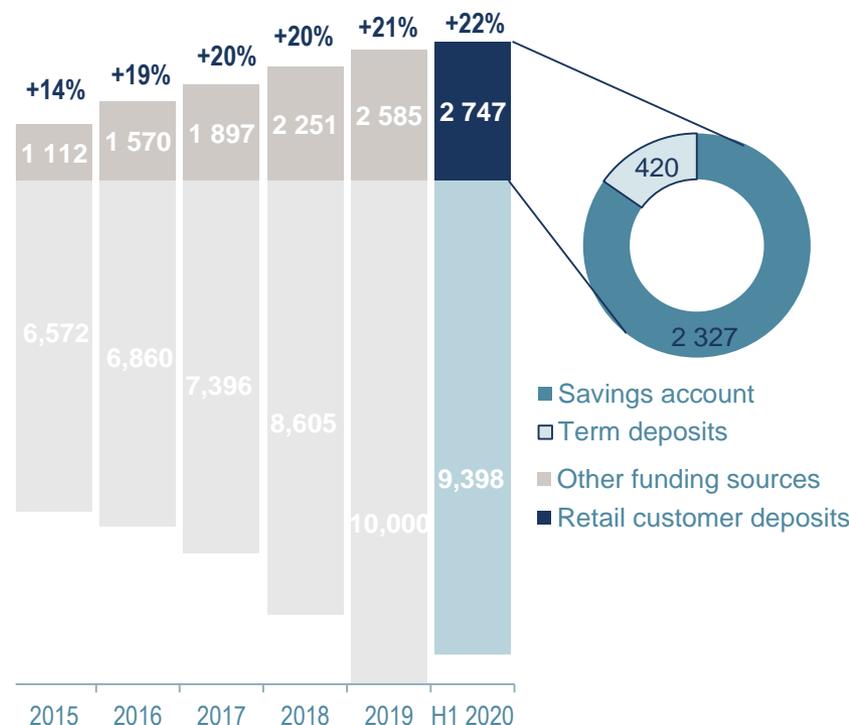


PASSBOOK SAVINGS ACCOUNT AND FIXED-TERM DEPOSITS

**+13.6%**  
IN H1 2020  
**85,340**  
ACTIVE ACCOUNTS  
(75,154 IN H1 2019)

**22%**  
OF FINANCING SOURCES

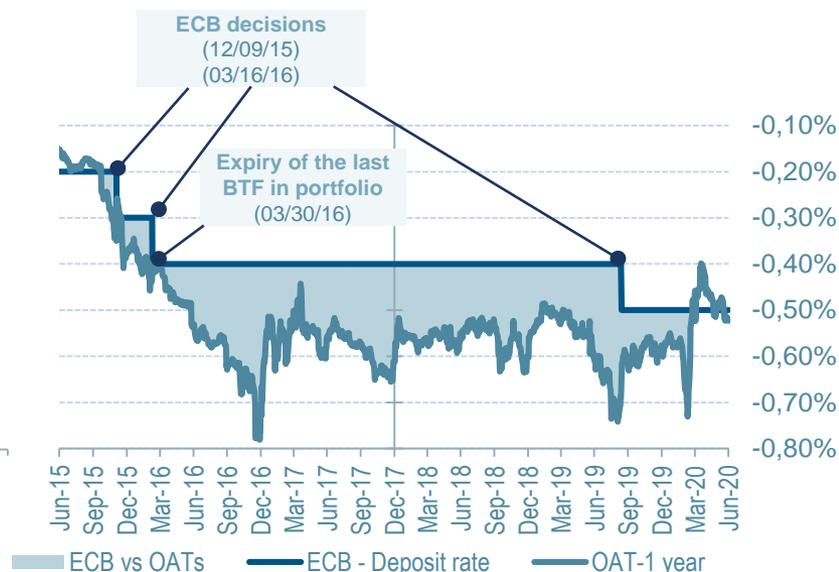
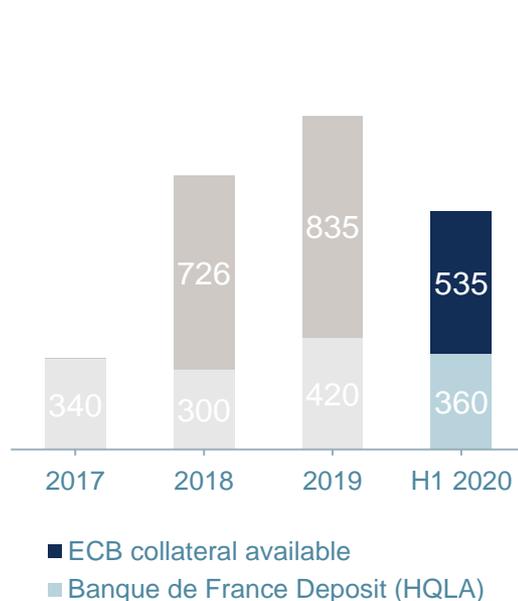
**+9.6%**  
IN H1 2020  
**2.7€bn**  
OUTSTANDING



# Liquidity management and reserve

## I Matching of maturities between assets and liabilities

- Financing with an original maturity of 12 months or more represent nearly 70% of the total in H1 2020
- Average maturity of medium and long term financing remained in H1 2020 : above 2.5 years thanks to TLTRO-III participation



(1) Since April 2018, WHS receivables are used as collateral through TRICP channel increasing drawing allowance with ECB