



# PSA BANQUE FRANCE GROUP

June 2018

[www.psa-banque-france.com](http://www.psa-banque-france.com)

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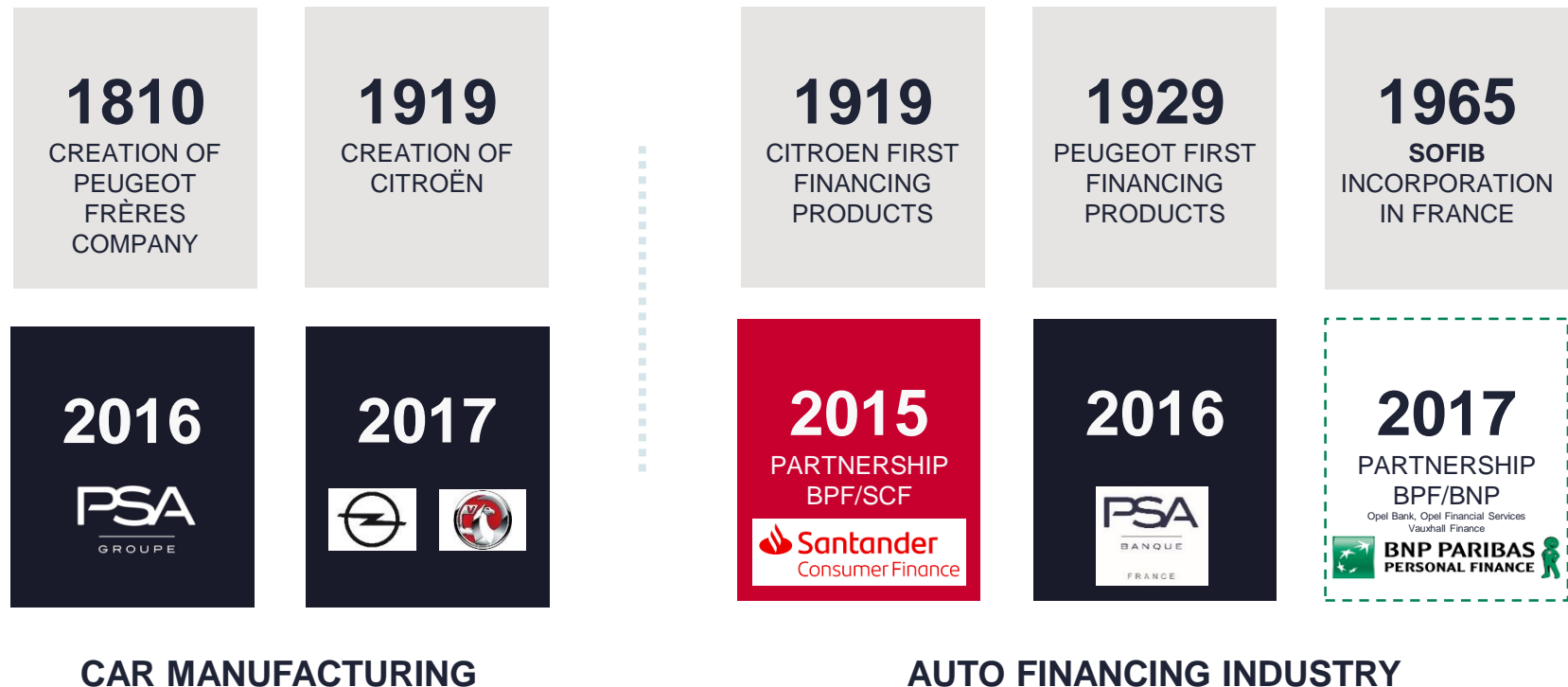
- 1 > **PSA Banque France Group presentation**
- 2 > Business overview
- 3 > Financial policy and funding



# Long-time expertise in the auto financing industry

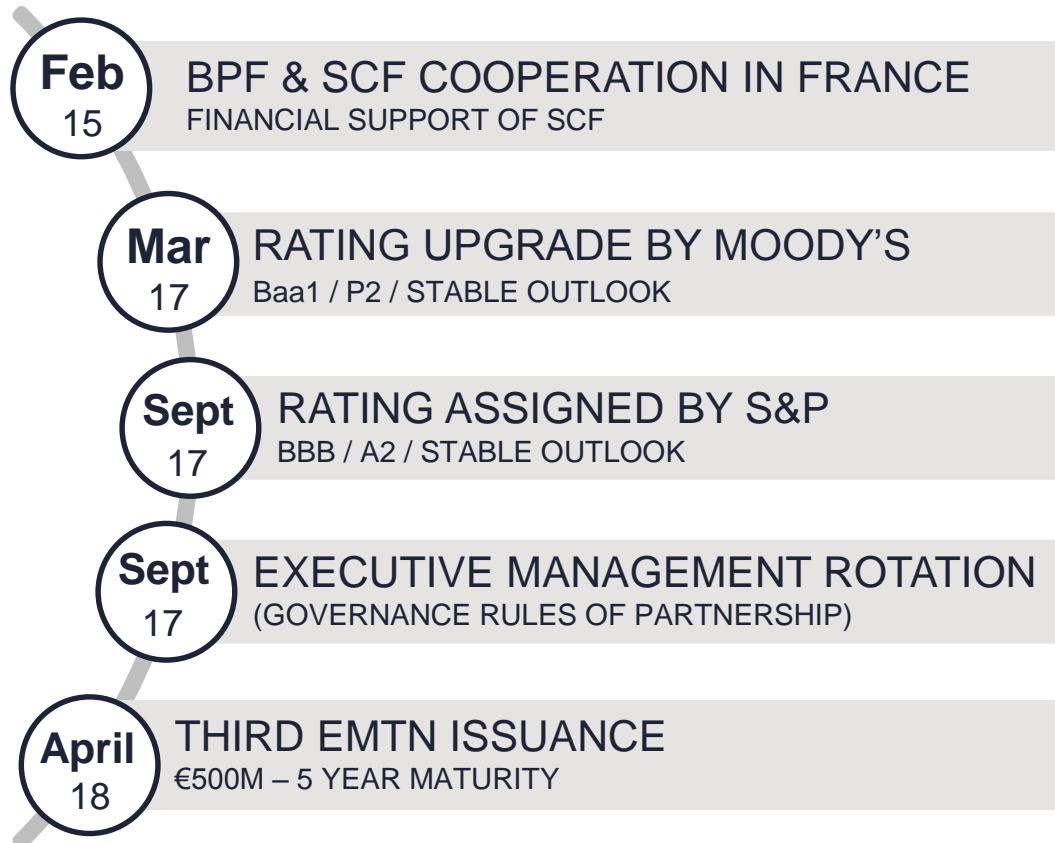
## I PSA Banque France within PSA Group

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



BPF : Banque PSA Finance. SCF : Santander Consumer Finance

# Overview



**28.3%**  
NEW CAR  
PENETRATION  
RATE <sup>(1)</sup>

**10.2€bn**  
OUTSTANDING  
LOANS <sup>(1)</sup>  
(END USERS &  
DEALERS)

**2.2x**  
INSURANCES &  
SERVICES PER  
NEW  
CONTRACTS

**1.9€bn**  
NET RETAIL  
DEPOSITS  
AMOUNT  
COLLECTED <sup>(1)</sup>

(1) 12/31/2017

# PSA Banque France Group since 2015

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

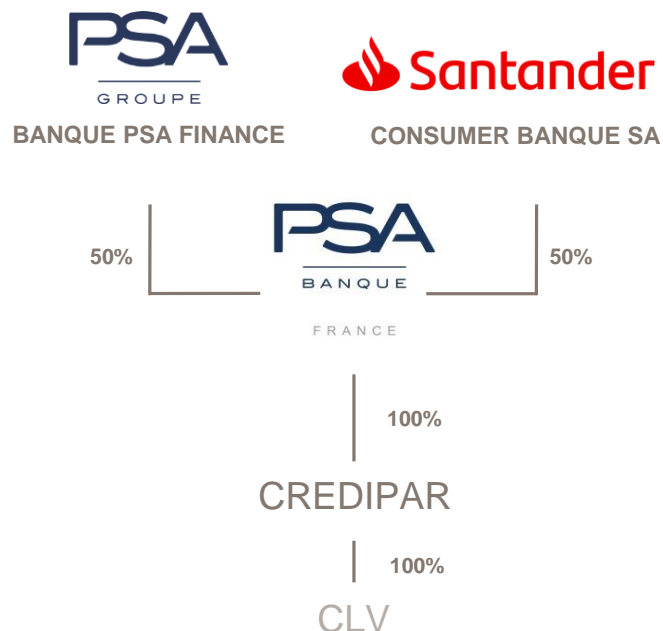
- BPF, historic shareholder / SCF provides financial support

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 customers).

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).

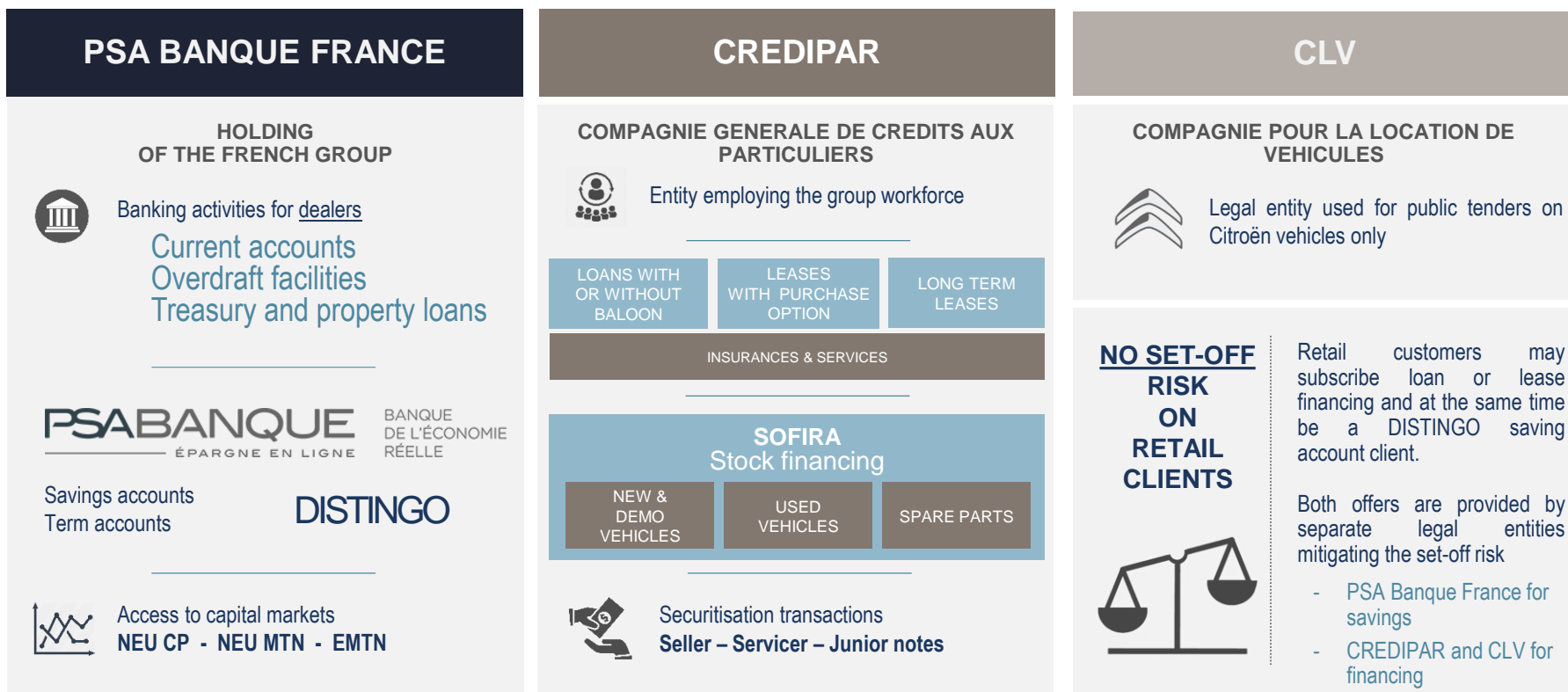


**PSA BANQUE FRANCE**

**CREDIPAR** : Compagnie Générale de Crédit aux Particuliers

**CLV** : Compagnie pour la Location de Véhicules

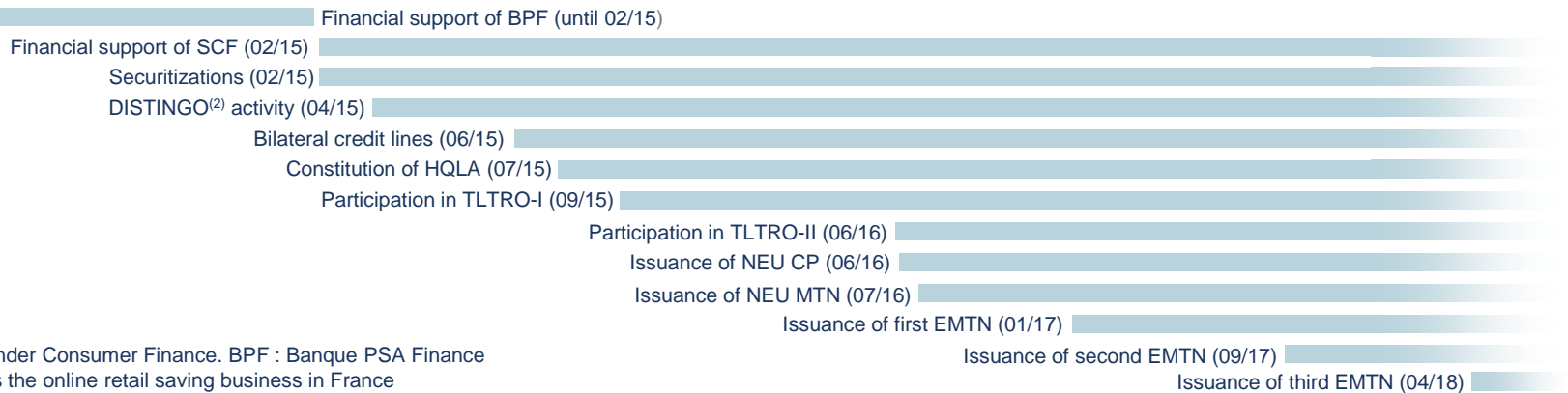
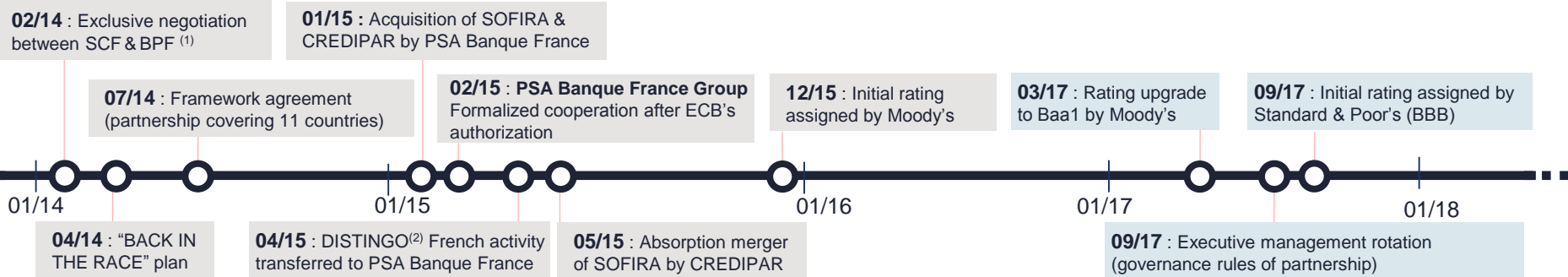
# PSA Banque France Group activities



# Timeline

## I PSA Banque France Group

- Recent developments
- Funding sources diversification



(1) SCF : Santander Consumer Finance. BPF : Banque PSA Finance  
 (2) DISTINGO is the online retail saving business in France

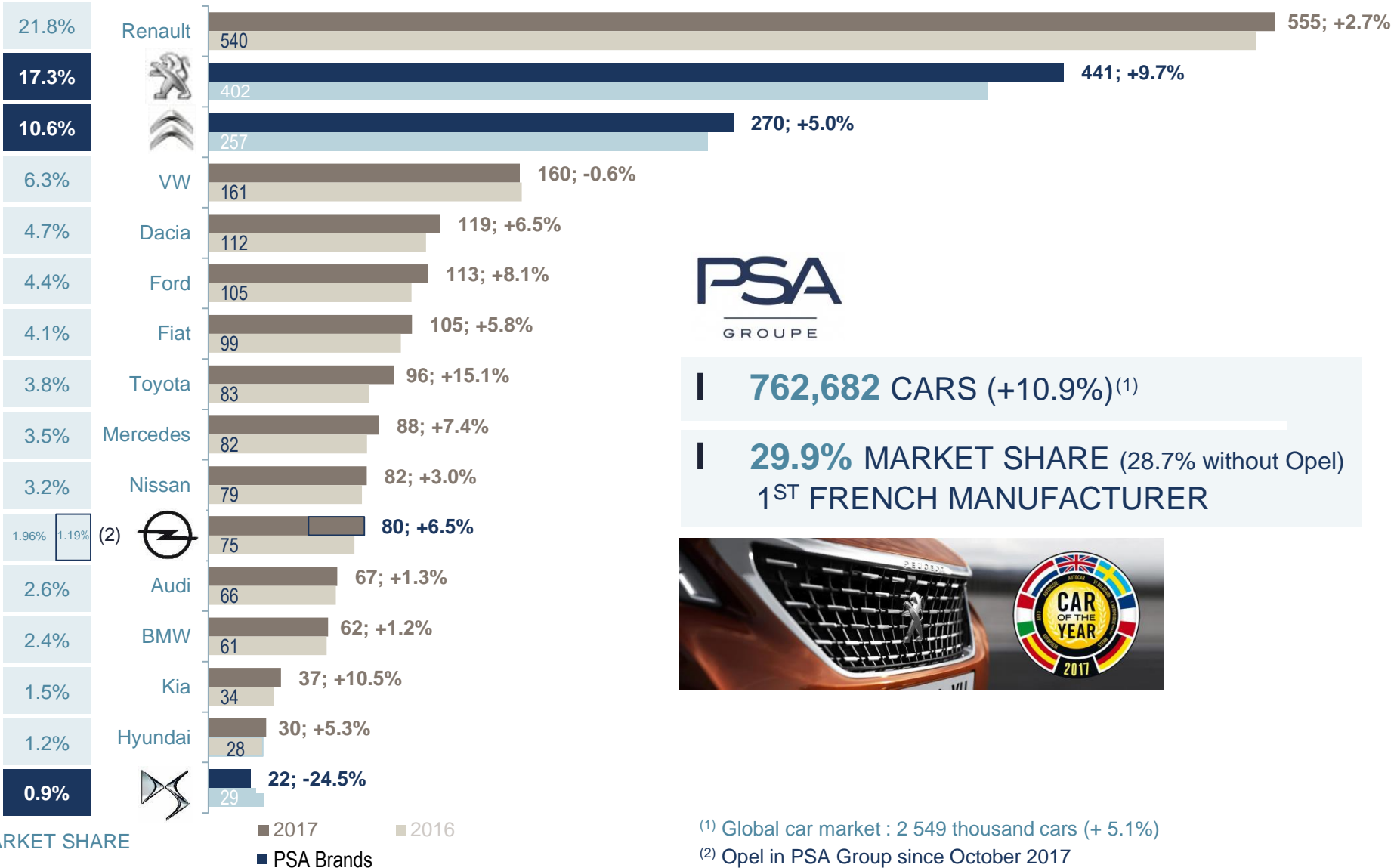


- 1 > PSA Banque France Group presentation
- 2 > **Business overview**
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# French new car registrations (2017 / 2016)

(in thousands)



**762,682 CARS (+10.9%)<sup>(1)</sup>**

**29.9% MARKET SHARE (28.7% without Opel)**  
**1<sup>ST</sup> FRENCH MANUFACTURER**



(1) Global car market : 2 549 thousand cars (+ 5.1%)

(2) Opel in PSA Group since October 2017

MARKET SHARE

■ 2017 ■ 2016  
 ■ PSA Brands

# Focus on PSA market share and trends in 2018

French Auto  
Market  
January - April  
2018

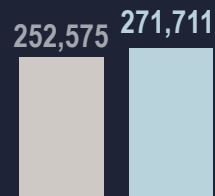
**+4.7%**

2018 (4m)  
899,845

2017 (4m)  
859,337

**PSA**  
GROUPE  
*without OPEL*

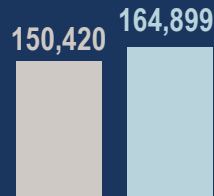
**+7.6%**



**30.2%**



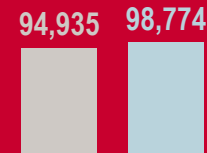
**+9.6%**



**18.3%**



**+4.0%**



**11%**



**+11.3%**



**0.9%**

# Strength of PSA Banque France's business model

## I Proven track record over decades

- Resilience demonstrated 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

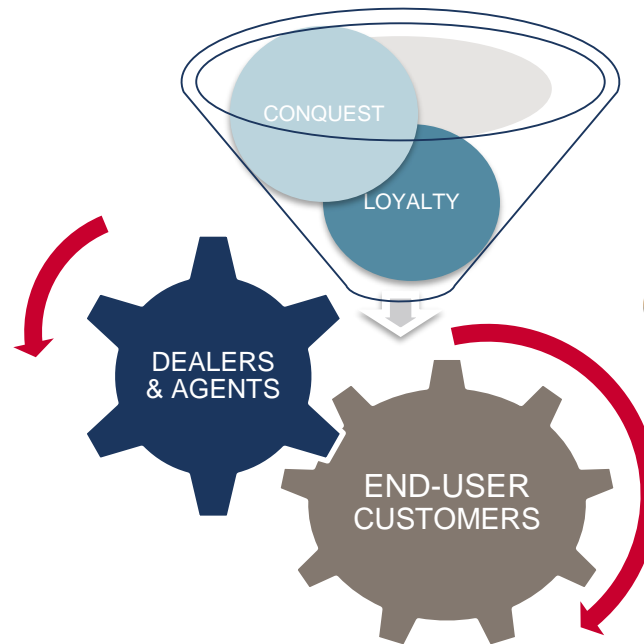


**PSA**  
CAPTIVE  
COMPANY

**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, UNEMPLOYMENT INSURANCE  
MAINTENANCE, WARRANTY EXTENSION



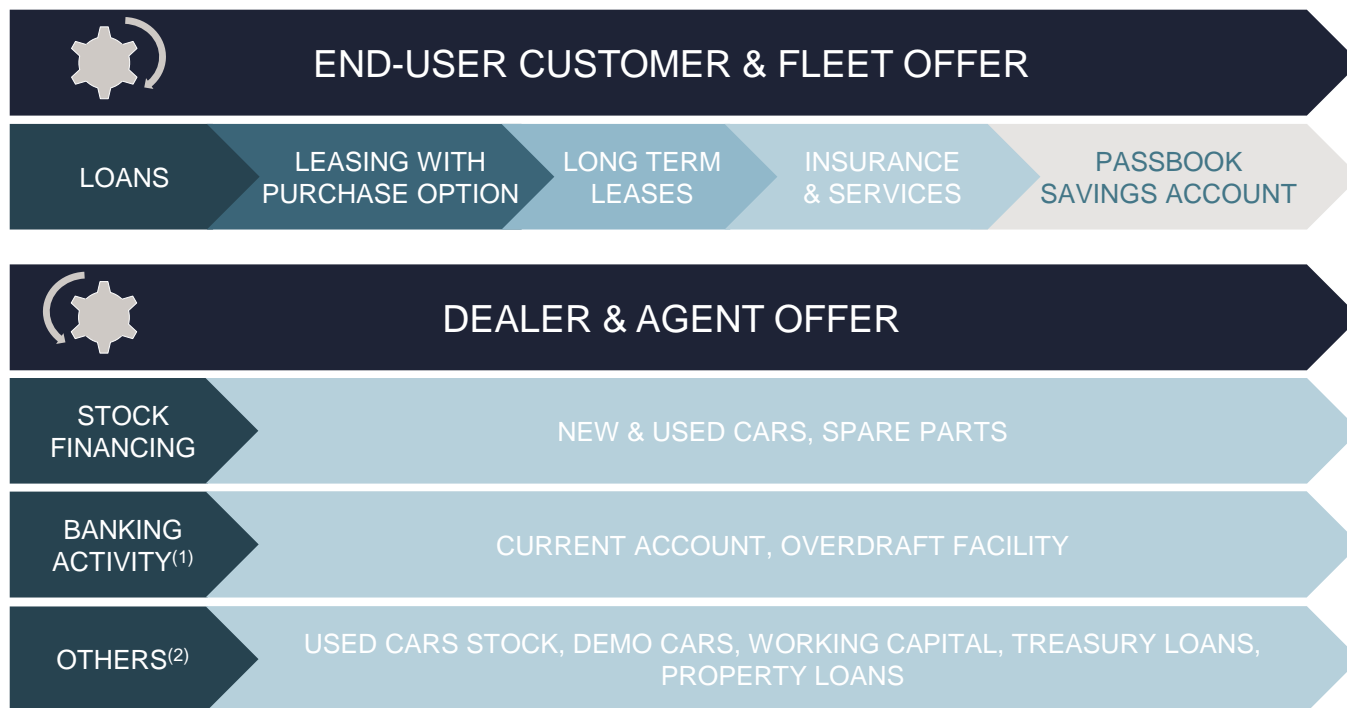
PASSBOOK SAVINGS ACCOUNT



# 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 and used car traders under contract with a brand

(2) Dealers only

# Dealer network



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

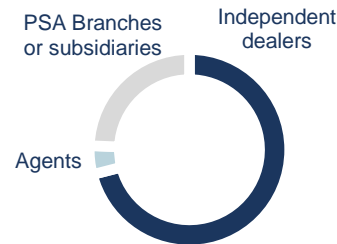
- PSA Banque France group's information systems integrated with those of the Peugeot, Citroën and DS brands
- Enabling the dealers of these brands to make a global commercial proposal that encompasses the vehicle, its financing solution as well as additional services.

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

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



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

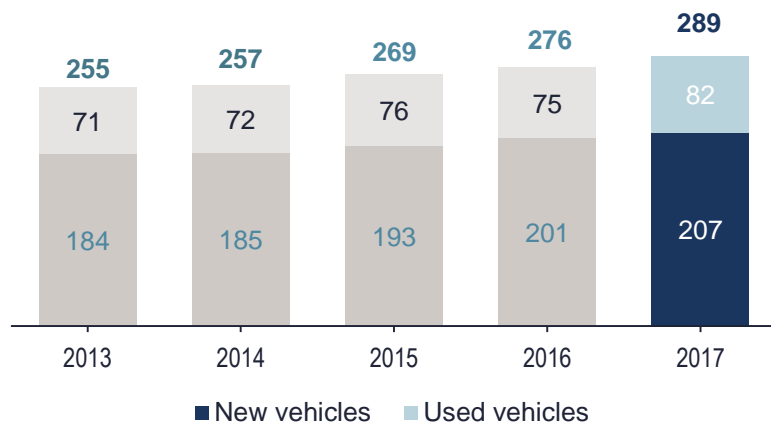


# New financing and outstanding loans

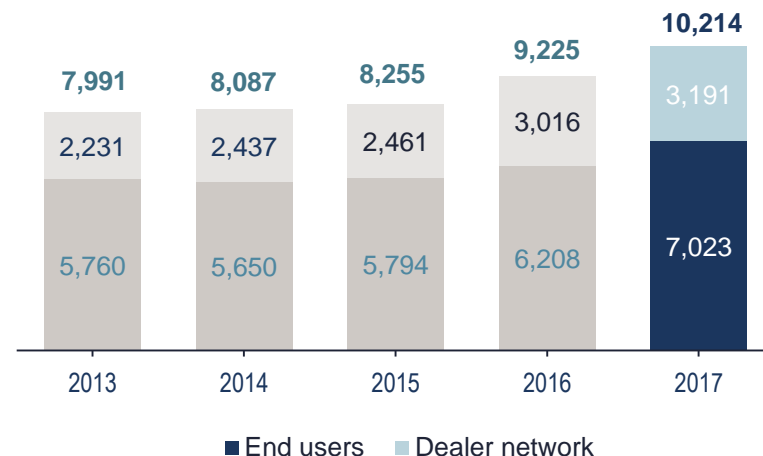
## I Positive trend for end-user customers & corporate dealers loan books

- +5% increase in the number of vehicles financed in 2017
- +11% growth in the loan books in 2017
- Loan books breakdown end users (69%) / dealer network (31%)

Financed vehicles (in thousands)



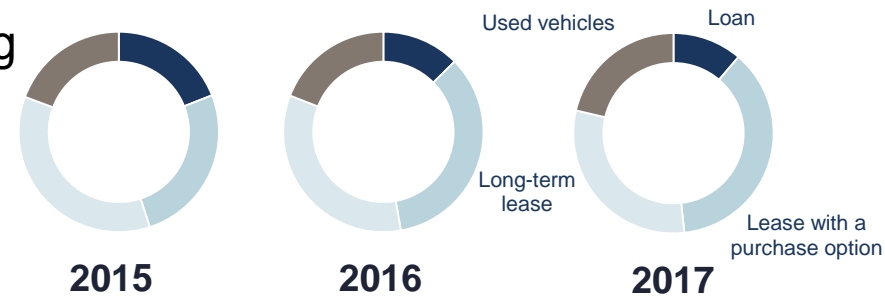
Loan books (€M)



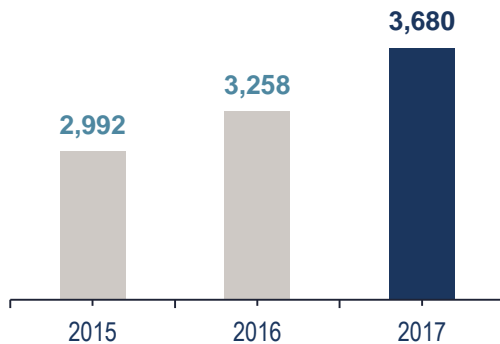
# Business trend

## I Increase of leasing in end-user financing

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



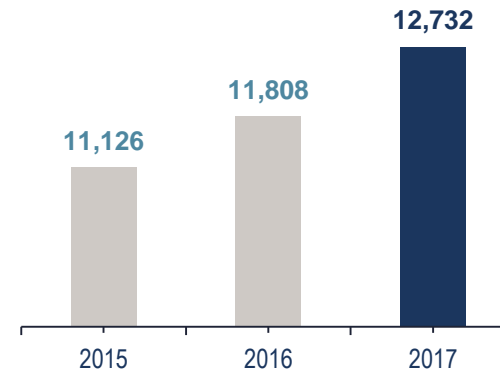
New financing amount (€M)



**+13%**

2016 - 2017

Average amount financed (€)



**+8%**

2016 - 2017



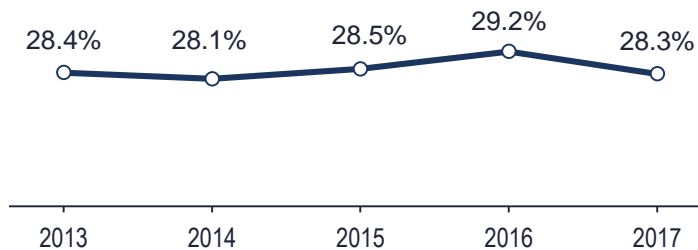


# Business trend

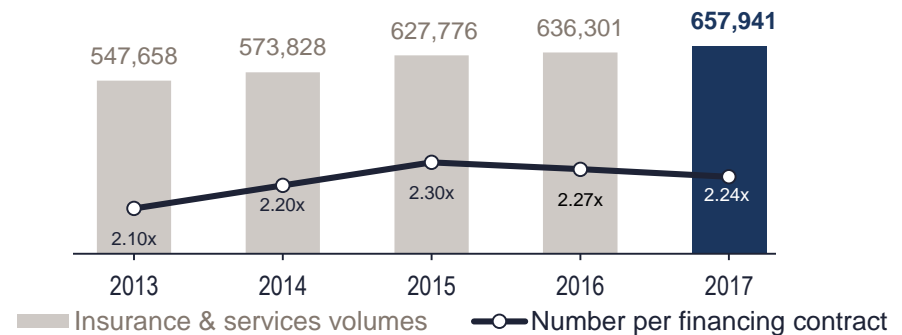
## I Commercial policy

- New vehicle 2017 penetration<sup>(1)</sup> decreased to 28.3% despite good performances on the retail market but a decline on the corporate market
- Diversified insurance and service offerings with a high added value

Financing penetration rate



Insurance and services

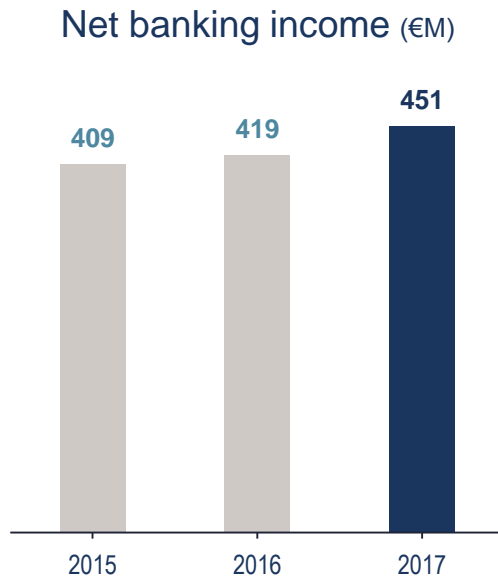


(1) New car penetration rate defined as new vehicles financed over PEUGEOT, CITROEN & DS new registered vehicles

# Income statement

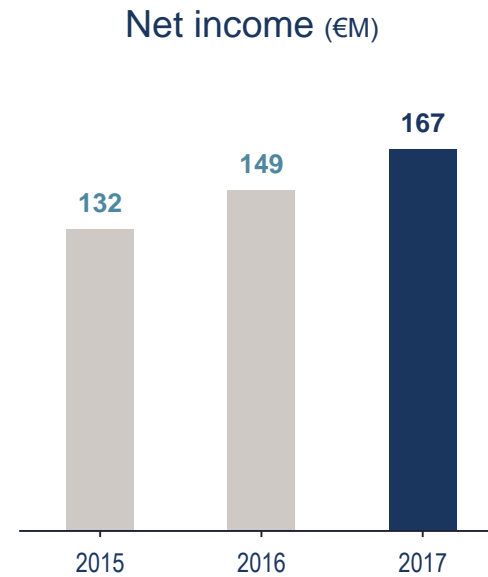
## I Results of operations

- Improved recurrent results
- Lower refinancing cost



**+8%**

2016 - 2017



**+12%**

2016 - 2017



# Consolidated financial statements

- I Solid balance sheet structure
- I Resilient profitability

## BALANCE SHEET (€M)

	Dec. 31, 2015	Dec. 31, 2016	Dec.31, 2017
<b>Assets</b>			
Cash, central banks, post office banks	98	261	365
Financial assets	136	4	2
Loans and advances to credit institutions	663	473	525
Customer loans and receivables	8,255	9,225	10,214
Tax assets	3	2	19
Other assets	170	231	255
Property and equipment	5	10	10
<b>Total assets</b>	<b>9,330</b>	<b>10,206</b>	<b>11,390</b>

## INCOME STATEMENT (€M)

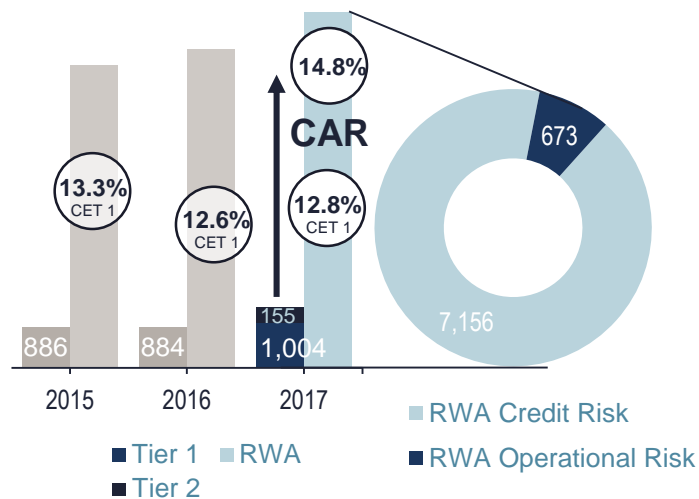
	Dec. 31, 2015	Dec. 31, 2016	Dec.31, 2017
Net banking income	409	419	451
General operating expenses	(150)	(155)	(147)
Cost of risk	(61)	(20)	(32)
<b>Operating income</b>	<b>198</b>	<b>244</b>	<b>272</b>
Other non-operating income	(7)	0	(10)
<b>Pre-tax income</b>	<b>191</b>	<b>244</b>	<b>262</b>
Income taxes	(59)	(95)	(94)
<b>Net income for the year</b>	<b>132</b>	<b>149</b>	<b>167</b>

## Equity and liabilities (€M)

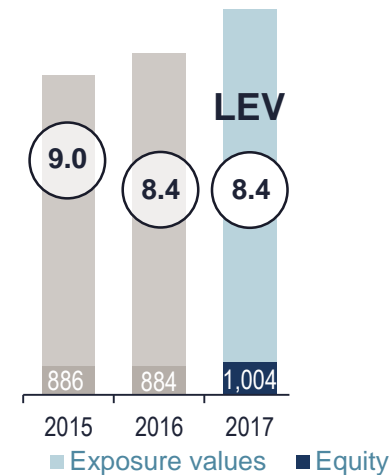
	Dec. 31, 2015	Dec.31, 2016	Dec.31, 2017
Financial liabilities	3	3	0
Deposits from credit institutions	4,773	4,638	3,804
Amounts due to customers	1,370	1,826	2,154
Debt securities	1,542	1,967	3,334
Tax liabilities	275	269	285
Other liabilities	284	423	482
Subordinated loans	0	0	155
Equity	1,083	1,080	1,176
<b>Total equity and liabilities</b>	<b>9,330</b>	<b>10,206</b>	<b>11,390</b>

## I Capital Adequate Ratio and Leverage Ratio

### Strong Capital Ratio



### High Leverage Ratio

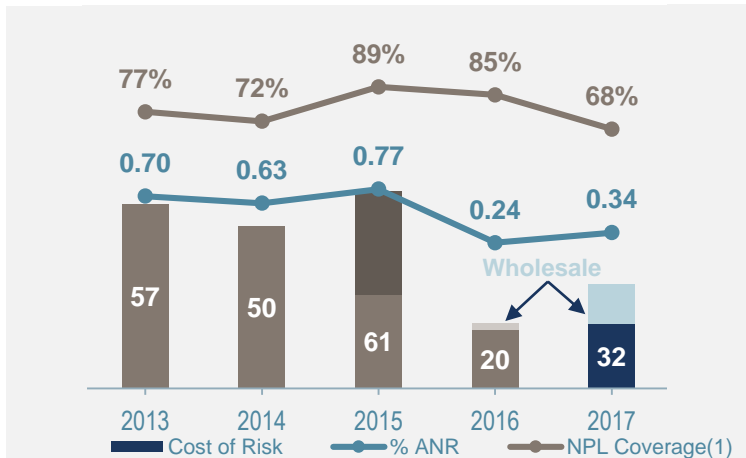


(1) PSA Banque France complies with Basel III requirements for the leverage ratio (3%) effective from 2018

# 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.  
2017: 260€M NPL (2.8%); 2016 : 209€M NPL (2.5%); 2015 : 251€M NPL (3.1%); 2014 : 284€M (3.6%); 2013 : 340€M (4.2%).

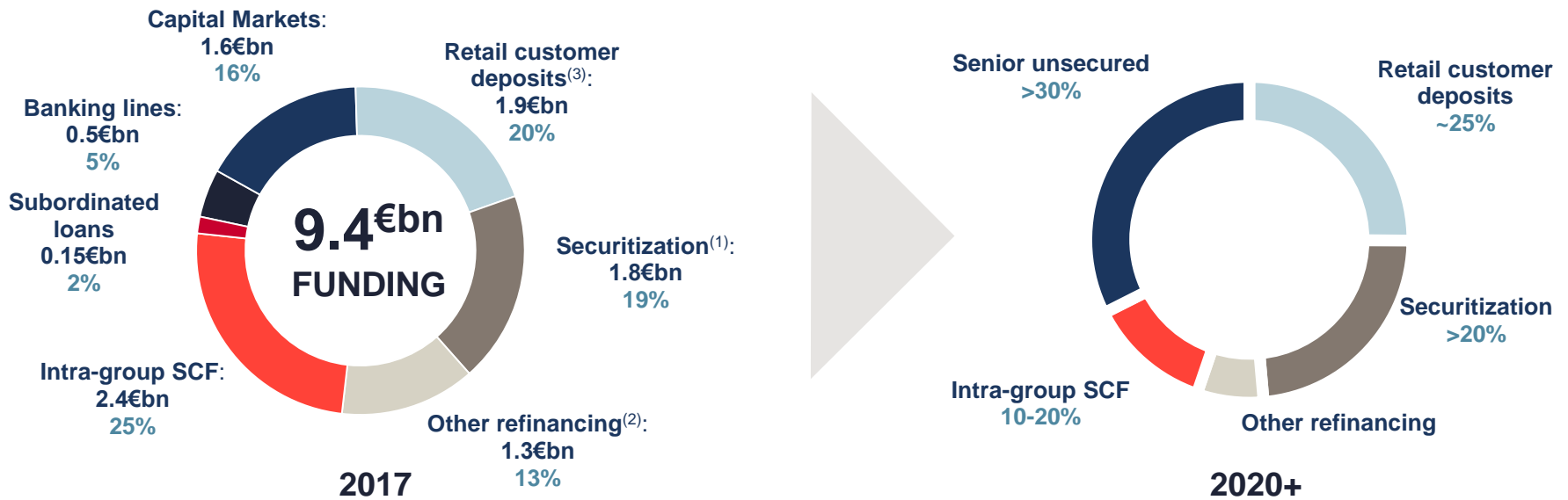
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# Refinancing

## I Diversification of funding sources

- Intragroup refinancing: 25%
- Access to Capital Markets since 2016 and the first two 500€M EMTN issued in January and September 2017



(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) and dealer deposits

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

# 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

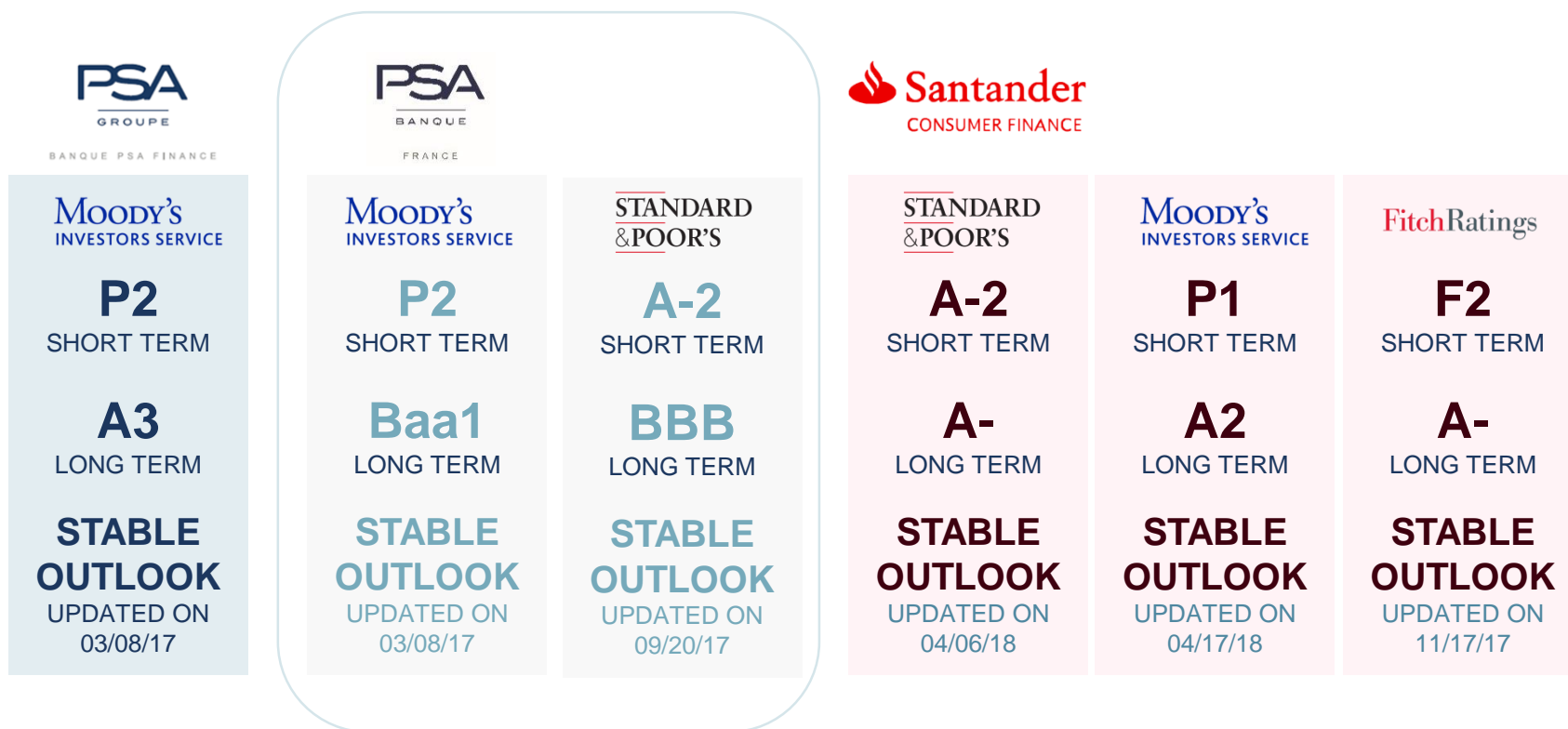
NEU CP		NEU MTN		EMTN	
<b>06/03/16</b> BANQUE DE FRANCE UPDATE ON 09/17	<b>06/03/16</b> BANQUE DE FRANCE UPDATE ON 09/17	<b>06/29/16</b> First AMF VISA <b>07/10/17</b> PROG. RENEWAL	<b>EURONEXT PARIS LISTING</b>	ENGLISH LAW NO GUARANTEE CROSS-DEFAULT NEGATIVE PLEDGE	<b>EMTN ISSUANCES</b>
<b>1.0€bn</b> MAXIMUM	<b>1.0€bn</b> MAXIMUM	<b>4.0€bn</b> MAXIMUM	<b>100€K+1€K</b> DENOMINATION		<b>01/04/17</b> <b>500€M</b> 3 YEAR MATURITY
<b>A2/P2</b> SHORT TERM	<b>BBB/Baa1</b> LONG TERM	<b>BBB/Baa1</b> LONG TERM			<b>09/27/17</b> <b>500€M</b> 5 YEAR MATURITY
					<b>04/11/18</b> <b>500€M</b> 5 YEAR MATURITY



# Rating of PSA Banque France Group

## I Investment grade rating

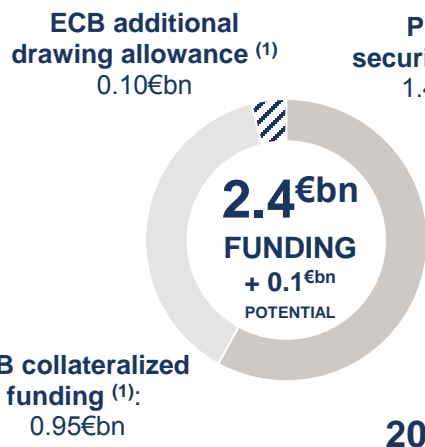
- Moody's : upgrade on 03/08/17 to Baa1 (stable outlook)
- S&P : new rating on 09/20/17, BBB (stable outlook)



# Securitization

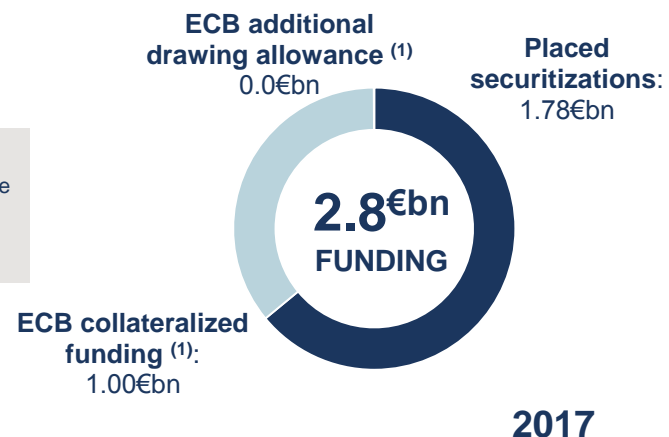
## I A privileged tool as part of the funding strategy

- Launch of new Auto ABS transactions on a regular basis
- Solid expertise over more than 10 years



### 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



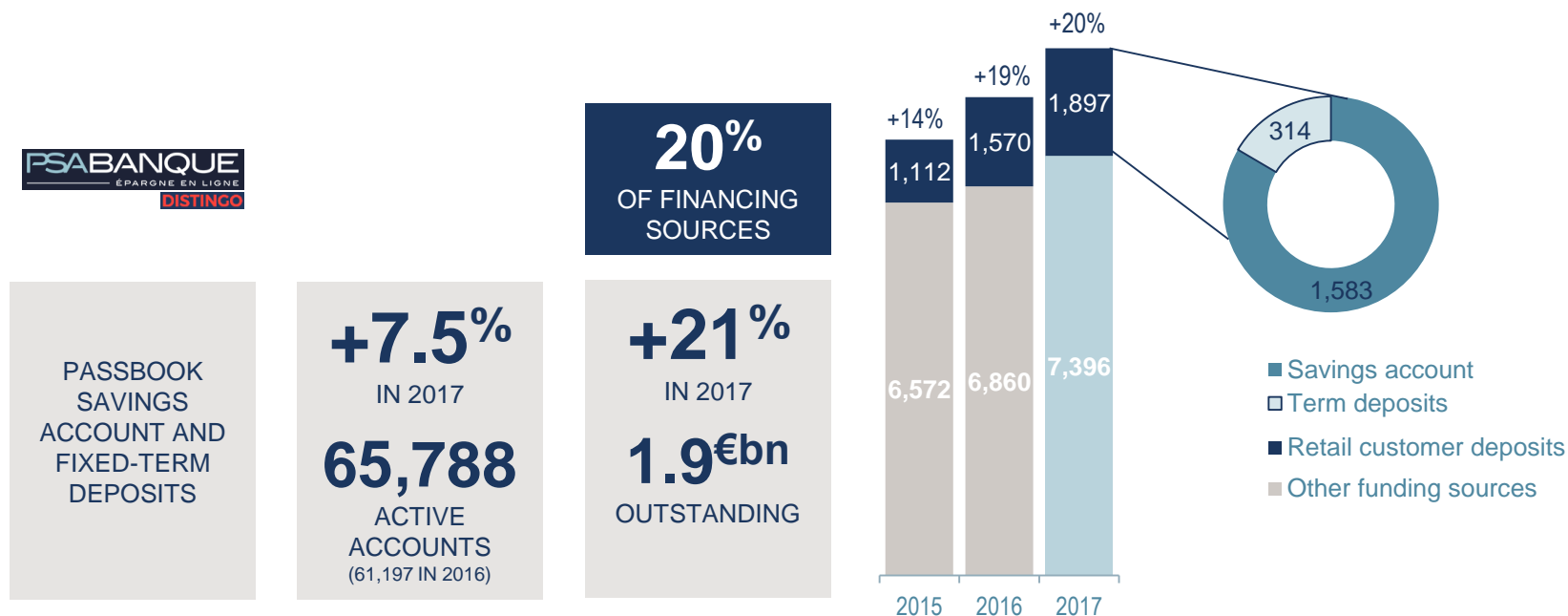
## FUNDING AND ADDITIONAL ECB ALLOWANCES

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

# 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



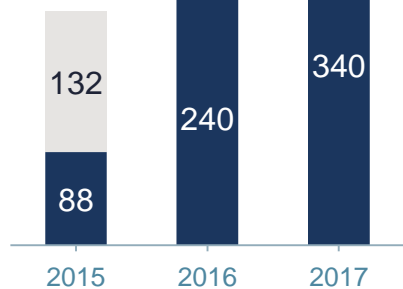
# Liquidity management and reserve

## I Matching of maturities between assets and liabilities

- Financing with an original maturity of 12 months or more represent nearly 70% of the total amount
- Average maturity of medium and long term financing raised in 2017 : about 3 years after 3 & 5 year EMTN bond issues

**136%**  
LCR  
(2017 monthly average)

**HQLA**  
ZERO-RISK  
POLICY  
(LEVEL 1)



- Bons du trésor à Taux Fixe (BTF)
- Banque de France Deposit

