



PSA BANQUE FRANCE presentation

April 2017

www.psa-banque-france.com

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- I Note: Statements as to historical performance or financial accretion are not intended to mean that future performance, share price or future earnings (including earnings per share) for any period will necessarily match or exceed those of any prior year. Nothing in this presentation should be construed as a profit forecast.
- I The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the included businesses and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

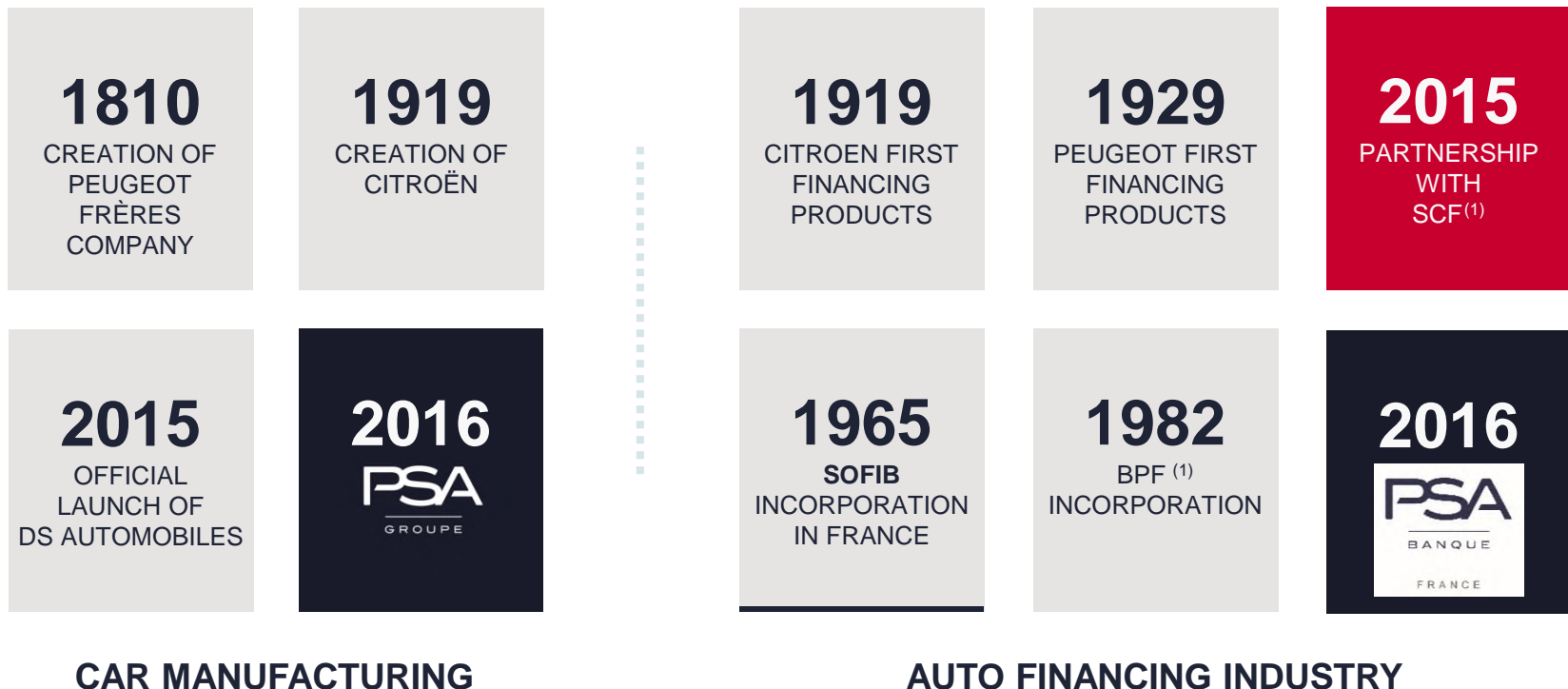
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Introduction

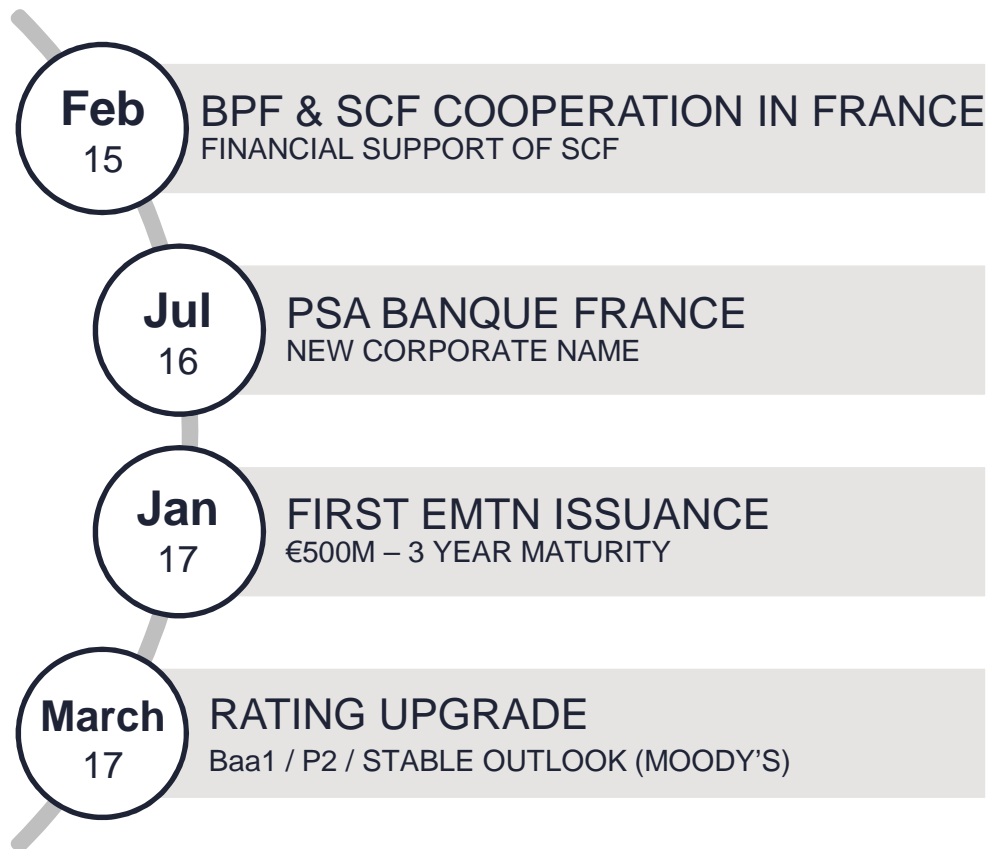
I PSA Banque France within PSA Group

- A global car manufacturer with over two centuries of history
- Long expertise in the auto financing industry



(1) BPF : Banque PSA Finance. SCF : Santander Consumer Finance

Overview



29.2%
NEW CAR
PENETRATION
RATE ⁽¹⁾

9.2€bn
OUTSTANDING
LOANS ⁽¹⁾
(END USERS &
DEALERS)

2.3x
INSURANCES
& SERVICES
PER NEW
CONTRACTS

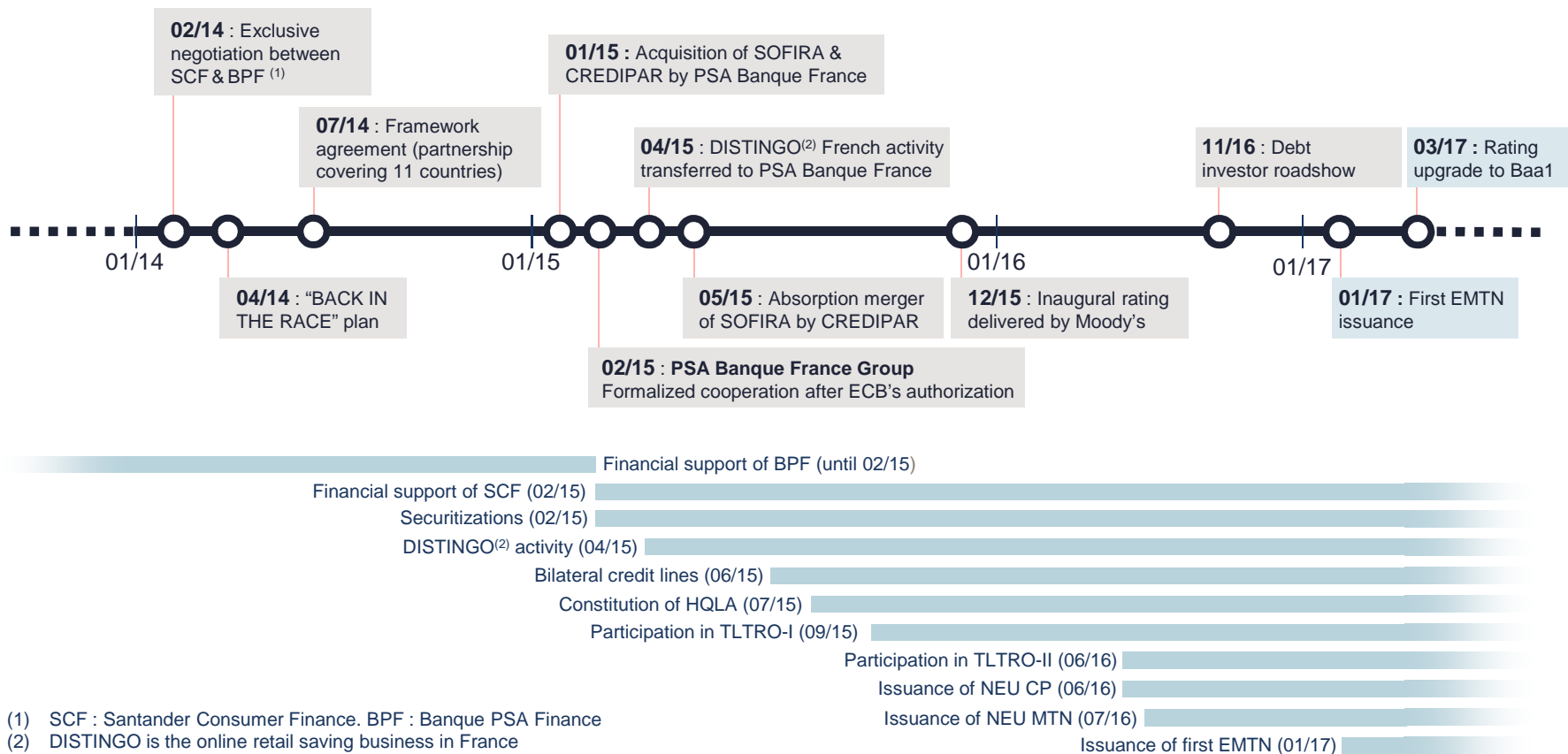
1.6€bn
NET RETAIL
DEPOSITS
AMOUNT
COLLECTED ⁽¹⁾

(1) December 2016

Timeline

I PSA Banque France Group

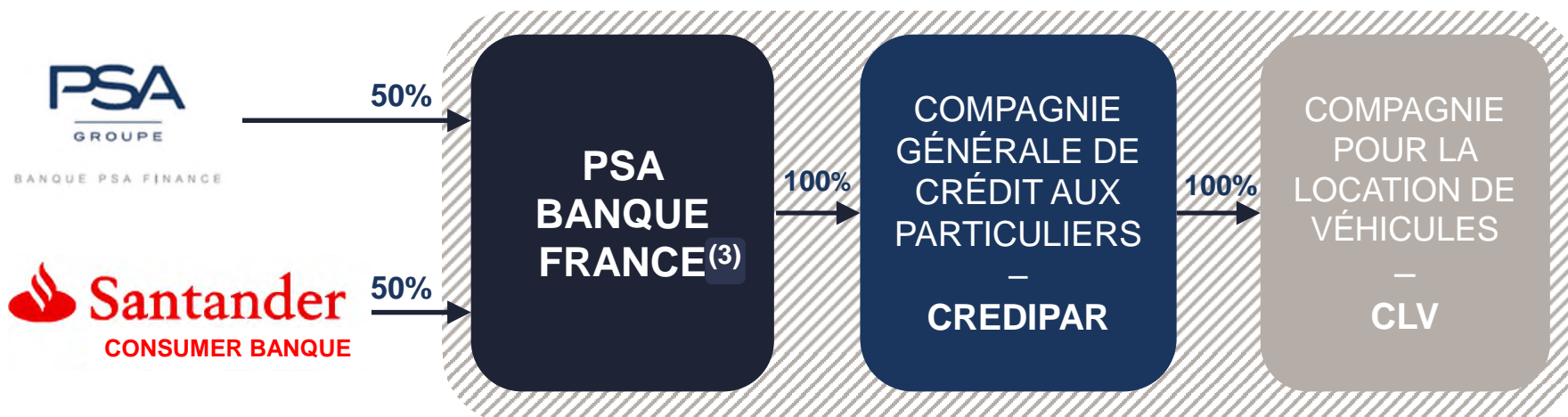
- Recent developments
- Funding sources diversification



PSA Banque France Group since 2015

I Joint-venture with SCF in France

- BPF⁽¹⁾, historical shareholder
- SCF⁽²⁾ provides financial support



(1) Banque PSA Finance is held at 100% by PSA Group

(2) Santander Consumer Banque is held at 100% by SCF (Santander Consumer Finance)

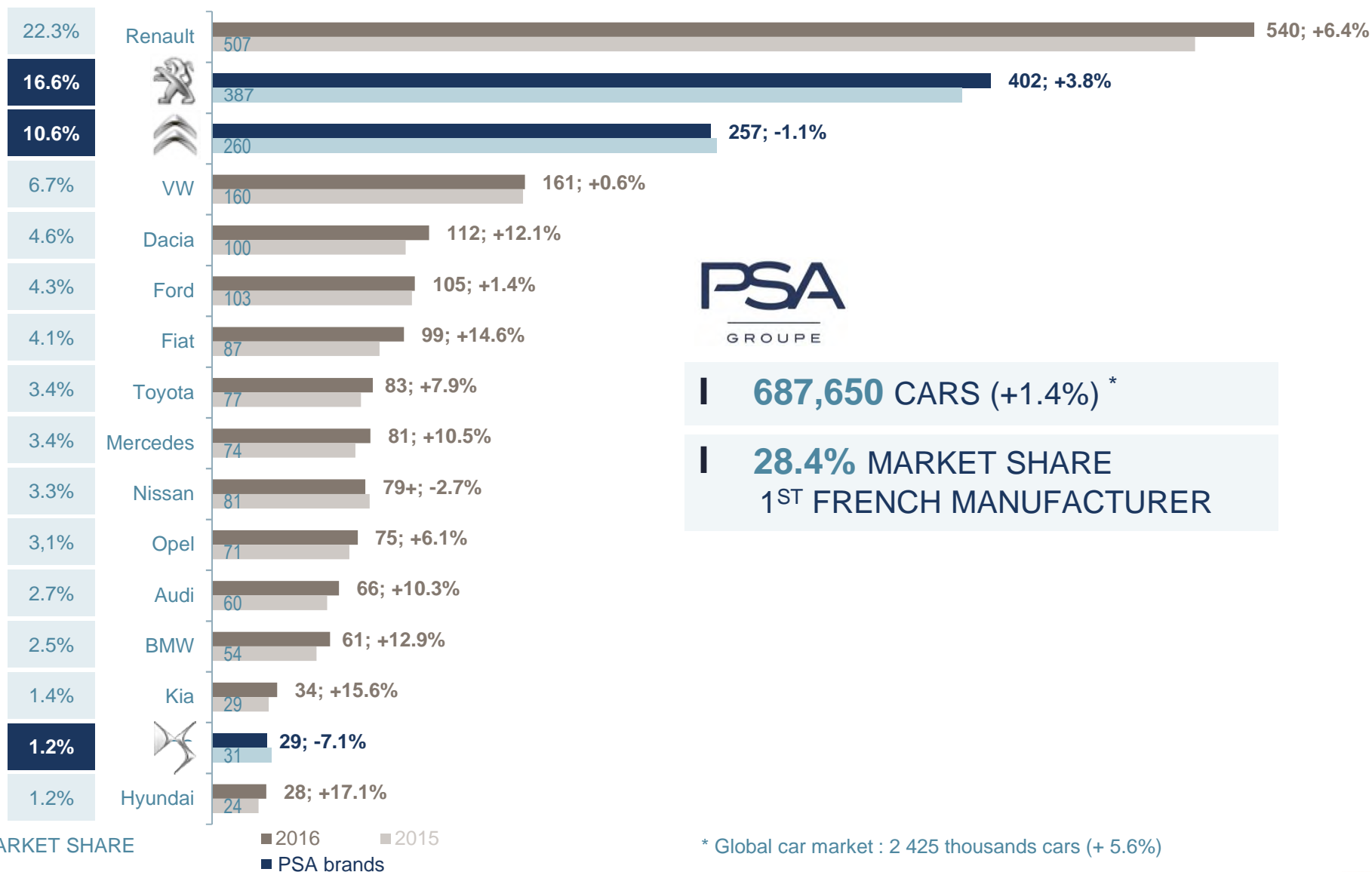
(3) PSA Banque France is a credit institution approved under the supervision of ECB regulator since December 2015 while continuing to send the required information to the French regulator, the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR)



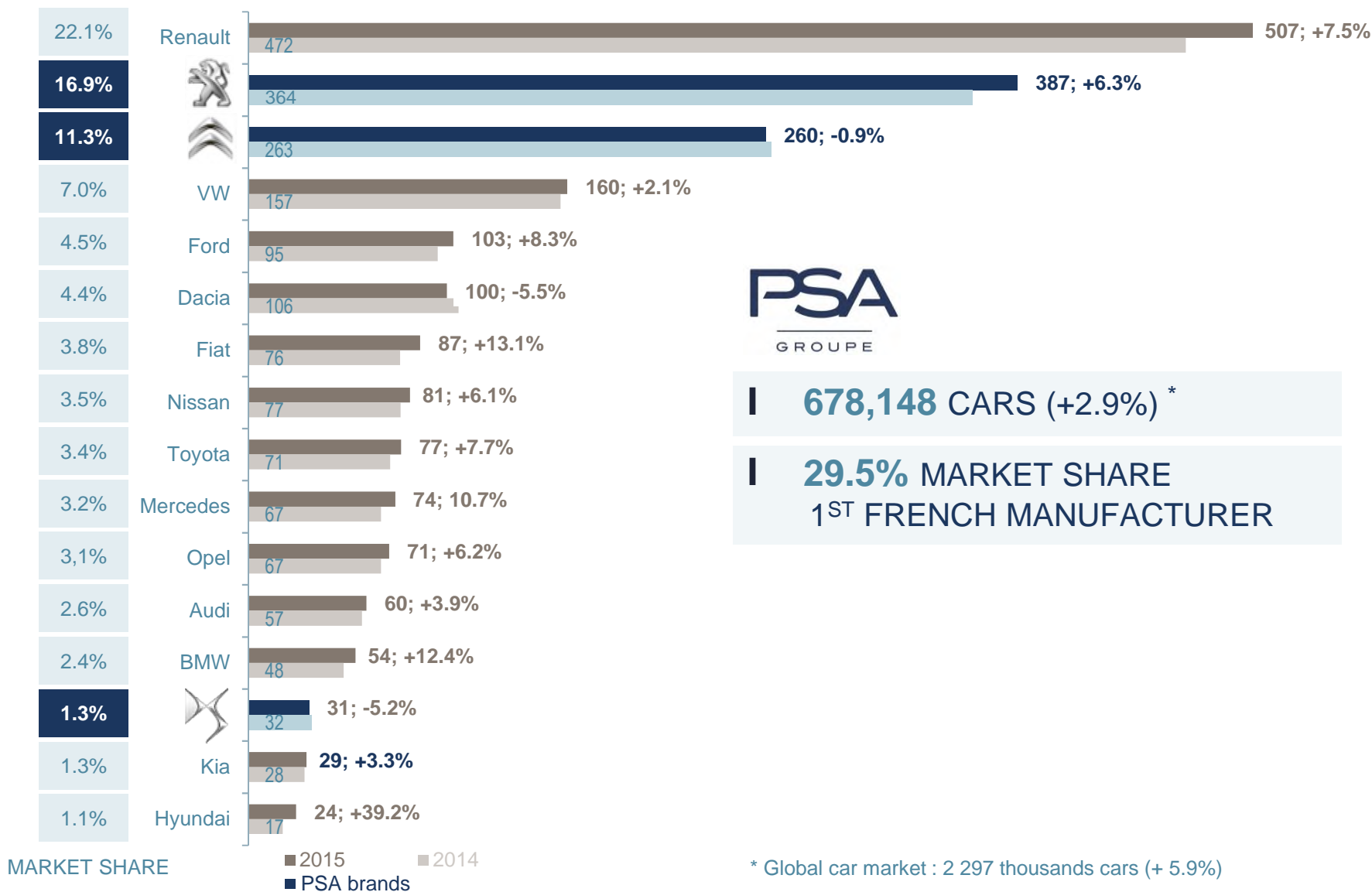
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French new car registrations (2016 / 2015)



French new car registrations (2015 / 2014)



Strength of business model

I Proven track record over decades

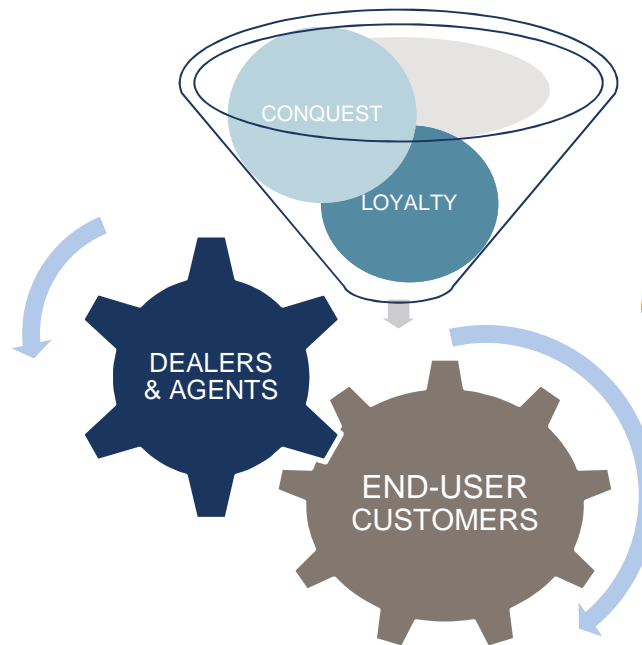
- Resilience throughout the crisis
- Customer relationship at the heart of the strategy

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
MAINTENANCE, WARRANTY EXTENSION



PASSBOOK SAVINGS ACCOUNT

Dedicated financial services

I Partnership with the three 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 brands and used car traders under contract with a brand

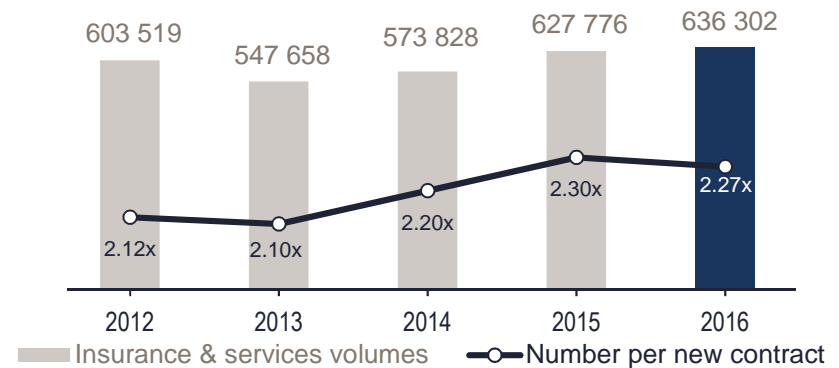
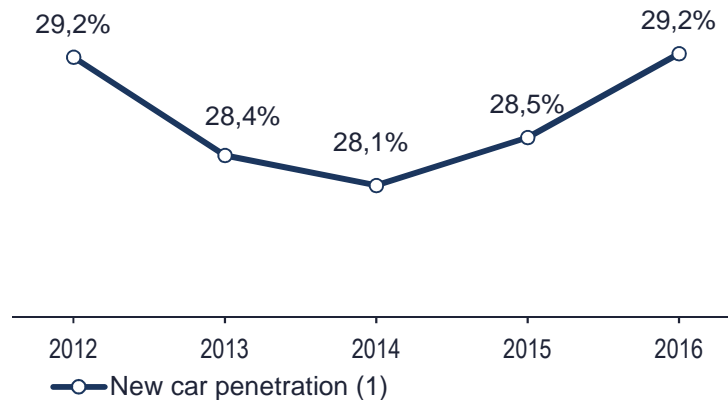
(2) Dealers only



Positive business trend

I Efficient commercial policy

- New vehicle 2016 penetration⁽¹⁾ increased to 29.2% with performance clearly up in the second half-year
- Diversified insurance and service offerings with a high added value



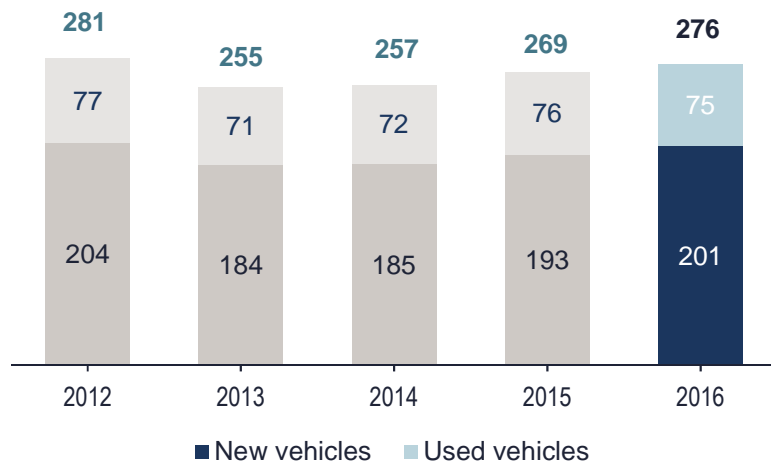
(1) New car penetration rate defined as new vehicles financed over PEUGEOT, CITROEN & DS new registered vehicles

New financing and outstanding loans

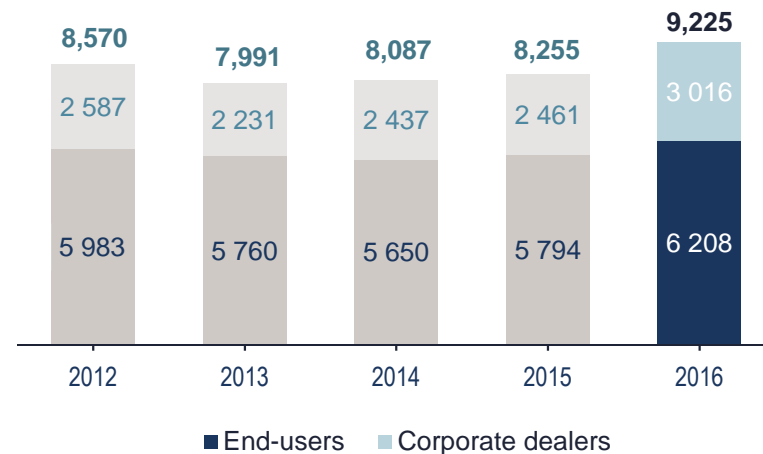
I Positive trend for end-user customers & corporate dealers loan books

- +2.6% growth in the number of vehicles financed in 2016
- Loan books breakdown end-users/corporate dealers : 67/33

Financed vehicles (in thousands)



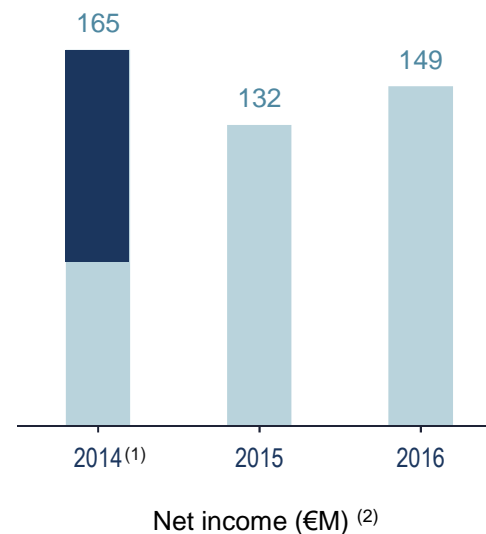
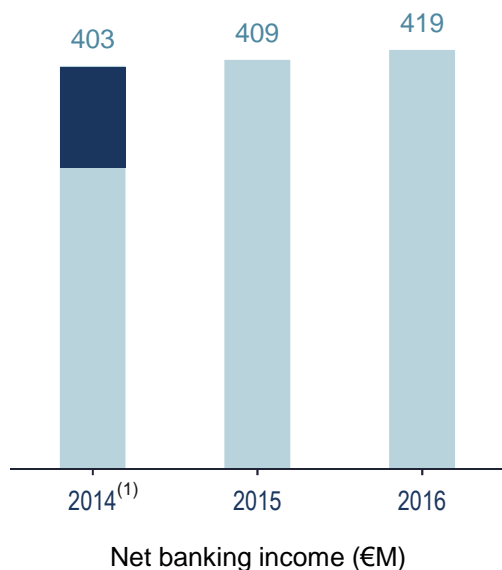
Loan books (€M)



Income statement

I Results of operations

- Improved recurrent results
- Lower refinancing cost



(1) 2014 : including 0.1€bn relating to the retrospective increase of commission rates on services

(2) 2016, Operating expenses : -155€M; cost of risk : -20€M; other non-operating income -0.02€M; pre-tax income 244€M; income tax : -95€M

2015, Operating expenses : -150€M; cost of risk : -61€M; other non-operating income -7€M; pre-tax income 191€M; income tax : -59€M

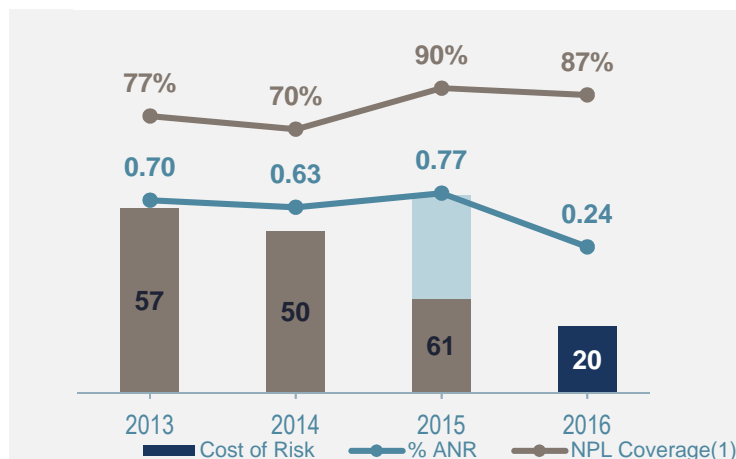
2014, Operating expenses : -130€M; cost of risk : -50€M; other non-operating income -11€M; pre-tax income 212€M; income tax : -47€M



Risk policy & cost of risk

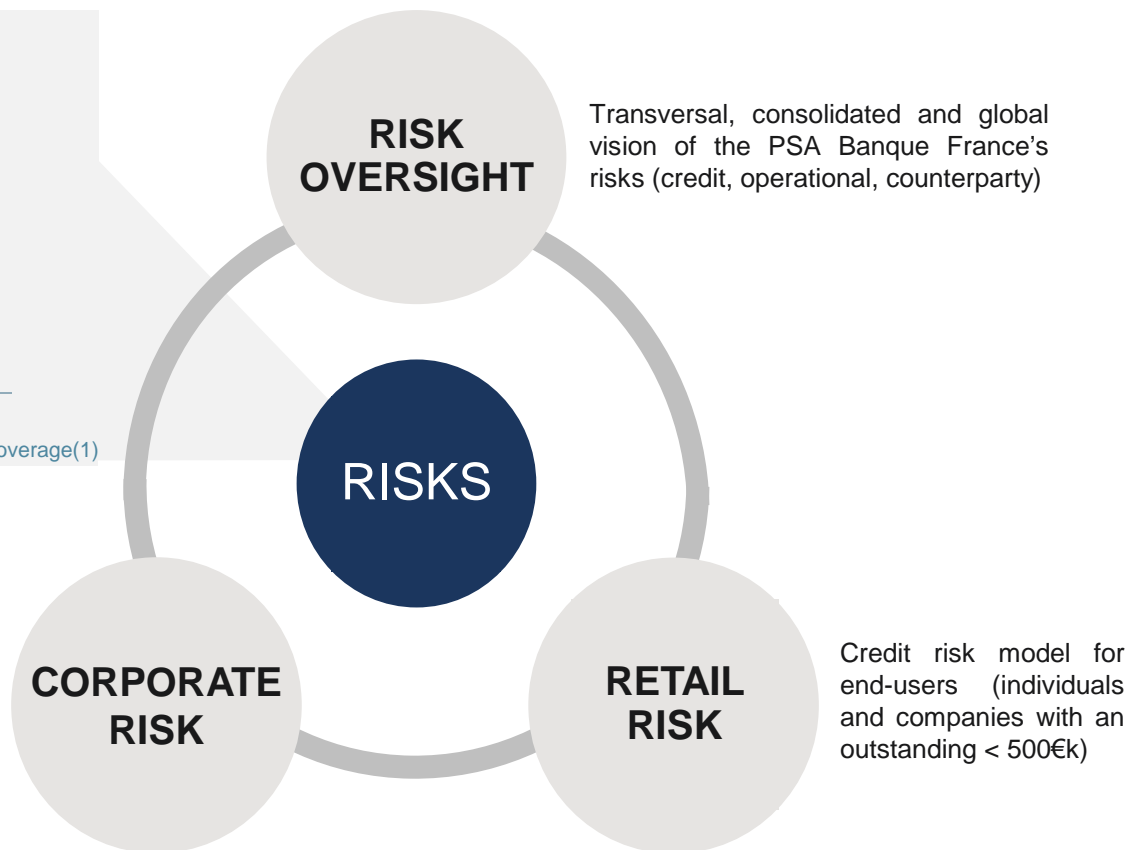
I SCF principles applied

- Oversight risk covering
- Cost of risk contained



Credit risk model

- Fleet with an outstanding > 500€k
- Brands Network (dealers, agents)

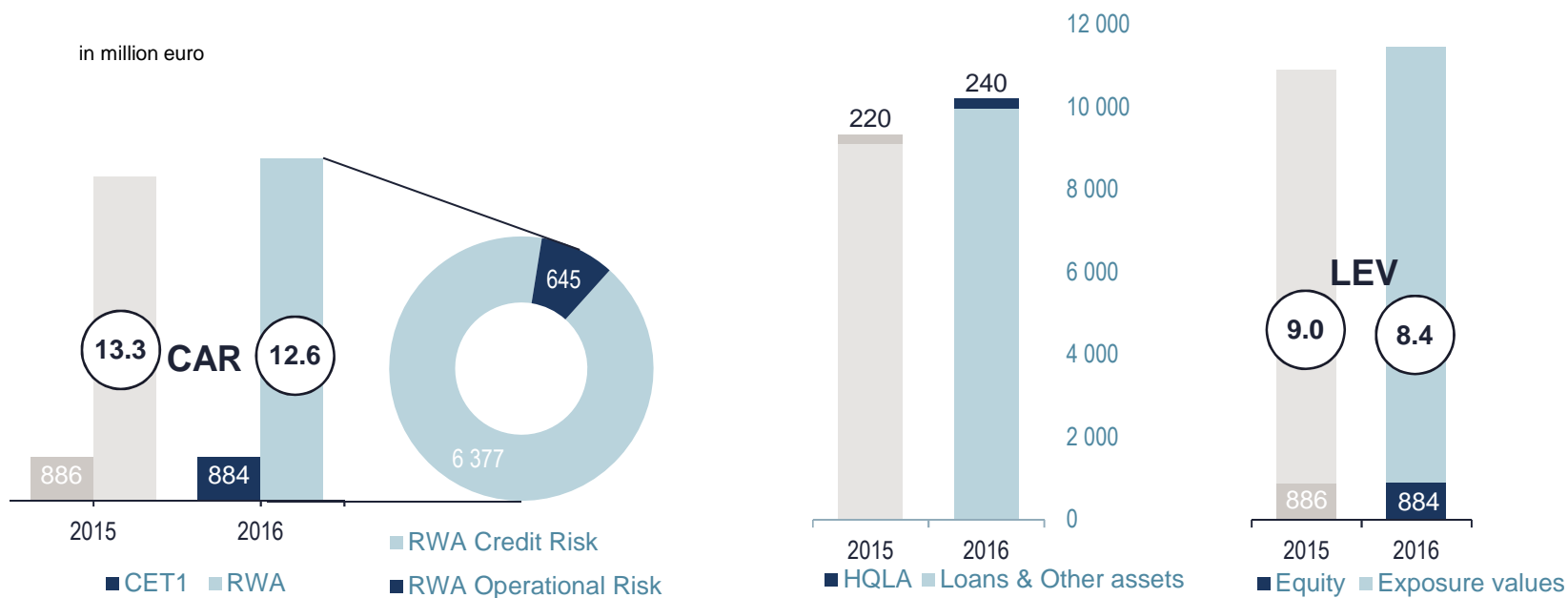


(1) NPL Coverage : coverage rate of non-performing loans by provisions . 2016 : 210€M NPL (2.5%); 2015 : 252€M NPL (3.1%); 2014 : 284€M (3.6%); 2013 : 340€M (4.2%).

I Solid balance sheet structure

- Adequate Capital Adequacy Ratio
- Strong leverage ratio ⁽¹⁾

in million euro



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

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Refinancing

I Diversification of funding sources

- In addition to intragroup refinancing
- Access to Capital Markets since 2016 with the first EMTN issued in January 2017

Intra-group SCF: 3.7€bn
49%



2015

Intra-group SCF: 3.9€bn
48%



H1 2016

Capital Markets:

0.5€bn
6%

Banking lines:

0.6€bn
7%

Retail customer
deposits⁽³⁾:

1.6€bn
19%

Securitization⁽¹⁾:

1.5€bn
17%

Other refinancing⁽²⁾:

1.2€bn
14%

Intra-group SCF:
3.1€bn
37%

8.4€bn
FUNDING

2016

Senior unsecured

Retail customer
deposits

Securitization

Intra-group SCF

Other refinancing

2019+

(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) 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

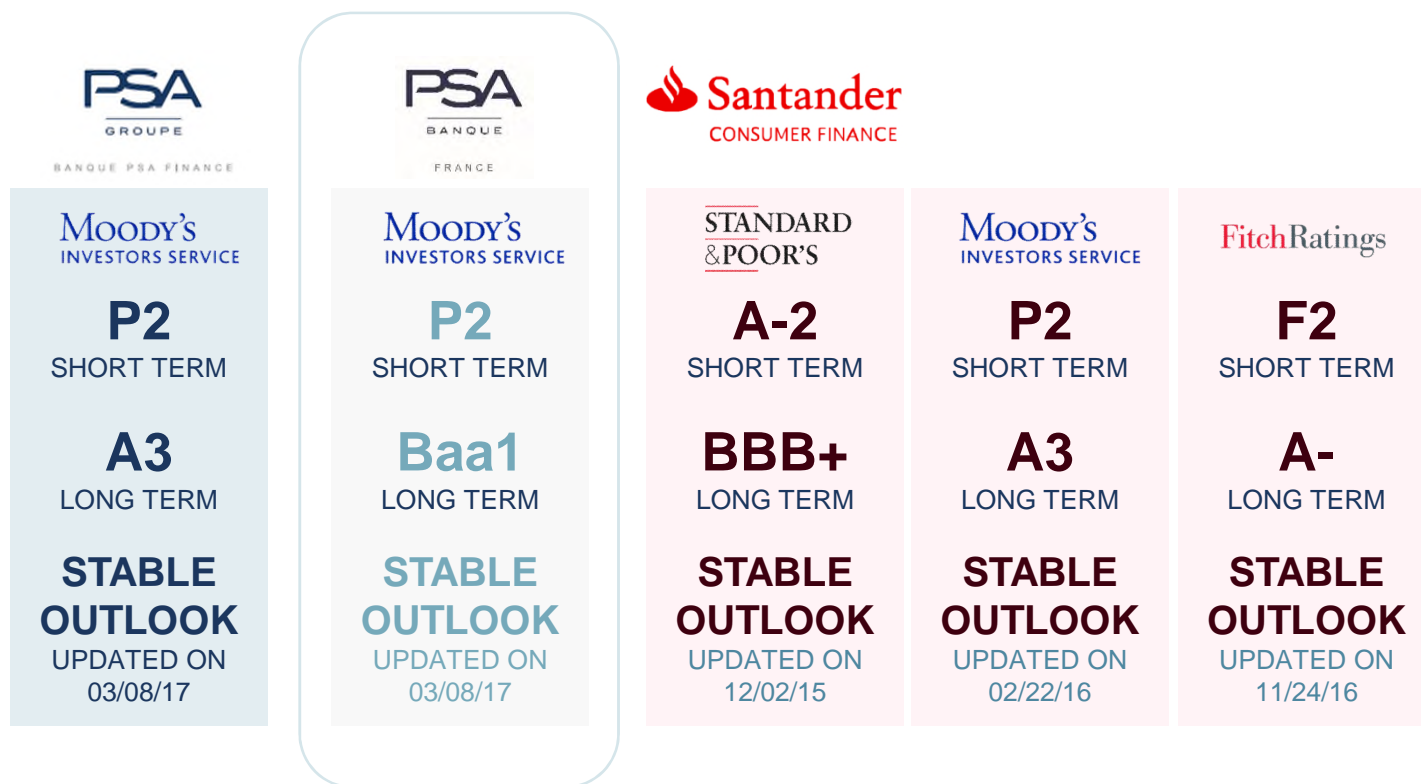
- Since June 2016 : **PBFR <GO>**, **PSABFR <CORP>** Bloomberg pages
- To support diversification of funding sources

NEU		EMTN	
CP	MTN		
06/03/16 BANQUE DE FRANCE UPDATE ON 04/17	06/03/16 BANQUE DE FRANCE UPDATE ON 04/17	06/29/16 AMF VISA 03/27/17 SECOND SUPPL.	01/04/17 FIRST EMTN ISSUANCE
1.0€bn MAXIMUM	1.0€bn MAXIMUM	4.0€bn MAXIMUM	500€m 3 YEAR MATURITY
P2 SHORT TERM	Baa1 LONG TERM	Baa1 LONG TERM	
		EURONEXT PARIS LISTING	ENGLISH LAW NO GUARANTEE CROSS- DEFAULT NEGATIVE PLEDGE
		100€K+1€K DENOMINATION	

Rating of PSA Banque France Group

I Investment grade rating

- Inaugural rating of PSA Banque France Group on 12/23/15 : Baa2
- Upgraded on 03/08/17 to Baa1 (stable outlook)

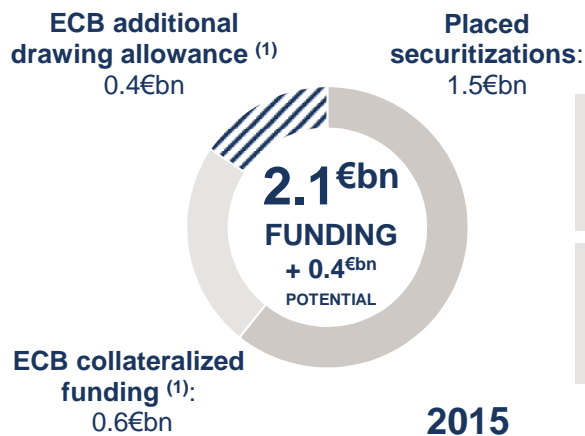


(1) Rating as of 03/08/17

Securitization

I A privileged tool as part of the funding strategy

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

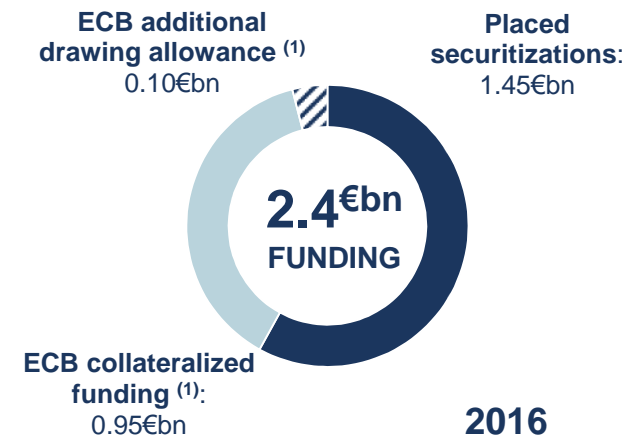


STAND ALONE ISSUANCES

Auto ABS FCT - Compartment 2013-2	Loan
Auto ABS2 FCT - Compartment 2013-A	Lease
Auto ABS3 FCT - Compartment 2014-1	Loan

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



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

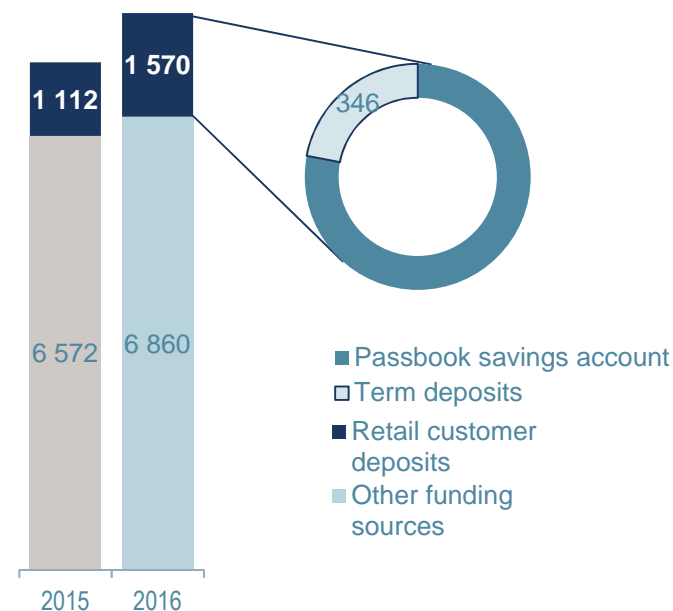
PSA BANQUE
ÉPARGNE EN LIGNE
DISTINGO

PASSBOOK
SAVINGS
ACCOUNT AND
FIXED-TERM
DEPOSITS

+30%
IN 2016
61,200
ACTIVE
ACCOUNTS
(47,100 IN 2015)

19%
OF FINANCING
SOURCES

+41%
IN 2016
1.6€bn
OUTSTANDING



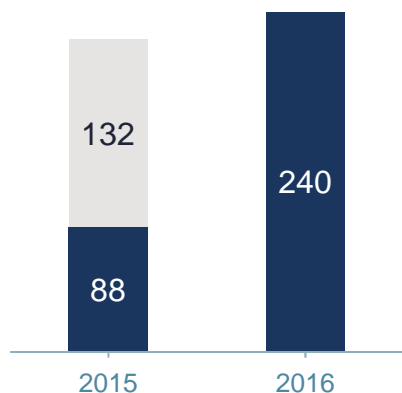
Liquidity management and reserve

I Matching of maturities between assets and liabilities

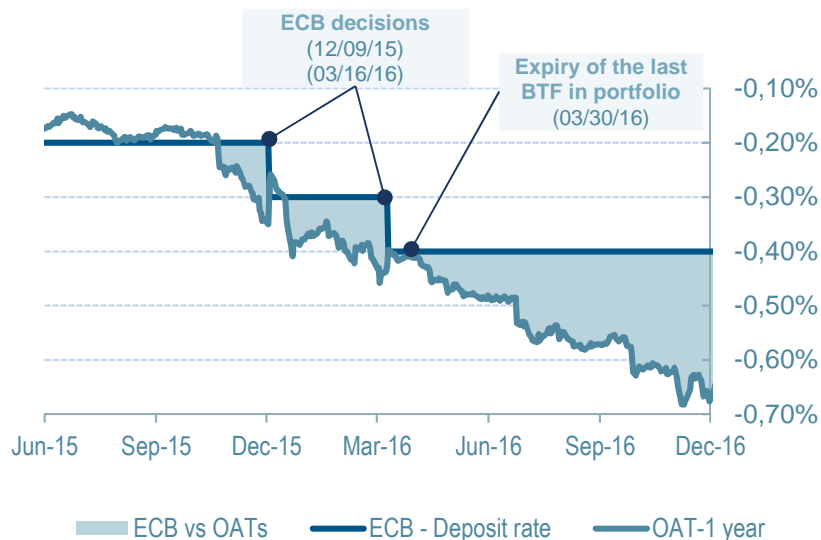
- Financing with an original maturity of 12 months or more represent 50% of the total
- Average maturity of medium and long term financing raised in 2016 : 2.5 years after TLTRO-II participations

122%
LCR
(12/31/16)

HQLA
ZERO-RISK
POLICY
(LEVEL 1)



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



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Consolidated financial statements

BALANCE SHEET

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

Equity and liabilities

	Dec. 31, 2015	Dec.31, 2016
Financial liabilities	3	3
Deposits from credit institutions	4,773	4,638
Amounts due to customers	1,370	1,826
Debt securities	1,542	1,967
Tax liabilities	275	269
Other liabilities	284	423
Equity	1,083	1,080
Total equity and liabilities	9,330	10,206

INCOME STATEMENT

	Dec. 31, 2015	Dec.31, 2016
Net banking income	409	419
General operating expenses	(150)	(155)
Cost of risk	(61)	(20)
Operating income	198	244
Other non-operating income	(7)	0
Pre-tax income	191	244
Income taxes	(59)	(95)
Net income for the year	132	149

