



## G.I.E. PSA Trésorerie

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Financial Year ended 31 December 2018

### Statutory Auditors' Report on the Financial Statements

To Members of G.I.E. PSA Trésorerie,

#### Opinion

In compliance with the assignment entrusted to us by your AGM, we have audited the annual financial statements of G.I.E. PSA Trésorerie (Grouping) for the financial year ended 31 December 2018, as appended to this report.

We hereby certify that the financial statements give a true and fair view of the Grouping's assets and liabilities, income, financial position, and operating results for the financial year ended 31 December 2018, in accordance with French accounting principles and regulations.

#### Basis for opinion

##### Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Financial Statements section of this report.

##### Independent

We conducted our audit engagement in compliance with the rules of independence applicable to us, for the period from 1<sup>st</sup> January 2018 to the date of our report and specifically we did not provide any prohibited non-auditing services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 or in the French Code of Ethics for statutory auditors.



## Justification of our assessments - Key points of the audit

Pursuant to the provisions of Articles L. 823-9 and R. 8237 of the French Commercial Code relative to the justification of our assessments, we are required to draw your attention to the key points of the audit relative to the risks of significant anomalies which, in our professional opinion, were the most material for the audit of the annual financial statements, as well as the solutions we have found to deal with those risks.

We have determined that there was no such key point to communicate in our report.

## Verification of the management report and of the other documents regarding the financial position and financial statements addressed to members

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to its fair presentation and consistency with the annual financial statements, the information provided in the management report and in the other documents relating to the financial position and the annual financial statements addressed to members.

## Information pursuant to other legal and regulatory requirements

### ■ Appointment of the Statutory Auditor

We have been appointed Statutory Auditor of G.I.E. PSA Trésorerie by your AGM of 31 January 2011.

As at 31 December 2018, we were performing our assignment for the eighth consecutive year.

## Responsibilities of the management and persons in charge of corporate governance with respect to the annual financial statements

The management is responsible for producing annual financial statements that give an accurate image of the company in accordance with French accounting rules and principles, and for putting in place the internal control it deems necessary to produce annual statements that are free from material misstatements, whether due to fraud or error.

During the preparation of the annual financial statements, the management is required to assess the Grouping's capacity to continue as a going concern. In its financial statements, it must present any relevant information relative to the continuity of business and apply the accounting policy for going concerns, unless there are plans to liquidate the Grouping or discontinue operations.

The financial statements have been drawn up by the members of the Board.



## Statutory Auditor's responsibilities with regard to the audit of the financial statements

### ■ Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance over whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement if or when it exists. Misstatements may be due to fraud or errors and are considered material when it can reasonably be deemed that they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our financial statement certification assignment does not involve guaranteeing the viability of your Grouping, nor the quality standard of its management.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. Additionally:

- ▶ identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures in response to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of non-detection of a material misstatement due to fraud is higher than that of a material misstatement due to an error, as fraud may involve collusion, falsification, voluntary omissions, false declarations or the circumvention of internal control;
- ▶ the Auditor reviews the internal control measures applicable to the audit in order to define the appropriate audit procedures to be implemented, rather than in the aim of expressing an opinion on the effectiveness of the internal control;
- ▶ the Auditor assesses the appropriateness of the accounting methods used and the reasonableness of the material estimates made by the management, as well as the relevant information provided in the annual financial statements;
- ▶ assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Grouping's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of this audit report. However, future events or conditions may cause the Grouping to cease to continue as a going concern. If the Auditor ascertains that a material uncertainty exists, he draws the attention of the readers of his report to the information given in the annual financial statements concerning this uncertainty. If this information is not provided or is irrelevant, the Auditor issues a certification with reservations or refuses to certify the documents;



- ▶ evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris-La Défense , 6 February 2019

The Statutory Auditors  
ERNST & YOUNG et Autres

Laurent Miannay



*GIE PSA TRESORERIE*



SEPARATE FINANCIAL STATEMENTS



*FINANCIAL YEAR 2018*

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**GIE PSA TRÉSORERIE**

BALANCE SHEET AT 31 DECEMBER 2016

(in thousands of euros)

| ASSETS  | 2018 FINANCIAL YEAR |     | 2017 FINANCIAL YEAR<br>NET AMOUNTS | LIABILITIES & EQUITY  | FINANCIAL YEAR 2018 | 2017 FINANCIAL YEAR |
|---|---------------------|-----|------------------------------------|---|---------------------|---------------------|
|   | Total               | Net |                                    |   |                     |                     |
| <b>UNCALLED SUBSCRIBED CAPITAL</b>                          |                     |     |                                    | <b>SHAREHOLDERS'</b>  |                     |                     |
| <b>INTANGIBLE ASSETS</b>                                    |                     |     |                                    | <b>EQUITY</b>   |                     |                     |
| Start-up costs.....   |                     |     |                                    | Capital.....  | 1                   | 15                  |
| Research & Development Expenses.....                        |                     |     |                                    | Issue, merger, contribution premiums.....                           | 2                   |                     |
| Concessions, patents & similar rights.....                  |                     |     |                                    | Revaluation reserves.....   | 3                   |                     |
| Goodwill.....   |                     |     |                                    | <b>RESERVES</b>   | 4                   |                     |
| Other on-going intangible assets.....                       |                     |     |                                    | Legal reserve.....  | 5                   |                     |
| Advances and deposits on intangible assets.....             |                     |     |                                    | Statutory or contractual reserves.....                              | 6                   |                     |
| Subtotal Lines 2-7  |                     |     |                                    | Regulated reserves.....   | 7                   |                     |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                        |                     |     |                                    | Other reserves.....   | 8                   |                     |
| Land.....   |                     |     |                                    | Retained earnings.....  | 9                   |                     |
| Construction.....   |                     |     |                                    | Earnings for the year.....  | 10                  | -764                |
| Plant, machinery & industrial equipment.....                |                     |     |                                    | Investment grants.....  | 11                  |                     |
| Other property, plant and equipment.....                    |                     |     |                                    | Regulated provisions.....   | 12                  |                     |
| Current property, plant and equipment.....                  |                     |     |                                    | <b>Total Lines 1-11</b>   |                     | <b>-749</b>         |
| Advances and deposits on property, plant and equipment..... |                     |     |                                    | Income from issue of participating securities.....                  | 13                  |                     |
| Subtotal Lines 8-14   |                     |     |                                    | Conditional advances.....   | 14                  |                     |
| <b>NON-CURRENT FINANCIAL ASSETS</b>                         |                     |     |                                    | Subordinated securities.....  | 15                  |                     |
| Investments.....  |                     |     |                                    | <b>Total Lines 13-15</b>  |                     |                     |
| Advances to subsidiaries and affiliates.....                |                     |     |                                    | Provisions for risks.....   | 17                  |                     |
| Other long-term investments.....                            |                     |     |                                    | Provisions for expenses.....  | 18                  |                     |
| Loans.....  |                     |     |                                    | <b>Total Lines 17 &amp; 18</b>                                      |                     |                     |
| Other non-current financial assets.....                     |                     |     |                                    | Long- and short-term debt.....                                      | 20                  |                     |
| Subtotal Lines 16-20  |                     |     |                                    | Convertible bonds.....  | 21                  | 610 258             |
| <b>Total non-current assets</b>                             |                     |     |                                    | Other bonds (Notes 6A & 7).....                                     | 22                  | 75                  |
| <b>INVENTORIES</b>  |                     |     |                                    | Borrowings and debts with credit institutions (Notes 6B and 7)..... | 23                  | 15 622 703          |
| Raw materials, and other supplies.....                      |                     |     |                                    | Borrowings and other financial liabilities (Notes 6C and 7).....    | 24                  | 15 233 036          |
| Work in progress.....                                       |                     |     |                                    | Subtotal Lines 20-23  |                     | 13 445 992          |
| Intermediate & finished products.....                       |                     |     |                                    | <b>OPERATING LIABILITIES</b>  | 25                  |                     |
| Goods.....  |                     |     |                                    | Advances and deposits received on orders.....                       | 26                  |                     |
| Subtotal Lines 23-26  |                     |     |                                    | Trade payables (Note 7).....  | 27                  | 9                   |
| <b>RECEIVABLES</b>  |                     |     |                                    | Taxes and payroll costs (Note 7).....                               | 28                  | 9                   |
| Advances and deposits paid on orders.....                   |                     |     |                                    | Subtotal Lines 25-27  |                     | -1                  |
| Trade receivables.....                                      |                     |     |                                    | <b>OTHER LIABILITIES</b>  | 29                  |                     |
| Other receivables (Notes 7 and 8).....                      |                     |     |                                    | Due to suppliers of fixed assets.....                               | 30                  | 12 100              |
| Subscribed capital - called, unpaid.....                    |                     |     |                                    | Other debts (Notes 7 and 8).....                                    | 31                  | 12 100              |
| Short-term investments (Notes 5 and 7).....                 |                     |     |                                    | Subtotal Lines 29 & 30  |                     | 18 076              |
| Cash.....   |                     |     |                                    | <b>Total Liabilities</b>  | 32                  | 16 246 145          |
| Subtotal Lines 27-33  |                     |     |                                    | Deferred income (Note 7).....                                       | 33                  | 211 378             |
| <b>Total current assets</b>                                 |                     |     |                                    | <b>Total Lines 32 &amp; 33</b>                                      |                     | 16 455 623          |
| Prepaid expenses (Note 5.6 and 7).....                      |                     |     |                                    | Transition adjustments - Liabilities.....                           | 35                  |                     |
| Expenses to be amortized over several years.....            |                     |     |                                    | <b>TOTAL LIABILITIES</b>  | 36                  | 16 455 774          |
| Bond redemption premiums (Note 6).....                      |                     |     |                                    | <b>TOTAL ASSETS</b>   |                     | 13 689 269          |
| Transition adjustments - Assets.....                        |                     |     |                                    |   |                     |                     |

# GIE PSA TRÉSORERIE

## INCOME STATEMENT - 2018 FINANCIAL YEAR

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(in thousands of euros)

|  |   | FINANCIAL YEAR 2018 | 2017 FINANCIAL YEAR |               |
|--|---|---------------------|---------------------|---------------|
| <b>OPERATING INCOME</b>                            | Sales of goods.....   | 1                   |                     |               |
|  | Production sold - assets.....   | 2                   |                     |               |
|  | Production sold - services.....   | 3                   |                     |               |
|  | <b>TURNOVER: Lines 1-3.....</b>   | <b>4</b>            | <b>-</b>            |               |
|  | Inventory.....  | 5                   |                     |               |
|  | Capitalised production.....   | 6                   |                     |               |
|  | Operating subsidies received.....   | 7                   |                     |               |
|  | Writebacks on amort. & provisions, expense transfers.....                   | 8                   |                     |               |
|  | Other income.....   | 9                   |                     |               |
|  | <b>REVENUE FROM OPERATIONS (lines 4-9)</b>                                  | <b>10</b>           | <b>-</b>            | <b>-</b>      |
|  | Purchases of goods.....   | 11                  |                     |               |
|  | Change in inventories of goods.....   | 12                  |                     |               |
|  | Purchases of raw materials & other supplies.....                            | 13                  |                     |               |
|  | Change in inventories of raw materials & other supplies.....                | 14                  |                     |               |
|  | Other purchases & external charges (Note 9).....                            | 15                  | 2 061               | 2 234         |
|  | Taxes and other levies.....   | 16                  | 43                  | 352           |
|  | Wages & salaries.....   | 17                  |                     |               |
|  | Social charges.....   | 18                  |                     |               |
|  | <i>Operating provisions:</i>  |                     |                     |               |
|  | - For amortization of fixed assets.....                                     | 19                  |                     |               |
|  | - For amortization of deferred expenses.....                                | 20                  |                     |               |
|  | - For provisions for fixed assets.....                                      | 21                  |                     |               |
|  | - For provisions for current assets.....                                    | 22                  | -                   | -             |
|  | - For provisions for risks and expenses.....                                | 23                  |                     |               |
|  | Other expenses.....   | 24                  |                     |               |
| <b>OPERATING EXPENSES (lines 11-24)</b>            | <b>25</b>   | <b>2 104</b>        | <b>2 586</b>        |               |
| <b>OPERATING INCOME (lines 10-25)</b>              | <b>26</b>   | <b>-2 104</b>       | <b>-2 586</b>       |               |
| <b>SHARE OF INCOME FROM JOINT OPERATIONS.....</b>  | <b>27</b>   |                     |                     |               |
| <b>NET FINANCIAL INCOME (LOSS)</b>                 | Financial income from equity investments.....                               | 28                  |                     |               |
|  | Financial income from other securities & receivables from fixed assets..... | 29                  | -                   | -             |
|  | Other interest and related income (Note 10).....                            | 30                  | 72 312              | 54 333        |
|  | Writebacks on provisions & expense transfers (Note 10).....                 | 31                  | -                   | -             |
|  | Foreign exchange gains.....   | 32                  |                     |               |
|  | Net income on disposals of investment securities.....                       | 33                  |                     |               |
|  | <b>FINANCIAL INCOME (lines 28-33)</b>                                       | <b>34</b>           | <b>72 312</b>       | <b>54 333</b> |
|  | Financial allocation to amortization and provisions (Note 10).....          | 35                  | 35                  | 35            |
|  | Interest & similar expenses (Note 10).....                                  | 36                  | 70 937              | 52 618        |
|  | Foreign exchange losses.....  | 37                  |                     |               |
| Net expenses on sale of investment securities..... | 38  |                     |                     |               |
| <b>FINANCIAL EXPENSES (lines 35-38)</b>            | <b>39</b>   | <b>70 972</b>       | <b>52 653</b>       |               |
| <b>FINANCIAL INCOME (lines 34-39)</b>              | <b>40</b>   | <b>1 340</b>        | <b>1 680</b>        |               |
| <b>EARNINGS BEFORE TAXES:</b>                      | <b>41</b>   | <b>-764</b>         | <b>-907</b>         |               |
| <b>NET NON-RECURRING INCOME (EXPENSE)</b>          | Extraordinary income on management operations.....                          | 42                  |                     |               |
|  | Extraordinary income on capital operations.....                             | 43                  |                     |               |
|  | Writebacks on provisions & expense transfers.....                           | 44                  |                     |               |
|  | <b>EXCEPTIONAL INCOME (lines 42-44)</b>                                     | <b>45</b>           | <b>-</b>            | <b>-</b>      |
|  | Extraordinary expenses on management operations.....                        | 46                  |                     |               |
|  | Extraordinary expenses on capital operations.....                           | 47                  |                     |               |
|  | Extraordinary allocations to amortization & provisions.....                 | 48                  |                     |               |
|  | <b>EXTRAORDINARY EXPENSES (lines 46-48)</b>                                 | <b>49</b>           | <b>-</b>            | <b>-</b>      |
| <b>EMPLOYEE SHARE OWNERSHIP.....</b>               | <b>50</b>   |                     |                     |               |
| <b>INCOME TAXES.....</b>                           | <b>51</b>   |                     |                     |               |
| <b>NET INCOME FOR THE YEAR:</b>                    | <b>52</b>   | <b>-764</b>         | <b>-907</b>         |               |



## GIE PSA TRÉSORERIE

### CASH FLOW STATEMENT - 2018 FINANCIAL YEAR -

(in thousands of euros)

|  | 2018 FINANCIAL YEAR | 2017 FINANCIAL YEAR | 2010 FINANCIAL YEAR |
|--|---------------------|---------------------|---------------------|
| <b>NET INCOME FOR THE FINANCIAL YEAR</b> .....                   | -764                | -907                | 10 520              |
| Amortisation of fixed assets.....                                |                     |                     |                     |
| Amortisation of bond repayment premiums.....                     | 34                  | 34                  | -9 662              |
| Net change in provisions (+/-).....                              |                     |                     | -1 070              |
| Gain (loss) on disposal of fixed assets (+/-).....               |                     |                     |                     |
| <b>CASH FLOW</b> .....   | <b>-729</b>         | <b>-873</b>         | <b>-212</b>         |
| (Increase-) / (decrease+) Inventories and work in progress ..... |                     |                     |                     |
| (Increase-) / (decrease+) Trade receivables.....                 |                     |                     |                     |
| (Increase-) / (decrease+) Other receivables .....                | -5 752              | 14 548              | -15 880             |
| (Increase+) / (decrease-) Trade payables.....                    | 10                  | -21                 | 19                  |
| (Increase+) / (decrease-) Other payables .....                   | 4 813 670           | -91 135             | -2 218              |
| <b>CHANGE IN WORKING CAPITAL REQUIREMENTS</b> .....              | <b>4 807 927</b>    | <b>-76 608</b>      | <b>-18 079</b>      |
| <b>OPERATING FINANCIAL FLOWS</b> .....                           | <b>4 807 198</b>    | <b>-77 480</b>      | <b>-18 291</b>      |
| Proceeds from disposal of property, plant and equipment.....     |                     |                     |                     |
| Proceeds from disposal of investment securities.....             |                     |                     |                     |
| Investment in property, plant and equipment.....                 |                     |                     |                     |
| Acquisition of investment securities.....                        |                     |                     |                     |
| Other (+/-).....   |                     |                     |                     |
| <b>FINANCIAL FLOWS LINKED TO INVESTMENTS</b> .....               |                     |                     |                     |
| Dividends paid. (Transparent result for members).....            | 907                 | -2 504              |                     |
| Increase in capital.....   |                     |                     |                     |
| Acquisition of treasury shares.....                              |                     |                     |                     |
| New loans.....   |                     |                     | 1 500 000           |
| Loan repayments.....   |                     | -1 361 254          | -1 000 000          |
| Redemption of bonds issued by company.....                       |                     |                     |                     |
| (Increase+)/(decrease-) of other long-term debts.....            |                     |                     | 307 733             |
| (Increase-)/(decrease+) of long-term loans and receivables.....  | -6 357 563          | -387 568            |                     |
| Other (+/-).....   |                     |                     |                     |
| <b>FLOW OF FINANCIAL OPERATIONS</b> .....                        | <b>-6 356 656</b>   | <b>-1 751 326</b>   | <b>807 733</b>      |
| <b>TOTAL FLOW</b> .....  | <b>-1 549 458</b>   | <b>-1 828 806</b>   | <b>789 442</b>      |
| <b>CHANGE IN CASH</b> .....                                      | <b>-1 549 458</b>   | <b>-1 828 806</b>   | <b>789 442</b>      |
| Cash at the beginning of year.(1).....                           | 370 891             | 2 199 696           | 6 540 300           |
| <b>CASH AT 31 DECEMBER (1)</b> .....                             | <b>-1 178 566</b>   | <b>370 891</b>      | <b>7 329 742</b>    |

(1) Cash at 31 December is as follows:

|   |                   |                |
|---|-------------------|----------------|
| - Current accounts debit balance                          | 4 046 835         | 4 200 485      |
| - Current accounts credit balance                         | -15 622 703       | -12 830 369    |
| - Investments (excluding debtor current accounts balance) | 11 662 647        | 8 616 239      |
| - Bank debit balance                                      | 727 923           | 846 461        |
| - Bank credit balance                                     | -1 993 267        | -461 925       |
|   | <u>-1 178 566</u> | <u>370 891</u> |

|                                  |
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| <i><b>GIE PSA TRÉSORERIE</b></i> |
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*NOTES*

The information herein constitutes the Annex to the Statement of Accounts before distribution for the financial year ended 31 December 2018, for which the total is 16,455,774 thousand euro and to the Statement of Income for the financial year, presented as a list, and representing a loss of 764 thousand euro.

The fiscal period is twelve months, covering the period from 1 January to 31 December 2018.

The notes and Tables 1 to 14 below form part of the annual financial statements.

These financial statements were approved on 06 February 2019 by the sole Director.

The annual financial statements are consolidated at the Groupe PSA level.

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## NOTE 1 NATURE OF OPERATIONS

The main purpose of GIE PSA TRÉSORERIE is to carry out and centralise cash operations for the manufacturing and sales companies in Groupe PSA.

In this capacity, the GIE PSA TRÉSORERIE is responsible in particular for the:

- collection of all euro liquidity for companies with a cash surplus;
- provision of, as part of assigned objectives, the necessary resources to companies in need of cash;
- and correspondingly, the investment or acquisition on the markets of the surplus or net requirements of the Group resulting therefrom.

The Grouping also has an intermediary role in the management of interest rate risk of industrial and commercial companies in Groupe PSA.

## NOTE 2 COMPOSITION OF CAPITAL

The capital of the Grouping consists of 300 shares with a nominal value of €50 each, fully paid up on subscription.

It is distributed among the members as follows:

|                                      |       |
|--------------------------------------|-------|
| • Peugeot SA:                        | 297   |
| • Automobiles Peugeot:               | 1     |
| • Automobiles Citroën:               | 1     |
| • PSA Automobiles SA (formerly PCA): | 1     |
|                                      | ----- |
|                                      | 300   |

### **NOTE 3 ALLOCATION OF INCOME**

Surpluses and deficits at GIE are allocated to each of the members in proportion to the share they hold in its capital.

The Director may also decide on monthly payment instalments corresponding to the surplus recorded by the Grouping, cumulative from the beginning of the current year.

### **NOTE 4 ACCOUNTING PRINCIPLES AND METHODS**

General accounting conventions have been applied, in accordance with the precautionary principle, and the basic assumptions that are designed to give an accurate image of the company:

- the going concern principle;
- consistency of accounting methods from one year to another;
- segregation of accounting periods;

and in accordance with the general rules for the preparation and presentation of annual financial statements (ANC2014.03).

The basic method used for valuing items in the financial statements is the historical cost method.

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Financial futures and hedging transactions are recognised in accordance with ANC Regulation 2015-05.

The main principles used are the following:

#### **a) Loans and receivables**

Loans and receivables are valued at their nominal value. A provision for impairment is used when the asset value is less than the carrying value.

#### **b) Short-term investments**

They include subsidiaries' cash current accounts in debit and external investments primarily consisting of units in money market funds and other money market securities .

UCITS units are valued at the net asset value on the closing date when this value is less than or equal to the carrying value, or at the guaranteed value for UCITS units with a guaranteed return.

The money market securities are floating-rate securities or swapped at a floating-rate; accrued interest at the closing date is recognised in profit or loss.

Money market securities are valued at their likely trading value. In the case of an unrealised loss, this is recognised in the financial statements

**c) Long- and short-term debt**

This item includes subsidiaries' cash current accounts in credit, bonds and borrowings from PSA.

Long- and short-term debt is valued at nominal value and accrued interest at the closing date is recognised in profit or loss.

**d) Foreign currency transactions**

Income and expenses in foreign currencies are recognised at their countervalue on the date of the transaction. Liabilities, receivables and cash and cash equivalents in foreign currencies are recognised in the balance sheet at their countervalue using year-end rates.

In accordance with ANC Regulation 2015-05 relative to financial futures and hedging transactions, monetary items covered by a currency hedge are recognised at the spot rate at the time of the transaction. They are revalued in the balance sheet for their countervalue at the year-end rate. Unrealised gains and losses stemming from this revaluation are symmetrically recognised in the P&L as gains and losses on hedging instruments.

Exchange differences observed between the spot rate on the date of hedging and the hedge rate, are reported in profit or loss pro rata over the term of the hedge.

**e) Interest rate risk management transactions**

Swaps entered into via intermediaries on behalf of Group companies are systematically returned to the market in order to neutralize the interest rate risk to the Group.

In terms of liquidity management, the Group conducts hedging transactions through the use of financial instruments to mitigate risks related to fluctuations in interest rates.

The income generated through intermediation and liquidity hedging transactions is recognised symmetrically with the income recorded on the hedged items.

A residual interest rate risk may occasionally be retained in order to take advantage of market opportunities. This risk, which is the subject of a daily assessment in terms of value at risk (VAR) has no significant impact in terms of income.

Non-hedged transactions are assessed on each balance sheet date at their market value; in the case of unrealised losses, a provision is recognised.

The nature of the main instruments used and their amount in capital at the end of the year are shown as financial commitments (see note 11).

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## NOTE 6:

**GIE PSA TRÉSORERIE**  
LONG- AND SHORT-TERM DEBT - 2018 FINANCIAL YEAR

(in thousands of euros)

| Item   | Start Date | Due date   | Rate   | Redemption value (A) | Payables (B)  | TOTAL (A + B)     | Redemption premium | Issuance costs to be amortised |
|--|------------|------------|--------|----------------------|---------------|-------------------|--------------------|--------------------------------|
| <b>OTHER BONDS</b>   |            |            |        |                      |               |                   |                    |                                |
| - 6600 million bond (1)  | 19/09/2003 | 19/09/2033 | 6.000% | 600 000              | 10 258        | 610 258           | 506                | -                              |
| <b>TOTAL A</b>   |            |            |        | <b>600 000</b>       | <b>10 258</b> | <b>610 258</b>    | <b>506</b>         | <b>-</b>                       |
| <b>BORROWINGS AND DEBTS WITH BANKS</b>                         |            |            |        |                      |               |                   |                    |                                |
| <b>TOTAL B</b>   |            |            |        |                      | <b>75</b>     | <b>75</b>         |                    |                                |
| <b>MISC FINANCIAL BORROWINGS AND DEBTS</b>                     |            |            |        |                      |               |                   |                    |                                |
| <b>PSA LOANS</b>   |            |            |        |                      |               |                   |                    |                                |
| Nil, fully repaid at 01/01/2017                                |            |            |        |                      |               |                   |                    |                                |
| - Bonds €379,370,000 - 5.65%                                   | 11/04/2012 | 11/07/2017 | 5.625% |                      |               |                   |                    |                                |
| - Bonds €910,086,000 - 7.375%                                  | 06/03/2013 | 06/03/2018 | 7.375% |                      |               |                   |                    |                                |
| - Bonds €900,000,000 - 6.5%                                    | 18/09/2013 | 18/01/2019 | 6.500% |                      |               |                   |                    |                                |
| <b>OTHER BORROWINGS</b>  |            |            |        |                      |               |                   |                    |                                |
| Related companies - POAE OR OTHER                              |            |            |        |                      |               |                   |                    |                                |
| <b>CASH AND CASH EQUIVALENTS</b>                               |            |            |        |                      |               |                   |                    |                                |
| Members  |            |            |        |                      |               |                   |                    |                                |
| Associates   |            |            |        | 10 110 539           | -             | 10 110 539        |                    |                                |
| <b>SHORT-TERM LOANS</b>  |            |            |        |                      |               |                   |                    |                                |
| Associates   |            |            |        | 5 512 165            | -             | 5 512 165         |                    |                                |
| <b>LIQUIDITY CREDIT</b>  |            |            |        |                      |               |                   |                    |                                |
| Associates   |            |            |        | 0                    | 0             | 0                 |                    |                                |
| <b>TERM DEPOSITS</b>   |            |            |        |                      |               |                   |                    |                                |
| Associates   |            |            |        |                      |               |                   |                    |                                |
| <b>TOTAL C</b>   |            |            |        | <b>15 622 703</b>    | <b>0</b>      | <b>15 622 703</b> |                    |                                |
| <b>GENERAL TOTAL</b>   |            |            |        | <b>16 222 703</b>    | <b>10 332</b> | <b>16 233 035</b> | <b>506</b>         |                                |
| <b>PREMIUMS / DISCOUNTS ON "Cash Investments" (see Note 5)</b> |            |            |        |                      |               |                   |                    |                                |
| <b>PREPAID EXPENSE BALANCE PAID / SWAP ON BONDS</b>            |            |            |        |                      |               |                   |                    | <b>4</b>                       |
| <b>PREPAID EXPENSES</b>  |            |            |        |                      |               |                   |                    | <b>4</b>                       |

(1): Bonds with a unit value of €1,000 were issued at a price of €999.26 and are redeemable at par.



NOTE 7:

**GIE PSA TRÉSORERIE**  
TABLE OF MATURITY OF RECEIVABLES AND DEBTS - 2018 -

(in thousands of euros)

| STATEMENT OF RECEIVABLES<br>(in thousands of euros)                                    | NET AMOUNTS       | LESS THAN ONE<br>YEAR | FROM ONE TO FIVE<br>YEARS | MORE THAN FIVE<br>YEARS |
|--|-------------------|-----------------------|---------------------------|-------------------------|
| <b>- CURRENT ASSETS -</b>  |                   |                       |                           |                         |
| Other receivables (2).....   | 16 060            | 16 060                |                           |                         |
| Short-term investments.....  | 15 711 277        | 15 711 277            |                           |                         |
| Cash.....  | 727 927           | 727 927               |                           |                         |
| <b>SUBTOTAL</b>  | <b>16 455 264</b> | <b>16 455 264</b>     |                           |                         |
| Prepaid expenses:<br>Discounts on commercial paper.....<br>Other prepaid expenses..... | 4                 | 4                     |                           |                         |
| <b>SUBTOTAL</b>  | <b>4</b>          | <b>4</b>              |                           |                         |
| <b>TOTAL</b>   | <b>16 455 268</b> | <b>16 455 268</b>     |                           |                         |

| STATEMENT OF DEBTS<br>(in thousands of euros)   | NET AMOUNTS       | LESS THAN ONE<br>YEAR | FROM ONE TO FIVE<br>YEARS | MORE THAN FIVE<br>YEARS |
|---|-------------------|-----------------------|---------------------------|-------------------------|
| <b>- Long- and short-term debt -</b>  |                   |                       |                           |                         |
| Other bonds.....  | 610 258           | 10 258                |                           | 600 000                 |
| Borrowings and debts with banks.....  | 75                | 75                    |                           |                         |
| Borrowings and other financial liabilities:<br>Commercial paper.....<br>Other short-term investments..... | 15 622 703        | 15 622 703            |                           |                         |
| <b>SUBTOTAL</b>   | <b>16 233 036</b> | <b>15 633 036</b>     |                           | <b>600 000</b>          |
| <b>- OPERATING LIABILITIES -</b>  |                   |                       |                           |                         |
| Trade payables.....<br>Taxes and payroll costs.....   | 9                 | 9                     |                           |                         |
| <b>SUBTOTAL</b>   | <b>9</b>          | <b>9</b>              |                           |                         |
| <b>- OTHER LIABILITIES -</b>  |                   |                       |                           |                         |
| Other liabilities (2).....  | 12 100            | 12 100                |                           |                         |
| <b>SUBTOTAL</b>   | <b>12 100</b>     | <b>12 100</b>         |                           |                         |
| Deferred income (1).....  | 211 378           | 211 378               |                           |                         |
| <b>SUBTOTAL</b>   | <b>211 378</b>    | <b>211 378</b>        |                           |                         |
| <b>TOTAL</b>  | <b>16 456 523</b> | <b>15 856 523</b>     |                           | <b>600 000</b>          |

(1): Primarily concerns unamortised amounts:

- a cash adjustment of €299,406 thousand lodged in November 2012 following the termination of the swap covering the bond in the amount of €600,000 thousand, which amounted to €211,417 thousand at 31/12/18, after amortization.

(2):

**NOTE 8 OTHER LOANS AND RECEIVABLES** *(in thousands of euros)*

|                                 | <u>31.12.2018</u> | <u>31.12.2017</u> |
|---------------------------------|-------------------|-------------------|
| <b><u>Other receivables</u></b> |                   |                   |
| <b>- Interest receivable</b>    |                   |                   |
| . On rate swaps.....            | 0                 | 0                 |
| . On currency swaps.....        | 0                 | 0                 |
| <b>- Other loans</b>            | 16,060            | 20,684            |
|                                 | -----             | -----             |
|                                 | 16,060            | 20,684            |
|                                 | =====             | =====             |
|                                 | <u>31.12.2018</u> | <u>31.12.2017</u> |
| <b><u>Other liabilities</u></b> |                   |                   |
| <b>- Interest payable</b>       |                   |                   |
| . On rate swaps.....            | 0                 | 0                 |
| . On currency swaps.....        | 0                 | 0                 |
| <b>- Expenses payable</b>       | 0                 | 0                 |
| <b>- Other payables</b>         | 12,100            | 18,076            |
|                                 | -----             | -----             |
|                                 | 12,100            | 18,076            |
|                                 | =====             | =====             |

**NOTE 9 OTHER PURCHASES AND EXTERNAL CHARGES** *(in thousands of euros)*

|  | <u>31.12.2018</u> | <u>31.12.2017</u> |
|--|-------------------|-------------------|
| <b><u>Other purchases and external charges</u></b> | 2,061             | 2,234             |
| ..... <i>Of which termination fees</i>             |                   | 113               |

NOTE 10:

**GIE PSA TRÉSORERIE**

DETAILED FINANCIAL INCOME AND EXPENSES - 2018 FINANCIAL YEAR -

(in thousands of euros)

| FINANCIAL INCOME<br>(in thousands of euros)             | TOTAL         | MEMBERS    | ASSOCIATES    | EXCL. GROUP   |
|---|---------------|------------|---------------|---------------|
| <b>Other interests &amp; related income</b>             | <b>72 312</b> | <b>388</b> | <b>35 713</b> | <b>36 211</b> |
| Income on ordinary current accounts.....                | 26 983        | 388        | 26 595        |               |
| Income from other intercompany investments.....         | 9 118         |            | 9 118         |               |
| Income from short-term investments.....                 | 36 211        |            |               | 36 211        |
| Other income.....                                       |               |            |               |               |
| <b>Writebacks on provisions &amp; expense transfers</b> |               |            |               |               |
| Writebacks on provisions.....                           |               |            |               |               |
| <b>GENERAL TOTAL</b>                                    | <b>72 312</b> | <b>388</b> | <b>35 713</b> | <b>36 211</b> |

| FINANCIAL EXPENSES<br>(in thousands of euros)               | TOTAL          | MEMBERS     | ASSOCIATES     | EXCL. GROUP    |
|---|----------------|-------------|----------------|----------------|
| <b>Financial allocations to amortisation and provisions</b> | <b>-35</b>     |             |                | <b>-35</b>     |
| Allocations to amort. Bond redemption premiums.....         | -35            |             |                | -35            |
| Provisions.....   |                |             |                |                |
| <b>Interest &amp; similar charges</b>                       | <b>-70 937</b> | <b>-153</b> | <b>-17 374</b> | <b>-53 410</b> |
| Interest on ordinary current accounts.....                  | -2 757         | -153        | -2 604         |                |
| Interest on other intra-group cash loans.....               |                |             |                |                |
| Interest on other external funding.....                     |                |             |                |                |
| Interest on borrowings.....                                 | -53 410        |             | 0              | -53 410        |
| Other expenses.....   | -14 770        |             | -14 770        |                |
| <b>GENERAL TOTAL</b>  | <b>-70 972</b> | <b>-153</b> | <b>-17 374</b> | <b>-53 446</b> |

**NOTE 11 FINANCIAL COMMITMENTS** (in thousands of euros)

|   | <u>31.12.2018</u>  | <u>31.12.2017</u>  |
|---|--------------------|--------------------|
| <b><u>Commitments received</u></b>                                  |                    |                    |
| . Deposits received on bonds.....<br><i>Incl. associates</i>        | 600,000<br>=====   | 600,000<br>=====   |
| . Commitments received on financing.....<br><i>Incl. associates</i> | 3,000,000<br>===== | 3,000,000<br>===== |
|   | -----              | -----              |
|   | 3,600,000          | 3,600,000          |

The confirmed credit line of €3 billion obtained by Peugeot SA and GIE PSA Trésorerie in April 2014 was renewed in November 2015. It comprises a tranche A totalling €2 billion with a maturity of five years and a tranche B totalling €1 billion with a maturity of three years with two optional one-year extensions. The two extension options were exercised. This credit line will thus mature in November 2020.

This facility is subject to the respect of:

- a net debt ratio for the Group's manufacturing and sales companies to Group equity of less than 1. The definition of net debt is indicated in Note 12.3 of the consolidated financial statements;
- a net level of indebtedness of the manufacturing and sales companies not exceeding €6 billion.

This facility was undrawn at 31 December 2018.

|  | <u>31.12.2018</u>                  | <u>31.12.2017</u>         |
|--|------------------------------------|---------------------------|
| <b><u>Commitments given</u></b>                                |                                    |                           |
| Commitments given on financing.....<br><i>incl. associates</i> | 111,643<br><i>111,643</i><br>----- | 19,543<br>19,543<br>----- |
|  | 111,643                            | 19,543                    |

The change in commitments given is due:

To a credit line existing at end-December 2017 in favour of PCMA for a total value of 4,480,798 thousand roubles. At 31/12/2018 PCMA had used 3,552,666 thousand roubles of these amounts. At the end of 2018, the amount still available totals 928,132 thousand roubles, i.e. €11,643 thousand.

To a line of credit in favour of Peugeot Argentina with a value of €200,000 thousand, of which €100,000 thousand was used on 19 September 2018.

#### **NOTE 12 GUARANTEES GIVEN**

As part of the renewal of the Peugeot S.A. bond issue program in 2013, GIE PSA Trésorerie granted a joint and several guarantee to subscribers to the following bond issues:

- €500,000,000 bearing interest of 2.375%, dated 15 April 2016 and maturing in April 2023 ;
- €600,000,000 with interest at 2% as of 23 March 2017 and maturing in March 2024;
- €100,000,000 with interest at 2% as of 31 May 2017 and maturing in March 2024;
- €650,000,000 with interest at 0.15% as of 20 March 2018 and maturing in March 2025.

Since 13 January 2017, GIE PSA Trésorerie stands as surety for PSA Automobiles SA (formerly PCA) in respect of the financing agreement signed in December 2016 between PSA Automobiles SA and the European Investment Bank (EIB) for an amount of €250 million over a period of 7 years.

#### **NOTE 13 FINANCIAL FUTURES** *(nominal value in thousands of euros)*

|  | <b><u>31.12.2018</u></b> | <b><u>31.12.2017</u></b> |
|--|--------------------------|--------------------------|
| <b>- Foreign exchange hedges:</b>                          |                          |                          |
| . Currency swaps.....                                      | 420,540                  | 233,348                  |
| . Lend/Borrow Cross-Currency Swap                          | 44,567                   | 45,030                   |
|  | -----                    | -----                    |
|  | 465,107                  | 278,378                  |
| <b>- Interest rate risk management:</b>                    |                          |                          |
| . Interest rate swaps backed by cash transactions<br>..... | 0                        | 0                        |
| . Interest rate swaps.....                                 | -----                    | -----                    |
|  | 0                        | 0                        |

#### **NOTE 14 WORKFORCE AND COMPENSATION**

GIE PSA TRÉSORERIE has no employees. Its sole Director is not paid.