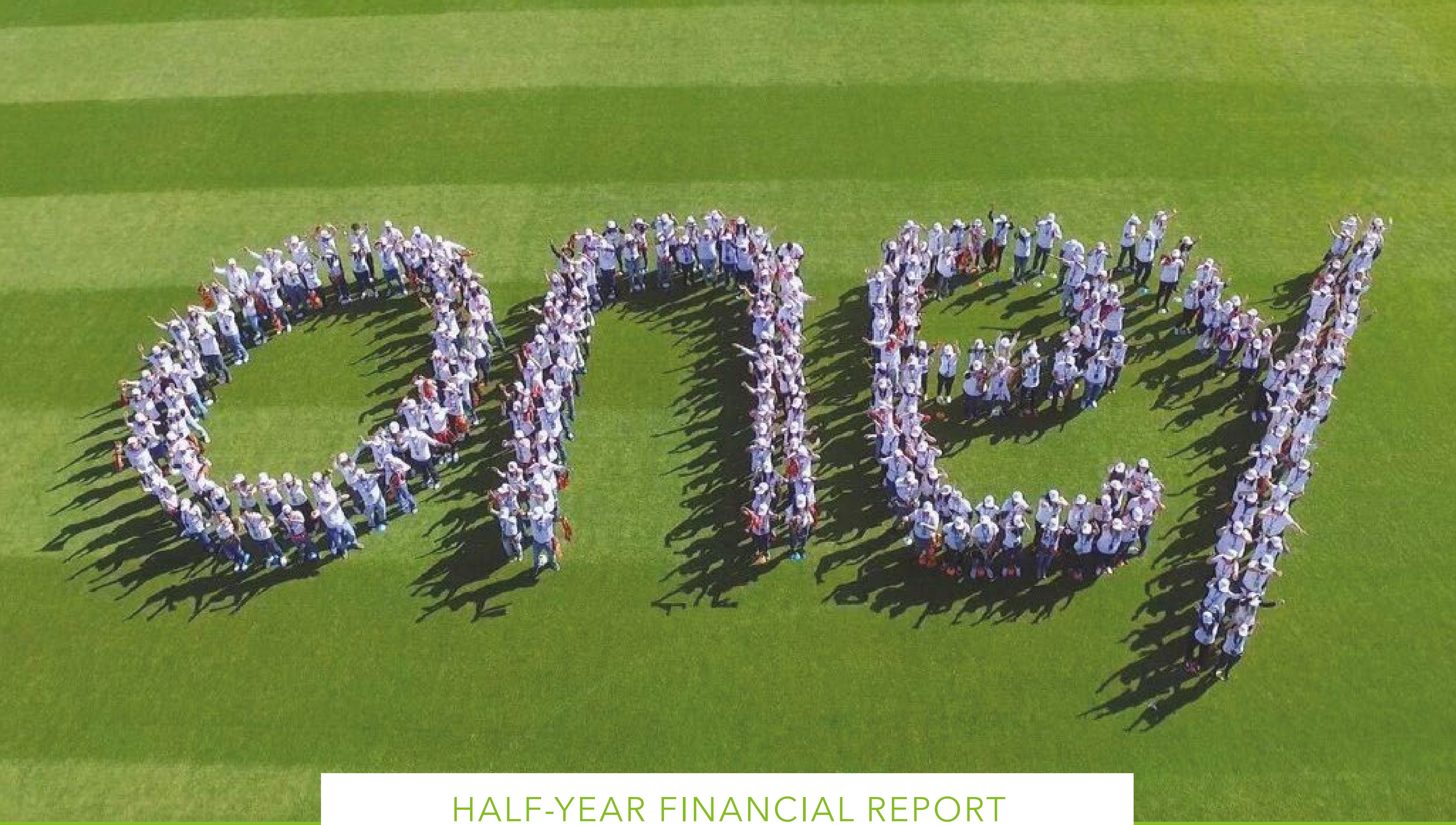

HALF-YEAR FINANCIAL REPORT FOR THE PERIOD ENDING 30 JUNE 2019

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SUMMARY

HALF-YEAR FINANCIAL REPORT FOR THE PERIOD ENDING 30 JUNE 2019

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STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

for the period ending 30 June 2019 pursuant to Article 3(2)(C) of the French Transparency Act (Loi Transparence)

Name

Jean-Pierre Viboud, Chief Executive Officer of Oney Bank

Statement

"I hereby declare that, to the best of my knowledge, the consolidated half-year financial statements for the period ending 30 June 2019 have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets and liabilities, financial position and profits or losses of the Company and of all companies included in its scope of consolidation, and that this management report accurately presents the Company's business development and results, its situation/position and that of all the companies included in the consolidation scope, as well as a description of the main risks and uncertainties they face."

Executed in Croix, 22 August 2019

JEAN-PIERRE VIBOUD
CEO
ONEY BANK

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ONEY BANK
Public limited company (Société Anonyme) with a Board of Directors
With a share capital of 50,741,215 euros

40 Avenue de Flandre 59170 CROIX
Lille Métropole trade and companies register B 546 380 197

MANAGEMENT REPORT ON THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDING 30 JUNE 2019

A] Economic climate

The eurozone's unemployment rate has continued to decline. In May 2019, it stood at 7.5% across the 19 countries in the eurozone. France was above the eurozone average with an unemployment rate of 8.6%.

The International Monetary Fund (IMF) has once again lowered its global growth forecast to 3.3% this year from 3.6% in 2018. It expects growth to rebound in 2020 to 3.6% and warns that, in the current environment, it is not likely to accelerate any further in the medium term.

In France, consumer credit to individuals continued to grow at a sustained pace (+5.6% in March 2019 after +6.1% in December 2018), driven mainly by amortising loans (+5.1%) and lease financing (+16.8%).

B] Key events and activity during the period

REFINANCING:

- **S&P RATING:** Following the announcement that BPCE had acquired a 50.1% majority stake in Oney Bank, Standard & Poor's confirmed Oney Bank's short-term rating at A-2 and its long-term rating at BBB with a positive outlook.
- **LIQUIDITY MANAGEMENT:** To manage its liquidity risk, Oney Bank has confirmed bank LOCs of €1,450 million (including €617 million in use at 30 June 2019), €1,331 million of which has a residual maturity of more than a year.

  Oney Bank has access to the exceptional liquidity measures put in place by the European Central Bank (ECB) through the mobilisation of securities at REPO rate issued by "Oneycord Compartiment 1", a group-owned mutual securitisation fund. At 30/06/2019 Oney Bank had used €355 million of its €497.2 million drawdown capacity.
- **REFINANCING STRUCTURE:** Oney Bank maintains a diversified and balanced refinancing structure. As such, Oney Bank's refinancing structure at 30 June 2019 consists of debt represented by securities, bank debt (including the ECB's TLTRO-II), personal savings and financing from the parent company.

MAIN EVENTS AND ACTIVITY

An ever-increasing roll-out of split payment in Europe, online and in stores

In the first half of 2019, Oney maintained its course and objective of becoming the European leader in split payments and expanded its "3x 4x Oney" omnichannel solution to include more partners.

In March, Oney signed with ePRICE, a major player in Italian e-commerce, whose website references more than 4 million high-tech and household appliance products. This has made Oney has the first player in Italy to offer payments split into 3x 4x instalments, by credit card and through a 100% digital customer experience.

In Belgium, Oney has entered into a partnership with Midas and Intersport to roll-out its split payment solution in their retail network. Customers of both brands benefit from a fully simplified, digital purchasing and financing process via smartphone.

In Spain, Oney has joined forces with FNAC, the local leader in electronic e-commerce, as well as with Décathlon, which will offer the "3x 4x Oney" solution in all its stores (over 150) in the coming months with options of 3, 4, 6 or 10 payments and very soon on its e-commerce website.

Finally, in France, the development of the "3x 4x" solution has also intensified: in stores, as well as online, and in new sectors (school and language trips, sports, etc.). Among the partnerships signed in the first half of the year were leading brands in their markets: Intersport (in more than 400 stores), Atol, Thomas Cook and Last Minute.

In France, Oney has taken another step forward by launching a long-term credit product, with up to 60 payments possible, online, and soon in stores. This new solution enhances the range of services offered to e-merchants and meets customer expectations, by offering them ever more freedom in completing their projects. Travel, furnishings, personal equipment, leisure, etc. All sectors and all retail players are concerned. After several months of testing in various e-merchant environments (Samsung.com, Alltricks, Mister Menuiserie), Oney's long-term credit should be made more widely available by the end of 2019 on the websites of around twenty brands.

- **INNOVATION TO SUPPORT GROWTH**

  Faithful to its DNA as a payment pioneer, Oney has launched Well.com in Romania, a digital application, which allows in-store payment with biometric fingerprint authentication. Oney and Auchan Retail were the first players in the market to develop such an innovation, which was recognised and awarded the Innovation Prize at the "NOCASH" gala.

  In Poland, Oney launched a new entity, "Smartney", offering fast lending solutions. Smartney's loan offerings are simple, fast and fully digital, and they match the Polish way of life. Smartney is based on the latest technologies and creates a new category of non-bank products, at some of the lowest prices on the market, offering the highest amounts and the longest durations. Now available from brokers and online , Smartney allows Poles to obtain consumer credit in less than 15 minutes and, in this way, complete their projects in record time

- **A NEW CORPORATE POLICY AND STRONG COMMITMENTS TO RESPONSIBLE CONSUMPTION**

  The first half of 2019 was marked by the sharing of Oney's CSR policy, a new governance for an integrated policy and responsible transformation of the group and its activities.

  Created with all of Oney's employees, this new policy embodies the group's commitments to meeting the societal and environmental challenges of today and tomorrow, and building a more sustainable world through new and more conscientious forms of consumption

  Among the nine pledges and three principles of action that make up the corporate policy, three key areas are true commitments undertaken by Oney:
  - Ensuring the internal and external employability of Oney Talents so that each of them can build their own career path.
  - Giving meaning to the digital age and making it a tool for creating value for all its stakeholders.
  - Encouraging responsible consumption.

GROUP RESULTS AND KEY FIGURES:

The key figures for ONEY BANK at 30 June 2019 are as follows:

- Net Banking Income of €217.5 million, down 0.3% compared to June 2018 (€218.1 million).
- A cost of risk of €37.0 million in June 2019, up 9.0% compared to 30 June 2018 (€33.9 million).
- Net income of €25.5 million, down 16.4% compared to 30 June 2018 (€30.5 million).
- Excluding exceptional items and items for ongoing activities, NBI is up 3.1% compared to 30/06/2018 and net income is stable compared to 30/06/2018.
- Overall gross balances for the bank of €2.8 billion, down 0.7% compared to June 2018.
- Net recruitment of 186,000 new customers across the 11 countries where the Bank currently

operates (France, Portugal, Spain, Poland, Italy, Hungary, Russia, Malta, Romania, Ukraine and Belgium), bringing their number to 7.6 million.

EVENTS AFTER THE REPORTING PERIOD:

There are no events after the reporting period likely to have a significant impact on the 30 June 2019 consolidated financial statements.

C] Outlook for 2019

Oney announces a first half of the year marked by a key turning point in its history: the acquisition by BPCE of a majority 50.1% stake in Oney Bank. After obtaining the authorisations from the relevant authorities, this long-term partnership will enable Oney to strengthen its position as the European leader in split payments and accelerate its development projects in Europe, particularly through its positioning as a local digital bank.

D] Main risks facing Oney Bank

LIQUIDITY RISK EXPOSURE:

In order to limit its liquidity risk, Oney Bank has adopted a cautious refinancing policy:

- Diversification of financing methods and counterparties to ensure a satisfactory distribution of funding in accordance with the recommendations of the French Banking and Financial Regulation Committee (Comité de Réglementation Bancaire et Financière).
- 100% coverage of the average refinancing requirement with resources drawn at more than one year and confirmed bank lines.

Oney Bank is required to comply with the Basel III Liquidity Coverage Ratio (LCR). As such, since 30 September 2015, it has continually held high-quality liquid assets (HQLA) enabling it to meet its 30-day net cash outflows in a stressed scenario. Since 1st January 2018, in accordance with the regulations in force, Oney Bank has complied with the minimum coverage of 100% of net cash outflows for a 30-day period.

Oney Bank is required to comply with a single covenant to maintain the refinancing facilities provided as part of the Club Deal (confirmed syndicated loan facility of 500 million euros) and certain confirmed credit lines. The ratio is defined as follows: Total credit outstanding > Net financial debt, i.e. amounts owing to credit institutions plus debt in the form of securities, minus the credit balances in bank accounts (cash accounts, central banks and postal accounts), investments and receivables from credit institutions and the gross value of HQLAs.

INTEREST RATE RISK EXPOSURE:

Oney Bank's financial policy is designed to protect its financial returns against future fluctuations in interest rates. It therefore hedges against the interest rate risk from its outstanding fixed-rate loans.

Interest rate risk on outstanding variable-rate loans is hedged as the opportunity arises, since Oney Bank is able to pass on any rate increases to its customers.

CREDIT RISK EXPOSURE:

After several years of reducing its credit risk, Oney Bank is pursuing its stabilisation objectives through the implementation of action plans for granting and risk management systems.

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E] Equity management

In accordance with the prudential regulations that transpose the European directives on the "capital adequacy of investment firms and credit institutions" into French law, Oney Bank is required to comply with the solvency ratio and ratios on liquidity, the division of risk and balance sheet stability.

Oney Bank's equity is managed in such a way as to meet the prudential capital standards required by European regulations in order to hedge against risks weighted in terms of credit risk, operational risk and market risk. To ensure compliance with its solvency ratio, Oney Bank carries out a comprehensive projection of its equity once a year at the time of establishing the plan, and monitors it more regularly at each quarterly closing date.

Since 2014, the level of equity has been based on Basel III regulations

The decree of 26 June 2013 transposes the European Capital Requirements Directive (CRD - 575/2013 and 2013/36/EU) into French regulations. The document defines the "capital requirements applicable to credit institutions and investment firms" and the methods for calculating the solvency ratio from 1st January 2014 onwards.

In accordance with these provisions, since 2014 Oney Bank has incorporated the impacts of switching to the new European CRD Directive into its equity and risk management approaches.

Equity is broken down into two categories:

- Tier 1 capital, made up of two parts:
  - Common Equity Tier 1 (CET 1) corresponding to shareholders' equity, group share, and adjusted for unrealised gains and losses,
  - Additional Tier 1 capital (AT1): corresponding to perpetual debt instruments,
- Tier 2 capital: corresponding to subordinated debt.

LEVEL OF PRUDENTIAL CAPITAL CALCULATED
IN ACCORDANCE WITH THE REGULATIONS:

In millions of euros	30/06/2019	31/12/2018
Consolidated equity, group share	581.2	570.3
Distributable dividends	-7.6	-15.8
Cash flow hedge reserves	+0.6	+0.8
Intangible assets and goodwill	-50.9	-52.2
Deferred taxes related to tax losses	-7.2	-6.9
Adjustments related to the transition period	0	-2.7
TIER 1 CAPITAL	**516.1**	**493.6**
Subordinated debt (excluding additional deductions)		
Adjustments related to the transition period	7.0	7.2
TIER 2 CAPITAL	**7.0**	**7.2**

Regulatory capital at the end of June 2019 amounted to €523.1 million, compared to €500.9 million in December 2018. In 2019, like in 2018, Oney Bank complied with these regulatory requirements.

CONSOLIDATED RATIOS

	BASEL 3 JUNE 2019	BASEL 3 DECEMBER 2018	BASEL 3 DECEMBER 2017	BASEL 3 DECEMBER 2016
Ratio/Tier 1	16.9%	15.9%	17.0%	16.3%
Ratio/Tier 2	0.2%	0.2%	0.0%	0.0%
Basel solvency ratio	17.1%	16.1%	17.0%	16.3%
LCR	134.4%	143.0%	100.5%	93.8%

The solvency ratio stood at 17.3% in 2019 before deducting 30% of the profit

The Board of Directors

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CONSOLIDATED FINANCIAL STATEMENTS

for the period ending 30 June 2019

A] Consolidated balance sheet (assets)

Assets (in €K)	EU IFRS 30.06.2019		EU IFRS 31.12.2018	
Cash accounts, central banks		377,777		400,841
Financial assets at fair value through profit or loss		5,170		3,199
Financial assets held for trading	0		0	
Other financial assets at fair value through profit or loss	5,170		3,199	
Available-for-sale financial assets		0		
Derivative hedging instruments		467		2,161
Financial assets measured at fair value through capital		1,302		1,177
Debt instruments measured at fair value through reclassification of capital	0		0	
Equity instruments measured at fair value through equity that cannot be reclassified	1,302		1,177	
Financial assets measured at amortised cost		2,657,592		2,672,861
-Debt securities	0		0	
-Loans and receivables - Credit institutions	254,606		187,550	
-Loans and receivables - Customers	2,402,987		2,485,311	
Financial assets held to maturity		0		0
Investments in associates		3,922		3,459
Tangible assets (Property, plant and equipment)		46,075		39,671
Intangible assets		20,363		21,789
Goodwill		31,478		31,478
Deferred tax assets		44,273		49,462
Current tax assets		9,470		1,803
Other assets and accruals		337,435		364,207
Subscribed capital not paid				0
Non-current assets and disposal groups classified as held for sale (IFRS 5 in progress)				
TOTAL ASSETS		**3,535,324**		**3,592,109**

OFF-BALANCE SHEET	30.06.2019		31.12.2018	
COMMITMENTS GIVEN		**6,756,810**		**6,750,024**
Financing commitments		**6,708,371**		**6,701,742**
to credit institutions				
to customers	6,708,371		6,701,742	
Guarantees		**48,439**		**48,282**
to credit institutions	48,322		48,166	
to customers	177		117	

B] Consolidated balance sheet (liabilities)

LIABILITIES (in K€)	EU IFRS 30.06.2019		EU IFRS 31.12.2018	
Central bank deposits		0		0
Financial liabilities at fair value through profit or loss		0		0
Derivatives		2,317		1,312
Financial liabilities measured at amortised cost		2,637,443		2,708,971
Amounts owing to credit institutions	1,091,685		830,254	
Customer debts and deposits	698,134		1,221,641	
Debt securities	840,083		657,075	
Subordinated debt	0		0	
Lease liabilities - IFRS 16	7,541			
Provisions		9,196		12,907
Technical reserves of insurance contracts		50,563		37,853
Technical reserves	50,563		37,853	
Amounts owing to reinsurers	0		0	
Current tax liabilities		8,331		11,814
Deferred tax liabilities		72		89
Accruals and other liabilities		244,348		247,021
Total Liabilities		2,952,268		3,019,968
EQUITY				
Group shareholders' equity		581,228		570,343
Subscribed capital and issue premiums	108,047		108,047	
Subscribed capital	50,741		50,741	
Issue premium	57,306		57,306	
Other equity				
Revaluation reserves	0		0	
Reserves	447,687		410,232	
Net profit	25,494		52,064	
Minority interests		1,828		1,798
Total equity		**583,056**		**572,140**
TOTAL LIABILITIES, SHAREHOLDERS EQUITY		**3,535,324**		**3,592,109**

OFF-BALANCE SHEET	30.06.2019		31.12.2018	
COMMITMENTS RECEIVED		**1,295,274**		**1,295,569**
Financing commitments		**1,283,954**		**1,278,002**
received from credit institutions	833,000		827,000	
received from customers	450,954		451,002	
Guarantees		**41**		**6,288**
received from credit institutions	41		6,288	
received from customers			0	
Commitments on securities		**11,278**		**11,278**
securities to be received	11,278		11,278	

C] Consolidated income statement

FINANCIAL AND OPERATING INCOME AND EXPENSES (in €K)	EU IFRS 30.06.2019		EU IFRS 31.12.2018		EU IFRS 30.06.2018	
Interest and similar income		121,279		249,453		126,685
Of which interest and similar income on transactions with credit institutions	157		441		279	
Of which interest and similar income on customer transactions	120,969		248,616		126,169	
Of which interest on variable-income securities	152		396		247	
Interest and similar expenses		6,455		16,985		9,678
Of which interest and similar expenses on transactions with credit institutions	2,260		5,638		3,786	
Of which interest and similar expenses on customer transactions	3,139		6,617		4,312	
Of which interest and similar expenses on bonds and other fixed-income securities	1,056		4,730		1,581	
Net interest margin		**114,824**		**232,468**		**117,016**
Fee and commission income	59,028		122,107		62,984	
Fee and commission expenses	13,242		34,323		15,672	
Margin on commissions		**45,785**		**87,784**		**47,312**
Net gains or losses on available-for-sale financial assets						
Net gains or losses on financial assets at fair value through profit or loss		2,541		385		452
Return on equity measured in equity that cannot be reclassified (Dividends)		11		46		22
Net gains or losses resulting from the derecognition of financial assets at amortised cost		0		0		
Net gains or losses on financial instruments at fair value through profit or loss		-2,219		-4,637		-1,919
Gains on financial instruments	167		1,657		174	
Losses on financial instruments	2,386		6,295		2,093	
Net foreign exchange differences		4		-38		-21
Revenue from other activities		68,454		135,168		68,921
Expenses for other activities		11,907		19,220		13,730
NET BANKING INCOME (en K€)		**217,494**		**431,956**		**218,053**
General operating expenses		144,936		289,653		145,195
Of which personnel expenses	68,234		130,562		60,856	
Of which other administrative costs	76,702		159,091		84,339	
Depreciation, amortisation and impairment of intangible and tangible assets		4,940		13,418		3,398
Of which depreciation of fixed assets	8,175		11,756		5,141	
Of which provisions net of reversals	-3,236		1,662		-1,743	
Of which provisions net of reversals for impairment	0		0		0	
GROSS OPERATING PROFIT		**67,619**		**128,885**		**69,460**
Cost of risk		36,984		64,370		33,933
OPERATING INCOME		**30,635**		**64,515**		**35,527**
Share of net profit (loss) of associates		446		1,173		1,325
Gains or losses on fixed assets		9		-9		0
Change in value of goodwill		0		0		0

	EU IFRS 30.06.2019		EU IFRS 31.12.2018		EU IFRS 30.06.2018	
TOTAL PROFIT FROM OPERATIONS BEFORE TAX		**31,089**		**65,679**		**36,852**
Tax expense (income) on profits from operations		5,602		13,072		6,378
TOTAL PROFIT FROM OPERATIONS AFTER TAX						
Net income from discontinued or held-for-sale operations (IFRS 5 in progress)						
TOTAL PROFIT		**25,487**		**52,607**		**30,474**
Net profit, Group share	25,494		52,064			30,312
Minority interests	-7		543			162
Number of shares	1,449,749		1,449,749			1,449,749
The Group's share of net profit per share	17.59		35.91			20.91

D] Consolidated statement of comprehensive income

(in K€)	30.06.2019			31.12.2018		
	Before tax	Tax (Expense) income	After tax	Before tax	Tax (Expense) income	After tax
Profit for the period (excluding profit from discontinued and held-for-sale operations)	**31,089**	**(5,602)**	**25,487**	**65,679**	**(13,072)**	**52,607**
Items to be reclassified						
Foreign exchange rate differences from foreign operations	(159)		(159)	(1,417)		(1,417)
Change in the fair value of financial instruments (cash flow hedge)	269	(86)	183	368	(151)	217
Other				231		231
Items that are unable to be reclassified to profit or loss						
Actuarial gains (losses) on defined benefit plans	583		583	543	(136)	408
Other comprehensive income for the period	**693**	**(86)**	**607**	**(275)**	**(286)**	**(561)**
Comprehensive income for the period	**31,782**	**(5,688)**	**26,084**	**65,404**	**(13,359)**	**52,045**
Attributable to:						
Owners of the Parent Company			25,965			51,939
Minority interests			129			106
Comprehensive income for the period			**26,094**			**52,045**

E] Cash flow statement

In thousands of euros		30.06.2019		30.06.2018	
Net profit (loss) before tax	**A**		**31,089**		**36,852**
Removal of non-monetary items:	B		-18,930		-12,417
Depreciation and amortisation of intangible and tangible assets		8,175		5,141	
Provisions net of reversals on customer receivables		-23,390		-14,912	
Provisions net of reversals on provisions for risks and charges		-3,710		-1,748	
Capital gains or losses		-9		0	
Net income from discontinued operations					
Other movements		2		-898	
Income from operations excluding non-monetary items	**A+B**		**12,159**		**24,436**
Increase in assets/decrease in liabilities (-)					
Decrease in assets/increase in liabilities (+)					
Cash flow from operations					
Loans and advances to customers	C	96,215		83,778	
Receivables/payables - credit institutions	C	272,563		-129,146	
Receivables/payables - customers (including corporate)	C	-521,862		-134,549	
Debt securities	C	182,883		224,333	
Financial assets and liabilities	C	1,008		-5,401	
Non-financial assets and liabilities	C	37,309		-7,367	
Taxes paid	C	-11,541		-11,306	
Other movements	C	1,021		-58	
Net cash flows from operating activities	**D=A+B+C**		**69,754**		**44,719**
Cash flow from investment activities					
Cash flow related to intangible and tangible investments		-6,727		-5,197	
Cash flow related to long-term investments and equity interests		0		0	
Other movements				0	
Changes to the consolidation scope		0		-4,698	
Net cash flow from investment activities	**E**		**-6 727**		**-9 895**
Cash flow from financing activities					
Dividends paid to shareholders		-15,755		-11,397	
Dividends paid to minority shareholders		-808		-1,129	
Capital increases		0			
Other		121		-179	
Net cash flow from financing activities	**F**		**-16 442**		**-12 705**
Net cash flow from operating activities	D		69,754		44,719
Net cash flow from investment activities	E		-6,727		-9,895
Net cash flow from financing activities	F		-16,442		-12,705
Effects of exchange rate fluctuations			226		-424
Net increase/decrease in cash flow			**46,812**		**21,696**
Cash and cash equivalents, start of period			581,900		478,658
Cash and cash equivalents, end of period			628,712		500,354
Net increase/decrease in cash flow			**46,812**		**21,696**

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F] Table of changes in shareholders' equity

	Capital and reserves							
	Group share					Minority interests		
In thousands of euros	**Capital**	**Premium**	**Reserves**	**Profit (loss)**	**Total**	**Reserves**	**Profit (loss)**	**Total**
Situation at 31 December 2017	**50,741**	**57,306**	**434,333**	**36,893**	**579,273**	**1,542**	**1,230**	**2,772**
Appropriation of 2016 income			-36,893	36,893	-	1,230	-1,230	-
Capital increase and rights issues					-			-
Impact of cash flow hedge			130		**130**			-
Translation adjustment			-813		**-813**	-407		**-407**
Other					-			
Share ownership plan					-			
misc. - Tax credit payment			1,058		**1,058**			
misc. - First-time adoption of IFRS 9*			- 44,167		**-44,167**	-324		**-324**
misc - Auchan dividends			- 11,397		**-11,397**			
misc - Géfirus					-			
misc - Put option on Hungary minorities					-	951		**951**
misc. - Hungary dividends					-	-1,129		**-1,129**
misc - Poland dividends					-			
misc - IFC Actuarial gains (losses) on retirement benefits					-			
misc. - Available-for-sale securities					-			
misc. - Other			68		**68**	65		**65**
Net profit (loss) as at 30 June 2018				30,312	**30,312**		162	**162**
Situation at 30 June 2018	**50,741**	**57,306**	**342,320**	**104,097**	**554,465**	**1,929**	**162**	**2,091**
Appropriation of 2016 income					-			-
Capital increase and rights issues					-			
Impact of cash flow hedge			87		**87**			
Translation reserve			-83		**-83**	-155		**-155**
Other								
Share ownership plan			-373		**-373**			
misc. - Tax credit payment								
misc. - First-time adoption of IFRS 9*								
misc. - Auchan dividends								
misc. - Géfirus								
misc. - Put option on Hungary minorities			-6,015		**-6,015**	-623		**-623**
misc. - Hungary dividends								
misc - Poland dividends								
misc. - IFC Actuarial gains (losses) on retirement benefits			408		**408**			
misc. - Available-for-sale securities					-			
misc. - Other			102		**102**	64		**64**
Net profit (loss) as at 31 December 2018				21,752	**21,752**		381	**381**

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Situation at 31 December 2018	50,741	57,306	410,232	52,064	570,343	1,255	543	1,798
Appropriation of 2018 income			52,064	-52,064	-	543	-543	-
Capital increase and rights issues								
Impact of cash flow hedge			183		**183**			
Translation reserve			-59		**-59**	-100		**-100**
Other								
Share ownership plans			60		**60**			
Misc.								
misc. - Impact of the application of IFRS 9 *								
misc. - Auchan dividends			-15,755		**-15,755**			
misc. - Géfirus								
misc. - Put option on Hungary minorities			615		**615**	708		**708**
misc. - Hungary dividends						-808		**-808**
misc. - Poland dividends								
misc. - IFC Actuarial gains (losses) on retirement benefits								
misc. - JV liabilities through equity that cannot be reclassified								
misc. - Other			348		**348**	236		**236**
Net profit (loss) as at 30 June 2019				25,494	**25,494**		-7	**-7**
Situation at 30 June 2019	**50,741**	**57,306**	**447,687**	**25,494**	**581,228**	**1,835**	**-7**	**1,828**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the first half of 2019

prepared in accordance with the IFRS accounting standards adopted by the European Union

(Figures in thousands of euros - €K or millions of euros - €M)

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NOTE 1 :
SUMMARY OF THE GROUP

Oney Bank S.A., registered under number 546 380 197 00105, is a French Société Anonyme (public limited company) with a Board of Directors, whose registered address is 40, Avenue de Flandre, Croix (59170), France.

It specialises in all types of banking transaction and banking-related operations including the receipt and transmission of orders on behalf of third parties, insurance brokerage and the representation of all insurance firms.

It is 96.3% owned by Auchan Holding, a French Société Anonyme (public limited company) with a Board of Directors, and whose registered address is 40, Avenue de Flandre, Croix (59170), France.

NOTE 2 :
KEY EVENTS AND MAJOR CHANGES TO THE CONSOLIDATION SCOPE

1. Key events:

- **S&P rating:**

Following the announcement that BPCE had acquired a 50.1% majority stake in Oney Bank, Standard & Poor's confirmed Oney Bank's short-term rating at A-2 and its long-term rating at BBB with a positive outlook.

- **First-time adoption of IFRS 16 for leases:**

The Oney Group implemented this standard within the required time frame. It allows leases to be shown on the lessees' balance sheet.

The Oney Group has applied the "modified retrospective method", the right of use of which is equal to the lease liabilities just before the date of first-time adoption. The impact of the first-time adoption is estimated at €6.2 million in right of use of lease liabilities.

2. Changes to the consolidation scope:

- **Additions to the consolidation scope/Integration of new companies:**

No new companies added to the consolidation scope in the first half of 2019

- **Changes in percentage of interest:**

No change in percentage of interest in the first half of 2019.

- **Removals from the consolidation scope:**

No companies left the consolidation scope in the first half of 2019.

3. Events after the reporting period:

There are no events after the reporting period likely to have a significant impact on the 30 June 2019 consolidated half-year financial statements.

4. Approval of the financial statements:

The condensed consolidated half-year financial statements were approved by the Board of Directors on 22 August 2019.

NOTE 3 :
RULES AND METHODS

1. Statement of compliance

The Oney Group's condensed consolidated interim financial statements for the period ending 30 June 2019 have been prepared in accordance with IAS/IFRS international accounting standards published by the IASB and IFRIC interpretations as adopted by the European Union (the "carve out" version, in which certain exemptions are made in the application of IAS 39 for macro-hedge accounting).

The standards and interpretations used for the preparation of the condensed consolidated half-year financial statements are the same as those used by the Oney Group for the preparation of its consolidated financial statements for the period ending 31 December 2018, with the exception of new standards with mandatory application from 1st January 2019, drawn up in accordance with EC Regulation 1606/2002, as well as IAS/IFRS requirements and IFRIC interpretations as adopted by the European Union (the "carve out" version, in which certain exemptions are made in the application of IAS 39 for macro-hedge accounting).

This regulation was supplemented by the regulation of 29 September 2003 (EC 1725/2003) on the application of international accounting standards and the regulation of 19 November 2004 (EC 2086/2004) on the adoption of standard 39 in an amended form.

The new standards, amendments and interpretations (in addition to the 2010-2012 and 2012-2014 annual improvements to the standards) required for reporting periods beginning on or after 1 January 2019 are:

Standards, Amendments and Interpretations	Date of publication by the European Union
IFRS 16: Leases: IFRS 16 Leases, published in January 2016, replaces IAS 17 Leases and accounting interpretations for such contracts. Under the new definition, leases must be recognised as an asset (or liability) and there is greater focus on the lessee's control of the right of use (ROU) asset. From the lessor's point of view, there should be limited impact, since the provisions selected remain largely unchanged from the current IAS 17 standard. For the lessee, the standard requires the recognition of all leases on balance sheet in the form of a ROU asset, recorded in the fixed assets and recognised as liabilities for rents and other payments to be made during the term of the lease. Depreciation of the ROU asset will be calculated on a straight-line basis and the financial debt actuarially over the term of the lease. This standard therefore mainly affects contracts that, under IAS 17, met the definition of single or operating leases and as such did not result in leased assets being recorded on balance sheet. IFRS 16 enters into force on a mandatory basis for tax years beginning on or after 1 January 2019, as adopted by the European Union for application in Europe.	1st January 2019
IFRIC 23 Tax Uncertainties: Clarification of the principles for recognising and assessing tax risks in application of IAS 12 ("Uncertainty over income tax treatments")	1st January 2019

The standards, amendments to existing standards and interpretations adopted by the European Union but whose application was not mandatory at 1st January 2019 have not been taken into account.

Nor do these financial statements take into account any new standards, revisions to existing standards or interpretations issued by the IASB but not yet adopted by the European Union on the financial statement reporting date.

Standards, Amendments and Interpretations not adopted by the EU	Summary of the standard	Impact on the group
IFRS 17 Insurance Contracts	IFRS 17 will replace IFRS 4. It defines new principles for the valuation, recognition and presentation of insurance contract liabilities.	The Oney Group began analysing the standard and identifying its potential effects following its publication.

2. Comparability and changes in accounting policy

- **Comparability:**

The accounting policies used by the Oney Group for preparing its condensed consolidated half-year financial statements are the same as those used in the consolidated financial statements for the year ended 31 December 2018 with the exception of specific provisions applicable to the preparation of interim financial statements and new mandatory standards.

The Oney Group's condensed consolidated half-year financial statements should be read in conjunction with the consolidated financial statements for the period ending 31 December 2018, which set out all the accounting policies applied, except for the new mandatory standards effective from 1st January 2019, which are presented in paragraph 3.1.

- **Changes in accounting policy:**

The accounting policy changes implemented by the Oney Group since 1st January 2019 relate to the application of IFRS 16.

Description of the new IFRS 16 accounting policy:

"IFRS 16 – Leases" replaces IAS 17, and is applicable on 1st January 2019.

It makes it possible to include leases in lessees' balance sheets and to no longer distinguish between operating leases and finance leases.

Short-term leases (less than 12 months and no purchase option), leases where the underlying asset is of low replacement value (less than $5,000), leases based solely on a variable index (% turnover) and with no minimum guaranteed rent are exempt.

The exemption for low-value leases concerns leases with high volumes but low value, such as leases for small computer equipment: computers, telephones, printers and office furniture.

The Oney group applies the "modified retrospective method" (partially retroactive), the right of use of which is equal to the lease liability immediately before the date of first-time adoption (corresponding to the residual value discounted at that date).

Assets and liabilities are valued at the beginning of the lease and will then be revalued whenever necessary. The two important parameters in this phase are:

- The probable duration of the commitment
- The discount rate (used to determine the present value of future cash flows)

The probable duration of the commitment is an estimate of the life of the lease.

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Situation at 30 June 2019:

The rights of use recognised as at 30 June 2019 concern the following items:

	30.06.2019
Gross rights of use:	**9,033**
Buildings and fixtures	6,576
Equipment	2,457
Depreciation of rights of use:	**1,366**
Buildings and fixtures	783
Equipment	583

- **Description of the IFRS 9 accounting policy**

IFRS 9 - Financial Instruments. IFRS 9 came into force on 1 January 2018. It was adopted by the European Union on 22 November 2016 and published in the Official Journal of the European Union on 29 November 2016.

The purpose of IFRS 9 is to replace the standard IAS 39. IFRS 9 - Stage 1 sets out the new rules for classifying and measuring financial assets and financial liabilities. Added to this is the impairment framework for credit risk (IFRS 9 - Stage 2), as well as the treatment of hedging transactions (IFRS 9 - Stage 3).

Financial assets are classified into three categories (amortised cost, fair value through profit or loss, and fair value through equity) based on the characteristics of their contractual cash flows and the manner in which the entity manages its financial instruments (business model).

Debt instruments (loans, receivables or debt securities) are recorded at amortised cost, provided that they are held for the purpose of collecting the associated contractual cash flows, and that they display basic lending characteristics (the cash flows must only correspond to repayments of principal and interest on the principal). Otherwise, these financial instruments are measured at fair value through profit or loss.

Equity instruments are recorded at fair value through profit or loss except in the case of irrevocable options when they are recognised at fair value through equity (provided that these instruments are not held for trading purposes and are classified as such in financial assets at fair value through profit or loss) without subsequent reclassification to profit or loss, even in the event of disposal. Also, only dividends are recognised in profit or loss.

Embedded derivatives are no longer recorded separately from host contracts when the latter are financial assets, meaning that the entire hybrid instrument must be recognised at fair value through profit or loss if it does not meet the SPPI criterion. It is possible for a hybrid instrument to meet the SPPI criterion and therefore be classified differently than at fair value through profit or loss.

The rules for classifying and measuring financial liabilities set out in IAS 39 are incorporated without amendment into IFRS 9, with the exception of financial liabilities that an entity chooses to measure at fair value through profit or loss (fair value option). value) for which any revaluation differences due to changes in the company's own credit risk are recognised as gains and losses directly in the shareholders' equity without subsequent any reclassification to profit or loss.

The provisions of IAS 39 relating to the derecognition of financial assets and liabilities are incorporated into IFRS 9 without any amendment. IFRS 9 has also changed the accounting treatment of a debt modification that does not result in derecognition. Oney Bank has not been impacted by this provision.

IFRS 9 introduces a new impairment model that requires the recognition of Expected Credit Losses (ECL) on loans and debt instruments measured at amortised cost or at fair value through non-recyclable equity, on loan commitments and on financial guarantee contracts that are not recognised at fair value, as well as on lease and trade receivables. The purpose of this new approach is to account for expected credit losses as soon as an asset has been first recognised, whereas in the IAS 39 provisioning model, loss identification was based on the recognition of "triggering" events supported by observable evidence.

The ECL represents an estimate established by probabilistic weighting of credit losses.

The credit loss represents the present value of the difference between the contractual cash flows and the expected cash flows (including principal and interest).

- **Description of the IFRS 15 accounting policy**

“IFRS 15 – Revenue from Contracts with Customers” establishes the principles of revenue recognition for all contracts with customers, except for those that fall within the scope of application of other standards: Lease agreements, Insurance contracts, Financial instruments, Consolidated securities, Non-monetary exchanges between entities of the same branch of activity intended to favour sales to current or potential customers. These principles are applicable to all sectors of activity. This standard came into force on 1st January 2018

IFRS 15 replaces standards IAS 11 “Construction Contracts”, IAS 18 “Revenue”, IFRIC 13 “Customer Loyalty Programmes”, IFRIC 15 “Agreements for the Construction of Real Estate”, IFRIC 18 “Transfers of Assets from Customers” and SIC - 31 “Revenue - Barter Transactions Involving Advertising Services”.

Application of the standard at Oney affects the recognition of the cost of the cards as part of the implementation of the new European Directive on payment services (DSP2) which will involve switching the stock of private cards to bank cards from 2019.

At Oney, this translates into the recognition of contract performance costs as assets when these costs meet the following conditions:

- They do not fall within the scope of any IFRS standards other than IFRS 15
- They are directly linked to a contract
- They provide the entity with resources that will satisfy a performance obligation in the future
- The entity expects to recover these costs

The contract performance costs recognised as assets are therefore amortised. The costs will therefore be spread over several years and no longer recorded in one go.

Only two types of costs can be spread over time, the blank materials and personalisation of the card.

3. Details specific to the preparation of the condensed consolidated half-year financial statements

Employee benefits: Unless a specific event occurs during the period, no actuarial valuations are performed as part of the preparation of the condensed consolidated half-year financial statements.

4. Use of estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that could affect the carrying amount of certain assets, liabilities, income and expenses, as well as the information provided in the notes to the financial statements. Actual values may differ from estimated amounts.

For the Oney Group's consolidated financial statements, accounting estimates that require assumptions to be made are used primarily to measure the following:

- **Impairment of receivables:**

The value of the item "Loans and receivables - Customers" is adjusted by impairment on the date of initial recognition of the receivables.

This impairment loss, calculated on groups of similar receivables discounted to present value, is estimated on the basis of a certain number of inputs and assumptions (number of past dues, historical recovery rates, status of receivables in the recovery process, loss rates, performance of third-party litigation firms, etc.), and forward-looking information.

Recorded impairments reflect Management's best estimates of the future cash flows of these receivables at the reporting date.

Since 1st January 2018, the Oney Group has applied the new impairment model required by IFRS 9.

IFRS 9 replaces IAS 39's incurred loss model with a single forward-looking impairment model based on expected losses. The new model applies to loans, off-balance sheet commitments and debt securities recognised at fair value through OCI.

As required by the standard, the Oney Group categorises assets into 3 "stages": performing assets, underperforming assets and non-performing assets.

- A performing asset (stage 1) is an asset whose credit quality has not deteriorated significantly since initial recognition. The impairment amount is based on the expected credit losses at 12 months.
- The transition from a performing asset to an underperforming one (stage 2) is justified by a significant deterioration in credit quality since initial recognition. Significant deterioration is defined by the Oney Group as an ongoing situation of non-payment lasting less than 90 days or that has arisen in previous months. A return to the performing asset class occurs when the probability of default falls below a certain level compared to the original probability of default, resulting in a stricter observation period. Oney justifies the use of this criterion for defining credit deterioration by the very significant proportion of past due payments in the management scores and the absence of a Basel rating for all entities in the group.
- Classification as a non-performing asset (stage 3) is justified by the default of the asset. Oney's concept of default requires at least one of the following three grounds to be met: the existence of one or more payments past due for at least three months, the existence of contentious proceedings, a situation whose characteristics - regardless of the existence of an unpaid debt - could lead to the conclusion that there is a proven risk (e.g. restructured loans with application of a discount in France on which an additional provision is recognised). La perte attendue est évaluée selon le modèle suivant : le couple PD/EAD (Probabilité de Défaillance/Exposition au moment de la Défaillance) par la LGD (Perte en cas de Défaillance).

The expected loss is evaluated using the following model: the PD/EAD (Probability of Default/ Exposure at Default) multiplied by the LGD (Loss Given Default).

The expected loss of assets will be based on a 12-month PD for performing assets and a lifetime PD for underperforming assets. Lifetime PD/EADs are calculated using ageing parameters applied to the PD/EAD at 12 months. The use of the ceiling available to the customer is also taken into account in ECL calculations.

The provisioning system, based on a PD and an LGD, converges towards the advanced Basel Advanced-IRB model but retains strong specific features, such as reflecting amortisation in the EAD, using a contract rate as a discount rate, calculating a lifetime PD for underperforming assets, the absence of any adjustment for prudence, and the inclusion of forward-looking data to assess the default.

A forward-looking methodology has been established for all countries in which the Group operates, incorporating the various risk factors to be assessed and the implementation of scenarios to account for external (macroeconomic) and/or internal (corporate strategy) foresight.

In France, the methodology includes a component that incorporates a change in the probability of future default in the provision rate. This component is established on the basis of the volatility and observed evolution of the probabilities of default over the last five years. This method was chosen in France in the absence of any convincing correlation with macroeconomic information,

whereas Spain and Portugal rely on the correlation between macroeconomic data (unemployment rate, Euribor rate, the country's central consumer credit database, etc.) and expected credit losses.

The governance of IFRS 9 describes the general framework for the various controls and the monitoring of expected credit losses. The most important functions of governance related to data quality and availability, modelling management and methodologies, and internal control. The governance in place ensures that the company has a clear view of risk, by establishing reports that contain key performance indicators for estimating ECL. The reports are used to explain or adjust the calibration of the provisioning model according to alert levels and the corrective measures described.

The definitive estimate of the impact was made during the transition to the new standard on 1st January 2018.

- **Provisions :**

Estimates may also be used to measure provisions.

The assessment of the amount of the potential financial impact incorporates Management's judgement.

- **Insurance technical reserves:**

Calculations are based on expected losses using models and assumptions based on historical and current market data.

- **Financial instruments measured at fair value:**

The fair value of financial instruments is determined using interest rate curves based on market interest rates observed on the reporting date.

- **Pension plans and other future employee benefits:**

Expenses related to pensions/retirement and other future employee benefits are calculated based on assumptions drawn up by Management on discount rates, staff turnover rates and changes to salaries and social security contributions. If the actual figures differ from the assumptions used, the retirement benefits expense may increase or decrease in future financial years.

Unless a specific event occurs during the period, no actuarial valuations are performed as part of the preparation of the condensed consolidated half-year financial statements

- **Deferred tax assets:**

Deferred tax assets are recognised for all deductible temporary differences, provided that the future availability of a taxable profit to which these deductible temporary differences may be attributed is considered probable. The likelihood of the tax asset being used depends on it being allocated within a reasonable time frame.

- **Goodwill :**

Impairment tests carried out on goodwill are based on three-year budget assumptions and parameters (discount rate, growth rate to infinity) that require estimates to be made.

FORMAT OF THE FINANCIAL STATEMENTS

The Oney Group uses summary formats (Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement) pursuant to ANC recommendation no. 2017-02 of 2 June 2017.

The Cash Flow Statement was established using an analysis of cash flow based on consolidated pre-tax income and using the indirect method.

In addition, the corporate purpose of Oney Bank SA forms the basis for determining the scope of operations, investment transactions and financing.

Cash flow relating to the customer lending business and the liabilities refinancing this loan business have therefore been included in the scope of operations.

Finally, the definition of cash and cash equivalents used in this document corresponds to that recommended by ANC recommendation no. 2017-02, namely: cash accounts, central banks (assets and liabilities), accounts (assets and liabilities) and demand loans/borrowings to/from credit institutions as they appear in the Oney Group consolidated balance sheet for the periods under review.

5. Scope and method of consolidation

The notes to the consolidated financial statements contain important material information allowing for a fair assessment of the Group's assets and liabilities, its financial position, risks and performance.

These consolidated financial statements comprise the financial statements of Oney Bank SA and the French and foreign entities that make up the Oney Group. Since the financial statements of foreign subsidiaries are prepared in accordance with local accounting rules, they have been adjusted and reclassified to bring them in line with the IFRS accounting policies applied by the Oney Group.

1. SCOPE

The scope of consolidation includes 25 companies (plus one representative office in China and a branch in Portugal) as at 30 June 2019:

- 24 controlled companies,
- 1 company under significant influence.

The scope of consolidation on 30 June 2019 was as follows:

SUBSIDIARIES	% SHAREHOLDING	TYPE OF CONTROL	% CONTROL
Oney Espagne (Spain)	100%	Controlled	100%
ONEY Italia	100%	Controlled	100%
ONEY MAGYAROSZAG (Hungary)	60%	Controlled	100%
ONEY PSP (Hungary)	60%	Controlled	100%
GEFIRUS (France)	60%	Controlled	100%
BA Finans (Russia)	60%	Controlled	100%
ONEY BANK (Russia)	60%	Controlled	100%
ONEY Poland (Poland)	100%	Controlled	100%
ONEY Services (Poland)	100%	Controlled	100%
SMARTNEY (Poland)	100%	Controlled	100%
ONEY FINANCES (Romania)	100%	Controlled	100%
ONEY ACCORD Business Consulting (China)	49%	Significant influence	49%
ONEY Services (formerly Oney Courtage - France)	100%	Controlled	100%
ONEY Holding Limited (Malta)	100%	Controlled	100%
ONEY Insurance (Malta)	100%	Controlled	100%
ONEY Life (Malta)	100%	Controlled	100%
ONEY UKRAINE (Ukraine)	100%	Controlled	100%
ONEY Investment (France)	100%	Controlled	100%
ONEY Trust (merger of FIA-NET and Oney Tech)	100%	Controlled	100%
ID Expert (France)	100%	Controlled	100%
ONEY Tech US (USA)	98%	Controlled	100%
FNP (France) (formerly Flash'n Pay)	100%	Controlled	100%
Flandre Investment (France)	100%	Controlled	100%
ICI (France)	100%	Controlled	100%
Natural Security (France)	48.33%	Controlled	100%

AD HOC STRUCTURE	% SHAREHOLDING	TYPE OF CONTROL	% CONTROL
FCT Oneycord 1 (France)	100%	Controlled	100%

By way of a reminder, a securitisation transaction was carried out on 22 September 2009.

FCT Oneycord 1, which would ordinarily have begun to be amortised on 15 October 2012, was extended by three years, with amortisation beginning on 15 October 2015.

In 2015 and in previous years, Oney Bank SA carried out a restructuring (new prospectus and new rating) of FCT Oneycord 1. Its term has been extended to September 2019.

This fund is wholly owned by Oney Bank SA. The assigned receivables originate from revolving credit facilities. The sub-fund is topped up throughout its term by new eligible receivables as well as by drawdowns on receivables that have already been securitised.

FCT Oneycord 1 is controlled.

For more details on this securitisation transaction and an indication of the carrying amount of the assets concerned and related liabilities, see Note 8.6 Assets transferred but not derecognised or derecognised with continuing involvement.

NOTE 4 :
SEASONALITY OF BUSINESS

The Group's activities are not seasonal or cyclical, so the results for the first half of the year are not influenced by these factors.

NOTE 5 :
UNUSUAL ITEMS

There are no unusual items affecting the 30 June 2019 financial statements.

NOTE 6 :
DERIVATIVES

Transactions in interest rate futures amounted to €444 million vs. €590 million at the end of 2018.
The portfolio can be classified into a number of groups:

1. Hedging derivatives

- Fixed-rate amortising swaps are used to hedge against risks associated with the financing of fixed-rate loans;

2. Derivatives not qualifying for hedge accounting

- Interest rate options (CAP - guaranteeing a maximum rate, and possibly FLOOR - guaranteeing a minimum rate) are used to hedge increased variable-rate loan costs arising from a significant increase in interest rates.
- Cross-currency swaps are used to hedge against risks associated with refinancing subsidiary companies outside the eurozone.

The fair value of these instruments is set out in the table below:

HEDGING AND TRADING DERIVATIVES (IN THOUSANDS OF EUROS)	30.06.2019		31.12.2018	
	Assets	Liabilities	Assets	Liabilities
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING	**467**	**1,382**	**2,161**	**43**
Interest-rate derivatives:				
Fixed instruments	467	1,382	2,161	43
Conditional instruments				
FAIR VALUE HEDGING	**0**	**0**	**0**	**0**
Interest-rate derivatives:				
Fixed instruments				
Conditional instruments				
CASH FLOW HEDGING	**0**	**935**	**0**	**1,270**
Interest-rate derivatives:				
Fixed instruments	0	935	0	1,270
Conditional instruments				
Total	**467**	**2,317**	**2,161**	**1,312**

Information on IFRS 9 Phase 3 "Hedge Accounting":

CATEGORY	TYPE OF INSTRUMENT	NOTIONAL AMOUNT	CHANGE SINCE 31/12/2018	FAIR MARKET VALUE AT 30/06/2019
Derivatives for trading (CCS)	Cross Currency Swap	40,895	-2,952	467
Derivatives for hedging (IRS)	Interest Rate Swap	502,684	269	-2,317
Total		**543,579**	**-2,684**	**-1,850**

NOTE 7 :
LOANS AND RECEIVABLES - CREDIT INSTITUTIONS

LOANS AND RECEIVABLES (in thousands of euros)	30.06.2019	31.12.2018	Change
Demand loans - credit institutions:	**211,302**	**142,650**	**68,652**
Term loans - credit institutions:	**43,304**	**44,900**	**-1,596**
Principal	43,292	44,890	-1,598
Related receivables	12	9	+3
Subordinated loans:		**0**	
Principal		0	
Related receivables		0	

NOTE 8 :
LOANS AND RECEIVABLES - CUSTOMERS

1. General principles of IFRS 9 stage 1 "Classification and Measurement"

1. GENERAL PRINCIPLES

IFRS 9 introduces a single, logical approach to classification for all financial assets, either at amortised cost or at fair value, including for financial assets that include an embedded derivative. In this case, the financial asset is classified in its entirety instead the complex system of accounting for it separately. The approach is based on principles rather than rules like in IAS 39, which were deemed complex and difficult to apply.

Three criteria must be used to determine how financial assets should be classified and measured:

- **The nature of the asset:** idebt instrument, equity instrument or derivative instrument;
- **The SPPI test** (Solely Payment of Principal and Interests): the characteristics of the contractual cash flows of the financial asset.
- **The business model test**: the business model that the entity uses for its management of financial assets.

Financial assets must all be fully allocated to one of these IFRS 9 categories. This allocation takes place on the day of the asset's initial recognition and cannot be modified, except in specific circumstances, such as a change of business model, in particular.

Outstanding debts for the Oney Group include revolving and redeemable loans, cash balances and related receivables. Loans are allocated to the category "Loans and receivables".

Countries have analysed the completeness of outstanding loan agreements by completing a SPPI questionnaire for each product.

Based on the characteristics of the latter (interest rate, duration and type of instrument), it was possible to show that the results of the products met SPPI criteria, with a business model aimed at holding financial assets for the purposes of collecting contractual cash flows. For these outstanding loans, the new IFRS 9 standard does not bring about any changes compared to IAS 39, and they continue to be recognised at amortised cost at the effective interest rate.

Business model :

The Oney Group does not collect contractual cash flows for the purposes of resale. However, countries may decide to dispose of certain categories of portfolios, in response to market opportunities or occasional internal demands.

The business model associated with over-indebted portfolios for which disposals regularly take place is not designed to collect contractual cash flows in order to sell them on. Its sole purpose is to hold these financial assets in order to collect contractual cash flows, and never for the purposes of sale - they cannot be measured at fair value through OCI

In accordance with the standard, disposals of assets are not incompatible with the "collection of contractual cash flows" management model, as specified in IFRS 9 (paragraph B4.1.3A): "The business model may be to hold assets to collect contractual cash flows even if the entity sells financial assets when there is an increase in the assets' credit risk... Irrespective of their frequency and value, sales due to an increase in the assets' credit risk are not inconsistent with a business model whose objective is to hold financial assets to collect contractual cash flows... Credit risk management activities that are aimed at minimising potential credit losses due to credit deterioration are integral to such a business model…".

The business model was analysed at the outset and the sale of loans for over-indebtedness does not call into question the business model for collecting contractual cash flows.

Financial assets at fair value through profit or loss

LOANS AND RECEIVABLES (in thousands of euros)	30.06.2019	31.12.2018	Change in fair value
Financial assets at fair value through profit or loss	5,170	3,199	1,971
Financial assets at fair value through OCI that cannot be reclassified*	1,302	1,177	125

*Oney recognises its strategic equity shares as fair value equity instruments that cannot be reclassified (irrevocable option)

The irrevocable option to recognise equity instruments at fair value through non-recyclable equity is chosen at transactional level (line by line) and is effective from the date of initial recognition. These securities are recorded on the trade date.

The initial fair value includes transaction costs.

In subsequent valuations, changes to fair value are recorded in non-recyclable equity. In the event of a sale, these variations are not reclassified to profit or loss, the profit or loss is recognised in equity.

Only dividends are recognised in profit or loss.

2. Maturity dates

LOANS AND RECEIVABLES (in thousands of euros)	< = 3 MONTHS	3 MONTHS < D <= 1 YEAR	1 year < D <= 5 years	> 5 years	30.06.2019
Customer current accounts					
Overall gross outstanding debts:	**510,084**	**717,635**	**1,332,494**	**205,487**	**2,765,700**
Performing outstanding debts (stage 1) subject to a 12-month ECL	449,978	572,831	1,021,253	125,701	2,169,763
Non-performing outstanding debt (stage 2) subject to an ECL at maturity	26,265	53,039	114,396	23,916	217,616
Impaired outstanding debt (stage 3) subject to an ECL at maturity	33,841	91,765	196,844	55,869	378,320

LOANS AND RECEIVABLES (in thousands of euros)	< = 3 MONTHS	3 MONTHS < D <= 1 YEAR	1 year < D <= 5 years	> 5 years	31.12.2018
Customer current accounts					
Overall gross outstanding debts:	**541,342**	**725,214**	**1,395,093**	**210,446**	**2,872,094**
Performing outstanding debts (stage 1) subject to a 12-month ECL	479,558	578,059	1,069,477	129,769	2,256,862
Non-performing outstanding debt (stage 2) subject to an ECL at maturity	25,936	51,730	112,833	21,665	212,164
Impaired outstanding debt (stage 3) subject to an ECL at maturity	35,848	95,425	212,783	59,012	403,069

3. Impaired outstanding debt

(in thousands of euros)		30.06.2019	31.12.2018	Change
Gross outstanding debt		**2,765,700**	**2,872,094**	**-106,395**
Stage 1 performing outstanding debt subject to a 12-month ECL	+	2,169,763	2,256,862	
Stage 2 non-performing outstanding debt subject to an ECL at maturity	+	217,616	212,164	
Stage 3 impaired outstanding debt subject to an ECL at maturity	+	378,320	403,069	
Impairments	-	**362,713**	**386,783**	**-24,070**
Outstanding debt at end of period:	=	**2,402,987**	**2,485,311**	**-82,324**
Percentage of Stage 3 outstanding debt/total debt:		13.7%	14.0%	
Hedging rate of total outstanding debt:		**13.1%**	**13.5%**	

(1) Of which related receivables

4. Transfer of outstanding debts

(in thousands of euros)	Performing or non-performing assets				Impaired assets (Stage 3)		Total		
	Assets subject to a 12-month ECL (Stage 1)		Assets subject to an ECL at maturity (Stage 2)						
	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses	Gross book value (a)	Correction of value for losses (b)	Net book value (a) - (b)
At 1st January 2019	**2,256,862**	**38,602**	**212,164**	**44,338**	**403,069**	**303,844**	**2,872,094**	**386,783**	**2,485,311**
Transfers of outstanding assets from one stage to another									
Transfers to Stage 1 (12-month ECL)	99,846	15,648	-99,328	-15,344	-518	-304	0	0	
Transfers to Stage 2 (ECL at maturity)	-176,355	-3,671	206,402	18,397	-30,047	-14,726	0	0	
Transfers to Stage 3 (Impaired ECL at maturity)	-9,545	-170	-77,387	-27,815	86,932	27,985	0	0	
Total transfer	**-86,054**	**11,807**	**29,687**	**-24,762**	**56,367**	**12,955**	**0**	**0**	**0**
Changes in gross book values and value adjustments for losses									
New production: purchasing, granting, origination, etc.	791,437	28,669	13,240	2,016	11	369	804,688	31,053	
Derecognition: transfer, repayment, expiry, etc.	-779,414	-28,573	-31,653	-5,514	-32,936	-21,619	-844,003	-55,706	
Impact on ECL exposures transferred between stages during the period	-2,196	-13,097	232	28,333	125	10,813	-1,839	26,049	
Change to a loss	0	0	0	0	-51,299	-35,735	-51,299	-35,735	
Changes in cash flows that do not result in derecognition	-13,383	-620	-6,057	-872	-1,529	967	-20,969	-525	
Evolution of credit risk parameters over the period		-21		74		-180	0	-128	
Changes in the model/ methodology		0		0		0	0	0	
Changes to the consolidation scope	0	0	0	0	0	0	0	0	
Other	2,510	70	4	763	4,514	10,088	7,028	10,921	
Total changes	**-1,045**	**-13,572**	**-24,234**	**24,800**	**-81,116**	**-35,298**	**-106,395**	**-24,070**	
At 30 June 2019	**2,169,763**	**36,836**	**217,616**	**44,376**	**378,320**	**281,501**	**2,765,700**	**362,713**	**2,402,987**

5. Changes to impairment of outstanding customer debt

CHANGES TO IMPAIRMENT (in thousands of euros)	01.01.2019 to 30.06.2019	30.06.2018 to 31.12.2018	01.01.2018 to 30.06.2018
Impairment, start of period:	386,784	447,991	356,258
Changes to the consolidation scope			
First-time application of IFRS 9			108,786
Increases	12,977	25,219	15,213
Reversals	36,366	85,022	30,125
Reversal of discount on debt in over-indebtedness proceedings	-1,238	-1,052	-1,701
Other reclassifications + translation adjustments	558	-352	-440
Impairment, end of period:	362,713	386,784	447,991

6. Assets transferred but not derecognised or derecognised with continuing involvement

- Assets transferred but not derecognised include customer outstandings within FCT Oneycord sub-fund 1. At 30 June 2019, the amount of the relevant assets, net of associated liabilities, was €723 million, compared to €737 million at 31 December 2018, and continue to be recognised on the group's balance sheet under "Loans and Receivables - Customers".

- The amount of derecognised assets with ongoing involvement corresponds to disposals of outstanding debt in over-indebtedness proceedings for which debt collection continues to be carried out by the Oney Group. At 30 June 2019, the amount of derecognised outstanding debt with continued involvement amounted to €1.4 million compared to €2.4 million at 31 December 2018.

NOTE 9 :
GOODWILL

Goodwill consists of:

- Goodwill in relation to Oney Portugal (dated 1st July 2000, initially amortised on a 20-year basis until 31 December 2003 and dated 1st January 2005 following the purchase of further Oney Portugal shares held by Cofinoga). Its net value at 30 June 2018 was €18,394K;

- Goodwill in relation to Oney Spain (formerly Accordfin) amounting to €8,049K dated 3 July 2010 in connection with the exercise by Santander Consumer Finance of its put option over the 49% shareholding it held in Accordfin.

- Goodwill of €5,035K in relation to ICI dated 29 January 2018.

Impairment tests are performed at least once a year (in practice at the end of the year) for assets with an indefinite life span such as goodwill. On 30 June 2019, given the absence of any indication of impairment of goodwill, no impairment test was performed.

NOTE 10 :
DEFERRED TAXES

This table explains the changes to net deferred taxes (assets – liabilities)

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(in thousands of euros)	01.01.2019	Changes recognised in profit or loss	Changes recognised in equity	Cumulative translation adjustment/ Reclassification	30.06.2019
Non-deductible provisions	37,437	-1,704		32	35,767
Tax-related provisions	-244	171			-73
Financial instruments	287	126	-86		327
Other	11,894	-3,796		85	8,181
TOTAL	49,374	-5,202	-86	117	44,202

The "Other" section includes a €7.2 million deferred tax asset activated on a loss on 30/06/2019.

These deferred tax amounts include a €12.8 million deferred tax on carry-forwards which has not been activated due to the uncertainty of its future allocation.

NOTE 11 :
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

(in thousands of euros)	30.06.2019	31.12.2018	Change
Amounts owing to credit institutions:	1,091,685	830,254	261,431
Demand	2,089	5,490	-3,401
Term	1,089,596	824,764	264,832
Customer debts and deposits:	698,134	1,221,641	-523,507
Demand	4,445	154,770	-150,326
Term	693,689	1,066,871	-373,182
Debt securities:	840,083	657,075	183,008
Debenture loans	100,034	100,000	34
Other debt represented by a security (MT notes, negotiable certificates of deposit)	740,049	557,075	182,974
Lease liabilities:	7,541		7,541
TOTAL	2,637,443	2,708,971	

At 30 June 2019, the amount of unused confirmed credit lines granted by banking institutions was 833 million euros, including 765 million euros maturing after more than a year.

BREAKDOWN OF DEBENTURE LOANS

Borrowing company	Nominal interest rate	Effective interest rate	Date of issue	Maturity	30.06.2019	31.12.2018	Listing market
Oney Bank SA	E3M + 60bp	E3M + 60bp	October 2016	October 2020	50,000	50,000	Luxembourg
Oney Bank SA	E3M + 60bp	E3M + 60bp	February 2018	October 2020	50,000	50,000	Luxembourg
TOTAL					100,000	100,000	

Details of subordinated debts

In 2019, the Oney Bank group no longer holds redeemable subordinated notes.

Offsetting financial assets and liabilities

In accordance with IAS 32, Oney Bank offsets a financial asset and a financial liability and has a net balance if, and only if, Oney Bank has a legally enforceable right to offset the recognised amounts and intends to settle the net amount or realise assets and liabilities simultaneously.

Financial instruments given/received as collateral

The Oney Group has 5,364 A Bonds (corresponding to a fraction of the securitised loan portfolio) pledged as collateral with the European Central Bank for a total nominal amount of €536.4 million as part of the ECB's open market operations.

TLTRO II:

In June 2016, Oney Bank subscribed to TLTRO II for an amount of €355 million at an adjustable rate of 0%, which was reduced to -0.40% in June 2018 (positive fluctuations to outstanding loans).

Since this rate is considered off-market, and, having been given reasonable assurance of qualifying for the lower rate, Oney Bank recognises the proceeds from the rate decrease as a public subsidy (IAS 20). At 30/06/2019, Oney Bank therefore recorded a receivable of €5.7 million on the balance sheet and refinancing income of €0.7 million in the income statement.

NOTE 12 :
PROVISIONS FOR RISKS AND CHARGES

(in thousands of euros)	01.01.2019	Increases	Reversals	Capital/ Currency/ Entry into scope	30.06.2019
Employee benefits	3,650	23	497	-2	3,174
Provisions for tax inspections	0				0
Provisions for disputes	9,257	1,001	4,236	0	6,021
Sub-total	**12,907**	**1,024**	**4,733**	**-2**	**9,195**

NOTE 13 :
TECHNICAL RESERVES WITH INSURERS AND LIABILITIES TOWARDS REINSURERS

(in thousands of euros)	01.01.2019	Increases	Reversals	Reclassification /Capital	30.06.2019
Technical reserves - Life	3,444	475			3,919
Technical reserves - Non-life	34,409	12,235			46,644
Total Technical Reserves	**37,853**	**12,710**	**0**	**0**	**50,563**

NOTE 14 :
GROUP SHAREHOLDERS' EQUITY

1. Number of shares representing the share capital

	30.06.2019	31.12.2018
Start of period	1,449,749	1,449,749
Issue of new shares for cash		
Reduction of capital by cancellation of shares		
End of period	**1 449 749**	**1 449 749**

On 30 June 2019, Oney Bank's share capital came to €50,741K, made up of 1,449,749 ordinary fully paid-up shares with a nominal value of €35.

Subscription options have been granted and are reserved for the Company's employees and/or corporate officers and/or employees of subsidiaries in which at least 10% of the capital or voting rights are held directly or indirectly by the Company. 1,662 options have been granted.

2. Legal reserve

Oney Bank SA's legal reserve amounted to €5,079K on 30 June 2019.

3. Reserves broken down by type

TRANSLATION ADJUSTMENT

(in thousands of euros)	30.06.2019	31.12.2018
China	10	-6
Hungary	-1,069	-1,011
Poland	127	75
Romania	-3	4
Russia	-3,021	-2,595
Ukraine	-104	-106
United States	15	11
TOTAL	**-4,044**	**-4,004**

The currency/euro conversion rates used for the currencies of the main countries are as follows:

COUNTRY	CURRENCY	CLOSING RATE		AVERAGE RATE	
		June 2019	Dec. 2018	June 2019	Dec. 2018
China	Yuan	0.127902	0.126983	0.130456	0.131085
Hungary	Forint	0.003092	0.003115	0.003120	0.003234
Poland	Zloty	0.235316	0.232482	0.233012	0.234947
Russia	Ruble	0.013967	0.012545	0.013562	0.015170
Romania	Lei	0.211224	0.214431	0.210893	0.218857
Ukraine	Hryvnia	0.033614	0.031511	0.032902	0.033261

CASH FLOW HEDGE RESERVE (EXCLUDING DEFERRED TAX)

(in thousands of euros)	30.06.2019	31.12.2018
Start of period	-1,203	-1,571
Change	269	368
End of period	**-935**	**-1,203**

4. Change in shareholders' equity (Group share)

(in thousands of euros)	Capital	Premium	Treasury shares	Consolidated reserve	Unrealised gains and losses	Profit/loss for the financial year	Conversion difference	Total Equity
Situation at 31/12/2017	**50,741**	**57,306**	**-461**	**439,369**	**-726**	**36,893**	**-3,848**	**579,273**
Movements								
Appropriation				36,893		-36,893		0
Profit (loss) for the period						30,312		30,312
Capital increases								
Impact of cash flow hedge					130			130
Translation adjustment							-813	-813
Other								
Share ownership plans								
Corporate income tax credit payment				1,058				1,058
Auchan dividends				-11,397				-11,397
FTA IFRS 9				-44,167				-44,167
Hungary put option								
Hungary dividends								
Poland dividends								
Actuarial gains (losses) on retire. bfits.								
Available-for-sale securities								
Goodwill China								
Real Estate Goodwill				98				98
Other				-31				-31
Situation at 30/06/2018	**50,741**	**57,306**	**-461**	**421,824**	**-596**	**30,312**	**-4,661**	**554,465**
Movements								
Appropriation								
Profit (loss) for the period						21,752		21,752
Capital increases								
Impact of cash flow hedge					87			87
Translation reserve							-83	-83
Other								
Stocks options			-323	-1,043				-1,366
Corporate income tax credit payment								
Natural Security								
Auchan dividends								
FTA IFRS 9								
Hungary put option				-6,015				-6,015
Hungary dividends								
Poland dividends								
Actuarial gains (losses) on retire. bfits.					408			408
Available-for-sale securities								
Goodwill China								
Real Estate Goodwill				48				48
Other				55				55
Situation at 31/12/2018	**50,741**	**57,306**	**-784**	**415,861**	**-101**	**52,064**	**-4,744**	**570,343**
Movements								
Appropriation				52,064		-52,064		0
Profit (loss) for the period						25,494		25,494
Capital increases								
Impact of cash flow hedge					183			183
Translation reserve							-59	-59
Other								
Share ownership plans			60					60
Auchan dividends				-15,755				-15,755
Hungary put option				615				615
Hungary dividends								
Poland dividends								
Actuarial gains (losses) on retire. bfits.								
Real Estate Goodwill				347				347
Other				0				0
Situation at 30/06/2019	**50,741**	**57,306**	**-724**	**453,133**	**81**	**25,494**	**-4,803**	**581,228**

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Unrealised gains and losses on VISA securities have been recognised at fair value through profit or loss since the first-time adoption of IFRS 9 on 1 January 2018.

5. Dividends paid over the last three annual reporting periods

DIVIDENDS PAID (in euros)	Amount	Dividend per share
Cash dividends paid for the 2016 financial year	15,963,205	€11.05
Cash dividends paid for the 2017 financial year	11,396,836	€7.88
Cash dividends paid for the 2018 financial year	15,755,187	€10.88

NOTE 15 : MINORITY INTERESTS

(in thousands of euros)	
Situation at 31 December 2017	**2,772**
Profit (loss) for the period	162
Put option on Hungary minority interests	951
Dividends	-1,129
Other (including translation adjustment)	-342
FTA IFRS 9	-324
Situation at 30 June 2018	**2,090**
Profit (loss) for the period	381
Put option on Hungary minority interests	-623
Dividends	
Other (including translation adjustment)	-51
FTA IFRS 9	
Situation at 31 December 2018	**1,798**
Profit (loss) for the period	-7
Put option on Hungary minority interests	708
Dividends	-808
FTA IFRS 9	
Other (including translation adjustment)	136
Situation at 30 June 2019	**1,828**

Note that the Group opted to recognise of liability related to the Hungarian put option in equity (minority interests).

As at 30 June 2019, the share of Hungarian minority interests amounted to €3.1 million with a €8.5 million liability associated with the put option.

Information regarding significant minority interest relates to Hungary. On the balance sheet, total outstanding loans net of impairment total €40.7 million and liabilities (excluding shareholders' equity) amount to €28.9 million. On the income statement, net banking income amounts to €4.8 million, while the cost of risk is €0.4 million and net profit is €0.3 million.

NOTE 16 : OFF-BALANCE SHEET LIABILITIES

COMMITMENTS RECEIVED

COMMITMENTS RECEIVED (in thousands of euros)	30.06.2019	31.12.2018
Financing commitments	**1,283,954**	**1,278,002**
Received from credit institutions and customers		
Guarantees	**41**	**6,288**
Received from credit institutions and customers		
Securities commitments	**11,278**	**11,278**
Securities to be received		
TOTAL	**1,295,274**	**1 295 569**

Securities commitments are valued in accordance with the agreements described in the protocols signed with partners and are updated at each annual reporting date. These are call options that Oney Bank may or may not choose to exercise.

COMMITMENTS GIVEN

COMMITMENTS GIVEN (in thousands of euros)	30.06.2019	31.12.2018
Financing commitments	**6,708,371**	**6,701,742**
To credit institutions and customers		
Guarantees	**48,438**	**48,266**
To credit institutions and customers		
TOTAL	**6,755,810**	**6,750,008**

NOTE 17 : INTEREST INCOME AND EXPENSES

(in thousands of euros)	30.06.2019		30.06.2018	
	Expenses	Income	Expense	Income
Transactions with credit institutions	2,260	157	3,786	279
Transactions with customers	3,139	129,969	4,312	126,169
Transactions involving financial instruments	1,056	152	1,581	268
TOTAL	**6,455**	**121,279**	**9,678**	**126,716**

NOTE 18 :
COMMISSION INCOME AND EXPENSES

(in thousands of euros)	30.06.2019		30.06.2018	
	Expenses	Expense	Expense	Income
Transactions with credit institutions	2,941	3,405	3,692	3,193
Insurance transactions	1,600	10,022	2,299	11,331
Transactions with customers	-85	11,035	7	11,689
Financial services - including card fees	5,204	22,017	6,094	25,151
Other	3,583	12,549	3,580	11,620
TOTAL	**13,242**	**59,028**	**15,672**	**62,984**

NOTE 19 :
OTHER BANKING OPERATING INCOME AND EXPENSES

(in thousands of euros)	30.06.2019		30.06.2018	
	Expenses	Income	Expense	Income
Insurance Expenses and Income	10,591	48,838	12,405	46,373
Operating Expenses and Income	1,315	19,616	1,325	22,547
TOTAL	**11,907**	**68,454**	**13,730**	**68,921**

NOTE 20 :
PERSONNEL COSTS

(in thousands of euros)	30.06.2019	30.06.2018
Wages and salarie	43,810	38,602
Social security contributions	20,436	19,707
Tax expenses	0	-654
Employee profit-sharing and incentive schemes	3,988	3,201
TOTAL	**68,234**	**60,856**

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NOTE 21 :
COST OF RISK

COST OF RISK	30.06.2019		30.06.2018	
	Expenses	Income	Expense	Income
Impairment on customer transactions	12,977	36,366	15,213	30,125
Stage 1 performing outstanding debt (subject to a 12-month ECL)	486	706	1,749	5,042
Stage 2 non-performing outstanding debt (subject to an ECL at maturity)	6,158	27,926	11,219	8,988
Stage 3 impaired outstanding debt (subject to an ECL at maturity)	6,333	7,735	2,244	16,094
Impairment on other receivables and financial fixed assets	0	0	0	0
Losses on unrecoverable debt	76,353		59,627	
Collections on written-off receivables		15,979		10,782
TOTAL	**89,329**	**52,346**	**74,840**	**40,907**
	36,984		**33,933**	

NOTE 22 :
CORPORATION TAX

TAX EXPENSES

Tax expense	30.06.2019	30.06.2018
Taxes payable	400	2,454
Deferred tax liabilities	5,202	3,924
TOTAL	**5,602**	**6,378**

TAX ANALYSIS

	Amount 30.06.2019	30.06.2019 Rate	31.12.2018 Rate	30.06.2018 Rate
Earnings before corporation tax and associates	31,089			
Standard rate		32.02%	34.43%	34.43%
Theoretical corporation tax	9,955			
Permanent differences	137	0.44%	2.16%	-0.73%
Unrecognised deferred taxes	993	3.19%	0.77%	2.12%
Rate differential	-253	-0.81%	-5.37%	-7.42%
Tax credits	-4,792	-15.41%	-11.10%	-9.96%
Impact of rate changes at start of period	0			
Other differences	-438	-1.41%	-1.06%	-0.49%
EFFECTIVE TOTAL	**5,602**			
EFFECTIVE RATE		**18.02%**	**19.90%**	**17.94%**

NOTE 23 :
MISC.

1. Workforce

In June 2019, the full-time equivalent workforce across the Group's consolidated companies came to 2,531 employees (including 100% of the workforce of jointly controlled companies), compared to 2,633 on 31 December 2018, on a like-for-like basis.

NOTE 24 :
SECTOR-SPECIFIC INFORMATION

In accordance with IFRS 8, the information presented herein is based on internal reporting used by General Management to establish the strategic direction of the Oney Group, evaluate its performance, and allocate resources to the identified operating sectors.

The operating sectors presented in the internal reports correspond to the Oney group's business lines and the geographical regions in which it operates. They are identified as follows:

- Level 1: business lines
  - Consumer credit
  - Electronic banking, Insurance, Savings, Payment methods
- Level 2: geographic areas
  - France
  - Europe outside France: Spain, Portugal, Italy and Malta
  - Rest of the world: Poland, Hungary, Russia, Romania and Ukraine

For the reporting of sector information by geographical area, income and expenses, and assets and liabilities for the sector are broken down based on the place of recognition of these transactions.

(in thousands of euros)	CREDIT		OTHER		TOTAL	
	2019.06	2018.06	2019.06	2018.06	2019.06	2018.06
Sector income:						
External	202,642	215,683	48,856	46,461	251,498	262,144
Internal						
Depreciation	7,824	4,874	351		8,175	5,141
Sector expenses	72,645	77,388	29,147	26,234	101,792	103,622
Provisions	-3,236	-1,743			-3,236	-1,743
Cost of risk	36,984	33,933			36,984	33,933
Sector profit	88,424	101,231	19,358	19,960	107,782	121,191
Non-sector expenses					76,694	84,339
Tax expenses					5,602	6,378
Net profit					**25,486**	**30,474**
Balance sheet (in thousands of euros)	**2019.06**	**2018.06**	**2019.06**	**2018.06**	**2019.06**	**2018.06**
Sector assets	3,300,363	3,127,316	117,778	103,507	3,418,141	3,230,823
Sector liabilities	4,614,366	4,391,193	129,738	120,389	4,744,105	4,511,583
Investments	57,728	57,907	1,043	1,441	58,771	59,348

Geographical analysis is not carried out as part of the interim statements (see IAS 34.16 Ag).

NOTE 25 :
FAIR VALUE

Assets and liabilities are recognised and measured in accordance with IFRS 9. In certain circumstances, market values are very close to the carrying amounts. This is the case for:

- variable-rate assets or liabilities for which changes in interest do not have a material impact on fair value, because the rates of these instruments frequently adjust to market rates;
- short-term assets or liabilities for which we consider the redemption value to be close to the market value.

The accounting methods used are as follows:

1. Cash at bank and in hand, accruals and receivables accounts, and other assets and liabilities

For these short-term assets and liabilities, the redemption value is close to the market value.

2. Variable-rate loans and receivables - customers

When it comes to financial assets for which changes in interests have no material impact on the fair value, the redemption value is close to the market value.

3. Fixed-rate loans and receivables - customers

The fair value of outstanding fixed-rate loans corresponds to the discounted value of anticipated future cash flows from outstanding debts through the amortisation curve (excluding interest).

4. Financial instruments

The Oney Group values its financial instruments using a standard method by discounting anticipated future cash flows of the financial instrument identified through the zero-coupon curve as at 31 December 2018.

5. Debt securities

For debts represented by a floating-rate security, for which changes in interest have no material impact on the fair value, the redemption value is close to the market value.

For debts represented by a fixed-rate security, the fair value of this debt at 31 December 2018 corresponds to the discounting of cash flows from the liability with a EURO rate curve.

6. Receivables and payables - credit institutions

These are variable-rate receivables or payables. Changes in interest have no material impact on fair value. As such, the repayment value is close to the market value.

MARKET VALUE OF ASSETS AND LIABILITIES BASED ON MARKET DATA OR VALUATION TECHNIQUES

(In thousands of euros)	Market value		
	Level 1	Level 2	Level 3
Derivatives - assets		467	
Derivatives - liabilities		2,317	
Cash at bank and in hand	377,777		
Loans and receivables - customers			2,402,987
Current tax assets			9,470
Other assets and accruals			337,435
Amounts owing to credit institutions			1,091,685
Amounts owing to customers			698,134
Amounts owing represented by securities			840,083
Subordinated debt			0
Lease liabilities - IFRS 16			7,541
Current tax liabilities			8,331
Other liabilities and accruals			244,348

THE IMPACT OF THE CVA/DVA CALCULATION (IFRS 13) AMOUNTS TO €-1.5K AS OF 30 JUNE 2019.

In thousands of euros	Market value		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss*	5,170		
Financial assets at fair value through capital		1,303	

*VISA preference shares are classified as Level 3 market value because they are discounted to take account of the risk of illiquidity and legal risks.

MARKET VALUE OF OTHER ASSETS AND LIABILITIES

In thousands of euros	2019.06		2018.12	
	Market value	Book value	Market value	Book value
Cash at bank and in hand	377,777	377,777	400,841	400,841
Loans and receivables - customers	2,359,411	2,402,987	2,441,124	2,485,311
Financial assets at fair value through profit or loss	5,170	5,170	3,199	3,199
Equity instruments measured at fair value through equity that cannot be reclassified	1,302	1,302	1,177	1,177
Current tax assets	9,470	9,470	1,803	1,803
Other assets and accruals	337,435	337,435	364,207	364,207
Amounts owing to credit institutions	1,091,685	1,091,685	830,254	830,254
Amounts owing to customers	698,134	698,134	1,221,641	1,221,641
Amounts owing represented by securities	861,704	840,083	657,075	657,075
Subordinated debt	0	0	0	0
Lease liabilities - IFRS 16	7,541	7,541		
Current tax liabilities	8,331	8,331	11,814	11,814
Other liabilities and accruals	244,348	244,348	247,021	247,021

NOTE 26 :
EXPOSURE AND RISK MANAGEMENT

During the normal course of its business, the Group is exposed to interest rate, exchange rate and credit risks, and uses derivatives to mitigate interest rate risks.

The Group has set up a structure to manage market risks centrally.

1. Counterparty risk on derivatives

Given the nature of its business, the Oney Group is consistently in a net borrowing position. Counterparty risk therefore mainly relates to off-balance sheet transactions. To hedge this risk, the Oney Group, through Auchan Coordination Services, deals only with leading banks for its financing and interest rate derivative transactions. The Oney Group only proceeds with interest rate derivative transactions with banking counterparties that carry a minimum "A" rating from Moody's, Standard & Poor's or Fitch.

If the sovereign rating of a particular country is below A and a subsidiary is required to deal with a local bank, it is authorised to enter into transactions with a partner whose rating is equivalent to the sovereign rating.

2. Interest rate risk

The Oney Group's financial policy is designed to protect its financial returns against future fluctuations in interest rates. It therefore hedges all interest rate risks relating to its outstanding fixed-rate loans.

Interest rate risk on outstanding variable-rate loans is not automatically hedged, since the Oney Group is able to pass on any rate increases to its customers.

EXPOSURE TO INTEREST RATE RISK

This table gives a broad outline of the interest rate risk on financial assets associated with customers. All financial liabilities are given.

In millions of euros	06.2019	12.2018
Fixed rate financial assets	1,864	1,893
Fixed rate financial liabilities	1,339	1,517
Floating rate financial assets	1,178	1,187
Floating rate financial liabilities	1,301	1,193

The maturity dates for financial assets are shown in notes 7 and 8, and those of financial liabilities in note 26.4.

5. Interest rate hedges

CASH FLOW HEDGES

Interest rate transactions designated as future cash flow hedges relate to swaps where the Oney Group pays a fixed rate and receives a floating rate. The purpose of these hedges is to fix the interest rate for a portion of the forecast floating-rate debt, and thus secure future financial results (between the next annual reporting period and up to the fifth annual reporting period following the current period) by limiting possible volatility. The horizon of these hedges does not exceed five years.

AT 30/06/2019

Derivative financial liabilities (in thousands of euros)	Book value	Contractual cash flow					
		Total	<3M	<6M	< 1 year	1 to 5 years	+ 5 years
Interest rate swaps	935	926	316	376	137	97	0

AT 31/12/2018

Derivative financial liabilities (in thousands of euros)	Book value	Contractual cash flow					
		Total	<3M	<6M	< 1 year	1 to 5 years	+ 5 years
Interest rate swaps	1,270	1,266	369	305	554	39	0

HEDGING INSTRUMENTS

This table shows the periods during which the Oney Group expects the cash flows associated with derivatives qualifying as cash flow hedges to have an impact.

AT 30/06/2019

Derivative financial assets (in thousands of euros)	Book value	Contractual cash flow					
		Total	<3M	<6M	< 1 year	1 to 5 years	+ 5 years
Interest rate swaps	1	1	1				
Currency swaps	466	173	67	17	45	45	0
Interest rate options							

Derivative financial liabilities (in thousands of euros)	Book value	Contractual cash flow					
		Total	<3M	<6M	< 1 year	1 to 5 years	+ 5 years
Interest rate swaps	203	203	203				
Currency swaps	1,179	2,797	460	963	412	963	0
Interest rate options							

AT 31/12/2018

Derivative financial assets (in thousands of euros)	Book value	Contractual cash flow					
		Total	<3M	<6M	< 1 year	1 to 5 years	+ 5 years
Interest rate swaps	1	1	1				
Currency swaps	2,160	508	267	-178	367	51	
Interest rate options							

Derivative financial liabilities (in thousands of euros)	Book value	Contractual cash flow					
		Total	<3M	<6M	< 1 year	1 to 5 years	+ 5 years
Interest rate swaps							
Currency swaps	43	244	102	28	56	57	
Interest rate options							

The currencies of these transactions are the Euro, the Ruble and the Forint.

6. 4 Liquidity risk

In order to limit its liquidity risk, the Oney Group has adopted a cautious refinancing policy:

- Diversification of channels and counterparties to ensure a satisfactory distribution of funding in accordance with the recommendations of the French Banking and Financial Regulation Committee (Comité de Réglementation Bancaire et Financière).
- 100% coverage of the average refinancing requirement with resources drawn at more than one year and confirmed bank lines.

The Oney Group is required to comply with a single covenant to maintain the refinancing facilities provided as part of the Club Deal (confirmed syndicated loan facility of 500 million euros) and certain confirmed credit lines. The ratio is defined as follows: Total credit outstanding > Net financial debt (where net financial debt refers to amounts owing to credit institutions plus debt in the form of securities, minus the credit balances in bank accounts - including cash accounts and central bank accounts -, investments and receivables from credit institutions and the gross value of HQLAs held in accordance with Basel III liquidity requirements). This ratio was complied with at 30 June 2019.

EXPOSURE TO LIQUIDITY RISK

The contractual residual maturities of the financial liabilities break down as follows (including interest payments):

AT 30/06/2019

(in thousands of euros)	Book value	Contractual cash flow					
		Total	<3M	<6M	< 1 year	1 to 5 years	+ 5 years
Amounts owing to credit institutions (deposits)	2,089	2,089	2,089				
Amounts owing to credit institutions	1,089,596	1,080,339	167,198	435	399,325	513,381	
Amounts owing to customers - demand	4,445	4,445	4,445				
Amounts owing to customers - term	693,689	727,437	319,396	12,933	55,054	340,053	
Debenture loans	100,034	100,257	72	64	67	100,054	
Debt securities	740,049	740,820	25,091	136,984	316,913	261,831	
Subordinated debt	0	0					
Lease liabilities – IFRS 16	7,541	7,541			2,447	4,436	658
Trade payables	4,946	4,974	4,974				
Other liabilities	239,401	239,374	214,888	3,092	7,222	14,172	
Tax liabilities	8,402	8,402	5,570		2,787	45	

AT 31/12/2018

(in thousands of euros)	Book value	Contractual cash flow					
		Total	<3M	<6M	< 1 year	1 to 5 years	+ 5 years
Amounts owing to credit institutions (deposits)	5,490	5,490	5,490				
Amounts owing to credit institutions	824,764	823,478	185,148	53,530	51,777	533,023	0
Amounts owing to customers - demand	154,770	154,770	154,770				
Amounts owing to customers - term	1,066,871	1,080,564	335,731	235,983	161,281	347,569	0
Debenture loans	100,000	100,694	72	77	155	100,390	0
Debt securities	557,075	559,652	40,098	121	127,250	392,183	0
Subordinated debt	0	0					
Trade payables	6,750	6,750	6,750				
Other liabilities	240,272	240,272	217,525	3,106	8,136	11,506	
Tax liabilities	11,903	11,903	11,856			48	

Expected cash flows correspond to the contractual cash flows.

Originally medium and long-term credit lines granted and confirmed by banks, but still unused at 30 June 2019 and 31 December 2018:

Amount in €K at 30/06/2019	<1 year	1< <5 years	+ 5 years
833,000	68,000	765,000	

Amount in €K at 31/12/2018	<1 year	1< <5 years	+ 5 years
827,000	48,000	779,000	

7. Foreign exchange risk

The Oney Group is exposed to foreign exchange risk for loans denominated in currencies other than the euro, and for the value of net assets held by its subsidiaries in foreign currencies.

Cross currency swap transactions hedge the foreign exchange risk on the refinancing share of the Hungarian, Russian and Polish subsidiaries.

8. Management of customer credit risk

1. OVERVIEW

Credit risk mainly relates to consumer credit (personal loans, revolving loans, etc.) granted to individuals.

The risk is spread over a large number of customers with limited individual commitment.

For off-balance sheet commitments, the Group's policy is to grant financial guarantees only to subsidiaries and certain partner companies.

2. STRUCTURE OF THE RISK DIVISION

The Oney Group's credit risk is managed and monitored by the Risk Departments of its subsidiaries or partners, as well as the Group Risk Department and Internal Audit Department, through Risk Committees.

For France, Spain and Portugal, risk is managed and monitored by the local Risk Department.

For other countries, (Poland, Hungary and Russia), the partner is responsible for managing credit risk, since its is the partner's processes and information systems that are determine loan approval, risk monitoring and debt collection.

In all cases, risk is monitored by the Group Risk department.

The Risk Committees are responsible for managing credit risks and overseeing projects that have an impact on these risks. They validate the strategy, the methodologies put in place and above all the performance achieved when it comes to risk management.

3. PROCEDURE FOR GRANTING LOANS AND DEBTS, AND SETTING INDIVIDUAL LIMITS

Credit decision systems are based on a statistical approach, supported by an examination of each loan application. They are adapted to the different types of product and customer.

They include:

- Credit scoring
- Clearly-stated rules for declining applications
- A system of delegation and authority
- Rules governing the supporting documentation to be provided
- Anti-fraud controls

Adhering to credit decisions based on these aforementioned scores and rules, which are very seldom waived, ensures tight control over credit risk. Exceptions and the persons qualified to make exceptions are defined by procedures and are checked retrospectively; these exceptions are designed to ensure personalised management of loan approvals for larger amounts or intended for targeted customer bases.

4. GRANTING OF GUARANTEES

The Group's policy is to grant financial guarantees only to subsidiaries and to certain partner companies.

5. WITHIN THE GROUP

The Oney Group's financial policy is designed to protect its financial returns against future fluctuations in interest rates. It therefore hedges all interest rate risks relating to its outstanding fixed-rate loans.

Interest rate risk on outstanding variable-rate loans is not automatically hedged, since the Oney Group is able to pass on any rate increases to its customers.

6. DEBT RESTRUCTURING

The amount of outstanding debt that has been restructured or rearranged, whether decided internally or after referral to an over-indebtedness commission, amounted to €94.9 million at 30 June 2019 compared with €111.1 million at 31 December 2018. These outstanding debts were impaired by €66.3 million at 30 June 2019 compared to €80.1 million at 31 December 2018.

9. Insurance risk management

There are two main types of insurance risk:

- risks related to rate-setting and adverse claim trends;
- risks related to the financial markets.

The first of these refers to the differences in assumptions made at the time when the risk is insured and the reality of subsequent claims in terms of frequency, timing and severity.

For borrower insurance, the types of coverage offered are: death, accidental death, permanent total disability, temporary inability to work and redundancy. The products are offered on the basis of regular premium payments, with claim payouts capped at the amount of outstanding credit owed by the policyholder at the date of the claim.

For payment method insurance, the types of coverage offered are: fraudulent use, cash theft by mugging, loss or theft of keys and official papers and non-delivery or non-compliant delivery of online purchases.

For warranty extension products, the warranties offered mainly relate to breakdowns.

For protection reinsurance in Italy, the reinsured types of cover offered are: temporary inability to work and loss of employment following an accident.

The products on offer provide for the limited or lump-sum payment of single or monthly compensation for predefined periods.

The Company also reserves the right to adjust premium amounts (except for reinsurance, where the insurer retains the ability to do so). This provides protection against any excess costs and to makes it possible to adapt to the current economic climate. The insurance companies operate under

“group” contracts. The diversity of the policyholder portfolio and the individual amounts allocated to each insurance product eliminate concentration risk.

For the second type of risk, all financial institutions and instruments chosen for investments are subject to the approval of the Board before any investment of funds, and all counterparties must have a minimum rating of "A-" from Standard & Poor's, unless explicitly decided otherwise by the Board of Directors. These ratings are regularly reviewed.

10. Exposure to sovereign risk

As at 30 June 2019, the Oney Group has no exposure to sovereign risk.

NOTE 27 :
RELATED PARTY TRANSACTIONS

AT 30/06/2019

In thousands of euros	Assets	Liabilities	Expense	Income
PARENT COMPANY				
Transactions with customers		450,800	1,335	
Subordinated debts and related liabilities				
Other assets/liabilities and accruals	946	721		
Operating income and expenses				1
External services			934	
JOINT PARENT				
Subordinated debt and related liabilities				
Transactions with credit institutions				
Operating income and expenses				
ASSOCIATED COMPANIES				
Other assets and accruals	105			
Transactions with customers				
Subordinated debts and related liabilities				
Other liabilities and accruals				
Non-recurring income and expenditure				29
External services				20
OTHER RELATED COMPANIES				
Other assets and accruals	3,176			
Transactions with customers			1,705	15
Subordinated debts and related liabilities				
Other liabilities and accruals		4,729		
Operating income and expenses			5,191	9,175
External services			3,184	28
TOTAL	**4,227**	**456,250**	**12,349**	**9,266**

AT 31/12/2018

In thousands of euros	Assets	Liabilities	Expense	Income
PARENT COMPANY				
Transactions with customers			113	
Subordinated debts and related liabilities				
Other assets/liabilities and accruals	4,212	856		
Operating income and expenses				3,700
External services			1,755	
JOINT PARENT				
Subordinated debt and related liabilities				
Transactions with credit institutions				
Operating income and expenses				
ASSOCIATED COMPANIES				
Other assets and accruals	3,587			
Transactions with customers				1
Subordinated debts and related liabilities				
Other liabilities and accruals		3		
Non-recurring income and expenditure			2,389	1,312
External services				578
OTHER RELATED COMPANIES				
Other assets and accruals	2,623			
Transactions with customers		701,880	7,225	217
Subordinated debts and related liabilities				
Other liabilities and accruals		3,961		
Operating income and expenses			8,546	14,005
External services			1,096	379
TOTAL	**10,422**	**706,700**	**21,123**	**20,192**

NOTE 28 :
DOCUMENTS AVAILABLE TO THE PUBLIC

In accordance with ANC regulation no. 2014-07, this document is available to the public at https://www.oney.com . Anyone wishing to obtain further information about the Oney Group may request documents, without obligation:

- **by post:**
  ONEY BANK - OZEA
  34, Avenue de Flandre
  59170 Croix
- **by telephone:**
  +33 (0)3 28 38 58 00

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