2019 ANNUAL FINANCIAL REPORT

Summary

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STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL FINANCIAL REPORT

FOR THE PERIOD ENDING 31 DECEMBER 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 annual financial statements at 31 December 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.»

Croix, 3 March 2020

Jean Pierre Viboud
CEO
ONEY BANK

ONEY BANK
Public limited company (Société Anonyme)
with a Board of Directors
With a share capital of 51,286,585 euros
34 Avenue de Flandre 59170 CROIX
Lille Métropole trade and companies register B 546 380 197

Management

REPORT ON THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2019

I. KEY EVENTS AND ACTIVITY DURING THE PERIOD

REFINANCING:

- **S&P rating:** Following the BPCE Group's equity investment in Oney Bank, Standard & Poor's confirmed the Oney Group's long-term rating as BBB in October 2019 and raised its outlook to positive. The short-term rating was also confirmed at A-2. Oney Bank is considered by S&P to be "strategically important" to the BPCE Group.
- **Liquidity management:** Following the BPCE Group's equity investment in Oney Bank, any new financing is now provided by the BPCE Group. Oney's traditional financing sources have become legacy assets. Oney Bank has a liquidity budget with the BPCE Group that allows it to cover all of its needs (calculated during the fiscal year). This budget may be increased, if necessary, to cover any additional Oney needs.
- **Refinancing structure:** As at 31 December 2019, BPCE represented almost 70% of the total re-financing of Oney Bank. Oney's traditional financing sources complete the refinancing structure are now legacy assets (amounts owing represented by securities, TLTROs, savings by individuals).

MAIN EVENTS AND ACTIVITY

MAKING EUROPEAN AMBITION POSSIBLE

In October 2019, the BPCE Group acquired a 50.1% stake in Oney Bank, alongside Auchan Holding, enabling Oney Bank to combine the expertise of these two leading players in banking and retail. The Group has the resources necessary to pursue its European ambition: to become the European leader in instalment payment solutions and broaden its offering for retail partners and customers.

THE RISE OF SPLIT PAYMENT IN EUROPE

Available in stores and online, the "3x 4x Oney" payment facility is an omnichannel solution. In order to become the European leader in instalment payment solutions, Oney has rolled out its solution to more partners.

Oney has also worked on simplifying the customer journey in all countries where this solution is offered.

- In France, the development of the "3x 4x" solution has intensified: in stores as well as online, and in new sectors (school and language trips, sports, etc.). The partnerships signed in 2019 include leading brands in their markets: Intersport (in more than 400 stores), Atol, Thomas Cook, Air France, Audika, Last Minute, and Made.
- In Spain, Oney has partnered with FNAC, the local leader in online electronics sales, as well as with Décathlon, which offers the "3x 4x Oney" solution in all of its stores (over 150) and on its e-commerce site, with the option to pay in 3, 4, 6 or 10 instalments. Oney has also signed a strategic partnership with Domina Farma, allowing the 3x4x Oney solution to be featured exclusively on a platform created for the Official College of Pharmacists of Madrid.
- In Italy, Oney is now a partner of ePRICE, a major player in Italian e-commerce, whose website features over 4 million household appliances and high-tech products. This makes Oney the first player in Italy to offer payment in 3 or 4 instalments by credit card and using a 100% digital customer journey.

- In Belgium, Oney has entered into a partnership with Midas and Intersport to deploy its split payment solution across their stores. Customers of the two brands will benefit from a completely simplified and digital purchasing and financing process via smartphone.
- In Portugal, Oney has continued to roll out the "3x 4x" solution with three major brands in particular: Phone House, Gaming Replay and La Redoute.

To further boost its development, Oney has also teamed up with Payment Service Providers to simplify access to split payment:

- By partnering with Adyen, Oney can now offer a turnkey solution for payment in instalments on online shopping sites. This innovative approach is yet another way in which Oney's products stand out, benefiting the development of split payment as a whole;
- Thanks to an agreement with PayPlug, split payment is now available for all retailers supported by the tool. This payment facility has been enthusiastically received by SMEs/online retailers using the solution, which were previously unable to respond to an increasing demand for this type of service in the purchasing process.

MAKING THE CUSTOMER JOURNEY SMOOTHER THAN EVER BEFORE

In France, Oney has taken an additional step, by launching a long-term credit offer, with online payment possible up to 60 times. This solution joins the wide range of services already offered to online retailers, and meets customer expectations by offering them even more freedom in the achievement of their projects and goals. From travel to home improvement, personal consumer products, leisure activities, etc, all types of sector and retail are involved. After several months of trials in various sectors and with several online retailers (Samsung.com, Alltricks, Mister Menuiserie), the long-term credit offered by Oney will be rolled out across the websites of our partner brands.

SMARTNEY: AN AGILE POLISH INITIATIVE

To meet the needs of the Polish lifestyle, Oney is offering loan solutions via «Smartney». This innovative structure creates a brand new category of non-banking products, at rates that are among the lowest on the market, over longer durations and for larger amounts. Using all the latest technologies, Smartney offers simple, fast and completely digital loan offers, are available from brokers, at sales outlets and online. Smartney's innovative approach allows Polish customers to get consumer credit in less than 15 minutes, making their projects a reality in record time.

Since its initial deployment, the results have been promising and confirm a need for this type of solution among Polish consumers.

SUSTAINABLE CONSUMPTION: A KEY ELEMENT OF THE NEW CSR POLICY

In 2019, Oney presented the pillars of its Corporate Social Responsibility (CSR) approach.

The new policy was created with the help of the group's employees, and reflects the commitments made by the Group to meet societal and environmental challenges both now and in the future.

Among the nine commitments and three principles of action included in the CSR policy, Oney has identified three key pillars:

- Encouraging sustainable consumption.
- Reducing our carbon footprint in order to meet the commitments of COP21
- Ensuring the internal and external employability of Oney Talents so that everyone can carve out their own career.

GROUP RESULTS AND KEY FIGURES:

The key figures for ONEY BANK at 31 December 2019 are as follows:

- Net Banking Income of €447.7 million, up 3.6% compared to December 2018 (€432.0 million).
- A cost of risk of €79.2 million, up 23.1% compared to 31 December 2018 (€64.4 million).
- Net income of €43.9 million, up 16.5% compared to 31 December 2018 (€52.6 million).
- Overall gross balances for the bank of €2.9 billion, up 1.4% compared to December 2018.
- Net recruitment of 124,000 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 7.7 million.

POST-CLOSING EVENTS:

The outbreak of Covid 19 viral pneumonia, which has been spreading to Europe from China since January but the extent and duration of which is still unknown, poses a risk of a severe turnaround. In particular, mobility restrictions in the affected areas, the clear impact on value chains of the prolonged economic disruption in the affected areas and the spread of the health crisis to the services sector (tourism revenues, air transport, local sales, etc.) should result in a downturn in the economy at least in the first half of 2020.

On March 4th, 2020, the Spanish Supreme Court categorised the reference rate for determining whether an interest rate should be considered usurious. The judgment explicitly refers to the revolving credit, distributed by Oney Spain, stating that a rate significantly higher than the average of the revolving market should be considered usurious. Oney Spain, which is aware of this judgment, considers :

- that this judgment makes the definition of the usurious rate more secure, which was uncertain,
- that the rate that Oney Spain applies is close to the market average,

The bank therefore considers that it is premature to anticipate a significant impact of this decision and that it is appropriate to wait for the first judgements based on this decision before measuring its impact.

II. OUTLOOK FOR 2020

In addition to the effects of the covid-19 viral pneumonia epidemic as discussed in the paragraph «Subsequent Events», 2020 will be marked by the deployment of new customer journeys and the continued development of instalment payment solutions in both France and Europe; The latter should become the main growth driver for the business. In addition, in Central European countries, Oney should increase its autonomy and focus on developments that create value, like that achieved in Poland with Smartney.

To support these initiatives, and to provide the bank with the building blocks required for the successful creation of a local digital bank, an ambitious project plan will be implemented.

And finally, the synergies resulting from the BPCE partnership will be amplified.

III. MAIN RISKS FACING ONEY BANK

LIQUIDITY RISK EXPOSURE:

In order to limit its liquidity risk, Oney Bank relies on the financing of its majority shareholder, the BPCE Group, which provides Oney with all the liquidity its needs to fund its activity.

Oney Bank has also built up a reserve of high-quality liquid assets (HQLA) allowing it to cope with 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.

INTEREST RATE RISK EXPOSURE:

Oney Bank SA's financial policy aims to protect its (current and future) equity and income against unfavourable changes in interest rates. Exposure to interest rate risk is measured both in terms of net interest margin and economic value.

CREDIT RISK EXPOSURE:

Oney has efficient provision and risk management processes that allow credit risk to be controlled over a long period. Nevertheless, credit risk has been under rising pressure since 2018. This is linked in particular to changes in the product mix, as well as to tensions over risk in Spain and to a lesser extent in Hungary and Russia.

IV. 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 rusk 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	31/12/2019	31/12/2018
Consolidated equity, group share	450.2	570.3
Distributable dividends	-30.0	-15.8
Cash flow hedge reserves	0	+0.8
Intangible assets and goodwill	-54.2	-52.2
Deferred taxes related to tax losses	-3.1	-6.9
Deductibles and other adjustments	-33.2	-2.7
TIER 1 CAPITAL	**329.7**	**493.6**
Subordinated debt	33.0	
IRBA surpluses and other adjustments	7.3	7.2
TIER 2 CAPITAL	**40.3**	**7.2**

Regulatory capital at the end of December 2019 amounted to €370.0 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 DECEMBER 2019	BASEL 3 DECEMBER 2018	BASEL 3 DECEMBER 2017	BASEL 3 DECEMBER 2016
Ratio / Tier 1	10.5%	15.9%	17.0%	16.3%
Ratio / Tier 2	1.3%	0.2%	0.0%	0.0%
Basel solvency ratio	11.8%	16.1%	17.0%	16.3%
LCR	143.0%	143.0%	100.5%	93.8%

The solvency ratio was 12.7% in 2020 before deduction of the projected dividend.

Consolidated

FINANCIAL STATEMENTS FOR THE PERIOD ENDING 31 DECEMBER 2019

A. CONSOLIDATED BALANCE SHEET (ASSETS)

ASSETS (in K€)	EU IFRS 31/12/2019		EU IFRS 31/12/2018	
Cash accounts, central banks		418,067		400,841
Financial assets at fair value through profit or loss		6,913		3,199
Financial assets held for trading				
Other financial assets at fair value through profit or loss	6,913		3,199	
Available-for-sale financial assets				
Derivative hedging instruments		0		2,161
Financial assets measured at fair value through capital		1,737		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	1,737		1,177	
Financial assets measured at amortised cost		2,777,716		2,672,861
Debt securities	0		0	
Loans and receivables - Credit institutions	232,563		187,550	
Loans and receivables - Customers	2,545,153		2,485,311	
Financial assets held to maturity		0		0
Investments in associates		4,252		3,459
Property, plant and equipment		44,831		39,671
Intangible assets		23,455		21,789
Goodwill		31,478		31,478
Deferred tax assets		42,347		49,462
Current tax assets		1,701		1,803
Other assets and accruals		360,151		364,207
Subscribed capital not paid		0		0
Non-current assets and disposal groups classified as held for sale (IFRS 5)				
TOTAL ASSETS		**3,712,649**		**3,592,109**

OFF-BALANCE SHEET	31/12/2019		31/12/2018	
COMMITMENTS GIVEN		6,597,365		6,750,024
Financing commitments		6,597,095		6,701,742
to credit institutions				
to customers	6,597,095		6,701,742	
Guarantees		270		48,282
to credit institutions	153		48,166	
to customers	117		117	

B. CONSOLIDATED BALANCE SHEET (LIABILITIES)

LIABILITIES (in K€)	EU IFRS 31/12/2019		EU IFRS 31/12/2018	
Central bank deposits		0		0
Financial liabilities at fair value through profit or loss		0		0
Derivatives		0		1,312
Financial liabilities measured at amortised cost		2,964,928		2,708,971
Amounts owing to credit institutions	2,329,667		830,254	
Customer debts and deposits	67,094		1,221,641	
Debt securities	528,006		657,075	
Subordinated debt	33,016		0	
Leasing debts Ifrs 16	7,145			
Provisions		10,396		12,907
Technical reserves of insurance contracts		59,895		37,853
Technical reserves	59,895		37,853	
Amounts owing to reinsurers	0		0	
Current tax liabilities		10,965		11,814
Deferred tax liabilities		94		89
Accruals and other liabilities		214,701		247,021
Total Liabilities		3,260,979		3,019,968
SHAREHOLDERS EQUITY (in K€)				
Shareholders equity, Group share		450,170		570,343
Subscribed capital and issue premiums	112,145		108,047	
Subscribed capital	51,287		50,741	
Issue premium	60,859		57,306	
Other equity				
Revaluation reserves	0		0	
Reserves	293,979		410,232	
Net profit	44,047		52,064	
Minority interests		1,500		1,798
Total equity		451,670		572,140
TOTAL LIABILITIES, SHAREHOLDERS EQUITY		**3,712,649**		**3,592 ,109**

OFF-BALANCE SHEET	31/12/2019		31/12/2018	
COMMITMENTS RECEIVED		71,514		1,295,569
Financing commitments		65,907		1,278,002
received from credit institutions	65,000		827,000	
received from customers	907		451,002	
Guarantees		5,327		6,288
received from credit institutions	5,327		6,288	
received from customers	0		0	
Commitments on securities		281		11,278
securities receivable	281		11,278	

C. CONSOLIDATED INCOME STATEMENT

FINANCIAL AND OPERATING INCOME AND EXPENSES (IN €K)	EU IFRS 31/12/2019		EU IFRS 31/12/2018	
Interest and similar income		248,870		249,453
Of which interest and similar income on transactions with credit institutions	1,140		441	
Of which interest and similar income on customer transactions	247,334		248,616	
Of which interest and similar income on bonds and other debt securities	396		396	
Interest and similar expenses		11,093		16,985
Of which interest and similar expenses on transactions with credit institutions	4,600		5,638	
Of which interest and similar expenses on customer transactions	5,179		6,617	
Of which interest and similar expenses on bonds and other debt securities	1,314		4,730	
Net interest margin		**237,777**		**232,468**
Fee and commission income	117,885		122,107	
Fee and commission expenses	25,251		34,323	
Margin on commissions		**92,633**		**87,784**
Net gains or losses on financial assets at fair value through profit or loss		4,327		385
Return on equity measured in equity that cannot be reclassified (Dividends)		34		46
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		-4,348		-4,637
Gains on financial instruments	2,129		1,657	
Losses on financial instruments	6,477		6,295	
Net foreign exchange differences		-56		-38
Revenue from other activities		141,764		135,168
Expenses for other activities		24,465		19 ,220
NET BANKING INCOME (in K€)		**447,666**		**431,956**
General operating expenses		299,141		289,653
Of which personnel expenses	141,005		130,562	
Of which other administrative costs	158,136		159,091	
Depreciation, amortisation and impairment of intangible and tangible assets		14,494		13,418
Of which depreciation of fixed assets	16,657		11,756	
Of which provisions net of reversals	-2,163		1,662	
Of which provisions net of reversals for impairment	0		0	
GROSS OPERATING PROFIT		**134,031**		**128,885**
Cost of risk		79,240		64,370
OPERATING INCOME		**54,791**		**64,515**
Share of net profit (loss) of associates		777		1,173
Gains or losses on fixed assets		13		-9
Change in value of goodwill		0		0

	EU IFRS 31/12/2019		EU IFRS 31/12/20198	
TOTAL PROFIT FROM OPERATIONS BEFORE TAX		**55,581**		**65,679**
Tax expense (income) on profits from operations		11,646		13,072
TOTAL PROFIT FROM OPERATIONS AFTER TAX				
Net income from discontinued or held-for-sale operations (IFRS 5 in progress)				
TOTAL PROFIT		**43,935**		**52,607**
Net profit, Group share	44,047		52,064	
Minority interests	-112		543	
Number of shares	1,465,331		1,449,749	
The Group's share of net profit per share	30.06		35.91	

D. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in €K)	31/12/2019			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)	**55,581**	**(11,646)**	**43,935**	**65,679**	**(13,072)**	**52,607**
Items to be reclassified						
Foreign exchange rate differences from foreign operations	(255)		(255)	(1,417)		(1,417)
Change in the fair value of financial instruments (cash flow hedge)	1,203	(390)	813	368	(151)	217
Other	534		534	231		231
Items that are unable to be reclassified to profit or loss						
Actuarial gains (losses) on defined benefit plans	424	(106)	318	543	(136)	408
Other comprehensive income for the period	**1,907**	**(496)**	**1,411**	**(275)**	**(286)**	**(561)**
Comprehensive income for the period	**57,489**	**(12,143)**	**45,346**	**65,404**	**(13,359)**	**52,045**
Attributable to:						
Owners of the Parent Company			45,365			51,939
Minority interests			(20)			106
Comprehensive income for the period			**45,346**			**52,045**

E. CASH FLOW STATEMENT

In thousands of euros		31/12/2019		31/12/2018	
Net profit (loss) before tax	**A**		**55,581**		**65,679**
Removal of non-monetary items:	**B**		-3,888		-61,816
Depreciation and amortisation of intangible and tangible assets		16,657		11,756	
Provisions net of reversals on customer receivables		-17,646		-74,716	
Provisions net of reversals on provisions for risks and charges		-2,075		2,354	
Capital gains or losses		-13		9	
Net income from discontinued operations					
Other movements		-811		-1,219	
Income from operations excluding non-monetary items	**A+B**		**51,693**		**3,863**
Increase in assets/decrease in liabilities (-)					
Decrease in assets/increase in liabilities (+)					
Cash flow from operations					
Loans and advances to customers	**C**	-50,680		-5,899	
Receivables/payables - credit institutions	**C**	1,499,391		-26,265	
Receivables/payables - customers (including corporate)	**C**	-1 147,040		94,025	
Debt securities	**C**	-129,629		76,055	
Financial assets and liabilities	**C**	-1,597		-3,706	
Non-financial assets and liabilities	**C**	-4,260		3,680	
Taxes paid	**C**	-5,636		-6,351	
Other movements	**C**	-46		7	
Net cash flow from operating activities	**D=A+B+C**		**212,197**		**135,408**
Cash flow from investment activities					
Cash flow related to intangible and tangible investments		-18,831		-13,924	
Cash flow related to long-term investments and equity interests		0		0	
Other movements		1,704		0	
Changes to consolidation scope		0		-4,707	
Net cash flow from investment activities	**E**		**-17,127**		**-18,631**
Cash flow from financing activities					
Dividends paid to shareholders		-177,542		-11,397	
Dividends paid to minority shareholders		-808		-1,129	
Capital increases		4,426		0	
Other		39,545		-622	
Net cash flow from financing activities	**F**		**-134,379**		**-13,148**
Net cash flow from operating activities	**D**		212,197		135,408
Net cash flow from investment activities	**E**		-17,127		-18,631
Net cash flow from financing activities	**F**		-134,379		-13,148
Effects of exchange rate fluctuations			250		-386
Net increase/decrease in cash flow			**60,942**		**103,242**
Cash and cash equivalents, start of period			581,900		478,658
Cash and cash equivalents, end of period			642,842		581,900
Net increase/decrease in cash flow			**60,942**		**103,242**

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 2017 income			36,893	- 36,893	-	1,230	-1,230	-
Capital increase and rights issues					-			-
Impact of cash flow hedge			217		**217**			-
Translation adjustment			-896		**-896**	-522		**-522**
Other					-			
Share ownership plan			-373		**-373**			
misc - Tax credit payment			1,058		**1,058**			
First application of IFRS 9			- 44,167		**-44,167**	-324		**-324**
misc - Auchan dividends			- 11,397		**-11,397**			
misc - Géfirus					-			
misc - Put option on Hungary minorities			-6,015		**-6,015**	328		**328**
misc - Hungary dividends					-	-1,129		**-1,129**
misc - Poland dividends					-			
misc - IFC Actuarial gains (losses) on retirement benefits			408		**408**			
misc - Available-for-sale securities					-			
misc - Other			170		**170**	129		**129**
Net profit (loss) at 31 December 2018				52,064	**52,064**		543	**543**
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	545	3,553	328		**4,426**			-
Impact of cash flow hedge			813		**813**			-
Translation adjustment			-131		**-131**	-123		**-123**
Other					-			
Share ownership plans			7,100		**7,100**			
Corporate income tax credit payment			-		-			
misc - Impact of the application of IFRS 9			-		-	-		-
misc - Auchan dividends			-177,542		**-177,542**			
Misc. Poland					-			
misc - Put option on Hungary minorities			488		**488**	529		**529**
misc - Hungary dividends					-	-808		**-808**
misc - Poland dividends					-			
misc - IFC Actuarial gains (losses) on retirement benefits			318		**318**			
misc.-JV liabilities through equity that cannot be reclassified					-			
misc - Other			309		**309**	215		**215**
Net profit (loss) at 31 December 2019				44,047	**44,047**		-112	**-112**
Situation at 31 December 2019	**51,287**	**60,859**	**293,979**	**44,047**	**450,170**	**1,611**	**-112**	**1,500**

Notes

TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD

ENDING 31/12/2019 PREPARED IN ACCORDANCE WITH THE IFRS ACCOUNTING STANDARDS ADOPTED BY THE EUROPEAN UNION

(FIGURES IN THOUSANDS OF EUROS - €K OR MILLIONS OF EUROS - €M)

NOTE 1: SUMMARY OF THE GROUP

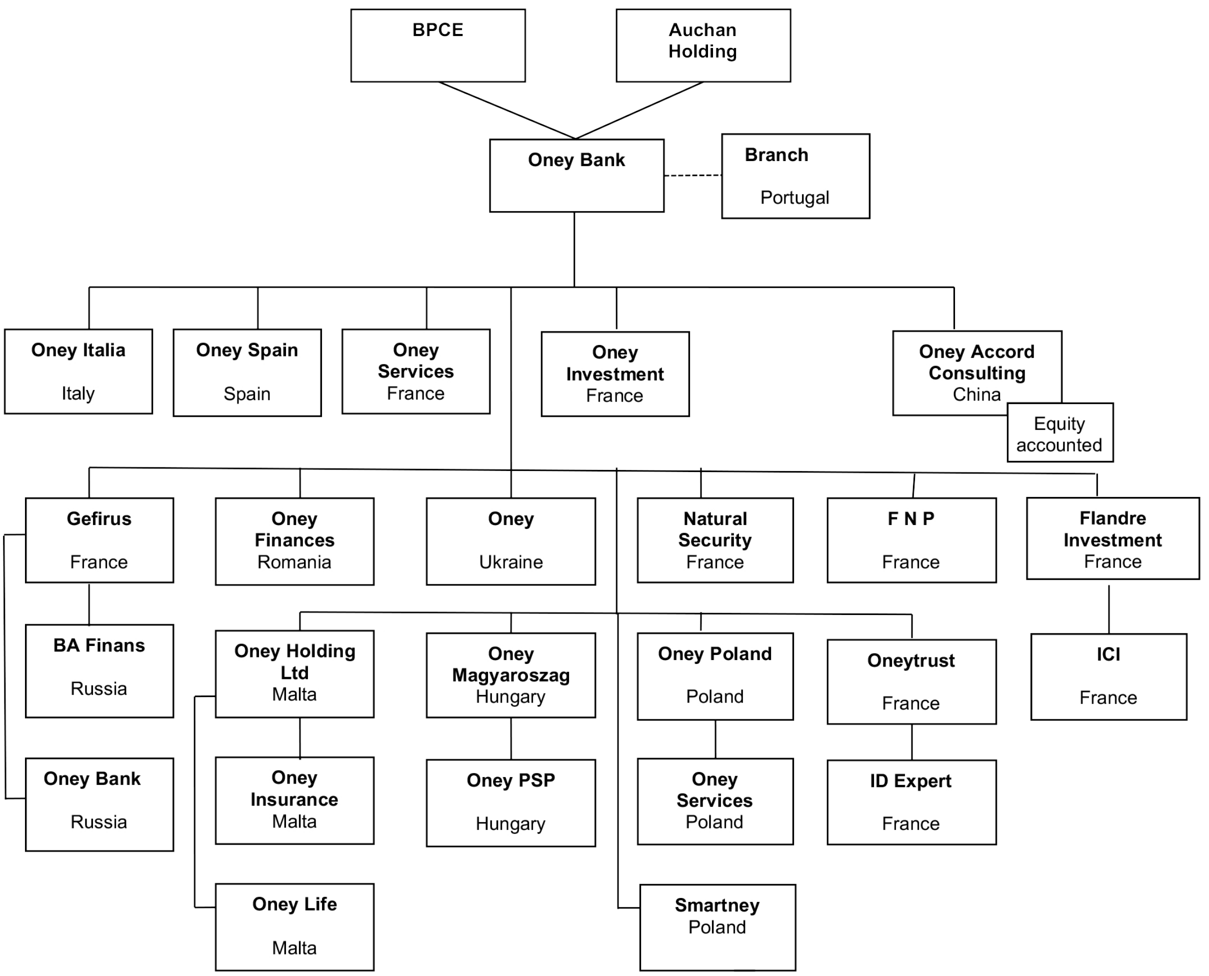
1.1 LEGAL PRESENTATION OF THE ENTITY

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 34, 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 50.1% owned by BPCE and 49.9% by Auchan Holding, a French Société Anonyme (public limited company) with a Board of Directors and head office registered at 34, Avenue de Flandre, Croix (59170), France.

1.2 SIMPLIFIED ORGANISATION CHART OF THE ONEY BANK GROUP



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

MAIN EVENTS:

- **S&P rating:**

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

- **The introduction of IFRS 16 for lease accounting:**

  The Oney Group implemented this standard on time. It allows leases to be placed on the lessee's balance sheet.

  The Oney group has applied the "modified retrospective method", whereby the leasing debt is recognised as an adjustment to equity at the date of initial application. The impact of this initial application is estimated at €6.2 million in right-of-use fees and leasing debts.

CHANGES TO THE CONSOLIDATION SCOPE:

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

  No companies left the consolidation scope in 2019

- **Changes in percentage interest:**

  No companies left the consolidation scope in 2019

- **Removals from the consolidation scope:**

  Exit of GIE Armoney (liquidation) in March 2019.

EVENTS AFTER THE REPORTING PERIOD:

There are no events after the reporting period likely to have a significant impact on the 31 December 2019 consolidated financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS:

The financial statements were approved by the Board of Directors on 3 March 2020 and will be submitted for the approval of the Ordinary Shareholders' Meeting scheduled for 30 April 2020.

NOTE 3:
RULES AND METHODS

3.1 STATEMENT OF COMPLIANCE

Pursuant to European regulation no. 1606/2002, the ONEY Group's consolidated financial statements for the period ending 31 December 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).

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: Leasing agreements: IFRS 16 Leases, published in January 2016, replaces IAS 17 on 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 entered 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 3 Business Combinations	Amendments to the IFRS 3 standard. New definition of a business.	
IFRS 17 Insurance Contracts	The IFRS 17 standard will replace IFRS 4. It defines new principles in terms of valuation and recognition of insurance contract liabilities, as well as in terms of presentation.	The Oney Group began analysing the standard and identifying its potential effects following its publication.

3.2 COMPARABILITY AND CHANGES IN ACCOUNTING POLICY

- **Comparability:**

  The accounting policies used by the Oney Group for preparing its consolidated financial statements are the same as those used in the consolidated financial statements for the year ended 31 December 2018 with the exception of new mandatory standards, amendments and interpretations that need to be applied.

- **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:

  The standard "IFRS 16 - Leases" replaces the old standard IAS 17, and is applicable from 1st January 2019.

  It allows leasing contracts to be placed on the lessee's balance sheet, and no longer makes the distinction between operating leases and finance leases.

  The standard does not apply to short-term leases (less than 12 months and with no purchase option), leases of low-value assets (less than $5,000), whose rent depends solely on a variable index (% of turnover) with no minimum rent guaranteed.

  The exemption for low-value leases applies to contracts with high volumes but low value, such as leases for small IT equipment: computers, telephones, printers, office furniture.

  The Oney group applies the "modified retrospective method" (partial retroactivity), whereby the leasing debt is recognised as an adjustment to equity at the date of initial application (corresponding to the residual value updated on this date).

  The assets and liability are valued at the start of the contract and will then be remeasured whenever necessary. The two key parameters in this phase are:

    - The probable lease term
    - The discount rate (this determines the present value of future cash flows)

  The probable lease term is an estimate of the life of the lease.

  Situation at 31 December 2019:

  The rights of use recognised at 31 December 2019 relate to the following:

	31/12/2019
Rights of use:	
Buildings and fixtures	6,572
Equipment	3,262
Depreciation of rights of use:	
Buildings and fixtures	1,536
Equipment	1,085

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

The standard «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 has replaced 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.

3.3 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 replaced 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).

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.

- **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 and 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.

3.4 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 24 companies (and a branch in Portugal) as of 31 December 2019:

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

The scope of consolidation on 31 December 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%
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.

In 2019, Oney Bank extended the life of the FCT for another four years.

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

2) CONCEPTS OF CONTROL AND CONSOLIDATION METHODS

The methods of consolidation are determined respectively by IFRS 10, IFRS 11 and amended IAS 28.

IFRS 10 supersedes IAS 27 and SIC-12 and establishes a single model for the assessment of control based on three cumulative criteria:

- (1) power over the relevant activities of the entity in question,
- (2) exposure or rights to variable returns from its involvement with the entity, and
- (3) the ability to exercise power to influence the amount of the returns.

IFRS 11 supersedes IAS 31 and SIC-13. It sets out the methods for exercising joint control through two types of arrangement: a joint operation and a joint venture.

In joint operations, the parties have rights to the assets, and obligations for the liabilities of the arrangement, and must account for the assets, liabilities, revenues and expenses related to their interest in the joint operation.

On the other hand, joint ventures, where parties share rights to the net assets of the arrangement, are no longer proportionately consolidated, but instead are accounted for using the equity method in accordance with IAS 28 as amended.

In accordance with international standards, all controlled, jointly controlled or significantly influenced entities are consolidated.

- **Controlled entities:**

Control exists over an entity when the ONEY group is exposed or entitled to the variable returns resulting from its involvement in the entity and when the power it holds over this entity allows it to affect these returns. To assess the concept of power, only substantive (voting or contractual) rights are examined. For rights to be considered substantive, their holder must have the practical ability to exercise them when decisions about the entity's relevant activities need to be made.

Control of a subsidiary governed by voting rights is established when the voting rights held give Oney Bank the current ability to direct the subsidiary's relevant activities. Oney Bank generally controls the subsidiary when it holds, either directly or indirectly through subsidiaries, more than half of an entity's existing or potential voting rights, unless it can be clearly shown that these rights do not enable it to direct the relevant activities. Control can also exist when Oney Bank holds half or less than half of an entity's voting rights, including potential voting rights, but has the practical ability to unilaterally direct the relevant activities as a result of existing contractual arrangements, the relative significance of the voting rights held with respect to the dispersion of voting rights held by other investors, or other facts and circumstances.

- **Partnerships and Joint Ventures - Share of assets, liabilities, expenses and income:**

Joint control is exercised when there is a contractually agreed sharing of control over an economic activity. It exists when the strategic and financial decisions affecting the entity's activity require the unanimous consent of parties sharing control.

- **Entities under significant influence - Associates:**

Significant influence is the power to participate in a company's financial and operational policies without having control over them. Oney Bank is presumed to have significant influence when it holds, either directly or indirectly through subsidiaries, 20% or more of the voting rights in an entity.

3) CONSOLIDATING SPECIAL PURPOSE ENTITIES

Control of a structured entity is not assessed on the basis of the percentage of voting rights which - by their very nature - do not affect the entity's returns. The assessment of control not only takes into account contractual arrangements, but also the involvement and decisions of Oney Bank when the entity was formed, the agreements entered into at the time of it creation and the risks incurred by Oney Bank, the rights resulting from agreements that give the investor the power to direct the relevant activities, only when specific circumstances arise, and other facts and circumstances that indicate that the investor is capable of directing the relevant activities of the entity. Where a management mandate is in place, it should be determined whether the manager is acting as agent (delegated power) or principal (on its own behalf). As such, when decisions need to be made about the entity's relevant activities, the indicators to be analysed to define whether an entity is acting as agent or principal are the extent of the decision-making power delegated to the manager over the entity and the remuneration to which the contractual agreements give entitlement, but also the substantive rights that may affect the decision-making ability held by the other parties involved in the entity and exposure to the variability of the returns derived from other interests held in the entity.

3.5 FOREIGN CURRENCY TRANSACTIONS (IAS 21)

The financial statements of entities whose presentation currency is not the euro are translated into euros using the closing rate method. Under this method, all balance sheet items are converted at the exchange rate applicable at the date of that balance sheet.

Income statements are converted at the average exchange rate for the period.

In both the balance sheet and the income statement, the resulting translation adjustments attributable to the Group are recorded in its shareholders' equity under «Cumulative translation adjustment» (CTA), while the portion attributable to third parties is recognised under «Minority interests». In application of the option offered by IFRS 1, through a transfer to consolidated reserves, the Group reset to zero all translation adjustments attributable to the Group and to minority interests in the opening balance sheet of 1 January 2004.

Goodwill and fair value adjustments resulting from business combinations between entities with an activity whose functional currency is not the euro are treated as assets and liabilities of the subsidiary. They are expressed in the functional currency of the acquired entity then translated at the closing rate, with the exchange differences resulting from this translation recorded in the consolidated shareholders' equity.

In the event of the liquidation or sale of all or part of the interest held in a foreign company, the translation adjustment shown under shareholders' equity is reclassified to P/L for the proportionate share of the cumulative amount relating to the sold stake.

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

COUNTRY	CURRENCY	CLOSING RATE		AVERAGE ANNUAL RATE	
		Dec. 2019	Dec. 2018	Dec. 2019	Dec. 2018
China	Yuan	0.127869	0.126983	0.129318	0.128098
Hungary	Forint	0.003025	0.003115	0.003074	0.003136
Poland	Zloty	0.234918	0.232482	0.232732	0.234677
Russia	Ruble	0.209074	0.012545	0.210723	0.013507
Romania	Lei	0.014295	0.214431	0.013804	0.214864
Ukraine	Hryvna	0.037482	0.031511	0.034610	0.031148

3.6 TREATMENT OF ACQUISITIONS AND GOODWILL (REVISED IFRS 3)

Goodwill arising from a business combination is measured as the excess of (a) over (b), i.e.

A) THE TOTAL OF:

- i) the transferred consideration measured at fair value at the acquisition date;
- ii) the amount of the non-controlling interest in the company; and
- iii) in a business combination carried out in stages, the fair value at the acquisition date of the equity interest held by the acquirer in the acquired company.

B) THE AMOUNT ON THE ACQUISITION DATE OF THE NET IDENTIFIABLE ASSETS ACQUIRED AND LIABILITIES ASSUMED, MEASURED IN ACCORDANCE WITH IFRS 3 AS REVISED.

In the event that the acquisition is carried out using a derivative (call, put[1], etc.), this derivative, in accordance with IFRS 9, undergoes a separate valuation and is recognised in the Oney Group's income statement when there is a difference between the exercise price of the put (representing the purchase price of the company) and the fair value of the acquired company. In this case, the fair value of this derivative is included in the determination of goodwill.

Goodwill is recorded as an asset for the acquiring company when it is positive, and is taken to profit or loss if it is negative.

Goodwill is recognised in the functional currency of the acquired company and translated at the exchange rate in force on the reporting date.

In accordance with Revised IFRS 3 - Business Combinations, where evidence of impairment exists, and at least annually, positive goodwill is tested for impairment during the second half of each reporting period. The methods of performing these tests are described in Note 3.11 of the accounting rules and methods.

[1] *Method for recognising put options on non-controlling interests set out in Note 17.*

3.7 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (IFRS 5)

A non-current asset (or 'disposal group') is considered as held for sale if its carrying amount is recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset (or disposal group) held for sale must be available for immediate sale in its present condition and its sale must be highly likely.

The assets and liabilities in question are isolated on the balance sheet under the items "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale".

These non-current assets (or disposal groups) classified as held for sale are measured either at their carrying amount or their fair value, whichever is the lower, less the costs of disposal. In the event of an unrealised loss, an impairment charge is recorded on the income statement. Furthermore, they cease to be depreciated upon their derecognition.

A discontinued operation refers to any component that the Group has disposed of or is classified as held for sale and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The following are presented on a separate line in the income statement:

- net income after tax from discontinued operations until the date of disposal;
- the profit or loss after tax resulting from the disposal or the measurement at fair value, less the costs of sale, of the assets and liabilities constituting the discontinued operations.

3.8 FINANCIAL INSTRUMENTS (REVISED IAS 32, IAS 39, IFRS 7 AND IFRS 9)

Financial assets and liabilities are accounted for in the annual consolidated financial statements in accordance with the provisions of IFRS 9 as adopted by the European Commission.

At the time of their initial recognition, financial assets and liabilities are measured at their fair value including transaction costs (with the exception of financial instruments recognised at fair value through profit and loss). After the initial recognition, financial assets and liabilities are measured depending on their classification either at their fair value or at their amortised cost using the effective interest method.

Fair value is defined under IFRS 13 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The effective interest rate is the rate that exactly discounts future disbursements or receipts of cash over the projected lifetime of the financial instrument or, as the case may be, over a shorter period so as to obtain the net book value of the financial asset or liability.

For derivatives, fair value includes:

- The value adjustment related to the quality of the counterparty (Credit Value Adjustment - CVA), which is designed to incorporate in the valuation of derivatives the credit risk associated with the counterparty (risk of non-payment of sums owed in the event of default).
- The value adjustment related to our institution's specific credit risk (Debt Value Adjustment - DVA), which is designed to incorporate our own credit risk in the valuation of derivatives.

Application of phase 1 "Classification and Measurement" of the new IFRS 9 standard effective on and after 1 January 2018:

IFRS 9 introduces a single classification approach for all financial assets, either at amortised cost or at fair value (through profit and loss or through equity). For financial assets (debt instruments), the classification is based on the analysis of two cumulative criteria:

- The SPPI test: Solely Payment of Principal and Interest.
- The Business Model test: The business model used to manage the financial assets, the aim of which is to hold such assets for the purposes of:
  - Collecting contractual cash flows
  - Collecting contractual cash flows and selling the assets.

3.8.1 METHOD FOR DETERMINING THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value hierarchy of financial assets and liabilities, introduced by the IFRS 7 amendment, is broken down according to the general criteria of observability of inputs used in the measurement, in accordance with the principles laid down in IFRS 13.

These levels are as follows:

- **Level 1:**

Level 1 of the hierarchy applies to the fair value of financial assets and liabilities for which there are quoted prices on an active market.

- **Level 2:**

Level 2 of the hierarchy applies to the fair value of financial assets and liabilities for which there are directly observable inputs. This most notably includes parameters linked to interest rate risk or credit risk parameters, when credit risk can be remeasured based on quoted prices for Credit Default Swaps (CDS). Financial assets and liabilities with a demand component for which the fair value corresponds to the non-adjusted amortised cost are also entered in level 2 of the hierarchy.

- **Level 3:**

Level 3 of the hierarchy indicates the fair value of financial assets and liabilities for which there are no observable inputs or for which certain parameters can be remeasured based on internal models that use historical data.

3.8.2 GENERAL PRINCIPLES OF IFRS 9 STAGE 1 «CLASSIFICATION AND MEASUREMENT»

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:** debt 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.

3.8.3 FINANCIAL ASSETS MEASURED AT FAIR VALUE

The «financial assets measured at fair value» category includes financial instruments that are not classified as loans and receivables. Securities classified in this category are initially recorded at their acquisition price, including transaction costs.

IFRS 9 requires recognition at fair value through profit or loss, or at fair value through equity that cannot be reclassified (irrevocable option). Oney has chosen the following option:

- Non-consolidated securities whose economic activity is linked to that of the company are recognised at fair value through OCI that cannot be reclassified.
- Non-consolidated securities whose economic activity is unrelated to that of the company are recognised at fair value through profit and loss.

On the balance sheet date, financial assets are valued at market value and any changes to this value are recorded according to the option chosen, either in profit (loss) or in equity.

At the time of sale, these unrealised gains or losses previously recognised in shareholders' equity are recognised in the income statement. Income accrued or acquired on fixed-income securities is recorded in «net gains or losses on available-for-sale financial assets».

Impairment must be recognised when there is an objective evidence of impairment resulting from one or more events occurring after the acquisition of the securities.

Objective evidence of impairment includes a long-term or significant decline in the value of the security for equity investments, or the emergence of a significant increase in credit risk materialised by a risk of default for debt securities.

For equity investments, the Oney Group uses quantitative criteria as evidence of potential impairment. These quantitative criteria are primarily based on a loss of at least 30% of the value of the equity instrument over a period of six consecutive months. The Oney Group also takes into consideration factors such as financial difficulties experienced by the issuer, short-term outlook, and so on.

In addition to these criteria, the Oney Group recognises an impairment loss in when there is a decline in value greater than 50% or observed for more than three years.

The impairment is recognised through a transfer to profit and loss of the amount of the cumulative loss in shareholders' equity, with the possibility that, for debt instruments, if the value of securities should subsequently improve, the loss previously transferred to profit and loss may be reversed when justified by the circumstances.

3.8.4 FINANCIAL LIABILITIES

The provisions contained in IAS 39 remain largely unchanged in IFRS 9: most of the financial liabilities will therefore continue to be measured at amortised cost (IFRS 9 §4.2.1) and at fair value through profit and loss for trading positions (IFRS 9 §4.2.1a).

IFRS 9 recognises two categories of financial liability:

- Financial liabilities measured at fair value through profit and loss. Fair value changes in this portfolio are recognised in profit and loss at accounting end-periods. However, Oney does not use the fair value option for its financial liabilities.
- Other financial liabilities: this category covers all other financial liabilities. This portfolio is initially measured at fair value (including transaction income and costs) and is subsequently recognised at amortised cost using the effective interest rate method.

IFRS 9 includes the same option as in IAS 39, whereby entities may, at initial recognition, irrevocably decide to measure their financial liabilities at fair value through profit and loss as long as specific criteria are met (IFRS 9 §4.2.2).

3.8.5 BORROWING COSTS (IAS 23)

Borrowing costs are recorded as expenses when they are incurred, in accordance with the standard treatment under IAS 23.

As such, the initial costs of setting up or restructuring the FCT (French (securitisation fund), whose primary purpose is to enable the use of securities under REPO arrangements with the European Central Bank, have been integrated at the effective interest rate of the financing obtained.

Similarly, commission expenses incurred for the arrangement of financing and confirmed banking facilities are incorporated at the instrument's effective interest rate over the projected lifetime of the instrument.

3.8.6 DISTINCTION BETWEEN DEBT AND EQUITY INSTRUMENTS

The distinction between debt and equity instruments is based on an analysis of the substance of the contractual terms.

A debt instrument constitutes a contractual obligation:

- to deliver cash or another asset;
- to exchange instruments under terms that may potentially be unfavourable.

An equity instrument is a contract that offers discretionary remuneration through which the holder is given a residual interest in a company after deduction of all its financial liabilities (net assets), and which is not categorised as a debt instrument.

3.8.7 DERIVATIVES

The Group uses futures or options qualified as derivatives in application of IFRS 9, designed to hedge the Group's exposure to market risk (interest rate, foreign exchange). However, the derivatives used to hedge foreign exchange risk do not follow the definition of hedge accounting within the meaning of IFRS 9.

Derivatives are recorded on the balance sheet at their fair value at the start of the transaction. At the end of each reporting period, these derivatives are measured at their fair value, regardless of whether they are held for trading or hedging purposes. The fair value is determined using internal valuation tools and compared to the valuations provided by banking counterparties.

The gain or loss arising from revaluation as recorded on the balance sheet is offset by a contra-entry on the income statement (except in the particular instance of cash flow hedges).

- **Hedge accounting:**

The purpose of a fair value hedge is to reduce the risk of a change in fair value associated with a financial asset or liability. It can be implemented if it meets the eligibility criteria set out in the standard, i.e.:

- The hedging relationship is clearly defined and documented on its implementation date;
- The effectiveness of the hedge relationship is demonstrated from the outset and for its full duration.

The purpose of a cash flow hedge is to reduce the risk inherent to the variability of future cash flows of a financial asset or liability.

The revaluation of derivatives is accounted for as follows:

- **Fair value hedging:** the gain or loss from the revaluation of the derivative is recorded in the income statement on a symmetrical basis with the gain or loss from the revaluation of the hedged item up to the amount of the hedged risk, and only any hedge ineffectiveness is recognised in profit and loss.

- **Cash flow hedging:** the gain or loss from the revaluation of the derivative appears on the balance sheet as the corresponding entry for a specific other equity account and the ineffective portion of the hedge is, if necessary, taken to profit or loss. Accrued interest on the derivative is recorded on the income statement on a symmetrical basis with the hedged transactions.

In the context of portfolio management through macro-hedging, Oney Bank's approach is to document these hedging relationships based on future cash flows relating to groups of assets and liabilities presenting the same interest rate exposure.

The effectiveness of macro-hedging relationships is justified through a quarterly comparison between the total amount refinanced indexed to the current and forecast Eonia rate and the hedge portfolio. The effectiveness of these relationships is measured using prospective and retrospective tests.

The hedging instruments used by the Oney group are caps and swaps.

Caps, which are used as cash flow hedges, are also subject to effectiveness tests. The effectiveness test is performed by making a distinction between the intrinsic value of the option and the time value. Changes in time value are systematically taken to profit or loss.

Under IFRS 9, these instruments - which are intended to hedge the Group's exposure to interest rate risk - must be recorded on the balance sheet at their fair value.

Variations in the fair value of these instruments are always recorded as profit or loss, except in cash flow hedging relationships.

For derivatives eligible for hedge accounting (cash flow hedging), recognition as hedging instruments makes it possible to reduce the earnings volatility associated with changes to the value of the related derivatives.

Most of the derivatives used by the Group are eligible for hedge accounting. This means that:

- For derivatives documented as hedges of assets and liabilities recorded on the balance sheet (fair value hedges), hedge accounting allows the change in the fair value of the derivative to be taken to profit or loss; this is offset by the impact in profit or loss of the change in the fair value of the hedged item appearing on the balance sheet, with respect to the hedged risk.
- For derivatives documented as hedges of highly-probable future cash flows, the changes in the value of the derivative are recorded in reserves (cash flow hedge reserves) up to the effective portion of the hedge, while changes to the value of the ineffective portion are taken to profit and loss.

For derivatives not documented as instruments eligible for hedge accounting, value changes are taken to profit or loss.

- **Embedded derivatives:**

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract. Its effect is that some of the cash flows of the combined instrument vary in a similar way to a stand-alone derivative. The embedded derivative is a contract feature that modifies all or part of the contractual cash flows in response to a change in specified interest rate, financial instrument price, commodity price, foreign exchange rate, credit rating or index or other variable, provided in the case of a non-financial variable that the variable is not specific to one of the parties to the contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty, is not an embedded derivative, but a separate financial instrument.

The entire hybrid instrument is accounted for according to the rules applicable to financial assets as described above:

- separation is therefore prohibited
- fair value is a useless option

For embedded derivatives in financial liabilities, separation is mandatory if the derivative is not considered to be «closely related» to the host contract.

- **Non-hedging derivative financial instruments**

In order to meet a refinancing objective indexed to Eonia, the Oney Group can implement a swap to convert a portion of the debts issued as being indexed to Euribor into debts that are indexed to Eonia.

These conversion swaps, also known as basis swaps, have been recognised at fair value through profit or loss. It has not been possible to document a hedging relationship for these instruments.

3.8.8 DERECOGNITION OF ASSETS

A financial asset (or group of financial assets) is derecognised in whole or in part:

- when the contractual rights to the related cash flows expire;
- or are transferred or considered as such because they are de facto owned by one or more beneficiaries and where substantially all of the risks and rewards of that financial asset are transferred.

In this case, all rights and obligations created or retained at the time of the transfer are recognised separately as assets and liabilities.

3.8.9 FINANCING COMMITMENTS

Financing commitments that are not considered to be derivatives under IFRS 9 do not appear on the balance sheet when they are granted under normal conditions (otherwise, an asset or liability is recorded). Where applicable, they are subject to provisions in accordance with IAS 37.

3.8.10 GUARANTEES GIVEN

A financial guarantee is a contract that requires the issuer to make specific payments to reimburse the holder for a loss incurred due to the failure by a specified debtor to make a payment on the due date according to the original or amended terms and conditions of the debt instrument.

Financial guarantee contracts are initially measured at fair value and subsequently at the greater of the following two values:

- the value determined in accordance with the provisions of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” or
- the amount initially recorded, less any amortisation recognised under IAS 18 “Revenue”.

3.9 TREATMENT OF FIXED ASSETS (IAS 16, 36, 38 AND 40)

The Oney Group applies the component method when accounting for fixed tangible and intangible assets. In accordance with the provisions of IAS 16, the basis for depreciation reflects any residual value of the fixed assets.

The fixed assets are depreciated according to their estimated useful life using either the straight-line method or the declining balance method. The principles adopted are as follows:

- **Property, plant and equipment:**

  Constructions: 8 to 40 years

  Fixtures, fittings and security systems: 6 2/3 years to 10 years

  Other fixed assets: 3 to 5 years

- **Intangible assets:**

  Purchased software is recorded under other intangible assets and is amortised over three years.

  Fixed assets are subject to impairment testing whenever there is evidence of loss in value and at least once a year in the case of intangible assets. In the event of a loss in value, an impairment charge is recorded on the income statement under "Charges to depreciation, amortisation and provisions for impairment of tangible and intangible assets"; this may be reversed if the conditions that led to its recognition change.

  Capital gains or losses on disposals of operating assets are recorded under "Net gains or losses on other assets".

3.10 IMPAIRMENT OF FIXED ASSETS (IAS 36)

IAS 36 - Impairment of assets - defines the procedures that a company must apply to ensure that the net book value of its assets does not exceed the recoverable amount, i.e. the amount that would be recovered from their use or sale.

The recoverable value of an asset is defined as the higher of the asset's net selling price and its value in use. The net selling price is the amount that may be obtained from the sale of an asset in a transaction carried out under normal conditions of competition between fully informed and consenting parties, less the costs of disposal. The value in use is the present value of the future cash flows expected to be derived from the continued use of an asset and its disposal at the end of its useful life.

Cash flows after tax are estimated on the basis of three-year business plans approved by Management. Beyond this period, cash flows are extrapolated by applying a constant growth rate over a period that corresponds to the estimated useful life of the tangible asset. For tests related to goodwill, net income flows are extrapolated over an additional six-year period with a terminal value calculated by discounting data for the ninth year to infinity.

COUNTRY	Portugal	Spain	Italy	Poland	Hungary	Romania	Russia	Ukraine	China	Chine
Banking discount rate	8.53%	12.28%	10.03%	10.53%	9.53%	11.53%	11.53%	12.00%	16.03%	9.51%
"Non Banking" discount rate	6.01%			8.01%	7.01%		9.01%	9.48%	13.51%	6.99%
Growth rate to infinity	1 or 2%	1 or 2%	1 or 2%	1 or 2%	1 or 2%	1 or 2%	1 or 2%	1 or 2%	1 or 2%	1 or 2%

Cash flows are discounted at the discount rate plus a risk premium specific to each country. The discount rate is determined on the basis of the rate of return observed on the equity market of the banking sector for credit institutions, and the retail sector for companies providing business to banking partners.

The level of regulatory capital retained for the analysis is 11.00% for 2019.

The recoverable amount of tangible and intangible fixed assets is tested whenever there is evidence of loss in value on every reporting date.

This test is also performed at least once a year (at year-end) for assets with an indefinite life span such as goodwill.

- **Identification of cash generating units (CGUs)**

  A cash generating unit is defined as the smallest group of assets generating cash inflows largely independent of the cash inflows generated by other assets or groups of assets. The Oney Group has divided all its activities into cash generating units. This division is made in keeping with the organisation of the Group. It is regularly reviewed to take account of events likely to affect the composition of a CGU.

- **Goodwill sensitivity analysis**

  For Oney Spain, Oney Portugal and ICI (the only entities in the Group for which there is goodwill), an increase in the discount rate of 100 basis points would reduce the value by €24.8 million but would not bring about an impairment of these assets.

  For Oney Spain, Oney Portugal and ICI, a decrease in the growth rate to infinity of 100 basis points would reduce the value by €19.0 million but would not bring about an impairment of these assets.

  For Oney Spain and Oney Portugal, a 50 basis point increase in the level of regulatory capital would reduce the value by €4.4 million but would not result in any depreciation of these assets.

3.11 DEFERRED TAX (IAS 12)

This standard requires that deferred taxes be accounted for on all temporary differences observed between the carrying amount of an asset or a liability and its tax base.

No deferred taxes are accounted for in respect of the following items:

- (i) non-deductible goodwill,
- (ii) the initial recognition of an asset or a liability in a transaction that is not a business combination and which does not affect either accounting income or taxable income and
- (iii) temporary differences arising from investments in subsidiaries that are not expected to reverse in the foreseeable future.

The tax rates used for the measurement of deferred taxes are those anticipated as being applicable when the asset is realised or the liability is settled, insofar as these rates have been fully adopted or adopted to some extent at the reporting date. The effect of any change in tax rates is recognised through profit and loss, with the exception of changes relating to items recognised directly in equity.

Deferred tax assets and liabilities are offset at the level of each taxable entity. They are not discounted.

Tax losses and other temporary differences give rise to the recognition of a deferred tax asset if it is probable that they will be attributed to taxable income or when allocation to deferred tax liabilities is possible.

Two conditions are required for the application of this rule.

- **1/** The entity must have generated positive taxable income over the past two years (current and previous year);
- **2/** An analysis of the tax plan for the next three years is required to demonstrate that the tax losses that may be carried forward and the deferred tax assets on temporary differences can be recovered within a short period of three years, thanks to current profits.

3.12 PROVISIONS (IAS 37)

Provisions, other than those related to credit risks and employee benefits, represent liabilities whose timing and amount are uncertain. The recognition of a provision is dependent upon the Oney Group having an obligation with regard to a probable third party that will require an outflow of resources in favour of this third party without at least equivalent compensation anticipated from the latter. This obligation may be legal, regulatory or contractual. These provisions are estimated according to their nature and on the basis of the most probable assumptions.

The amount of this obligation is discounted to determine the amount of the provision, when this discounting represents a significant amount.

3.13 EMPLOYEE BENEFITS (REVISED IAS 19)

Employee benefits are grouped into four categories in accordance with revised IAS 19:

- short-term benefits payable in the twelve months following the end of the annual reporting period, such as wages, social security contributions and bonuses;
- long-term benefits (long-service benefits, bonuses and remunerations payable twelve months or more after the end of the annual reporting period);
- termination benefits;
- post-employment benefits, themselves classified into two categories described below: defined benefit schemes and defined contribution schemes.

POST-EMPLOYMENT BENEFITS: PENSION COMMITMENTS, EARLY RETIREMENT AND RETIREMENT BENEFITS - DEFINED BENEFIT SCHEMES

ONEY BANK contributes to the establishment of pensions for its staff according to the laws and practices applicable in each country.

In accordance with revised IAS 19 - Employee Benefits - the Group registers and records all benefits granted to employees. The Group recognises the actuarial losses and gains in other comprehensive income (OCI).

3.14 SHARE-BASED PAYMENT (IFRS 2)

IFRS 2 - «Share-based payment» requires that the value of transactions paid in shares or similar instruments be recognised in the company's profit and loss account and balance sheet. This standard, which applies to schemes introduced after 7 November 2002 and not yet vested as at 1 January 2005, relates to two scenarios:

- transactions for which the payment is based on shares and which are settled in equity instruments,
- transactions for which the payment is based on shares and which are settled in cash.

The valuation method applied to options is based on the following criteria:

- Determination of the underlying value of the option on the date the option is granted uncorrelated with any condition set out in the options scheme. This value is determined by applying the binomial model;
- Specific conditions are then taken into consideration by applying a coefficient of probability to the underlying value.

The underlying value of the option is the value of a call option determined by applying the binomial model based on the following:

- Term of the option (determined by the option scheme);
- Strike price of the option;

- Interest rate (the rate applied is that of the 4-year French treasury bond);
- Share price at the time of allocation;
- Volatility of the market sector (when the underlying share is not listed)

The underlying value applied includes the impact of dividends paid during the vesting period.

Rights are accounted for as expenses under the heading «Personnel expenses». This expense item is offset by an entry recorded as a liability where the shares are acquired by the Group. The expense item is spread over the period during which the rights are definitively vested to the members of staff.

When the underlying value of the option has been overestimated, a reversal is recognised in equity.

3.15 MINORITY SHAREHOLDER PUT OPTIONS

The Oney Group has granted put options to the minority shareholders of certain of the Group's controlled subsidiaries. These buyback commitments are optional commitments (sales of put options). The strike price of these options was established according to a calculation formula agreed upon when the subsidiary was acquired or formed, based on that subsidiary's projected future business performance.

In accordance with the provisions set out in revised IAS 32, the Group records a liability with respect to the put options granted to minority shareholders in subsidiaries that it controls exclusively. This liability is recognised at the present value of the estimated strike price of the put options.

It is offset as a reduction of minority interests underlying the options and, for the balance, as a deduction from the Group's shareholders' equity.

The value of the liability in respect of the put option is adjusted at the end of each period depending on the change in the likeliest exercise price of the options.

3.16 OWN SHARES

All treasury shares held by the Group are registered at their acquisition cost as a reduction in shareholders' equity. Profits or losses net of tax resulting from the potential disposal of these treasury shares are attributed directly to shareholders' equity, such that any capital gains or losses resulting from the disposal do not affect the net profit for the annual reporting period.

3.17 INSURANCE ACTIVITIES (IFRS 4)

The two companies (life and non-life) mainly provide creditor insurance, affinity insurance and death and disability insurance in France, Portugal, Spain, Poland and Italy.

The technical reserves on life insurance and non-life insurance contracts are calculated by an external actuary in accordance with the methods defined by the regulations, and comply with IFRS. Technical reserves also take account of a prudence margin in view of the low loss experience and the economic climate of the countries concerned. They correspond to budgeted expenses to cover claims reported but not yet settled (RBNS), claims incurred but not yet reported (IBNR) and provisions for outstanding liabilities.

The provision for unearned premiums is designed to recognise, for all outstanding contracts, the portion of premiums written and premiums yet to be written for the period between the inventory date and the date of the next premium instalment or, failing that, the end of the contract.

The insurance companies must comply with the solvency ratio of Malta, where they are based. As a member of the EU, Malta follows the Solvency 2 regulations in force within Europe.

3.18 RELATED PARTY TRANSACTIONS

The related parties and fellow entities mentioned in the notes are the parent company BPCE and the subsidiaries of BPCE. Only significant transactions are reported.

3.19 EARNINGS PER SHARE

The Oney Group reports basic earnings per share based on the results from continuing operations. This information is also broken down from net income.

Basic earnings per share is calculated by dividing the Group share of net income for the annual reporting period by the weighted average number of shares outstanding during the annual reporting period.

The average number of shares outstanding during the annual reporting period corresponds to the number of shares outstanding at the beginning of the year, adjusted by the number of shares issued during the year.

3.20 TRANSFER OF FINANCIAL ASSETS (AMENDED IFRS 7)

The amendment to IFRS 7 specifies the information to be disclosed on:

- transferred financial assets that are not derecognised in their entirety;
- transferred financial assets that are derecognised in their entirety but in which the entity has a continuing involvement; and
- transfers of financial assets that are not evenly distributed throughout the period, to highlight potential window dressing transactions (for derecognised assets).

NOTE 4: CASH ACCOUNTS, CENTRAL BANKS

(in thousands of euros)	31/12/2019	31/12/2018	Change
Central bank	405,289	389,270	16,018
Cash dispensers – Financial spaces	11,797	10,383	1,414
Other	981	1,187	-206
TOTAL	**418,067**	**400,841**	**17,226**

Since 1st October 2015, within the framework of the Basel III regulations and the Liquidity Coverage Ratio (LCR), the Oney Group has been building a portfolio of very high-quality assets via deposits in current accounts with central banks.

NOTE 5: DERIVATIVES

At 31 December 2019, Oney no longer had derivative instruments in its portfolio.

The portfolio at the end of 2018 can be identified across several groups:

1. Hedging derivatives
2. Derivatives not qualifying for hedge accounting

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)	31/12/2019		31/12/2018	
	Assets	Liabilities	Assets	Liabilities
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING	**0**	**0**	**2,161**	**43**
Interest-rate derivatives:				
Fixed instruments			2,161	43
Conditional instruments				
FAIR VALUE HEDGING	**0**	**0**	**0**	**0**
Interest-rate derivatives:				
Fixed instruments				
Conditional instruments				
CASH FLOW HEDGING	**0**	**0**	**0**	**1,270**
Interest-rate derivatives:				
Fixed instruments				1,270
Conditional instruments				
TOTAL	**0**	**0**	**2,161**	**1,312**

Information IFRS 9 Phase 3 «Hedge Accounting»:

CATEGORY	Type of instrument	Notional Amount	Change since 31/12/2018	Fair market value at 31/12/2019
Derivatives for trading (CCS)	Cross Currency Swap	0	-2,161	0
Derivatives for hedging (IRS)	Interest Rate Swap	0	1,312	0
TOTAL		**0**	**-849**	**0**

The financing of Oney's subsidiaries outside the Euro zone, which was previously done using cross currency swaps, is now carried out by borrowing in foreign currencies from the BPCE Group. As of 31/12/2019, Oney therefore has no more cross currency swap portfolios.

Since the takeover of Oney's financing by BPCE, Oney has been managing its interest rate risk by hedging these sources of financing, in maturities and rates, tailored to the profile of its assets. As of 31/12/2019, Oney therefore no longer had any interest rate swaps in the portfolio.

NOTE 6:
LOANS AND RECEIVABLES - CREDIT INSTITUTIONS

LOANS AND RECEIVABLES (in thousands of euros)	31/12/2019	31/12/2018	CHANGE
Demand loans - credit institutions:	**170,641**	**142,650**	**27,991**
Term loans - credit institutions:	**61,922**	**44,900**	**17,022**
Principal	61,018	44,890	16,127
Related receivables	904	9	895

MATURITY DATES

(in thousands of euros)	< = 3 months	3 months < D <= 1 year	1 year < D <= 5 years	> 5 years	31/12/2019
Term loans - credit institutions:	**48,426**	**824**	**12,672**		**61,922**
Principal	47,522	824	12,672		61,018
Related receivables	904				904

(in thousands of euros)	< = 3 months	3 months < D <= 1 year	1 year < D <= 5 years	> 5 years	31/12/2018
Term loans - credit institutions:	**44,900**	**0**			**44,900**
Principal	44,890	0			44,890
Related receivables	9				9

NOTE 7:
LOANS AND RECEIVABLES - CUSTOMERS

7.1 MATURITY DATES

LOANS AND RECEIVABLES (in thousands of euros)	< = 3 months	3 months < D <= 1 year	1 year < D <= 5 years	> 5 years	31/12/2019
Customer current accounts	**7**				**7**
Overall gross outstanding debts:	**622,232**	**750,414**	**1,334,072**	**206,081**	**2,912,800**
Performing outstanding debts (stage 1) subject to a 12-month ECL	550,385	598,208	1,028,339	122,264	2,299,196
Non-performing outstanding debt (stage 2) subject to an ECL at maturity	33,982	52,675	111,845	22,273	220,776
Impaired outstanding debt (stage 3) subject to an ECL at maturity	37,865	99,532	193,888	61,543	392,828

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

7.2 IMPAIRED OUTSTANDING DEBT

(in thousands of euros)		31/12/2019	31/12/2018	Change
Gross outstanding debt		**2,912,800**	**2,872,094**	**40,705**
Stage 1 performing outstanding debt subject to a 12-month ECL	+	2,299,196	2,256,862	
Stage 2 non-performing outstanding debt subject to an ECL at maturity	+	220,776	212,164	
Stage 3 impaired outstanding debt subject to an ECL at maturity	+	392,828	403,069	
Impairments	-	**367,653**	**386,783**	**-19,131**
Outstanding debt at end of period:	=	**2,545,147**	**2,485,311**	**59,836**
Percentage of Stage 3 outstanding debt/total debt:		13.5%	14.0%	
Hedging rate of total outstanding debt:		**12.6%**	**13.5%**	

7.3 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		Actifs soumis à une ECL à maturité (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)	191,008	29,560	-190,002	-28,992	-1,006	-567	0	0	
Transfers to Stage 2 (ECL at maturity)	-335,914	-7,613	396,276	37,155	-60,362	-29,543	0	0	
Transfers to Stage 3 (Impaired ECL at maturity)	-18,539	-405	-158,415	-57,207	176,954	57,612	0	0	
Total transfer	**-163,445**	**21,542**	**47,859**	**-49,044**	**115,586**	**27,503**	**0**	**0**	**0**
Changes in gross book values and value adjustments for losses									
New production: purchasing, granting, origination, etc.	2,747,983	35,279	27,560	4,148	0	0	2,775,543	39,427	
Derecognition: transfer, repayment, expiry, etc.	-2,530,699	-35,226	-58,477	-11,497	-47,135	-24,929	-2,636,311	-71,652	
Impact on ECL exposures transferred between stages during the period	-5,548	-22,065	1,824	53,935	393	28,225	-3,331	60,095	
Change to a loss	-213	0	-500	0	-86,189	-59,838	-86,902	-59,838	
Changes in cash flows that do not result in derecognition	-8,524	-984	-9,581	-643	-3,677	1,367	-21,783	-260	
Evolution of credit risk parameters over the period		15		99		-127	0	-13	
Changes in the model/ methodology		0		0		0	0	0	
Changes to the consolidation scope	0	0	0	0	0	0	0	0	
Other	2,780	-33	-73	1,072	10,782	12,071	13,489	13,110	
Total changes	**205,779**	**-23,013**	**-39,247**	**47,115**	**-125,827**	**-43,233**	**40,705**	**-19,131**	
At 31 December 2019	**2,299,196**	**37,130**	**220,776**	**42,409**	**392,828**	**288,114**	**2,912,800**	**367,653**	**2,545,147**

7.4 CHANGES TO IMPAIRMENT OF OUTSTANDING CUSTOMER DEBT

CHANGES TO IMPAIRMENT (in thousands of euros)	01/01/2019 to 31/12/2019	01/01/2018 to 31/12/2018
Impairment, start of period:	**386,784**	**356,258**
Changes to consolidation scope		
First-time application of IFRS 9		108,786
Increases	31,770	40,432
Reversals	49,416	115,147
Reversal of discount on debt in over-indebtedness proceedings	-2,164	-2,753
Other reclassifications + translation adjustments	680	-792
Impairment, end of period:	**367,653**	**386,784**

7.5 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 31 December 2019, the amount of the relevant assets, net of associated liabilities, was €717 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 31 December 2019, the amount of derecognised outstanding debt with continued involvement amounted to €1.7 million compared to €2.4 million at 31 December 2018.

NOTE 8:
SECURITIES

SECURITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS OR OCI

These securities, recorded in the portfolio under «Financial assets measured at fair value through equity» or «Financial assets at fair value through profit or loss», are variable-income securities representing a fraction of the capital of the companies that issued them.

(in thousands of euros)	Fair value	% held	2019	2018
Visa Inc	through profit or loss	< 1%	1,613	1,111
VISA pref shares	through profit or loss	< 1%	5,300	2,087
Swift	through OCI	< 1%	62	62
Fivory	through OCI	< 1%	743	743
FDGR Membership (Fonds de Garantie des Dépôts et de Résolution)	through OCI	< 1%	799	364
Valiuz	through OCI	6.9%	125	
Other	through OCI	< 1%	8	8
TOTAL			**8,651**	**4,376**

STRATEGIC ACTIONS

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.

EQUITY INVESTMENTS/ASSOCIATES

(in thousands of euros)	2019	2018
At 1st January	3,459	2,317
Capital increase		
Disposal of securities		
Dilution/accretion/other	15	-31
Goodwill (including currency effect		
Share of income	777	1,173
At 31 December	**4,252**	**3,459**

NOTE 9:
TANGIBLE AND INTANGIBLE FIXED ASSETS

INTANGIBLE ASSETS (in thousands of euros)	Goodwill	Other	TOTAL
Gross value 01/01/2019	31,478	56,799	88,277
Gross value 31/12/2019	**31,478**	**64,797**	**96,275**
Cumul. Deprec. & Impairment. 01/01/2019	0	35,010	35,010
Cumul. Deprec. & Impairment. 31/12/2019	**0**	**41,342**	**41,342**
Net value 01/01/2019	31,478	21,789	53,267
Net value 31/12/2019	**31,478**	**23,455**	**54,933**

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 worth is €18,394,000;
- 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 in relation to ICI of €5,035K.

PROPERTY, PLANT AND EQUIPMENT (in thousands of euros)	Land	Building	Office, computer equipment and other	Fixtures and fittings	In progress	Other	TOTAL
Gross value 01/01/2019:	**6,477**	**23,531**	**25,063**	**20,141**	**245**	**1,049**	**76,505**
Acquisitions for the period	0	0	2,405	379	11	97	2,892
Disposals and scrapping	0	0	294	0	0	59	352
Restatements/changes to consolidation scope	0	0	216	1	-217	-1	0
Change to the cumulative translation adjustment	0	0	4	-1	1	4	7
Gross value 31/12/2019:	**6,477**	**23,531**	**27,395**	**20,519**	**39**	**1,091**	**79,053**
Cumulative Depreciation & Impairment. 01/01/2019:		**3,343**	**21,129**	**11,553**	**-**	**809**	**36,834**
Charges to depreciation		792	2,149	1,899		110	4,950
Disposals and scrapping		0	293	0		59	352
Restatements/changes to consolidation scope		0	0	0		0	0
Change to the cumulative translation adjustment		0	-1	1		2	2
Cumulative Depreciation & Impairment 31/12/2019:		**4,135**	**22,984**	**13,452**	**-**	**863**	**41,435**
Net value 01/01/2019:	6,477	20,188	3,934	8,588	245	240	39,671
Net value 31/12/2019:	**6,477**	**19,396**	**4,411**	**7,068**	**39**	**228**	**37,618**

IFRS 16 RIGHT OF USE (in thousands of euros)	Land	Building	Office, computer equipment and other	TOTAL
Gross value 01/01/2019:	**0**	**0**	**0**	**0**
FTA	0	4,059	2,294	6,353
Acquisitions for the period	0	2,479	1,317	3,796
Disposals and scrapping	0	30	289	319
Restatements/changes to consolidation scope/ Non-cash decrease	0	-0	-136	-136
Change to the cumulative translation adjustment	0	64	76	140
Gross value 31/12/2019:	**0**	**6,572**	**3,262**	**9,834**
Cumulative Depreciation & Impairment. 01/01/2019:	**0**	**0**	**0**	**0**
Charges to depreciation	0	1,548	1,365	2,913
Disposals and scrapping	0	30	289	319
Restatements/changes to consolidation scope	0	0	0	0
Change to the cumulative translation adjustment	0	18	9	26
Cumulative Depreciation & Impairment 31/12/2019:	**0**	**1,536**	**1,085**	**2,621**
Net value 01/01/2019:	0	0	0	0
Net value 31/12/2019:	**0**	**5,036**	**2,177**	**7,213**

NOTE 10: DEFERRED TAXES

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

(in thousands of euros)	01/01/2019	Changes recognised in profit or loss	Changes recognised in equity	Cumulative translation adjustment/ Reclassification	31/12/2019
Non-deductible provisions	37,437	-3,250		50	34,238
Tax-related provisions	-244	238			-7
Financial instruments	287	104	-391		0
Other	11,894	-3,846	-133	108	8,026
TOTAL:	**49,374**	**-6,754**	**-523**	**158**	**42,253**

The «Other» section includes a €3.1 million deferred tax asset activated on a loss on 31/12/2019.

The deferred tax asset includes a €2.5 million decrease for provisions relating to the discounting effect that will reverse from 1st January 2019 in line with the gradual reduction in the standard rate of corporation tax up until 2022.

MATURITY DATES OF ALL DEFERRED TAXES ON NON-CAPITALISED TAX LOSS CARRY-FORWARDS OF FOREIGN SUBSIDIARIES

Amount	<1 year	1< <5 years	+ 5 years
11,001	17	10,628	356

Non-capitalised deferred taxes concern the entities in Italy, Spain, Romania and Ukraine.

These deferred tax amounts include a €11.0 million deferred tax on carry-forwards which has not been capitalised due to the uncertainty of its future allocation.

NOTE 11: ACCRUALS AND OTHER ASSETS

(in thousands of euros)	31/12/2019	31/12/2018	Change
Uncleared transactions	256,372	261,334	-4,962
Prepaid expenses	7,018	8,512	-1,494
Accrued income	6,551	10,322	-3,772
Other accrual accounts	2,293	3,213	-920
Other assets	87,918	80,825	7,092
TOTAL	**360,151**	**364,207**	**-4,056**

Uncleared transactions correspond to debits on customer accounts.

NOTE 12:
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

(in thousands of euros)	31/12/2019	31/12/2018	Change
Amounts owing to credit institutions:	**2,329,667**	**830,254**	**1,499,413**
DEMAND	5,909	5,490	419
TERM	2,323,758	824,764	1,498,993
Customer debts and deposits:	**67,094**	**1,221,641**	**-1,154,547**
DEMAND	4,552	154,770	-150,218
TERM	62,542	1,066,871	-1,004,329
Debt securities:	**528,006**	**657,075**	**-129,069**
Debenture loans	100,005	100,000	5
Other debt represented by a security (MT notes, negotiable certificates of deposit)	428,001	557,075	-129,074
Subordinated debt:	**33,016**	**0**	**33,016**
TOTAL	**2,957,783**	**2,708,971**	**248,812**

At 31 December 2019, the amount of unused confirmed credit lines granted by banking institutions was 65 million euros, including 35 million euros maturing after more than a year.

BREAKDOWN OF DEBENTURE LOANS

Borrowing company	Nominal interest rate	Effective interest rate	Date of issue	Maturity	31/12/2019	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**	

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 retroactively reduced to -0.40% in line with fluctuations to our loan production between January 2016 and January 2018.

Since this rate is considered off-market, and having been given reasonable assurance of qualifying for the lower rate, Oney Bank recognised the proceeds from the potential rate decrease as a public subsidy (IAS 20). At 31/12/2019, Oney Bank recorded a receivable of €5.7 million on the balance sheet and €1.4 million of refinancing income in the income statement.

NOTE 13:
PROVISIONS FOR RISKS AND CHARGES

(in thousands of euros)	01/01/2019	Increases	Reversals	Capital / Currency / Entry into scope	31/12/2019
Employee benefits	3,650	423	335	-431	3,306
Provisions for tax inspections	0	0	0	0	0
Provisions for disputes	9,257	2,178	144	-5	7,090
Sub-total	**12,907**	**2,601**	**4,676**	**-436**	**10,396**

NOTE 14:
TECHNICAL RESERVES WITH INSURERS AND LIABILITIES TOWARDS REINSURERS

(in thousands of euros)	01/01/2019	Increases	Reversals	Reclassification	31/12/2019
Technical reserves - Life	3,444	714			4,159
Technical reserves - Non-life	34,409	21,328			55,737
Total Technical Reserves	**37,853**	**22,042**	**0**	**0**	**59,895**

NOTE 15:
OTHER LIABILITIES AND ACCRUALS

(in thousands of euros)	31/12/2019	31/12/2018	Change
Trade payables	10,928	6,750	4,178
Personnel costs	20,423	18,094	2,329
Duties and taxes	7,335	5,195	2,140
Cash back, shopping vouchers, gift cards and prepaid cards	33,042	33,457	-415
Other	23,895	27,483	-3,588
Sub Total OTHER LIABILITIES	**95,623**	**90,979**	**4,645**
Uncleared transactions	11,774	35,469	-23,695
Prepaid income	31,941	36,957	-5,016
Accrued expenses	74,152	76,731	-2,578
Other	1,210	6,886	-5,677
SUBTOTAL ACCRUED LIABILITIES AND DEFERRED INCOME	**119,077**	**156,043**	**-36,965**
TOTAL OTHER LIABILITIES AND ACCRUAL ACCOUNTS	**214,701**	**247,021**	**-32,321**

NOTE 16: SHAREHOLDERS EQUITY, GROUP SHARE

16.1 NUMBER OF SHARES REPRESENTING THE SHARE CAPITAL

	31/12/2019	31/12/2018
Start of period	1,449,749	1,449,749
Issue of new shares for cash	15,582	
Reduction of capital by cancellation of shares		
END OF PERIOD	**1,465,331**	**1,449,749**

On 31 December 2019, Oney Bank's share capital came to €51,287K, made up of 1,465,331 ordinary fully paid-up shares with a nominal value of €35.

16.2 OWN SHARES

In 2019, as part of the exercise of options, Oney Bank purchased 368 treasury shares. At 31 December 2019, Oney Bank no longer holds any treasury shares.

16.3 LEGAL RESERVE

Oney Bank SA's legal reserve amounted to €5,079K on 31 December 2019.

16.4 RESERVES BROKEN DOWN BY TYPE

TRANSLATION RESERVE

(in thousands of euros)	31/12/2019	31/12/2018
China	10	-6
Hungary	-1,174	-1,011
Poland	113	67
Romania	-7	4
Russia	-2,926	-2,963
Ukraine	-70	-106
United States	15	11
TOTAL	**-4 039**	**-4 004**

CASH FLOW HEDGE RESERVE (EXCLUDING DEFERRED TAX)

(in thousands of euros)	31/12/2019	31/12/2018
Start of period	-1,203	-1,571
Change	1,203	368
End of period	**0**	**-1,203**

16.5 CHANGE IN SHAREHOLDERS' EQUITY (GROUP SHARE)

(in thousands of euros)	Capital	Premium	Treasury shares	Reserves	Unrealised gains and losses	Profit/loss for the financial year	Conversion difference	Total equity
2017 Closing Position	**50,741**	**57,306**	**-1,454**	**440,361**	**-726**	**36,893**	**-3,848**	**579,273**
Movements								
Appropriation				36,893		-36,893		0
Profit (loss) for the period						52,064		52,064
Capital increase								
Net unrealised cash flow hedge gains and losses					217			217
Share ownership plans			670	-1,043				-373
Translation reserve							-896	-896
Net actuarial gains or losses on retirement benefits					408			408
Auchan dividends				-11,397				-11,397
Hungary put option				-6,015				-6,015
Poland dividends								
Corporate income tax credit payment				1,058				1,058
FTA IFRS 9				-44,167				-44,167
CTA on fixed assets				146				146
Other				24				24
2018 Closing Position	**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						44,047		44,047
Capital increase	545	3,553		328				4,426
Net unrealised cash flow hedge gains and losses					813			813
Share ownership plans			784	6,316				7,100
Translation reserve							-131	-131
Net actuarial gains or losses on retirement benefits					318			318
Auchan dividends				-177,542				-177,542
Hungary put option				488				488
Poland dividends								
Corporate income tax credit payment								
CTA on fixed assets				319				319
Other				-9				-9
2019 Closing Position	**51,287**	**60,859**	**0**	**297,824**	**1,030**	**44,047**	**-4,875**	**450,170**

16.6 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
Cash dividends paid for the 2018 financial year	161,787,196	€110.41

NOTE 17: MINORITY INTERESTS

(in thousands of euros)	
Situation at 31 December 2017	**2,772**
Profit (loss) for the period	543
Put option on Hungary minority interests	328
Hungary dividends	-1,129
Poland dividends	
FTA IFRS 9	-324
Other (including CTA	-393
Situation at 31 December 2018	**1,798**
Profit (loss) for the period	-112
Put option on Hungary minority interests	529
Hungary dividends	-808
Poland dividends	
Other (including CTA	-93
Situation at 31 December 2019	**1,500**

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

At 31 December 2019, the share of Hungarian minority interests amounted to €3.3K with an €8.8K 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 €40.1 million and liabilities (excluding shareholders' equity) amount to €29.0 million. On the income statement, net banking income amounts to €9.4 million, while the cost of risk is €1.0 million and net profit is €0.9 million.

Oney Bank informed Cetelem Magyar of the change of control that took place on 22 October 2019 in favour of BPCE. In November 2019, Cetelem Magyar therefore notified Oney Bank of the exercise of its put option relating to its shares held in Oney Magyar. The transfer of ownership will take place in 2020.

NOTE 18:
OFF-BALANCE SHEET LIABILITIES

COMMITMENTS RECEIVED

COMMITMENTS RECEIVED (in thousands of euros)	31/12/2019	31/12/2018
Financing commitments	**65,907**	**1,278,002**
Received from credit institutions and customers		
Guarantees	**5,327**	**6,288**
Received from credit institutions and customers		
Securities commitments	**281**	**11,278**
Securities to be received		
TOTAL	**71,514**	**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)	31/12/2019	31/12/2018
Financing commitments	**6,597,095**	**6,701,742**
To credit institutions and customers		
Guarantees	**270**	**48,266**
To credit institutions and customers		
TOTAL	**6,597,365**	**6,750,008**

BREAKDOWN OF COMMITMENTS GIVEN TO CUSTOMERS BY GEOGRAPHICAL AREA

In millions of euros	31/12/2019	31/12/2018
France	4,951	5,116
Europe outside France	1,644	1,585
Rest of the world	2	1

NOTE 19:
INTEREST INCOME AND EXPENSES

(in thousands of euros)	31/12/2019		31/12/2018	
	Expense	Income	Expense	Income
Transactions with credit institutions	4,600	1,140	5,638	441
Transactions with customers	5,179	247,334	6,617	248,616
Transactions involving financial instruments	1,314	396	4,730	396
Total	**11,093**	**248,870**	**16,985**	**249,453**

NOTE 20 :
COMMISSION INCOME AND EXPENSES

(in thousands of euros)	31/12/2019		31/12/2018	
	Expense	Income	Expense	Income
Transactions with credit institutions	5,679	7,175	6,505	6,888
Insurance transactions	2,590	18,784	3,086	19,995
Transactions with customers	10	22,303	13	22,871
Financial services - including card fees	10,685	44,375	17,368	48,307
Other	6,287	25,248	7,350	24,046
Total	**25,251**	**117,885**	**34,323**	**122,107**

NOTE 21:
OTHER BANKING OPERATING INCOME AND EXPENSES

(in thousands of euros)	31/12/2019		31/12/2018	
	Expense	Income	Expense	Income
Insurance Expenses and Income	21,842	98,853	17,110	86,367
Operating Expenses and Income	2,623	42,911	2,110	48,802
Total	**24,465**	**141,764**	**19,220**	**135,168**

NOTE 22:
PERSONNEL COSTS

(in thousands of euros)	31/12/2019	31/12/2018
Wages and salaries	91,735	84,137
Social security contributions	40,602	38,827
Tax expenses	0	-1282
Employee profit-sharing and incentive schemes	8,668	8,881
TOTAL	**141,005**	**130,562**

NOTE 23: OTHER ADMINISTRATIVE COSTS

(in thousands of euros)	31/12/2019	31/12/2018
Taxes	4,842	4,384
Rentals	1,065	4,375
Remuneration of interim staff	19,652	21,501
Other	132,577	128,831
TOTAL	**158,136**	**159,091**

NOTE 24: COST OF RISK

COST OF RISK	31/12/2019		31/12/2018	
	Expense	Income	Expense	Income
Impairment on customer transactions	31,770	49,416	40,432	115,147
Stage 1 performing outstanding debt (subject to a 12-month ECL	2,439	4,023	3,547	8,235
Stage 2 non-performing outstanding debt (subject to an ECL at maturity	3,643	5,593	20,746	62,870
Stage 3 impaired outstanding debt (subject to an ECL at maturity	25,688	39,801	16,138	44,042
Impairment on other receivables and financial fixed assets	0	0	0	0
Losses on unrecoverable debt	120,163		159,171	
Collections on written-off receivables		23,277		20,085
TOTAL	**151,934**	**72,693**	**199,603**	**135,233**
	79,240		**64,370**	

NOTE 25: CORPORATION TAX

TAX EXPENSES

Tax expense	31/12/2019	31/12/2018
Taxes payable	4,892	11,446
Deferred tax liabilities	6,754	1,627
TOTAL	**11,646**	**13,072**

TAX ANALYSIS

	Amount	2019 rate	2018 rate
Earnings before corporation tax and associates	55,581		
Standard rate		34.43%	34.43%
Theoretical corporation tax	18,869		
Permanent differences	-653	-1.18%	2.16%
Unrecognised deferred taxes	1,065	1.92%	0.77%
Rate differential	-813	-1.46%	-5.37%
Tax credits	-8,095	-14.56%	-11.10%
Impact of rate changes at start of period	75		
Other	1,198	2.16%	-1.06%
EFFECTIVE TOTAL	**11,646**		
EFFECTIVE RATE		**20.95%**	**19.90%**

NOTE 26:
MISC

WORKFORCE

In December 2019, the full-time equivalent workforce across the Group's consolidated companies came to 2,615 employees (including 100% of the workforce of jointly controlled companies), compared to 2,633 on 31 December 2018, on a like-for-like basis.

EXECUTIVE REMUNERATION

The ten highest remunerations paid in 2019 to managers of Oney Group entities amounted to €3.9 million.

Expenses relating to post-employment benefits totalled €0.2 million.

NOTE 27:
EMPLOYEE BENEFITS

Group employees enjoy long-term or post-employment benefits according to the rules and practices specific in each country.

These additional benefits take the form of either defined contribution or defined benefit schemes.

DEFINED CONTRIBUTION SCHEMES

These schemes are characterised by regular contributions to external organisations that provide administrative and financial management. The contributions are recorded as expenses as they are incurred.

DEFINED BENEFIT SCHEMES

For the major plans, an actuarial valuation is performed annually by independent experts. These schemes relate to retirement benefits in France.

ACTUARIAL ASSUMPTIONS	2019	2018
Discount rate at 1st January	1.80%	1.80%
Discount rate at 31 December	1.10%	1.80%
Expected rate of salary increase	2.23%	2.00%

The change in the current value of the obligation with respect to defined benefit schemes is as follows:

CHANGE IN €K	2019	2018
Current value of the obligation as at 1st January	3,799	3,880
Financial cost	73	74
Cost of services rendered during the period	335	378
Benefits paid		
Actuarial losses (gains)	-408	-533
Other		
Current value of the obligation as at 31 December	**3,799**	**3,799**

The change in the fair value of defined benefit scheme assets is as follows:

CHANGE IN €K	2019	2018
Fair value of assets at 1st January	1,737	1,696
Expected return on assets	19	31
Contributions paid		
Benefits paid		
Actuarial losses (gains)	16	10
Fair value of assets as at 31 December	**1,772**	**1,737**

The net provision recorded on the balance sheet has changed as follows:

CHANGE IN €K	2019	2018
Net liabilities as at 1st January	2,062	2,184
Expense recognised	388	422
Contributions paid		
Benefits paid by employer		
Actuarial losses (gains) recognised in shareholders' equity	-424	-543
Restatement of financial liabilities		
Net liabilities as at 31st December	**2,027**	**2,062**

The reconciliation of balance sheet data with the actuarial obligation of the defined benefit schemes is as follows:

RECONCILIATION OF NET LIABILITIES	2019	2018
Present value of the obligation	3,799	3,799
Fair value of assets	1,772	1,737
Net position	2,027	2,062
Net liability recognised in the balance sheet	**2,027**	**2,062**

Expenses recognised for defined benefit schemes are broken down as follows:

IN €K	2019	2019
Cost of services rendered during the period	335	378
Financial cost	73	74
Expected return on assets in the scheme	-19	-31
Expense recognised	**389**	**422**

Sensitivity to assumptions:

A 50-basis point reduction in the discount rate would increase the value of the obligation by 7% (impact on other comprehensive income).

NOTE 28: SHARE-BASED PAYMENTS

As of 31 December 2019, Oney no longer has any shareholding plans following its change of control in October 2019; The stock option and free share allocation plans were transferred to Auchan Holding prior to this date.

In accounting terms, the IFRS 2 standard on "share-based payment" provides for a remeasurement of the shareholding plans before their transfer. This operation resulted in additional staff costs in the 2019 accounts for an amount of €6.2 million (excluding social security contributions). When these shareholding plans were transferred to Auchan Holding, the liability was cancelled out by equity for the same amount.

NOTE 29: 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.

LEVEL 1

(in thousands of euros)	CREDIT		OTHER		TOTAL	
	2019	2018	2019	2018	2019	2018
Sector income:						
External	416,082	422,349	98,944	86,500	515,026	508,849
Internal	0	0	0	0	0	0
Depreciation	15,957	11,216	700	540	16,657	11,756
Sector expenses	148,347	161,112	59,240	45,170	207,587	206,283
Provisions	-2,163	1,662			-2,163	1,662
Cost of risk	79,240	64,370			79,240	64,370
Sector profit	174,700	183,989	39,004	40,790	213,704	224,779
Non-sector expenses					158,123	159,101
Tax expenses					11,646	13,072
IFRS 5						
Net profit					**43,935**	**52,605**
Sector assets	3,459,379	3,356,777	133,987	120,033	3,593,366	3,476,810
Sector liabilities	5,529,857	4,946,465	133,698	130,800	9,663,555	5,077,265
Investments	60,225	60,232	848	1,228	61,073	61,460

LEVEL 2

(in thousands of euros)	FRANCE		EUROPE		REST OF THE WORLD		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018
Sector income	257,379	256,543	211,665	203,447	46,089	48,860	515,026	508,849
Sector assets	2,615,524	2,573,529	858,102	819,260	119,740	84,021	3,593,366	3,476,810
Investments	51,245	53,759	7,362	6,135	2,466	1,567	61,073	61,460

NOTE 30:
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:

- **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.

- **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.

- **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).

- **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 2019.

- **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 2019 corresponds to the discounting of cash flows from the liability with a EURO rate curve.

- **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: (DEFINITION GIVEN IN NOTE 3.9.1)

In thousands of euros	Market value		
	Level 1	Level 2	Level 3
Derivatives - assets		0	
Derivatives - liabilities		0	
Cash in hand and at bank and post office	418,067		
Loans and receivables - customers			2,545,153
Current tax assets			1,701
Other assets and accruals			360,151
Amounts owing to credit institutions			2,329,667
Amounts owing to customers			67,094
Amounts owing represented by securities			528,042
Subordinated debt			33,016
Leasing debts - IFRS 16			7,145
Current tax liabilities			10,965
Other liabilities and accruals			214,701

In thousands of euros	Market value		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss*	6,913		0
Financial assets at fair value through capital		1,737	

**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		2018	
	Market value	Book value	Market value	Book value
Cash in hand and at bank and post office	418,067	418,067	400,841	400,841
Loans and receivables - customers	2,545,153	2,545,153	2,441,124	2,485,311
Available-for-sale securities	0	0		
Other financial assets at fair value through profit or loss	6,913	6,913	3,199	3,199
Equity instruments measured at fair value through equity that cannot be reclassified	1,737	1737	1,177	1177
Current tax assets	1,701	1,701	1,803	1,803
Other assets and accruals	360,151	360,151	364,207	364,207
Amounts owing to credit institutions	2,329,667	2,329,667	830,254	830,254
Amounts owing to customers	67,094	67,094	1,221,641	1,221,641
Amounts owing represented by securities	528,042	528,006	657,075	657,075
Subordinated debt	33,016	33,016	0	0
Leasing debts - IFRS 16	7,145	7,145		
Current tax liabilities	10,965	10,965	11,814	11,814
Other liabilities and accruals	214,701	214,701	247,021	247,021

NOTE 31: 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.

31.1 COUNTERPARTY RISK ON DERIVATIVES

Following the BPCE Group's equity investment in Oney Bank, derivative instruments are systematically accounted for against the parent company (or one of its subsidiaries). In addition, a margin call system guarantees coverage of counterparty risk.

31.2 INTEREST RATE RISK

Oney Bank SA's financial policy aims to protect its (current and future) equity and income against unfavourable changes in interest rates. Exposure to interest rate risk is measured both in terms of net interest margin and economic value.

EXPOSURE TO INTREST 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	12/2019	12/2018
Fixed rate financial assets	2,007	1,893
Fixed rate financial liabilities	492	1,517
Floating rate financial assets	1,197	1,187
Floating rate financial liabilities	2,473	1,193

The maturity dates for financial assets are shown in notes 6 and 7, and those of financial liabilities in note 31.3.

SENSITIVITY ANALYSIS METHOD USED

The sensitivity of the net interest margin is assessed in terms of:

- Four "probable" scenarios involving interest rate shocks of moderate intensity used to take into account a translation or distortion of the yield curve:
  - Moderate rise in the yield curve of 25bp
  - Moderate drop in the yield curve of 25bp
  - Moderate steepening of the curve (-20bp short rates, +10bp long rates, three-year pivot)
  - Moderate flattening of the curve (+20bp short rates, -10bp long rates, three-year pivot)
- Two "extreme" scenarios with high intensity interest rate shocks:
  - A deflation scenario that measures the resistance of the NIM to even lower negative rates and to a long-term flattening of the curve.
  - A rapid recovery scenario that measures the resistance of the NIM to a rapid rise in interest rates.

Under the likely scenarios, the scenario presenting the most significant impact for Oney is the steepening scenario with an impact of -€0.4 million on the NIM.

The two extreme scenarios show a positive impact on Oney's NIM.

The sensitivity of the Economic Value of Equity (EVE) is calculated as the difference between the discounting of capital and interest flows for all balance sheet positions (excluding equity) at «risk free" forward rates, and the discounting of these flows at forward rates +200/-200 bp.

In the worst-case scenario, the sensitivity of Oney's EVE reached -2.58% of prudential capital as at 31/12/2019.

31.3 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 31/12/2019

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	0	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 31/12/2019

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	0	0					
Currency swaps	0	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	0	0					
Currency swaps	0	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 and the HUF.

31.4 LIQUIDITY RISK

In order to limit its liquidity risk, Oney Bank relies on the financing of its majority shareholder, the BPCE Group, which provides Oney with all the liquidity its needs to fund its activity

Oney Bank has also built up a reserve of high-quality liquid assets (HQLA) allowing it to cope with 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.

EXPOSURE TO LIQUIDITY RISK

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

AT 31/12/2019

(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)	5,909	5,909	5,909				
Amounts owing to credit institutions	2,323,758	2,321,577	327,886	605,651	608,297	779,744	
Amounts owing to customers - demand	4,552	4,552	4,552				
Amounts owing to customers - term	62,542	62,749	45,987	3,504	818	12,441	
Debenture loans	100,005	100,158	49	55	100,055		
Debt securities	428,001	427,822	256,916	59,950	95,960	14,996	
Subordinated debt	33,016	37,787	76	71	136	1,559	35,944
Leasing debts - IFRS 16	7,145	7,145	636	636	1,273	4,132	467
Trade payables including IFRS 16	10,928	10,928	10,928				
Other liabilities	203,773	204,252	174,129	11,982	5,047	13,094	
Tax liabilities	11,058	11,058	10,632	380	0	47	

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 31 December 2019 and 31 December 2018:

Amount in €K	<1 year	1< <5 years	+ 5 years
65,000	30,000	35,000	

Amount in €K	<1 year	1< <5 years	+ 5 years
827,000	48,000	779,000	

31.5 FOREIGN EXCHANGE RISK

Oney Bank SA is exposed to a foreign exchange risk linked to capital investments in its subsidiaries outside the euro zone. With regard to the amounts committed, this risk is not subject to any specific hedging. Currency risk excluding capital investment is subject to specific hedges.

31.6 MANAGEMENT OF CUSTOMER CREDIT RISK

1. OVERVIEW

Credit risk mainly relates to consumer loans (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 and Compliance Department and Internal Audit Department, through Risk Committees.

For France, Spain, Portugal and Smartney (Poland), these risks are managed by local Risk Departments.

For other countries, (Hungary and Russia), the partner is responsible for managing credit risk, since it 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 and Compliance 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 €102.1 million at 31 December 2019. Impairment of €70.4 million was recognised in respect of these loans at 31 December 2019.

31.7 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.

31.8 EXPOSURE TO SOVEREIGN RISK

As at 31 December 2019, the Oney Group has no exposure to sovereign risk.

NOTE 32:
RELATED PARTY TRANSACTIONS

AT 31/12/2019 (BPCE AND AUCHAN HOLDING)

In thousands of euros	Assets	Liabilities	Expense	Income
PARENT COMPANY - BPCE				
Transactions with credit institutions	135	1,962,144		205
Transactions with customers				
Subordinated debts and related liabilities		33,016	16	
Other assets/liabilities and accruals				
Operating income and expenses				
External services				
COMPANIES WITH SIGNIFICANT INFLUENCE (AUCHAN)				
Other assets and accruals	636			
Other liabilities and accruals		2,366		
Operating income and expenses			4,232	5,780
External services			4,971	
ASSOCIATED COMPANIES				
Other assets and accruals				
Transactions with customers				
Subordinated debts and related liabilities				
Other liabilities and accruals				
Non-recurring income and expenditure				26
External services				20
OTHER RELATED COMPANIES				
Transactions with credit institutions	66,080		241	
Other assets and accruals				
Transactions with customers				
Subordinated debts and related liabilities				
Other liabilities and accruals				
Operating income and expenses				
External services				
TOTAL	**66,850**	**1,997,526**	**9,461**	**6,031**

AT 31/12/2018 (AUCHAN HOLDING)

In thousands of euros	Assets	Liabilities	Expense	Income
PARENT COMPANY - AUCHAN HOLDING				
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 33: PROPOSED ALLOCATION

The draft resolutions submitted to the shareholders at the General Meeting propose the payment of a dividend out of reserves and the allocation of income to the accumulated deficit.

NOTE 34:
STATUTORY AUDITORS' REPORT

At 31/12/2019 (in €K)	PWC CAC	KPMG CAC	Total fees
Auditing fees	148	98	245
Fees for non-audit services	21	29	50
Required by regulations	21	29	50
Other	0		0
TOTAL	**169**	**127**	**296**

Non-audit services include:

- firstly, fees relating to work required by law, including authorisation to grant free shares and share subscription rights, changes in legal form, capital reductions, the protection of customer assets, verification of the information included in the non-financial performance statement as well as certificates required by the regulations;
- and secondly, any other certificates established at the request of the company.

NOTE 35:
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

Statutory

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

PricewaterhouseCoopers Audit
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Tour EQHO
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Rapport des commissaires aux comptes sur les comptes consolidés

(Exercice clos le 31 décembre 2019)

A l'Assembée Générale
ONEY BANK S.A.
40, Avenue de Flandre
BP139
59964 Croix Cedex

Opinion

En exécution de la mission qui nous a été confiée par vos assemblées générales, nous avons effectué l'audit des comptes consolidés de la société ONEY BANK S.A. relatifs à l'exercice clos le 31 décembre 2019, tels qu'ils sont joints au présent rapport. Ces comptes ont été arrêtés par le conseil d'administration le 3 mars 2020 sur la base des éléments disponibles à cette date dans un contexte évolutif de crise sanitaire liée au Covid-19.
Nous certifions que les comptes consolidés sont, au regard du référentiel IFRS tel qu'adopté dans l'Union européenne, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine, à la fin de l'exercice, de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance qui nous sont applicables, sur la période du 1er janvier 2019 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014 ou par le code de déontologie de la profession de commissaire aux comptes.

Observation

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur le paragraphe « Faits marquants » de la note 2 « Faits marquants et principales variations de périmètre » et la note 3.2 « Comparabilité et changement de méthode » qui exposent le changement de méthode comptable relatif à l'application à compter du 1er janvier 2019 de la nouvelle norme IFRS 16 "Contrats de location".

Justification des appréciations - Points clés de l'audit

En application des dispositions des articles L.823-9 et R.823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes consolidés de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes consolidés pris dans leur ensemble, arrêtés dans les conditions rappelées précédemment, et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes consolidés pris isolément.

Point clé de l'audit : Dépréciations au titre du risque de crédit

Risque identifié

De par son activité d'établissement de crédit spécialisé dans le crédit à la consommation, Oney Bank S.A. constitue des dépréciations destinées à couvrir les créances sur la clientèle de particuliers pour lesquels il existe un risque de non-recouvrement. Comme détaillé dans les notes 3.3 et 7 de l'annexe aux comptes consolidés, Oney Bank S.A. applique la norme IFRS 9 qui est un modèle unique de dépréciation prospectif fondé sur les pertes attendues. Conformément à la norme, Oney Bank S.A. classe les actifs en 3 phases (« stage ») : les actifs performants, les actifs sous-performants et les actifs non-performants.

Oney Bank S.A. a développé un modèle d'évaluation des pertes attendues pour chaque typologie de portefeuille de crédits afin de déterminer le montant des dépréciations à comptabiliser dans les comptes consolidés du groupe Oney Bank S.A..

Nous avons considéré que l'évaluation de ces dépréciations qui s'élèvent à 367,7 millions d'euros au 31 décembre 2019 constituait un point clé de l'audit des comptes consolidés car cette dernière repose sur l'utilisation d'un large éventail d'informations, incluant notamment des données historiques de probabilité de défaut et d'exposition au moment du défaut, de pertes observées, ainsi que des ajustements de nature conjoncturelle et structurelle.

Procédures d'audit mises en œuvre en réponse à ce risque

Dans le cadre de notre audit des comptes consolidés du groupe, nos travaux ont consisté à évaluer l'adéquation des modèles mis en œuvre avec les normes comptables IFRS telles qu'adoptées par l'Union Européenne et à apprécier la qualité des données utilisées pour déterminer le montant des dépréciations des créances sur la clientèle de particuliers. Nous avons :

- Pris connaissance de la méthodologie mise en œuvre pour déterminer le montant des dépréciations ;
- Apprécié le processus de détermination des dépréciations, de surveillance et de validation des modèles mis en place par la direction, et les ajustements appliqués aux données calculées par ces modèles ;
- Testé par sondage la qualité des données utilisées dans les modèles de dépréciation ;
- Analysé par sondage la conformité des méthodes de calcul de dépréciation avec les principes retenus par le groupe ;

- Testé par sondage l'exactitude arithmétique des calculs réalisés pour déterminer les dépréciations ;
- Testé par sondage la ventilation des encours entre les différentes phases ;
- Analysé la cohérence des taux de dépréciation issus des modèles et vérifié leur correcte application dans les comptes du groupe au 31 décembre 2019 ;
- Vérifié l'information financière fournie dans les notes annexes aux comptes consolidés.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires des informations relatives au groupe, données dans le rapport de gestion du conseil d'administration arrêté le 3 mars 2020.
Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.

Nous attestons que la déclaration consolidée de performance extra-financière prévue par l'article L.225-102-1 du code de commerce figure dans le rapport de gestion, étant précisé que, conformément aux dispositions de l'article L.823-10 de ce code, les informations contenues dans cette déclaration n'ont pas fait l'objet de notre part de vérifications de sincérité ou de concordance avec les comptes consolidés et doivent faire l'objet d'un rapport par un organisme tiers indépendant.

Désignation des commissaires aux comptes

Nous avons été nommés commissaires aux comptes de la société ONEY BANK S.A. par vos assemblées générales du 29 mai 1992 pour le cabinet KPMG S.A. et du 15 avril 2013 pour le cabinet PricewaterhouseCoopers Audit.

Au 31 décembre 2019, le cabinet KPMG S.A. était dans la 28ème année de sa mission sans interruption et le cabinet PricewaterhouseCoopers Audit dans la 7ème année, dont, s'agissant du cabinet KPMG S.A., la 17ème année depuis que les titres de la société ont été admis aux négociations sur un marché réglementé.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes consolidés

Il appartient à la direction d'établir des comptes consolidés présentant une image fidèle conformément au référentiel IFRS tel qu'adopté dans l'Union européenne ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes consolidés ont été arrêtés par le conseil d'administration.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés

Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes consolidés. Notre objectif est d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit.
En outre :

- il identifie et évalue les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;

- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;

- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes consolidés ;

- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;

- il apprécie la présentation d'ensemble des comptes consolidés et évalue si les comptes consolidés reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle ;

- concernant l'information financière des personnes ou entités comprises dans le périmètre de consolidation, il collecte des éléments qu'il estime suffisants et appropriés pour exprimer une opinion sur les comptes consolidés. Il est responsable de la direction, de la supervision et de la réalisation de l'audit des comptes consolidés ainsi que de l'opinion exprimée sur ces comptes.

Rapport au comité d'audit

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit, figurent les risques d'anomalies significatives que nous jugeons avoir été les plus importants pour l'audit des comptes consolidés de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537-2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L.822-10 à L.822-14 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Fait à Neuilly-sur-Seine et Paris La Défense, le 27 mars 2020

Les Commissaires aux comptes

PricewaterhouseCoopers Audit	**KPMG S.A.**
Nicolas Wilfart	**Christophe Coquelin**

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AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

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2 Avenue Gambetta
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92066 Paris La Défense Cedex

Rapport des commissaires aux comptes sur les comptes annuels

(Exercice clos le 31 décembre 2019)

A l'Assemblée Générale
ONEY BANK S.A.
40, Avenue de Flandre
BP139
59964 Croix Cedex

Opinion

En exécution de la mission qui nous a été confiée par vos assemblées générales, nous avons effectué l'audit des comptes annuels de la société ONEY BANK S.A. relatifs à l'exercice clos le 31 décembre 2019, tels qu'ils sont joints au présent rapport. Ces comptes ont été arrêtés par le conseil d'administration le 3 mars 2020 sur la base des éléments disponibles à cette date dans un contexte évolutif de crise sanitaire liée au Covid-19.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance qui nous sont applicables, sur la période du 1er janvier 2019 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 537/2014 ou par le code de déontologie de la profession de commissaire aux comptes.

Justification des appréciations - Points clés de l'audit

En application des dispositions des articles L.823-9 et R.823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes annuels de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes annuels pris dans leur ensemble, arrêtés dans les conditions rappelées précédemment, et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes annuels pris isolément.

Point clé de l'audit : Dépréciations au titre du risque de crédit

Risque identifié

De par son activité d'établissement de crédit spécialisé dans le crédit à la consommation, ONEY BANK S.A. constitue des dépréciations destinées à couvrir les créances sur la clientèle de particuliers pour lesquels il existe un risque avéré de non-recouvrement. Comme détaillé dans la note II.B.1.3 de l'annexe aux comptes annuels, ces dépréciations sont calculées selon des modèles statistiques qui, à partir de données historiques de recouvrement sur des portefeuilles de créances homogènes de même nature, déterminent les flux futurs attendus de ces créances. L'approche statistique mise en œuvre s'appuie sur une segmentation de l'encours par type de produit, en fonction de la situation du débiteur et du nombre de mensualités impayés.

Nous avons considéré que l'évaluation de ces dépréciations, qui s'élèvent à 228,7 millions d'euros au 31 décembre 2019 constituait un point clé de l'audit des comptes annuels en raison du recours à la modélisation statistique précitée dont la pertinence des évaluations dépend de la méthodologie appliquée et de la qualité des données historiques utilisées.

Procédures d'audit mises en œuvre en réponse à ce risque

Dans le cadre de notre audit des comptes annuels, nos travaux ont consisté à évaluer l'adéquation des modèles mis en œuvre par la banque avec les normes comptables applicables en France et à apprécier la qualité des données historiques utilisées pour déterminer le montant des dépréciations des créances sur la clientèle de particuliers. Nous avons :

- Pris connaissance de la méthodologie mise en œuvre pour déterminer le montant des dépréciations ;
- Apprécié le processus de détermination des dépréciations, de surveillance et de validation des modèles mis en place par la direction, et les ajustements appliqués aux données calculées par ces modèles ;
- Testé par sondage la qualité des données utilisées dans les modèles de dépréciation ;
- Testé par sondage l'exactitude arithmétique des calculs réalisés pour déterminer les dépréciations ;
- Testé par sondage la classification des encours ;
- Analysé la cohérence des taux de dépréciation issus des modèles et vérifié leur correcte application dans les comptes au 31 décembre 2019 ;
- Vérifié l'information financière fournie dans les notes annexes aux comptes annuels au titre de la dépréciation.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires.

Informations données dans le rapport de gestion et dans les autres documents sur la situation financière et les comptes annuels adressés aux actionnaires

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du conseil d'administration arrêté le 3 mars 2020 et dans les autres documents sur la situation financière et les comptes annuels adressés aux actionnaires, à l'exception du point ci-dessous.

La sincérité et la concordance avec les comptes annuels des informations relatives aux délais de paiement mentionnées à l'article D.441-4 du code de commerce appellent de notre part l'observation suivante :

Comme indiqué dans le rapport de gestion, ces informations n'incluent pas les opérations bancaires et les opérations connexes, votre société considérant qu'elles n'entrent pas dans le périmètre des informations à produire.

Rapport sur le gouvernement d'entreprise

Nous attestons de l'existence, dans le rapport du conseil d'administration sur le gouvernement d'entreprise, des informations requises par l'article L.225-37-4 du code de commerce.

Autres informations

En application de la loi, nous nous sommes assurés que les diverses informations relatives aux prises de participation et de contrôle vous ont été communiquées dans le rapport de gestion.

Désignation des commissaires aux comptes

Nous avons été nommés commissaires aux comptes de la société ONEY BANK S.A. par vos assemblées générales du 29 mai 1992 pour le cabinet KPMG S.A. et du 15 avril 2013 pour le cabinet PricewaterhouseCoopers Audit.

Au 31 décembre 2019, le cabinet KPMG S.A. était dans la 28ème année de sa mission sans interruption et le cabinet PricewaterhouseCoopers Audit dans la 7ème année, dont, s'agissant du cabinet KPMG S.A., la 17ème année depuis que les titres de la société ont été admis aux négociations sur un marché réglementé.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes annuels

Il appartient à la direction d'établir des comptes annuels présentant une image fidèle conformément aux règles et principes comptables français ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes annuels, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider la société ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes annuels ont été arrêtés par le conseil d'administration.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels

Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes annuels. Notre objectif est d'obtenir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;

- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;

- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes annuels ;

- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;

- il apprécie la présentation d'ensemble des comptes annuels et évalue si les comptes annuels reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle.

Rapport au comité d'audit

Nous remettons au comité d'audit un rapport qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes annuels de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537-2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L.822-10 à L.822-14 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Fait à Neuilly-sur-Seine et Paris La Défense, le 27 mars 2020

Les Commissaires aux comptes

PricewaterhouseCoopers Audit	**KPMG S.A.**
Nicolas Wilfart	**Christophe Coquelin**

ANNUAL ACCOUNTS
Company: ONEY BANK SA
Legal form: Société Anonyme
Head Office: 40, avenue de Flandre 59170 Croix
Closing date: 31/12/2019

Financial statements ONEY BANK SA - Year ended December 31, 2019

Note: All financial statements are expressed in thousands of euros.

BALANCE SHEET

ASSETS	31/12/2019		31/12/2018	
Cash, Central Banks, CCP		**415,771**		**398,651**
Loans and advances to credit institutions		**550,140**		**357,157**
Sight	141,543		119,267	
Forward	408,597		237,889	
Loans and advances to customers		**1,490,145**		**1,451,374**
Other Customer Contests	1,490,145		1,451,374	
Bonds and other fixed-income securities		**163,195**		**166,110**
Shares and other variable-income securities		**576,336**		**601,800**
Shareholdings		**2,947**		**2,387**
Shares in affiliated undertakings		**99,347**		**94,950**
Intangible fixed assets		**16,668**		**15,188**
Property, plant and equipment		**34,909**		**37,217**
Treasury shares		**0**		**784**
Other Assets		**24,734**		**23,533**
Accruals and deferred income		**271,579**		**278,375**
TOTAL ASSETS		**3,645,771**		**3,427,525**

OFF-BALANCE SHEET ASSET	31/12/2019		31/12/2018	
COMMITMENTS GIVEN		**4.100.748**		**4,140,572**
Funding commitments		**4.098.478**		**4,090,290**
Commitments to credit institutions	15,127		80,417	
Commitments to customers	4,083,351		4,009,873	
Guarantee commitments		**2,270**		**50,282**
Commitments on behalf of customers	2,117		2,117	
Commitments on behalf of credit institutions	153		48,166	
Commitments on securities				
Securities receivable				

Financial statements ONEY BANK SA - Year ended December 31, 2019.

LIABILITIES	31/12/2019	31/12/2018
Central Banks, CCP		
Amounts owed to credit institutions	**2,319,560**	**693,916**
Sight	2,927	3,226
Forward	2,316,633	690,889
Operations with customers	**87,804**	**1,234,924**
Sight	14,758	159,314
Eventually	73,046	1,075,611
Debts evidenced by certificates	**528,006**	**657,085**
Bond issues	100,038	100,056
Other debt securities	427,968	557,029
Other liabilities	**127,258**	**127,436**
Accruals and deferred income	**105,082**	**127,240**
Provisions	**13,950**	**4,728**
Subordinated debts	**33,016**	**0**
Shareholders' equity	**431,095**	**582,195**
Subscribed capital	51,287	50,741
Share premium	60,859	56,781
Merger Bonus	8,692	8,692
Reserves	287,382	414,056
Regulated provisions	2	744
Carry forward	115	97
Profit for the year	22,758	51,083
TOTAL LIABILITIES	**3,645,771**	**3,427,525**

OFF-BALANCE SHEET LIABILITY	31/12/2019	31/12/2018
COMMITMENTS RECEIVED	**33,273**	**1,377,534**
Funding commitments	**30,227**	**1,366,214**
Commitments received from credit institutions	29,320	915,212
Commitments received from customers	907	451,002
Guarantee commitments	**3,327**	**41**
Commitments received from credit institutions	3,327	41
Commitments on securities	281	**11,279**
Securities receivable	**281**	11,279

Financial statements ONEY BANK SA - Year ended December 31, 2019.

PROFIT AND LOSS ACCOUNT

POSTS	31/12/2019	31/12/2018
Interest and similar income	179,383	187,407
Interest and similar charges	-15,561	-20,396
Income from Variable Income Securities	33,345	34,069
Commissions (products)	107,064	102,341
Commissions (expenses)	-28,891	-33,348
Result on trading portfolio	3	5
Result on investment portfolio		
Other income from banking operations	44,917	40,211
Other bank operating expenses	-1,263	-962
NET BANKING INCOME	**318,996**	**309,328**
General operating expenses	-208,630	-193,411
Depreciation, amortisation and impairment on fixed assets	-10,757	-8,491
GROSS OPERATING PROFIT	**99,609**	**107,425**
Cost of risk	-73,014	-56,549
OPERATING INCOME	**26,595**	**50,876**
Gains or losses on fixed assets	-3,488	1,422
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX	**23,107**	**52,298**
Exceptional income before tax	3,293	-65
Income tax	-4,384	-2,530
Increase/decrease in regulated provisions	742	1,380
TOTAL PROFIT FOR THE YEAR	**22,758**	**51,083**

Financial statements ONEY BANK SA - Year ended December 31, 2019.

NOTES APPENDIXES

TO THE PARENT COMPANY FINANCIAL STATEMENTS OF ONEY BANK SA

I. SIGNIFICANT FACTS

- On October 22, 2019, Groupe BPCE became a shareholder of ONEY BANK with a 50.1% stake in the company capital. AUCHAN Holding remains a 49.9% shareholder of the capital. ONEY BANK SA is fully consolidated in the BPCE group in the BPCE financial statements.
- In October 2019, ONEY BANK left the AUCHAN tax consolidation group with retroactive effect as of January 1st. 2019. AUCHAN HOLDING paid an indemnity to ONEY BANK to compensate for previous tax losses used 3,397K by the group as part of the integration of an amount of.

For the year 2019, ONEY BANK will be taxed separately.

- In 2016 ONEY BANK sold a VISA EUROPE share for 16.3M€ recorded in the result. This price is broken down into a cash portion received in June 2016 for 14M€, VISA Prefered Shares for 14M€, VISA Prefered Shares for 14M€ and VISA Prefered Shares for 14M€. 1,249K€ and a deferred payment to be received in 2019 of 1.12M€. 612K€ having already been valued in the 2016 accounts, the impact of the balance of the deferred payment in the result 2019 is 569K€.
- In November 2019 and following the entry of a new shareholder in the capital of ONEY BANK, the CETELEM company holding 40% of the Hungarian subsidiary ONEY MAGYARORSZAG exercised the put attached to this cooperation, forcing ONEY BANK to redeem its shares. ONEY recorded a provision for depreciation of the Hungarian subsidiary's shares for 2,317K€ as at 31 December 2009. A provision for risk was also recorded at 31/12/2019 for €8,413K for depreciation. total number of securities in the process of being repurchased.
- In July 2019, the representative office in China was liquidated. The result of the representative office in the 2019 parent company financial statements is -175 K€.
- ONEY BANK SA has taken a stake in :

  - VALUIZ (SIREN 817 460 801) for 125,000 shares for a total amount of 125,000 €, i.e. a holding 6.89% of the capital.

  - LYF SAS for €600
- ONEY BANK SA received a total amount of 33.31 M€ in dividends from its foreign subsidiaries over the year 2019. It itself paid AUCHAN HOLDING €15.18 million in dividends for 2018.

Then, as an exception, the general meeting of October 22, 2019 decided to pay 160.74 M€ in dividends of dividends to AUCHAN HOLDING.

Concerning the subsidiaries :

FRANCE

- ONEY BANK SA has subscribed to a capital increase of 3.66 M€ of the company ONEYTRUST.

The ONEYTRUST shares have been fully depreciated over the 2019 financial year for a total amount of 8.06M€.

ONEY BANK recorded an additional provision for risks and charges of 1,519 K€ in view of the

negative situation of ONEYTRUST.

- ONEY BANK SA recorded impairments on the following securities :
  - ONEY F'N'P company for an amount of 400 K€.
  - Natural Security for an amount of 51 K€.

Financial statements ONEY BANK SA - Year ended December 31, 2019.

- ONEY BANK SA recorded a write-back of depreciation for GEFIRUS in the amount of 99 K€

ITALY

- ONEY BANK SA recorded a reversal of impairment losses on Oney Italy shares in the amount of 7,233 K€.

UKRAINE

- Oney Ukraine has carried out a capital increase for a total amount of 199 K€ fully subscribed by ONEY BANK SA.

ONEY BANK SA recorded an impairment loss of €296,000 on the shares of the Oney Ukraine subsidiary.

POLAND

- ONEY BANK SA recorded an impairment on the shares of the subsidiary Oney Polska in the amount of €1,094K.
- SMARTNEY carried out a capital increase for a total amount of 3,855 K€ in full underwritten by ONEY BANK SA.

CHINA

- ONEY BANK SA recorded a write-back of impairment on the shares of China in the amount of 1 570 K€.

II. ACCOUNTING PRINCIPLES

A. Presentation of the accounts

The financial statements of ONEY BANK SA for the year ended December 31, 2019 have been prepared in accordance with the provisions of the French Commercial Code CRC regulation 2014-07 of November 26, 2014 relating to the accounts of companies in the banking sector.

The financial statements of ONEY BANK SA have not been subject to any change in accounting method or presentation by compared to the previous year. Loans to non-credit institution subsidiaries have been reclassified to «Loans to non-credit institution subsidiaries» 2018 in receivables from customers.

The general accounting conventions applied to ONEY BANK SA are in accordance with the principle of prudence:

- Going concern ;
- Continuity of accounting methods from one financial year to the next;
- Independence of financial years.

The method used for the valuation of the items entered in the accounts is the historical cost method and all the items are valued at their historical cost. Balance sheet items are presented, where appropriate, net of depreciation, provisions and value adjustments. In accordance with the legislation in force, depreciation allowances and write-backs of depreciation/provisions are presented in net banking income, as operating income or exceptional income, depending on their nature.

Since 2016, ONEY BANK has included its Portuguese branch in the presentation of its accounts.

B. Loans and advances to customers

1. General

ONEY BANK SA applies CRC regulation 2014-07.

1.1. Definition of receivables

Customer loans carried in the balance sheet include: the capital outstanding at the balance sheet date, plus interest, indemnities and insurance premiums due, as well as those accrued and not yet due at the same date. Interest and premiums are recorded in the income statement on a pro rata temporis basis.

1.2. Definition of doubtful receivables

Doubtful receivables are receivables with a proven credit risk corresponding to one of the following situations following:

- When there are one or more unpaid debts of at least three months;
- When the situation presents characteristics such that, irrespective of the existence of any unpaid we can conclude that there is a proven risk;
- If there are contentious proceedings.

The application of CRC regulation 2014-07 relating to the accounting treatment of credit risk results in the recognition of the contagion and to treat restructured claims separately.

The contagion is applied and consists of extending the status of doubtful debt to all the receivables of a customer as soon as at the end of the year the less one of its receivables is doubtful.

Among doubtful loans, ONEY BANK SA distinguishes between compromised doubtful loans and non-performing doubtful loans compromise.

- Non-impaired doubtful loans: Non-impaired doubtful loans are the following doubtful debts that do not meet the definition of impaired doubtful debts ;
- Impaired doubtful debts: These are debts for which the terms of the loan have been the creditworthiness of the counterparty are such that after a reasonable period of time of classification as outstanding. As no doubtful loans can be expected, no reclassification as healthy loans is foreseeable. In any event, the identification as compromised doubtful loans is made no later than one year after classification as outstanding doubtful.

1.3. Impairment of receivables

An impairment loss is recognized whenever a loan receivable has a proven risk. The outstanding amounts serving as a basis for. These impairments are segmented according to the degree of delay and the situation of the various companies involved accounts. Expected future flows are estimated using a statistical approach based on historical data of collection on these different segmentations.

The calculation of depreciation is based on a statistical approach, based on a segmentation by homogeneous portfolio of receivables and in particular on the number of unpaid monthly installments. The segmentation of ONEY BANK SA's outstandings, is defined according to the situation of the receivable in the management system of ONEY BANK SA.

In accordance with CRC 2014-07, the impairment is equal to the difference between the initial contractual flows and the discounted expected future cash flows :

- At the original interest rate of the corresponding outstanding amounts for fixed-rate loans;
- At the last effective rate determined according to the contractual terms for variable rate loans.

All impairment losses are deducted from non-impaired or impaired loans recorded at assets. Interest on doubtful loans is written down as soon as it is recognised.

Impairment charges are recognised in cost of risk.

1.4. Discount

Pursuant to Article 6 of CRC regulation 2014-07, a discount is applied to restructured receivables. It mainly concerns receivables arising from overindebtedness.

Restructured receivables are receivables held with counterparties in financial difficulty such that the credit institution has to modify the initial characteristics (duration, interest rate) in order to enable counterparties to honour payments when due.

The haircut is calculated on sound outstanding amounts and represents the discounted shortfall between the new debt and the initial rate of the loan.

The discount is recorded in the cost of risk at the time of origination. Write-backs of discounts are recorded in

cost of risk.

On the balance sheet, it is recorded as a reduction in outstanding amounts.

1.5. Write-offs

The methods for writing off losses or the definition of bad debts (Article 24 of the CRC 2014-07 on the treatment of credit risk) are as follows :

- Customer receivables are written off against the cost of risk when the nature of the risk is such that the of bad debts is confirmed ;
- This character is confirmed when automatic, amicable, pre-litigation and pre-litigation recovery operations are litigation (internal and external) do not allow for the recovery of the sums lent and that insolvency the customer's definitive identity is recognized.

Financial statements ONEY BANK SA - Year ended December 31, 2019.

1.6. Commissions on credit activities

In accordance with CRC regulation 2014-07, commissions on financial services are reported in the income statement as follows:

- The card fees are spread over the period of validity of the cards;
- Interest commissions are spread pro rata temporis;
- Credit-related commissions paid to business introducers are spread on a straight-line basis over the period from the date of the transaction life of the transactions (these commissions are recorded in the interest margin) ;
- Other commissions are recorded as income or expenses immediately.

2. Assignment of receivables as part of a securitization transaction

ONEY BANK SA securitizes receivables through a securitization mutual fund of revolving receivables.

This fund, with compartments, is rechargeable throughout its life.

ONEY BANK SA has subscribed to all the bonds issued by the fund.

Within the framework of the CTF, the securities held correspond to ABS (Asset Backed Securities) bonds.

The amount of the loans shown in the balance sheet is reduced by the receivables transferred in the context of these operations.

Whenever the receivables transferred to the fund are unpaid, ONEY BANK SA writes down the bonds (ONEY

BANK being obliged to take over the defaulted claims).

This impairment on the assets side is deducted from the item Bonds and other fixed-income securities and recorded in the account of result in cost of risk.

C- Receivables and payables to credit institutions

Loans and debts (interbank, customer and securities) are carried on the balance sheet at their nominal value.

Accrued interest is recorded pro rata temporis in the related receivables or payables account with a counterpart in the of results in order to comply with the principle of independence of financial years.

D- Tangible and intangible fixed assets

Tangible and intangible fixed assets are recorded at the time of their inclusion in the company's assets and liabilities:

- At their acquisition cost, for those acquired for valuable consideration, under ordinary conditions;
- At their production cost, for those produced by the enterprise;
- At their market value, for those acquired free of charge, by way of exchange and received as a contribution in kind nature.

Acquisition costs of tangible fixed assets are expensed.

ONEY BANK SA applies CRC regulation 2014-03 of the French Accounting Regulation Committee (CRC) relating to depreciation, amortization and impairment of assets.

Each fixed asset is depreciated on a straight-line or declining balance basis over its estimated useful life.

Property, plant and equipment

Buildings :	from 8 to 40 years old,
Layout, fittings and safety :	from 6 2/3 to 10 years,
Other fixed assets :	3 to 5 years.

Intangible fixed assets

Acquired software is recorded as intangible assets and is amortized accounting over three years, with recognition as an accelerated depreciation of a tax depreciation over twelve years months.

Special depreciation is no longer used for assets acquired since 01.01.2017. It remains for assets activated before that date and until extinguished.

The acquisition costs of partnership contracts are recognized as intangible assets and are amortized over the term of the contract the subject of accounting depreciation over the term of the contract.

E- Share portfolio

Shares are classified according to :

• Their nature: government shares (Treasury bills and similar shares), bonds and other fixed-income shares (shares negotiable debt shares and interbank market shares), shares and other variable-income shares ;

• Their portfolio of destination: trading, investment, portfolio activity, equity holdings, shares in affiliated undertakings and other shares held on a long-term basis, corresponding to the economic purpose of their detention.

Purchases and sales of shares are recorded in the balance sheet on the settlement date.

For each category of portfolio, the classification and valuation rules applied are as follows :

- Trading shares : These are shares that are originally acquired or sold with the intention of resell or buy them back in the short term. They are recorded in the balance sheet at their acquisition price, excluding costs of acquisition.

Trading shares that are no longer held with the intention of reselling them in the short term may be transferred to the «investment shares» or «investment shares» categories if :

- An exceptional market situation requires a change in holding strategy;

- Or if the fixed-income shares are no longer, after their acquisition, negotiable on the market. an active market and whether ONEY BANK SA has the intention and ability to hold them in the future or until their maturity. The shares thus transferred are recorded in their new category at their market value on the transfer date.

- Investment shares : These are shares that are not listed as trading shares or as investment shares investment shares, other shares held for long-term investment, equity shares and other shares held for sale shares in affiliated undertakings.

- Shares and other variable-income shares: Shares are recorded in the balance sheet at their purchase cost excluding acquisition costs or at their contribution value. No compensation is made between the unrealised gains and losses thus recognised, and only the unrealised losses are recognised in the income statement recorded by recording an impairment loss on the shares portfolio ;

- Bonds and other fixed-income shares: These shares are recorded in the balance sheet at their acquisition price excluding acquisition costs, and for bonds, excluding accrued interest not yet due at the date of the transaction of acquisition. Unrealised gains are not recognised and unrealised losses are not recognised in the accounts give rise to the constitution of an impairment charge relating to the shares portfolio.

Financial statements ONEY BANK SA - Year ended December 31, 2019.

Marketable shares may be transferred to the «Investment shares» category if :

- An exceptional market situation requires a change in strategy from Detention;

- Or if the fixed-income shares are no longer, subsequent to their acquisition, negotiable on an active market and if ONEY BANK SA intends and is able to hold them for the foreseeable future or until maturity.

- Investment shares : Investment shares are fixed-income shares with a maturity of less than one year that were acquired or reclassified from investment shares with the clear intention of held to maturity and for which ONEY BANK SA has the capacity to hold them until maturity, in particular by having the necessary financing capacity to continue to hold these shares until their maturity and not being subject to any existing legal or other constraints which could call into question the intention to hold the investment shares to maturity. Investment shares are accounted for in the same way as marketable shares.
- Equity shares, shares in affiliated undertakings and other shares held on a long-term basis: This is a share of equity shares and shares in affiliated undertakings estimated to be held on a lasting basis useful to the activity of ONEY BANK SA, and in particular those meeting the following criteria :

• Shares of companies having Directors or Managers in common with ONEY BANK SA, under conditions which allow the exercise of influence over the company whose shares are held ;

• Shares of companies belonging to the same group controlled by natural persons, or The Commission shall be composed of representatives of the legal entities exercising control over the whole and ensuring that a unity of decision prevails;

• Shares representing more than 10% of the rights in the capital issued by an institution of the European Union credit or by a company whose activity is an extension of that of ONEY BANK SA ;

• Other shares held on a long-term basis, consisting of investments made by ONEY BANK SA, in the form of shares, with the intention of fostering the development of relations by creating a privileged link with the issuing company, without any need. However, it has influence in its management because of the low percentage of the rights of votes they represent.

Equity interests, shares in affiliated undertakings and other shares held long-term. The financial statements are recorded at their purchase cost excluding acquisition costs.

At the year-end, investments and shares in affiliated undertakings are valued at their value at the balance sheet date usefulness.

The value in use is determined either :

• by the present value of the future cash flows expected from continuing to hold these shares,

• by the present value of the equity surpluses expected to arise from the continued holding of these assets.

• by the net worth of these shares

Unrealised capital gains are not recognised and unrealised losses give rise to the recognition of a impairment relating to the shares portfolio

1. Debts evidenced by certificates

Debts represented by shares are presented according to the nature of their support: notably debt shares marketable shares and bonds and similar shares, excluding subordinated shares which are classified on a separate line of the specific to liabilities. Accrued interest not yet due on these shares is recorded in a related debt account with a corresponding entry in the balance sheet income statement. Issuance costs are fully expensed in the year of issue. The arrangement fee for the EMTN issued in October 2016 (i.e. 50 K€) was spread over 3 years. Issuance premiums are spread over the life of the loan through a deferred charge account.

Financial statements ONEY BANK SA - Year ended December 31, 2019.

2. Subordinated debts

Subordinated debt includes funds from the issue of subordinated shares or loans, with a term of up to three years term or indefinite duration. Reimbursement in the event of liquidation of the debtor is only possible after payment of other creditors.

Accrued interest payable on subordinated debts is recorded in a debt account in income statement counterpart.

On December 13, 2019, a subordinated loan was issued to BPCE for €33 million.

F- Pension commitments and other long-term employee benefits

The company outsources the management of part of the end-of-career indemnities of its staff.

At 31 December 2019, the amount of the fund set up was 1,772 K€ for a total amount of commitments of 4,118K€.

No additional provision is recorded in the corporate financial statements at the end of the year.

The actuarial assumptions used are as follows:

Discount rate at 31/12/2019: 1.10%. Rate of future salary increases :

- Executive 2.35%.
- Master agent: 2.61%.
- Employees: 1.61%.

G- Financial instruments

Transactions in financial instruments consist of firm and conditional transactions in interest rate instruments interest rate risk and are accounted for in accordance with CRC 2014-07. Some transactions on financial instruments relate to combined interest rate and foreign exchange instruments, intended to hedge the foreign exchange and interest rate risk on intra-group financing granted to our subsidiaries operating in the United States currencies.

The main purpose of using interest rate derivatives is to reduce the Company's exposure to foreign exchange risk changes in interest rates on its debt, which is mainly made up of floating-rate resources. Certain instruments interest rate derivatives are intended to hedge financing operations of subsidiaries.

Interest income and expenses relating to financial instruments are reported in the income statement on a pro rata temporis basis, over the life of the operations.

H- Exposure to risks in the Euro zone

As at December 31, 2019, ONEY BANK SA does not hold any sovereign debt securities of any country, and is not a party to any transactions in this regard therefore not exposed to sovereign risk.

I- Related Parties

ONEY BANK SA applies CRC 2014-07 on related party disclosures. This regulation applies to significant transactions not concluded under normal market conditions given the :

Financial statements ONEY BANK SA - Year ended December 31, 2019.

- A transaction is material if its omission or misstatement is likely to influence the economic decisions made by users based on the accounts; materiality must be assessed on the basis of the amount of the transaction and/or the nature of the transaction ;
- That the conditions can be considered «normal» when they are usually practised by the company in its dealings with third parties, so that the beneficiary of the agreement does not get a advantage compared to the terms and conditions made to any third party of the company, taking into account the conditions in use in companies in the same sector.

On the basis of this definition, ONEY BANK SA has no transactions to report.

J- Foreign exchange transactions

Gains and losses on foreign exchange transactions and currency financial swaps are recognized in accordance with the CRC 2014-07.

Receivables, payables and off-balance sheet commitments denominated in foreign currencies are valued at the closing exchange rate of the year. Unrealized and final foreign exchange gains and losses are recorded in the income statement. Income and expenses paid or received are recorded at the rate of the day of the transaction.

K- Share subscription or purchase option plans

In the minutes of the Board of Directors' meeting of October 21, 2019, the directors decided to the capital increase within the framework of the free share allocation plans through the issue of 5,622 shares additional 35 Euros (196K€)

Then a capital increase following the granting of stock options for an amount of 4,425K€ of which 4,077K€ are allocated as share premium.

In the same context, ONEY BANK recorded the sale of treasury shares for an amount of 783K€ in profit for the year 2019.

As of October 21, 2019, all ONEY BANK's AGM subscription plans have been transferred to

AUCHAN HOLDING.

ONEY BANK does not have any free share or stock option plans outstanding.

III. Notes to the balance sheet

A.Term loans and advances to credit institutions

ITEMS	< = 3 months	3 months < D< = 1 year	1 year < D < = 5 years	> 5 years	TOTAL 2019	TOTAL 2018
Term receivables on credit institutions	**97,416**	**167,080**	**144,101**	**0**	**408,597**	**237.889**
Main	97,304	167,080	144,101	0	408,484	237,706
of which linked companies	96,504	167,080	144,101	0	407,684	236,906
Associated receivables	113				113	184

B. Receivables from customers

ITEMS	< = 3 months	3 months < D< = 1 year	1 year < D < = 5 years	> 5 years	TOTAL 2019	Of which branch	TOTAL 2018	Of which branch
Healthy loans	**507,874**	**357,390**	**524,063**	**45,778**	**1,435,105**	**346;037**	**1,381,178**	**327,544**
Healthy loans(capital) Of which outstanding restructured	490,764 1,751	357,390 4,565	524,063 9,899	45,778 377	1,417,995 16,592	**343,331** 1,592	**1,364,143** 28,420	324,859 2,039
Related receivables	**17,110**				**17,110**	**2,707**	**17,035**	**2,686**
Doubtful debts	**36,013**	**75,700**	**159,021**	**13,054**	**283,788**	**55,733**	**315,562**	**55,775**
Doubtful loans compromised	9,149	24,538	54,674	8,551	96,912	31,250	114,403	33,459
Uncompromised doubtful loans	26,864	51,162	104,348	4,503	186,876	24,482	201,158	22,316
Total gross outstanding amount	**543,887**	**433,089**	**683,084**	**58,832**	**1,718,893**	**401,770**	**1,696,740**	**383,320**
Depreciation					**-228,747**	**-47,010**	**-245,365**	**-36,171**
Outstanding customer loans and advances					**1,490,145**	**354,760**	**1,451,374**	**347,149**
Doubtful loans / gross loans					**16.51%**		**18.60%**	
Depreciation / Impairment / Doubtful debts					**80.61%**		**77.76%**	

C. Bonds and other fixed-income securities

ITEMS	< = 3 months	3 months < D< = 1 year	1 year < D < = 5 years	> 5 years	TOTAL 2019	TOTAL 2018
Fixed income shares	**48**	**163,147**	**0**	**0**	**163,195**	**166,110**
Bonds B FCT ONEYCORD	48	133,746			133,794	136,710
CTF Reserve Account		29,400			29,400	29,400

D. Shares and other variable-income shares

ITEMS	< = 3 months	3 months < D< = 1 year	1 year < D < = 5 years	> 5 years	TOTAL 2019	TOTAL 2018
Variable income shares	**11,465**	**28,307**	**0**	**0**	**576,336**	**601,800**
Bonds A FCT ONEYCORD	164	536,400			536,564	536,480
Bonds C FCT ONEYCORD	11,465	28,307			39,772	65,320

E. Investments and shares in affiliated companies

1. Table of changes in participating interests and shares in affiliated companies

Shares	Value at beginning of year	+	-	Year-end value	Depreciation at beginning of year	+	-	Depreciation at end of year	Net value of shares
ONEY Spain	64,601			64,601					64,601
ONEY Italy	34,454			34,454	32,664		7,233	25,431	9,023
ONEY MAGYARORSZAG	2,317			2,317		2,317		2,317	0
ONEY HOLDING LIMITED	10,000			10,000					10,000
ONEY UKRAINE	1,276	199		1,476	1,180	296		1,476	0
ONEY POLAND	2,744			2,744	793	1,094		1,887	857
GEFIRUS	8,615			8,615	6,630		99	6,531	2,084
ONEY ROMANIA	1,890			1,890					1,890
ONEY ACCORD BUSINESS CONSULTING	8,442			8,442	5,784		1,570	4,214	4,228
ONEY SERVICES	999			999	999			999	0
NATURAL SECURITY	5,621			5,621	5,361	51		5,412	209
ONEY INVESTMENT	22			22					22
ONEY F'N'P	3,250			3,250	2,261	400		2,661	589
FLANDRE INVESTMENT	5			5					5
ONEYTRUST	4,401	3,660		8,061		8,061		8,061	0
SMARTNEY	1,985	3,855		5,839					5,839
Parts dans les entreprises liées	150,621	7,715		158,335	55,671		9,075	58,988	99,347

Shares	Value at beginning of year	+	-	Year-end value	Depreciation at beginning of year	+	-	Depreciation at end of year	Net value of shares
VISA	1,250			1,250					1,250
SRS	8			8					8
LYF SAS		1		1					1
GIE AIT	0		0						0
SWIFT	62			62					62
FGDR	364	435		799					799
FIVORY SA	400			400					400
FIVORY SAS	343			343	40			40	303
VALIUZ		125		125					125
Equity shares	2,427	560	0	2,987	40	0	0	40	2,947

2. Shares in subsidiaries

Titre	Capital	% Capital	Shareholders' equity excluding capital	Gross book value of securities	Net book value of securities	Loans and advances granted	Turnover GNP	Result 2019 in €	Dividends received in €
ONEY Spain	42,000	100.00%	26,071	64,601	64,601	324,000	55,513	6,193	11,000
ONEY Italy	120	100.00%	9,047	34,454	9,023	-	2,827	181	
GEFIRUS	4,359	60.00%	-855	8,615	2,084	-	1	165	
ONEY SERVICES	32	100.00%	-21	999	0	-	0	-2	
ONEY HOLDING LIMITED	10,000	100.00%	14,523	10,000	10,000	-	16,076	23,347	21,100
ONEY INVESTMENT	13	100.00%	-12	22	22	-	0	-2	
NATURAL SECURITY	321	48.33%	-101	5,621	209	-	-1	-49	
ONEY TRUST	367	100.00%	-1,757	8,061	0	-	6,612	-1,757	
ONEY F'N'P	266	100.00%	197	3,250	589	-	260	134	
ONEY POLAND	3,289	100.00%	-821	2,744	857	-	7,358	-2,147	
SMARTNEY	4,698	100.00%	-4,417	5,839	5,839	32,889	1,515	-3,647	
ONEY MAGYARORSZAG	1,074	60.00%	7,508	2,317	0	24,204	1,515	1,023	1,212
ONEY FINANCES	1,680	100.00%	-773	1,890	1,890	305	3,149	496	
ONEY ACCORD BUSINESS CONSULTING	17,620	49,00%	7,508	8,442	4,228	-	3,149	1,066	
ONEY UKRAINE	1,098	100,00%	-1,066	1,476	0	-	4	-290	
FLANDRE INVESTMENT	5	100,00%	1,907	5	5	-	1,221	1,206	
TOTAL	**86,943**		**40,489**	**158,335**	**99,347**	**381,397**	**106,663**	**25,917**	**33,312**

ONEY BANK SA is not established in non-cooperative territories within the meaning of Article L.511-45 of the CMF.

ONEY BANK granted ONEY BANK RUSSIA a loan of €25,587 K.

			Closing rate	Average rate
HUF	Forint	Hungary	0.003025	0.003074
PLN	Zloty	Poland	0.234918	0.232732
RON	Leu	Romania	0.209074	0.210723
RUB	Roubie	Russia	0.014295	0.013804
UAH	Hryvnia	Ukraine	0.037482	0.03461
CNY	Yuan	China	0.127869	0.129318

F. Intangible and tangible fixed assets excluding financial fixed assets

Items	Intangible fixed assets	Portugal Branch Intangible	Total Intangible	Fixed assets	Portugal Corporate Branch	Total
Assets under construction, beginning of year	4,147		4,147	2		2
Retirement of Assets under Construction	-4,318		-4,318	-2		-2
Acquisitions Assets under construction	4,594		4,594	0		0
Assets under construction at year-end	4,423		4,423	0		0
Down payment on fixed asset			0			0
Gross value fixed assets start of fiscal year excluding current assets	32,033	5,318	37,351	66,002	3,196	69,199
Acquisition for the year	1,039	2,501	3,540	1,370	423	1,794
Integration of assets under construction	4,318		4,318	2		2
Disposal of fixed assets	0		0	0		0
Gross value of fixed assets at year-end excluding assets under construction	37,389	7,819	45,208	67,374	3,620	70,994
Amortization beginning of year	22,298	4,011	26,309	29,418	2,565	31,983
Increase	5,823	832	6,655	3,778	325	4,102
Decrease	0		0	0		0
Amortization at end of year	28,121	4,843	32,964	33,196	2,889	36,085
Net value fixed assets, beginning of year	13.881	1.307	15.188	36.585	632	37,217
Net value fixed assets fiscal year-end	13,692	2,976	16,668	34,178	731	34,909

G. Own shares.

As at 31/12/2019, ONEY BANK does not own any of its own shares.

H. Other assets

ITEMS	2019	2018
Debt obligation	126	46
Portugal	0	0
France	126	46
Other assets	24,608	23,487
Portugal	7,461	4,261
France	17,147	19,226
TOTAL	24,734	23,533

I. Accrued income and prepaid expenses

POSTS	2019	2018
Cash in hand	255,434	260,269
Prepaid expenses	4,198	3,337
Accrued income	3,808	6,060
Currency translation adjustment assets	91	1,885
Other	8,049	6,825
TOTAL	271,579	278,375

J. Breakdown of debts

France :

POSTS	< = 3 months	3 months < D< = 1 year	1 year < D < = 5 years	> 5 years	TOTAL 2019	2018
Term debts to credit institutions	0	349,947	0	0	349,947	602,488
BPCE borrowings	326,141	863,402	772,601	0	1,962,144	400,241
Subsidiary deposits (demand and time deposits)	8,301	10,545	0	0	18,846	11,256
Bond issues	38	100,000	0	0	100,038	100,056
Debts evidenced by certificates	256,968	156,000	15,000	0	427,968	557,029
Subordinated debt (BPCE)	16	0	0	33,000	33,016	0
Retail customer deposits	45,775	4,426	12,293	0	62,494	666,630

Portugal :

POSTS	< = 3 months	3 months < D< = 1 year	1 year < D < = 5 years	> 5 years	TOTAL 2019	2018
Term debts to credit institutions	3,697	0	0	0	3,697	88,202

As of December 31, 2019

Bond issues :

These are two bonds issued for :

- 50 million in October 2016 for a period of 4 years (Maturity 10/2020).
- 50 million in February 2018 for a term of 2.5 years (Maturity 10/2020)

K. Other liabilities

ITEMS	2019	2018
Suppliers	9,075	6,600
Staff costs (profit-sharing, participation, ASSEDIC, URSSAF, and various boxes)	12,658	14,037
Other	105,525	106,799
TOTAL	127,258	127,436

L. Accruals and deferred income

ITEMS	2019	2018
Disbursement values	11,939	35,659
Deferred income	21,477	20,131
Accrued charges	68,349	64,680
Currency translation adjustment	0	0
Other	3,317	6,770
TOTAL	105,082	127,240

M. PROVISIONS

ITEMS	Opening Allocation Reversals	Items Opening Allocation	Used reversals	Unused reversals	Closing
Provisions for employee disputes	1,258	595	144	65	1,644
Provisions for supplier disputes	-		-	-	-
Other Provisions	3,470	11,693	479	2,379	12,305
Total provisions	4,728	12,288	623	2,444	13,950

Provisions are valued by ONEY BANK SA to meet the company's current obligations (legal or implicit), in accordance with French accounting principles and in compliance with the provisions of CRC regulation 2014-03.

The assessment of disputes is carried out on the basis of requests received from third parties, revised where appropriate in the light of actions in defence of the company.

Allocations for the year are notably made up of :

- provision for impairment of future shares following the exercise of the PUT by Cetelem Hungary in the amount of €8,413 thousand
- Provision for the net equity deficit of the subsidiary ONEYTRUST for 1,519 K€.

The unused reversal of other provisions includes the reversal of exceptional premiums for 1,837 K€ transferred to the profit and loss account for 1,519 K€ 2019 in personnel costs to be paid.

N. Regulated provisions

This concerns the accelerated depreciation of computer software for an amount of 2 K€.

O. Subordinated debts

On 13/12/2019 ONEY BANK took out a €33 million subordinated loan from BPCE.

P. Shareholders' equity excluding regulated provisions

The share capital consists of 1,465,331 shares with a nominal value of €35. The shareholders' equity breaks down as follows:

in thousands €	2018	Appropriation of profit or loss	Distribution of dividends	Change over the period	2019
Share capital	50,741	0		545	51,287
Share premium	56,781	0		4,077	60,859
Merger Bonus	8,692				8,692
Legal reserve	5,079				5,079
Other reserves	408,977	35,310	-161,787	-197	282,303
Carry forward	97		18		115
Result	51,083	-35,310	-15,774	22,758	22,758
TOTAL	581,451	0	-177,542	27,184	431,093

Q. Shareholdings

Shareholders	Shares
BPCE	734,131
AUCHAN HOLDING	721,760
Beneficiaries PLAN AGA 2017-2021	7,284
Beneficiaries PLAN AGA 2018-2019	140
Beneficiaries PLAN AGA 2017-2018	1,078
Beneficiaries PLAN AGA 2016-2018	938
TOTAL	1,465,331

R. Earnings per share

Shareholders	2019	2018
Net income after tax	22,758	51,083
Number of shares	1,465,331	1,449,749
Earnings per share	15,53	35,24

IV. NOTES ON OFF-BALANCE SHEET ITEMS

A. Commitments given

Commitments to customers

As of December 31, 2019, they amounted to €4,083 million, including €762 million for the Portuguese branch.

Commitments in favour of customers, within the meaning of the prudential and resolution authority, include 1,269 million for the calculation of ratios, i.e. excluding customers inactive for more than 2 years.

Commitments in respect of securitised outstandings amounted to € 1,630 million.

Other commitments given

Guarantees given on lines of credit granted by credit institutions in favour of our subsidiaries amount to 0,153M€.

Commitments on securities are valued and updated annually in accordance with the agreements concluded between the partners concerned.

B. Commitments received

At 31/12/2019 no credit lines received from credit institutions and not used for France.

At 31/12/2019 the commitments received from credit institutions for Portugal is 29,320K€.

C. Financial instruments

At 31/12/2019, there were no transactions in financial instruments.

V. Notes to the income statement

A. Interest margin

Items	2019	2018
Interest from credit institutions	7,057	8,552
Interest from customers	77,794	84,124
Interest on Bonds and Fixed Income Securities	94,532	94,731
Sub-total Interest and similar income	**179,383**	**187,407**
Interest and charges with credit institutions	9,756	8,992
Interest and charges to customers	2,238	3,192
Interest and charges on fixed-income securities	3,567	8,212
Sub-total Interest and similar charges	**15,561**	**20,396**
Interest Margin	**163,822**	**167,011**
Of which Portugal	**32,367**	**38,396**

B. COMMISSION

	2019		2018	
Items	Chages	Products	Charges	Products
Transactions with credit institutions	3,326		3,557	
Customer operations (insurance, service)		37,048		34,811
Corporate actions	40	1,900	75	1,930
Financial services	25,526	68,115	29,716	65,601
TOTAL	**28,891**	**107,064**	**33,348**	**102,341**
Of which Portugal	**1,636**	**13,362**	**1,597**	**12,374**

Financial services are mainly made up of income and expenses on means of payment as well as commissions to bring in business.

C. Income from Variable Income Products

This income consists of dividends received from ONEY BANK subsidiaries.

D. Other income and expenses from banking operations

Other banking operating income corresponds mainly to commissions received from ONEY BANK partners.

Items	2019	2018
Other operating income	44,917	40,211
Other operating expenses	1,263	962
TOTAL	**43,654**	**39,249**
Of which Portugal	**3**	**16**

E. Other components of income

1. Other operating expenses

Items	2019	2018
Salaries and social charges	58,904	56,488
Pension costs	4,044	3,980
Other social charges	21,767	20,976
Employee profit-sharing	3,643	3,680
Employee participation	5,264	4,217
Taxes and similar payments on remunerations	8,229	7,142
Total personnel charges	**101,851**	**96,484**
Of which Portugal	**13,070**	**12,419**
Taxes and duties	2,864	2,155
Other external expenses	103,915	94,773
TOTAL	**208,630**	**193,411**
Of which Portugal	**31,551**	**33,361**

2. Cost of risk

In thousands €	2019		2018	
Items	**Chages**	**Products**	**Charges**	**Products**
Depreciation on customer transactions (including allowance on Neiertz receivables)	14,713	30,528	4,639	14,131
Of which Portugal	11,921	2,394	3,657	353
Losses on irrecoverable loans covered by impairment losses	106,054	70	84,614	48
Of which Portugal	435	70	665	48
Recovery of amortised receivables		17,157		18,524
Of which Portugal		563		1,828
TOTAL	120,767	47,754	89,253	32,703
Of which Portugal	12,357	3,027	4,322	2,229
Balance	**73,014**		**56,549**	
Of which Portugal	**9,330**		**2,093**	

3. Gains or losses on fixed assets

Items	31.12.2019		31.12.2018	
Proceeds from disposal of fixed assets				
Net book value of assets sold	172		838	
Reversal of provisions on securities		8,902		3,218
Increase in provisions for securities	12,218		958	
Gains or losses on fixed assets	**3,488**			**1,422**

4. Extraordinary income and expenses

Items	2019	2018
Fines and penalties	22	2
Gifts and Donations	87	73
Extraordinary expenses	0	0
Extraordinary income	3,403	10
TOTAL	**-3,293**	**65**

The exceptional result is mainly made up of the 3,397K€ severance payment received from AUCHAN HOLDING in October 2019.

5. Tax expenses

Items	2019	2018
Income taxes for the year - current	4,384	2,530
Income tax for the year - exceptional	0	0
TOTAL	**4,384**	**2,530**
Of which Portugal	**3,874**	**3,741**

VI. OTHER INFORMATION

A. Staff

This is a full-time equivalent staff at the end of the year.

Items	2019	2018
Technicians	737	743
Executives	699	669
TOTAL	**1,436**	**1,412**
Of which Portugal	**370**	**348**

B. Individual rights to training

The FID no longer exists since 1 January 2016. It has been replaced by the CPF (Compte Personnel de Formation) which is a counter managed by each employee and no longer by the employer.

C. Auditors' fees

Information on the fees paid to the statutory auditors is provided in the notes to the consolidated financial statements of Oney Bank.

D. Executive Compensation

In view of the confidential nature of this information, the remuneration of the directors is not mentioned.

E. Business Segment Reporting

ONEY BANK SA is mainly active in consumer credit as well as in the following direct activities related to credit.

ONEY BANK SA is specialized in :

- Issuing means of payment (bank cards, private cards, debit/credit cards, contactless cards, gift cards, prepaid cards, etc.), financing and savings solutions for individuals,
- The management of electronic money flows,
- Customer Relationship Management (CRM) solutions,
- Insurance intermediation.

F. Tax consolidation

The company has left the tax consolidation with Auchan Holding.

ONEY BANK is taxed separately for the year 2019.

Statutory

MANAGEMENT REPORT OF ONEY BANK SA

ONEY BANK

Société Anonyme à Conseil d'administration

Au capital de 51,286,585 euros

34, Avenue de Flandre - 59170 CROIX

RCS Lille Métropole 546 380 197

ORDINARY GENERAL SHAREHOLDERS' MEETING OF APRIL 30, 2020

MANAGEMENT REPORT ON THE OPERATIONS OF THE FINANCIAL YEAR CLOSED ON 31/12/2019

Dear shareholders,

You gathered in General Ordinary Shareholders Meeting on April 30, 2020 to deliberate on the following points:

ORDINARLY

1. Report of the Board of Directors and the Statutory Auditors on the financial statements for the year ended 31.12.2019 ;

2. Approval of the balance sheet and the company financial statements for the financial year ended 31.12.2019 and discharge to the Directors ;

3. Approval of the balance sheet and consolidated financial statements for the financial year ended 31.12.2019 ;

4. Appropriation of earnings ;

5. Special report of the statutory auditors on the agreements governed by Article L.225-38 et seq. of the French Commercial Code and approval of said agreements ;

6. Examination of the situation with regard to Article L.225-248 of the French Commercial Code ;

7. Examination of the mandates ;

8. Determination of the amount of the annual remuneration package for directors ;

9. Approval of the principles and criteria for determining, sharing and allocating the elements of remuneration and benefits of any kind attributable to the Chairman of the Board of Directors and the Chief Executive Officer;

10. Approval of the components of the total compensation and benefits of any kind granted to the Chairman of the Board of Directors and the Chief Executive Officer for the previous fiscal year;

11. Consultative vote on the overall package of compensation of all kinds paid during 2019 to senior executives and certain categories of personnel (Article L.511-73 of the French Monetary and Financial Code);

12. Powers for formalities.

The purpose of this document is to report to you on the situation, the progress of the Company's affairs and the risks encountered by the Company during the financial year ended 31 December 2019 and to submit the annual financial statements for your approval. Your Statutory Auditors will provide you in their report with all information regarding the regularity of the financial statements presented to you.

For our part, we are at your disposal to provide you with any further information that you may require.

Attached to this report is a table showing the Company's financial results over the last five years (Appendix 1).

We have included below the various items of information as required by regulations.

N°1 - SITUATION AND ACTIVITIES OF THE COMPANY DURING THE PAST FINANCIAL YEAR (Articles L. 232-1, II and L. 225-100-1 of the French Commercial Code)

I. Economic environment relating to ONEY France.

The year 2019 is characterized by :

- An increase of +2.5% in the production of new loans, i.e. the sixth consecutive year of growth in consumer credit. However, growth is less pronounced than in 2018 (+5%).

- A market increasingly close to its pre-crisis level: with 43.4 billion euros in 2019, activity is now only -3.5% below the September 2008 high.

Over 2019 as a whole, personal loans generated 13.8 billion euros, down -1.3% compared to 2018. Nevertheless, with a share of 32% of total production, personal loans remain the leading financing product for institutions specialising in consumer credit, ahead of allocated loans, revolving credit and LOA.

With annual production of 10.2 billion euros in 2019, new uses of revolving credit are up +1.9%. The sector has thus ceased to deteriorate, but remains at a low level of activity (-42% compared to the volume of business at the end of summer 2008). Intra-annual trends show an acceleration in growth throughout the year: activity initially contracted at the beginning of the year (-2.5%), before gradually picking up again (+1% in Q2 and +3.4% in Q3). This dynamic continued in the autumn (+5.1%), marked by a sharp rise in December (+12.9%).

II. Significant events and activity during the financial year.

Over 2019, ONEY BANK's overall production grew faster than that of ASF members: +8.8% compared with +1.9% for ASF (on a comparable scope, i.e. excluding LOA).

Performance was excellent on allocated financing, up 16.6%, while the market grew by 6.1%.

Revolving credit held up well, with +2% compared with +1.9% for ASF.

However, Oney was down -21.6% on personal loans, whereas the market was down only -1.3%.

Leader on the market of payment in three or four installments by bank card with its split payment product, ONEY BANK continues to convince new partners, major players in e-commerce.

ONEY BANK has also strengthened its position in the property insurance market.

The year's commercial successes were accompanied by good control of the risk rate on average outstanding loans, which continued to fall.

- **Other significant events.**

On October 22, 2019, Groupe BPCE acquired a 50.1% stake in ONEY BANK. AUCHAN Holding remains a 49.9% shareholder.

ONEY BANK is fully consolidated in the BPCE group in the BPCE financial statements.

ONEY BANK left the AUCHAN tax consolidation group in October 2019 with retroactive effect as of January 1, 2019.

ONEY BANK is taxed separately in 2019.

ONEY BANK liquidated its representative office in China in July 2019 and the result of the representative office in the 2019 financial statements is -175K€.

ONEY BANK decided on October 21, 2019, the capital increase within the framework of the free share plans by the issue of 5,622 additional shares of 35 Euros, i.e. 196K€.

Then a capital increase following the granting of stock subscription/purchase options for an amount of 4,425K€ of which 4,077K€ are allocated as additional paid-in capital.

In the same context, ONEY BANK has recorded the sale of treasury shares for an amount of 783K€ in profit and loss for the year 2019.

On October 21, 2019, all ONEY BANK's AGM subscription plans were transferred to AUCHAN HOLDING.

The capital is 51,286,585 € at the end of the fiscal year.

ONEY BANK SA has received a total amount of 33.31 M€ in dividends from its foreign subsidiaries for the year 2019. It has itself paid AUCHAN HOLDING 175.92 M€ in dividends.

ONEY BANK has subscribed:

- Fully to the capital increase of 199 K€ carried out by the subsidiary ONEY UKRAINE.
- Fully to the capital increase of 3.855 K€ carried out by the subsidiary SMARTNEY.
- In full to the capital increase of 3,660 K€ carried out by the subsidiary ONEY TRUST.

ONEY BANK recorded:

- A depreciation of the shares of ONEY Poland for 1,094 K€;
- A depreciation of the shares of the company ONEY Ukraine for an amount of 296 K€;
- A depreciation of the shares of ONEY F'N'P for an amount of 400 K€;
- A depreciation of the shares of the company NATURAL SECURITY in the amount of 51 K€;
- A depreciation of the shares of ONEY HONGRIE in the amount of € 2,317 K;
- A depreciation of € 8,060,000 on the shares of ONEYTRUST;
- A reversal of depreciation of ONEY SPA shares for an amount of 7,233 K€;
- A reversal of depreciation of the shares of China for an amount of 1,570 K€.
- A reversal of depreciation of GEFIRUS shares for an amount of 99 K€;

ONEY BANK recorded a provision for risk at 31/12/2019 in the amount of 8,413 K€ in view of the negative net situation of its subsidiary ONEY HUNGARY.

A. Key figures.

Credit production amounted to 2.0 billion (+8.8% / 2018) and 3.8bn in new loans to customers. Outstanding loans, including those held in the securitization fund, amounted to 1.9 billion euros, stable compared to 2018.

The number of customers rose by 4% to 5.2 million.

B. Results for fiscal year 2019

Income from banking operations, comprising interest, income from securities, commissions and other banking income, will reach €364 million in 2019, with expenses of €45.7 million.

As a result, net banking income increased by 3.12% to €319 million, compared with €309.3 million in 2018.

The cost of risk stands at €73 million.

Net income after tax amounts to €22.8 million.

The balance sheet total amounts to 3,646 M€.

C. Outlook for Year 2020.

In 2020, ONEY BANK will continue its transformation through the Oney 2024 project.

This is based on its ambition to be a humanist bank by placing the customer at the heart of its strategy in order to best meet his or her needs.

To achieve this, ONEY BANK will use the marketing and customer relationship management software deployed in 2019, will digitize its customer journey and will continue to deploy the 3x4x Oney solution in France and internationally, while complementing this offer over longer periods and with insurance products.

III. Risks and Uncertainties Encountered by the Company.

A. Exposure to liquidity risks..

ONEY BANK is subject to the Basel III LCR (Liquidity Coverage Ratio). As such, since 30 September 2015, it has permanently available high quality liquid assets (HQLA) enabling it to meet its net cash outflows at 30 days in a stressed scenario.

During 2019, in accordance with current regulations, a minimum coverage of 100% of net cash outflows at 30 days has been respected.

Following Groupe BPCE's acquisition of a stake in ONEY BANK, all new financing is provided by Groupe BPCE. ONEY BANK's historical financing is managed in extinction. ONEY BANK has a liquidity envelope with Groupe BPCE enabling it to cover all of its needs (as calculated during the financial year). This envelope may be increased, if necessary, to cover any additional needs of ONEY BANK.

ONEY BANK's refinancing structure at 31/12/2019 breaks down as follows :

Dette brute	M€	%
BPCE	1,996	68%
Marchés	528	18%
TLTRO II	365	12%
Épargnes	62	2%
Banques	12	0%
TOTAL	**2,952**	**100%**

ONEY BANK has access to the exceptional liquidity measures put in place by the European Central Bank through the mobilisation of securities issued by the self-held securitisation mutual fund «Oneycord Compartment 1» for repo purposes. As at 31 December 2019, Oney Bank was using €355 million out of a total drawing capacity of €505.9 million.

B. Exposure to interest rate risk.

Interest rate risk is assessed using static indicators subject to limits: the fixed interest rate gap and the supervisory outlier test, as well as a dynamic indicator incorporating budget forecasts: the sensitivity of the Net Interest Margin. These indicators are monitored at Group level. A specific framework is defined for the subsidiaries concerning the structure of their refinancing (duration and fixed rate/revisable rate mix).

C. Exposure to customer credit risk.

ONEY BANK will continue its risk control in 2019.

The main keys to this achievement lie in three areas:

• Optimisation of risk selection: risk selection processes are continuously reviewed on an issue-by-issue basis to reduce the risk of granting loans, while striking a balance with the business, taking advantage of technological advances in Data.

• Collections performance: recoveries on unpaid receivables remain at a good level, despite strong growth in volumes processed, due to higher activity on our split payment.

• Monitoring of risk exposure: the development of the portfolios most exposed to risk is limited by a policy of commitments adapted to customer risk.

IV. Research and Development Activities of the Corporation..

The need for banks to improve their business acts as an important driver of innovation. ONEY BANK has the constant concern to develop the most efficient tools to allow a better management of its daily activities and, consequently, a service more adapted to the needs of its customers.

The engineers' technological watch is permanent. ONEY BANK is constantly attentive to new technologies and innovations on the market that it could exploit through its infrastructures and thus bring substantial improvements to its products.

This research and development activity exists not only at ONEY BANK but also within its subsidiary Oney Trust.

Many specific innovative developments are also carried out directly within ONEY BANK's IT department. The latter invests in innovative solutions to best meet and anticipate customer expectations.

V. Financial risks related to the effects of climate change

The Company, concerned by the issues related to the effects of climate change, is aware of the financial risks associated with it. Thus, it is working to reduce the negative impacts through a policy of reduction and reasoned consumption for its own activity in two areas, essentially to date: paper consumption and the energy expenditure of the buildings it occupies.

A. Paper consumption.

ONEY BANK has been committed for several years to have a reasoned use of paper for its activity. The global consumption in kilograms of paper is decreasing every year. It decreased by 12% between 2018 and 2019, from 396 tonnes of paper used in 2018 to 348 tonnes in 2019, despite an increase in our economic activity. This is the result of the work of the subsidiaries, which are working to digitize customer journeys and ensure that paper use is optimized. Consumption is down in all countries except Ukraine.

This constant year-on-year decrease is achieved through internal awareness-raising actions among employees, priority being given to processing data in digital format (dematerialization of correspondence, pay slips not printed in some countries) and environmentally friendly printer settings.

The other factor in reducing consumption is the development of electronic account statements. More than 27 million e-account statements were sent by the Oney Group in 2019 (+5% vs. 2018). It should be noted that Spain invoices customers for paper statements and that Portugal now opts by default for electronic statements for its new customers. Hungary started this method of sending in 2017 and continues to show growth with an increase of 32%. The increase is moderate in some countries that have limited the sending of electronic account statements to active customers or those with open accounts in order to avoid sending unnecessary e-statements - a complementary environmentally friendly approach.

ONEY BANK also carries out actions around the recycling of paper used in our subsidiaries. In 2019, 48 tonnes of paper were recycled. Progress varies according to the countries and their level of maturity on the subject beyond all awareness actions. It should also be noted that Malta now recycles its paper through the public service, but as a result can no longer account for it. We also know that the best waste is the waste we do not produce. Thus we are proud to note that in some countries the volume is decreasing because they have used less paper at the source.

B. Electricity consumption of our buildings.

In some countries, Oney employees are not located on Oney premises but in partner companies, as is the case in Hungary, Romania and Ukraine. In other countries, electricity consumption is included in the costs of the rental system, without the possibility of obtaining the consumption that is due to them. Our 2019 electricity consumption therefore concerns the subsidiaries in France, Italy, Oney Trust, Smartney, Russia, Spain, Malta, Portugal and Poland.

Sensitive to not wasting energy, Oney is raising awareness among its teams to adopt responsible behaviour in the use of appliances and lights. These awareness-raising actions, coupled with an increase in the density of our buildings, have made it possible to reduce electricity consumption in KwH per average workforce by 21% per year between 2018 and 2019. This decrease is partly explained by a change in the environmental scope, which in 2019 includes Smartney, Oney in Poland, and Oney Trust, which will increase the average number of employees.

ONEY BANK continues to be vigilant and to make steady progress towards rational energy consumption.

VI. Coverage of transactions.

At the end of 2019, ONEY BANK no longer has any derivative instruments in its portfolio and manages its interest rate risk by matching its refinancing, in terms of rates and maturities, to its asset profile.

VII. Events after the closing date.

The outbreak of Covid 19 viral pneumonia, which has been spreading to Europe from China in particular since January but the extent and duration of which is still unknown, poses a risk of a severe turnaround. In particular, the restrictions on mobility in the affected areas, the clear impact on value chains of the prolonged economic disruption in the affected areas and the spread of the health crisis to the service sector (tourism receipts, air transport, local sales, etc.) should result in a downturn in the economy at least in the first half of 2020.

N°2 - INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

(Article L. 225-100-1 of the French Commercial Code)

I. Processes and organization involved in the production of the financial statements.

A. Management and structure of the Finance Department.

Under the authority of the Chief Financial Officer, the Group Finance Department includes the consolidation, management control, legal and treasury departments.

The Finance Department draws up a timetable:

- Monthly closings,
- Monthly reports» of activities, management results and cash flow,
- Quarterly consolidation accounting closures,
- Quarterly consolidation reports,
- The development of annual objectives and the plan,
- Pre-closing and hard close meetings.

At the level of each of the foreign subsidiaries, the Group Finance Department supports the local Finance divisions and ensures the consistency of financial data and results for each country.

B. IT and accounting system for the French activities.

Standard accounting software is implemented and parameterized by functional and technical administrators.

The accounting operations and events can be, depending on the case:

- Entered directly into the standard accounting software,
- Entered in upstream applications (internal or standard software). Accounting entries are then generated and automatically integrated or entered manually in standard accounting software.

Automatic or manual control procedures guarantee the accuracy of accounting and financial movements. Supporting documents are filed and archived.

Each accounting operator carries out first-level controls on each of the transactions entered in the accounts. Second level controls are then carried out, in particular by the division in charge of accounting controls. A process aimed at guaranteeing the independence of tasks is introduced as soon as possible.

All means are implemented to preserve the audit trail, so that the original document can be identified from a document or information in the information system.

C. IT and accounting system for the activities of foreign subsidiaries.

Systems and organizations vary from one partner to another. The missions and responsibilities of the partner in charge of organising the IT and accounting system and in charge of keeping the accounts are described in service contracts duly signed by the partner, with references to qualitative criteria and indicators of deadlines for reporting accounting and financial information.

For foreign subsidiaries operating without a partner, standard accounting software is implemented and configured by functional and technical administrators.

II. Procedures for closing the company and consolidated financial statements.

The closing dates are monthly for the parent company financial statements and quarterly for the consolidated financial statements.

A limited review of the parent company financial statements in certain countries is carried out by the Statutory Auditors for the half-year closing at the end of June. The consolidated half-yearly results are subject to a limited review by the Statutory Auditors. The annual financial statements are audited as part of the certification of the financial statements for the previous year.

A. The closing of accounts

a) The closing of the company's financial statements.

The interim financial statements are drawn up using the same process as the annual financial statements. They are finalized in the fortnight following the end of the month, with, if necessary, submission of the regulatory statements to the regulator.

b) The closing of the consolidated financial statements.

The consolidated financial statements are prepared in accordance with banking regulations at the level of the ONEY BANK Group. These data are then fed back into the Groupe BPCE and AUCHAN HOLDING systems.

The process begins with the integration of the accounting data for each country by the local accounting team or by the consolidation team at the head office, into a consolidation software package centralized at the level of the ONEY BANK Group, after transposition of the balances in the local format into the Group's reference system. The accounts are then consolidated in accordance with IFRS, taking into account only those standards and interpretations appearing in the Official Journal of the European Union and applicable at the balance sheet date. The Consolidation department ensures in particular that the data transmitted is consistent.

Concerning the consolidation for the needs of Groupe BPCE, the ONEY BANK teams transpose the regulatory and statutory data entered in the Oney software into BPCE format. These data were transferred to the BPCE consolidation software in opaque levels at December 31, 2019. The project to deploy the BPCE consolidation software has begun in the countries where ONEY BANK is present and should be completed in September 2020.

Concerning the consolidation in commercial format for the needs of AUCHAN HOLDING, the accounting data entered in the banking regulatory format (including consolidation restatements) are now transposed each quarter by the AUCHAN HOLDING teams according to the required commercial presentation.

B. Specific procedures.

a) Pre-closing meetings

The accounting options and specific transactions for the current financial year are decided at pre-closing committee meetings in the presence of the Statutory Auditors. These options are then communicated to the finance departments of BPCE and AUCHAN HOLDING, shareholders of ONEY BANK.

The external auditors review the accounting options at the time of the «hard close»[1] , which do not require further analysis.

b) Reconciliation of data

A reconciliation of the consolidated accounting data with the elements resulting from management control is carried out quarterly. Differences are explained on the main aggregates.

III. Controlling.

The Controlling Department, which reports to the Finance Department, is the primary contact for all accounting and/or economic (cost accounting) information in the income statement. It participates in the preparation of budgets and medium-term plans and, through monthly budget controls, plays an active role in monitoring the construction of results as a whole and by business segment. It ensures that income and expenses are properly justified. It participates fully in the reliability of the monthly, quarterly and annual results.

It oversees the proper implementation of the strategies adopted by the management bodies. Finally, it plays a leading role in the evaluation and approval of profitability calculations for future and existing investments.

In addition, through its various analyses, it informs the bank's management bodies on the orientations to be taken on the various projects in progress, on products, on customer orientations, on current or future partnerships.

At the time of each interim financial statement, it disseminates the economic and financial results as well as the main activity figures or ratios monitored by the Bank.

IV. Procedures having an impact on accounting and financial information.

A. Procedures relating to the provisioning of credit risk on French and foreign activities.

The calculation of IFRS provisions for credit risk on French and foreign activities is carried out, depending on the country, by the Finance Department or the Risk Department.

IFRS provisions are established on a monthly basis for each of the segments of outstanding loans identified as part of the provision calculation. Provisioning models are applied to the various categories of outstanding loans to determine the levels of provisioning to be set aside.

Checks are carried out monthly to reconcile management data from databases with accounting data. This reconciliation is carried out on the overall amounts. A reconciliation is performed between the IFRS approach and the Basel approach for the subsidiaries concerned.

Control processes are carried out in order to validate the reliability of the figures. A description is provided of the segments of work in progress and the IT queries carried out.

Provisions are booked on a monthly basis. A few comments on the level of provisions and changes in provisions accompany the publication of the results, which is sent to the bank's management bodies each month.

Provisions for credit risks for the entire consolidated scope are calculated using a methodology that complies with IFRS. Since 1 January 2018, countries have applied a new IFRS 9 impairment model that requires expected credit losses to be recognised as soon as the loan enters the balance sheet.

B. Procedures for monitoring accounting transactions originating from the treasury.

The accounting transactions arising from the Group's treasury activity stem either from automatic accounting entries generated following the entry of events in treasury management software packages, or from manual entries prepared by persons in the Treasury Department. No accounting entries are made by Front Office staff.

Manual accounting entries are entered by staff of the Accounts Department. Bank reconciliations on flows are also carried out. The value of the cash position and the refinancing portfolio are monitored on a daily basis.

The accounting team in charge of internal control checks all balance sheet accounting entries relating to cash management on a monthly basis.

A reconciliation of management income and accounting income from cash transactions is performed monthly by the Group Treasury Department.

In the Group Treasury Department, middle office and back office tasks are clearly identified and assigned to separate individuals. Job descriptions and formalized procedures provide a framework for these operations.

Treasury operations in foreign subsidiaries are carried out either by the Group Treasury Department, the local Finance Department or by partners, in accordance with the treasury management elements included in the service contracts duly signed by the partners.

N°3 - PRESENTATION OF THE ANNUAL ACCOUNTS AND VALUATION METHODS (Article L. 232-6 of the French Commercial Code)

The Company's financial statements for the year ended December 31, 2019 have been prepared in accordance with the provisions of CRC 2014-07 relating to the presentation of individual summary documents for companies subject to the French Banking and Financial Regulation Committee (Comité de la Réglementation Bancaire et Financière).

The Company's financial statements have not been subject to any changes in accounting method or presentation compared to the previous year, with the exception of the reclassification in the income statement from Cost of Risk to NBI for write-backs of discounts and the reclassification of off-balance sheet items.

The general accounting conventions applied to the Company comply with the principle of prudence:

- Going concern,
- Consistency of accounting policies from one year to the next,
- Independence of exercises.

The method adopted for the valuation of items entered in the accounts is the historical cost method and all balance sheet items are presented, where appropriate, net of depreciation, provisions and value adjustments.

In accordance with current legislation, charges and reversals of depreciation/provisions are presented as net banking income, operating income or extraordinary income, depending on their nature.

N°4 - FORECASTING DOCUMENTS (Article L. 232-2 of the French Commercial Code)

Forecast operating account 2020 in € million including Portugal:

	Prévisionnel
Produit net bancaire	350.5
Coût du risque	66.3
Bénéfice net comptable avant impot	56.2

N°5 - SHARE CAPITAL (Article L. 225-102 of the French Commercial Code)

Our Company's share capital amounted to € 51,286,585 at the end of the financial year ending 31 December 2019.

1. Share capital

On 21 October, ONEY BANK carried out a capital increase through the issue of 15,582 new shares of 35 Euros.

As a result, the share capital currently amounts to 51,286,585€ divided into 1,465,331 shares of 35 Euros.

2. Employee sharehodling

In accordance with the provisions of Article L.225-102 of the French Commercial Code, we inform you that at December 31, 2019 the employees of the Company and its subsidiaries held 0.64% of the Company's share capital, this holding being entirely made up of shares allocated to various employees pursuant to the provisions of Article L.225-197-1 of the French Commercial Code.

3. Repurchase by the Company of its own shares

In accordance with Article L. 225-209 of the French Commercial Code, we inform you that the Company no longer holds any of its own shares at December 31, 2019.

4. Share subscription or purchase options and free share grants to corporate officers

In accordance with Articles L. 225-197-1 II paragraph 4, and L. 225-185, paragraph 4, of the French Commercial Code, we inform you that restrictions have been placed on share subscription or purchase options and free shares granted to corporate officers (see Plan Regulations approved by the Board of Directors on January 23, 2018).

N°6 – ACTIVITIES OF SUBSIDIARIES AND CONTROLLED COMPANIES

(Article L. 233-6 of the French Commercial Code)

As regards subsidiaries and affiliates, we present their activity in our presentation of the Company's activity in the Management Report on the consolidated financial statements. We also remind you that the table of subsidiaries and investments is appended to the Balance Sheet.

We remind you that our Company controls the following companies within the meaning of Article L. 233-3 of the French Commercial Code:

Société	Country	Activity	% of holding	CA HT		Net accounting income	
				N	N-1	N	N-1
ONEY BUSINESS CONSULTING	China	Financial advice	49.00 %	3,221	11,236	1,066	214
ONEY SERVICIOS FINANCIEROS	Spain	Credit institution	100.00%	55,513	55,335	6,193	21,626
ONEY	Italy	Commercial activity of marketing and communication activity	100.00%	2,827	6,370	181	3,813
ONEY MAGYARORSZAG	Hungary	Financial institution	60.00 %	9,807	9,705	1,023	2,293
ONEY PENZFORGALMI	Hungary	Payment institution	100.00%	218	259	-36	-25
GEFIRUS	France	Holding	60.00 %	1	0	165	330
ONEY BANK	Russia	Credit institution	100.00%	6,161	5,011	-19	368
BA FINANS	Russia	Financial Operations	100.00%	794	921	-376	44
ONEY HOLDING LIMITED	Malta	Holding	100.00%	16,07	15,431	23,347	22,386
ONEY INSURANCE LIMITED	Malta	Non-life insurance company	100.00%	20,246	17,123	11,021	9,512
ONEY LIFE LIMITED	Malta	Life Insurance Company	100.00%	10,891	11,308	6,332	6,565
NATURAL SECURITY	France	Promote research in the field of new technologies	48.33%	-1	-1	-49	-66
FLANDRE INVESTMENT	France	Holding	100.00%	1,221	718	1,206	711
IN CONFIDENCE INSURANCE ONEY F'N'P	France	Insurance Broker	100.00%	2,961	2,600	1,260	1,062
ONEY F'N'P	France	No activity	100.00%	259	262	134	196
ONEY INVESTMENT	France	No activity	100.00%	0	0	-2	-2
ONEY SERVICES	France	No activity	100.00%	0	0	-2	-2
ONEYTRUST	France	Development and commercialization of tools to fight against fraud	100.00%	6,612	7,761	-1,757	-2,180
ID EXPERT	France	No activity	100.00%	-722	-2	-238	467
ONEY POLOGNE	Poland	Financial intermediation	100.00%	7,358	13,954	-2,147	2,468
ONEY SERVICES	Poland		100.00%	933	1,055	709	796
SMARTNEY	Poland	Granting of civilian loans	100.00%	1,514	2	-3,647	-762
ONEY FINANCES	Romania	Financial intermediation	100.00%	3,149	2,141	496	38
ONEY UKRAINE	Ukraine	Financial intermediation	100.00%	4	11	-290	-176

N°7 - SIGNIFICANT SHAREHOLDINGS OR ACQUISITIONS OF CONTROL

(Article L. 233-6 of the French Commercial Code)

1. Equity investments

The Company acquired a stake in LYF for €600 and in VALUIZ for 125,000 shares for a total amount of €125,000 during the 2019 financial year; i.e. a 6.89% holding in the capital.

2. Changes control

In 2019, the Company did not carry out any takeovers.

3. Disposal of shareholdings

The Company did not dispose of any interest in any of its subsidiaries during the past year.

4. Branches (Article L. 232-1 of the French Commercial Code)

The Company has a branch located at Avenida José Gomes Ferreira, number 9, Room 1 in ALGES, Portugal and registered under number 980569214.

N°8 - CROSS SHAREHOLDINGS AND TREASURY SHARES

(Articles L. 233-29, R. 233-19 and L.233-13 of the French Commercial Code)

1. Cross-shareholdings

The Company does not hold any cross-shareholdings.

2. Adjustment of cross-shareholdings

As a result of the foregoing, we inform you that the Company has not had to regularize the cross-holdings prohibited by Article L. 233-29 of the French Commercial Code.

3. Treasury shares

The companies held within the meaning of Article L. 233-3 of the French Commercial Code do not hold any interest in our Company.

As of December 31, 2019, the Company does not hold any shares in connection with treasury shares.

N°9 - APPROPRIATION OF NET INCOME FOR THE YEAR

As you can see, after deduction of all expenses, taxes and depreciation, the accounts presented to you show a net accounting profit of 22,757,865.39 euros.

In accordance with the recommendation issued by the ECB in the context of the Covid-19 crisis, we propose to allocate this net accounting profit of 22,757,865.39 euros as follows:

- Allocation to the legal reserve: 49,719.5 euros

Amount of distributable profit: 22,708,145.89 euros

- Appropriation of distributable profit: item «Other reserves»: 22,708,145.89 euros

In accordance with the provisions of Article 243 bis of the French General Tax Code, it is recalled that the dividends paid in respect of the three previous financial years were as follows:

For the financial year ended	Total dividend paid	Fraction eligible for the 40% allowance	Fraction not eligible for the 40% allowance
31/12/19	161,787,195.71	1,043,374.5	160,743,821.21
31/12/18	15,773,269.12	23,566.08	15,749,703.04
31/12/17	11,424,022.12	2,978.64	11,424,043.48
31/12/16	15,975,769.55	29,735.55	15,946,034.00

N°10 – ANALYSIS OF ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

(Article L. 441-6-1 of the French Commercial Code)

In accordance with Article D. 441-4 of the French Commercial Code, taken in application of Article L. 441-6-1 of the said Code, we inform you that :

- for suppliers, the number and total amount of invoices received and outstanding at the closing date of the financial year whose term has expired, and,

- for customers, the number and total amount of issued invoices outstanding at the closing date of the financial year whose term has expired. This information does not include banking and related transactions, as they are not considered to be part of the scope of the information to be produced.

The elements are presented in Appendix 2.

N°11 - EXPENSES REFERRED TO IN ARTICLES 39-4 AND 39-5 OF THE GENERAL TAX CODE

(Articles 223 quater and 223 quinquies of the General Tax Code)

We also ask you to approve the following expenses, which are not tax-deductible from profits subject to corporate income tax, in accordance with Articles 223 quater and 223 quinquies of the C.G.I. in the amount of 121,165 euros.

We inform you that the Company has not reinstated any overheads into taxable profits (costs not declared on the 2068 statement or excessive, or not incurred in the direct interest of the company) in accordance with articles 223 quinquies, 39-5 and 54 quater of the C.G.I.

N°12 - EQUITY REVIEW

(Article L. 225-248 of the French Commercial Code)

Pursuant to Article L. 225-248 of the French Commercial Code, the Company’s shareholders’ equity must be reviewed.

The Company’s shareholders’ equity exceeds half of the share capital.

N°13 - LOANS GRANTED BY THE COMPANY ON AN ANCILLARY BASIS TO AFFILIATED UNDERTAKINGS

(Article L. 511-6 3 bis of the Monetary and Financial Code)

We hereby inform you that no loans of less than two years’ duration have been granted by the Company, as an accessory to its main activity, to micro-enterprises, SMEs or mid-sized companies with which it has economic ties justifying such loans.

N°14 - STATUTORY AUDIT

In accordance with legal and regulatory requirements, we have made available to you the Statutory Auditors’ reports.

N°15 - CONVENTIONS REFERRED TO IN ARTICLE L. 225-38 OF THE COMMERCIAL

We request that you approve the Statutory Auditors’ special report on the agreements covered by Article L. 225-38 of the French Commercial Code.

N°16 - STATUS OF STATUTORY AUDITORS’ TERMS MANDATES

The Board reviews the status of the terms of office of the Statutory Auditors and notes that none of the terms of office have come to an end.

N°17 - INFORMATION CONCERNING COMPANY OFFICERS

The Board examines the status of the terms of office of the corporate officers and notes that none of the terms of office have expired.

N°18 - SETTING THE AMOUNT OF THE ANNUAL BORD MEMBERS ‘ REMUNERATION

We propose that you set the amount of the annual remuneration package for directors for the financial year 2020 at the sum of 130,000 euros.

N°19 - PREVENTION OF TECHNOLOGICAL RISKS

(Article L. 225-102-2 of the French Commercial Code)

The Company does not operate any classified facility that could create significant risks to the health and safety of neighbouring populations and the environment.

N°20 – DECLARATION OF EXTRA-FINANCIAL PERFORMANCE

(Article L. 225-102-1 of the French Commercial Code)

Pursuant to the provisions of Article L 225-102-1, paragraph 5 of the French Commercial Code, we inform you that the non-financial performance statement is prepared in a separate document from this report.

N°21 – ANTICOMPETITIVE BEHAVIOURS

(Article L. 464-2, I, of the French Commercial Code

Pursuant to the provisions of Article L. 464-2, I, paragraph 5 of the French Commercial Code, we hereby inform you that the Company has not been the subject of any injunctions or financial penalties, for anti-competitive practices, pronounced by the French Competition Authority, which the latter has prescribed, as an additional measure, for inclusion in this report.

--ooOoo--

The resolutions that we are submitting to your vote are in accordance with our proposals; we hope that they will be approved by you and that you will grant your directors discharge from their duties for the past financial year.

The Board of Directors.

APPENDIX 1

FINANCIAL RESULTS STATEMENT FOR THE LAST FIVE FISCAL YEARS

TYPE OF INFORMATION	2015	2016	2017	2018	2019
YEAR-END CAPITAL					
SHARE CAPITAL	29,020,680	50,601,985	50,741,215	50,741,215	51,286,585
NUMBER OF EXISTING ORDINARY SHARES	1,451,034	1,445,771	1,449,749	1,449,749	1,465,331
NUMBER OF EXISTING PREFERENCE SHARES					
MAXIMUM NUMBER OF FUTURE SHARES TO BE CREATED					
by conversion of bonds					
by exercise of subscription rights					
OPERATIONS AND RESULTS FOR THE YEAR					
REVENUE EXCLUDING TAX (banking income)	278,969,405	263,720,629	328,693,634	364,034,000	364,711,541
INCOME BEFORE TAXES, EMPLOYEE PROFIT-SHARING AND MINORITY INTERESTS. DEPRECIATION, AMORTISATION, IMPAIRMENT AND PROVISIONS	61,802,074	90,735,894	50,573,262	98,825,432	74,810,787
CORPORATE INCOME TAX	6,997,512	5,925,000	2,848,957	2,529,924	4,384,003
INCOME AFTER TAX, EMPLOYEE PROFIT-SHARING, DEPRECIATION, AMORTISATION AND PROVISIONS	51,083,073	100,385,000	34,417,852	51,083,071	22,757,865
DISTRIBUTED RESULT	12,072,603	15,975,770	11,424,022	177,560,465	30,000,000
RESULTS BY SHARE					
RESULT AFTER TAXES, EMPLOYEE PROFIT-SHARING, BUT BEFORE DEPRECIATION, AMORTISATION, IMPAIRMENT AND PROVISIONS	37.77	58.66	32.92	66.42	48.06
INCOME AFTER TAX, EMPLOYEE PROFIT-SHARING, DEPRECIATION, AMORTISATION AND PROVISIONS	35.20	69.43	23.74	35.24	15.53
DIVIDEND PER SHARE	8.32	11.05	7.88	121.29	20.47

STAFF	2015	2016	2017	2018	2019
AVERAGE NUMBER OF EMPLOYEES EMPLOYED DURING THE YEAR	956	1,275	1,344	1,412	1,436
TOTAL PAYROLL FOR THE FINANCIAL YEAR (K€)	37 786	40 130	47 569	54 575	56 376
TOTAL AMOUNTS PAID FOR SOCIAL BENEFITS FOR THE FINANCIAL YEAR (Social security charges and pension charges) in K€.	17 840	20 881	22 466	24 957	25 810

APPENDIX 2

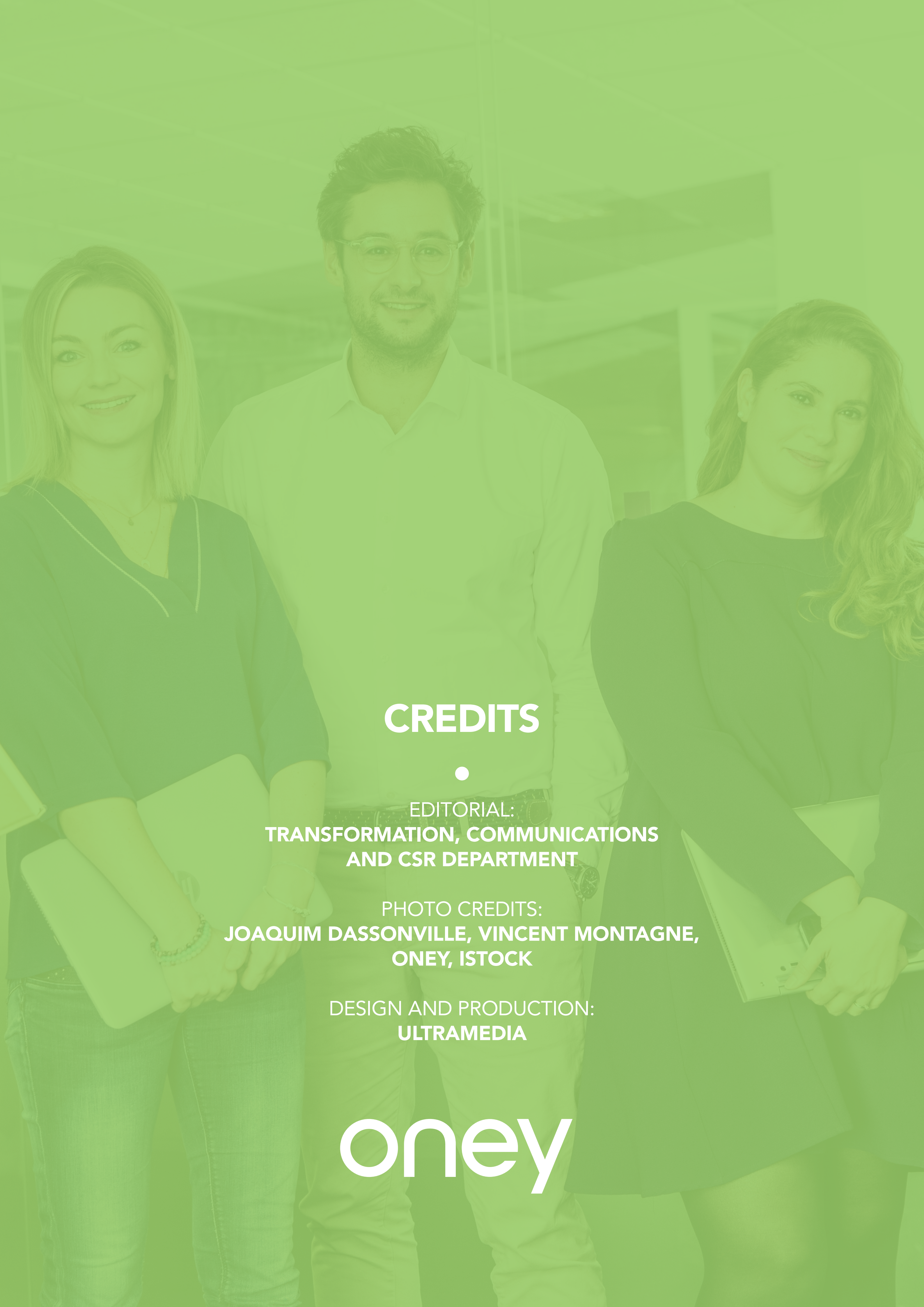
SCHEDULE OF PAYABLE DEBT AND CUSTOMER RECEIVABLES

Invoices received and issued not settled at the closing date of the financial year whose term has expired (table provided for in I of article D.441-4)

	Article D.441 L/-1: Invoices received but not settled at the closing date of the financial year whose term has expired						Article D.441 L.-2° : Invoices issued which have not been settled at the closing date of the financial year and therefore the term is overdue					
	0 day	**1 to 30 days**	**31to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**	0 day	**1 to 30 days**	**31to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) Late payment ranges												
Number of invoices concerned												0
Total amount of the invoices concerned (incl. VAT)		2,974,724	1,295,081	127,051	1,073,470	5,470,327		266,945	**51,779**	**36,158**	6,396,021	**6,750,903**
Percentage of the total amount of purchases for the fiscal year including tax												
Percentage of Fiscal Year Figures (incl. VAT)												0
(B) Invoices excluded from (A) relating to disputed or unrecorded payables and receivables												
Number of invoices												
Excluded												
Total amount of invoices excluded VAT included												
© Reference payment terms used (contractual or legal terms - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment periods used for the calculation of late payments												

Invoices received and issued with late payment during the financial year (table provided for in II of Article D.441-4)

	Article D.441 L/-1: Invoices received but not settled at the closing date of the financial year whose term has expired						Article D.441 L.-2° : Invoices issued which have not been settled at the closing date of the financial year and therefore the term is overdue					
	0 day	**1 to 30 days**	**31to 60 days**	**61 to 90 days**	**91 days et plus**	**Total (1 day and more)**	0 day	**1 to 30 days**	**31to 60 days**	**61 to 90 days**	**91 days et plus**	**Total (1 day and more)**
(A) Late payment ranges												
Number of invoices concerned												0
Total amount of the invoices concerned (incl. VAT)												
Percentage of the total amount of purchases for the fiscal year including tax												
Percentage of Fiscal Year Figures (incl. VAT)												0
(B) Invoices excluded from (A) relating to disputed or unrecorded payables and receivables												
Number of invoices												
Excluded												
Total amount of invoices excluded VAT included												
© Reference payment terms used (contractual or legal terms - Article L. 441-6 or Article L. 443-1 of the French Commercial Code)												
Payment periods used for the calculation of late payments												



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