HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2020

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

FOR THE PERIOD ENDING 30 JUNE 2020 PURSUANT TO ARTICLE 3(2)(C) OF THE FRENCH TRANSPARENCY ACT (LOI TRANSPARENCE)

NOM DU RESPONSABLE

Jean-Pierre Viboud, Chief Executive Officer of Oney Bank.

ATTESTATION DU RESPONSABLE

«I hereby declare that, to the best of my knowledge, the consolidated half-year financial statements at 30 June 2020 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, 20 July 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
40 Avenue de Flandre 59170 CROIX
Lille Métropole trade and companies register B 546 380 197

Management report

ON THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2020

A. KEY EVENTS AND ACTIVITY DURING THE PERIOD

COVID-19 CRISIS :

In the context of the COVID-19 crisis, Oney has committed to helping customers who are experiencing cash flow difficulties by implementing measures to support the economy in each of its countries, as decided by local governments and professional organisations.

Oney has been working to support those customers who may be struggling financially as a result of the developing COVID-19 pandemic. In concrete terms, this translates into deferred loan repayments for individuals, with €66 million of outstanding receivables deferred by Oney on a blanket or individual basis at 30 June 2020.

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 30 June 2020, BPCE represented 90% of the total refinancing of Oney Bank. Oney's traditional financing sources complete the refinancing structure are now legacy assets (amounts owing represented by securities, savings by individuals). On 24 June 2020, Oney paid back its TLTRO II of €355 million refinanced by €549.4 million in TLTRO IIIs taken out by BPCE and transferred to Oney in the form of intra-group loans under the TLTRO III interest rates.

MAIN EVENTS AND ACTIVITY

Oney continues to stay the course and has seen its strategy bolstered by the new consumption patterns that have resulted from the COVID crisis.

The last few months have been marked by a global health crisis and period of lockdown that have led to an increase in the use of online shopping and digital payment solutions. This exceptional situation has confirmed the relevance of Oney's current strategy of responding to changes in consumption patterns: the digitisation of services and e-commerce support for its retail partners and customers.

There's no doubt that Oney's products have been particularly popular in recent months, and especially during the lockdown period, both for the "3x 4x Oney" solution and its long-term online loans of up to 60 months. Solutions like these allow consumers to enjoy greater flexibility when managing their spending, and more freedom for pursuing their projects and ideas. This has proven very useful during lockdown, in particular for the purchase of high-tech products, interiors and even DIY. This trend is still being observed, even after the easing of lockdown measures.

In the first half of 2020, Oney has therefore stayed the course and continued to pursue its objective of becoming the European leader in split payment solutions, as well as extending its "3x 4x Oney" omni-channel solution to even more partners:

- **In Italy, Oney has continued to develop the "3x 4x" solution, with four new partnerships in the past six months,** from four different industries: WRS for car accessories, Musical Store for music and culture, San Marco for outdoor furniture and Conte for home insurance.
- **In Spain, Oney has entered into partnerships** with Sprinter, Kimoa, Xiaomi, Kave Home,

Rodi Motor (150 physical sales outlets), Merida Bike and Honda (echo-es.es, hondaencasa.com, hondamarine.com). Another partnership with BackMarket - an expert in refurbished electronic equipment - has allowed Oney to take a firmer stance on the issue of sustainable consumption by making it easier to buy products second-hand. Oney Spain therefore stands out with a significant increase in production, despite the closure of physical stores during the lockdown period.

- **In Portugal, Oney has forged new partnerships** with major brands in various business sectors, such as La Redoute, Hey Phones, Egitana, Lanidor and 4paper. Like in France and Spain, in Portugal Oney signed a partnership with the Payment Services Provider (PSP) Adyen.
- **Finally, in France, the use of the «3x 4x» solution has intensified, both online during the lockdown and when stores reopened too,** especially for the purchase of high-tech products, household equipment, healthcare and sports. Over the period, Oney's market share increased by 12%. Since January, Oney has welcomed more than 50 new retailers and e-retailers such as So Brico, Mon Lit Cabane, La Chaise Longue, Barbecue&co., Bexley, Agnès B and more, expanding its partnership network in the payment sector with more than 20 new partners: service and payment providers (Adyen, Dalenys, PayPlug, Limonetik, etc.) or e-commerce modules (PrestaShop, Magento, Shopify, etc.). This expertise has made it possible to support its partners in the implementation of their new purchasing process (drive, click and collect, etc.) during the lockdown period.

  What's more, the online long-term loan offering is attracting more and more partners, a good example being the Optic 2000 Group (Optic 2000, Lissac, Audio 2000), which has been gradually rolling out both the split payment and online long-term financing solutions since June.

GROUP RESULTS AND KEY FIGURES:

The key figures for ONEY BANK at 30 June 2020 are as follows:

- Net Banking Income of €224.0 million, up 3.0% compared to June 2019 (€217.5 million).
- A cost of risk of €48.4 million in June 2020, up 30.9% compared to 30 June 2019 (€37.0 million).
- Net income of €24.5 million, down 4.0% compared to 30 June 2019 (€25.5 million).
- Overall gross balances for the bank of €2.7 billion, down 8.6% compared to June 2019.
- A drop in net recruitment of 214,000 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 7.5 million.

EVENTS AFTER THE REPORTING PERIOD:

There are no events after the reporting period likely to have a significant impact on the 30 June 2020 consolidated financial statements.

B. OUTLOOK FOR THE 2ND HALF OF 2020

The second half of 2020 will continue to 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 is planning to 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.

C. 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 2019. The COVID-19 crisis has affected our production and created pressure in terms of risk, particularly in Portugal, Spain and to a lesser extent in Russia and Poland.

D. 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	30/06/2020	31/12/2019
Consolidated equity, Group share	473,7	450,2
Distributable dividends	0	-30,0
Cash flow hedge reserves	0	0
Intangible assets and goodwill	-58,2	-54,2
Deferred taxes related to tax losses	-3,5	-3,1
Deductibles and other adjustments	-39,7	-33,2
TIER 1 CAPITAL	**372,3**	**329,7**
Subordinated debt	33,0	33,0
IRBA surpluses and other adjustments	6,7	7,3
TIER 2 CAPITAL	**39,7**	**40,3**

Regulatory capital at the end of June 2020 amounted to €411.9 million, compared to €370.0 million in December 2019.
In 2020, like in 2019, Oney Bank complied with these regulatory requirements.

CONSOLIDATED RATIOS

	BASEL 3 JUNE 2020	BASEL 3 DECEMBER 2019	BASEL 3 DECEMBER 2018	BASEL 3 DECEMBER 2017
Ratio / Tier 1	12,4%	10,5%	15,9%	17,0%
Ratio / Tier 2	1,3%	1,3%	0,2%	0,0%
Basel solvency ratio	13,8%	11,8%	16,1%	17,0%
LCR	135,6%	143,0%	143,0%	100,5%

The solvency ratio stands at 13.8% in 2020 does not take into account the projection of dividends.

The Board of Directors

Statements

CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2020

A. CONSOLIDATED BALANCE SHEET (ASSETS)

ASSETS in €K	EU IFRS 30/06/2020		EU IFRS 31/12/2019	
Cash accounts, central banks		340,479		418,067
Financial assets at fair value through profit or loss		14,013		6,913
Financial assets held for trading	0			
Other financial assets at fair value through profit or loss	14,013		6,913	
Actifs financiers disponibles à la vente				
Derivative hedging instruments		0		0
Financial assets at fair value through capital		1,737		1,737
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		1,737	
Financial assets measured at amortised cost		2,547,682		2,777,716
Debt securities	0		0	
Loans and receivables - Credit institutions	266,548		232,563	
Loans and receivables - Customers	2,281,134		2,545,153	
Financial assets held to maturity		0		0
Investments in associates		4,083		4,252
Property, plant and equipment		45,145		44,831
Intangible assets		27,341		23,455
Goodwill		31,478		31,478
Deferred tax assets		46,793		42,347
Current tax assets		1,036		1,701
Other assets and accruals		339,643		360,151
Subscribed capital not paid		0		0
Non-current assets and groups destined for disposal classified as held for sale (IFRS 5 in progress)				
TOTAL ASSETS		**3,399,430**		**3,712,649**

OFF-BALANCE SHEET	30/06/2020		31/12/2019	
COMMITMENTS GIVEN		6,488,728		6,597,365
Financing commitments		6,488,575		6,597,095
to credit institutions				
to customers	6,488,575		6,597,095	
Guarantees		153		270
to credit institutions	153		153	
to customers	0		117	

B. CONSOLIDATED BALANCE SHEET (LIABILITIES)

LIABILITIES in €K	IFRS-EU 30/06/2020		IFRS-EU 31/12/2019	
Central banks		0		0
Financial liabilities at fair value through profit or loss		0		0
Hedging derivatives		0		0
Financial liabilities measured at amortised cost		2,649,119		2,964,928
Amounts owing to credit institutions	2,378,820		2,329,667	
Customer debts and deposits	17,612		67,094	
Debt securities	211,084		528,006	
Subordinated debt	33,014		33,016	
Leasing debts - IFRS 16	8,589		7,145	
Provisions		10,587		10,396
Technical reserves of insurance contracts		64,825		59,895
Technical reserves	64,825		59,895	
Amounts owing to reinsurers	0		0	
Current tax liabilities		16,287		10,965
Deferred tax liabilities		59		94
Accruals and other liabilities		184,153		214,701
Total Liabilities		2,925,030		3,260,979
SHAREHOLDERS EQUITY				
Shareholders equity, Group share		473,723		450,170
Subscribed capital and issue premiums	112,145		112,145	
Subscribed capital	51,287		51,287	
Issue premium	60,859		60,859	
Other equity				
Revaluation reserves	0		0	
Reserves	336,509		293,979	
Profit (loss) for the period	25,069		44,047	
Minority interests		678		1,500
Total equity		474,401		451,670
TOTAL LIABILITIES, SHAREHOLDERS EQUITY		3,399,430		3,712,649

OFF-BALANCE SHEET	30/06/2020		31/12/2019	
COMMITMENTS RECEIVED		6,467		71,514
Financing commitments		2,859		65,907
received from credit institutions	2,000		65,000	
received from customers	859		907	
Guarantees		3,327		5,327
received from credit institutions	3,327		5,327	
received from customers	0		0	
Commitments on securities		281		281
securities receivable	281		281	

C. CONSOLIDATED INCOME STATEMENT

FINANCIAL AND OPERATING INCOME AND EXPENSES (in €K)	EU IFRS 30/06/2020		EU IFRS 31/12/2019		EU IFRS 30/06/2019	
Interest and similar income		126,597		248,870		121,279
Of which interest and similar income on transactions with credit institutions	3,274		1,140		157	
Of which interest and similar income on customer transactions	123,164		247,334		120,969	
Of which interest on variable-income securities	159		396		152	
Interest and similar expenses		3,325		11,093		6,455
Of which interest and similar expenses on transactions with credit institutions	2,977		4,600		2,260	
Of which interest and similar expenses on customer transactions	198		5,179		3,139	
Of which interest and similar expenses on bonds and other fixed-income securities	150		1,314		1,056	
Net interest margin		123,272		237,777		114,824
Fee and commission income	50,857		117,885		59,028	
Fee and commission expenses	17,519		25,251		13,242	
Margin on commissions		33,338		92,633		45,785
Net gains or losses on financial assets at fair value through profit or loss		7,099		4,327		2,541
Return on equity measured in equity that cannot be reclassified (Dividends)		27		34		11
Net gains or losses resulting from the derecognition of financial assets at amortised cost		0		0		0
Net gains or losses on financial instruments at fair value through profit or loss		0		-4,348		-2,219
Gains on financial instruments	0		2,129		167	
Losses on financial instruments	0		6,477		2,386	
Net foreign exchange differences		-116		-56		4
Revenue from other activities		73,483		141,764		68,454
Expenses for other activities		13,095		24,465		11,907
NET BANKING INCOME		**224,008**		**447,666**		**217,494**
General operating expenses		135,849		299,141		144,936
Of which personnel expenses	64,909		141,005		68,234	
Of which other administrative costs	70,939		158,136		76,702	
Depreciation, amortisation and impairment of intangible and tangible assets		9,029		14,494		4,940
Of which depreciation of fixed assets	9,109		16,657		8,175	
Of which provisions net of reversals	-80		-2,163		-3,236	
Of which provisions net of reversals for impairment	0		0		0	
GROSS OPERATING PROFIT		79,130		134,031		67,619
Cost of risk		48,394		79,240		36,984
OPERATING INCOME		30,736		54,791		30,635
Share of net profit (loss) of associates		-117		777		446
Gains or losses on fixed assets		19		13		9
Change in value of goodwill		0		0		0

	EU IFRS 30/06/2020		EU IFRS 31/12/2019		EU IFRS 30/06/2019	
TOTAL PROFIT FROM OPERATIONS BEFORE TAX		30,638		55,581		31,089
Tax expense (income) on profits from operations		6,159		11,646		5,602
TOTAL PROFIT FROM OPERATIONS AFTER TAX						
Net income from discontinued or held-for-sale operations (IFRS 5 in progress)						
TOTAL PROFIT		24,478		43,935		25,487
Net profit, Group share	25,069		44,047		25,494	
Minority interests	-591		-112		-7	
Number of shares	1 465 331		1 465 331		1 449 749	
The Group's share of net profit per share	17,11		30,06		17,59	

D. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in €K)	30/06/2020			30/06/2019		
	Before tax	Tax income (expense)	After tax	Before tax	Tax income (expense)	After tax
Profit (loss) for the period	**30,638**	**(6,159)**	**24,478**	**31,089**	**(5,602)**	**25,487**
Items to be reclassified						
Foreign exchange rate differences from foreign operations	(1,597)		(1,597)	(159)		(159)
Change in the fair value of financial instruments (cash flow hedge)				269	(86)	183
Other	435		435			
Items that are unable to be reclassified to profit or loss						
Actuarial gains (losses) on defined benefit plans	(319)	80	(239)	583		583
Other comprehensive income for the period	**(1,481)**	**80**	**(1,402)**	**693**	**(86)**	**607**
Comprehensive income for the period	**29,157**	**(6,080)**	**23,077**	**31,782**	**(5,688)**	**26,094**
Attributable to:						
Owners of the Parent Company			24,576			25,965
Minority interests			(1,500)			129
Comprehensive income for the period			**23,077**			**26,094**

E. CASH FLOW STATEMENT

In thousands of euros		30/06/2020		30/06/2019	
Net profit (loss) before tax	A		30,638		31,089
Removal of non-monetary items:	B		24,742		-18,930
Depreciation and amortisation of intangible and tangible assets		9,109		8,175	
Provisions net of reversals on customer receivables		15,656		-23,390	
Provisions net of reversals on provisions for risks and charges		-95		-3,710	
Capital gains or losses		-19		-9	
Net income from discontinued operations					
Other movements		90		2	
Income from operations excluding non-monetary items	A+B		55,379		12,159
Increase in assets/decrease in liabilities (-)					
Decrease in assets/increase in liabilities (+)					
Cash flow from operations					
Loans and advances to customers	C	236,498		96,215	
Receivables/payables - credit institutions	C	45,356		272,563	
Receivables/payables - customers (including corporate)	C	-38,363		-521,862	
Debt securities	C	-316,922		182,883	
Financial assets and liabilities	C	-7,099		1,008	
Non-financial assets and liabilities	C	-3,718		37,309	
Taxes paid	C	-4,183		-11,541	
Other movements	C	1,579		1,021	
Net cash flow from operating activities	D=A+B+C		-31,474		69,754
Cash flow from investment activities					
Cash flow related to intangible and tangible investments		-14,387		-6,727	
Cash flow related to long-term investments and equity interests		0		0	
Other movements		96			
Changes to consolidation scope		0		0	
Net cash flow from investment activities	E		-14,291		-6,727
Cash flow from financing activities					
Dividends paid to shareholders				-15,755	
Dividends paid to minority shareholders				-808	
Capital increases				0	
Other		465		121	
Net cash flow from financing activities	F		465		-16,442
Net cash flow from operating activities	D		-31,474		69,754
Net cash flow from investment activities	E		-14,291		-6,727
Net cash flow from financing activities	F		465		-16,442
Effects of exchange rate fluctuations			250		226
Net increase/decrease in cash flow			-45,049		46,812
Cash and cash equivalents, start of period			642,842		581,900
Cash and cash equivalents, end of period			597,793		628,712
Net increase/decrease in cash flow			-45,049		46,812

F. TABLE OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital and reserves							
	Group share					Minority interests		
In thousands of euros	Capital	Premium	Reserves	Profit	Total	Reserves	Profit	Total
Situation at 31 December 2018	50,741	57,306	410,232	52,064	570,343	1,255,	543,	1,798
Appropriation of 2018 income			52,064	-52,064	-	543	-543	-
Capital increase and rights issues					-			-
Impact of cash flow hedge			183		183			
Translation adjustment			-59		-59	-100		-100
Other					-			
Share ownership plan			60		60			
misc - Tax credit payment								
misc - Impact of the application of IFRS								
misc - Auchan dividends			-15,755		-15,755			
misc - Géfirus					-			
misc - Put option on Hungary			615		615	708		708
misc - Hungary dividends						-808		-808
misc - Poland dividends					-			
misc - IFC Actuarial gains (losses) on					-			
misc - Available-for-sale securities					-			
misc - Other			348		348	236		236
Net profit (loss) as at 30 June 2019				25,494	25,494		-7	-7
Situation at 30 June 2019	50 ,741	57 ,306	447 ,687	25 ,494	581 ,228	1 ,835	-7	1 ,828
Appropriation of 2018 income								
Capital increase and rights issues	545	3,553	328		4,426			-
Impact of cash flow hedge			630		630			-
Translation adjustment			-72		-72	-23		-23
Other					-			-
Share ownership plan			7,040		7,040			-
misc - Tax credit payment			-		-			-
misc - Impact of the application of IFRS			-		-	-		-
misc - Auchan dividends			-161,787		-161,787			-
misc - Géfirus					-			-
misc - Put option on Hungary			-127		-127	-179		-179
misc - Hungary dividends					-			-
misc - Poland dividends					-			-
misc - IFC Actuarial gains (losses) on			318		318			-
misc - Available-for-sale securities					-			-
misc - Other			-39		-39	-21		-21
Net profit (loss) at 31/12/2019				18,553	18,553		-105	-105

Situation at 31 December 2019	**51,287**	**60,859**	**293,979**	**44,047**	**450,170**	**1,611**	**-112**	**1,500**
Appropriation of 2019 income								
Capital increase and rights issues			44,047	-44 047		-112	112	
Impact of cash flow hedge								
Translation adjustment			-2,100		-2,100	502		502
Other								
Share ownership plans								
Misc.								
misc - Impact of the application of			-1,582		-1,582			
misc - Auchan dividends								
misc - Géfirus								
misc - Put option on Hungary			1,340		1,340	-106		-106
misc - Hungary dividends								
misc - Poland dividends								
misc - IFC Actuarial gains (losses)			-239		-239			
misc -JV liabilities through equity that cannot be reclassified								
misc - Other			1,064		1,064	-629		-629
Net profit (loss) as at 30 June 2020				25,069	25,069		-591	-591
Situation at 30 June 2020	**51,287**	**60,859**	**336,509**	**25,069**	**473,723**	**1,268**	**-591**	**678**

Notes
TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2020

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

NOTE 1 :
SUMMARY OF THE GROUP

Oney Bank S.A., registered under number 546 380 197 00105, is a French Société Anonyme (public limited company) with a Board of Directors and 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.

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

MAIN EVENTS:

- **COVID-19 crisis:**

  In the context of the COVID-19 crisis, Oney has committed to helping customers experiencing cash flow difficulties, by implementing measures to support the economy in each of its countries, as decided by local governments and professional organisations.

  Oney has taken action to support its customers who may face difficulties as a result of the developing COVID-19 pandemic. In concrete terms, this translates into deferred loan repayments for individuals.

- **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.

CHANGES TO THE CONSOLIDATION SCOPE:

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

  No additions to the consolidation scope in the first half of 2020.

- **Changes in percentage interest:**

  Following the change of control in Oney Bank's capital in 2019, Magyar Cetelem exercised its put option on the 40% held in the subsidiary ONEY Hungary. The securities transfer operation was validated on 25 June 2020. Oney Bank now owns 100% of the Hungarian subsidiaries.

- **Removals from the consolidation scope:**

  No companies left the consolidation scope in the first half of 2020.

EVENTS AFTER THE REPORTING PERIOD:

There are no events after the reporting period likely to have a significant impact on the 30 June 2020 consolidated half-year financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS:

The condensed consolidated half-year financial statements were approved by the Board of Directors on 20 July 2020.

NOTE 3 : RULES AND METHODS

3.1 STATEMENT OF COMPLIANCE

The Oney Group's condensed interim consolidated financial statements for the period ending 30 June 2020 have been prepared in accordance with IAS/IFRS international accounting standards published by the IASB and IFRIC interpretations as adopted by the European Union (the «carve out» version, in which certain exemptions are made in the application of IAS 39 for macro-hedge accounting).

The standards and interpretations used for the preparation of the condensed consolidated half-year financial statements are the same as those used by the Oney Group for the preparation of its consolidated financial statements for the period ending 31 December 2019, with the exception of new standards with mandatory application from 1st January 2020, drawn up in accordance with EC Regulation 1606/2002, as well as IAS/IFRS requirements and IFRIC interpretations as adopted by the European Union (the «carve out» version, in which certain exemptions are made in the application of IAS 39 for macro-hedge accounting).

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

The new standards, amendments and interpretations (in addition to the 2010-2012 and 2012-2014 annual improvements to the standards) required for reporting periods beginning on or after 1st January 2020 are:

- **The IFRS 16 standard**

The IFRS 16 "Leases" standard replacing IAS 17 "Leases" and its interpretations has been applicable since 1st January 2019.

At the meeting of 26 November 2019, the IFRS Interpretations Committee (IFRS IC) provided details on the application of the IFRS 16 standard regarding the procedures for establishing the enforceable period of a lease. Work is underway to analyse their effects, which could lead the Group to review its application of accounting principles as applied at 31 December 2019, in particular for determining the duration of leasing contracts represented by commercial leases under French law. The IASB published a COVID-19 IFRS16 amendment on 28 May 2020.

The standards, amendments to existing standards and interpretations adopted by the European Union but whose application was not mandatory at 1st January 2020 have not been taken into account.

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

Standards, Amendments and Interpretations not adopted by the EU	Summary of the standard	Impact on the Group
IFRS 17 Insurance Contracts	The IFRS 17 "Insurance Contracts" standard was published by the IASB on 18 May 2017 to replace IFRS 4 "Insurance Contracts». Initially applicable on 1st January 2021, with a comparison on 1st January 2020, this standard is not set to come into force until 1st January 2023. In fact, at its meeting on 17 March 2020, the IASB decided to postpone its application for two years, with clarifications still to be made on key aspects of the standard. It was also decided to align the end of the temporary exemption from IFRS 9 for insurers to coincides with the application of IFRS 17 on 1st January 2023. Improvements for the application of IFRS 17 are given in an amendment. IFRS 17 establishes the principles of recognition, assessment, presentation and information to be provided for insurance contracts and investment contracts with discretionary participation features, within the scope of the standard. Currently valued at historical cost, contract obligations will be recognised at their current value, in accordance with IFRS 17. To this end, insurance contracts will be valued according to the cash flows they will generate in the future, including a risk margin to take into account the uncertainty relating to these flows. Furthermore, IFRS 17 introduces the notion of contractual service margin. This represents the profit not earned by the insurer and will be released over time, based on the service rendered by the insurer to the insured. The standard requires a greater level of granularity than before, since it requires estimates by group of contracts. These accounting changes could affect the level of insurance earnings (in particular that of life insurance) and also introduce more volatility in the earnings.	The Oney Group has joined the group of insurance entities within the BPCE Group. Project structures have been set up to tackle the changes brought about by the standard, and preparatory work continues to take place: instruction and documentation of normative decisions, modelling, adaptation of systems and organisations, production of accounts and changeover strategy, financial communication and change management.

3.2 COMPARABILITY AND CHANGES IN ACCOUNTING POLICY

- **Comparability:**

  The accounting policies used by the Oney Group for preparing its condensed consolidated half-year financial statements are the same as those used in the consolidated financial statements for the year ended 31 December 2019 with the exception of specific provisions applicable to the preparation of interim financial statements and new mandatory standards.

  The Oney Group's condensed consolidated half-year financial statements should be read in conjunction with the consolidated financial statements for the period ending 31 December 2019, which set out all the accounting policies applied, except for the new mandatory standards effective from 1st January 2020, which are presented in paragraph 3.1.

- **Changes in accounting policy:**

  No change in accounting policy has occurred since 1st January 2020 that applies to the Oney Group.

3.3 DETAILS SPECIFIC TO THE PREPARATION OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

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

3.4 USE OF ESTIMATES

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

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

- **Impairment of receivables:**

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

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

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

  The Oney Group applies the new impairment model required by IFRS 9.

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

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

  - A performing asset (stage 1) is an asset whose credit quality has not deteriorated significantly since initial recognition. The impairment amount is based on the expected credit losses at 12 months.
  - The transition from a performing asset to an underperforming one (stage 2) is justified

by a significant deterioration in credit quality since initial recognition. Significant deterioration is defined by the Oney Group as an ongoing situation of non-payment lasting less than 90 days or that has arisen in previous months. A return to the performing asset class occurs when the probability of default falls below a certain level compared to the original probability of default, resulting in a stricter observation period. Oney justifies the use of this criterion for defining credit deterioration by the very significant proportion of past due payments in the management scores and the absence of a Basel rating for all entities in the Group.

- Classification as a non-performing asset (stage 3) is justified by the default of the asset. Oney's concept of default requires at least one of the following three grounds to be met: the existence of one or more payments past due for at least three months, the existence of contentious proceedings, a situation whose characteristics - regardless of the existence of an unpaid debt - could lead to the conclusion that there is a proven risk (e.g. restructured loans with application of a discount in France on which an additional provision is recognised).

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.

Impact of the health crisis on the accounts:

The Group has relied on the various press releases published by the ESMA, the EBA, the ECB and the IASB for its application of accounting principles in the context of the COVID-19 crisis, in particular the provisioning model.

- In France, Oney offered its customers payment holidays. Outstanding amounts resulting from contractual payment holidays are maintained in the original stage. Outstanding amounts resulting from non-contractual payment breaks are downgraded to stage 2 or stage 3.

- In Portugal, moratoriums are usually private, as per market agreements. The terms of application are the same for all customers, and contracts are maintained at the same stage.
- In Spain, there have been few legal moratoria. Regulated loan moratoriums stay at the original stage for those that have not incurred any outstanding payments, otherwise they are downgraded to stage 2 or stage 3.
- In Hungary, moratoria are public and apply to all customers with outstanding amounts maintained at the original stage.

The Group anticipates the need to update current estimates and the forward-looking information, and also allows model results to be adjusted if they are deemed unsuitable.

In the context of loan moratoriums, the Group has defined rules for returning to the initial stage after an observation period of at least one month.

Each entity will implement the governance rules set out by the Group in terms of measures, documentation and monitoring relating to COVID-19 risks.

- **Provisions:**

  Estimates may also be used to measure provisions.

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

- **Insurance technical reserves:**

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

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

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

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

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

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

- **Deferred tax assets:**

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

- **Goodwill:**

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

FORMAT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

3.5 3.5 SCOPE AND METHOD OF CONSOLIDATION

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

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

1) SCOPE

The scope of consolidation includes 24 companies (and a branch in Portugal) at 30 June 2020:

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

The scope of consolidation on 30 June 2020 was as follows:

SUBSIDIARIES	% SHAREHOLDING	TYPE OF CONTROL	% CONTROL
Oney Espagne (Spain)	100%	Controlled	100%
ONEY Italia	100%	Controlled	100%
ONEY MAGYAROSZAG (Hungary)	100%	Controlled	100%
ONEY PSP (Hungary)	100%	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 in-	49%
ONEY Services (formerly Oney Courtage -	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.

NOTE 4 : SEASONALITY OF BUSINESS

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

NOTE 5 : UNUSUAL ITEMS

There are no unusual items affecting the 30 June 2020 financial statements.

NOTE 6 : CASH ACCOUNTS, CENTRAL BANKS

(in thousands of euros)	30/06/2020	31/12/2019	Change
Central bank	328,936	405,289	-76,353
Cash dispenses - Financial spaces	10,144	11,797	-1,653
Other	1,399	981	418
TOTAL	**340,479**	**418,067**	**-77,588**

NOTE 7 : DERIVATIVES

At 30 June 2020, Oney no longer had derivative instruments in its portfolio.

The portfolio can be classified into a number of 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)	30/06/2020		31/12/2019	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
DERIVATIVES NOT QUALIFYING FOR HEDGE ACCOUNTING	0	0	0	0
Interest-rate derivatives:				
Fixed instruments				
Conditional instruments				
FAIR VALUE HEDGING	0	0	0	0
Interest-rate derivatives:				
Fixed instruments				
Conditional instruments				
CASH FLOW HEDGING	0	0	0	0
Interest-rate derivatives:				
Fixed instruments				0
Conditional instruments				
TOTAL	**0**	**0**	**0**	**0**

Information on IFRS 9 Phase 3 «Hedge Accounting»:

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. At 30/06/2020, 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. At 30/06/2020, Oney therefore no longer had any interest rate swaps in the portfolio.

NOTE 8 :
LOANS AND RECEIVABLES - CREDIT INSTITUTIONS

LOANS AND RECEIVABLES (in thousands of euros)	30/06/2020	31/12/2019	CHANGE
Demand loans - credit institutions:	192 ,389	170 ,641	21 ,748
Term loans - credit institutions:	74 ,159	61 ,922	12 ,237
Principal	72 ,762	61 ,018	11 ,745
Related receivables	1 ,396	904	492

(in thousands of euros)	< = 3 months	3 months < D <= 1 year	1 year < D <= 5 years	> 5 years	30/06/2020
Term loans - credit institutions:	60,662	824	12,673		74,159
Principal	59,265	824	12,673		72,762
Related receivables	1,396				1,396

NOTE 9 :
LOANS AND RECEIVABLES - CUSTOMERS

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

9.1.1 GENERAL PRINCIPLES

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

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

- The nature of the asset: 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.

9.1.2 FINANCIAL ASSETS AT FAIR VALUE

LOANS AND RECEIVABLES (in thousands of euros)	30/06/2020	31/12/2019	CHANGE IN FAIR VALUE
Financial assets at fair value through profit or loss	14 013	6 913	7 100
Financial assets at fair value through OCI that cannot be reclassified*	1 737	1 737	0

*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.

At 30 June 2020, the financial assets measured at fair value through profit or loss relate to Visa securities. The introduction of a hedge leads to the full reversal of a discount that no longer has any reason to exist on the Visa preference shares acquired in 2016 during the sale of Visa Europe stock. The reversal of this discount results in a one-off impact of €7 million in the accounts on the line «gains on financial assets at fair value through profit or loss».

9.2 MATURITY DATES

LOANS AND RECEIVABLES (in thousands of euros)	< = 3 months	3 months < D <= 1 year	1 year < D <= 5 years	> 5 years	30/06/2020
Customer current accounts	8				8
Overall gross outstanding debts:	585,867	656,144	1,228,901	191,461	2,662,374
Performing outstanding debts (stage 1) subject to a 12-month ECL	515,901	501,812	910,869	102,326	2,030,907
Non-performing outstanding debt (stage 2) subject to an ECL at maturity	31,407	49,659	116867	23115	221,049
Impaired outstanding debt (stage 3) subject to an ECL at maturity	38,559	104,673	201,165	66,021	410,418

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

9.3 IMPAIRED OUTSTANDING DEBT

(in thousands of euros)		30/06/2020	31/12/2019	Variation
Gross outstanding debt		2,662,374	2,912,800	-250,426
Stage 1 performing outstanding debt subject to a 12-month ECL	+	2,030,907	2,299,196	
Stage 2 non-performing outstanding debt subject to an ECL at maturity	+	221,049	220,776	
Stage 3 impaired outstanding debt subject to an ECL at maturity	+	410,418	392,828	
Impairments	-	381,248	367,653	13,595
Outstanding debt at end of period:	=	2,281,126	2,545,147	-264,021
Percentage of Stage 3 outstanding debt/total debt:		15,4%	13,5%	
Hedging rate of total outstanding debt:		14,3%	12,6%	

9.4 TRANSFER OF OUTSTANDING DEBTS

(in thousands of euros)	Performing or non-performing assets				Impaired assets (Stage 3)		Total		
	Assets subject to a 12-month ECL (Stage 1)		Assets subject to an ECL at maturity (Stage 2)						
	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses	Gross book value	Correction of value for losses (b)	Net book value (a) -(b)
At 1st January 2020	(a)	Correction of value for	220 776	42 409	392 828	288 114	2 912 800	367 653	2 545 147
Transfers of outstanding assets from one stage to another	(b)	Net book value							
Transfers to Stage 1 (12-month ECL)	(a) -(b)	13,930	-96,894	-13,633	-615	-297	0	0	
Transfers to Stage 2 (ECL at maturity)	-171,829	-4,078	201,733	18,427	-29,904	-14,349	0	0	
Transfers to Stage 3 (Impaired ECL at maturity)	-12,062	-641	-83,734	-30,465	95,796	31,107	0	0	
Total transfer	-86,382	9,211	21,104	-25,671	65,278	16,460	0	0	0
Changes in gross book values and value adjustments for losses									
New production: purchasing, granting, origination, etc.	1,170,828	19,267	9,563	1,576	0	0	1,180,391	20,843	
Derecognition: transfer, repayment, expiry, etc.	-1,321,736	-19,772	-24,640	-6,078	-23,563	-8,461	-1,369,939	-34,310	
Impact on ECL exposures transferred between stages during the period	-4,570	-10,775	1,083	28,085	896	19,243	-2,591	36,553	
Change to a loss	0	0	0	0	-20,057	-14,104	-20,057	-14,104	
Changes in cash flows that do not result in derecognition	-18,961	-264	-6,301	629	-2,815	1,104	-28,078	1,470	
Evolution of credit risk parameters over the period		0		0		0	0	0	
Changes in the model/ methodology		0		0		0	0	0	
Changes to the consolidation	0	0	0	0	0	0	0	0	
Other	-7,467	1,273	-536	2,528	-2,148	-657	-10,151	3,144	
Total changes	-181,907	-10,271	-20,831	26,740	-47,688	-2,875	-250,426	13,595	
At 30 June 2020	**2,030,907**	**36,070**	**221,049**	**43,478**	**410,418**	**301,699**	**2,662,374**	**381,248**	**2,281,126**

9.5 CHANGES TO IMPAIRMENT OF OUTSTANDING CUSTOMER DEBT

CHANGES TO IMPAIRMENT (in thousands of euros)	from 01/01/2020 to 30/06/2020	from 30/06/2019 to 31/12/2019	from 01/01/2019 to 30/06/2019
Impairment, start of period:	367,653	362,713	386,784
Changes to consolidation scope			
First-time application of IFRS 9	0		
Increases	24,620	18,793	12,977
Reversals	8,964	13,050	36,366
Reversal of discount on debt in over-indebtedness	-816	-926	-1,238
Other reclassifications + translation adjustments	-1,246	122	558
Impairment, end of period:	**381,248**	**367,653**	**362,713**

ASSETS TRANSFERRED BUT NOT DERECOGNISED OR DERECOGNISED WITH CONTINUING INVOLVEMENT

- Assets transferred but not derecognised include customer outstandings within FCT Oneycord sub-fund 1. At 30 June 2020, the amount of the relevant assets, net of associated liabilities, was €737 million, compared to €717 million at 31 December 2019, and continue to be recognised on the Group's balance sheet under "Loans and Receivables - Customers".
- The amount of derecognised assets with ongoing involvement corresponds to disposals of outstanding debt in over-indebtedness proceedings for which debt collection continues to be carried out by the Oney Group. At 30 June 2020, the amount of derecognised outstanding debt with continued involvement amounted to €0 million compared to €1.7 million at 31 December 2019.

NOTE 10 : GOODWILL

Goodwill consists of:

- Goodwill in relation to Oney Portugal (dated 1st July 2000, initially amortised on a 20-year basis until 31 December 2003 and dated 1st January 2005 following the purchase of further Oney Portugal shares held by Cofinoga). Its net 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.

Impairment tests are performed at least once a year (in practice at the end of the year) for assets with an indefinite life span such as goodwill. On 30 June 2020, because of the crash in the financial markets in March 2020 and the global health crisis, we assessed the consequences of these events on future cash flows by carrying out impairment tests. At the end of the tests, there was no goodwill impairment to be recognised at the closing of the accounts on 30 June 2020.

NOTE 11 : DEFERRED TAXES

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

(in thousands of euros)	01/01/2020	Changes recognised in profit or loss	Changes recognised in equity	Cumulative translation adjustment/ Reclassification	30/06/2020
Non-deductible provisions	34,238	-1,037	677	-152	33,725
Tax-related provisions	-7	1			-5
Financial instruments	0				0
Other	8,026	5,038	80	-127	13,014
TOTAL	**42,253**	**4,002**	**757**	**-279**	**46,734**

The «Other» section includes a €3.5 million deferred tax asset activated on a loss on 30/06/2020.

These deferred tax amounts include a €10.2 million deferred tax on carry-forwards which has not been activated due to the uncertainty of its future allocation.

NOTE 12 :
ACCRUALS AND OTHER ASSETS

(in thousands of euros)	30/06/2020	31/12/2019	Change
Uncleared transactions	237,888	256,372	-18,484
Prepaid expenses	7,531	7,018	513
Accrued income	7,824	6,551	1,273
Other accrual accounts	2957	2,293	664
Other assets	83,444	87,918	-4,474
TOTAL	339,643	360,151	-20,508

Uncleared transactions correspond to debits on customer accounts.

NOTE 13 :
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

(in thousands of euros)	30/06/2020	31/12/2019	Change
Amounts owing to credit institutions:	2,378,820	2,329,667	49,153
Demand	5,626	5,909	-284
Term	2,373,194	2,323,758	49,436
Customer debts and deposits:	17,612	67,094	-49,482
Demand	4,561	4,552	8
Term	13,051	62,542	-49,490
Debt securities:	211,084	528,006	-316,922
Debenture loans	100,070	100,005	65
Other debt represented by a security (MT notes, nego-	111,014	428,001	-316,987
Subordinated debt:	33,014	33,016	-2
Leasing debts - IFRS 16:	8,589	7,145	1,445
TOTAL	2,649,119	2,964,928	-315,809

BREAKDOWN OF DEBENTURE LOANS

Borrowing company	Nominal interest rate	Effective interest rate	Date of issue	Maturity	30/06/2020	31/12/2019	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 :

On 24 June 2020, Oney paid back its TLTRO II of €355 million refinanced by €549.4 million in TLTRO IIIs taken out by BPCE and transferred to Oney in the form of intra-group loans under the TLTRO III interest rates.

NOTE 14 : PROVISIONS FOR RISKS AND CHARGES

(in thousands of euros)	01/01/2020	Increases	Reversals	Capital / Currency / Entry into scope	30/06/2020
Employee	3,306	29	44	301	3,592
Provisions for tax	0	0	0	0	0
Provisions for	7,090	835	914	-16	6,994
Sub-total	**10,396**	**864**	**958**	**285**	**10,587**

NOTE 15 : TECHNICAL RESERVES WITH INSURERS AND LIABILITIES TOWARDS REINSURERS

(in thousands of euros)	01/01/2020	Increases	Reversals	Reclassification / Capital	30/06/2020
Technical reserves - Life	4,159	111			4,270
Technical reserves - Non-life	55,737	4,819			60,555
Total Technical Reserves	**59,895**	**4,929**	**0**	**0**	**64,825**

NOTE 16 :
OTHER LIABILITIES AND ACCRUALS

(in thousands of euros)	30/06/2020	31/12/2019	Change
Trade payabl	5,034	10,928	-5,894
Personnel cos	13,978	20,423	-6,446
Duties and	8,315	7,335	980
Cash back, shopping vouchers, gift cards and prepaid	20,071	33,042	-12,971
Other	16,809	23,895	-7,086
Sub Total OTHER LIABILITIES	**64,207**	**95,623**	**-31,417**
Uncleared	12,341	11,774	567
Prepaid	26,567	31,941	-5,375
Accrued	77,011	74,152	2,859
Other	4,027	1,210	2,818
SUBTOTAL ACCRUED LIABILITIES AND DEFERRED	**119,946**	**119,077**	**868**
TOTAL OTHER LIABILITIES AND ACCRUAL ACCOUNTS	**184,153**	**214,701**	**-30,548**

NOTE 17 :
SHAREHOLDERS EQUITY, GROUP SHARE

17.1 NUMBER OF SHARES REPRESENTING THE SHARE CAPITAL

	30/06/2020	31/12/2019
Start of period	1,465,331	1,449,749
Issue of new shares for cash		15,582
Reduction of capital by cancellation of shares		
End of period	**1,465,331**	**1,465,331**

On 30 June 2020, 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.

17.2 LEGAL RESERVE

Oney Bank SA's legal reserve amounted to €5,129K on 30 June 2020.

17.3 RESERVES BROKEN DOWN BY TYPE

TRANSLATION RESERVE

(in thousands of euros)	30/06/2020	31/12/2019
China	-37	10
Hungary	-2,622	-1,174
Poland	-153	113
Romania	-21	-7
Russia	-3,412	-2,926
Ukraine	-120	-70
United States	15	15
TOTAL	-6,349	-4,039

THE CURRENCY/EURO EXCHANGE RATES USED FOR THE CURRENCIES OF THE MAIN COUNTRIES ARE AS FOLLOWS

Country	Currency	Closing rate		Average rate	
		June 2020	Dec. 2019	June 2020	Dec. 2019
China	Yuan	0,126232	0.127869	0,129099	0.129318
Hungary	Forint	0,002804	0.003025	0,002896	0.003074
Poland	Zloty	0,224417	0.234918	0,226563	0.232732
Romania	Lei	0,206624	0.209074	0,207573	0.210723
Russia	Rouble	0,012558	0.014295	0,013049	0.013804
Ukraine	Hryvnia	0,033389	0.037482	0,034932	0.034610

CASH FLOW HEDGE RESERVE (EXCLUDING DEFERRED TAX)

(in thousands of euros)	30/06/2020	31/12/2019
Start of period	0	-1,203
Change		1,203
End of period	0	0

17.4 CHANGE IN SHAREHOLDERS' EQUITY (GROUP SHARE)

(in thousands of euros)	Capital	Premium	Treasury shares	Consolidated reserves	Unrealised gains and losses	Profit/loss for the financial year	Conversion difference	Total equity
Situation at 31/12/2018	**50,741,**	**57,306**	**-784**	**415,861**	**-101**	**52,064**	**-4,744**	**570,343**
Movements								
Appropriation				52,064		-52,064		0
Profit (loss) for the period						25,494		25,494
Capital increases								
Impact of cash flow hedge					183			183
Translation adjustment							-59	-59
Other								
Share ownership plans			60					60
Auchan dividends				-15,755				-15,755
Hungary put option				615				615
Hungary dividends								
Poland dividends								
Actuarial gains (losses) on retire. bfits.								
Available-for-sale securities								
Goodwill China								
Real Estate Goodwill				347				347
Other								
Situation at 30/06/2019	**50,741**	**57,306**	**-724**	**453,133**	**81**	**25,494**	**-4,803**	**581,228**
Movements								
Appropriation								
Profit (loss) for the period						18,553		18,553
Capital increases		3,553,,,		328				4,426
Impact of cash flow hedge					630			630
Translation adjustment							-72	-72
Other								
Share ownership plan			724	6,316				7,040
Auchan dividends				-161,787				-161,787
Hungary put option				-127				-127
Poland dividends								
Actuarial gains (losses) on retire. bfits.					318			318
Available-for-sale securities								
Real Estate Goodwill				-28				-28
Other				-9				-9

Situation at 31/12/2019	**51 287**	**60 859**	**0**	**297 824**	**1 030**	**44 047**	**-4 875**	**450 170**
Movements								
Appropriation				44,047		-44,047		
Profit (loss) for the period						25,069		25,069
Capital increases								
Impact of cash flow hedge								
Translation adjustment							-2,100	-2,100
Other								
Share ownership plans								
Auchan dividends								
IFRS 9				-1,582				-1,582
Hungary put option				1,340				1,340
Hungary dividends								
Poland dividends								
Actuarial gains (losses) on retire. bfits.					-239			-239
Real Estate Goodwill				1,064				1,064
Other				0				0
Situation au 30/06/2020	**51,287**	**60,859**	**0**	**342,693**	**791**	**25,069**	**-6,975**	**473,723**

17.5 DIVIDENDS PAID OVER THE LAST THREE REPORTING PERIODS

DIVIDENDS PAID (in euros)	Amount	Dividend per share
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 18 : MINORITY INTERESTS

(in thousands of euros)	
Situation at 31 December 2018	**1,798**
Profit (loss) for the period	-7
Put option on Hungary minority interests	708
Dividends	-808
Other (including CTA	136
FTA IFRS 9	
Situation at 30 June 2019	**1,828**
Profit (loss) for the period	-105
Put option on Hungary minority interests	-179
Dividends	
Other (including CTA	-229
Situation at 31 December 2019	**1,500**
Profit (loss) for the period	-591
Put option on Hungary minority interests	-106
Dividends	
Other (including CTA)	-126
Situation at 30 June 2020	**678**

NOTE 19 : OFF-BALANCE SHEET LIABILITIES

COMMITMENTS RECEIVED

COMMITMENTS RECEIVED (in thousands of euros)	30/06/2020	31/12/2019
Financing commitments	2,859	65,907
Received from credit institutions and customers		
Guarantees	3,327	5,327
Received from credit institutions and customers		
Securities commitments	281	281
Securities to be received		
TOTAL	**6,467**	**71,514**

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

COMMITMENTS GIVEN

COMMITMENTS GIVEN (in thousands of euros)	30/06/2020	31/12/2019
Financing commitments	6,488,575	6,597,095
To credit institutions and customers		
Guarantees	153	270
To credit institutions and customers		
TOTAL	**6,488,728**	**6,597,365**

NOTE 20 :
INTEREST INCOME AND EXPENSES

(in thousands of euros)	30/06/2020		30/06/2019	
	Expense	Income	Expense	Income
Transactions with credit institutions	2,977	3,274	2,260	157
Transactions with	198	123,164	3,139	129,969
Transactions involving financial	150	159	1,056	152
TOTAL	**3,325**	**126,597**	**6,455**	**121,279**

NOTE 21 :
COMMISSION INCOME AND EXPENSES

(in thousands of euros)	30/06/2020		30/06/2019	
	Expense	Income	Expense	Income
Transactions with credit institutions	2,059	2,909	2,941	3,405
Insurance transactions	3,847	7,192	1,600	10,022
Transactions with customers	4	10,602	-85	11,035
Financial services - including card fees	5,542	20,717	5,204	22,017
Other*	6,067	9,437	3,583	12,549
TOTAL	**17,519**	**50,857**	**13,242**	**59,028**

*Expenses paid to brands recognised as general operating expenses in 2019 have been reclassified as commission expenses for all Oney countries since 1st January 2020.

NOTE 22 :
OTHER BANKING OPERATING INCOME AND EXPENSES

(in thousands of euros)	30/06/2020		30/06/2019	
	Expense	Income	Expense	Income
Insurance Expenses and Income	12,908	52,880	10,591	48,838
Operating Expenses and Income	187	20,603	1,315	19,616
TOTAL	13,095	73,483	11,907	68,454

NOTE 23 :
PERSONNAL COSTS

(in thousands of euros)	30/06/2020	30/06/2019
Wages and salaries	43,785	43,810
Social security contributions	18,523	20,436
Tax expenses	0	0
Employee profit-sharing and incentive schemes	2,601	3,988
TOTAL	64,909	68,234

NOTE 24 :
OTHER ADMINISTRATIVE COSTS

(in thousands of euros)	30/06/2020	30/06/2019
Taxes	4,576	2,975
Rentals	804	381
Remuneration of interim staff*	797	10,519
Other	64,763	62,826
TOTAL	70,939	76,702

* Expenses paid to brands recognised as general operating expenses in 2019 have been reclassified as commission expenses for all Oney countries since 1st January 2020.

NOTE 25 :
COST OF RISK

COST OF RISK	30/06/2020		30/06/2019	
	Expense	Income	Expense	Income
Impairment on customer transactions	24,620	8,964	12,977	36,366
Stage 1 performing outstanding debt (subject to a	1,040	1,930	486	706
Stage 2 non-performing outstanding debt (subject to	3,452	2,262	6,158	27,926
Stage 3 impaired outstanding debt (subject to an ECL	20,128	4,771	6,333	7,735
Impairment on other receivables and financial fixed assets	0	0	0	0
Losses on unrecoverable debt	37,535		76,353	
Collections on written-off receivables		4,797		15,979
TOTAL	62,155	13,761	89,329	52,346
BALANCE	48,394		36,984	

NOTE 26 :
CORPORATION TAX

TAX EXPENSES

Tax expense	30/06/2020	30/06/2019
Taxes payable	10,161	400
Deferred tax liabilities	-4,002	5,202
TOTAL	6,159	5,602

TAX ANALYSIS

	Amount 30/06/2020	30/06/2020 Rate	31/12/2019 Rate	30/06/2019 Rate
Earnings before corporation tax and associates	30 638			
Standard rate		32,02%	34,43%	32,02%
Theoretical corporation tax	9 848			
Permanent differences	-268	-0,87%	-1,18%	0,44%
Unrecognised deferred taxes	139	0,45%	1,92%	3,19%
Rate differential	-104	-0,34%	-1,46%	-0,81%
Tax credits	-3 293	-10,75%	-14,56%	-15,41%
Impact of rate changes at start of period				
Other differences	-164	9,95%	2,16%	-1,41%
EFFECTIVE TOTAL	6 159			
EFFECTIVE RATE		20,10%	20,95%	18,02%

NOTE 27 : MISC

WORKFORCE

In June 2020, the full-time equivalent workforce across the Group's consolidated companies came to 2,451 employees (including 100% of the workforce of jointly controlled companies), compared to 2,615 on 31 December 2019, on a like-for-like basis.

NOTE 28 : 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 Oney Group, evaluate its performance, and allocate resources to the identified operating sectors.

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

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

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

(in thousands of euros)	CREDIT		OTHER		TOTAL	
	2020/06	2019/06	2020/06	2019/06	2020/06	2019/06
Sector income:						
External	205,189	202,642	52,912	48,856	258,102	251,498
Internal						
Depreciation	8,852	7,824	257	351	9,109	8,175
Sector expenses	67,314	72,645	31,806	29,147	99,120	101,792
Provisions	-80	-3,236			-80	-3,236
Cost of risk	48,394	36,984			48,394	36,984
Sector profit	80,709	88,424	20,849	19,358	101,558	107,782
Non-sector expenses					70,921	76,694
Tax expenses					6,159	5,602
Net profit					24,478	25,486
Balance sheet (in thousands of euros)	2020/06	2019/06	2020/06	2019/06	2020/06	2019/06
Actifs sectoriels	3,120,692	3,300,363	143,709	117,778	3,264,401	3,418,141
Sector assets	5,195,854	4,614366	131,175	129,738	5,327,029	4,744,105
Sector liabilities	63,850	57,728	826	1,043	63,676	58,771

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

NOTE 29 : 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 at the end of the accounting period.

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 30 June 2020 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:

In thousands of euros	Market value		
	Level 1	Level 2	Level 3
Derivatives - assets		0	
Derivatives - liabilities		0	
Cash at bank and in hand	340,479		
Loans and receivables - customers			2,281,134
Current tax assets			1,036
Other assets and accruals			339,643
Amounts owing to credit institutions			2,378,820
Amounts owing to customers			17,612
Amounts owing represented by securities			211,084
Subordinated debt			33,014
Leasing debts - IFRS 16			8,589
Current tax liabilities			16,287
Other liabilities and accruals			184,153

(in thousands of euros)	Market value		
	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss*	1,664		12,349
Financial assets at fair value through capital		1,737	

** VISA preference shares are classified at market value level 3.*

MARKET VALUE OF OTHER ASSETS AND LIABILITIES

(in thousands of euros)	2020/06		2019/12	
	Market value	Book value	Market value	Book value
Cash at bank and in hand	340,479	340,479	418,067	418,067
Loans and receivables - customers	2,281,134	2,281,134	2,545,153	2,545,153
Financial assets at fair value through profit or	14,013	14,013	6,913	6,913
Equity instruments measured at fair value through equity that cannot be reclassified	1,737	1,737	1,737	1,737
Current tax assets	1,036	1,036	1,701	1,701
Other assets and accruals	339,643	339,643	360,151	360,151
Amounts owing to credit institutions	2,378,820	2,378,820	2,329,667	2,329,667
Amounts owing to customers	17,612	17,612	67,094	67,094
Amounts owing represented by securities	211,084	211,084	528,042	528,006
Subordinated debt	33,014	33,014	33,016	33,016
Leasing debts - IFRS 16	8,589	8,589	7,145	7,145
Current tax liabilities	16,287	16,287	10,965	10,965
Other liabilities and accruals	184,153	184,153	214,701	214,701

NOTE 30 : 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.

30.1 COUNTERPARTY RISK ON DERIVATIVES

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

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

30.2 INTEREST RATE RISK

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

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

EXPOSURE TO INTEREST RATE RISK

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

In millions of euros	06/2020	12/2019
Fixed rate financial assets	1,876	2,007
Fixed rate financial liabilities	113	492
Floating rate financial assets	1,027	1,197
Floating rate financial liabilities	2,536	2,473

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

30.3 INTEREST RATE HEDGES

HEDGING INSTRUMENTS

At 30 June 2020, the interest rate risk is hedged by the interbank refinancing structure (fixed rate loan/adjustable rate distribution), and therefore does not require a hedging derivative.

30.4 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 30/06/2020

(in thousands of euros)	Book value	Contractual cash flow					
		Total	< 3 M	< 6 M	< 1 year	1 to 5 years	+ 5 years
Amounts owing to credit institutions (deposits)	5,626	5,626	5,626				
Amounts owing to credit institutions	2,373,194	2,365,176	404,427	464,012	461,422		
Amounts owing to customers - demand	4,561	4,561	4,561				
Amounts owing to customers - term	13,051	13,145	717	101	11,994	333	
Debenture loans	100,070	100,135	90	100,045			
Debt securities	111,014	111,017	80,022	15,998	14,996		
Subordinated debt	33,014	37,446	79	68	141	1,556	35,602
Leasing debts - IFRS 16	8,589	8,589	723	723	1,446	5,293	404
Trade payables	5,034	5,034	5,034				
Other liabilities	179,119	179,119	166,512	2,129	6,829	3,649	

AT 31/12/2019

(in thousands of euros)	Book value	Contractual cash flow					
		Total	< 3 M	< 6 M	< 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	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	

Expected cash flows correspond to the contractual cash flows.

Originally medium and long-term credit lines granted and confirmed by banks, but still unused at 30 June 2020 and 31 December 2019:

Amount in €K at 30/06/2020	<1 year	1< <5 years	+ 5 years
2,000	2,000		

Amount in €K at 31/12/2019	<1 year	1< <5 years	+ 5 years
65,000	30,000	35,000	

30.5 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.

30.6 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 €97.9 million at 30 June 2020 compared with €102.1 million at 31 December 2019. These outstanding debts were impaired by €67.5 million at 30 June 2020 compared to €70.4 million at 31 December 2019.

30.7 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.

30.8 EXPOSURE TO SOVEREIGN RISK

As at 30 June 2020, the Oney Group has no exposure to sovereign risk.

NOTE 31 :
RELATED PARTY TRANSACTIONS

AT 30/06/2020

In thousands of euros	Assets	Liabilities	Expense	Income
PARENT COMPANY - BPCE				
Transactions with credit institutions	2,434	2,373,242	2,594	2,142
Transactions with customers				
Subordinated debts and related liabilities		33,014	147	
Other assets/liabilities and accruals				
Operating income and expenses				
External services				
COMPANIES WITH SIGNIFICANT INFLUENCE (AUCHAN)				
Other assets and accruals	54			
Other liabilities and accruals		1,154		
Operating income and expenses				2,705
External services			3,339	
ASSOCIATED COMPANIES				
Other assets and accruals				
Transactions with customers				
Subordinated debts and related liabilities				
Other liabilities and accruals				
Non-recurring income and expenditure				
External services				
OTHER RELATED COMPANIES				
Transactions with credit institutions	78,686			
Other assets and accruals				
Transactions with customers				
Subordinated debts and related liabilities				
Other liabilities and accruals				
Operating income and expenses				
External services				
TOTAL	**81,175**	**2,407,410**	**6,079**	**4,846**

AT 31/12/2019

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			
Other assets and accruals				
Transactions with customers				
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	**66,850**	**1,997,526**	**9,461**	**6,031**

NOTE 32 :
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 3 28 38 58 00

ONEY BANK S.A.

STATUTORY AUDITORS' REPORT ON THE 2020 HALF-YEAR FINANCIAL STATEMENTS

(PERIOD FROM 1ST JANUARY 2020 TO 30 JUNE 2020)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

KPMG S.A.
Registered office
Tour EQHO
2, Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex
France

Statutory Auditors' report on the half-year financial statements
(Period from 1st January 2020 to 30 June 2020)

To Shareholders,
ONEY BANK S.A.
40, Avenue de Flandre
BP139
59964 Croix Cedex

Mesdames, Messieurs,

Dear Shareholders,

As mandated by your AGM and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code, we have undertaken:

- a limited review of the condensed consolidated half-year financial statements of ONEY BANK S.A., relating to the period from 1st January 2020 to 30 June 2020, attached to this report
- a verification of the information given in the half-year activity report.

These condensed consolidated half-year financial statements were prepared under the responsibility of the Board of Directors on 20 July 2020 based on the information available at that date, bearing in mind the developing context of the Covid-19 pandemic and the uncertainty surrounding its impacts and prospects for the future. It is our job to report our conclusions on these financial statements, based on our review.

1. CONCLUSIONS ON THE FINANCIAL STATEMENTS

We have conducted our limited review in accordance with professional standards applicable in France. A limited review consists mainly of interviewing senior managers in charge of accounting and financial matters and implementing analytical procedures. The work is less extensive than that required for an audit performed in accordance with the professional standards applicable in France. As a result, in the context of a limited review, the assurance that the financial statements, taken as a whole, do not contain any material misstatements is a moderate assurance, lower than that obtained as part of a full audit.

Based on our limited review, we have not identified any material misstatement that would call into question the compliance of the interim condensed consolidated financial statements with the IAS 34 - IFRS standard applicable in the European Union to interim financial information.

2. SPECIFIC VERIFICATION

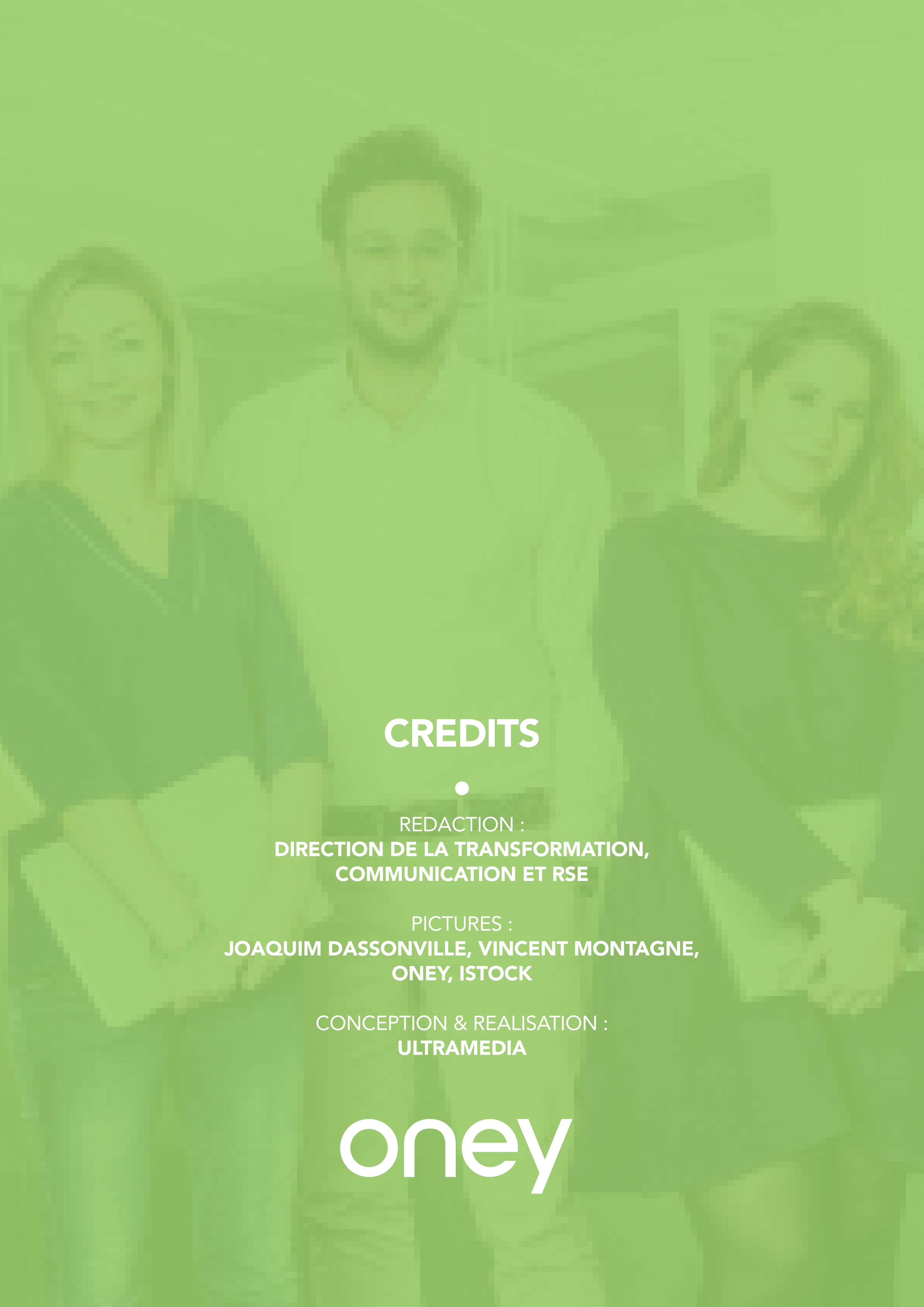
We have also verified the information provided in the half-year management report drawn up on 20 July 2020, commenting on the condensed consolidated half-year financial statements subject to our review. We have no comments to make as to their accuracy or their consistency with the condensed consolidated half-year financial statements.

Established in Neuilly-sur-Seine and Paris La Défense

The Statutory Auditors

PricewaterhouseCoopers Audit
Nicolas Wilfart
Partner

KPMG S.A.
Christophe Coquelin
Partner



CREDITS

REDACTION :
DIRECTION DE LA TRANSFORMATION, COMMUNICATION ET RSE

PICTURES :
JOAQUIM DASSONVILLE, VINCENT MONTAGNE, ONEY, ISTOCK

CONCEPTION & REALISATION :
ULTRAMEDIA

oney