MOBILIZE
FINANCIAL SERVICES

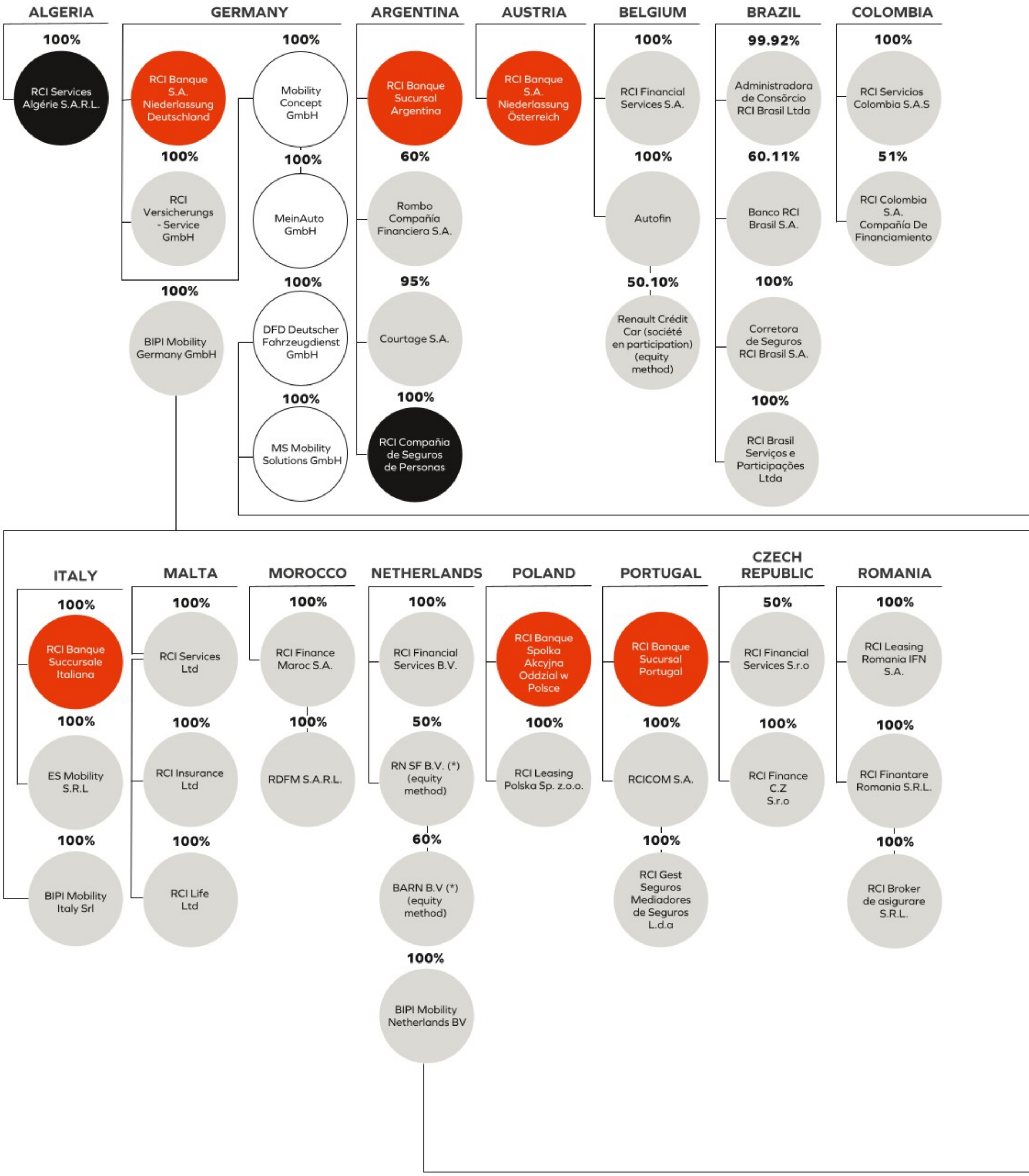
2023 ANNUAL REPORT

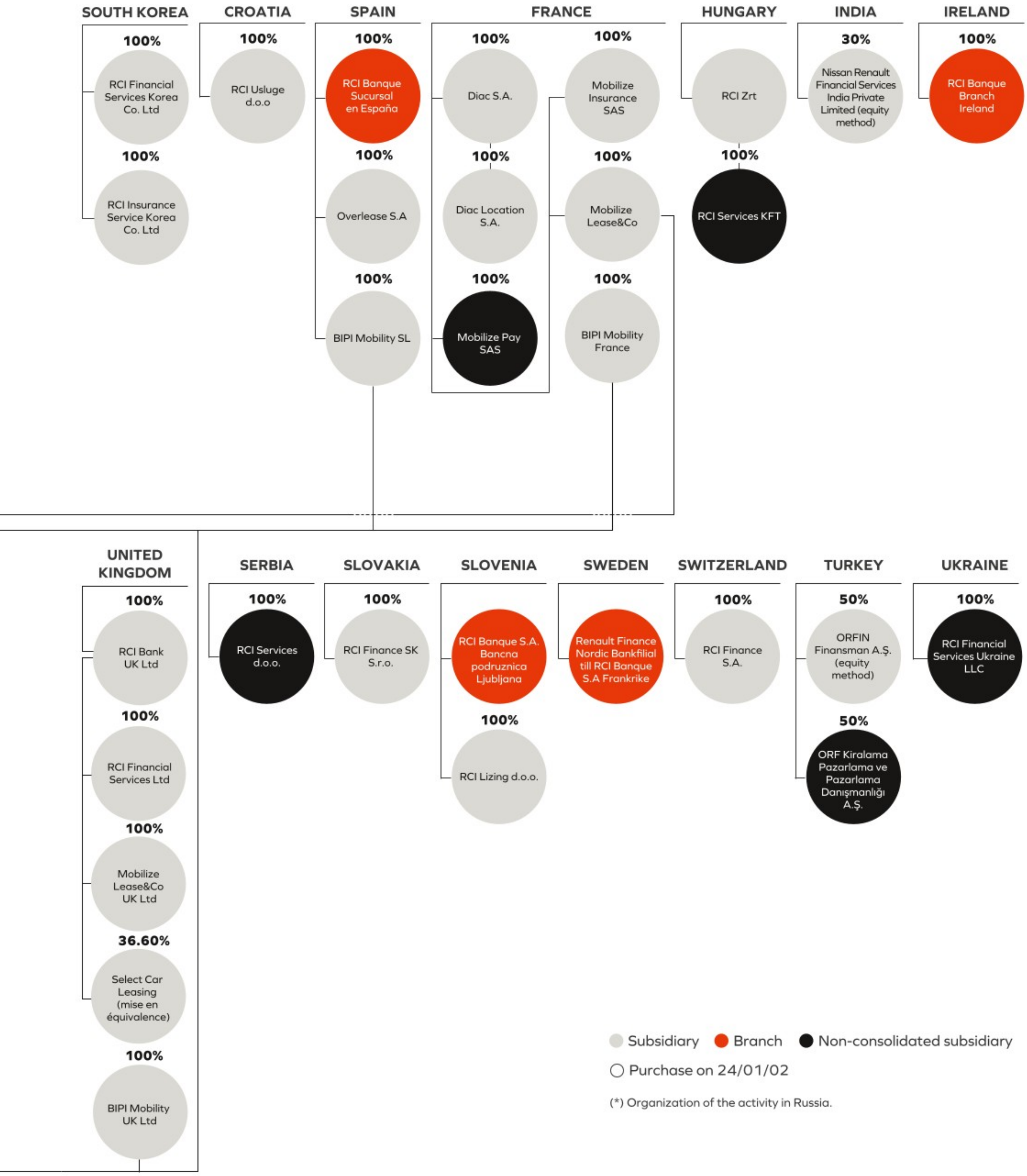
The Financial Report

A commercial brand operated by
RCI Banque S.A.

MOBILIZE FINANCIAL SERVICES

ORGANIZATION CHART 2023




SOUTH KOREA
100%
RCI Financial Services Korea Co. Ltd
100%
RCI Insurance Service Korea Co. Ltd
CROATIA
100%
RCI Usluge d.o.o
SPAIN
100%
RCI Banque Sucursal en España
100%
Overlease S.A
100%
BIPI Mobility SL
FRANCE
100%
Diac S.A.
100%
Diac Location S.A.
100%
Mobilize Pay SAS
100%
Mobilize Insurance SAS
100%
Mobilize Lease&Co
100%
BIPI Mobility France
HUNGARY
RCI Zrt
100%
RCI Services KFT
INDIA
30%
Nissan Renault Financial Services India Private Limited (equity method)
IRELAND
100%
RCI Banque Branch Ireland
UNITED KINGDOM
100%
RCI Bank UK Ltd
100%
RCI Financial Services Ltd
100%
Mobilize Lease&Co UK Ltd
36.60%
Select Car Leasing (mise en équivalence)
100%
BIPI Mobility UK Ltd
SERBIA
100%
RCI Services d.o.o.
SLOVAKIA
100%
RCI Finance SK S.r.o.
SLOVENIA
RCI Banque S.A. Bancna podruznica Ljubljana
100%
RCI Lizing d.o.o.
SWEDEN
Renault Finance Nordic Bankfilial till RCI Banque S.A Frankrike
SWITZERLAND
100%
RCI Finance S.A.
TURKEY
50%
ORFIN Finansman A.Ş. (equity method)
50%
ORF Kiralama Pazarlama ve Pazarlama Danışmanlığı A.Ş.
UKRAINE
100%
RCI Financial Services Ukraine LLC
Subsidiary
Branch
Non-consolidated subsidiary
Purchase on 24/01/02
(*) Organization of the activity in Russia.

CONTENT

2023 ANNUAL REPORT

The Financial Report

OUR AMBITION : BE THE MOST INNOVATIVE BY 2024.

MESSAGE
from Gianluca **De Ficchy**

Chief Executive Officer of Mobilize and Chairperson of the Board of Directors of RCI Banque SA

"Mobilize Financial Services has once again demonstrated the strength and relevance of its business model, with an increase in pre-tax income and a savings business that for the first-time accounts for more than half of net assets. These indicators enable the 4,000 employees of Mobilize Financial Services to look forward with ambition to 2024, a year of change and acceleration for our businesses in the service of new mobilities. Renewed governance with the arrival in January 2024 of a new Chief Executive Officer at the head of the entity will also strengthen the links between Mobilize Beyond Automotive and Mobilize Financial Services to support Renault Group's strategy,» says Gianluca De Ficchy, Chief Executive Officer of Mobilize and Chairman of the Board of Directors of RCI Banque SA."

What is your assessment of Mobilize Financial Services' performance in 2023?

Against a backdrop of normalization in the automotive market, Mobilize Financial Services has seen the amount of new financings increase by 17.1% compared with 2022, thanks to the rise in average amounts financed and registrations of Renault Group, Nissan and Mitsubishi, which it has been financing since April 2023.

In the countries where Mobilize Financial Services operates, the automotive market is growing by 12.8%, and volumes for Renault Group, Nissan and Mitsubishi brands will reach 2.17 million vehicles in 2023, an increase of 14%.

The penetration rate will be 43.4% in 2023, down 1.4 points in 2022. This slight decline is mainly due to an unfavourable channel mix, with a smaller share of vehicle sales to private customers than last year.

Mobilize Financial Services financed 1,274,199 contracts in 2023, up 6.6% on 2022. New financings (excluding cards and personal loans) rose by 17.1% to 21 billion euros, thanks to a 9.9% increase in average amounts financed.

Customer satisfaction, at the heart of Mobilize Financial Services actions, has been rising steadily for the past 4 years, and will reach a record level in 2023: the Net Promoter Score at +58 is 2 points higher than in 2022, and 11 points higher than in 2019. This performance is the result of a series of innovations and services designed to continuously improve the customer experience by monitoring various tools in all our countries

How would you describe Mobilize Financial Services' annual results?

In 2023, APAs rose due to growth in new financings and the normalization of dealer network outstanding, which had bottomed out in 2022 due to the semiconductor shortage. At the end of 2023, net assets at end reached 54.7 billion euros, compared with 49.5 billion euros at the end of 2022, up 11% on the previous year.

The savings collection business, the result of the financing diversification strategy initiated 10 years ago by Mobilize Financial Services, once again proved to be particularly dynamic and competitive in terms of the cost of the resources collected. Net deposits collected have risen by 3.8 billion euros since the beginning of the year, reaching 28.2 billion euros at the end of December 2023.

Pre-tax incomes thus stood at 1,034 million euros, compared with 1,025 million euros at end-December 2022.

MESSAGE
from Martin **Thomas**

Chief Executive Officer of RCI Banque S.A

> **This decade must enable us to define the new modalities of sustainable mobility for all. The year 2023 has once again confirmed that our strategy in this direction is a winning one for our partners and our 4 million customers worldwide. Mobilize Financial Services has strengthened its strategic commitment to private lease in Europe and has continued to develop its traditional business lines to support the transition to electric vehicles, which are major focuses for development,» explains Martin Thomas, Chief Executive Officer of RCI Banque S.A.**

Mobilize Financial Services carried out a robust performance. What's your analysis?

Net banking income (NBI) came to 1,961 million euros, down 2.7% on 2022. This decrease is mainly due to the impact of interest rate swaps covering sight deposits that are accounted for at market value. This had a negative impact of 84 million euros over 2023, compared with a positive impact of +101 million euros over 2022.

The contribution to NBI from service activities represents 36.8%, up 5.1 points in 2022.

Operating costs amounted to 712 million euros, and represent 1.39% of average performing assets (APA), an improvement of 3 basis points compared with 2022.

With rising sales indicators and strong growth in new financings, the robust financial performance confirms the strength of Mobilize Financial Services' business model.

Mobilize Financial Services focuses on three priorities to promote sustainable mobility for all. What's the strategy behind it?

To accelerate the transition from ownership to usage and to support the transition to electric vehicles, Mobilize Financial Services is developing offers and services around the following priorities:

Deploy leasing and subscription offers for all vehicle lives: subsidiary Mobilize Lease&Co, which specializes in leasing offers, has announced the acquisition of MeinAuto, a leading player in the German leasing market, in 2023. Its goal is to reach a fleet of one million vehicles by 2030 and double its international presence. At the end of 2023, the total fleet reached 380,000 vehicles, showing a 10% increase compared to 2022. The subscription activity was particularly dynamic in 2023, with a portfolio of 8,430 clients by the end of the year, representing a 33% growth compared to 2022. Mobilize Financial Services is also stepping up its used-vehicle financing business, with offers tailored to the entire life cycle of the vehicle, to facilitate access to more sustainable mobility.

Offer insurance solutions and vehicle-related services with high added value for the customer: in particular, the Group has begun to broaden its offer with innovative car insurances based on usage, thanks to vehicle connectivity. This offer is available in five countries.

Supporting changes in usage by promoting the financing of electric vehicles. 270,000 electrified vehicles (BEV, HEV, PHEV) have been financed in 2023, an increase of 56% compared with 2022. Mobilize Financial Services also supports Renault Group and Nissan brands in the development of an energy ecosystem (financing charging stations for retail customers, Fast Charge dealer network).

CREATING SUSTAINABLE MOBILITY FOR ALL.

OUR 2023 PERFORMANCE

Good commercial performance, with an increase in the average financed amount and a strong financial performance.

Despite an automotive market still adversely affected by the shortage of semiconductors, Mobilize Financial Services saw its new financing increase by 17.1% compared to 2022, thanks to the increase in average financed amounts.

Key indicators holding up despite the strong market.

Worldwide

4 000+ Employees

5 Brands

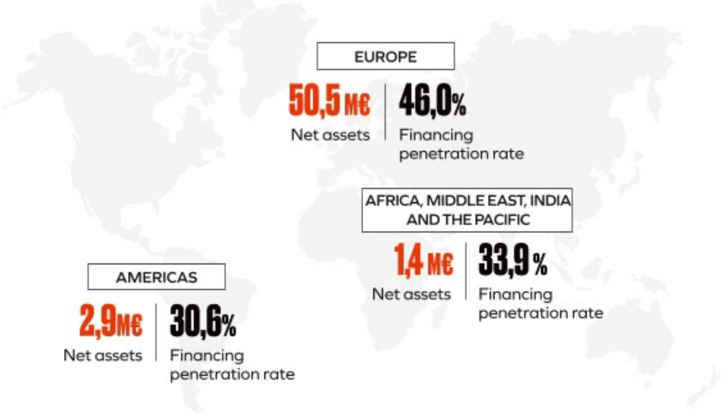
35 Countries

52% Parity

42% Women Executives

6,5% Financing of electric and hybrid vehicles

Breakdown of net assets and financing penetration rates by geographical area at the end of 2023



Performance financière

€51.2 BN Average performing assets (+14.4% vs. 2022)

€1,034 M Pre-tax income (+0.93% vs 2022)

€1,961 M Net banking income (- 2,73% vs 2022)

Financement

1.3 M Financing contracts (+6.6% vs. 2022)

€21 BN New financings (+17.13% vs. 2022)

43.4% Financed registrations (-1.4 pts vs. 2022)

330,352 Used vehicle financing contracts (-3,3% vs. 2022)

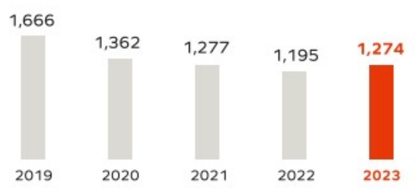
Services

3.9M SERVICE CONTRACTS SOLD (+1,5% vs. 2022)

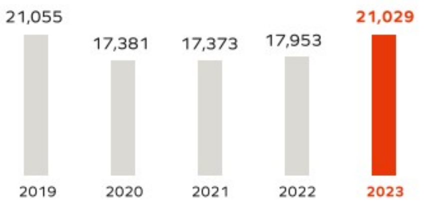
3.04 SERVICES SOLD PER FINANCING CONTRACT vs. 3.19 in 2022

Key indicators holding up despite the strong market.

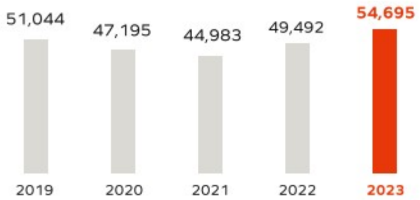
/ TOTAL NUMBER OF VEHICLE CONTRACTS
(in thousands)



/ NEW FINANCINGS
(excluding personal loans and credit cards/in millions of euros)



/ NET ASSETS AT 2023 YEAR-END(1)
(in millions of euros)



(1) Net assets at year-end: net total outstandings + operating lease transactions net of depreciation and impairment.

/ FINANCING PENETRATION RATE(1)
(as a percentage of registrations)

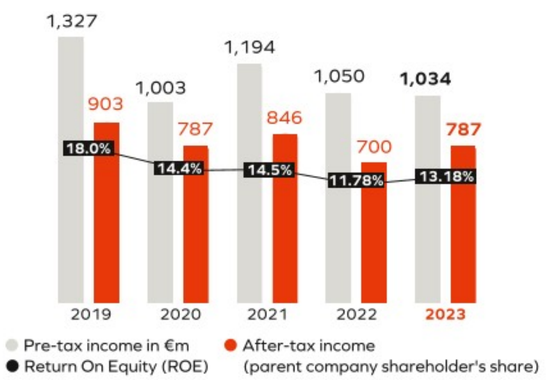
(*) EAC: Equity-accounted Company (Turkey, India)

(1) The penetration rate is calculated as the number of new vehicles financed divided by the number of vehicles registered by the manufacturers. Given the time lags between vehicle registration and delivery, the drop in registrations has a slight positive impact on the penetration in %.

(2) Excluding Equity Affiliated Companies .EAC., Mobilize Pro forma.

(3) The financing penetration rate was down 1.4 points compared to 2022, due to a more company-oriented mix of registrations and a desire to refocus on the most profitable financings channels.

/ RESULTS
(in millions of euros)



BUSINESS ACTIVITY

The amount of new financings from Mobilize Financial Services increased by 17.1% compared to 2022, driven by the rise in average financed amounts and registrations from Renault Group, Nissan, and Mitsubishi.

	Penetration rate Financing (%)		New vehicle contracts (thousands)		New financings excluding cards and personal loans (€m)		Net assets at year-end [2] (€m)	
PC + LCV market [1]	2023	2022	2023	2022	2023	2022	2023	2022
EUROPE [3]	**46.0%**	**47.7%**	**1,112**	**1,010**	**19,312**	**15,839**	**50,466**	**45,125**
of which Germany	57.4%	49.4%	169	150	3,255	2,619	8,676	7,981
of which Spain	48.5%	51.8%	102	85	1,644	1,257	4,421	3,883
of which France	51.9%	51.9%	409	366	6,685	5,412	18,282	17,264
of which Italy	56.3%	64.5%	155	136	2,879	2,164	6,863	5,752
of which United Kingdom	36.0%	46.7%	124	126	2,562	2,496	6,325	5,302
of which other countries	29.9%	31.5%	153	147	2,287	1,891	5,899	4,943
AMERICAS	**30.6%**	**32.4%**	**126**	**129**	**1,275**	**1,356**	**2,868**	**2,607**
of which Argentina	23.3%	23.3%	20	18	145	197	100	213
of which Brazil	31.4%	30.8%	85	76	857	759	1,935	1,694
of which Colombia	40.9%	46.7%	21	34	273	400	833	700
AFRICA-MIDDLE EAST-INDIA AND THE PACIFIC	**33.9%**	**38.5%**	**36**	**56**	**442**	**758**	**1,361**	**1,760**
TOTAL GROUP [4]	**43.4%**	**44.8%**	**1,274**	**1,195**	**21,029**	**17,953**	**54,695**	**49,492**

(1) The data relate to the passenger car (PC) and light commercial vehicle (LCV) markets.

(2) Net assets at year-end = Total net outstandings + Operating lease transactions net of amortization and provisions. The commercial activity metrics (financing penetration rate, new financing contracts, new financings) include companies consolidated by the equity method.

(3) The change of region of Romania, formerly "EURASIA", is reflected on the RCI perimeter by integration into the "EUROPE" region.

(4) Financing penetration rate of 43.4% in 2023 compared to 43.8% in 2022, excluding companies consolidated using equity method.

of which Customer net assets at year-end (€m)		of which Networks net assets at year-end (€m)		Average performing assets (€m)		Net income banking (€m)		Net income Pre-tax income (€m)	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
39,588	**35,387**	**10,878**	**9,738**	**47,062**	**40,507**	**1,645**	**1,711**	**925**	**1,004**
7,362	6,803	1,315	1,178	8,435	7,568	260	216	152	113
3,574	3,204	847	679	4,071	3,560	140	128	93	74
14,000	12,711	4,282	4,553	17,335	15,005	401	436	177	173
5,649	4,942	1,215	810	6,088	5,283	159	154	99	94
5,287	4,383	1,038	919	5,911	4,866	190	177	123	113
3,716	3,344	2,183	1,599	5,222	4,226	495	600	307	453
2,267	**2,065**	**601**	**542**	**2,613**	**2,448**	**240**	**220**	**70**	**93**
34	101	66	112	149	178	74	59	16	16
1,450	1,324	485	370	1,725	1,636	121	109	76	51
783	640	50	60	739	634	46	52	-21,189	26
1,200	**1,611**	**161**	**149**	**1,481**	**1,752**	**76**	**84**	**31**	**46**
43,054	**39,063**	**11,641**	**10,429**	**51,173**	**44,726**	**1,961**	**2,016**	**1,034**	**1,050**

01.

FINANCIAL POLICY

The tightening of the monetary policies of the main central banks (a direct consequence of the increase in inflation following the outbreak of military operations in Ukraine) and the decline in activity in China due to its zero-Covid policy have led to a slowdown in global economic activity.

In the United States, after the contraction in activity in the first half of the year, growth is expected to remain subdued over the coming quarters. The labor market is still robust with an unemployment rate that stays low (3.5% at the end of December). Inflation continues to be very high but is starting to show the first signs of slowing down (6.5% in December compared to 7.1% in November, 7.8% in October, 8.3% in August).

The persistence of a tight labor market and high inflation led the Fed to begin its monetary tightening cycle in March. The Fed Funds rate target was thus raised by 425 bps to reach 4.25-4.50% at the end of December.

The ECB increased its key rate by 250 bps during 2022, raising the marginal deposit rate from -0.50% to 2.00%. It plans to raise interest rates further to ensure a rapid return of inflation to its medium-term target of 2%. The ECB also specified that it will begin to reduce its balance sheet from the beginning of March 2023 (the asset purchase program "APP" portfolio will be reduced by an average of €15 billion per month until the end of the second quarter of 2023, and its subsequent pace will be determined over time).

The Bank of England (BoE), one of the first central banks to have started the monetary tightening cycle, has raised its key rate several times, bringing it to 3.50% from 0.25% at the end of 2021.

Fears of stagflation led to high volatility in the financial markets. In Europe, bond yields rose in the path of US rates. The ten-year German sovereign bond rate rose above the 2% mark to 2.57%, compared to a level of -0.19% at the end of 2021.

Following the slowdown in inflation in the United States and Europe, equities and corporate bonds, which had suffered in the second and third quarters, began to recover at the end of the year. After hitting a -25% decline at the end of September, the Euro Stoxx 50 ended the year at 3,793, down -11.74%. Credit spreads experienced a similar trend: after peaking at 138 bps in July, the IBOXX Corporate Bond Euro index stood at 99 bps at the end of December compared to 61 bps at the end of December 2021.

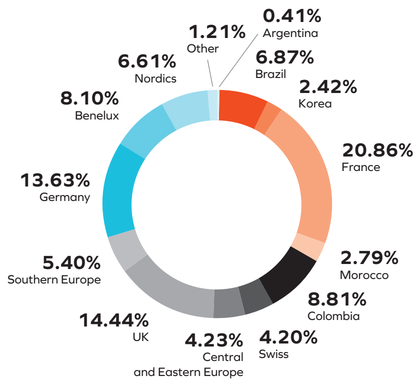
In this volatile market context, the group issued the equivalent of €2.8 billion in 2022 and launched its first green bond for €500 million. Proceeds are being used to finance electric vehicles and charging infrastructures. This transaction demonstrates the group's willingness to support the transition to electric mobility and its commitment to tackling climate change. The group also returned to the Swiss market, with the placement of a CHF110 million bond with a three-year maturity, and extended the maturity of its debt with a €650 million transaction with a six-year maturity. Two issues of €750 million at 3.5 and three years respectively were also carried out.

In the securitization market, the group placed approximately €700 million in notes backed by auto loans granted by its French subsidiary. The Spanish branch also carried out its first securitization, issuing €1.1 billion in self-subscribed Senior notes, which reinforced the liquidity reserve.

The retail savings activity proved to be particularly dynamic and competitive in terms of funding cost. Deposits allowed to reduce the impact of the increase in the cost of market funding, thus demonstrating the relevance of the financing diversification strategy initiated 10 years ago. Savings deposits received increased by €3.4 billion since the beginning of the year to stand at €24.4 billion.

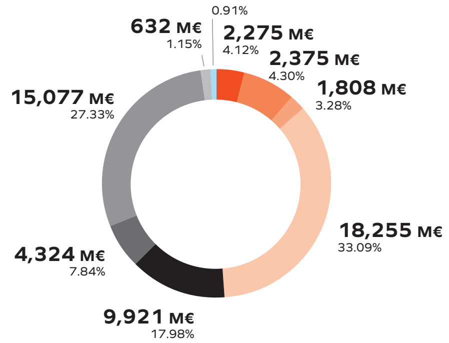
/ GEOGRAPHICAL BREAKDOWN OF NEW RESOURCES WITH A MATURITY OF ONE YEAR OR MORE (EXCLUDING DEPOSITS AND TLTRO)

(as at 12/31/2023)



/ STRUCTURE OF TOTAL DEBT

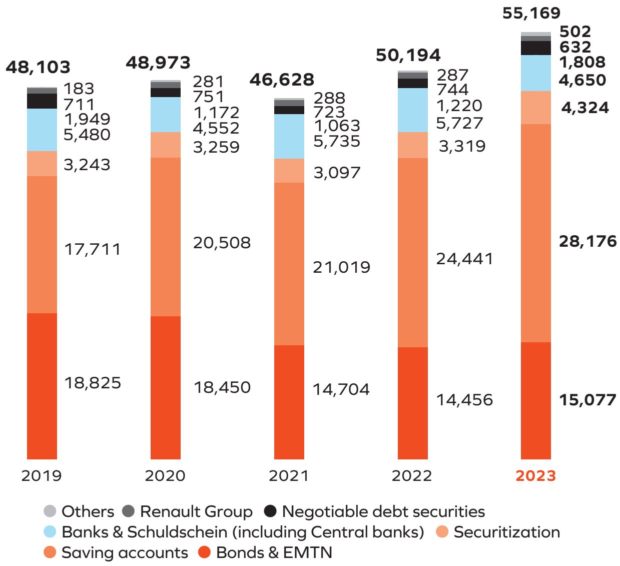
(as at 12/31/2023)



- Banques & Schuldschein **4.12%**
- Central banks **4.30%**
- Negotiable debt securities **3.28%**
- Sight deposits **33.09%**
- Term deposits **17.98%**
- Securitization **7.84%**
- Bonds, EMTN & Subordinated debt **27.33%**
- Groupe Renault **1.15%**
- Others **0.91%**

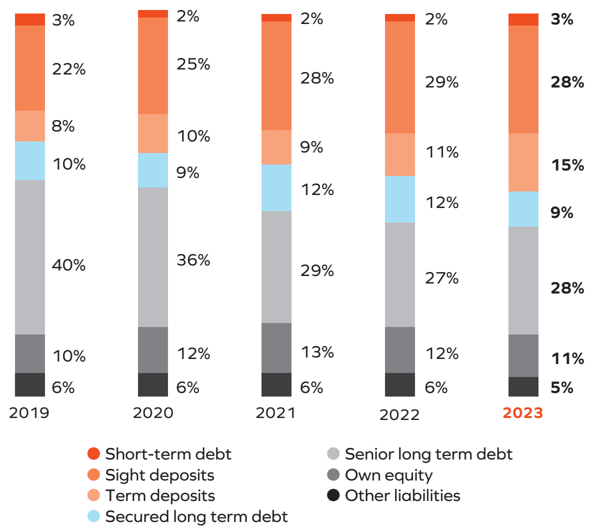
/ CHANGES IN THE STRUCTURE OF TOTAL DEBT

(in millions euros)



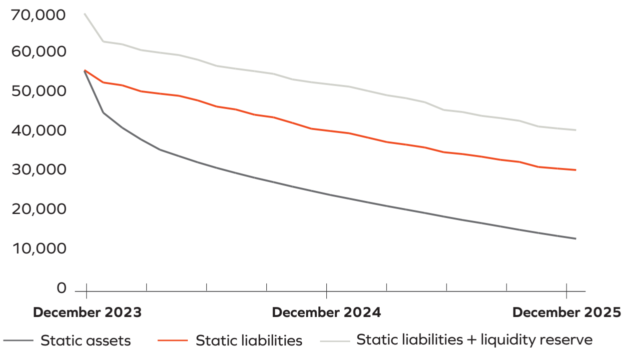
/ BREAKDOWN OF LIABILITIES

(as at 12/31/2023)



/ STATIC LIQUIDITY POSITION [1]

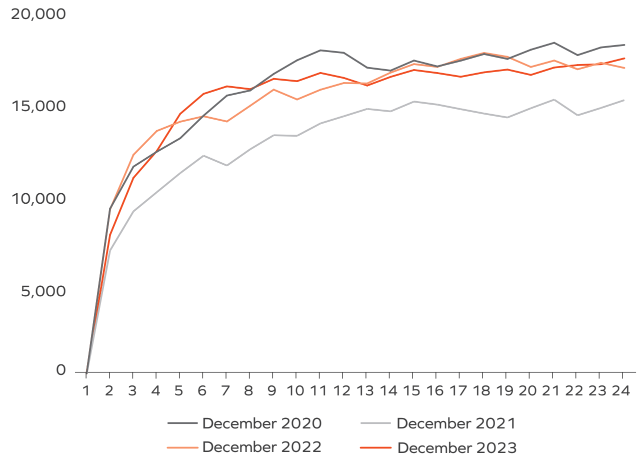
(in millions euros)



Static assets: Assets runoff over time assuming no renewal.
Static liabilities: Liabilities runoff over time assuming no renewal.

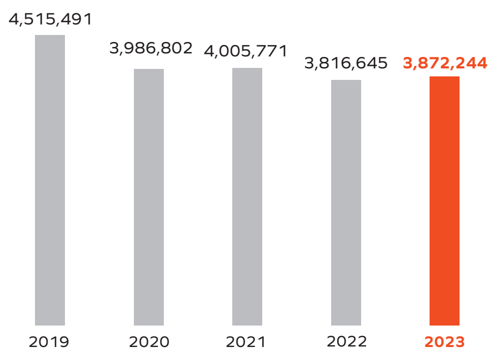
/ STATIC LIQUIDITY GAP [1]

(in millions euros)



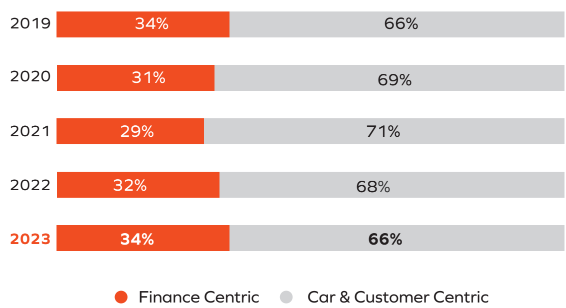
/ SERVICE CONTRACTS

(in numbers) (as at 12/31/2023)



/ SERVICE MIX

(as a %) (as at 12/31/2023)



1) Scope Europe.

The Bank of England (BoE), one of the first Central Banks to initiate the monetary tightening cycle, raised its key rate by 175bps between January and August 2023, taking it to 5.25%, for a total increase of 515bps since the start of the tightening cycle in December 2021. Inflation, high since the beginning of the year, has improved significantly at the end of the year (3.9% in November, 8.9% in September versus 13.4% in January). The UK economy remained fragile (GDP at -0.1% in Q3, -0.4% private consumption). At the end of December, the markets were expecting current rates to remain at current level until H2 2024 and then fall by 150 bps over one year.

After experiencing a widening of short-term rates in the first half of the year, sovereign rates moved sharply apart on long maturities in October and then returned to their early September levels at the end of the year. Yields on German 2-year bonds increased by 51bps in H1 and decreased by -28bps since the beginning of the year (2.39% at the end of 2023 against 2.67% at the beginning of 2023). In the same time, yield on German 10-year government bonds stood at 2.02% at the end of December 2023 after peaking at 3% in mid-October (2.39% at the end of June and 2.44% at the beginning of 2023). U.S bonds yields rose by 53bps on the 2-year and 14bps on the 10-year since the beginning of 2023, reaching 4.25% and 3.88%, respectively, at the end of December 2023 (compared with 4.38% and 3.7% at the beginning of 2023).

Despite some periods of sharp corrections (March and October 2023), equity markets continued the recovery initiated in the fourth quarter of 2022. The Eurostoxx 50 and the S&P 500 rose by +19% and +24.2% respectively since the beginning of the year. After an episode of volatility in the middle of the half year during which the IBOXX Corporate Bond Euro index peaked at 115.6 bp, the index stood at 91bps at the end of December 2023, very close to level seen at the end of 2022.

In this context, the group issued the equivalent of 3.9 billion euros on the bond market in 2023 and has seen its credit rating upgraded by Moody's during the month of August. In particular, it launched its second green bond issuance for 750 million euros. The success achieved in this operation demonstrates that the Group's ESG strategy is well-received by the market and confirms Mobilize FS's commitment to fight against climate change. The group also issued 200 million 5-year Swiss francs and five tranches of 750 million euros each, with respective maturities of 3, 3.5, 4, 5, and 6 years.

In the securitisation market, the group sold two public transactions in 2023. A 719 million euros transaction backed by car loans granted by RCI's German branch has been placed during the first half 2023. The second transaction was issued for 737 million euros (including 100 million euros senior retained notes) backed by auto leases (LOA) granted by RCI's French subsidiary. Private securitisations of auto loans in the UK, auto leases in Germany and residual value component of auto lease contracts in France had their revolving period extended for an additional year. Their amount was increased to £600 million in the UK, €400 million in Germany and €400 million in France.

The retail saving activity proved to be very dynamic and competitive in terms of funding cost. Deposits helped mitigate the impact of the rising cost of market financing, demonstrating the relevance of the financing diversification strategy initiated over 10 years ago. The outstanding of collected savings increased by 3.8 billion euros since the beginning of the year, reaching a total of 28.2 billion euros.

These resources, together with €4.4 billion of undrawn committed bank lines in the Europe scope, €5.4 billion of collateral eligible for Central Bank monetary policy operations and €4.6 billion of highly liquid assets (HQLA), enable the Mobilize Financial Services Group to maintain the financing granted to its customers for over 12 months without access to external liquidity. On 31 December 2023, the liquidity reserve of the Mobilize Financial Services Group (European scope) stands at €14.6 billion.

RCI Banque's overall sensitivity to interest rate risk remained below group's limit of € 70 million.

On 31 December 2023, a parallel rate increase [1] would have an impact on the Group’s net interest margin (NIM) of -€4.5 million, with the following contribution per currency:

- / - €5.4 million in EUR;
- / -€1.3 million in GBP;
- / +€0.2 million in CHF;
- / -€0.6 million in PLN;
- / +€0.7 million in MAD;
- / +€0.2 million in COP;

The sum of the absolute values of the sensitivities to a parallel interest rate shock [1] in each currency amounts to €10.9 million.

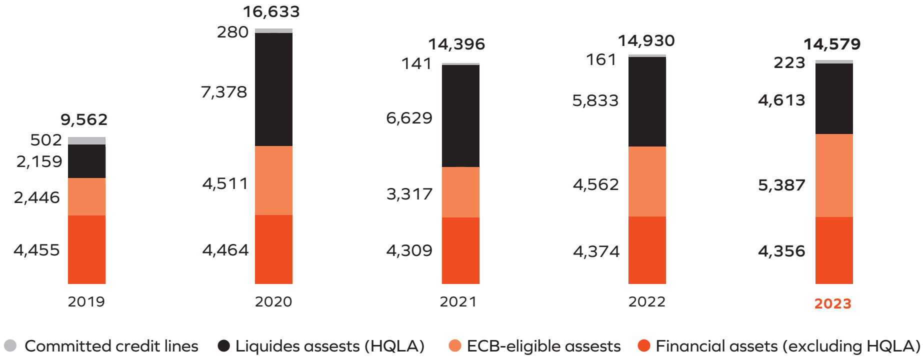
The groupe RCI Banque’s consolidated transactional foreign exchange position [2] amounted to €17.9 million.

1) Since 2021 and in accordance with the EBA guidelines (IRRBB Guidelines), the magnitude of interest rate shocks depends on the currency. As of 31 December 2023, the interest rate shocks applied for each currency were: +100 bps for EUR, CHF, DKK and MAD; +150 bps for SEK and GBP; +200 bps for CZK; +250 bps for HUF; +300 bps for RON, COP and PLN; +350 bps for the BRL; +500 bps for ARS and RUB.

2) Foreign exchange position excluding equity investments in subsidiaries.

/ LIQUIDITY RESERVE [1]

(in millions euros)



RCI Banque group's programs and issuances

The group's consolidated issues are made by seven issuers: RCI Banque, Diac, Rombo Compañía Financiera (Argentina), RCI Financial Services Korea Co, Ltd (South Korea), Banco RCI Brasil (Brazil), RCI Finance Maroc (Morocco) and RCI Colombia S.A. Compañía De Financiamiento (Columbia).

- / RCI Banque short term: S&P: **A-3**/Moody's: **P-2**
- / RCI Banque long term: S&P: **BBB-** (Stable)/Moody's: **Baa1** (Stable)

1) Scope Europe.

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02.

THE 2023 EXTRA FINANCIAL REPORT

CONTENT

2.1 Our purpose

"Listening to all our customers, we develop innovative financial services to create **sustainable mobility for all.**"

Through this purpose, all managers and employees are committed to taking concrete action to transform the company towards a financial business model based on sustainable development, in order to create shared value for all its stakeholders.

2.2 Our ESG strategy, around three pillars and eight SDGs

Climate & Environment

For a green future

As a leading player in the automotive industry, we fully recognize our responsibility in the global ecological transition. We have made strong commitments to mitigate our impact on the environment and play a driving role in promoting sustainable mobility. Aware of the challenges of climate change, we are committed to significantly reducing our carbon footprint throughout our value chain.

Health & Safety

For well-being

We recognize that the well-being of our employees is key to our collective success. By fostering a fulfilling environment, we want to not only meet, but anticipate the needs of our employees. In the same way, we consider the satisfaction and safety of our customers to be major issues. Understanding their needs, exceeding their expectations and ensuring the quality of our products and services are fundamental priorities.

Diversity & Inclusion

Opportunities for all

We believe the diversity of our employees must reflect the diversity of our customers. Diversity issues are central to our business, and we recognize that every voice contributes to our ability to innovate and better serve our customers. We devote significant efforts to promoting diversity in all its forms, whether it be gender diversity, the inclusion of people with disabilities or the representation of all communities within our workforce.

2.3 Environment

Our goal: carbon neutrality

In line with Renault Group's strategy, we are committed to achieving carbon neutrality by 2040 in Europe, and by 2050 in the rest of the world. We have set ourselves SBTi targets by scope as a guideline for achieving these ambitious goals; we aim to reduce our upstream scopes 1, 2 and 3 [(1)] by 35% by 2030 compared with 2019 (base year), when our carbon footprint was 57k tCO_2.

As a carmaker finance company, we recognize that we have a major role to play in promoting sustainable finance practices and the development of electric mobility, and we are integrating this vision into the heart of our strategy. Electric mobility, in particular, is a key pillar in our contribution to the transition to more environmentally-friendly modes of transport. By encouraging and promoting the development of electric vehicles, we aim to significantly reduce greenhouse gas emissions, thereby reducing our carbon footprint and contributing to the preservation of the environment.

Our monitoring indicator and level of progress

Upstream scopes 1, 2 and 3 reduction*
25%

(*) Between our reference year (2019) and 2022. The 2023 carbon calculation is underway.

Resources deployed

As part of our commitment to a new form of mobility that is more environmentally friendly, we support electric mobility. We are focusing on the development of a robust and accessible charging infrastructure. The gradual development of fast-charging stations along motorways, in urban areas, and in public parking is a priority to facilitate the adoption of electric vehicles. In addition, we are developing a comprehensive range of services to simplify and improve the user experience of electric vehicles. We are seeking to offer a seamless customer experience by integrating complementary services developed by the Mobilize Beyond Automotive business unit, such as the reservation of parking spaces equipped with charging stations, route planning optimized for vehicle autonomy, payment management, and up-to-date information on the state of the infrastructure and its availability.

Internally, we have implemented an exhaustive consolidation process for all emissions generated by our various subsidiaries, using a dedicated monitoring tool. Now our ambition is to establish a decarbonization trajectory for our emissions in the main countries where we operate. Through this integrated and proactive approach, we are assessing and managing our overall carbon footprint, thus strengthening our ability to achieve our goal of carbon neutrality.

1) Our upstream scope 3 includes employee purchases, travel and commuting.

2.4 Social issues

Our goals

As an employer, we place great importance on building a healthy work environment conducive to operational efficiency, talent retention and business growth.

Thus, we are solidly committed to achieving gender equality within our organization: 0% pay gap in 2025 and 40% women in top management by 2024. We believe in a fair and inclusive work environment, where everyone has equal opportunities for growth and success.

At the same time, the well-being of our employees is at the heart of our concerns. We act through initiatives aimed at creating an environment conducive to the physical and mental health of our teams. Thus, we are aiming for the GPTW (Great Place to Work) certification of our main countries and want access to a wide range of training for all our employees. These goals are key to the development of our employees, and essential to the success of our company, which is based above all on the overall well-being of our human capital.

Finally, as a major player in the captive finance company sector, customer satisfaction remains a constant priority; achieving an NPS score of over +56 was a key goal. We are pleased to have exceeded it with a score of +58, thus confirming the importance given by all our subsidiaries to customer satisfaction. In addition, we pay particular attention to equal opportunities for all our customers through Caremakers financing. In addition to the target of 3,000 Caremakers loans, our desire is to understand specific needs, personalize our services and guarantee an exceptional customer experience.

Our monitoring indicators and level of progress

Wage gap
-1.62%
-5.15% in 2022 (+3.53%)

NPS score
+58
+56 in 2022 (+2 points)

GPTW-certified countries
7*
4 in 2022 (+3 countries)

(*) Brazil, Italy, France, United Kingdom, Spain, Argentina, Colombia.

Percentage of women in management
37.1%
37% in 2022 (+0.1%)

Number of Caremakers loans
923
455 in 2022 (+468 financings)

Resources deployed

To demonstrate our commitment to gender equality, we have earmarked budgets for diversity initiatives, track our gender performance indicators on a quarterly basis, use monitoring tools to assess pay equity and gender representation, and have adopted an inclusive recruitment policy. Career committees have also been set up to ensure equity in professional opportunities, guaranteeing women equal access to training, advancement and leadership. In addition, the Women@Mobilize group, which was initially set up to take action on the role of women in the company, has evolved and, this year in particular, was behind a number of conferences aimed at the well-being of all employees, such as the one on mental health.

In order to promote the well-being of our employees, we implement action plans developed in response to the results of the Group's GPTW and Global Employee Survey. We prioritize actions specifically focused on well-being, implementing targeted initiatives based on employee feedback. In addition, to strengthen professional and personal development, we launched an e-learning portal with career paths appropriate to each profession, offering learning flexibility. In addition, we have partnered with a content aggregator, expanding access to a variety of resources to promote the overall well-being of our employees. We also feature the proactivity of our employees, rewarding the development of their projects at our annual Awards. In addition to the Executive Committee prize, three prizes are awarded based on the votes of all employees.

Finally, we have implemented a set of initiatives focused on the continuous improvement of our customers 'experience. We conduct biannual customer satisfaction surveys, collecting essential feedback to adjust our services. A dedicated survey also assesses satisfaction with our product offering, enabling us to respond proactively to specific needs and expectations. Particular attention is also paid to the dealer network, guaranteeing a consistent quality of service. On an ongoing basis, we also measure the effort made by our customers to find answers to their needs, so that we can constantly optimize our accessibility and the clarity of our communication.

2.5 Governance

Our goals

Our goal is to comply with our regulatory framework; beyond mere compliance with established standards, our approach aims to establish solid ethical and governance standards. This proactive approach strengthens our position as a responsible player, contributing to the long-term sustainability of our company and preserving the trust of our stakeholders.

We are also committed to operating within an ethical framework at every level of our value chain. This ethical approach guides our actions and decisions. By promoting transparency, integrity and respect for human rights, we aim to create a corporate culture where ethics is at the heart of all our interactions.

We also strive to offer a professional environment that is mindful of environmental, social and ethical issues, anchoring our practices in an overall vision of sustainability. Our goal is to create an environment where these dimensions are integrated into all aspects of our business. To this end, we include an intervention rate gap target [1] the variable remuneration of top management; this is the gap between the electric vehicle intervention rate and the combustion vehicle intervention rate, illustrating Mobilize Financial Services' support for the transition to electric vehicles. Thus, from the definition of our strategies to our day-to-day management, we aspire to align our operations with high standards of responsibility and awareness.

Our monitoring indicator and level of progress

Percentage of employees who have completed business ethics training*
100%

(*) This includes ethics, anti-money laundering and anti-corruption training.

Resources deployed

In order to deliver on our corporate responsibility commitments, we have deployed a series of strategic resources to achieve our key goals. Our commitment to sustainability was recognized by Morningstar Sustainalytics in May 2023, which assessed Mobilize Financial Services as presenting a negligible risk of suffering material financial impacts linked to ESG factors (score of 9 vs. 10 in 2022). This external recognition strengthens our position as a responsible ESG player. In addition, to support our sustainable initiatives, we have issued green bonds, reinforcing our commitment to responsible financing and contributing to projects aligned with our sustainable development goals.

As part of the promotion of responsible purchasing practices, we have developed a dedicated charter that clearly sets out our principles and commitments in terms of responsible purchases. This charter guides our interactions with suppliers, reinforcing our commitment to sustainable practices.

Focusing on sustainability and responsible management, our third objective was demonstrated through the development of a Green Product Policy, a reference document guiding our use of terms related to sustainability. To consolidate these efforts, we have appointed a Chief Sustainability Officer at Corporate level, as well as Sustainability Champions in each country where we operate. These appointments reflect our commitment to integrating sustainability into all aspects of our organization, from top to bottom. These combined measures demonstrate our holistic and integrated approach to achieving our corporate social responsibility goals, thus strengthening our position as a proactive and responsible player in our industry.

1) This rate represents the share of contracts financed by Mobilize Financial Services compared to all registrations of Renault Group and the Nissan and Mitsubishi

2.6 Country ESG initiatives

Climate Fresk for all employees in Morocco

Through this initiative, we wanted to provide our employees with an in-depth and engaging understanding of current climate issues. The Climate Fresk is an interactive educational tool that raises collective awareness and helps us identify the action levers we can mobilize as a responsible company.

On 13 January 2023, Mobilize FS Morocco decided to use this tool as part of a team building event for all its employees. Nearly four hours of workshops were led by two facilitators approved by Climate Fresk.

The benefits of the initiative have been manifold: on the one hand, for the organization, which has strengthened its sustainable development strategy and commitment, and on the other, for the employees, who have put their collective intelligence and creativity to good use. As Vincent Hauville, CEO of Mobilize FS Morocco, points out: “You can't sell mobility without thinking about the environment together”.

Brazil Financial Education Booklet

The aim of this initiative was to provide our clients with essential tools and information to strengthen their understanding of financial concepts, such as budget management, investments and long-term financial planning. We aspire to empower our clients, helping them make informed decisions and maximize their financial stability.

Mobilize FS Brazil published its Financial Education Booklet in the summer of 2023. Customers will find extensive advice and detailed instructions on various topics: credit, financing, investment, loan, budget, income, and much more.

This initiative led to significant results, with some 23,000 customers reached via e-mail campaigns, and social network posts promoting the brochure viewed over 50,000 times. This is a testament to the positive reception and engagement of our audience, and helps to give our customers the knowledge they need to navigate their financial journey.

Women in Tech in the UK

Through this initiative, we wanted to take concrete action on the issue of women's status in the Tech sector, by encouraging more women to join our workforce, offering them opportunities, training and mentoring, and guaranteeing them an inclusive environment.

Concretely, Mobilize FS UK decided to act on three main action levers: addressing the issue at the level of future generations, proposing growth and career prospects, particularly for women interested in the Tech sector, and sponsoring employees.

Since the launch of Women in Tech, Mobilize FS UK has achieved gender parity within the management of the IT team, with 40% female representation, underlining its efforts to promote diversity and inclusion in traditionally male-dominated fields.

03.

RISKS – PILLAR III

CONTENT

Statement on information published in respect of Pillar III

Senior management and the Board of Directors are responsible for implementing and maintaining an effective internal control organization overseeing the company's publications, including those issued in respect of the Pillar III report.

In that regard, we certify that group Mobilize Financial Services publishes the information required under Part Eight of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2) in accordance with the formal policies and internal procedures, systems and controls.

We confirm, after taking all reasonable measures to that end, that the information disclosed as of 31 December 2023 has been subjected to the same degree of internal control and same internal control procedures as other information provided as regards the financial report.

Paris, 19 February 2024

Martin Thomas
Chief Executive Officer

Gianluca De Ficchy
Chairman of the Board of Directors

Introduction

The following information concerns group Mobilize Financial Services (Mobilize F.S. [1])'s risks and is disclosed in accordance with the disclosure requirements of Pillar III of the Basel Agreements, transposed into European law by means of Regulation (EU) 2013/575 (or CRR) amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 (CRR2) and Directive 2013/36/EU (or CRD IV) amended by Directive 2019/878/EU of 20 May 2019 (CRD V).

It is published on a consolidated basis (Article 13 of the CRR) and meets the requirements set out in part 8 of the CRR (Articles 431 and seq.).

The Mobilize F.S. group's Pillar III report is published annually as a whole, but certain important or faster changing items are disclosed half-yearly, or only on a transitional basis (Article 492 of the CRR). No material, proprietary or confidential information is omitted (Article 432 of the CRR).

Publication of the risk report is the responsibility of Mobilize F.S. group's company Chief Risk Officer. The information contained in this report has been prepared in accordance with the Pillar III disclosure procedure validated by Mobilize F.S. group's Regulatory Committee.

3.1 Summary of risks

3.1.1 Key figures

/ EU KM1 – KEY METRICS TEMPLATE

In millions of euros		31/12/2023 a	30/06/2023 c	31/12/2022 e
	Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	5,518	5,465	5,272
2	Tier 1 capital	5,518	5,465	5,272
3	Total capital	6,382	6,332	6,135
	Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	39,752	39,184	36,430
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	13.88%	13.95%	14.47%
6	Tier 1 ratio (%)	13.88%	13.95%	14.47%
7	Total capital ratio (%)	16.05%	16.16%	16.84%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.01%	2.01%	2.01%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.13%	1.13%	1.13%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.51%	1.51%	1.51%
EU 7d	Total SREP own funds requirements (%)	10.01%	10.01%	10.01%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)			
9	Institution specific countercyclical capital buffer (%)	0.54%	0.42%	0.12%
EU 9a	Systemic risk buffer (%)			
10	Global Systemically Important Institution buffer (%)			
EU 10a	Other Systemically Important Institution buffer (%)			
11	Combined buffer requirement (%)	3.04%	2.92%	2.62%
EU 11a	Overall capital requirements (%)	13.05%	12.93%	12.63%

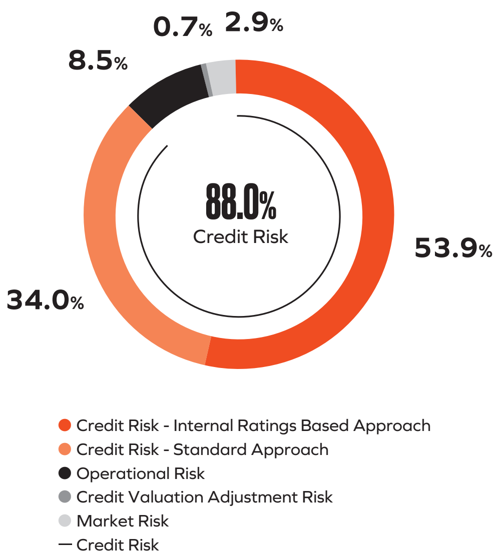
1) RCI Banque S.A. has been operating under RCI Bank and Services trading name since February 2016 and adopted Mobilize Financial Services as a new commercial identity in May 2022. Its legal name remains unchanged and is still RCI Banque S.A. This trade name, as well as the acronym Mobilize F.S., may be used by the group as an alias to its corporate name. RCI Banque S.A. and its subsidiaries may be referred to as "Mobilize F.S. group".

		31/12/2023	30/06/2023	31/12/2022
In millions of euros		a	c	e
12	CET1 available after meeting the total SREP own funds requirements (%)	6.04%	6.15%	6.83%
	Leverage ratio			
13	Total exposure measure	67,640	66,203	63,846
14	Leverage ratio (%)	8.16%	8.25%	8.26%

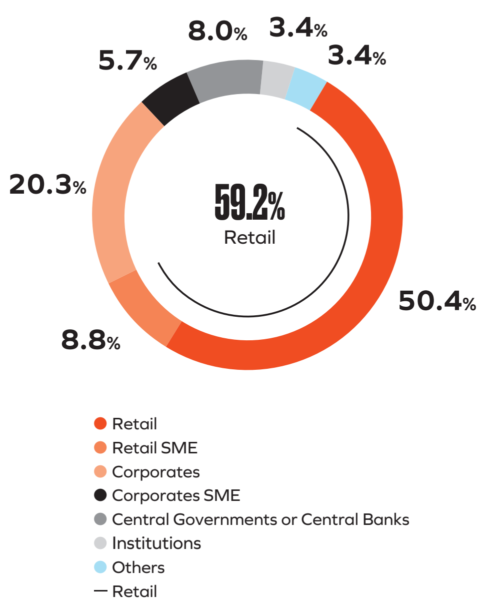
		31/12/2023	30/06/2023	31/12/2022
In millions of euros		a	c	e
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)			
EU 14b	of which: to be made up of CET1 capital (percentage points)			
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer requirement (%)			
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	5,571	6,768	7,834
EU 16a	Cash outflows – Total weighted value	4,299	4,298	4,197
EU 16b	Cash inflows – Total weighted value	3,237	2,839	2,505
16	Total net cash outflows (adjusted value)	1,289	1,483	1,700
17	Liquidity coverage ratio (%)	448.19%	471.78%	491.29%
	Net Stable Funding Ratio			
18	Total available stable funding	53,659	52,062	48,380
19	Total required stable funding	41,947	41,078	38,455
20	NSFR ratio (%)	127.92%	126.74%	125.81%

The data relating to the LCR and its aggregates are averages for the 12 months ending on the reporting date mentioned (Article 447 f of CRR2).

/ OWN FUNDS REQUIREMENTS BY TYPE OF RISK



/ EXPOSURE BY EXPOSURE CLASS



/ ROA (NET PROFIT DIVIDED BY THE TOTAL BALANCE SHEET - CRD IV, ARTICLE 90)

	31/12/2023	30/06/2023	31/12/2022
Return on assets	1.20%	1.07%	1.16%

ROA is slightly above that of 2022. The result for the year is negatively impacted by the change in value of rate swaps covering demand deposits for €84 million. The 2022 financial year was marked by the depreciation of equity accounted entities in the Russian JV RN Bank for €119 million, partially offset by a positive impact of €101 million linked to the valuation of swaps.

3.1.2 Context

In the first part of 2023, the conflict in Ukraine, persistent inflation and monetary tightening by the major Central Banks impacted global economic activity and led the markets to revise growth expectations downwards. Then, as inflation eased, interest rates began to fall. 2023 also saw a return to volatility on financial markets and periods of risk aversion, notably following the difficulties encountered by certain US regional banks. In addition, the end of the semi-driver shortage led to a normalization of vehicle inventories at dealerships. These factors had an impact on Mobilize F.S. group's financial performance (average earning assets, interest income, cost of risk). However, no new risks have been identified in the light of these factors.

3.1.3 Risk factors

3.1.3.1 Typology of risks

The identification and monitoring of risks is an integral part of the Mobilize F.S. group's approach to risk management. This approach may be observed through risk-weighted asset levels, but also through other indicators, work and analyses conducted by the group's steering and risks functions. The various types of risks presented above are those identified to date as being significant and specific to Mobilize F.S. group, the materialization of which could have a major unfavorable impact on its business, financial situation and/or results. This is not an exhaustive list of all the risks taken by the group in the context of its activity or to which it is exposed because of its environment.

In light of the diversity of the group's business, the management of risks is built around the following major risk types.

- **interest rate risks and foreign exchange risks:** risk of a drop-in interest rate margin or in the value of the banking portfolio owing to a change in interest rates or foreign exchange rates;
- **liquidity and funding cost risk:** liquidity risk occurs when Mobilize F.S. group is unable to honor its commitments or cannot finance the development of its business in line with its commercial objectives. Funding cost risk corresponds to the risk of RCI Banque not being in a position to finance its activities at a cost that is competitive;
- **credit risk (Retail customers and Dealer networks):** the risk of loss incurred in the event of default by a counterparty or counterparties considered as a single group of related customers;
- **residual value risk:** risk to which the group is exposed as a result of the depreciation in the net resale value of a vehicle at the end of the financing contract (value below initial estimate);
- **strategic risk:** risk resulting from the group's inability to implement its strategy and achieve its medium-term plan;
- **concentration risk:** risk resulting from a concentration in Mobilize F.S. group's exposures (countries, sectors, debtors);
- **operational risks:** risk of losses or sanctions resulting from ineffective or inadequate internal processes involving staff and/or IT systems, or external events (examples: cyber risks, pandemic, internal or external fraud, etc.) whether deliberate, accidental or natural (IT risks and Business interruption);
- **non-compliance risks:** risk of legal, administrative or disciplinary sanctions, of significant financial loss or reputational damage, arising due to non-compliance with provisions specific to banking and financial activities (laws and regulations in force, ethics codes, national, European and international banking regulations). These risks include legal risks, conduct risks, tax risks, risks relating to money-laundering and the financing of terrorism (AML-CFT), risks associated with the protection of personal data, risks of non-compliance with banking regulations, risks related to corruption and influence peddling, and ethical risks;
- **model risk:** risk associated with a failure in the models used by the group in the course of its business. This notably relates to the use of inadequate price calculation, revaluation, hedging or risk management models. Failure of such models may be due to either the quality of the data used, the modeling technique or the implementation or use thereof;
- **climate and environmental risks:** these are the risks related to extreme climate and environmental events (physical risks) and related to changes in technologies, regulations and market sentiment contributing to the transition to a low carbon economy (transition risks);
- **geopolitical risk:** risk of nationalization, limitation of fund transfers, adoption of new regulations unfavorable to creditors, international sanctions impacting the business.

3.1.3.2 Risk factors

The risk factors presented in this section are those that the group believes could have a material adverse effect on its business, financial condition, and results of operations. However, this is not an exhaustive list of all the risks to which the group is exposed. The risks specific to the group's business are presented below under five main categories, in accordance with Article 16 of Regulation (EU) No. 2017/1129, known as "Prospectus 3" of 14 June 2017:

- business development risks;
- Financial risks;
- product-related risks;
- operational risks;
- legal, regulatory, tax and conduct risks.

3.1.3.2.1 Business development risks (including strategic, concentration, climate and environmental risk)

The operating income and financial position of the Mobilize F.S. group depend on the Renault Group's corporate strategy and sales, as well as those of the Nissan and Mitsubishi brands.

As a 100% Renault financial subsidiary serving the Renault Group brands, as well as the Nissan and Mitsubishi brands, the predominant activity of the Mobilize F.S. group is to finance sales of its brands, which accounts for a substantial majority of its net banking income.

Due to the strategic, commercial and financial links of the Mobilize F.S. group with the Renault Group and the fact that the activity is concentrated on the Renault Group brands and the Nissan and Mitsubishi brands, any reduction or suspension of production or sales of vehicles of these brands due to a decrease in actual or perceived quality, safety or reliability of the vehicles, interruption of supply by third parties, significant changes in marketing programs or strategies or to negative publicity, could have a significant negative impact on the level of financing volume of the Mobilize F.S. group and on its financial situation and operating results.

In addition, demand for vehicles from financed brands can be affected by the following factors:

- the diversification and innovation of the vehicle fleet;
- the competitiveness of vehicle sales prices;
- levels of customer demand for the sale and lease of new and used vehicles, including the macroeconomic environment that may affect demand;
- customer demand for financing of vehicle purchases;
- vehicle production rates; and
- inventory levels maintained by group, Nissan, and Mitsubishi dealers.

In addition, the success of Mobilize F.S. group's strategic plan depends on several levers, such as the performance of its products and investments and its ability to maintain a high level of customer satisfaction, as well as on appropriate governance of the strategic plan to ensure the support of Mobilize F.S. group employees.

What's more, the Renault Group's business strategy and sales mix, as well as that of the Nissan and Mitsubishi brands, may lead to a concentration of the Mobilize F.S. group's exposures. An unfavorable event impacting a geographic area or a category of customers representing a significant portion of the group's assets could have negative consequences on its financial health.

Risk related to geopolitical instability

Mobilize F.S. group operates in various countries and as such is exposed to geopolitical risk, the main components of which are:

- nationalization risk: the risk that the host country passes a law allowing it to buy back an asset located in its jurisdiction for less than the value of that asset;
- non-transfer risk: risk that the host country implements limitations on the transfer of funds out of the country;
- legislative risk: risk that the host country passes a law that negatively impacts the value of assets located in its jurisdiction;
- risk related to the adoption of international sanctions against a country in which RCI operates.

In recent years, Mobilize F.S. has been forced to cease operations and withdraw from its Joint Venture in Russia due to the international sanctions imposed on this country following the invasion of Ukraine.

At the date of this publication, Mobilize F.S. operates activities in countries where an exchange control limit the free convertibility of currencies, such as Argentina, Brazil, Colombia, South Korea and Morocco. These countries account for 16% of net banking income at 31 December 2023, and 10% of pre-tax income.

The development and profitability of Mobilize F.S.'s activities in emerging countries depend on the economic health and political stability of these countries.

Climate and environmental risks could affect Mobilize F.S. group's business, operating results, financial condition and reputation.

Climate and environmental risks are linked to two families of risks:

- physical risks: linked to the impacts of climate change and environmental degradation through extreme events (floods, heat waves…) or long-term developments (temperature variability, loss of biodiversity…);
- transition risks: linked to technological developments, regulations or market sentiment associated with the transition to a low-carbon economy.

They are seen as factors that can increase certain risks (credit risk, residual value risk, strategic risk, liquidity risk, operational and compliance risk, insurance risk).

The group could be exposed to physical climate risk on its direct activity through insurance products (CPI, GAP) or being impacted by its ability to maintain its services, as well as indirectly by the negative impact of extreme weather events on its clients' business. In addition, the group could be exposed to transition risks through its credit portfolio, on certain sectors of activity or in its commercial activity due to introduction of regulations, for example in the automotive sector, to limit the use of vehicles or to encourage the transition to electric alternatives.

Finally, liability and reputation risks could also arise from these two categories of risk.

The impact on the strategic objectives is potentially significant given the very high stakes involved for automakers, who must respond to rapidly changing regulations, in particular on vehicles emissions levels, while at the same time dealing with an infrastructure environment under construction and the entry of new players.

The impact on the credit risk is perceived as significant in the medium and long term, even if it remains fairly limited in the short term given the breakdown of loans by business sector in the corporate finance portfolio. Mobilize F.S. group has little presence in sectors with a high transition risk and, as far as physical risk is concerned, the location of Mobilize F.S. group's customer base is not overly concentrated geographically.

3.1.3.2.2 Financial Risks

A disruption of Mobilize F.S. group's sources of funding and access to capital markets would have an adverse effect on its liquidity position.

Mobilize F.S. group diversifies its sources of financing by implementing a strategy that focuses on the category of counterparties (different market players and different types of financing), currencies and countries where counterparties are located. The group finances its activities through long-term debt issues, bank loans, negotiable debt securities, securitization of receivables and deposit taking activities and is therefore dependent on reliable access to financial resources. Due to its financing needs, the Mobilize F.S. group is exposed to liquidity risk in the event of a market closure or stress in the source of funding.

Liquidity risk is the risk that Mobilize F.S. group will not be able to honor its commitments or finance the development of its activities in accordance with its commercial objectives. Rating and refinancing cost risk is the risk that Mobilize F.S. group will not be able to finance its activities at a competitive cost compared to its competitors.

Mobilize F.S. group's liquidity could be materially affected by factors beyond the bank's control, such as general market disruptions, market perception or speculative pressures in the debt market. If Mobilize F.S. group's funding requirements increase or if Mobilize F.S. group is unable to access new sources of funds, insufficient liquidity would be particularly detrimental to its competitive position, results of operations and financial condition.

The Mobilize F.S. group's results of operations may be adversely affected by changes in market interest rates or rates offered to customer deposits.

Interest rate risk in the banking book (IRRBB) refers to the actual or potential risk of a decline in the bank's equity or income resulting from adverse movements in interest rates affecting its banking book positions. Mobilize F.S. group's customer loans are, with some exception, issued at fixed interest rates, for terms generally of up to 72 months, while dealer loans are financed at fixed rates for terms of less than 12 months. Mobilize F.S. group's exposure to interest rates is assessed daily by measuring sensitivity for each currency, management entity and asset portfolio, and cash flow hedging is systematic, using swaps to convert floating-rate liabilities into fixed-rate liabilities.

The management of overall interest-rate risk, through these balance-sheet and off-balance-sheet operations, aims to limit the volatility of the net interest margin: volability resulting from a mismatch between duration and indexation.

Mobilize F.S. group calculates interest rate sensitivity by applying a hypothetical increase in interest rates, the magnitude of which depends on the entity's currency. Although Mobilize F.S. group monitors its interest rate risk using a group-wide methodology, the hedging of the risk is not always perfect, reflecting the difficulty of adjusting the borrowing structure to match the structure of customer loans.

Changes in interest rates cannot always be predicted or hedged and, if not properly predicted or hedged, could have an adverse effect on the Mobilize F.S. group's business, financial condition, and results of operations. The overall sensitivity of the Mobilize F.S. group to interest rate risk remained below the limit of €70 million for a variation in rates corresponding to the shocks observed for each currency.

Risk of unfavorable changes in the refinancing costs of the Mobilize F.S. group, following a deterioration in the rating of RCI Banque S.A. by the rating agencies or a global change in financing conditions (market and deposits)

The Mobilize F.S. group's access to the market may be affected by the credit ratings of its constituent entities and, to a certain extent, the Renault Group. RCI Banque S.A. is, at the date of this publication, rated Baa2 (stable outlook) by Moody's France SAS and BBB- (stable outlook) by S&P Global Ratings Europe Limited.

The rating agencies S&P Global Ratings Europe Limited and Moody's France SAS use ratings to classify the creditworthiness of RCI Banque S.A. to assess whether RCI Banque S.A. will be able to repay its obligations in the future.

A deterioration in RCI Banque S.A.'s liquidity position, capital management policies or a significant weakening of profitability could lead to a negative impact on its rating.

RCI Banque S.A. is a wholly owned subsidiary of Renault and its rating remains dependent on the economic development and rating of Renault. Any negative rating action with respect to Renault's long-term debt could result in similar action with respect to RCI Banque S.A.'s long-term debt.

RCI Banque S.A.'s financing comes mainly from customer deposits and the capital markets. Its ability to obtain bond financing at competitive rates depends on overall financial market conditions and its ability to obtain appropriate credit ratings. A decline in its credit ratings and those of its main shareholder Renault SA or any revision of the outlook for these same ratings would likely result in an increase in RCI Banque S.A. This could also reduce RCI Banque S.A.'s access to capital markets. Its ability to attract and retain customer deposits depends on the attractiveness of the savings products it offers to its customers. The cost of deposits may therefore be affected by the commercial policies of its competitors.

Foreign exchange risk

The Mobilize F.S. group is exposed to the risk of loss resulting from current or future exposure to current and/or refinancing transactions in a currency other than the euro or from a potential decrease in the value of Mobilize F.S. group's equity due to the depreciation of equity held in countries outside the euro zone.

Investments in currencies other than the euro (structural currency risk) may be hedged.

Transactional currency risk (currency exposure excluding equity investments) arises mainly from multi-currency loans and foreign currency invoices.

3.1.3.2.3 Product risks

The Mobilize F.S. group may incur losses as a result of defaults by its retail and corporate customers, dealers or importers (i.e., inability to pay credit installments to Mobilize F.S. group under the credit agreement (late payment)).

The Mobilize F.S. group is exposed to the credit risk of its customers and dealers/importers if its risk management techniques are insufficient to protect it against payment defaults by its counterparties.

Credit risk is the risk of loss resulting from the failure of customers or dealers and/importers of Mobilize F.S. group to fulfill the obligations of any signed contract. Credit risk is highly dependent on economic factors, including unemployment, business failures, personal income growth, household disposable income, dealer profitability, and used vehicle prices. The level of credit risk in Mobilize F.S. group's dealer financing portfolio is influenced by, among other factors, the financial strength of the dealers and importers in Mobilize F.S. group's portfolio, the quality of the collateral and processes in place to secure financing, and the overall vehicle demand. The level of credit risk of Mobilize F.S. group's customer portfolio is affected by general macroeconomic conditions that may affect the ability of some of its customers to make scheduled payments.

The Mobilize F.S. group uses advanced credit scoring systems and external database searches to evaluate personal and commercial loans, and an internal rating system to evaluate dealers and importers. Although Mobilize F.S. group constantly adjusts its acceptance policy to reflect market conditions, an increase in credit risk would result in higher cost of risk and provisions for credit losses.

The Mobilise F.S. group also implements detailed procedures to contact customers in default of payment, organize the recovery of unpaid vehicles and sell repossessed vehicles. However, the Mobilize F.S. group origination procedures, credit risk monitoring, payment service activities, customer account record keeping, or repossession policies may not be sufficient to prevent an adverse effect. on its results of operations and financial condition.

The increase in credit risk would increase the cost of risk and provisions for credit losses, which would have a direct impact on the financial results of the Mobilize F.S. group and potentially on its internal capital.

A decrease in the resale price of leased vehicles could have a negative impact on the results of operations and the financial condition of Mobilize F.S. group.

When leased vehicles are returned to Mobilize F.S. group at the end of the lease and Mobilize F.S. group does not have a third party buy-back agreement (usually from a dealership or car manufacturer) and/or a customer does not exercise an option to purchase the vehicle at the end of the lease, the Mobilize F.S. group is exposed to the risk of loss in the situation where the sale proceeds realized upon the sale of the returned vehicle is not sufficient to cover the residual value that was estimated at the start of the rental agreement.

To the extent that the actual residual value of the vehicle, as reflected in the sale proceeds, is less than the expected residual value for the vehicle at the start of the lease, Mobilize F.S. group incurs a loss upon disposal of the vehicle.

Among other factors, economic conditions, new vehicle prices and sales volumes, distribution channels, model life cycle, available used vehicle volumes, product specificities and competition strongly influence used vehicle prices and thus the actual residual value of leased vehicles. Differences between the actual residual values realized on leased vehicles and Mobilize F.S. group's estimates of such values at the inception of the lease could adversely affect Mobilize F.S. group's results of operations and financial condition due to the recognition of higher-than-expected losses.

3.1.3.2.4 Operational risks

Among the operational risks, the most significant are related to information and communication technology (ICT) risk and business interruption risk.

Information and communication technology risk can be broken down into risks relating to information systems governance, outsourcing, security, change management and operations (production), IT business continuity and data quality/integrity.

Information and communication technology (ICT) risks covers, among other things, the risk of disclosure of information (confidentiality) or alteration of information (integrity) due to unauthorized access to ICT systems and data from within or outside the institution (e.g., cyber-attacks), the risk of system disruption (availability) due to the inability to restore the institution's services in a timely manner or to the failure of ICT hardware or software components, including the failure of the institution's information systems to function properly. The risk of system disruption (availability) due to the inability to restore the institution's services in a timely manner or to the failure of ICT hardware or software components, including the inability to detect and correct weaknesses in the management of ICT systems or the inability of the institution to manage changes to ICT systems in a timely and controlled manner.

The institution's ICT risk is also extended to outsourced activities, as service providers hold, store, or process the institution's ICT systems and information. A lack of control over these external parties to protect the institution's systems and information (confidentiality, integrity, availability) may have an impact on the institution's ability to comply with regulatory requirements, and to ensure its activities are properly carried out.

For example, the risk of inability to maintain/operate the Mobilize F.S. group's essential (important/critical) activities in the event of an external disruptive event (flood, contagion, IS destruction, cyber-attack, suicide, terrorist attack, etc.) or the inability to keep information systems operational (referring to the Business Resumption Plan, and Business Continuity Plan respectively) may negatively affect the Mobilize F.S. group's activities.

IT systems are an essential resource for the Mobilize F.S. group as they support the business processes in their daily operations.

After making loans or financing lease plans to individuals and businesses and making loans available to dealers, Mobilize F.S. group manages financial receivables. Any disruption in its servicing activity, due to the inability to access or accurately maintain accounts receivable records, or otherwise, could have a material adverse impact on its ability to collect these receivables and/or satisfy its customers.

Mobilize F.S. group relies on internal and external (both Mobilize F.S. group and third party) information and technology systems to manage its operations and is exposed to risk of loss resulting from security breaches, system or control failures, inadequate or failed processes, human error and business interruptions. In addition, Mobilize F.S. group has entered into framework agreements with Renault for the provision of certain IT systems and services.

3.1.3.2.5 Legal, regulatory and tax risks

Mobilize F.S. group is exposed to legal, regulatory, tax and conduct risks.

The Mobilize F.S. group's profitability and business could be affected by the regulatory, legal and tax environment, both in France and abroad, because Mobilize F. S group operates in several countries and is therefore subject to extensive supervisory and regulatory regimes and locally applicable rules and regulations, such as, but not limited to, banking regulations, consumer credit laws, securities laws and regulations, general competition regulations, real estate laws, employment regulations, anti-money laundering and anti-terrorist financing regulations, data protection laws, corporate and tax laws and insurance laws and regulations.

Regulators pay particular attention to consumer protection and have tightened the rules governing business conduct. These rules may, for example, limit the interest rate a lender can charge (usury rate), restrict the bundling of products, or regulate the remuneration of intermediaries.

In the event of non-compliance, customers may seek compensation if they feel they have suffered a loss in the sale of a product, or if the general terms and conditions have been incorrectly applied. Changes in legal rulings and the positions taken by the competent authorities could lead to unfavorable outcomes in certain cases, which could damage the group's reputation or have a negative impact on its results and financial situation, due to penalties imposed or compensation awarded, as well as the costs of defense incurred.

The protean nature of the regulations makes it difficult to assess their future impact on the company. Any failure to comply could lead to financial penalties, in addition to damaging the group's image, or to the imposed suspension of its activities, or even the withdrawal of the authorizations granted to carry out its activities (including its license), which could significantly affect its business and operating income.

Among the regulations that have a significant impact on the group are the banking prudential regulations applicable to credit institutions, and in particular the Basel III prudential rules on capital requirements.

The Mobilize F.S. group is primarily subject to the Capital Requirements Directive (CRD) package, comprising Directive 2013/36/EU (as amended by Directive (EU) 2019/878 (CRD V)) and Capital Requirements Regulation No. 575/2013 ("CRR") (as amended, inter alia, by Regulation (EU) 2019/876 (CRR II), (including all implementing legislation in France, in particular Law No. 2013-672 of 26 July 2013 on the separation and regulation of banking activities), the Bank Recovery and Resolution Directive 2014/59/EU ("BRRD"), as well as relevant technical standards and guidelines of EU regulators, e.g., the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA), which provide, among other things, for capital requirements for credit institutions, recovery and resolution mechanisms.

In addition to the regulatory changes outlined above, the European Central Bank (the "ECB") has taken important initiatives to ensure that the capital requirements of banks using internal models are calculated correctly, consistently, and comparably.

The Mobilize F.S. group uses its own internal models to calculate risk-weighted assets and thus capital requirements. In previous years, The Mobilize F.S. group has received remarks and comments on some of the models audited by the ECB for which it has been requested to revise certain parameters or to introduce temporary additions to its calculations. The institution is responding to most of these recommendations and compliance with the new EBA guidance on PD estimation, LGD estimation and treatment of defaulted assets by submitting packages (new models and methodologies) to the supervisor (ECB) in 2021.

As a provider of financing, insurance, banking (deposit) and other vehicle-related services, the Mobilize F.S. group treats the requirements of banking and insurance laws and regulations, competition practices and customer protection rules, ethical issues, money laundering laws as well as on the fight against corruption (Sapin 2 law), data protection laws and information security policies very carefully. Any non-compliance or failure to address these issues appropriately could result in additional legal risk and financial losses, through regulatory fines or reprimands, litigation or reputational damage, and in extreme scenarios, suspension of operations or even withdrawal of authority to do business.

Additional regulations or changes in applicable laws could add significant costs or operational constraints that could adversely affect the profitability of Mobilize F.S. group's business.

The Mobilize F.S. group's future results may be adversely affected by any of these factors.

3.2 Governance and organization principles of risk management

3.2.1 Risk governance policy – Risk Appetite Framework

/ EU OVA – INSTITUTION RISK MANAGEMENT APPROACH

Legal basis	Row number	Qualitative information - Free format	
Point (f) of Article 435(1) CRR	(a)	Disclosure of concise risk statement approved by the management body	Part 3.2.3 Risk profile – risk appetite statement
Point (b) of Article 435(1) CRR	(b)	Information on the risk governance structure for each type of risk	Part 3.2.2 Organization of risk control
Point (e) of Article 435(1) CRR	(c)	Declaration approved by the management body on the adequacy of the risk management arrangements.	Part 3.2.3Risk profile – risk appetite statement
Point (c) of Article 435(1) CRR	(d)	Disclosure on the scope and nature of risk disclosure and/or measurement systems.	Part 3.2.1 Risk governance policy – risk appetite framework Part 3.2.2 Organization of risk control
Point (c) of Article 435(1) CRR	(e)	Disclose information on the main features of risk disclosure and measurement systems.	Part 2-2 Organization of risk control
Point (a) of Article 435(1) CRR	(f)	Strategies and processes to manage risks for each separate category of risk.	Part 3.2.3 Risk profile – risk appetite statement Part 3.3.5 Management of internal capital Part 3.4.2 Credit risk management process Part 3.8 Interest rate risk for portfolio positions Part 3.9.1 Liquidity risk Part 3.10.1 Operational and non-compliance risks Part 3.11 ESG Risks Part 3.12 Other risks
Points (a) and (d) of Article 435(1) CRR	(g)	Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants.	Part 3.2.1 Risk governance policy – risk appetite framework Part 3.4 Credit risk -2 Credit risk management process Part 3.4.7 Credit risk mitigation techniques Part 3.5 Credit valuation ajustement risk Part 3.10.4 Insurance of operational risks

/ EU OVB – DISCLOSURE ON GOVERNANCE ARRANGEMENTS

Legal basis	Row number	Qualitative information _ Free format	
Point (a) of Article 435(2) CRR	(a)	The number of directorships held by members of the management body.	Part 3.2.2 Organization of risk control § the governing bodies
Point (b) of Article 435(2) CRR	(b)	Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.	Part 3.2.2 Organization of risk control § the governing bodies
Point (c) of Article 435(2) CRR	(c)	Information on the diversity policy with regard of the members of the management body.	Part 3.2.2 Organization of risk control § the governing bodies
Point (d) of Article 435(2) CRR	(d)	Information whether or not the institution has set up a separate Risk Committee and the frequency of the meetings.	Part 3.2.2 Organization of risk control § the governing bodies
Point (e) Article 435(2) CRR	(e)	Description on the information flow on risk to the management body.	Part 3.2.1 Risk of governance policy – Risk appetite framework Part 3.2.2 Organization of risk control Part 3.2.3 Risk profile – Risk appetite statement

Risk governance policy: key principles

The capacity to control actual or potential risks in its day-to-day activities, share the right information, take adequate measures in good time and promote responsible conduct at all levels of the company are key performance factors for the Mobilize F.S. group, and the pillars of its risk management mechanism.

Therefore, in accordance with the regulatory requirements (CRD/CRR), the Mobilize F.S. group's Risk Governance policy, adopted by General Management and the Board of Directors of RCI Banque S.A., is built around the following principles:

- identifying the main risks that RCI Banque S.A. has to address, in light of its "business model", its strategy and the environment in which it operates;
- the Board of Directors determining and formally defining risk appetite and conscious of it when setting strategic and commercial objectives;
- clarifying the roles of all parties involved in risk management and raising awareness amongst all managers about due compliance with Risk Governance Policy and with limits;
- improving vertical and horizontal communication channels and reporting lines to ensure alerts escalation to the right level and timely treatment of any overruns of set risk limits;
- risks are controlled by functions independent from operational functions.

The Risk Governance Policy applies to all consolidated entities in Mobilize F.S. group and is deployed at all levels of the organization, in each business line, for all risks and processes.

The list of risks identified in the group's mapping undergoes regular review (at least once a year), and any modifications thereto are subject to a prior consistency check with regard to the ICAAP/ILAAP standards. For its part, the risk appetite framework may be redefined and the control system strengthened whenever the risks of occurrence or seriousness of a risk appear greater.

Risk management guidelines are taken into account when drawing up each business plan and entail an examination of the related risks. This analysis is orchestrated by the Chief Risk Officer and forms an integral part of the plan submitted to the Board of Directors for approval.

The governing bodies (Executive Committee, Board of Directors' Risk Committee) ensure consistency and balance between:

- business development strategy and commercial objectives; and
- risk strategy and associated risk guidelines.

RCI Banque S.A.'s Board of Directors confirms that the risk management systems in place are adequate to preserve the company's liquidity and solvency with regard to its strategy and its risk profile.

Risk Appetite Framework

The "RAF" ("Risk Appetite Framework") defined by the Board of Directors is the guideline for the group's risk strategy in risk management. The RAF frames its risk exposure through a set of thresholds and limits that the bank has determined with regard to its appetite for each risk.

As part of this framework, "Risk Appetite" is defined for the group as the aggregate level and types of risks that the Board of Directors is willing to assume, in line with the company's risk capacity to achieve its strategic and commercial objectives.

At operational level, risk appetite is reflected by relevant limits and alert thresholds. The indicators, which may be qualitative and/or quantitative, used to set these limits, are in place for the company's major risks, as is the process of alert escalation up to the Board of Directors.

The Board of Directors' Risk Committee ascertains the smooth running of this process, which is subject to a general review at least once a year. In parallel, the most critical risks are presented quarterly to the Board of Directors' Risk Committee.

3.2.2 Organization of risk control

The overall risk monitoring process at Mobilize F.S. group is managed at three levels by distinct functions:

- **1st level controls** is done by:
  - the operational staff in charge of day-to-day risk management within their own area of responsibility. They decide on and are responsible for risk-taking within the operations they conduct to achieve goals assigned to them. They exercise such responsibility in compliance with the risk management rules and limits set by the "Corporate" risk steering functions,
  - the functional departments in charge of risk definition, rules, management methods, measurement and monitoring at the corporate level. Each department, in its area of expertise, manages and oversees the risk management system via guidelines and country objectives. Risk is monitored by periodic dedicated Committees in both the subsidiaries and centrally. These departments rely on local representatives for risk measurement and exposure monitoring and ensure that limits are respected at the group level;
- **2nd level controls comprises:**
  - the Internal Control department, who reports to the Chief Risk Officer, who is responsible for directing the general internal control and in particular the application of management rules throughout the group. In terms of internal control supervision in the Mobilize F.S. group subsidiaries, the Director of the Internal Control department is supported by Internal Controllers who are functionally attached to the Risk Control division hierarchically to the CEO of the subsidiaries. Similarly, the Director of the Internal Control department is supported by referents within the central functions to manage the internal control supervision system within the Mobilize F.S. group departments. Internal Controllers at Corporate level and in local entities verify the operations compliance level versus the procedures by checking the compliance with the group rules,
  - the Risk and Banking Regulation department, who reports to the Chief Risk Officer, ensures the deployment of the Risk Governance Policy within the group and ensures its consistency with the Risk Appetite Framework (RAF) defined by the Board of Directors; ensures the reliability of risk measurement indicators, the completeness of risk management systems for each risk and the effective exercise of such management; controls, more specifically, the effectiveness of the reporting and alert feedback channels from the subsidiaries to the corporate departments and prepares a summary report on the risks for the management bodies and the Risks Committee of the Board of Directors, as appropriate; verifies the adequacy of the corrective measures developed in the event of failures and their effective implementation by the management functions; plays a central role in monitoring the group's compliance with applicable prudential regulations,
  - the group Compliance division: is in charge of setting up, deployment and control of compliance program across RCIBS. Its scope covers in particular: ethics (codes of ethics and professional conduct, conflicts of interests management, gifts and invitations), financial crimes management including risk of corruption, money laundering and financing of terrorism, internal/external frauds (other than credit-related frauds), sanctions and embargos, personal data protection, customer protection. Also, in its compliance control function, group Compliance division ensures global consistency and efficiency of compliance control system. group Compliance division relies on its local network of compliance correspondents, as well as on other functions and departments involved in risk management and control system, such as: group Risk Control division, internal audit, legal function, performance control and, more generally, all the other business-lines;
- **3rd level controls** refers to the Internal Audit, which aims to provide RCI Banque S.A.'s Board of Directors and General Management with an overview of the effective level of business operations' control and of the risk steering and management performed by the first two levels.

  These three risk controlling lines report to the following Committees:

  - the Board of Directors and its specialist Committees, including the Risk Committee and the Audit and Accounting Committee,
  - the Executive Committee and the subsidiaries Management Board Committees, notably via the Internal Control, Operational Risk and Ethics & Compliance Commitee (at local and central level),
  - the operational Risk Management Committees within the company's functions (at local and central level).

  The content of the information reported to the Board of Directors' Risk Committee is decided upon during meetings of the latter Committee on the basis of proposals submitted by the Executive Board member concerned and the Chief Risk Officer. Exposure to each risk is measured at a frequency appropriate (from daily for risks such as the interest rate risk and monitoring of customer deposits, to monthly in general cases). These measurements are made at the individual entity level and then consolidated. The Risk and Banking Regulation department centralizes the production of the quarterly dashboard delivered to the Board of Directors' Risk Committee.

The risk management system covers all the macro processes of the Mobilize F.S. group and includes the following tools:

- the list of main risks for the Mobilize F.S. group for which a coordinator, a level of appetite, alert thresholds and limits (Risk Appetite Framework, or RAF) are defined. This list and the Risk Appetite Framework are updated at least once a year in line with the Mobilize F.S. group's business model and strategy,
- the operational rules mapping deployed in all of the Mobilize F.S. group's consolidated subsidiaries identifies operating risks and the ways in which they are controlled. This operational risk mapping is updated regularly by the functional departments, Process owners carry out a self-assessment of the operational rules control device and perform first level of controls in order to regularly check the operations compliance level versus the procedures,
- the incident collection database helps to identify malfunctions that correspond to predefined criteria and enables the corrective and preventive measures required to control risks to be put in place. This database is used for internal and regulatory reporting purposes. The system sets thresholds and criteria for communicating incidents to Executive Directors, Board of Directors, Renault Ethics and Compliance Committee, the French Prudential Supervision and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution – ACPR), the European Central Bank (ECB) and French Banking Federation (FBF).

The governing bodies

The Board of Directors

Board of Directors members, like the Executive Directors, are appointed on the basis of their reputation, knowledge of the company's activity and lines of business, technical and general skills, and experience, acquired for some of them through their duties in the shareholding company.

In addition, they collectively have the knowledge, expertise and experience to understand all the company's activities, including the main risks to which it is exposed, the sales finance sector, the Renault Group as well as for the Nissan and Mitsubishi brands and the automotive industry.

They each devote the time and attention necessary to perform their duties, in accordance with current regulations limiting the number of appointments held.

The principles concerning the selection and appointment of directors, de facto managers and holders of key positions in the company are described in RCI Banque S.A.'s Management Suitability Policy, approved by the Board of Directors on 8 February 2019.

The policy provides in particular a distinct preselection process according to position, a succession plan and an assessment by the Appointments Committee based on specified suitability criteria and taking into consideration a diversity policy for the Board of Directors.

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POSITIONS HELD BY THE MEMBERS OF RCI BANQUE S.A.'S BOARD OF DIRECTORS

Board of Directors as at 31 December 2023

	Position held in RCI Banque S.A.	Number of other positions held inside Renault Group	Number of other positions held outside Renault Group
Étienne BORIS	Director of the Board		2 non-executive positions
Philippe BUROS	Director of the Board	6 non-executive positions	
Gianluca de FICCHY	Chairman of the Board	2 executive positions	
Isabelle LANDROT	Director of the Board	1 executive position 1 non-executive position	
Isabelle MAURY	Director of the Board		4 non-executive position
Patrick CLAUDE	Director of the Board	1 executive positions 9 non-executive positions	
Thierry PIÉTON	Director of the Board	1 non-executive position	
Laurent POIRON	Director of the Board		3 executive position
Nathalie RIEZ-THIOLLET	Director of the Board		1 non-executive position
Céleste THOMASSON	Director of the Board		

Other members of the management body in its executive function at 31 December 2023

	Position held in RCI Banque S.A.	Number of other positions held inside Renault Group	Number of other positions held outside Renault Group
Jean-Marc SAUGIER	Deputy Chief Executive Officer and VP Finance and Treasury	3 non-executive positions	1 executive position
Frédéric SCHNEIDER	Chief Executive Officer and VP Commercial and Strategy	5 non-executive positions	

At 31 December 2023, RCI Banque S.A.'s Board of Directors had ten members, including four female members.

On recommendation by the Nominations Committee, the Board of Directors has set a diversity policy consisting in particular of maintaining a minimum proportion of 40% of directors of each sex.

As part of its oversight remit, in order to guarantee effective and prudential management of the establishment, the Board of Directors determines Mobilize F.S. group's risk profile in line with set strategic objectives, gives Executive Directors and the Executive Committee guidance on risk management for implementation/adaptation within the group, and supervises implementation thereof.

In carrying out its duties, the Board of Directors relies in particular on the work of the following Committees:

The Risk Committee

The Risk Committee meets at least eight times a year. Its role includes examining the risk map and signing off on the definition of risks, and analyzing and authorizing group risk limits in line with the Board's risk appetite and with a view to assisting the Board in terms of oversight. It is also responsible for analyzing action plans in the event that limits or notification thresholds are exceeded, and for examining pricing systems for products and services. In parallel with the Remuneration Committee, it also has the task of examining whether the remuneration policy is compatible with the company's risk exposure. So that it can advise the Board of Directors, this Committee is also responsible for the analysis and approval of the internal control report, the ICAAP and ILAAP systems, the recovery plan, and significant aspects of the rating and estimating processes derived from the company's internal credit risk models.

The Accounts and Audit Committee

The Accounts and Audit Committee meets at least five times a year. It is responsible for preparing, presenting and monitoring the financial statements, overseeing the statutory audit of the separate and consolidated financial statements, monitoring the independence of the statutory auditors and the definition of their non-auditing services, recommending the appointment of the statutory auditors and monitoring their rotation, verifying the effectiveness of internal control and risk management systems, reviewing the audit plan, analyzing the audits carried out and reviewing investments in unconsolidated companies.

The Remunerations Committee

The Remunerations Committee meets at least twice a year. Its main task is the annual review of the remuneration policy of management body and Chief Risk Officer. It also prepares decisions for the Board of Directors regarding the remuneration of individuals with an impact on risk and risk management.

The Nominations Committee

The Nominations Committee meets at least twice a year. Its main task is to recommend members for the Board of Directors. It is also in charge of the annual review of the Board of Directors, including its structure, membership, gender diversity and breadth of directors' knowledge, skills and experience. It submits nominations to the Board for Executive Directors, the Chief Executive Officer, Deputy Chief Executive Officers, Chief Risk Officer and Chief Compliance Officer.

Senior management

Managerial systems

In accordance with the CRD IV application order and 3 November decree on internal control, the duties of the Chairman and Chief Executive Officer are separate.

As of 31 December 2023, the company's Senior Management and de facto managers (within the meaning of Article L.511-13 of France's Monetary and Financial Code) are assumed under the responsibility of Frédéric Schneider, Chief Executive Officer and VP Commercial and Strategy, Jean-Marc Saugier, Deputy Chief Executive Officer and V.P. Finance and Treasury.

By a decision as of 19 December 2023, the Board of Directors appointed Martin Thomas and Frédéric Schneider as Chief Executive Officer and Deputy Chief Executive Officer respectively as from 22 January 2024.

The Chief Executive Officer holds the broadest powers to act under any circumstances on the company's behalf, within the limits of the corporate object and conditional on those powers that the law expressly attributes to shareholders' meetings and the Board of Directors. He is authorized to grant sub delegations or substitutions of powers for one or more specific transactions or categories of transaction.

The Deputies Chief Executive Officer hold, as regards third parties, the same powers as the Chief Executive Officer.

The Executive Committee

The Mobilize F.S. group's Executive Committee contributes to the group's direction of policy and strategy. It is the reference body which approve action plans when alert thresholds or limits are exceeded. It is also arbitration body when risk reduction actions affect the company's other objectives. The Executive Committee oversees the activity and risks in accordance with the guidelines ("Risk Appetite Framework") laid down by the Board of Directors via the Risk Committee.

In addition, Senior Management relies in particular on the following Committees to manage the group's risk control:

- the Financial Committee which reviews the following themes: economic analyses and forecasts, cost of the resource, liquidity risk, rate risk and counterparty risk on the group's various perimeters and subsidiaries. Changes in Mobilize F.S. holding's balance sheet and profit & loss account are also analyzed to make necessary adjustments to intra-group transfer prices;
- the Capital and Liquidity Committee which steers the funding plan and ensures that the group's solvency level enables it to ensure its development while meeting the expectations of the various stakeholders (regulators, rating agencies, investors, shareholder) and maintaining good resilience to stress scenarios;
- the group Commitments Committee which validates commitments beyond the authority of subsidiaries and to which the group Commitments Director reports on compliance with commitment standards and powers;
- the group Credit Risk Committee assesses the credit quality of new retail customer production and subsidiaries' performance as regards recovery and targets, and analyzes the cost of risk for the group and the main countries. On dealer network activity, it reviews changes in outstandings and stock rotation indicators as well as changes in the classification of dealerships and outstandings;
- the Regulatory Committee which reviews major changes in regulations, prudential oversight and action plans, and validates internal rating models and the associated management system;
- the Internal Control, Operational Risk and Ethics & Compliance Committee manages the whole of the group's internal control system, checks its quality and related mechanisms and adapts resources, systems and procedures. It details, runs and monitors the principles of the operational risk management policy and the principles of the compliance monitoring system. It monitors the progress in action plans. An Internal Control, Operational Risks and Compliance Committee operates in the Mobilize F.S. group subsidiaries;
- the New Product Committee which validates new products before they are put on the market, ensuring in particular that new products comply with the group's commercial policy, the group's budgetary requirements, legislation applicable locally, the protection of the client's interest and the group's risk governance;
- the IT Committee, which validates the IT orientations and strategy by considering the associated risks, and which reviews the IT projects, the IT security and the IT/IS Budget;
- the Legal and Tax Committee, which manages the legal, tax and conduct risks associated with the design and distribution of financing products and services;
- the Residual Values Committee, which validates the residual values policy applied to all entities concerned, and monitors market trends, resale process performance and provisions;
- the Climate and Environmental Risks Committee, which monitors the impact of physical and transition risks on existing risks (strategic, credit, financial, business continuity) monitors progress of action plans relating to climate and environmental risks, monitors compliance with risk indicators and ensures that climate and environmental risks are integrated into operating.

At local level, the dedicated Committees control the operational management of risks in line with the defined framework.

3.2.3 Risk profile – Risk Appetite Statement

The Risk Appetite Statement is approved annually by the Board of Directors on the proposal of the Risk Committee. The group has established a Risk Appetite Framework and a Risk Appetite Statement, which are intended to formalize the Mobilize F.S. group's tolerance of the risks to which it is exposed.

The risk profile is determined in accordance with the group's values and strategy taking into account the environment in which it operates. The risk profile is determined based on all risks associated in the Mobilize F.S. group's activities in Europe and worldwide. These are identified in the group's risk mapping and are periodically reassessed.

The risk profile is determined in accordance with the group's values and strategy and considering the environment in which it operates. It takes into account all the risks associated with the Mobilize F.S. group's activities worldwide. These are identified in the group's risk map and periodically reassessed. The risk profile or risk appetite is implemented within the group by the Executive Committee through the specialized Committees chaired by its members (Financial Committee, Capital and Liquidity Committee, Credit Risk Committee, Internal Control, Operational Risk and Ethics & Compliance Committee, etc.). These Committees are responsible for managing the main risks to which the group is exposed. In addition, the group's strategic processes, such as capital and liquidity management, are developed in accordance with the Risk Appetite Statement; during the budgetary exercise, the forecasts for the key indicators of the Risk Appetite Framework are compared with the thresholds defined in the Risk Appetite Framework. The adequacy of the risk profile and risk exposure is monitored by the Executive Committee and by the Board of Directors through its Risk Committee. The Board of Directors also carries out an annual review and validation of the Risk Appetite Framework.

The implementation of the group's risk appetite is based on four components: (i) the definition of common reference frameworks, (ii) the existence of a set of limits in line with those defined by the regulations, (iii) the allocation of responsibilities and expertise between the central body and the entities, and (iv) the functioning of governance within the group and the various entities, which allows for the effective implementation of the system devoted to risk appetite.

The risk appetite framework may be adjusted at least annually and particularly during the strategic plan development process. Risk appetite is specified through two types of thresholds:

- a limit: the maximum level of risk that the bank is willing to assume in order to achieve its strategic objectives, in compliance with prudential and regulatory requirements, and having implemented adequate risk management and control capabilities;
- an alert threshold: the level of risk that triggers a notification to the Board of Directors when it concerns a regulatory ratio and to the Risk Committee for all risks monitored at its level, or a notification to the Executive Committee for all risks.

When a limit is crossed, an action plan is implemented to bring it back to the appropriate level, and the Board of Directors is notified in the case of critical risks and the Executive Committee in the case of significant risks.

The crossing of the alert threshold leads to the planning of a set of risk reduction measures applicable in order to prevent the limit being exceeded.

The risk profile is monitored on a daily to quarterly basis to quarterly basis, depending on the indicators and risks involved. These indicators are the subject of a quarterly risk dashboard produced by the Risk and Banking Regulation department and presented to the Executive Committee and the Board of Directors' Risk Committee. In particular, the following indicators are included in the Risk Appetite Framework and are listed in the Key Figures of the section of Part I – Summary of risk:

- the CET1 ratio and the total capital ratio;
- the leverage ratio;
- the liquidity coverage ratio;
- the net stable funding ratio;
- the cost of risk.

The Mobilize F.S. group aims to support the business development of the Renault Group as well as for the Nissan and Mitsubishi brands 'scar brands, in particular through its key role in financing individual and corporate customers, dealership networks and in developing customer loyalty. This is reflected in:

- maintaining high levels of profitability and adequate solvency, which is the guarantee of the reliability of this commitment vis-à-vis the shareholder;
- a refinancing policy based on diversifying funding sources and on building up adequate liquidity reserves;
- a financing and service offer that is constantly adapted to the needs of our clients and is distributed through physical and digital channels that facilitate access;
- a particular attention to the conformity of the products and services marketed and to the quality of the information transmitted to customers, in particular by ensuring compliance with good practices related to sales and ethical issues, which may impact the group's reputation;
- an integration into the group's strategy of issues related to environmental and social transitions and corporate social responsibility challenges.

A responsible and measured approach is in the center of a risk-taking decision process at Mobilize F.S. group. The main risks are subject to a strict risk steering framework, in line with the risk appetite defined by the Board of Directors:

- **risks related to commercial deployment:**
  a) **concentration risk** arises from a significant accumulation of exposures to certain categories, sectors or markets. The purpose of monitoring this risk is to determine the maximum level of concentration that the bank is prepared to take in the course of its business, in accordance with its strategic plan,
  b) **strategic risk** is assessed and monitored with the aim of enabling the company to achieve the results of its strategic plan. It is based in particular on the monitoring of external factors such as economic crises, pandemics, etc., as well as the performance of the company's products and investments, and its ability to maintain a high level of profitability and customer satisfaction,
  c) **geopolitical risk** is analyzed by taking into account macroeconomic indicators, market indicators and external ratings. Cross-border loans and capital investments are subject to a system of limits,

d) **climate and environmental risks** are mapped via a survey of the expected impacts of physical and transition risks, and framed by limits in terms of CO_2 emission reductions, ESG ratings, the number of commercial offers encouraging the use of electric vehicles and the intervention rate (ratio between financing contracts and registrations) on electric vehicles;

- **the solvency risk** is controlled with a view to maintaining:

a) a necessary security margin regarding prudential requirements, reflecting Mobilize F.S.'s high profitability and capacity to adapt dividend paid to the single shareholder,

b) and an "investment grade" rating level by credit rating agencies;

- **financial risks:**

a) the **liquidity risk** is assessed and controlled monthly. It is managed in such a way as to ensure the company's continuity of business for a minimum period in various stress scenarios, including assumptions of financial market closure and mass withdrawals of deposits. A limit of six months' business continuity has been set for centrally funded subsidiaries (three months for locally funded subsidiaries), with the associated alert thresholds set considerably over such levels,

b) the **interest-rate risk** is monitored daily. Since March 2021, it has been measured on the basis of scenarios of parallel increase or rotation of the rate curves, the amplitude of which depends on the currency, in accordance with EBA guidelines. Interest rate risk is limited by a sensitivity limit of €70 million,

c) **currency risk** can be broken down into structural currency risk, which arises from the group's long-term investments in the equity of its foreign subsidiaries, and transactional currency risk, which arises from cash flows denominated in currencies other than the parent company currency. The position and compliance with these limits are presented monthly to the Finance Committee or the Capital and Liquidity Committee;

- **product risks:**

a) the **credit risk**:

  - the **retail and corporate customer** risk is monitored from both the portfolio and new business perspectives. Its management is based on tracking the cost of risk in relation to set targets, with strong monitoring of underwriting and collection particularly under stressed conditions,
  - the **wholesale** risk is controlled by monitoring the financial situation of dealers, thus contributing to the control of credit risk on outstandings, while ensuring the sustainability of dealer networks.

  For both these risks, the target is to keep the overall cost of risk at a consolidated level below or equal to 1% of outstandings;

b) the **residual value risk** is assessed and controlled in order to minimize potential losses on end-of-contracts sales. It has recently been adjusted to support the company's ambitions to develop its used vehicle and operational rental business. Specific monitoring and rules aim at mitigating the risk;

- **operational risks:**

a) the **non-compliance risks** (legal, conduct, tax, AML/CFT, BRRD regulation, fraud, reputation, business continuity, IT, personal data protection, corruption, unethical behaviour, etc.) are covered by a relevant risk mapping, specific procedures and controls, and are subject to monitoring by dedicated Committees. Reporting at Board of Directors' Risk Committee and/or Executive Board level ensures compliance with alert thresholds and limits, set in order to minimize any risk of penalties or harm to the group's image and reputation,

b) **IT and business continuity risks** are subject to controls and regular tests, particularly in terms of IT security, to ensure that Mobilize F.S. group is able to maintain its activities, and to limit losses in the event of a serious disruption. The results and implementation of remediation plans are subject to limits and are monitored by a dedicated Committee.

External "interconnections" with third parties that provide significant services to Mobilize F.S. group mainly concern: dealer networks, technical solution providers for the Mobilize F.S. group's (retail) customer deposit systems, banking and insurance partners (through joint ventures or not), Renault for its IT infrastructure, etc. Essential outsourced services are based on strong contracts and partners, as well as the preparation of an alternative solution (supplier substitutability and/or service reversibility), which means that continuity of service would be maintained.

Internal "interconnections" concern two main areas:

- financing: RCI Banque S.A. acts as a central refinancing unit, borrowing on the markets and then making available to some of its subsidiaries and branches the funds they need to finance their business. At the same time, group entities that collect savings or carry out securitizations, as well as insurance companies, deposit their surpluses with RCI Banque S.A.;
- information systems: internal IT solutions are provided by certain countries to RCI entities, such as Mobilize F.S France for the networks business management system and the accounting system.

3.2.4 Stress tests

Stress tests or what-if analyses are a favored measurement of the resilience of the group, its activities and portfolios, and form an integral part of its risk management. Stress tests are based on hypothetical, harsh yet plausible economic scenarios.

The stress tests process includes:

- an overall stress exercise as part of the ICAAP process (Internal Capital Adequacy Assessment Process) which is carried out as part of the regulatory exercise at the beginning of the year and on a quarterly basis for the rest of the year. It covers all of the group's activities and in 2023 was based on several main scenarios: a central scenario based on the budget trajectory, a macro-economic stress scenario, two idiosyncratic scenarios based in particular on transition risk (Climate scenario) and the risk of business interruption (Cyber-resilience scenario), a combined scenario that includes a combination of macroeconomic and idiosyncratic effects, and reverses stress test. Projections of potential losses in respect of the establishment's risks are estimated over a three-year period;
- stress test framework includes liquidity stress test to ensure that the time horizon during which the group can continue to operate is respected in a stressed market environment;
- stress tests capturing the group's sensitivity to interest rate and foreign exchange risks. Interest rate risk is measured with the aid of yield curve translation and distortion scenarios;
- stress tests designed by the EBA (European Banking Authority) or conducted within the supervisory framework of the ECB (European Central Bank) on the basis of a methodology common to the participating banks.

3.2.5 Remuneration policy

EU REMA - Remuneration policy

The remuneration policy for individuals whose professional activities have a significant impact on Mobilize F.S.'s risk profile is presented to and approved by the Remuneration Committee and the Board of Directors.

The Remuneration Committee met six times in 2023. As of 31 December 2023, the members of the Remuneration Committee were G. de Ficchy, P. Buros et L. Poiron. The fixed component of pay reflects the level of responsibility of the position held. The variable component of the pay is intended to reward the performance achieved. This variable component depends heavily on the consolidated financial and commercial results achieved by the Mobilize F.S. group. In 2022, variable remuneration now includes Long Term Incentive payments. Variable remuneration is capped at a percentage of the fixed salary. This percentage is systematically less than or equal to 100% except for one person for whom agreement from the general meeting has been given the limit of 200% of the fixed part of the remuneration. The Mobilize F.S. group therefore complies with the regulations on variable remuneration.

The criteria used to measure the performance for the fiscal year 2023 are: the RORWA measured on a consolidated basis at the group, the commercial contribution divided by the number of immatriculations on a consolidated basis at the group and by country, the operating margin per country and on a consolidated basis at the group level, the amount of operating margin measured by country and in group consolidated terms, the difference in the penetration rate of financing on registrations of between electric vehicles on the one hand and combustion and hybrid vehicles on the other (measured at group level); the operating expenses as a % of group Average Productive at the group level and by country, the NPS "Net Promoter Score" per country and on a consolidated basis at the group, the RCS "Risks/Compliance/Security" KPI, which measures the completion of actions related to Risks, Compliance and Security per country and on a consolidated basis, under the control of Corporate Internal Control department; the individual contribution to the objectives of various departments assessed by the employee's line manager.

In the fiscal year 2023, 107 individuals had significant impact on the risk profile. Their fixed remuneration in 2023 came to a total of €12,755,345. Their variable remuneration in 2023 totaled to €5,482,105, representing 43% of the total fixed remuneration, or 30% of the total fixed and variable remuneration. Mobilize F.S.'s activities relate exclusively to car finance and services. It is a field of business in which sub-fields of business have no significant differences. In addition, remuneration policy is the same across the whole Mobilize F.S. perimeter. Consequently, it is not necessary to break down these amounts per field of business. According to the type of position, these remunerations breaks down as follows:

- Executive Committee: total fixed remuneration = €2,189,100; total variable remuneration = €2,133,382;
- control functions: total fixed remuneration = €1,265,115; total variable remuneration = €331,034;
- corporate functions excluding Executive Committee and control: total fixed remuneration = €1,454,918; total variable remuneration = €548,786;
- other positions: total fixed remuneration = €7,272,013; total variable remuneration = €2,271,903.

In 2023, the external directors of the Board of Directors received a remuneration for their duties of €316,000. In 2023, one employee received an annual remuneration exceeding €1,000,000 for the exercise of his duties.

Part of the variable remuneration awarded to the individuals whose professional activities have a significant impact on the risk profile of Mobilize F.S. is subject to a deferral, the duration of which has been updated starting the fiscal year 2021 from three to five years beyond the first payment, which itself is made at the end of the reference fiscal year. This policy of spreading the variable remuneration has been updated for the fiscal year 2021, in accordance with Directive (EU) 2019/878.

As a reminder, Mobilize F.S. introduced a policy of deferring variable remuneration as of the fiscal year 2016, with initial application in early 2017. The policy of deferring variable remuneration only applies to the beneficiaries eligible for variable remuneration of more than €50,000; 40% of the variable remuneration is then deferred over a period of five years as indicated above.

The deferred amount are acquired, provided that Mobilize F.S. has achieved a certain level of performance,

a) expressed as a percentage of average performing outstanding:

From the fiscal year 2018 to 2020, the amount paid up over each of the three years of deferred is paid in full by the payment of funds into a Subordinate Term Account.

As from the fiscal year 2021, the amount released during each of the five years of deferral is paid in full by the payment of funds into a Subordinate Term Account;

b) expressed as a percentage of the average RORWA level:

From the 2022 financial year, the amount released during each of the five years of deferral is paid in full by the payment of RCI instruments (cash indexed to the evolution of the accounting equity of RCI Banque) except for the 3rd year of deferral, paid in Renault shares if the beneficiary has been awarded Renault shares. The level of acquisition and payment of Renault LTIs depends on the achievement of performance conditions specified in the regulations of the Renault performance share allocation plan.

Any remuneration awarded in the form of RCI instruments is subject to a retention period of twelve months from its acquisition.

Exercises 2019 to 2021:

If a serious event affecting Mobilize F.S.'s solvency occurs, in accordance with current legislation and regulations, the beneficiary may see the value of the funds allocated to the Subordinated Term Account reduced to zero and the related remuneration definitively lost. In such an event therefore, withdrawal of funds at the end of the retention period is impossible, and no remuneration will be payable.

The Subordinated Term Account shall be fully cancelled, and its repayment value reduced to zero should any of the following events occur:

- if the CET1 solvency ratio, defined according to the terms of Article 92 (1) (a) of the CRR, is less than 7%;
- if the banking regulator starts resolution proceedings against Mobilize F.S.

Lastly, if the beneficiary is the subject of an investigation and/or disciplinary proceedings into a potential breach or action or misconduct that could have impacted directly or indirectly on Mobilize F.S.'s Pre-Tax Income or Operating Margin, or that might indicate a lack of fitness or propriety, allocation of the deferred amount shall be suspended until such time as the findings of the investigation or disciplinary proceedings are known. If no breach or misconduct is identified and no sanctions imposed, the beneficiary's eligibility for the deferred remuneration will be maintained. If a breach or misconduct is identified and sanctions imposed, then the beneficiary will no longer be eligible for that deferred remuneration.

From 2022 exercises:

The shares not yet paid in the variable compensation will be reduced to zero in the event of the occurrence of one of the events below: the CET1 Solvency Ratio, defined in accordance with the terms of article 92 (1) (a) of the CRR, is lower than the threshold defined for entry into the Recovery Plan, i.e., the regulatory requirement increased by the "shortfall" in AT1 & T2 +5 bps when the banking regulator implements a Resolution Procedure against RCI Banque. A presence condition for the definitive acquisition of deferred shares has been introduced except in the event of retirement or death.

Thus, considering the internal organization of Mobilize F.S. group and its nature, scope, and low complexity of its activities, Mobilize F.S. has put in place since 2016 a remuneration policy that guarantees a principle of deferred and conditional payment for individuals whose professional activities have a significant impact on the risk profile. This principle will be re-assessed on a regular basis if the exposure to risks changes.

As of fiscal year 2021, this policy for the spreading of variable compensation is updated to take into account the amendments made to Directive 2013/36/EU by Directive (EU) 2019/878, the transposition of which took effect on 29 December 2020.

At the end of 2023, with the application of the above provisions, the deferred remuneration situation is as follows:

- for the fiscal year 2019, deferred amounts determined in 2020 represented a total of €510,549, spread over 2021, 2022 and 2023. Of that total, amounts that could be paid in 2023 conditional on confirmation were paid in full. There are no further amounts deferred beyond 2023 in respect of the fiscal year 2019;
- for the fiscal year 2020, amounts determined in 2021 represented a total deferred of €205,422, spread over 2022, 2023 and 2024. Of this total, the amounts that can be paid in 2023 subject to confirmation have been confirmed and paid in full; they represent a subtotal of €68,474. Amounts still to be deferred in respect of the fiscal year 2020 over the year 2024 amount to €68,474;
- for the fiscal year 2021, amounts determined in 2023 represented a total deferred of €611,848, spread over the years from 2023 to 2027. Of this total, the amounts that can be paid in 2023 subject to confirmation have been confirmed and paid in full; they represent a subtotal of €122,370. Amounts still to be deferred in respect of the fiscal year 2020 over the years 2024 to 2027 amount to €489,478;
- for the fiscal year 2022, amounts determined in 2023 represented a total deferred of €1,821,125, spread over the years 2024 to 2029;
- thus, at the end of 2023, there remains no deferred amount for the fiscal year 2019, and for all the fiscal years 2020, 2021 and 2022, the amounts deferred over the years 2023 to 2029 represent a total of €2,480,428.

€2,535,853 of severance payments were made to those whose professional activities have a significant impact on the risk profile of Mobilize F.S. in 2023.

/ EU REM1 – REMUNERATION AWARDED FOR THE FINANCIAL YEAR

		a	b	c	d
		MB Supervisory function	**MB Management function**	**Other senior management**	**Other identified staff**
	Fixed remuneration				
1	Number of identified staff	9	3	8	87
2	Total fixed remuneration	119,000	852,731	1,336,369	10,447,245
3	Of which: cash-based	119,000	852,731	1,336,369	10,447,245
4	(Not applicable in the EU)				
EU-4a	Of which: shares or equivalent ownership interests				
5	Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x	Of which: other instruments				
6	(Not applicable in the EU)				
7	Of which: other forms				
8	(Not applicable in the EU)				
	Variable remuneration				
9	Number of identified staff				
10	Total variable remuneration	197,000	1,212,918	920,464	3,151,723
11	Of which: cash-based	197,000	308,896	283,855	1,769,100
12	Of which: deferred				
EU-13a	Of which: shares or equivalent ownership interests				
EU-14a	Of which: deferred				
EU-13b	Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b	Of which: deferred				
EU-14x	Of which: other instruments		860,896	477,046	1,093,685
EU-14y	Of which: deferred		595,125	238,383	595,263
15	Of which: other forms		43,125	159,563	288,938
16	Of which: deferred		43,125	159,563	288,938
17	Total remuneration (2 + 10)	316,000	2,065,648	2,256,833	13,598,968

/ EU REM2 – SPECIAL PAYMENTS TO STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON INSTITUTIONS' RISK PROFILE (IDENTIFIED STAFF)

	MB Supervisory function	Other identified staff
Guaranteed variable remuneration awards		
Guaranteed variable remuneration awards – Number of identified staff		
Guaranteed variable remuneration awards – Total amount		
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap		
Severance payments awarded in previous periods, that have been paid out during the financial year		
Severance payments awarded in previous periods, that have been paid out during the financial year – Number of identified staff		
Severance payments awarded in previous periods, that have been paid out during the financial year – Total amount		
Severance payments awarded during the financial year		
Severance payments awarded during the financial year – Number of identified staff		3
Severance payments awarded during the financial year – Total amount		2,535,853
Of which paid during the financial year		2,535,853
Of which deferred		
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap		
Of which highest payment that has been awarded to a single person		

/ EU REM3 – DEFERRED REMUNERATION

	Deferred and retained remuneration	a Total amount of deferred remuneration awarded for previous performance periods	b Of which due to vest in the financial year	c Of which vesting in subsequent financial years	d Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	e Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	f Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e., changes of value of deferred remuneration due to the changes of prices of instruments)	EU - g Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	EU - h Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function								
2	Cash-based								
3	Shares or equivalent ownership interests								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	MB Management function	968,769	131,093	837,676				131,093	
8	Cash-based								
9	Shares or equivalent ownership interests								
10	Share-linked instruments or equivalent non-cash instruments								
11	Other instruments	925,643	131,093	794,550				131,093	
12	Other forms	43,126		43,126					
13	Other senior management	499,810	46,188	453,621				46,188	
14	Cash-based								
15	Shares or equivalent ownership interests								
16	Share-linked instruments or equivalent non-cash instruments								
17	Other instruments	205,754	46,188	159,566				46,188	
18	Other forms	294,055		294,055					
19	Other identified staff	1,372,875	183,745	1,189,131				183,745	
20	Cash-based								
21	Shares or equivalent ownership interests								
22	Share-linked instruments or equivalent non-cash instruments								
23	Other instruments	1,083,933	183,745	900,180				183,745	
24	Other forms	288,942		288,942					
25	**TOTAL AMOUNT**	**2,841,454**	**361,026**	**2,480,428**				**361,026**	

/ EU REM4 – REMUNERATION OF €1 MILLION OR MORE PER YEAR

	In euros	a Identified staff that are high earners as set out in Article 450(i) CRR
1	1,000,000 to below 1,500,000	1
2	1,500,000 to below 2,000,000	0
3	2,000,000 to below 2,500,000	0
4	2,500,000 to below 3,000,000	0
5	3,000,000 to below 3,500,000	0
6	3,500,000 to below 4,000,000	0
7	4,000,000 to below 4,500,000	0
8	4,500,000 to below 5,000,000	0
9	5,000,000 to below 6,000,000	0
10	6,000,000 to below 7,000,000	0
11	7,000,000 to below 8,000,000	0
x	To be extended as appropriate, if further payment bands are needed.	0

/ EU REM5 – INFORMATION ON REMUNERATION OF STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON INSTITUTIONS' RISK PROFILE (IDENTIFIED STAFF)

		a	b	c	d
		Management body remuneration			Business areas
		MB Supervisory function	MB Management function	Total MB	Investment banking
1	**Total number of identified staff**				
2	Of which: members of the MB	9	3	12	
3	Of which: other senior management				
4	Of which: other identified staff				
5	**TOTAL REMUNERATION OF IDENTIFIED STAFF**	**316,000**	**2,065,648**	**2,381,648**	
6	Of which: variable remuneration	197,000	1,212,918	1,409,918	
7	Of which: fixed remuneration	119,000	852,731	971,731	

e	f	g	h	i	j
		Business areas			
Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
					107
		6	2		
38		12	11	27	
5,852,361		**4,260,537**	**1,596,149**	**4,146,755**	
1,329,717		1,469,250	331,034	942,186	
4,522,644		2,791,287	1,265,115	3,204,569	

3.3 Capital management and capital adequacy

3.3.1 Applicability – prudential scope

The prudential scope used to calculate the solvency ratio is the scope of consolidation described in the IFRS notes to the financial statements, with the exception of the exemptions described below in respect of CRR prudential consolidation methods.

The Mobilize F.S. group has not opted for the so-called "conglomerates" option; therefore, the solvency ratio is calculated "exclusive of insurance", eliminating the group insurance companies' contributions from the denominator.

Exemptions in respect of chapter 2 section 2 of the CRR (regulatory consolidation): Insurance companies based in Malta are recognized by the equity method, in accordance with Article 18.7 of the CRR.

Furthermore, entities consolidated for accounting purposes by the proportional consolidation method before application of IFRS 11 and now deemed consolidated for accounting purposes by the equity method, remain prudentially consolidated by the proportional consolidation method in accordance with Article 18.4 of the CRR. Information on these entities and their consolidation method for accounting purposes is presented in Note 8 to the consolidated financial statements. The Turkish entity ORFIN as well as the British entity SVGH, acquired in November 2023, are consolidated by proportional consolidation within the regulatory scope (see table LI3).

With regard to liquidity ratios, only entities fully consolidated within the prudential scope are retained, in accordance with Article 18.1 of the CRR.

Both the accounting and prudential scopes of consolidation hold the same entities and the differences in methods of consolidation have no impact on the different entries in equity. Therefore, no difference is to be noticed between the two scopes of consolidation regarding the different items present in equity.

/ EU LI1 – DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY SCOPES OF CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES

				Carrying values of items subject to:				
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework	Not subject or deduction from own funds
	In millions of euros	a	b	c	d	e	f	g
	Assets							
1	Cash and balances at central banks	4,733	4,733	4,733				
2	Derivatives	225	252		252			
3	Financial assets at fair value through other comprehensive income	483	281	281				
4	Financial assets at fair value through profit or loss	143	117	117				
5	Financial assets at amortised cost							
6	Amounts receivable from credit institutions	1,539	1,528	1,528				
7	Loans and advances to customers	53,851	54,015	54,047				(32)
8	Current tax assets	410	88	88				
9	Deferred tax assets	249	197	183				14
10	Insurance and reinsurance contrats asset	33						
11	Adjustment accounts & miscellaneous assets	1,583	1,896	1,851				45
12	Non-current assets held for sale							
13	Investments in associates and joint ventures	97	368	368				
14	Operating lease transactions	1,564	1,564	1,564				
15	Tangible and intangible non-current assets	150	151	108				43
16	Goodwill	136	153					153
17	**TOTAL ASSETS**	**65,196**	**65,344**	**64,869**	**252**			**223**

In millions of euros		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items subject to: Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework	Not subject or deduction from own funds
		a	b	c	d	e	f	g
	Liabilities							
1	Central Banks	2,375	2,375					2,375
2	Derivatives	289	351					351
3	Financial liabilities at fair value through profit or loss	62						
4	Amounts payable to credit institutions	2,275	2,276					2,276
5	Amounts payable to customers	29,312	29,818	52				29,766
6	Debt securities	20,316	20,316					20,316
7	Current tax liabilities	189	61					61
8	Deferred tax liabilities	772	692					692
9	Adjustment accounts & miscellaneous liabilities	1,880	1,912	5				1,907
10	Non-current liabilities held for sale							
11	Provisions	182	151					151
12	Insurance and reinsurance contrats liabilities	151						
13	Subordinated debt - Liabilities	893	893					893
14	Equity	6,500	6,500					6,500
15	**TOTAL LIABILITIES**	**65,196**	**65,344**	**57**				**65,287**

/ EU LI2 – MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS

In millions of euros		Total	Items subject to: Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework
		a	b	c	d	e
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	65,121	64,869	252		
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	57	57			
3	**TOTAL NET AMOUNT UNDER THE SCOPE OF PRUDENTIAL CONSOLIDATION**	**65,064**	**64,812**	**252**		
4	Off-balance-sheet amounts	3,106	3,106			
5	Differences in valuations	(1)	(1)			
6	Differences due to different netting rules, other than those already included in row 2					
7	Differences due to consideration of provisions	750	750			
8	Differences due to the use of credit risk mitigation techniques (CRMs)	(703)	(703)			
9	Differences due to credit conversion factors	(527)	(527)			
10	Differences due to Securitisation with risk transfer					
11	Other differences	334	(6)	340		
12	**EXPOSURE AMOUNTS CONSIDERED FOR REGULATORY PURPOSES**	**68,023**	**67,431**	**592**		

/ EU LI3 – OUTLINE OF THE DIFFERENCES IN THE SCOPES OF CONSOLIDATION (ENTITY BY ENTITY)

		Method of prudential consolidation					
Name of the entity	**Method of accounting consolidation**	**Full consolidation**	**Proportional consolidation**	**Equity method**	**Neither consolidated nor deducted**	**Deducted**	**Description of the entity**
a	b	c	d	e	f	g	h
RCI Services Ltd	Full consolidation			X			Insurance company
RCI Insurance Ltd	Full consolidation			X			Insurance company
RCI Life Ltd	Full consolidation			X			Insurance company
ORFIN Finansman Anonim Sirketi	Equity method		X				Credit institution
Select Vehicle Group Holding Limited	Equity method		X				Holding company – financial and insurance sector

/ EU LIA – EXPLANATIONS OF DIFFERENCES BETWEEN ACCOUNTING AND REGULATORY EXPOSURE AMOUNTS

Legal basis	**Row number**	**Qualitative information**	
Article 436(b) CRR	(a)	Differences between columns (a) and (b) in template EU LI1	The main differences between the two columns of the EU LI1 table come from the differences in the consolidation method of the Turkish JV and the insurance companies: The Turkish entity as well as the newly acquired British entity are accounted for under the equity method in the accounting scope and proportionally consolidated in the prudential scope, as both are on joint control. Insurance companies are accounted for using the equity method in the prudential scope but are fully consolidated in the accounting scope Therefore, loans and receivables to customers are higher within the prudential scope.
Article 436(d) CRR	(b)	Qualitative information on the main sources of differences between the accounting and regulatoy scope of consolidation shown in template EU LI2	The main differences come from the addition of off-balance sheet items (financing commitments given to customers) weighted by the CCF, credit risk mitigation techniques (see part 3.7) and the impairments not taken into account under the advanced method (art. 166) - On the "Other" line are essentially the additional exposures calculated within the framework of the SACCR

/ EU LIB – OTHER QUALITATIVE INFORMATION ON THE SCOPE OF APPLICATION

Legal basis	**Row number**	**Qualitative information**	
Article 436(f) CRR	(a)	Impediment to the prompt transfer of own funds or to the repayment of liabilities within the group	Unless there are any occurrences of restrictions that may be imposed by local regulators, there is no impediment to the transfer of equity between subsidiaries. No impediment to the repayment of liabilities within the group.
Article 436(g) CRR	(b)	Subsidiaries not included in the consolidation with own funds less than required	There is no non-consolidated bank within the group.
Article 436(h) CRR	(c)	Use of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR	RCI Banque S.A. and DIAC SA have both received a waiver to the application of prudential requirements on an individual basis.
Article 436(g) CRR	(d)	Aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation	There is no non-consolidated bank within the group.

3.3.2 Solvency ratio

Solvency ratio (own funds and requirements)

In September 2007 the French Prudential Supervision and Resolution Authority granted Mobilize F.S. group individual exemptions from solvency ratio compliance for French credit institutions Diac SA and RCI Banque S.A., as the exemption conditions imposed by Article 4.1 of CRBF Regulation 2000-03 were met by the group.

The switch to Directive 2013/36/EU does not call into question the individual exemptions granted by the French Prudential Supervision and Resolution Authority before 1 January 2014, on the basis of previous regulatory provisions.

The group still complies with the framework of requirements provided in Article 7.3 of the CRR:

- there is no impediment to the transfer of own funds between subsidiaries;
- the risk measuring and control systems within the meaning of the ministerial order of 3 November 2014 on internal control are implemented on a consolidated basis, subsidiaries included.

Accordingly, the Mobilize F.S. group is exempted from compliance on an individual basis with the solvency ratio for each of its French finance companies. However, it monitors changes in this ratio at group consolidated level every month.

The overall solvency ratio lands at 16.05% at the end of 2023 (of which the CET1 ratio was 13.88%), compared to 16.84% at the end of December 2022 (of which the CET1 ratio was 14.47%).

These ratios include the interim profits at the end of December 2023, net of the share of the annual dividend that RCI Banque S.A. plans to distribute to its shareholder, in accordance with article 26.2 of the CRR and the conditions of ECB decision 2015/4.

The drop in the overall ratio is explained by the increase in REA (+€3,222 million) due largely to the increase in credit exposures on the corporate (+€1,447 million) and retail customer (+€1,128 million) segments as well as the application of IFRS 17 to insurance companies (+ €377 million).

This increase in REA is partially offset by an increase in CET1 equity (€247 million) linked to the integration of the annual result deducted from the forecast dividend (€187 million), the application of IFRS 17 (+€151 million) and the increase in the EL/PROV [1] netting -€70 million).

Prudential own funds are determined in accordance with Regulation (EU) 575/2013 (and subsequent changes) concerning prudential requirements applying to credit institutions and investment firms (CRR).

The group must apply the following capital buffers:

- a capital conservation buffer of 2.5% of total risk-weighted exposures;
- a countercyclical capital buffer (0.54% at the end of 2023) applied to some countries as described in CCyB1 table below.

Notification by the ECB of the Supervisory Review and Evaluation Process (SREP) decision

At the end of 2023, the European Central Bank has notified to Mobilize F.S. group its decision regarding the level of additional capital requirement under Pillar 2 (P2R - "Pillar 2 Requirement") for the year 2024. It is set at 2,00%, applicable from 1 January 2024.

Minimum requirement for own funds and eligible liabilities (MREL)

The Mobilize F.S. group received, in December 2023, the final notification from the ACPR of its binding minimum requirement for own funds and eligible liabilities (MREL) for RCI Banque S.A. and DIAC SA. These are set at 10.00% of risk weight assets (TREA) and 3% of the leverage ratio exposure (LRE) for RCI Banque S.A., and these are set at 8% of risk weight assets (TREA) and 3% of the leverage ratio exposure for Diac SA. They apply individually. RCI Banque S.A. and Diac SA comply with these MREL requirements.

1) EL/PROV: Excess (CET1 impact) or insufficiency (T2 impact) of anticipated losses on value adjustments as described in Articles 158 & 159 of the CRR

/ EU CCYB1 – GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL BUFFER

		General credit exposures		Relevant credit exposures Market risk		Securitisation exposures	
		Exposure value under standardised approach	Exposure value under IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposure for internal models	Exposure value for non-trading book	Total exposure value
In millions of euros		a	b	c	d	e	f
010	Breakdown by country						
	Argentina	115					115
	Austria	671					671
	Belgium	294					294
	Brazil	1,793					1,793
	Swiss	1,025					1,025
	Czech Republic	185					185
	Germany	719	8,628				9,346
	Spain	435	4,221				4,656
	France	1,787	19,227				21,014
	Great-Britain	1,249	5,584				6,833
	Hungary	55					55
	Ireland	545					545
	India	37					37
	Italy	832	6,680				7,512
	South Korea	145	874				1,020
	Luxembourg	71					71
	Morocco	537					537
	Malta	314					314
	Netherlands	838					838
	Poland	1,082					1,082
	Portugal	702					702
	Romania	373					373
	Sweden	201					201
	Slovenia	221					221
	Slovakia	46					46
	Turkey	127					127
	Colombia	885					885
	Croatia	45					45
20	**TOTAL ALL COUNTRIES**	**15,329**	**45,214**				**60,543**

Own funds requirements						
Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own funds requirement weights	Countercyclical capital buffer rate
g	h	i	j	k	l	m
9			9	118	0.35%	
42			42	523	1.54%	
23			23	284	0.84%	
109			109	1,359	4.01%	
63			63	791	2.33%	
11			11	131	0.39%	2.00%
309			309	3,859	11.39%	0.75%
215			215	2,683	7.92%	
902			902	11,279	33.28%	0.50%
293			293	3,665	10.81%	2.00%
4			4	51	0.15%	
36			36	453	1.34%	1.00%
7			7	93	0.27%	
273			273	3,408	10.05%	
27			27	339	1.00%	
7			7	89	0.26%	0.50%
33			33	411	1.21%	
61			61	768	2.26%	
55			55	689	2.03%	1.00%
64			64	798	2.35%	
48			48	594	1.75%	
22			22	269	0.79%	1.00%
16			16	198	0.58%	2.00%
13			13	161	0.48%	0.50%
3			3	36	0.11%	1.50%
8			8	96	0.28%	
57			57	715	2.11%	
3			3	35	0.10%	1.00%
2,711			**2,711**	**33,890**	**100%**	

In accordance with the method used to calculate the countercyclical capital buffer, only the own funds requirements stipulated under Article 140(4) of CRD IV are included.

/ EU CCYB2 – AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER

In millions of euros		Amounts a
1	Total risk exposure amount	39,752
2	Institution specific countercyclical capital buffer rate	0.54%
3	Institution specific countercyclical capital buffer requirement	213

RCI Banque S.A. is not subject to the buffer required for systemically important institutions (Article 131 of the CRDV), nor to the systemic risk requirement (Article 133 of the CRD V).

3.3.3 Own funds

Common Equity Tier One ("CET 1")

Common Equity Tier 1 capital comprises share capital and the related share premiums, reserves, non-distributed net profit after tax and accumulated other comprehensive income and minority interests.

The amount of equity on the prudential scope of consolidation is identical to that of the accounting scope of consolidation.

This amount of own funds is diminished by the taking into account of the forecast dividend attributable to the profits of year 2023 of €600 million.

The following is also deducted from own funds:

a) the main prudential filters applying to the group:

- exclusion of fair value reserves related to gains and losses on cash flow hedges,
- exclusion of gains and losses recognized by the institution from valuing liabilities at fair value that are due to changes in the institution's credit standing,
- prudential valuation adjustments (PVA). Total assets & liabilities valued at fair value represent less than €15 billion, therefore Mobilize F.S. group applies the simplified method to calculate this additional adjustment, as the total amount of assets and liabilities evaluated at fair value amount to less than €15 billion;

b) other adjustments:

- as provided for in Article 84.2 of the CRR, the Mobilize F.S. group has chosen not to perform the calculation provided for in Article 84.1 for the subsidiaries referred to in Article 81.1. Therefore, all minority interests are deducted from Common Equity Tier 1 capital,
- deduction of deferred tax assets dependent on future profits linked to unused deficits netted by the corresponding deferred tax liabilities,
- goodwill,
- intangible assets net of the corresponding deferred tax liabilities,
- irrevocable payment commitments pledged to Single Resolution Funds and Deposit Guarantee and Resolution Funds,
- IFB shortfall of credit risk adjustments to expected losses described in articles 158 and 159 (CRR),
- insufficient coverage for non-performing exposures.

Interests greater than 10% in financial sector entities and IDAs dependent on future profits linked to temporary differences are each inferior to the individual threshold of 10% and the common threshold of 17.65% and therefore receive a weighting of assets by 250%.

No phase-in is applied.

RCI Banque S.A.'s CET1 core capital represents 86% of total capital.

Additional Tier 1 capital ("AT1")

This comprises capital instruments, which are free of any repayment incentive or obligation (in particular jumps on yield), as described in Articles 51 and 52 of the CRR.

The Mobilize F.S. group holds no such instruments.

Tier 2 ("T2")

This includes subordinated debt instruments with a minimum term of five years without advance repayment during these first five years, as described in Articles 62 and 63 of the CRR.

These instruments are written down during the five-year period preceding their term.

The Mobilize F.S. group classified €7 million of Diac equity securities in this category, the subordinated bond issued in November 2019 for €850 million, as well as the subordinated security issued by RCI Finance Maroc SA in December 2020 for €6 million.

/ EU CCA: MAIN FEATURES OF REGULATORY OWN FUNDS INSTRUMENTS AND ELIGIBLE LIABILITIES INSTRUMENTS

Tier 1 equity instruments

	Qualitative or quantitative information
Issuer	RCI Banque S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	FR0000131906
Public or private placement	Private
Governing law(s) of the instrument	French law
Contractual recognition of write down and conversion powers of resolution authorities	N/A
Regulatory treatment	
Current treatment taking into account, where applicable, transitional CRR rules	N/A
Post-transitional CRR rules	N/A
Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Consolidated
Instrument type (types to be specified by each jurisdiction)	Voting ordinary shares issued directly by public limited companies, private limited liability companies, limited partnership companies
Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	€814 million
Nominal amount of instrument	Capital of €100 millions divided into 1 million shares of a nominal value of €100
Issue price	N/A
Redemption price	N/A
Accounting classification	Subscribed capital and related reserves
Original date of issuance	9 August 1974
Perpetual or dated	Dated
Original maturity date	21 August 2073
Issuer call subject to prior supervisory approval	N/A
Optional call date, contingent call dates and redemption amount	N/A
Subsequent call dates, if applicable	N/A
Coupons/dividends	
Fixed or floating dividend/coupon	Dividend
Coupon rate and any related index	N/A
Existence of a dividend stopper	
Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full discretionnary
Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full Discretionnary
Existence of step up or other incentive to redeem	Non
Noncumulative or cumulative	Cumulative
Convertible or non-convertible	Non convertible
If convertible, conversion trigger(s)	N/A
If convertible, fully or partially	N/A
If convertible, conversion rate	N/A
If convertible, mandatory or optional conversion	N/A
If convertible, specify instrument type convertible into	N/A

	Qualitative or quantitative information
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	Yes
If write-down, write-down trigger(s)	Capital equity less than half of the registered capital of the company (art. L.225-248 of the French Commercial Code)
If write-down, full or partial	Partial
If write-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	N/A
Type of subordination (only for eligible liabilities)	N/A
Ranking of the instrument in normal insolvency proceedings	1
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Deferred liabilities
Non-compliant transitioned features	No
If yes, specify non-compliant features	N/A
Link to the full term and conditions of the instrument (signposting)	N/A

Tier 2 equity instruments

		a
		Qualitative or quantitative information
1	Issuer	RCI Banque S.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	FR0013459765
2a	Public or private placement	Public placement
3	Governing law(s) of the instrument	French law
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2
5	Post-transitional CRR rules	Tier 2
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	CRR Article 63
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	€850 million
9	Nominal amount of instrument	€100,000
EU-9a	Issue price	100%
EU-9b	Redemption price	N/A
10	Accounting classification	Liabilities - amortized cost
11	Original date of issuance	18/11/2019
12	Perpetual or dated	Dated
13	Original maturity date	18/02/2030
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	18/02/2025 100%
16	Subsequent call dates, if applicable	N/A
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Fixed till 18/02/2025 then floating
18	Coupon rate and any related index	2,625% till 18/02/2025, then EUR 5 year Mid Swap rate +2,85%
19	Existence of a dividend stopper	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A

30	Write-down features	No write-down feature
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Subordinated Securities
EU-34b	Ranking of the instrument in normal insolvency proceedings	2
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A

		a
		Qualitative or quantitative information - Free format
1	Issuer	RCI Finance Maroc
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	MA0000094930
2a	Public or private placement	Private placement
3	Governing law(s) of the instrument	Morroco
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2
5	Post-transitional CRR rules	Tier 2
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	CRR Article 63
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	MAD68 million
9	Nominal amount of instrument	MAD100,000
EU-9a	Issue price	100%
EU-9b	Redemption price	N/A
10	Accounting classification	Liabilities - amortized cost
11	Original date of issuance	30/12/2020
12	Perpetual or dated	Dated
13	Original maturity date	30/12/2030
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	30/12/2025 100%
16	Subsequent call dates, if applicable	30/12/2026, 30/12/2027, 30/12/2028, 30/12/2029
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	52 weeks Morroco Treasury bond rate +1,70%

19	Existence of a dividend stopper	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No write-down feature
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Subordinated Securities
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A

(1) Insert"N/A" if the question is not applicable.

		a
		Qualitative or quantitative information - Free format
1	Issuer	DIAC S.A.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	FR0000047821
2a	Public or private placement	Public placement
3	Governing law(s) of the instrument	French law
3a	Contractual recognition of write down and conversion powers of resolution authorities	No
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2
5	Post-transitional CRR rules	Tier 2
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	CRR Article 63
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	€7 million
9	Nominal amount of instrument	FRF1,000/€152.45
EU-9a	Issue price	100%
EU-9b	Redemption price	N/A
10	Accounting classification	Liabilities - fair value
11	Original date of issuance	01/04/1985
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons/dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	TAM+0.40 [(last net result published/ penultimate net result published)-1] minimum: 100% of TAM, floored at 6,50% maximum: 130% of TAM
19	Existence of a dividend stopper	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	No
23	Convertible or non-convertible	non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A

29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	No write-down feature
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	Equity securities
EU-34b	Ranking of the instrument in normal insolvency proceedings	3
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated Securities
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A

(1) Insert"N/A" if the question is not applicable.

Under the advanced approach to credit risk, the negative difference between the balance of provisions and expected losses is deducted from CET1, when the amount of expected losses is less than the value adjustments and collective impairments, the balance is added to T2 capital within the limit of 0.6% of the weighted risks of the exposures processed using the "internal ratings" method.

No transitional filter is applied to Tier 2 equity for the Mobilize F.S. group.

/ EU CC1 – COMPOSITION OF REGULATORY OWN FUNDS

In millions of euros

	Common Equity Tier 1 (CET1) capital: instruments and reserves	Amounts	Ref CC2
1	Capital instruments and the related share premium accounts	814	A
	of which: Instrument type 1	*100*	
	of which: Instrument type 2	*714*	
	of which: Instrument type 3		
2	Retained earnings	2,145	B
3	Accumulated other comprehensive income (and other reserves)	2,753	C
EU-3a	Funds for general banking risk		
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		
5	Minority interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	187	
6	**COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS**	**5,899**	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments	**Amounts**	**Ref CC2**
7	Additional value adjustments (- amount)	(1)	
8	Intangible assets (net of related tax liability) (- amount)	(184)	Part of E
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (- amount)	(14)	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(52)	
12	- amounts resulting from the calculation of expected loss amounts	(89)	
13	Any increase in equity that results from securitised assets (- amount)		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	4	D1
15	Defined-benefit pension fund assets (- amount)		
16	Direct and indirect holdings by an institution of own CET1 instruments (- amount)		
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (- amount)		
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (- amount)		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (- amount)		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		
EU-20b	• *of which: qualifying holdings outside the financial sector (- amount)*		
EU-20c	• *of which: securitisation positions (- amount)*		
EU-20d	• *of which: free deliveries (- amount)*		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38-(3) CRR are met) (- amount)		
22	Amount exceeding the 17,65% threshold (- amount)		
23	• *of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*		
25	• *of which: deferred tax assets arising from temporary differences*		
EU-25a	Losses for the current financial year (- amount)		

In millions of euros

EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (- amount)		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (- amount)		
27a	Other regulatory adjustments	(46)	
28	**TOTAL REGULATORY ADJUSTMENTS TO COMMON EQUITY TIER 1 (CET1)**	**(381)**	
29	**COMMON EQUITY TIER 1 (CET1) CAPITAL**	**5,518**	
	Additional Tier 1 (AT1) capital: instruments	**Amounts**	**Ref CC2**
30	Capital instruments and the related share premium accounts		
31	• *of which: classified as equity under applicable accounting standards*		
32	• *of which: classified as liabilities under applicable accounting standards*		
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35	• *of which: instruments issued by subsidiaries subject to phase out*		
36	**ADDITIONAL TIER 1 (AT1) CAPITAL BEFORE REGULATORY ADJUSTMENTS**		
	Additional Tier 1 (AT1) capital: regulatory adjustments	**Amounts**	**Ref CC2**
37	Direct and indirect holdings by an institution of own AT1 instruments (- amount)		
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (- amount)		
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (- amount)		
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (- amount)		
42	Qualifying T2 deductions that exceed the T2 items of the institution (- amount)		
42a	Other regulatory adjustments to AT1 capital		
43	**TOTAL REGULATORY ADJUSTMENTS TO ADDITIONAL TIER 1 (AT1) CAPITAL**		
44	**ADDITIONAL TIER 1 (AT1) CAPITAL**		
45	**TIER 1 CAPITAL (T1 = CET1 + AT1)**	**5,518**	
	Tier 2 (T2) capital: instruments	**Amounts**	**Ref CC2**
46	Capital instruments and the related share premium accounts	864	D2
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		

In millions of euros

49	• *of which: instruments issued by subsidiaries subject to phase out*		
50	Credit risk adjustments		
51	**TIER 2 (T2) CAPITAL BEFORE REGULATORY ADJUSTMENTS**	**864**	
	Tier 2 (T2) capital: regulatory adjustments	**Amounts**	**Ref CC2**
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (- amount)		
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (- amount)		
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (- amount)		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (- amount)		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (- amount)		
56b	Other regulatory adjustments to T2 capital		
57	**TOTAL REGULATORY ADJUSTMENTS TO TIER 2 (T2) CAPITAL**		
58	**TIER 2 (T2) CAPITAL**	**864**	
59	**TOTAL CAPITAL (TC = T1 + T2)**	**6,382**	
60	**TOTAL RISK EXPOSURE AMOUNT**	**39,752**	
	Capital ratios and requirements including buffers	**Amounts**	**Ref CC2**
61	Common Equity Tier 1 capital	13.88%	
62	Tier 1 capital	13.88%	
63	Total capital	16.05%	
64	Institution CET1 overall capital requirements	8.67%	
65	• *of which: capital conservation buffer requirement*	*2.50%*	
66	• *of which: countercyclical capital buffer requirement*	*0.54%*	
67	• *of which: systemic risk buffer requirement*		
EU-67a	• *of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*		
EU-67b	• *of which: additional own funds requirements to address the risks other than the risk of excessive leverage*	*1.13%*	
68	Common Equity Tier 1 capital available to meet buffer (as a percentage of risk exposure amount)	6.04%	
	Amounts below the thresholds for deduction (before risk weighting)	**Amounts**	**Ref CC2**
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	340	
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	183	
	Applicable caps on the inclusion of provisions in Tier 2	**Amounts**	**Ref CC2**
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	169	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		

In millions of euros

79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	129	
	Capital instruments subject to phase-out arrangements (only applicable between 1 January 2014 and 1 January 2022)	**Amounts**	**Ref CC2**
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

/ EU CC2 – RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

	In millions of euros	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Reference CC1
		a	b	c
	Assets			
1	Cash and balances at central banks	4,733	4,733	
2	Derivatives	225	252	
3	Financial assets at fair value through other comprehensive income	483	281	
4	Financial assets at fair value through profit or loss	143	117	
5	Financial assets at amortised cost			
6	Amounts receivable from credit institutions	1,539	1,528	
7	Loans and advances to customers	53,851	54,015	
9	Current tax assets	410	88	
10	Deferred tax assets	249	197	
11	Insurance and reinsurance contracts asset	33		
12	Adjustment accounts & miscellaneous assets	1,583	1,896	
13	Non-current assets held for sale			
14	Investments in associates and joint ventures	97	368	
15	Operating lease transactions	1,564	1,564	
16	Tangible and intangible non-current assets	150	151	
17	• *of which other intangibles*	*42*	*43*	*E*
18	Goodwill	136	153	E
19	**TOTAL ASSETS**	**65,196**	**65,344**	
	Liabilities			
1	Central Banks	2,375	2,375	
2	Derivatives	289	351	
3	Financial liabilities at fair value through profit or loss	62		
4	Amounts payable to credit institutions	2,275	2,276	
5	Amounts payable to customers	29,312	29,818	
6	Debt securities	20,316	20,316	
7	Current tax liabilities	189	61	
8	Deferred tax liabilities	772	692	
9	Adjustment accounts & miscellaneous liabilities	1,880	1,912	
10	Non-current liabilities held for sale			
11	Provisions	182	151	
12	Insurance and reinsurance contracts liabilities	151		
13	Subordinated debt - Liabilities	893	893	
14	• *of which Gains or losses on liabilities valued at fair value resulting from changes in own credit standing*	*869*	*869*	*D1*
15	• *of which T2 Capital instruments and the related share premium accounts*	*4*	*4*	*D2*
16	**TOTAL LIABILITIES**	**58,696**	**58,844**	
	Shareholders' Equity			
1	Capital instruments and the related share premium accounts	814	814	A
2	Retained earnings	2,145	2,145	B
3	Accumulated other comprehensive income	2,753	2,753	C
4	Profit or loss attributable to owners of the parent	787	787	
5	Minority interests [Non-controlling interests]	1	1	
6	**TOTAL SHAREHOLDERS' EQUITY**	**6,500**	**6,500**	

/ EU PV1 — PRUDENT VALUATION ADJUSTMENTS (PVA)

In millions of euros	Risk category					Category level AVA – Valuation uncertainty				
	Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA	Total category level post-diversification	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
Category level AVA	a	b	c	d	e	EU e1	EU e2	f	g	h
1 Market price uncertainty										
3 Close-out cost										
4 Concentrated positions										
5 Early termination										
6 Model risk										
7 Operational risk										
10 Future administrative costs										
12 TOTAL ADDITIONAL VALUATION ADJUSTMENTS (AVAS)								**1**		

3.3.4 Capital requirements

Prudential requirements are determined in accordance with transitional texts and arrangements applying from 1 January 2014 to credit institutions and investment firms, as published in the Official Journal of the European Union on 26 June 2013: Regulation (EU) 575/2013 and Directive 2013/36/EU, transposed by Order 2014-158 of 20 February 2014. Own Funds requirements varies according to evolution of TREA.

/ EU OV1 – OVERVIEW OF TOTAL RISK EXPOSURE AMOUNT

		Total risk exposure amounts (TREA)		Total own funds requirements
		12/2023	06/2023	12/2023
In millions of euros		a	b	c
1	Credit risk (excluding CCR)	34,796	34,164	2,784
2	• *Of which the standardised approach*	*13,358*	*13,071*	*1,069*
3	• *Of which the foundation IRB (FIRB) approach*	*139*	*146*	*11*
4	• *Of which: slotting approach*			
EU 4a	• *Of which equities under the simple riskweighted approach*			
5	• *Of which the advanced IRB (AIRB) approach*	*21,299*	*20,947*	*1,704*
6	Counterparty Credit Risk – CRR	440	523	35
7	• *Of which the standardised approach*	*80*	*92*	*6*
8	• *Of which internal model method (IMM)*			
EU 8a	• *Of which exposures to a CCP*	*90*	*123*	*7*
EU 8b	• *Of which credit valuation adjustment - CVA*	*269*	*307*	*22*
9	• *Of which other CCR*			
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap)			
17	• *Of which SEC-IRBA approach*			
18	• *Of which SEC-ERBA (including IAA)*			
19	• *Of which SEC-SA approach*			
EU 19a	• *Of which 1,250%*			
20	Position, foreign exchange and commodities risks (Market risk)	1,150	1,078	92
21	• *Of which the standardised approach*	*1,150*	*1,078*	*92*
22	• *Of which IMA*			
EU 22a	Large exposures			
23	Operational risk	3,366	3,419	269
EU 23a	• *Of which basic indicator approach*			
EU 23b	• *Of which standardised approach*	*3,366*	*3,419*	*269*
EU 23c	• *Of which advanced measurement approach*			
24	Amounts below the thresholds for deduction (subject to 250% RW) For information	1,307	1,057	105
29	**TOTAL**	**39,752**	**39,184**	**3,180**

The "Amounts below the thresholds for deduction (subject to 250% RW)" have been integrated into the "Credit Risk (excluding CCR)" total, in accordance with the instructions of Regulation 2021/637.

3.3.5 Management of internal capital

/ EU OVC – ICAAP INFORMATION

Legal basis	Row number	Free format	
Article 438(a) CRR	(a)	Approach to assessing the adequacy of the internal capital	The monitoring of the economic capital is insured by the Internal Capital Adequacy Assessment Process (ICAAP). It is conceived as a continuous process integrated into the overall governance and ensures the adequacy of own funds regarding the risks taken by the bank, based on its internal assessment. The ICAAP combines the following main processes: • risk assessment process: RCI Banque S.A. analyses all the risks exposures comprising the regulatory risks: credit risks, operational risks, market risks, and other risks, the capital need for which can be evaluated through quantitative or qualitative measures. The risk assessment process and results are consistent with the risk management framework; • baseline and stressed scenarios definitions process: the group, in line with the budget process and its strategy, defines the assumptions of the baseline scenario and the stressed scenarios used for the forecasts; • economic capital adequacy calculation process: the group, risk by risk, regularly evaluates needs in economic capital. The comparison is performed between the economic capital requirements and regulatory capital requirements; • allocation process: the group ensures that the economic needs are respected on the relevant perimeter; • the process of analyzing the impact on the economic capital of any strategic investment.
Article 438(c) CRR	(b)	Upon demand from the relevant competent authority, the result of the institution's Internal Capital Adequacy Assessment Process	NA

3.3.6 Leverage ratio

The Basel III/CRD IV regulations introduce the leverage ratio, the main aim of which is to serve as an additional measure to capital requirement based on weighted risks in order to avoid excessive development of exposures in relation to own funds.

Article 429 of the capital requirements regulation (CRR) specifies the methods for calculating the leverage ratio; it has been modified and replaced with delegated Regulation 2019/876 of the European Parliament and of the Council of 20 May 2019 (the "CRR2" Regulation). The leverage ratio shall be calculated as the ratio of the institution's Tier 1 capital to that of institution's total exposure, which includes balance sheet assets and off-balance sheet assets measured using a prudential approach. Since 1 January 2015, disclosure of the leverage ratio has been mandatory (Article 521-2a of the CRR) at least once a year (CRR a.433), together with the financial statements (BCBS270 Article 45).

The implementation of a 3% minimum regulatory requirement for the leverage ratio was endorsed with the adoption of the banking package (CRR2/CRD V).

The Mobilize F.S. group's leverage ratio, estimated according to CRR/CRD rules and factoring in the delegated regulation of October 2014, amounts to 8.16% at 31 December 2023.

/ EU LR1 – LRSUM: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES

In millions of euros		31/12/2023
		a
1	**TOTAL ASSETS AS PER PUBLISHED FINANCIAL STATEMENTS**	**65,196**
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	148
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustment for eligible cash pooling transactions	
8	Adjustment for derivative financial instruments	413
9	Adjustment for securities financing transactions (SFTs)	
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2,619
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(1)
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
12	Other adjustments	(736)
13	**TOTAL EXPOSURE MEASURE**	**67,640**

The Mobilize F.S. group has no unrecognized fiduciary assets, in accordance with Article 429a of the CRR.

/ EU LR2 – LRCOM: LEVERAGE RATIO COMMON DISCLOSURE

CRR leverage ratio exposures (in millions of euros)		31/12/2023 a	30/06/2023 b
	ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	64,670	62,058
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	(337)	(375)
7	**TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)**	**64,334**	**61,683**
	DERIVATIVE EXPOSURES		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e., net of eligible cash variation margin)	384	544
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	303	310
EU-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	**TOTAL DERIVATIVES EXPOSURES**	**687**	**855**
	SECURITIES FINANCING TRANSACTION (SFT) EXPOSURES		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions		
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets		
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	**TOTAL SECURITIES FINANCING TRANSACTION EXPOSURES**		
	OTHER OFF-BALANCE SHEET EXPOSURES		
19	Off-balance sheet exposures at gross notional amount	3,110	4,168
20	(Adjustments for conversion to credit equivalent amounts)	(491)	(503)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	**OFF-BALANCE SHEET EXPOSURES**	**2,619**	**3,665**
	EXCLUDED EXPOSURES		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)		

CRR leverage ratio exposures (in millions of euros)		31/12/2023	30/06/2023
		a	b
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) – Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) – Promotional loans)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22K	**(TOTAL EXEMPTED EXPOSURES)**		
	CAPITAL AND TOTAL EXPOSURE MEASURE		
23	Tier 1 capital	5,518	5,465
24	Total exposure measure	67,640	66,203
	LEVERAGE RATIO (EXCLUDING THE IMPACT OF THE EXEMPTION OF PUBLIC SECTOR INVESTMENTS AND PROMOTIONAL LOANS) (%)		
25	Leverage ratio (%)	8.16%	8.25%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks – Public sector investments) (%)	8.16%	8.25%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	8.16%	8.25%
26	Regulatory minimum leverage ratio requirement (%)		
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)		
	CHOICE ON TRANSITIONAL ARRANGEMENTS AND RELEVANT EXPOSURES		
EU-27	Choice on transitional arrangements for the definition of the capital measure		
	DISCLOSURE OF MEAN VALUES		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	67,640	66,203
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	67,640	66,203
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.16%	8.25%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.16%	8.25%

/ EU LR3 – LRSPL: SPLIT-UP OF ON BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES)

		31/12/2023
CRR leverage ratio exposures (in millions of euros)		a
EU-1	**TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS, AND EXEMPTED EXPOSURES), OF WHICH:**	**64,670**
EU-2	Trading book exposures	
EU-3	Banking book exposures, of which:	64,670
EU-4	• *Covered bonds*	
EU-5	• *Exposures treated as sovereigns*	*5,713*
EU-6	• *Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns*	*41*
EU-7	• *Institutions*	*1,610*
EU-8	• *Secured by mortgages of immovable properties*	
EU-9	• *Retail exposures*	*37,826*
EU-10	• *Corporates*	*17,021*
EU-11	• *Exposures in default*	*556*
EU-12	• *Other exposures (eg equity, securitisations, and other non-credit obligation assets)*	*1,904*

/ EU LRA: DISCLOSURE OF LR QUALITATIVE INFORMATION

Descriptions of the procedures used to manage the excessive leverage risk	The Mobilize F.S. group monitors its leverage ratio on a monthly basis and keeps the Executive Committee informed thereof. The ratio is also stated in the balanced scorecard of risks provided quarterly to the Board of Directors' Risks Committee. An internal limit has been set and a warning system has been put in place.
Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers	The Mobilize F.S. group disclosed a Basel III leverage ratio of 8.16% at the end of December 2023 against 8,25% at the end of June 2023. The ratio decreases due to the increasing risk exposure amount at €67,6 billion (+€1.4 billion vs. June 2023).

3.3.7 Management of the leverage ratio

Management of the leverage ratio consists both in calibrating "Tier 1" capital (the numerator of the ratio) and adjusting the group's leveraged exposure (denominator of the ratio) to meet the target ratio of 8% that the group has set, higher than the minimum of 3% endorsed with the adoption of the banking package (CRR 2/CRD V). Monthly monitoring of the leverage ratio ensures that it is in line with the set target.

3.4 Credit risk

/ EU CRA: GENERAL QUALITATIVE INFORMATION ABOUT CREDIT RISK

Qualitative disclosures		
(a)	In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution's credit risk profile.	The Mobilize F.S. group has set up an overall cost of credit risk limit at 1% of the average productive assets, for all activities. The type of financing provided to customers (loans allocated to the purchase of new or used vehicles) and the rigorous management framework for financing the dealer networks enable Mobilize F.S. to record an average cost of risk of less than 0.5%. The Mobilize F.S. group's business model, which aims to support the sales of Renault Group as well as of the Nissan and Mitsubishi brands manufacturers through attractive financing and service offers and a high quality of service, enables it to reach a premium clientele and a high intervention rate. The Mobilize F.S. group also relies on its extensive knowledge of dealer networks to keep its risks in this category under control. The Mobilize F.S. group's presence in certain countries or regions (Morocco, Latin America) slightly increases the group's credit risk.
(b)	When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits.	Within the group credit risk policy, targets of each country for risk at origination & cost of risk in P&L are decided during the budget and review phases (annual budget process and two review processes each year). These objectives take into account market conditions, with pricing designed to achieve profitability objectives on weighted assets. Credit risk warning thresholds are based on budgetary commitments.

Qualitative disclosures

(c)	When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function.	At Head Office level, the Credit & Data Management division is divided into six departments: • Regulatory Modeling (Design, monitoring and backtesting of A-IRB, acceptance, collection and IFRS 9 impairment models. Presentation of models management twice a year to Senior Management, validation of A-IRB models according to the defined governance); • Credit Project & Data (Functional monitoring of the monthly calculation of RWA on A-IRB perimeter, IFRS 9 ECL computation on all countries, and Anacredit on several countries. Projects steering through specific Committees, like BCBS239, Loan Origination & Monitoring, Connected Customers); • Data department aims at creating added value from a better data usage by providing and developing a data governance framework in order to ensure Mobilize F.S. data reliability and interoperability, by industrializing data treatment, and by disclosing Data science tools, methods and skills to the whole Mobilize F.S. group; • dealers funding and Large Fleets Commitment department Control (review applications above subsidiaries delegations on Dealers and SME/Corporate, submit them to group Commitment Committee depending on DOA), manages and provides a policies framework for Wholesale credit risk; • Retail Credit & Scoring department. The last two departments have in common to design group management rules on credit risk including evolutions related to Regulatory and Compliance topics, assess credit risk on new products, monitor IFRS 9 impairment, control RAF limits and validate action plans when risk is above alert threshold, report to senior management (through monthly group Credit Committees and quarterly Board of Directors' Risk Committees). The former is focusing on car dealers' and importers' business, the latter on Individuals and Companies. But Retail Credit & Scoring is also in charge of developing acceptance scorecards. At subsidiaries level, the usual organization is a division in charge of "Retail" credit (Individuals and Corporate other than dealers) and a division in charge of Dealers and Importers financing. In large countries, an alternative organization can be found where there is a division in charge of loans origination for "Retail" and management of dealer financing and a division in charge of risk management of "Retail" and collection processes. The credit risk control function is organized and structured as described in Part 3.3.2 Risk Control Organization and in section (d) of this table.

Qualitative disclosures

(d)	When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions.	The Risk Control division is in charge of the control of the consistency of risk policies with the Risk Appetite Framework, the efficiency of risk measurement, risk monitoring and risk management systems. It challenges the Credit division, as credit risk steering function, on their methodologies and on its decisions linked to risk taking. It ensures a second level of control on Credit Risk steering and its adequacy with RCI Risk Governance Policy and RAF. It has a central role in the supervision of the group compliance with prudential regulations (CRD, CRR, EBA Guidelines, reports to ECB and answers to ECB requests). Internal Audit department (third level of control) includes in its yearly audit plans the review of main risks management devices and particularly credit risk management in subsidiaries and branches as well as ICAAP, ILAAP and the A-IRB models. It reviews the operational effectiveness of the overall governance framework, including the risk governance framework, and compliance with internal policies and processes, and suggests improvements to existing arrangements. For credit risks internal model, please refer to "3.4.5.1 – Advanced Method - Governance for futher details

/ EU CRB: ADDITIONAL DISCLOSURE RELATED TO THE CREDIT QUALITY OF ASSETS

Qualitative disclosures

(a)	The scope and definitions of "past-due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR.	Since 1 January 2021, the Mobilize F.S. group complies with the new definition of default as ruled by the Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013. Default for regulatory purpose is also applied for accounting purpose to define IFRS 9 Stage 3 and non performing exposures.
(b)	The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.	Past due exposures (more than 90 days) are always considered to be impaired.
(c)	Description of methods used for determining general and specific credit risk adjustments.	General credit risk adjustments: All financial instruments within the scope of IFRS 9 standard are being impaired for expected credit losses, since their origination. • At origination, the instrument is impaired with a one year expected credit loss (Bucket 1). • In case of significant increase in credit risk since origination or restructuring, the instrument is impaired with a lifetime expected credit loss (Bucket 2). • For customers in default (Bucket 3), adjustments are based on the recovery rates given the maturity in default of the customer. Specific credit risk adjustments: Refer to the paragraph "individual analyzes" in the following pages
(d)	The institution's own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.	The definition of restructured exposure is compliant with the point (d) of Article 178(3) CRR.

3.4.1 Exposure to the credit risk

The Mobilize F.S. group uses three risk-classification levels for receivables and writes them down on an individual or collective basis. The valuation presentation and principles are described in part A of the notes to the consolidated financial statements.

These classification levels are:

- Bucket 1: no deterioration or insignificant deterioration in credit risk from origination;
- Bucket 2: significant deterioration of credit risk from origination or non investment grade financial counterparty;
- Bucket 3: classification of counterparty in default.

Mobilize F.S. group applies EBA/GL/2016/07 "Guidelines on the application of the definition of default" issued by the European Banking Authority (EBA) published on 18 January 2017 as well as EBA/RTS/2016/06 "Final draft RTS on materiality threshold of past due credit obligations" published on 28 September 2016.

The following sections describe the adjustments made by expert judgement.

Restructured loans

The gross value of restructured outstanding (including non-performing), following the measures and concessions to borrowers who run into financial difficulties or are about to run into financial difficulties, amounts to €225 million as of end of December 2023 versus €238 million as of end of December 2022. The amount of the impairment is €64 million as of end of December 2023 versus €78 million as of end of December 2022.

The treatment of restructured loans (forbearance) complies with the guidelines of the Basel Committee and the recommendations of the European Banking Authority.

Individual analyses

An adjustment following an individual review of SME & corporate counterparties (non wholesale) corresponds to an impairment amounts of €8,2 million as of end of 2023, vs. €22,8 million as of end of 2022.

The adjustments were completed by an industry sector analysis: the sub-portfolios belonging to risky industry sectors due to the covid-19 crisis and to energy crisis and exposed to a short-term deterioration have been identified based on external macro-economic analysis. These sub-portfolios were not reclassified in Bucket 2, but a specific "forward looking" provision was booked, this specific provision decreased €17 million, following the review of risk sectors and an adjustment of the methodology for provisioning these exposures. The methodology was revised because a study of transitions from B1 to B2 demonstrated that the payment behavior of companies and employees did not justify the previous provisioning rate.

Inflation

In a global context of stagflation, Mobilize F.S. group has performed a sensitivity test on its retail portfolio under a prospective approach aiming at estimate the portion of customers that could suffer from payment difficulties towards Mobilize F.S. group due to the decrease of their disposable income (reduction of spending power). Based on this sensitivity test, a €39 million collective provision has been posted in 2022, 19 million at the end of December 2023, due to lower inflation and lower energy prices. This provision intends to cover a not yet materialized credit risk but that could deteriorate if the economic context remains unfavorable.

Fragile customers

Accordingly to the EBA guidelines on Loan Origination & Monitoring, the Mobilize F.S. group has implemented a framework of early warning indicators that aims at identifying fragile customers that are likely to face difficulties to fulfill their credit obligation towards Mobilize F.S. group. The output of this framework is to classify customers into three levels of financial difficulties severity: low, medium, high. Customer management processes have therefore been adapted given the severity level. For medium and high severity levels and even if the credit risk is not yet occurred, the assets classified in IFRS 9 Stage 1 are subject to an additional provision adjustment. In 2023, an allowance of €11 million has been booked.

/ EU CR1: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

		Gross carrying amount/ nominal amount					
		Performing exposures			Non-performing exposures		
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3
	In millions of euros	a	b	c	d	e	f
005	**Cash balances at central banks and other demand deposits**	**6,142**	**6,142**				
010	Loans and advances	54,079	50,494	3,565	1,202		1,138
020	*• Central banks*	*4*	*4*				
030	*• General governments*	*97*	*68*	*28*	*15*		*15*
040	*• Credit institutions*	*150*	*144*	*6*			
050	*• Other financial corporations*						
060	*• Non-financial corporations*	*21,658*	*20,134*	*1,511*	*412*		*376*
070	*• Of which SMEs*	*9,022*	*8,229*	*792*	*349*		*323*
080	*• Households*	*32,170*	*30,143*	*2,019*	*775*		*747*
090	Debt securities	354	310	45			
100	*• Central banks*	*104*	*104*				
110	*• General governments*	*176*	*132*	*45*			
120	*• Credit institutions*						
130	*• Other financial corporations*	*74*	*74*				
140	*• Non-financial corporations*						
150	*Off-balance-sheet exposures*	3,427	3,414	13	10		6
160	*• Central banks*						
170	*• General governments*	*23*	*23*	*0*	*0*		*0*
180	*• Credit institutions*	*200*	*200*	*0*			
190	*• Other financial corporations*						
200	*• Non-financial corporations*	*1,665*	*1,654*	*11*	*8*		*5*
210	*• Households*	*1,538*	*1,537*	*1*	*2*		*1*
220	**TOTAL**	**64,003**	**60,359**	**3,623**	**1,212**		**1,144**

Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
Performing exposures			Non-performing exposures					
	Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
g	h	i	j	k	l	m	n	o
(483)	(296)	(186)	(645)		(616)		22,100	261
(1)	*0*	*(1)*	*(5)*		*(5)*		*12*	*3*
0	*0*						*150*	
(118)	*(66)*	*(52)*	*(192)*		*(178)*		*15,940*	*196*
(75)	*(41)*	*(34)*	*(168)*		*(156)*		*2,405*	*109*
(364)	*(230)*	*(133)*	*(449)*		*(433)*		*5,998*	*61*
0	0							
0	*0*							
0	*0*							
(7)	(6)	0	(2)		(2)			
0	*0*	*0*	*0*		*0*			
0	*0*	*0*						
(5)	*(5)*	*0*	*(2)*		*(2)*			
(2)	*(1)*	*0*	*0*		*0*			
(490)	**(303)**	**(186)**	**(647)**		**(618)**		**22,100**	**261**

/ EU CR2: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES

		Gross carrying amount
In millions of euros		a
010	**INITIAL STOCK OF NON-PERFORMING LOANS AND ADVANCES**	**1,030**
020	Inflows to non-performing portfolios	624
030	Outflows from non-performing portfolios	452
040	Ow: Outflows due to write-offs	136
050	Ow: Outflow due to other situations	316
060	**FINAL STOCK OF NON-PERFORMING LOANS AND ADVANCES**	**1,202**

/ EU CR2A: CHANGES IN THE STOCK OF NON-PERFORMING LOANS AND ADVANCES AND RELATED NET ACCUMULATED RECOVERIES

Not applicable as non-performing exposures are less than 5% of total exposure.

/ EU CQ1: CREDIT QUALITY OF FORBORNE EXPOSURES

		Gross carrying amount/Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
			Non-performing forborne						
		Performing forborne		Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		ow on NPE with forbearance measures
In millions of euros		a	b	c	d	e	f	g	h
005	Cash balances at central banks and other demand deposits								
010	Loans and advances	112	113	113	113	(3)	(60)	2	
020	*Central banks*								
030	*General governments*								
040	*Credit institutions*								
050	*Other financial corporations*								
060	*Non-financial corporations*	*8*	*11*	*11*	*11*	*0*	*(8)*	*0*	
070	*Households*	*104*	*103*	*103*	*103*	*(3)*	*(53)*	*2*	
080	Debt securities								
090	Loan commitments given								
100	**TOTAL**	**112**	**113**	**113**	**113**	**(3)**	**(60)**	**2**	

/ EU CQ2: QUALITY OF FORBEARANCE

Not applicable as non-performing exposures are less than 5% of total exposure.

/ EU CQ3: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS

		Gross carrying amount/Nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤30 days	Past due > 30 days and ≤90 days		Unlikely to pay or past due ≤90 days	Past due > 90 and ≤180 days	Past due > 180 and ≤365 days	Past due > 1 and ≤2 years	Past due > 2 and ≤5 years	Past due > 5 and ≤7 years	Past due > 7 years	Of which defaulted
In millions of euros		a	b	c	d	e	f	g	h	i	j	k	l
005	**Cash balances at central banks and other demand deposits**	**6,142**	**6,142**										
010	**Loans and advances**	**54,079**	**54,039**	**40**	**1,202**	**956**	**71**	**73**	**54**	**47**			**1,202**
020	Central banks	4	4										
030	General governments	97	97		15	13	0	1	1				15
040	Credit institutions	150	150										
050	Other financial corporations												
060	Non-financial corporations	21,658	21,631	27	412	313	28	18	23	29			412
070	● *Of which SMEs*	*9,022*	*9,001*	*20*	*349*	*257*	*26*	*16*	*20*	*29*			*349*
080	Households	32,170	32,157	13	775	630	43	55	30	18			775
090	**Debt securities**	**354**	**354**										
100	Central banks	104	104										
110	General governments	176	176										
120	Credit institutions												
130	Other financial corporations	74	74										
140	Non-financial corporations												
150	**Off-balance-sheet exposures**	**3,427**			**10**								**10**
160	Central banks												
170	General governments	23			0								0
180	Credit institutions	200											
190	Other financial corporations												
200	Non-financial corporations	1,665			8								8
210	Households	1,538			2								2
220	**TOTAL**	**64,003**	**60,536**	**40**	**1,212**	**956**	**71**	**73**	**54**	**47**			**1,212**

/ EU CQ4: QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY

		Gross carrying/Nominal amount					Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in FV due to credit risk on non-performing exposures
			Of which non-performing	Of which defaulted	Ow subject to impairment	Accumulated impairment		
In millions of euros		a	b	c	d	e	f	g
10	**ON BALANCE SHEET EXPOSURES**	**55,635**	**1,202**	**1,202**	**55,562**	**(1,129)**		
20	France	18,532	419	419	18,532	(348)		
30	Germany	8,625	75	75	8,625	(80)		
40	Italy	6,962	86	86	6,962	(84)		
50	Great-Britain	6,062	43	43	6,062	(137)		
60	Spain	4,532	88	88	4,532	(107)		
70	Brazil	2,018	104	104	2,018	(72)		
80	South Korea	1,091	30	30	1,091	(41)		
90	Poland	1,062	46	46	1,062	(25)		
100	Colombia	954	160	160	952	(111)		
110	Swiss	952	28	28	952	(8)		
120	Netherland	757	3	3	757	(3)		
130	Other countries	4,089	118	118	4,018	(114)		
140	**OFF BALANCE SHEET EXPOSURES**	**3,437**	**10**	**10**			**(8)**	
150	France	1,715	9	9			(6)	
160	Germany	440	1	1			(1)	
170	Italy	343	0	0			0	
180	Great-Britain	203	0	0			0	
190	Spain	70	0	0			0	
200	Brazil	119						
210	South Korea	1					0	
220	Poland	218	0	0			0	
230	Colombia	43					(1)	
240	Swiss	44	0	0			0	
250	Netherland	64						
260	Other countries	179	0	0			0	
270	**TOTAL**	**59,073**	**1,212**	**1,212**	**55,562**	**(1,129)**	**(8)**	

/ EU CQ5: CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY

		Gross carrying amount					
			Of which non-performing	Of which defaulted	ow loans & advances subject to impairment	Accumulated impairment	Accum. - changes in FV due to credit risk on non-perf. Expo.
In millions of euros		a	b	c	d	e	f
010	Agriculture, forestry and fishing	86	3	3	86	(3)	
020	Mining and quarrying	9	0	0	9	0	
030	Manufacturing	962	25	25	962	(22)	
040	Electricity, gas, steam and air conditioning supply	94	1	1	94	(1)	
050	Water supply	91	2	2	91	(2)	
060	Construction	1,416	49	49	1,416	(39)	
070	Wholesale and retail trade	14,832	144	144	14,832	(121)	
080	Transport and storage	543	34	34	543	(15)	
090	Accommodation and food service activities	173	9	9	173	(5)	
100	Information and communication	181	6	6	181	(5)	
110	Real estate activities	155	11	11	155	(7)	
120	Financial and insurance actvities	11	1	1	11	(1)	
130	Professional, scientific and technical activities	730	35	35	730	(23)	
140	Administrative and support service activities	1,429	44	44	1,429	(30)	
150	Public adm. and defense, compulsory social security	212	11	11	212	(7)	
160	Education	162	8	8	162	(6)	
170	Human health services and social work activities	470	12	12	470	(9)	
180	Arts, entertainment and recreation	84	4	4	84	(4)	
190	Other services	429	14	14	429	(9)	
200	**TOTAL**	**22,070**	**412**	**412**	**22,070**	**(310)**	

/ EU CQ6: COLLATERAL VALUATION - LOANS AND ADVANCES

Not applicable as non-performing exposures are less than 5% of total exposures.

/ EU CQ7: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES

		Value at initial recognition	Accumulated negative changes
In millions of euros		a	b
010	Property, plant and equipment (PP&E)		
020	Other than PP&E		
030	Residential immovable property		
040	Commercial Immovable property		
050	Movable property (auto, shipping, etc.)		
060	Equity and debt instruments		
070	Other collateral		
080	**TOTAL**		

/ EU CQ8: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES – VINTAGE BREAKDOWN

Not applicable as non-performing exposures are less than 5% of total exposures.

3.4.2 Credit risk management process

For both Wholesale and non-Wholesale businesses, the credit risk prevention policy aims to ensure that the cost of risk target of each country and main segments is reached.

The Mobilize F.S. group uses advanced scoring systems, and external databases whenever the information is available, to assess the capacity of individual and business customers to meet their commitments. An internal rating system is also used to assess loans to Dealers. The Mobilize F.S. group constantly monitors its underwriting policy to consider the economic environment situation.

Credit risk management – retail customers

The environment has remained uncertain and contrasted since 2022. The Ukrainian and energy crises led to inflationary shocks in Europe. Economic activity has begun to weaken and inflation to slow under the influence of monetary policy, the gradual elimination of supply shocks and falling energy prices.

Quality of New Production

The year 2023 was marked by a precarious economic situation – slowing growth and high inflation – and by geopolitical tensions (war in Ukraine). As a result, the group's acceptance policy for new financing was cautious, resulting in stable credit risk on new financing.

In addition, group Mobilize F.S. has strengthened its framework of rules and policies regarding loan origination & monitoring, in compliance with EBA loan origination & monitoring guidelines.

Collection of unpaid debt

The stock of non-performing loans rose to 2.1% in 2023, reaching €1,202 million at the end of 2023, compared with €1,030 million at the end of 2022. This increase is mainly due to the rise in non-performing loans in Colombia (+€89 million) and France (+€53 million). In Colombia, high inflation has seriously damaged the ability of households to repay their debts. Thus, depreciation on loans to Colombian households has increased significantly for the banking sector.

Collective depreciation excluding statistical models

In 2023, the Mobilize F.S. group has reviewed - in view of the economic context described above - the two types of collective impairment on its portfolio of performing retail receivables to prevent a probable increase in the likely credit risk relating to:

- a rise of consumer prices higher than the wages;
- the difficulty of some households to face their credit obligation towards MFS due to their financial fragility.

These two approaches were described in section 1. Exposure to credit risk. The adjustments also cover some portfolios identified as fragile customers thanks to decision trees, scorecards or external data (like in UK, Spain and Italy). This approach was extended in 2023 to new countries such as Brazil and France.

In the particular context in this exercise, all additional adjustments (excluding models) represents a stock of €23.8 million at the end of 2023, excluding forward-looking coverage.

At the level of the corporate customer portfolio, the Retail Credit & Scoring department monitors together with the local MFS entities the cost of risk, ensures that it is well understood and analyzed, and monitors the action plans to achieve the targets. The underwriting policies are subject to strict central rules, and the outstanding in collection is deeply monitored. The performances of the subsidiaries regarding the approval quality and efficiency of collection are monitored in the framework of the monthly risk reporting and are presented to Corporate by the subsidiaries during Committee meetings, the frequency of these Committees is based accordingly to the level of risk and highlights in each entity.

A follow-up and a summary are carried out during the monthly group Credit Committees, which is under MFS CEO supervision and leaded by Credit & Data Management division officer. These Committees also include Risk division officer, Accounting and Performance Control division officer, Commercial and Strategy division officer, Finance and Treasury division officer.

Credit risk management – network of dealers and importers

At the level of each subsidiary and centrally, Network and importers customers are periodically monitored using a set of risk indicators that make it possible to assess the quality of each counterparty's credit risk in the short and medium term. A credit risk grading system classifies counterparties into three statuses (incidental, pre-alert and doubtful), which triggers appropriate treatment and remediation plans. These credit risk reduction actions are defined within a Committee at entity level; it brings together the local managers of the manufacturers and the Mobilize F.S. group in relation to the network.

Result at the end of December 2023 for retail business

The IFRS 9 provisioning standards have been applied since 1 January 2018 in the scope of all entities within the Mobilize F.S. group. Two distinct methodologies have been implemented depending on the size of the entity:

- a method based on internal models such as behavior scorecards and loss given default (for France, Germany, Spain, Italy, United Kingdom, South Korea and Brazil), in which the Stage 1/Stage 2 exposures are staged according to the rating from behavior models, and its evolution since the origination. Restructured loans are classified in Stage 2, while Stage 3 corresponds to customers in default. The discounted provision is determined in accordance with point-in-time risk parameters that are subject to a forward-looking adjustment;
- for other entities using the standard method, provisions are calculated using transition matrices applied to the portfolio's aged balances. In this context, the Stage 2 corresponds to the receivables with past due more than 30 days at the closing date, or that encountered a past due amount in the last 12 months, and also to restructured loans.

The cumulative Cost of Risk reaches 0.38% of average productive assets in 2023, compared to 0.55% in 2022.

It is mainly explained by:

- net recovery write-off at €127 million (vs. €100 million in 2022), or 0.31% of average outstandings;
- an allocation to defaulted Bucket 3 outstandings of €67 million (vs. €27 million in 2022), strongly impacted by Colombia (severe inflation weighing on customer solvency);
- a reversal of provision of €29 million on performing outstandings (vs. an allocation of €81 million in 2022) including:
  - an allocation due to increases in outstandings €38 million,
  - an allocation for the evolution of the bucket mix and risk parameters of €10 million,
  - a takeover of €21 million of expertise on risk parameters,
  - a reversal of €20 million under forward-looking,
  - a reversal of €15 million of expertise concerning inflation risk,
  - a reversal of €6 million of expertise concerning fragile customers,
  - a reversal of €14 million of expertise from individual risks.

Dealer and importer business results at end of December 2023

The Mobilize F.S. group maintained its policy of supporting manufacturers and their distribution networks by providing appropriate financing solutions. In this respect, the management of inventories in conjunction with manufacturers and their adequacy with market situations remained a priority. After the Covid-19 crisis in 2020 and the semiconductor crisis in 2021, invoicing the end of 2022 marked by the increase of manufacturer invoicing. In 2023, the outstanding returned to pre-Covid-19 levels.

In 2023, the Mobilize F.S. group stabilised its international presence and supported the development of the Renault Group as well as of the Nissan and Mitsubishi brands and their networks. In addition, in several countries, the group continues the development of financing importers.

Outstanding network loans across the entire scope of intervention increased by €1.2 billion compared to December 2022 to reach €11.6 billion at December 2023.

The 2023 cost of risk of financing networks and importers is an income of €8.98 million, or 0.09% of average earning assets, and is explained in particular by:

- release of provisions on non-performing outstanding following the improvement in the Bucket 3 portfolio mix, with less exposure on long-maturity counterparties in default;
- release of provisions on performing outstanding following the improved mix of outstandings by risk class, and the update of PD and LGD parameters. Non-performing loans increased from €50 million at the end of December 2022 to €64 million at the end of December 2023, their share of total loans decreasing from 0.5% to 0.6% in one year.

In 2023, the amount of write-offs net of recoveries is only €2.4 million (notably in France €1.3 million and Germany €0.8 million), which confirms the good control of the risk on Network financing.

Restructured loans outstanding amounted to only €2.4 million, a level decreasing slightly by €0.1 million versus last year.

3.4.3 Diversification of credit risk exposure

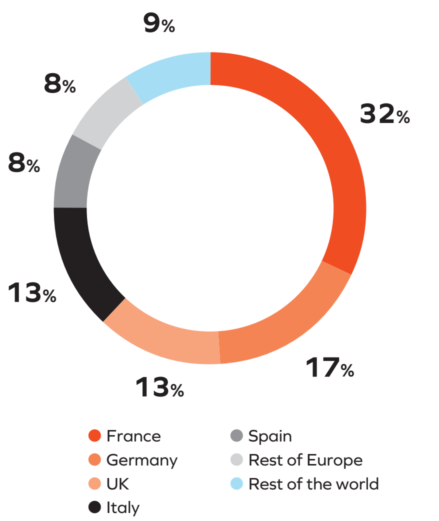
Retail performing assets at end December 2023 are increasing compared to end of December 2022 at €42.6 billion. It is driven by the improving average financed amount impacting positively the new financings. They are spread over 21 countries, with Europe well represented for 91% of the total. Group subsidiaries using IRB methodology (France, Italy, Germany, Spain, UK and South Korea) represent 86% of the total assets. Group subsidiaries in France, UK and Latin America countries are the ones with the strongest growth.

Retail productive assets of the Korean subsidiary decrease by -33.3%. The weight of the seven main countries where Mobilize F.S. is operating (IRB approved subsidiaries mentioned above plus Brazil) remains quite stable at 89% of total in 2023.

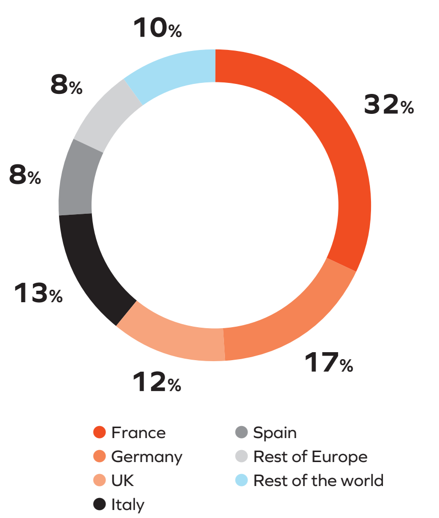
In terms of the breakdown of Retail business by product, credits represented 57% of outstandings at 2023, financial leases 39%, up 2 point, and operating leases (including battery leases) 4%, stable.

RETAIL CREDIT RISK EXPOSURE

/ RETAIL DECEMBER 2023



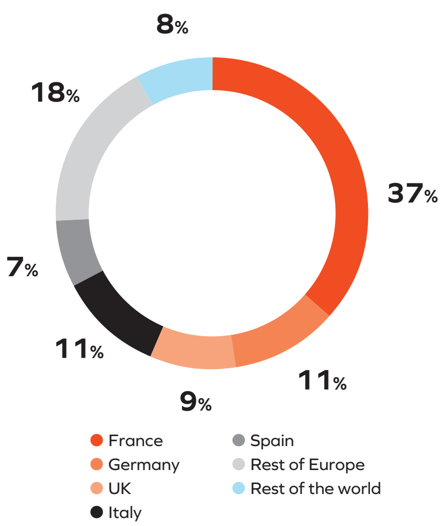
/ RETAIL DECEMBER 2022



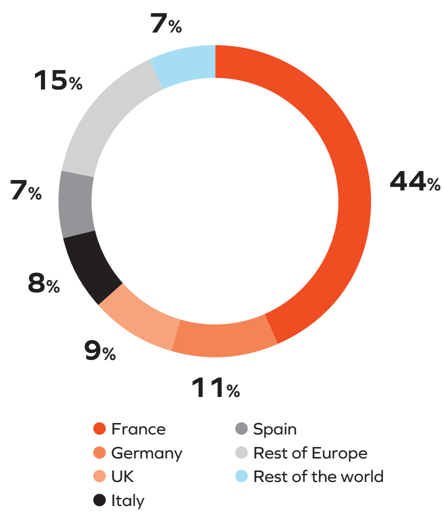
The outstanding network loans are spread over 24 consolidated countries with a strong preponderance of Europe. The overall network assets represents €11.6 billion. The breakdown of outstandings by country is relatively stable except in France with a 7pts decrease and in Italy with a 3pts increase.

WHOLESALE CREDIT RISK EXPOSURE

/ WHOLESALE DECEMBER 2023



/ WHOLESALE DECEMBER 2022



3.4.4 Risk-weighted assets

The Mobilize F.S. group uses the advanced method to measure credit risk for customer outstandings in the following countries: France, Germany, Spain, Italy, South Korea and the United Kingdom. For all other exposures and risks, Mobilize F.S. group ses the standardized method.

3.4.5 Advanced method

The Mobilize F.S. group has adopted the most advanced methods proposed by the reform known as Basel II/III to measure and monitor its credit risks, all parameters are therefore estimated internally. The values thus measured are applied to calculate exposure risks on the Retail, Corporate and Dealer customers. Six big countries (Germany, Spain, France, Italy, South Korea and United Kingdom [(1)]) are treated using the advanced approach based on internal ratings.

For all of these scopes, the Mobilize F.S. group has obtained the following authorizations:

- for France, Germany, Italy and Spain, approved in January 2008;
- for the United Kingdom, approved in January 2010;
- for Korea, approved in June 2011.

Following the agreement of the supervisor, the corporate portfolios (excluding the network) in Germany, Italy and Spain have been treated using the standard method since 2021.

The credit risk models applied within the group are subject to on-site supervisor inspections, giving rise to obligations and/or recommendations and, where applicable, the establishment of temporary additional margins on the parameters estimated by the Bank.

3.4.5.1 Governance

The internal credit risk models are part of the Risk management Governance and are managed by a Governance procedure that sets out the roles and responsibilities of each stakeholder and involved in ensuring the independence of the various levels of control. This procedure is validated by the Risk Committee, which is the institution's highest decision-making body with regard to internal models.

The first level of control is carried out by the teams of the Credit & Data Management division in charge of:

- the quality of the data from the subsidiaries;
- modelling methodologies;
- the development and implementation of models;
- operational insertion of models;
- monitoring the performance and relevance of models through backtesting and recalibration exercises.

The second level of control is carried out by the Risk Control department of the Risk and Banking Regulations department of Risk Control division, which independently reviews the elements carried out by the Credit & Data Management division. These reviews are governed by a validation procedure and its conclusions are presented during a Validation Committee meeting and are summarized in a validation report. During second-level validation missions, the Credit & Data Management division teams are required to justify their assumptions and their methodological choices with arguments and audit trails.

Changes made to the models and recurring monitoring exercises are communicated to the Supervisor in line with an internal procedure that complies with the requirements of Delegated Regulation (EU) No. 529/2014 of 20 May 2014 for extensions and changes to the internal rating approach.

This procedure foresees, depending on the materiality of the change made, to communicate to the Supervisor:

- an application package for approval;
- a notification prior to the change (ex ante);
- a notification after the change (ex post).

Internal Governance provides prior to each communication with the Supervisor, a validation by the various decision-making bodies, depending on its materiality.

In addition, the Governance provides recurrent reporting to the Management bodies where the risk levels, the conclusions of recurrent exercises as well as independent reviews, the follow-up of internal and external recommendations, etc. are presented.

Finally, the Internal Audit department provides the third level of control and assesses, through periodic inspections, the efficiency and compliance of the management and governance system for internal models.

1) For these six countries, some portfolios are in standard approach (examples: Corporates in the United Kingdom, Large Corporates outside France). Furthermore, RCI Korea is not concerned by the dealer financing activity.

3.4.5.2 Information system

The centralized database of risks (BCR) stores credit risk data coming from acceptance, management and accounting applications, on the three markets and for the most significant countries.

This database provides input data for decision-makers to assess risks, and the Banking Cloud software package calculates the solvency ratio. Banking Cloud is also fed by data from the refinancing system and consolidation tool.

The data collected and calculated in these information systems is controlled technically and functionally throughout the production line, from gathering information from upstream systems to the end results. These quality controls are monitored monthly at the level of the production chain according to the criticality of the data.

Further to an analysis of these controls, action plans have been put in place.

The information system in place provides the analitycal tools need to explain changes in the weighted asset ratio. Thus, monthly statements show the components of weighted assets in respect of the advanced method (probability of default, loss given default, exposures, expected losses, etc.) according to several criteria:

- sound outstandings and defaulted outstandings broken down by type of financing;
- a separation between balance sheet and off-balance sheet exposures;
- a breakdown by country;
- a breakdown by customer category (individuals, self-employed persons, small companies, medium-sized and large companies according to turnover, very big corporations and the dealership network);
- a distribution according to customer characteristics (age of the customer or company, line of business, etc.), according to the characteristics of the financing plan (initial term, amount paid up front, etc.) and according to the characteristics of the property financed (new or used vehicle, models, etc.).

These data dimensions are also used for the monthly analysis of the management cost of risk.

3.4.5.3 Segmentation of exposures by the advanced method

All figures relating to credit risk exposures concern gross exposures, i.e., before application of Credit Conversion Factors and Credit Risk Mitigation techniques.

The RWA density (weighted risks/exposures) totals 44% for the Retail portfolio and 56% for the overall Corporate portfolio using the advanced internal rating method and 122% for the foundation internal rating method.

The amount of the FCEC (Credit Exposure Conversion Factor) percentages is set at 100% for the advanced method.

/ EU CRE – QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO IRB APPROACH

Legal basis	Row number	Qualitative informations	
Article 452(a) CRR	(a)	The competent authority's permission of the approach or approved transition	Part 3.4.5 Advanced Method
Article 452(c) CRR	(b)	(c) The control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on: **i)** i)the relationship between the risk management function and the internal audit function; **ii)** ii)the rating system review; **iii)** iii)procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models; **iv)** iv)the procedure to ensure the accountability of the functions in charge of developing and reviewing the models.	**i)** i)Part 3.4.5 Governance **ii)** ii)Part 3.4.5.8 Procedures for monitoring internal ratings **iii)** iii)Part 3.4.5.1 Governance **iv)** iv)Part 3.4.5.1 Governance
Article 452(d) CRR	(c)	The role of the functions involved in the development, approval and subsequent changes of the credit risk models.	iv)Part 3.4.5.1 Governance
Article 452(e) CRR	(d)	The scope and main content of the reporting related to credit risk models.	iv)Part 3.4.5.1 Governance
Article 452(f) CRR	(e)	A description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering: **i)** i)the definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods; **ii)** ii)where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapsebetween the default event and the closure of the exposure; **iii)** iii)where applicable, the definitions, methods and data for estimation and validation of credit conversion factors, including assumptions employed in the derivation of those variables.	**i)** i)Part 3.4.5.4.1 Description of the internal rating process **ii)** ii)Part 3.4.5.5 Transaction data dimension – Loss given default parameter **iii)** iii)Part 3.4.5.6 Credit conversion factor

/ EU CR6 – IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE

PD range (in millions of euros)	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	EAD post CRM and post-CCF	Exposure weighted average PD
a	b	c	d	e	f
A-IRB Corporate					
0.00 to < 0.15	78			78	0.06%
0.00 to < 0.10	78			78	0.06%
0.10 to < 0.15					
0.15 to < 0.25					
0.25 to < 0.50	128	10	1.0	138	0.41%
0.50 to < 0.75	1,080	48	1.0	1,128	0.59%
0.75 to < 2.50	5,612	467	1.0	6,079	1.51%
0.75 to < 1.75	3,804	153	1.0	3,957	1.24%
1.75 to < 2.50	1,808	315	1.0	2,122	2.00%
2.50 to < 10.00	2,284	134	1.0	2,418	3.65%
2.50 to < 5.00	2,091	119	1.0	2,210	3.35%
5.00 to < 10.00	193	15	1.0	208	6.86%
10.00 to < 100.00	402	20	1.0	422	15.25%
10.00 to < 20.00	313	17	1.0	330	11.89%
20.00 to < 30.00	87	3	1.0	89	27.14%
30.00 to < 100.00	2			2	36.22%
100.00 (Default)	58	4	1.0	62	100.00%
SUB-TOTAL A-IRB CORPORATE	**9,642**	**684**	**1.0**	**10,325**	**3.03%**
A-IRB Corporate SME					
0.00 to < 0.15	5			5	0.04%
0.00 to < 0.10	5			5	0.04%
0.10 to < 0.15					
0.15 to < 0.25					
0.25 to < 0.50	47	1	1.0	48	0.38%
0.50 to < 0.75	685	29	1.0	714	0.61%
0.75 to < 2.50	428	26	1.0	453	1.54%
0.75 to < 1.75	253	23	1.0	276	1.23%
1.75 to < 2.50	174	2	1.0	177	2.03%
2.50 to < 10.00	412	15	1.0	427	4.39%
2.50 to < 5.00	286	2	1.0	288	3.29%
5.00 to < 10.00	126	13	1.0	138	6.67%
10.00 to < 100.00	170	5	1.0	175	20.78%
10.00 to < 20.00	65	3	1.0	69	12.59%
20.00 to < 30.00	91	1	1.0	93	24.69%
30.00 to < 100.00	13	0	1.0	13	35.64%
100.00 (Default)	20	0	1.0	20	100.00%
SUB-TOTAL A-IRB CORPORATE SME	**1,765**	**75**	**1.0**	**1,840**	**4.68%**

Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	RWEA after supporting factors	RWEA density amount	Expected loss amount	Value adjustments and provisions
g	h	i	j	k	l	m
3	16.93%	1.0	4	5.09%	0	0
3	16.93%	1.0	4	5.09%	0	0
52	19.15%	1.0	29	21.24%	0	0
1,284	17.90%	1.2	387	34.27%	1	(1)
3,886	24.80%	1.4	3,652	60.07%	24	(13)
1,992	18.29%	1.2	1,633	41.26%	9	(5)
1,894	36.92%	1.9	2,019	95.14%	15	(8)
1,339	20.31%	1.3	1,499	61.99%	18	(9)
1,094	20.46%	1.2	1,315	59.50%	15	(7)
245	18.72%	1.6	184	88.49%	3	(2)
358	21.94%	1.4	463	109.81%	14	(6)
323	21.89%	1.4	348	105.31%	9	(4)
33	22.19%	1.2	113	126.42%	5	(2)
2	19.25%	1.0	2	111.35%	0	0
171	28.85%	1.6	48	77.69%	14	(18)
7,093	**22.76%**	**1.4**	**6,082**	**58.90%**	**72**	**(45)**
5	19.04%	1.0	0	2.71%	0	0
5	19.04%	1.0	0	2.71%	0	0
172	19.89%	1.1	7	14.67%	0	0
371	18.57%	1.2	189	26.54%	1	0
603	19.83%	1.3	187	41.19%	1	(1)
163	18.91%	1.4	125	45.33%	1	(1)
440	21.28%	1.1	61	34.72%	1	0
385	19.57%	1.2	208	48.77%	4	(2)
295	19.77%	1.1	113	39.14%	2	(1)
90	19.15%	1.5	95	68.85%	2	(1)
147	18.39%	1.1	124	71.22%	7	(3)
83	18.62%	1.3	47	68.42%	2	(1)
51	17.87%	1.1	66	71.30%	4	(1)
13	20.79%	1.0	11	85.00%	1	(1)
37	66.86%	1.1	16	80.96%	12	(8)
1,720	**19.65%**	**1.2**	**732**	**39.75%**	**25**	**(15)**

PD range (in millions of euros)	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	EAD post CRM and post-CCF	Exposure weighted average PD
a	b	c	d	e	f
A-IRB Retail SME					
0.00 to < 0.15	0			0	0.05%
0.00 to < 0.10	0			0	0.05%
0.10 to < 0.15					
0.15 to < 0.25					
0.25 to < 0.50	312	25	1.0	337	0.34%
0.50 to < 0.75	224	14	1.0	238	0.60%
0.75 to < 2.50	1,751	227	1.0	1,978	1.65%
0.75 to < 1.75	1,172	152	1.0	1,325	1.27%
1.75 to < 2.50	579	75	1.0	654	2.42%
2.50 to < 10.00	686	77	1.0	763	5.15%
2.50 to < 5.00	331	45	1.0	376	4.03%
5.00 to < 10.00	355	32	1.0	387	6.23%
10.00 to < 100.00	249	22	1.0	271	21.63%
10.00 to < 20.00	95	11	1.0	106	10.65%
20.00 to < 30.00	136	10	1.0	146	25.77%
30.00 to < 100.00	18	1	1.0	19	51.76%
100.00 (Default)	111	2	1.0	113	100.00%
SUB-TOTAL A-IRB RETAIL SME	**3,334**	**367**	**1.0**	**3,701**	**6.65%**
A-IRB Retail no SME					
0.00 to < 0.15	1,082	215	1.0	1,297	0.10%
0.00 to < 0.10	474	10	1.0	484	0.08%
0.10 to < 0.15	607	206	1.0	813	0.12%
0.15 to < 0.25	965	141	1.0	1,106	0.22%
0.25 to < 0.50	5,773	264	1.0	6,036	0.38%
0.50 to < 0.75	4,561	101	1.0	4,663	0.67%
0.75 to < 2.50	10,608	465	1.0	11,073	1.35%
0.75 to < 1.75	8,087	335	1.0	8,422	1.09%
1.75 to < 2.50	2,521	130	1.0	2,651	2.15%
2.50 to < 10.00	3,319	68	1.0	3,388	4.62%
2.50 to < 5.00	2,196	51	1.0	2,247	3.49%
5.00 to < 10.00	1,123	18	1.0	1,141	6.85%
10.00 to < 100.00	1,163	15	1.0	1,179	24.25%
10.00 to < 20.00	456	7	1.0	463	12.44%
20.00 to < 30.00	463	6	1.0	470	23.37%
30.00 to < 100.00	244	2	1.0	246	48.13%
100.00 (Default)	490	1	1.0	492	100.00%
SUB-TOTAL A-IRB RETAIL NO SME	**27,963**	**1,271**	**1.0**	**29,234**	**3.90%**
TOTAL A-IRB	**42,703**	**2,397**	**1.0**	**45,100**	**3.96%**

Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	RWEA after supporting factors	RWEA density amount	Expected loss amount	Value adjustments and provisions
g	h	i	j	k	l	m
34	46.80%		0	6.36%	0	0
34	46.80%		0	6.36%	0	0
11,235	46.20%		72	21.27%	1	(1)
12,955	44.75%		69	28.77%	1	0
79,564	38.95%		743	37.58%	13	(10)
53,152	38.51%		460	34.76%	6	(5)
26,412	39.85%		283	43.29%	6	(5)
29,876	39.17%		361	47.32%	16	(11)
16,035	35.44%		157	41.83%	5	(5)
13,841	42.78%		204	52.63%	10	(6)
9,671	35.92%		173	63.73%	21	(16)
3,631	34.15%		51	48.12%	4	(3)
4,839	37.24%		108	73.65%	14	(10)
1,201	35.76%		14	74.88%	3	(3)
6,494	74.35%		70	62.20%	79	(63)
149,829	**40.89%**		**1,488**	**40.20%**	**130**	**(101)**
298,925	39.42%		139	10.76%	1	(1)
77,352	35.68%		37	7.74%	0	0
221,573	41.65%		102	12.55%	0	0
107,594	37.03%		199	18.02%	1	(2)
503,386	39.52%		1,611	26.69%	9	(11)
312,274	42.78%		1,854	39.75%	13	(9)
760,546	40.77%		5,478	49.47%	62	(47)
576,881	40.33%		3,871	45.96%	38	(28)
183,665	42.19%		1,608	60.65%	24	(20)
298,534	41.24%		2,236	66.01%	65	(61)
192,194	40.77%		1,432	63.76%	32	(29)
106,340	42.17%		804	70.45%	33	(32)
100,250	40.40%		1,134	96.26%	116	(138)
40,868	41.08%		379	81.79%	24	(42)
34,280	39.20%		464	98.89%	43	(39)
25,102	41.44%		291	118.46%	49	(57)
59,995	75.67%		345	70.18%	345	(319)
2,441,504	**41.26%**		**12,998**	**44.46%**	**612**	**(588)**
2,600,146	**36.11%**	**1.3**	**21,299**	**47.23%**	**838**	**(749)**

PD range (in millions of euros)	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	EAD post CRM and post-CCF	Exposure weighted average PD
a	b	c	d	e	f
F-IRB Corporate					
0.00 to < 0.15					
0.00 to < 0.10					
0.10 to < 0.15					
0.15 to < 0.25					
0.25 to < 0.50					
0.50 to < 0.75					
0.75 to < 2.50	100			100	1,91%
0.75 to < 1.75	4			4	1,54%
1.75 to < 2.50	95			95	1,93%
2.50 to < 10.00	14			14	3,25%
2.50 to < 5.00	14			14	3,25%
5.00 to < 10.00					
10.00 to < 100.00					
10.00 to < 20.00					
20.00 to < 30.00					
30.00 to < 100.00					
100.00 (Default)					
TOTAL F-IRB CORPORATE	**114**			**114**	**2,07%**

Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	RWEA after supporting factors	RWEA density amount	Expected loss amount	Value adjustments and provisions
g	h	i	j	k	l	m
12	45%	2.5	120	120.03%	1	(1)
1	45%	2.5	5	112.82%	0	0
11	45%	2.5	115	120.36%	1	(1)
3	45%	2.5	19	139.26%	0	0
3	45%	2.5	19	139.26%	0	0
15	**45%**	**2.5**	**139**	**122.38%**	**1**	**(1)**

/ EU CR6-A – SCOPE OF THE USE OF IRB AND SA APPROACHES

In millions of euros		Exposure value art 166 CRR for exposures subjeet to IRB approach	Exposures subject to the Standardised and to the IRB approach	% of exposure value subject to the permanent partial use of the SA	% of total exposure value subject to a roll-out plan	% of total exposure in IRB Approach
		a	b	c	d	e
1	Central governments and central banks		5,541	100.00%		
1.1	*• Of which Regional governments or local authorities*					
1.2	*• Of which Public sector entities*					
2	Institutions		2,324	100.00%		
3	Corporates	12,279	18,023	29.09%	2.77%	68.13%
3.1	*• Of which Corporates - Specialised lending, excluding slotting approach*					
3.2	*• Of which Corporates - Specialised lending under slotting approach*					
4	Retail	32,935	41,083	16.39%	3.44%	80.17%
4.1	*• of which Retail – Secured by real estate SMEs*					
4.2	*• of which Retail – Secured by real estate non-SMEs*					
4.3	*• of which Retail – Qualifying revolving*					
4.4	*• of which Retail – Other SMEs*		*6,116*	*36.25%*	*3.23%*	*60.52%*
4.5	*• of which Retail – Other non-SMEs*		*34,967*	*12.92%*	*3.48%*	*83.60%*
5	Equity		32	100.00%		
6	Other non credit obligation assets		2,353	100.00%		
7	**TOTAL**	**45,214**	**69,353**	**32.05%**	**2.76%**	**65.19%**

3.4.5.4 Borrower data dimension - Probability of Default (PD) parameter

Monthly revaluation of customer risks is based on:

- a model for ranking the risk of default;
- a method for quantifying the related probability of default.

3.4.5.4.1 Description of the internal ratings process

The table below provides a description of the internal rating process for each exposure types.

Exposure class	Country	Scope	Définition	PD estimation method	Data	Validation	Adequacy between PD and default rate
Retail	Germany	Retail Individuals	The definition of default conforms to Guidelines EBA GL 2016 07 Final report on Guideline on default definition.	The estimation is based on a long run average of default rate at 12 months, added of conservatism margins of type A, B, C which based on historic data reflecting the likely range of variability of default rates, contains an adequate mix of better or worst years.	Since 2008	Models have been approved by the ECB within the scope of the 2020 inspection on the new definition of default.	Conservative PD with respect to long-term observed default rates.
	Germany	Retail SME[1]			Since 2008		
	Spain	Retail Individuals			Since 2008		
	Spain	Retail SME			Since 2008		
	Italy	Retail Individuals			Since 2008		
	Italy	Retail SME			Since 2008		
	UK	Retail Individuals			Since 2010		
	Korea	Retail			Since 2011		
	France	Retail Individuals			Since 2008		
	France	Retail SME			Since 2008		
Wholesale	Germany	Wholesale R1[2]			Since 2010		
	Germany	Wholesale R2[3]					
	Spain	Wholesale R1					
	Italy	Wholesale R1					
	UK	Wholesale R1					
	France	Wholesale R1					
Corporate	France	Very large corporate			Since 2008		
	France	Corporate other			Since 2008		

(1) SME: Small and medium enterprises.
(2) R1: Primary dealers.
(3) R2: Secondary dealers.

3.4.5.4.2 Risk ranking model

The ranking of counterparty risk results from a score that includes both the customer's characteristics and the latter's payment record. The methodology is adjusted to each customer typology to factor in the nature of the available information generally used by business experts to assess the risks.

The table in paragraph below shows the mapping of the models developed.

3.4.5.4.3 Allocation to a class of risk and quantification of the PD related to each class

The rating scales feature a number of classes adjusted to the granularity of the portfolio. Retail customers are divided into ten classes for the sound portfolio and one default class; Corporate and Dealer portfolios are divided into seven classes.

The required degree of reliability for internal rating has nonetheless meant that each "country/customer segment" portfolio has been broken down in a specific manner: for a given segment, the risk attached to a particular class in France, measured by its representative PD, is different from the risk attached to the same class in Spain.

The PD associated with each class is calculated by factoring in historically observed default rates.

It is specified that new PD Retail models for all countries were put into production in 2020, following their validation by the ECB. Pd's of this new models have been recalibrated following the new definition of default (conforms to EBA Guideline: EBA GL 2016 07 Final report on Guideline on default definition) and this PD were put into production in December 2021. In addition, in November 2022, a new model on the Italy Corporate portfolio was put into production following the ECB's approval of the Retail package application submitted in June 2021. The PD of this new model and the recalibrated PD of the other Retail portfolios (excluding UK) were also put into production that same month. Concerning the calibration of PDs on the UK Retail portfolio, these were put into production in February 2023.

Segmentation of exposures by the advanced method and average PD by country

Category of exposure	IRBA countries	Average sound portfolio PD at 31/12/2023
Retail customers	Germany	1,41%
	Spain	2,02%
	France	2,95%
	Italy	1,99%
	United Kingdom	2,64%
	South Korea	1,06%
Small and medium-sized companies	Germany	2,00%
	Spain	3,98%
	France	4,07%
	Italy	4,56%
	United Kingdom	3,14%
	South Korea	1,56%
Large corporations	Germany	2,06%
	Spain	6,00%
	France	2,31%
	Italy	3,81%
	United Kingdom	2,62%

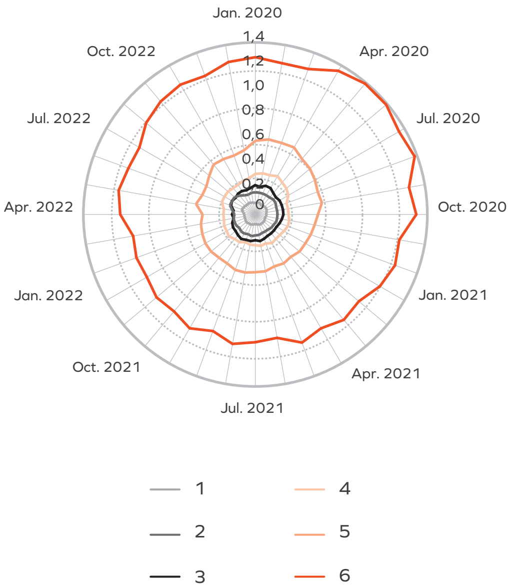
3.4.5.4.4 Testing PD models

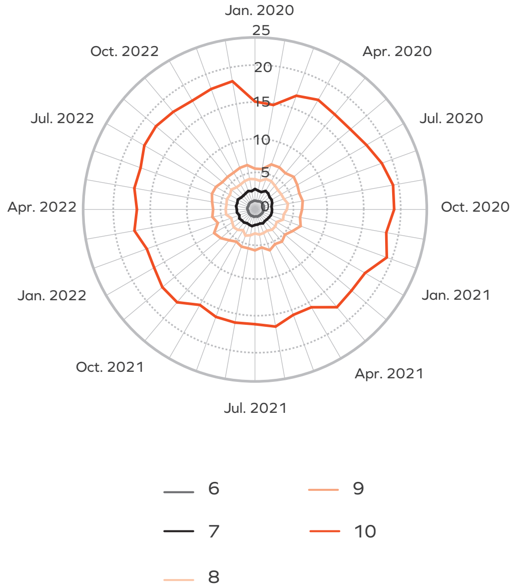
The figures disclosed in this section come from the backtesting databases, which are in line with the modeling databases. The figures given in the previous sections correspond to the use of parameters, and so there may be differences in management rules. For example, the default rates and PDs derived from the backtesting are based solely on the performing portfolio. In addition, in backtesting, if a counterparty belongs to a consolidation group whose annual sales exceed €50 million, the exposure class for the group's components will not be impacted, which can cause volume and allocation differences.

In many countries, backtesting of PD models has underlined that the models can effectively prioritize risks but that they also overestimate PDs per class. It should be noted that the internal backtesting procedures focus on calibrations by class of risk over time and not by class of exposure with PD averages in numbers and not in outstandings.

This is illustrated in the following graphs.

/ HISTORY OF DEFAULT RATES PER CLASS

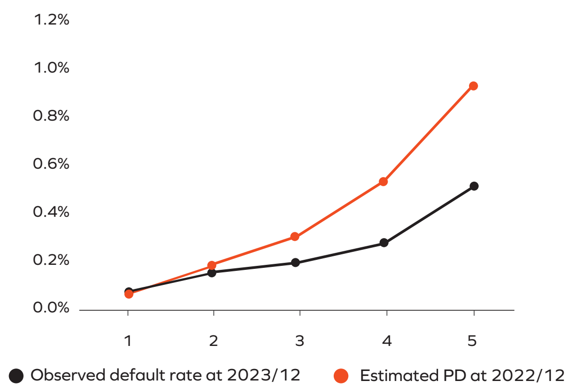




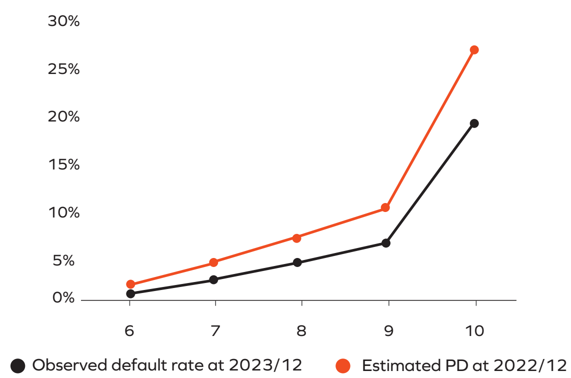
Since the curves by rating class are concentric, the two graphs above enable to conclude that the model is discriminant.

/ BACKTESTING OF CONSUMER PD MODEL FOR GERMANY AT END-DECEMBER 2023

CLASS 1 TO 5



CLASS 6 TO 10



The amber curve of calibrated PDs for the range of ratings under consideration is strictly above the actual default rate observed. The German Consumer PD model for the December 2022 portfolio, with defaults observed at the end of December 2023, shows a sufficiently conservative calibration.

When external ratings are available (i.e., for the very big French corporations), a migration matrix between internal and external ratings is calculated for backtesting exercises. An annual match rate is calculated according to the following two scenarios: without a rating difference and with a rating difference in absolute value (nearly 99%).

/ EU CR9 – IRB APPROACH – BACK-TESTING OF PD PER EXPOSURE CLASS (FIXED PD SCALE)

A-IRB

Exposure class	PD range	Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
	0.00 to < 0.15	7	0	0.00%	0.06%	0.06%	0.67%
	0.00 to < 0.10	7	0	0.00%	0.06%	0.06%	0.67%
	0.10 to < 0.15			0.00%			
	0.15 to < 0.25						0.00%
	0.25 to < 0.50	48	0	0.00%	0.41%	0.40%	0.85%
	0.50 to < 0.75	1,255	7	0.56%	0.59%	0.64%	0.22%
	0.75 to < 2.50	3,665	35	0.95%	1.49%	1.54%	1.23%
	0.75 to < 1.75	1,989	16	0.80%	1.25%	1.10%	1.15%
COCOR	1.75 to < 2.5	1,676	19	1.13%	1.99%	2.01%	0.90%
	2.50 to < 10.00	1,294	30	2.32%	3.65%	3.95%	2.04%
	2.5 to < 5	958	22	2.30%	3.35%	3.48%	1.51%
	5 to < 10	336	8	2.38%	6.86%	6.14%	3.30%
	10.00 to < 100.00	310	23	7.42%	15.17%	12.78%	6.01%
	10 to < 20	280	20	7.14%	11.86%	11.56%	5.12%
	20 to < 30	23	3	13.04%	27.21%	23.05%	12.01%
	30.00 to < 100.00	7	0	0.00%	36.22%	36.22%	4.45%
	100.00 (Default)	182	182	100.00%	100.00%	100.00%	99.34%
	0.00 to < 0.15	12	0	0.00%	0.04%	0.04%	0.39%
	0.00 to < 0.10	12		0.00%	0.04%	0.04%	0.39%
	0.10 to < 0.15		0	0.00%			
	0.15 to < 0.25						3.33%
	0.25 to < 0.50	253	0	0.00%	0.38%	0.36%	0.23%
	0.50 to < 0.75	392	1	0.26%	0.61%	0.62%	0.05%
	0.75 to < 2.50	494	0	0.00%	1.54%	1.84%	0.42%
	0.75 to < 1.75	134	0	0.00%	1.23%	1.19%	0.56%
COSME	1.75 to < 2.5	360	0	0.00%	2.03%	2.07%	0.29%
	2.50 to < 10.00	395	4	1.01%	4.40%	4.08%	1.62%
	2.5 to < 5	274	0	0.00%	3.30%	3.16%	0.30%
	5 to < 10	121	4	3.31%	6.67%	7.09%	3.30%
	10.00 to < 100.00	166	9	5.42%	20.76%	19.04%	8.29%
	10 to < 20	87	2	2.30%	12.60%	11.43%	6.64%
	20 to < 30	60	2	3.33%	24.70%	25.56%	4.35%
	30.00 to < 100.00	19	5	26.32%	35.70%	35.73%	17.00%
	100.00 (Default)	22	22	100.00%	100.00%	100.00%	99.09%

Exposure class	PD range	Number of obligors at the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
RESME	0.00 to < 0.15	33	0	0.00%	0.05%	0.05%	0.00%
	0.00 to < 0.10	33	0	0.00%	0.05%	0.05%	0.00%
	0.10 to < 0.15		0	0.00%			
	0.15 to < 0.25						
	0.25 to < 0.50	11,216	29	0.26%	0.30%	0.34%	0.20%
	0.50 to < 0.75	13,766	41	0.30%	0.74%	0.59%	0.45%
	0.75 to < 2.50	79,457	938	1.18%	1.45%	1.67%	0.99%
	0.75 to < 1.75	52,094	436	0.84%	1.40%	1.30%	0.79%
	1.75 to < 2.5	27,363	502	1.83%	2.42%	2.43%	1.40%
	2.50 to < 10.00	31,126	1,169	3.76%	4.28%	5.18%	3.26%
	2.5 to < 5	16,574	533	3.22%	2.63%	4.08%	2.65%
	5 to < 10	14,552	636	4.37%	8.20%	6.44%	4.40%
	10.00 to < 100.00	9,837	1,645	16.72%	30.72%	22.60%	16.00%
	10 to < 20	3,966	229	5.77%	10.65%	11.05%	8.47%
	20 to < 30	4,836	968	20.02%	25.76%	23.94%	17.64%
	30.00 to < 100.00	1,035	448	43.29%	37.38%	52.09%	40.73%
	100.00 (Default)	5,751	5,751	100.00%	100.00%	100.00%	100.00%
REIND	0.00 to < 0.15	347,928	286	0.08%	0.05%	0.11%	0.06%
	0.00 to < 0.10	93,009	72	0.08%	0.05%	0.07%	0.05%
	0.10 to < 0.15	254,919	214	0.08%	0.12%	0.12%	0.08%
	0.15 to < 0.25	114,384	235	0.21%	0.22%	0.22%	0.17%
	0.25 to < 0.50	502,431	982	0.20%	0.30%	0.36%	0.28%
	0.50 to < 0.75	294,932	684	0.23%	0.74%	0.67%	0.30%
	0.75 to < 2.50	752,852	4,422	0.59%	1.41%	1.36%	0.83%
	0.75 to < 1.75	572,389	2,741	0.48%	1.40%	1.11%	0.63%
	1.75 to < 2.5	180,463	1,681	0.93%	2.15%	2.15%	1.29%
	2.50 to < 10.00	309,677	6,332	2.04%	4.37%	4.69%	3.12%
	2.5 to < 5	204,589	3,119	1.52%	2.54%	3.50%	2.34%
	5 to < 10	105,088	3,213	3.06%	8.60%	6.85%	4.79%
	10.00 to < 100.00	96,898	13,400	13.83%	35.48%	24.75%	16.63%
	10 to < 20	40,953	2,696	6.58%	12.44%	12.73%	9.23%
	20 to < 30	32,227	4,570	14.18%	23.37%	22.79%	17.56%
	30.00 to < 100.00	23,718	6,134	25.86%	36.96%	47.34%	27.71%
	100.00 (Default)	56,484	5,6484	100.00%	100.00%	100.00%	100.00%

F-IRB

Exposure class	PD range	Number of obligors in the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
COCOR	0.00 to < 0.15						2.92%
	0.00 to < 0.10						2.92%
	0.10 to < 0.15						
	0.15 to < 0.25						
	0.25 to < 0.50						1.85%
	0.50 to < 0.75	1	0	0.00%	0.64%	0.64%	0.00%
	0.75 to < 2.50	12	0	0.00%	1.91%	1.86%	0.49%
	0.75 to < 1.75	1	0	0.00%	1.54%	1.54%	0.62%
	1.75 to < 2.5	11	0	0.00%	1.93%	1.89%	0.00%
	2.50 to < 10.00	1	0	0.00%	3.25%	3.25%	2.08%
	2.5 to < 5	1	0		3.25%	3.25%	2.78%
	5 to < 10						0.00%
	10.00 to < 100.00						25.00%
	10 to < 20						25.00%
	20 to < 30						
	30.00 to < 100.00						
	100.00 (Default)						100.00%
COSME	0.00 to < 0.15						
	0.00 to < 0.10						
	0.10 to < 0.15						
	0.15 to < 0.25						
	0.25 to < 0.50						
	0.50 to < 0.75	2	0	0.00%	0.64%	0.64%	0.00%
	0.75 to < 2.50						0.00%
	0.75 to < 1.75						0.00%
	1.75 to < 2.5						
	2.50 to < 10.00				6.04%	6.04%	
	2.5 to < 5						
	5 to < 10				6.04%	6.04%	
	10.00 to < 100.00						
	10 to < 20						
	20 to < 30						
	30.00 to < 100.00						
	100.00 (Default)						

Exposure class	PD range	Number of obligors in the end of previous year	Of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
RESME	0.00 to < 0.15						
	0.00 to < 0.10						
	0.10 to < 0.15						
	0.15 to < 0.25						
	0.25 to < 0.50						
	0.50 to < 0.75						0.00%
	0.75 to < 2.50	1	0	0.00%			0.00%
	0.75 to < 1.75						0.00%
	1.75 to < 2.5	1	0	0.00%			0.00%
	2.50 to < 10.00						0.00%
	2.5 to < 5						0.00%
	5 to < 10						
	10.00 to < 100.00						0.00%
	10 to < 20						
	20 to < 30						0.00%
	30.00 to < 100.00						
	100.00 (Default)						

In accordance with group practice, the historical average captures maximum historical depth and is therefore not restricted solely to the last five years.

Across all exposure class, PDs are greater than the default rate. Moreover, quarterly backtesting of PD models, are used to ensure the quality of each model in terms of the stability and the performance of models and the conservatism of PD levels.

/ CR9.1 – IRB APPROACH – BACK-TESTING OF PD PER EXPOSURE CLASS (ONLY FOR PD ESTIMATES ACCORDING TO POINT (F) OF ARTICLE 180(1) CRR)

No Mobilize F.S. models associates or maps its internal grades to the scale used by an ECAI to calibrate its PD.

3.4.5.5 Transaction data dimension – Loss given default (LGD) parameter

Economic losses are estimated using discounted recovery flows for Retail Customers and Corporates, or debt write-offs for the car dealers, on the basis of historical data generally going back at least seven years. Recovery costs are factored in according to the management phases involved. After analysis, transactions have been grouped into segments representing homogeneous loss levels.

The quantifying of these losses per segment results from a statistical model the main vectors of which are a generational analysis of recoveries and the speed of collection.

The table below provides a description of the estimation of the loss for each exposure types.

<table>
<tr><th>Exposure class</th><th>Country</th><th>Scope</th><th>Definition</th><th>LGD estimation method</th><th>LGD downturn estimation method</th><th>Time to work out</th><th>Data</th><th>Validation</th></tr>
<tr><td rowspan="18">Retail</td><td>Germany</td><td>LGD</td><td rowspan="24">The definition of default conforms to Guidelines EBA GL 2016 07 Final report on Guideline on default definition.</td><td rowspan="24">The estimation is based on a long run average of the net discounted loss rates, added of the conservatism margins of type A, B, C and downturn.</td><td rowspan="24">LGD downturn is estimated in accordance with the LGD Downturn Guideline EBA/GL/2019/03</td><td rowspan="24">• 42 months for Germany Retail model and UK Retail model
• 108 months for Credit's bucket on the France Retail model
• 48 months for others models</td><td>Since 2008</td><td rowspan="18">Models have been approved by the ECB within the scope of the 2020 inspection on the new definition of default.</td></tr>
<tr><td>Germany</td><td>LGD in default</td><td>Since 2008</td></tr>
<tr><td>Germany</td><td>ELBE</td><td>Since 2008</td></tr>
<tr><td>Spain</td><td>LGD</td><td>Since 2008</td></tr>
<tr><td>Spain</td><td>LGD in default</td><td>Since 2008</td></tr>
<tr><td>Spain</td><td>ELBE</td><td>Since 2008</td></tr>
<tr><td>Italy</td><td>LGD</td><td>Since 2008</td></tr>
<tr><td>Italy</td><td>LGD in default</td><td>Since 2008</td></tr>
<tr><td>Italy</td><td>ELBE</td><td>Since 2008</td></tr>
<tr><td>France</td><td>LGD</td><td>Since 2008</td></tr>
<tr><td>France</td><td>LGD in default</td><td>Since 2008</td></tr>
<tr><td>France</td><td>ELBE</td><td>Since 2008</td></tr>
<tr><td>UK</td><td>LGD</td><td>Since 2010</td></tr>
<tr><td>UK</td><td>LGD in default</td><td>Since 2010</td></tr>
<tr><td>UK</td><td>ELBE</td><td>Since 2010</td></tr>
<tr><td>Korea</td><td>LGD</td><td>Since 2011</td></tr>
<tr><td>Korea</td><td>LGD in default</td><td>Since 2011</td></tr>
<tr><td>Korea</td><td>ELBE</td><td>Since 2011</td></tr>
<tr><td rowspan="3">Wholesale</td><td>DE-ES-IT-FR-UK</td><td>LGD</td><td rowspan="3">Since 2010</td><td rowspan="6">LGD parameters have been approved by the ECB within the scope of the 2020 inspection on the new definition of default</td></tr>
<tr><td>DE-ES-IT-FR-UK</td><td>LGD in default</td></tr>
<tr><td>DE-ES-IT-FR-UK</td><td>ELBE</td></tr>
<tr><td rowspan="3">Corporate</td><td>France</td><td>LGD</td><td>Since 2008</td></tr>
<tr><td>France</td><td>LGD in default</td><td>Since 2008</td></tr>
<tr><td>France</td><td>ELBE</td><td>Since 2008</td></tr>
</table>

Segmentation of exposures by the advanced method and average LGD by country

Category of exposure	IRBA countries	Population group segmentation	Average sound portfolio LGD	Average loss computed at the last backtesting
Retail individuals SME	France	Credit with ratio Exposition amount/Funding Amount >= 1	52.67%	36.80%
		Credit with ratio Exposition amount/Funding amount < 1 and Duration before funding ends <= 36 months	31.74%	19.52%
		Credit with ratio Exposition amount/Funding amount < 1 and Duration before funding ends > 36 months	41.03%	32.74%
		Leasing with duration before funding ends <= 45 months	33.38%	18.59%
		Leasing with duration before funding ends > 45 months	45.80%	31.02%
	Germany	Credit with duration before funding ends <= 34 months	27.43%	20.24%
		Credit with duration before funding ends > 34 months and downpayment rate > 8.57%	37.51%	30.13%
		Credit with duration before funding ends > 34 months & downpayment rate <= 8.57% or Leasing	48.45%	35.28%
	Spain	Duration before funding ends <= 24 months	33.14%	17.92%
		24 < Duration before funding ends <= 35 months	51.30%	25.28%
		35 < Duration before funding ends <= 56 months	60.86%	33.25%
		Duration before funding ends > 56 months	73.14%	43.62%
	Italy	Leasing	19.64%	11.14%
		Credit with duration before funding ends <= 26 months	31.37%	22.64%
		Credit with 26 < duration before funding ends <= 51 months	47.33%	35.44%
		Credit with duration before funding ends > 51 months and ratio Maturity in management/ Forecast duration > 0	53.75%	42.92%
		Credit with duration before funding ends > 51 months and ratio Maturity in management/ Forecast duration = 0	82.72%	57.95%
	United Kingdom(4)	Ratio Duration before funding ends/Forecast duration <= 65.3%	56.29%	35.10%
		Ratio Duration before funding ends/Forecast duration > 65.3%	36.62%	25.67%
	South Korea	Collateral(2) <= 15,301,795krw or Collateral(2)]15,301,795; 21,499,925] & Collateral coefficient(3) <= 86.64%	35.99%	28.83%
		Collateral(2) > 21,499,925krw or Collateral(2)]15,301,795; 21,499,925] & Collateral coefficient(3) > 86.64%	50.47%	37.00%
Corporate	France	Credit	37.44%	5.45%
		Leasing	34.88%	16.23%
Dealers	G5(1)	R1 VN	16.30%	5.01%
		R1 others	26.22%	14.03%

(1) G5: France, Germany, Spain, Italy, United Kingdom.
(2) This is quantitative data calculated to suit the vehicle's price and the maturity in management.
(3) This is quantitative data calculated to suit the maturity in management.
(4) As regards the rate of loss calculated at the last backtesting session for the United Kingdom, the data is not available for the December 2023 order. The data shown is for June 2022.

The LGDs are updated yearly to factor in the most recent information when estimating the parameter. The principle of LGD backtesting is to compare the long run average of loss rate and the LGD calibrated in the previous year. Generally speaking, the regulatory LGDs are higher than observed loss rates. It should be noted that, following data anomalies observed on the Corporate France perimeter, the backtesting exercise could not be carried out according to the usual procedures: the figures reported in the Corporate segment come from observed loss rates deducated, in particular, from debt write-offs.

LGD's of these new models have been recalibrated following the new definition of default (conforms to EBA Guideline: EBA GL 2016 07 Final report on Guideline on default definition) and this LGD were put into production in December 2021. In addition, in November 2022, new LGD Retail models went into production following ECB approval of the Retail package application submitted in June 2021.

The average loss given defaults on the healthy portfolio is 40.67% for Retail Customers and 27.15% for the Corporate segment, the latter breaking down as 37.87% for non-Dealer companies and 18.92% for the Dealers.

Individuals and Corporate customers expected loss (EL) increased by 5.88% compared to December 2022 (€43.44 million), as a result of an increase of the EL Default by 5.63%: driven by the increase of exposure in default (€600.4 million in December 2022 vs. €666.5 million in December 2023).

EL for the Dealers decreased by €3.5 million (-6%) compared to December 2022, under the effect of the decrease in exposures in default (-€8.3 million, i.e., a decrease of 39%).

3.4.5.6 Credit conversion factor

Credit conversion factor are set to 100% for the whole Mobilize F.S. advanced method portfolio.

3.4.5.7 Operational use of internal ratings

3.4.5.7.1 Customers

Granting policy

Customers applying for financing plans are systematically rated by acceptance specific scoring; this situation, which pre-dated the "Basel" ratings, allow to set the initial direction of the application in the decision-making process, the study process concentrating on "intermediary and high" risks. Consistency between the acceptance rating and the Basel rating is ensured both in the construction of the rating models and in backtesting exercises. Beyond the operational process, the acceptance policy is regularly adjusted according to default rates and a break-even analysis by level of probability of default and loss given default.

Debt collection

The statistical models used to calculate weighted risks and expected loss enable probability of default determined at the time of granting to be updated monthly by factoring in the customer's payment record. This updating, which provides a clear vision of expected loss of the portfolio as part of the "budget process" is also a tool used to forward plan the activity of out-of-court and disputed debt collection platforms. On the basis of the same customer information, "recovery scores" have been deployed in Spain and South Korea to make the process more efficient.

3.4.5.7.2 Dealers

In the Dealers segment, all counterparties are systematically rated. All the rating components, or the rating itself, are included in the key operational processes of acceptance, management and monitoring of the activity and the risks.

Provisioning for the Wholesale financing activity is based on a categorization of the counterparties, individually, and on the basis of an examination of objective impairment indicators. The internal rating is the basis for this differentiation.

3.4.5.8 Procedures for monitoring internal ratings

The results of the internal rating process, the performance of the models and the main data items making it up are monitored quarterly by the modeling teams. At least once a year, observed changes lead to a formal analysis according to a standard protocol described in a procedure. Differences between the models' forecasts and the actual figures are analyzed and summarized in a report that also includes a quantification of the impact on the capital requirement. Elements of the performance of the rating models are also reported yearly to the Executive Committee during a dedicated presentation and to the Risk Committee of the Executive Board.

Regulatory changes with a significant impact on the models are monitored and analyzes in detail by the modeling teams. This is notably the case for the EBA Regulatory Technical Standards (RTS) on the new definition of default for which two packages was sent to the ECB in 2020 and for which the group has obtained the ECB's approval. Furthermore in 2021 three new packages was sent to the supervisor on the following perimeters: Corporate (in March 2021), Retail (in June 2021) and Wholesale (in December 2021).

For the retail perimeter, ECB IMI mission took place in the second semester of 2021, the decision of which enabled the implementation of parameters in November 2022 and in February 2023 for the UK portfolio.

Another EBC IMI mission started in the second semester 2022 concerning the Corporate perimeter and another IMI mission on the PD and LGD wholesale perimeter is planned for 2024. However, the start date of the mission has not yet been communicated.

The different elements of internal models and the first level of controls produced by Credit & Data Management division are reviewed in a second level of control by the validation team of Risk Control Unit.

These independent controls are governed by a procedure and reported to dedicated Validation Committees. The resulting points for improvement are the subject of action plans proposed by the teams and validated and monitored by the validation unit.

As part of its periodic controls, the Internal Audit reviews the process of internal models and the first and second levels of controls to assess their adequacy and conformity.

Eventually, the whole process including first, second and third level of controls is regularly controlled by ECB inspections.

/ EU CR8 – RWEA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER THE IRB APPROACH

The purpose of this section is to depict the root cause of RWA variation by quarterly step.

		Risk weighted exposure amount	Risk weighted exposure amount
		12/2023	09/2023
In millions of euros		a	b
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**20,631**	**21,093**
2	Asset size (+/-)	885	(557)
3	Asset quality (+/-)	(62)	113
4	Model updates (+/-)		
5	Methodology and policy (+/-)		
6	Acquisitions and disposals (+/-)		
7	Foreign exchange movements (+/-)	(16)	(17)
8	Other (+/-)		
9	**RISK WEIGHTED EXPOSURE AMOUNT AS AT THE END OF THE REPORTING PERIOD**	**21,438**	**20,631**

Changes in asset size are mainly due to the cyclicality of dealer financing activity, which peak in June and December.

Between September 2023 and December 2023, the level of RWAs has increased due to the rise in outstandings.

3.4.6 Standardized method

/ EU CRD – QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO STANDARDISED MODEL

Legal basis	Row number	Qualitative information - Free format	
Article 444 (a) CRR	(a)	Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) nominated by the institution, and the reasons for any changes over the disclosure period.	The Mobilize F.S. group uses Moody's as external rating agency
Article 444 (b) CRR	(b)	The exposure classes for which each ECAI or ECA is used.	The Mobilize F.S. group uses ECAI ratings for sovereign, international organization, institutions and corporate investments
Article 444 (c) CRR	(c)	A description of the process used to transfer the issuer and issue credit ratings onto comparable assets items not included in the trading book.	The Mobilize F.S. group complies with the standard association published by the EBA
Article 444 (d) CRR	(d)	The association of the external rating of each nominated ECAI or ECA (as referred to in row (a)) with the risk weights that correspond with the credit quality steps as set out in Chapter 2 of Title II of Part Three CRR (except where the institution complies with the standard association published by the EBA).	The Mobilize F.S. group complies with the standard association published by the EBA

The credit risk exposures treated using the standardized method comprise financed sales outstandings of subsidiaries not treated using the advanced method, debts to credit institutions and central banks, and all other consolidated assets that are not credit obligations.

In order to calculate the capital requirement for credit risk under the standardized method, the Mobilize F.S. group uses Moody's, the external credit rating agency, for sovereigns, international organizations, institutions and corporate investments. Reconciliation of these ratings with the credit quality steps provided for under the regulations complies with the supervisor's requirements. Beyond this framework, there is no use of any external rating that cannot be applied directly. As regards unrated exposures, the Mobilize F.S. group applies the regulatory weightings in accordance with the CRR.

For hedge transactions, the values of counterparty credit risk exposures on interest-rate or forex derivatives are determined by the market price method, adding, to the current replacement cost, the potential future credit exposure based on the remaining term. Such transactions still concern countries not covered by EMIR regulations.

/ EU CR4 – STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS

		Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
		On-Balance-sheet exposures	Off-balance sheet exposures	On-Balance-sheet exposures	Off-balance sheet exposures	RWEA	RWEA density
In millions of euros		a	b	c	d	e	f
1	Central governments or central banks	5,713	7	5,713	3	485	8.48%
2	Regional government or local authorities	41	11	41	5	9	20.08%
3	Public sector entities						
4	Multilateral development banks						
5	International organisations						
6	Institutions	1,610	34	1,610	23	443	27.11%
7	Corporates	5,612	316	5,382	27	4,982	92.10%
8	Retail	7,437	332	7,436	120	5,303	70.17%
9	Secured by mortgages on immovable property						
10	Exposures in default	282	3	269	1	305	112.59%
11	Exposures associated with particularly high risk						
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment	140	6	140	1	52	37.17%
14	Collective investment undertakings	73		73		112	153.49%
15	Equity	371		371		880	237.24%
16	Other items	1,459	0	1,459	0	786	53.84%
17	**TOTAL**	**22,738**	**710**	**22,496**	**182**	**13,358**	**58.90%**

CRM: Credit Risk Mitigation.
CCF: Credit Conversion Factor.

The percentage applied to CCF is 0% on most of the off-balance sheet exposures towards companies, the credit lines being unconditionally cancellable at any time without notice in case of a deterioration of the borrower's creditworthiness.

/ EU CR5 – STANDARDISED APPROACH

In millions of euros		Risk weight							
		0%	2%	4%	10%	20%	35%	50%	70%
Exposure classes		a	b	c	d	e	f	g	h
1	Central governments or central banks	5,502				0		13	
2	Regional government or local authorities					46		0	
3	Public sector entities								
4	Multilateral development banks								
5	International organisations								
6	Institutions					1,486		3	
7	Corporates								
8	Retail exposures								
9	Exposures secured by mortgages on immovable property								
10	Exposures in default								
11	Exposures associated with particularly high risk								
12	Covered bonds								
13	Exposures to institutions and corporates with a short-term credit assessment					122		0	
14	Units or shares in collective investment undertakings								
15	Equity exposures								
16	Other items	0				550			
17	**TOTAL**	**5,502**				**2,205**		**16**	

Risk weight								
75%	100%	150%	250%	370%	1,250%	Others	Total	of which unrated
i	j	k	l	m	n	o	p	q
	11	6	183				5,716	
							46	46
	144						1,633	1,630
	5,370	40					5,410	5,410
7,557							7,557	7,557
	203	68					271	265
		19					141	19
					2	71	73	73
	32		340				371	371
	193					717	1,459	1,459
7,557	**5,952**	**132**	**523**		**2**	**788**	**22,677**	**16,829**

3.4.7 Credit risk mitigation techniques

The Mobilize F.S. group does not use netting agreements to reduce the commercial credit risk.

Mitigation techniques are allowed only in the form of cash and used solely according to the two agreements below in order to hedge the credit risk specific to the manufacturers' distribution network.

For exposures treated by the internal rating method, the capital requirements in respect of credit risk take into account financial collateral (in the form of a cash pledge agreement) amounting to €600 million granted by manufacturer Renault and protecting the Mobilize F.S. group against the risk of the Renault subsidiaries defaulting on inventory financing. This protection is spread evenly over each exposure in the relevant scope by Banking Cloud's data processing. After application of the discount relating to the asymmetry of currencies, the residual exposure is €495 million.

With the standardized method, capital requirements in respect of credit risk include financial collateral (in the form of Letras de Cambio and guarantee funds) protecting Brazilian subsidiary Banco RCI Brasil against the risk of default of its network of dealerships, for a total of €208 million. This protection is allocated individually to each exposure concerned.

/ EU CRC – QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO CRM TECHNIQUES

Legal basis	Row number	Qualitative informations	
Article 453 (a) CRR	(a)	A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting.	For Retail and Corporate financing activities, including Wholesale financing activity, the Mobilize F.S. group do not use balance sheet netting.
Article 453 (b) CRR	(b)	The core features of policies and processes for eligible collateral evaluation and management.	For Corporate financing activities, the Mobilize F.S. group do not take collaterals to mitigate credit risk. For its Network and importers business, the Mobilize F.S. group has a framework procedure for taking out guarantees and signed agreements allowing for the evaluation and management of eligible collateral.
Article 453 (c) CRR	(c)	A description of the main types of collateral taken by the institution to mitigate credit risk.	For Corporate financing activities, the Mobilize F.S. group do not take collaterals to mitigate credit risk. For its Network and importers business, the Mobilize F.S. group uses collaterals such as a cash pledge (to reduce exposure to dealerships owned by the Renault Group) and a guarantee fund and the pledge of letras de cambio (to reduce exposure to independent dealerships in Brazil).
Article 453 (d) CRR	(d)	For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures.	For Retail and Corporate financing activities, the Mobilize F.S. group do not use credit protection, such as guarantors and credit derivative, in order to reduce capital requirements.
Article 453 (e) CRR	(e)	Information about market or credit risk concentrations within the credit mitigation taken.	For Retail and Corporate financing activities, the Mobilize F.S. group do not use such credit risk mitigation techniques.

/ EU CR3 – CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES

In millions of euros		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	ow secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	39,062	22,361	814	21,547	
2	Debt securities	354				
3	**TOTAL**	**39,416**	**22,361**	**814**	**21,547**	
4	*• Of which Non-performing exposures*	*941*	*261*		*261*	
5	*• Of which defaulted*	*941*	*261*		*261*	

/ EU CR7 – IRB APPROACH – EFFECT ON THE RWEAS OF CREDIT DERIVATIVES USED AS CRM TECHNIQUES

In millions of euros		Pre-credit derivatives RWEA	Actual RWEA
		a	b
1	**EXPOSURES UNDER FIRB**	**139**	**139**
2	Central governments and central banks		
3	Institutions		
4	Corporates	139	139
4.1	*• of which Corporates – SMEs*		
4.2	*• of which Corporates – Specialised lending*		
5	**EXPOSURES UNDER AIRB**	**21,299**	**21,299**
6	Central governments and central banks		
7	Institutions		
8	Corporates	6,814	6,814
8.1	*• of which Corporates – SMEs*	*732*	*732*
8.2	*• of which Corporates – Specialised lending*		
9	Retail	14,485	14,485
9.1	*• of which Retail – SMEs – Secured by immovable property collateral*		
9.2	*• of which Retail – non-SMEs – Secured by immovable property collateral*		
9.3	*• of which Retail – Qualifying revolving*		
9.4	*• of which Retail – SMEs – Other*	*1,488*	*1,488*
9.5	*• of which Retail – Non-SMEs – Other*	*12,998*	*12,998*
10	**TOTAL (INCLUDING F-IRB EXPOSURES AND A-IRB EXPOSURES)**	**21,438**	**21,438**

/ EU CR7-A – IRB APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES

			Credit risk Mitigation techniques					
			Funded credit Protection (FCP)					
		Total exposures	% of exposures covered by Financial Collaterals	% of exposures covered by Other eligible collaterals	% of exposures covered by Immovable property Collaterals	% of exposures covered by Receivables	% of exposures covered by Other physical collateral	% of exposures covered by Other funded credit protection
In millions of euros		a	b	c	d	e	f	g
	EXPOSURES UNDER AIRB							
1	Central governments and central banks							
2	Institutions							
3	Corporates	12,165	4.46%					
3.1	• *Of which Corporates – SMEs*	*1,840*						
3.2	• *Of which Corporates – Specialised lending*							
3.3	• *Of which Corporates – Other*	*10,325*	*4.46%*					
4	Retail	32,935						
4.1	• *Of which Retail – Immovable property SMEs*							
4.2	• *Of which Retail – Immovable property non-SMEs*							
4.3	• *Of which Retail – Qualifying revolving*							
4.4	• *Of which Retail – Other SMEs*	*3,701*						
4.5	• *Of which Retail – Other non-SMEs*	*29,234*						
5	**TOTAL**	**45,100**	**1.02%**					
	EXPOSURES UNDER FIRB							
1	Central governments and central banks							
2	Institutions							
3	Corporates	114						
3.1	Of which Corporates – SMEs							
3.2	• *Of which Corporates – Specialised lending*							
3.3	• *Of which Corporates – Other*	*114*						
4	**TOTAL**	**114**						

Credit risk Mitigation techniques					Credit risk Mitigation methods in the calculation of RWEAs	
Funded credit Protection (FCP)			Unfunded credit Protection (UFCP)			
% of exposures covered by Cash on deposit	% of exposures covered by Life insurance policies	% of exposures covered by Instruments held by a third party	% of exposures covered by Guarantees	% of exposures covered by Credit derivatives	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)
h	i	j	k	l	m	n
					6,814	6,814
					732	*732*
					6,082	*6,082*
					14,485	14,485
					1,488	*1,488*
					12,998	*12,998*
					21,299	**21,299**
					139	139
					139	*139*
					139	**139**

3.4.8 Counterparty credit risk

/ EU CCRA – QUALITATIVE DISCLOSURE RELATED TO CCR

		Flexible format disclosure
(a)	**Article 439 (a) CRR** Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties	Counterparty risk is managed by a limit system in line with counterparty risk appetite. Calibration of RCI Banque S.A.'s limits is based in particular on the level of own equity, results, external rating and internal assessment of the quality of the counterparty taking into account ownership, market position, franchise diversification. Limits with central counterparties are assigned based the credit quality of the host country (central banks) or stressed margin requirement on cleared derivatives (clearing house). Compliance with limits is monitored daily, and all control results are notified monthly to the RCI Banque S.A.'s Financial Committee. Exposure on banks is included in Groupe Renault consolidated counterparty risk monitoring.
(b)	**Article 439 (b) CRR** Description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves	The Mobilize F.S. group uses interest rate and forex derivatives to hedge financial risks. For a large portion of its portfolio, it has implemented risk mitigation techniques to protect the company against the risks of counterparty default. Derivative transactions are executed under ISDA agreement or equivalent and thereby provide to the group's entities with a legally enforceable right in case of default of the counterparty (see Note 20 to the consolidated financial statements: Netting agreements and other similar commitments). In 2012 the EMIR (European Market Infrastructure Regulation) regulation published a series of standards designed to improve the stability and transparency of the derivatives market. The main measure concerns the use of clearing houses or bilateral exchange of collateral between counterparties. In Europe, the Mobilize F.S. group. books interest-rate swap transactions in clearing houses and posts cash as collateral as initial margin and regular exchanges cash collateral (that can be paid or received) in respect of variation margins. Foreign exchange derivatives uncollateralized are subject to bilateral margin call. Outside Europe interest rate swaps are subject to bilateral exchanges of collateral in Brazil.
(c)	**Article 439 (c) CRR** Description of policies with respect to Wrong-Way risk as defined in Article 291 of the CRR	The Mobilize F.S. group has no particular mechanism for managing correlation risk.
(d)	**Article 431 (3) and (4) CRR** Any other risk management objectives and relevant policies related to CCR	Not applicable
(e)	**Article 439 (d) CRR** The amount of collateral the institution would have to provide if its credit rating was downgraded	In the event of a deterioration in its credit rating, the Mobilize F.S. group may be required to set up additional reserves as part of its securitization transactions. On 31 December 2023, the cash outflows required to fund additional securitization reserves in case of a three notch rating downgrade totaled €213 million.

Exposure to counterparty credit risk

/ EU CCR1 – ANALYSIS OF CCR EXPOSURE BY APPROACH

		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
In millions of euros		a	b	c	d	e	f	g	h
EU1	EU - Original Exposure Method (for derivatives)				1.4				
EU2	EU - Simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	45	57		1.4	142	142	142	80
2	IMM (for derivatives and SFTs)								
2a	*• Of which securities financing transactions netting sets*								
2b	*• Of which derivatives and long settlement transaction netting sets*								
2c	*• Of which from contractual cross-product netting sets*								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)								
5	VaR for SFTs								
6	**TOTAL**					**142**	**142**	**142**	**80**

CCR1 – this table only includes derivative exposures that do not go through CCPs.

RWAs on counterparty credit risk are based on exposure on derivatives, to which an add-on is allocated. The exposure is then weighted by risk in accordance with the standard method – based on counterparties' credit quality.

/ EU CCR3 – STANDARDISED APPROACH – CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS

		Risk weight											
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total
In millions of euros		a	b	c	d	e	f	g	h	i	j	k	l
1	Central governments or central banks												
2	Regional government or local authorities												
3	Public sector entities												
4	Multilateral development banks												
5	International organisations												
6	Institutions					468	59			18			545
7	Corporates									25			25
8	Retail												
9	Institutions and corporates with a short-term credit assessment					22					0		22
10	Other items												
11	**TOTAL EXPOSURE VALUE**					**490**	**59**			**43**	**0**		**592**

/ EU CCR4 – IRB APPROACH – CCR EXPOSURES BY EXPOSURE CLASS AND PD SCALE

		Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	EW average maturity (years)	RWEA	Density of RWEA
	PD scale (in millions of euros)	a	b	c	d	e	f	g
	Exposure class X							
1	0.00 to < 0.15							
2	0.15 to < 0.25							
3	0.25 to < 0.50							
4	0.50 to < 0.75							
5	0.75 to < 2.50							
6	2.50 to < 10.00							
7	10.00 to < 100.00							
8	100.00 (Default)							
10	**SUB-TOTAL EXPOSURE CLASS X**							
	Exposure class Y							
1	0.00 to < 0.15							
2	0.15 to < 0.25							
3	0.25 to < 0.50							
4	0.50 to < 0.75							
5	0.75 to < 2.50							
6	2.50 to < 10.00							
7	10.00 to < 100.00							
8	100.00 (Default)							
10	**SUB-TOTAL EXPOSURE CLASS Y**							
11	**TOTAL (ALL CCR RELEVANT EXPOSURE CLASSES)**							

/ EU CCR5 – COMPOSITION OF COLLATERAL FOR CCR EXPOSURES

		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
In millions of euros		a	b	c	d	e	f	g	h
1	Cash – domestic currency								
2	Cash – other currencies								
3	Domestic sovereign debt								
4	Other sovereign debt								
5	Government agency debt								
6	Corporate bonds								
7	Equity securities								
8	Other collateral								
9	**TOTAL**								

The Mobilize F.S. group undertakes transactions towards Central Counterparties in line with the EMIR regulation. Collateral is obtained and paid in the form of cash.

However, these transactions do not enter into the calculation of the exposure to counterparty credit risk because the netting agreements have not yet been recognized by the competent authorities in accordance with Article 296 of the CRR.

/ EU CCR6 – CREDIT DERIVATIVES EXPOSURES

		Protection bought	Protection sold
In millions of euros		a	b
	Notionals		
1	Single-name credit default swaps		
2	Index credit default swaps		
3	**TOTAL RETURN SWAPS**		
4	Credit options		
5	Other credit derivatives		
6	**TOTAL NOTIONALS**		
	Fair values		
7	Positive fair value (asset)		
8	Negative fair value (liability)		

The Mobilize F.S. group has no credit derivatives.

/ EU CCR7 – RWEA FLOW STATEMENTS OF CCR EXPOSURES UNDER THE IMM

	RWEA
RWEA AS AT THE END OF THE PREVIOUS REPORTING PERIOD	
Asset size	
Credit quality of counterparties	
Model updates (IMM only)	
Methodology and policy (IMM only)	
Acquisitions and disposals	
Foreign exchange movements	
Other	
RWEA AS AT THE END OF THE CURRENT REPORTING PERIOD	

The Mobilize F.S. group treats counterparty credit risk exposures using the standard method. No CCR exposure is in IMM method.

/ EU CCR8 – EXPOSURES TO CCPS

		Exposure value	RWEA
In millions of euros		a	b
1	**EXPOSURES TO QCCPS (TOTAL)**		**90**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); ow	450	90
3	i) (i)OTCderivatives	450	90
4	i) (ii)exchange-traded derivatives		
5	i) (iii)SFTs		
6	i) (iv)netting sets where cross-product netting has been approved		
7	Segregated initial margin		
8	Non-segregated initial margin		
9	Prefunded default fund contributions		
10	Unfunded default fund contributions		
11	**EXPOSURES TO NON-QCCPS (TOTAL)**		
12	Exposures for trades at non-QCCPs (ex initial margin and default fund contributions) ow		
13	i) (i)OTCderivatives		
14	i) (ii)exchange-traded derivatives		
15	i) (iii)SFTs		
16	i) (iv)netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Prefunded default fund contributions		
20	Unfunded default fund contributions		

3.5 Credit valuation adjustment risk

For all over-the-counter derivatives, if derivatives recognized as credit protection are not used, the Mobilize F.S. group determines a capital requirement for "Credit valuation adjustment" (CVA) risk.

This capital charge is designed to cover losses in the event of downgraded quality of the counterparty, entailing a decrease in the value of the derivatives.

The requirement is calculated by the standardized method defined in Article 384 of Regulation (EU) 575/2013.

/ EU CCR2 – TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK

		Exposure value	RWEA
In millions of euros		a	b
1	Total transactions subject to the Advanced method		
2	**i)** VaR component (including the 3×multiplier)		
3	**ii)** stressed VaR component (including the 3×multiplier)		
4	Transactions subject to the Standardised method	592	269
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	**TOTAL TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK**	**592**	**269**

3.6 Securitization

/ EU SECA – QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO SECURITISATION EXPOSURES

Legal basis	Row number	Qualitative information - Free format	
Article 449(a) CRR	(a)	Description of securitisation and re-securitisation activities; including institutions' risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions whether they use the Simple Transparent and Standardised (STS) securitisation framework and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy.	The Mobilize F.S. group uses securitization as a funding instrument. All securitized assets remain in the consolidated balance sheet. RCI Banque S.A. does not invest in special purpose vehicles whose underlying obligations are originated by non-group companies. The group securitizes pools of receivables granted to individual customers or companies. Securities created from such transactions are sold to third party investors or self-subscribed to generate eligible collateral used for Central bank funding or liquidity reserve.
Article 449(b) CRR	(b)	The type of risk that institutions are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions, providing a distinction between STS and non-STS positions and: **(1)** risk retained in own-originated transactions; **(2)** risk incurred in relation to transactions originated by third parties.	The Mobilize F.S. group not used securitization to transfer risk. Special Purpose vehicles carrying securitized assets are consolidated by the group that remain exposed to most of the risks and benefits attached to securitized receivables. The group's securitization transactions all meet the economic capital retention requirement of not less than 5% mentioned in Article 405 of European Directive (EU) 575/2013 and Article 6 of the Regulation (EU) 2017/2402. RCI Banque S.A. does not invest in special purpose vehicles backed by receivables originated by non-group companies.
Article 449(c) CRR	(c)	Institutions' approaches to calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies with a distinction between STS and non-STS positions.	The Mobilize F.S. does not invest on securitisation positions as described in Article 2, 1) of (EU) 2017/2402 of 12 December 2017. Therefore, RCI Banque S.A. does not have any exposure linked to such position. The receivables securitised by RCI Banque S.A. are prudentially consolidated and the risk-weighted assets are calculated as if assets had not been securitized.
Article 449(d) CRR	(d)	A list of SSPEs falling into any of the following categories, with a description of types of institution's exposures to those SSPEs, including derivatives contracts: **(1)** SSPEs which acquire exposures originated by the institutions **(2)** SSPEs sponsored by the institutions; **(3)** SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services; **(4)** SSPEs included in the institutions' regulatory scope of consolidation.	The Mobilize F.S. group acts as an originator/servicer for the following SSPEs. (Swap) indicates RCI also acts as a swap counterparty: • *FCT Cars Alliance Auto Loans France Master;* • *FCT Cars Alliance Auto Leases France Master;* • *FCT Cars Alliance Auto Leases France Master Residual Value;* • *FCT Cars Alliance Auto Leases France V2020-1 (swap);* • *FCT Cars Alliance Auto Loans France V2022-1 (swap);* • *FCT Cars Alliance Auto Leases France V2023-1 (swap);* • *FCT Cars Alliance DFP France;* • *FCT Cars Alliance Auto Loans Germany Master;* • *FCT Cars Alliance Auto Loans Germany V2019-1 (swap);* • *FCT Cars Alliance Auto Loans Germany V2021-1 (swap);* • *FCT Cars Alliance Auto Loans Germany V2023-1 (swap);*

Legal basis	Row number	Qualitative information - Free format	
Article 449(d) CRR	(d)		• *FCT Cars Alliance Auto Lease Germany (swap);* • *Cars Alliance DFP Germany 2017;* • *Cars Alliance Auto Loans Italy 2015 SRL;* • *Cars Alliance UK 2015 Ltd;* • *Cars Alliance UK 2021 Ltd;* • *Cars Alliance Auto Loans Spain 2022.*
Article 449(e) CRR	(e)	A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three CRR.	The group does not provide support (as defined in CRR article 248) to securitization transactions. Mobilize F.S. group acts as originator, asset servicer for all SSPEs listed in point (e) and swap provider for some of these SSPEs.
Article 449(f) CRR	(f)	A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions.	The Mobilize F.S. group does not invest in securitizations for which capital requirement is calculated based on the securitization position and always accounts for the underlying receivables when assessing own funds requirements. The group retains the most junior tranches of the securitization in which it acts as originator to meet its economic capital retention requirements. RCI Banque S.A. has invested in the senior pieces of securitizations in which one of its subsidiary or branch acts as originator. Such assets can be used as collateral for Central Bank Funding. Similar scheme also exists in the UK where RCI Bank UK has subscribed ABS notes backed by receivables originated by RCI FS UK.
Article 449(g) CRR	(g)	A summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions.	The Mobilize F.S. group has not used securitization to transfer risk. Special Purpose vehicles carrying securitized assets are consolidated by the group that remain exposed to most of the risks and benefits attached to securitized receivables that remain in the consolidated balance sheet.
Article 449(h) CRR	(h)	The names of the ECAIs used for securitisations and the types of exposure for which each agency is used.	Auto-ABS: Moody's (EUR), S&P (EUR & GBP), DBRS (EUR), Fitch (EUR & GBP) SME (Dealer Floor Plan): Moody's, DBRS
Article 449(i) CRR	(i)	Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three CRR including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels.	Not applicable no investment (exposure) in ABCP program.

The sales refinancing receivables retained in the balance sheet totaled €14,822 million on 31 December 2023 (€13,926 million on 31 December 2022), namely:

- for securitizations placed on the market: €3,404 million;
- for self-subscribed securitizations: €8,800 million;
- for private securitizations: €2,618 million.

The stock of securitized assets is itemized in Note 13 of the consolidated financial statements. At 31 December 2023, funding secured through private securitizations totaled €1,489 million, and funding secured through public securitizations placed on the markets totaled €3,165 million.

/ EU SEC1 – SECURITISATION EXPOSURES IN THE NON-TRADING BOOK

		Institution acts as originator						
		Traditional				Synthetic		Sub-total
		STS	*of which SRT*	Non STS	*of which SRT*		*of which SRT*	
In millions of euros		a	b	c	d	e	f	g
1	**TOTAL EXPOSURES**							
2	**RETAIL (TOTAL)**							
3	residential mortgage							
4	credit card							
5	other retail exposures							
6	re-securitisation							
7	**WHOLESALE (TOTAL)**							
8	loans to corporates							
9	commercial mortgage							
10	lease and receivables							
11	other wholesale							
12	re-securitisation							

Institution acts as sponsor				Institution acts as investor			
Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
STS	Non STS			STS	Non STS		
h	i	j	k	l	m	n	o

Mobilize F.S. group has no securitization exposure in the trading book. Table EU-SEC2 – Securitisation exposures in the trading book is therefore not applicable.

Furthermore, as indicated in table EU-SEC1, the group does not act as an originator, sponsor or investor in securitization transactions involving risk transfer (SRT) and therefore does not have any associated exposure in the non-trading book.

Therefore, templates EU-SEC3 – Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor and EU-SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor are not applicable.

/ EU SEC5 – EXPOSURES SECURITISED BY THE INSTITUTION – EXPOSURES IN DEFAULT AND SPECIFIC CREDIT RISK ADJUSTMENTS

		Institution acts as originator or as sponsor		
		Total outstanding nominal amount		
			Of which exposures in default	Specific credit risk adjustments made during the period
In millions of euros		a	b	c
1	**TOTAL EXPOSURES**	**15,287**	**65**	
2	**RETAIL (TOTAL)**	**13,346**	**65**	
3	residential mortgage			
4	credit card			
5	other retail exposures	13,346	65	
6	re-securitisation			
7	**WHOLESALE (TOTAL)**	**1,941**		
8	loans to corporates	1,941		
9	commercial mortgage			
10	lease and receivables			
11	other wholesale			
12	re-securitisation			

3.7 Market risk

/ EU MRA – QUALITATIVE DISCLOSURE REQUIREMENTS RELATED TO MARKET RISK

	Flexible format disclosure
Points (a) and (d) of Article 435 (1) CRR A description of the institution's strategies and processes to manage market risk, including: • an explanation of management's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the institution's market risks; • a description of their policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges.	In the absence of a trading book, all the market risk arises from the group's foreign exchange position. The risk on exchange position can be broken down into: • structural currency position, which results from the group's long-term investments in the equity of its foreign subsidiaries. Since 2022, the Mobilize F.S. group has a capital allocation covering its structural currency risk exposure. The group benefits from an ECB waiver for the five most significant currencies (GBP, BRL, KRW, CHF and MAD) allowing it, for these currencies, to take into account only the excess of capital over the average group CET1. Structural currency risk is included in the Mobilize Financial Services risk appetite framework, and the group's position in all currencies is monitored monthly at the Capital and Liquidity Committee and reported quarterly to the Supervisor. Transactional foreign exchange position, which arises from cash flows denominated in currencies other than the patrimonial currency is bound by limits. Sum of Absolut values of positions expressed in different currency pairs amounted to €17.9 million as of December end 2023 The goals and strategies pursued by the Mobilize F.S. group in connection with market risk are described in the part entitled "Consolidated financial statements – financial risks" – Appendix 2.
Point (b) of Article 435 (1) CRR A description of the structure and organization of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management.	The supervision of transactional FX risk and the compliance with limits is placed under the supervision of RCI Banque S.A.'s Financing and group Treasury division that run the funding center positions and oversees the management of subsidiaries. group limits are approved by the Board of Directors and periodically updated. The Financial Risks Team, reporting to the Risk and Banking Regulation department (Risk Control division), issues a daily report and monitors the group's exposure to market risks. A list of authorized products, approved by RCI Banque S.A.'s Financial Committee, specifies the foreign exchange instruments and currencies that can be used for market risk management purposes and the authorized currencies.
Point (c) of Article 435 (1) CRR Scope and nature of risk reporting and measurement systems.	At Mobilize F.S. group level, the foreign exchange position is calculated using an asset and liability approach which consist in computing the foreign exchange position from the accounting balance sheet and off-balance sheet balances by currency. This is referred to as the "accounting foreign exchange position". The monitoring perimeter for transactional foreign exchange risk has been validated, distinguishing two categories of subsidiaries: • multi-currency subsidiaries whose transactional foreign exchange risk must be monitored by the entity on a daily basis. The entity must report to the Financial Risk department the daily position in case of breach. The Financial Risk Team is responsible for ensuring compliance with limits; • other subsidiaries whose transactional foreign exchange risk are monitored on a monthly basis. The Financial Risk team is responsible for ensuring compliance with limits. The consolidated transactional FX position and compliance with limits are reported to the Financial Committee on a monthly basis.

Taking into account the elements mentioned in the above EU-MRA table in response to Article 435(1)(a) and (d) of the CRR, the following tables are not applicable:

- table EU MRB: Qualitative disclosure requirements for institutions using the internal Market Risk Models;
- template EU MR2-A – Market risk under the internal Model Approach (IMA);
- template EU MR2-B – RWA flow statements of market risk exposures under the IMA;
- template EU MR3 – IMA values for trading portfolios;
- template EU MR4 – Comparison of VaR estimates with gains/losses.

01. 02. 03. 04. 05. 06.

/ EU MR1 — RISQUE DE MARCHÉ DANS LE CADRE DE L'APPROCHE STANDARD

	In millions of euros	RWEA
	Outright products	**1,150**
1	Interest rate risk (general and specific)	
2	Equity risk (general and specific)	
3	Foreign exchange risk	1,150
4	Commodity risk	
	Options	
5	Simplified approach	
6	Delta-plus method	
7	Scenario approach	
8	**Securitisation (specific risk)**	
9	**TOTAL**	**1,150**

3.8 Interest-rate risk for portfolio positions

/ EU IRRBBA – QUALITATIVE INFORMATION ON INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES

Qualitative information - free format		Legal basis
A description of how the institution defines IRRBB for purposes of risk control and measurement	Interest rate risk in the banking book (IRRBB) refers to the risk to the bank's capital and earnings arising from adverse movements in interest rates that affect the bank's banking book positions. The objective of the Mobilize F.S. group is to mitigate this risk as far as possible. The specific interest rate risk control process is part of the Mobilize F.S. group's overall internal control process and uses sensitivity indicators to measure impacts from adverse rate shocks (yield curve translation or rotation for example) on future earnings for which limits are associated.	Article 448(1), point (e)
A description of the institution's overall IRRBB management and mitigation strategies	The Finance and group Treasury division refinances group entities that are eligible for centralized refinancing. It borrows the funds needed to ensure the continuity of business (bond and negotiable debt instrument issues, securitizations, interbank loans, etc.), balances assets and liabilities and adjusts the cash position of group companies, while managing and minimizing exposure to portfolio interest rate risk by using appropriate hedging instruments (interest rate swaps, cross-currency swaps and spot and forward exchange transactions). The principles of financial policy extend to all Mobilize F.S. group consolidated subsidiaries and are adapted in locally refinanced subsidiaries. The latter are subject to the same financial risk monitoring requirements as the group's other subsidiaries. In order account for the difficulty of precisely adjusting the structure of assets and liabilities limited flexibility is accepted in interest rate risk management for each entity, to which sensitivity limits are assigned by the Financial Committee. Consolidated IRRBB position measured as the sum of the absolute value of sensitivities of sensitivity position in all currencies is bound by limits set by Mobilize F.S.'s Board of Directors. A group management system performs a daily calculation of each entity's balance sheet sensitivity to variations in yield curve. The Financial Risks Team controls group exposure as measured by this system and observance of the sensitivity limits assigned to each entity.	Article 448(1), point (f)
The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures thatthe institution uses to gauge its sensitivity to IRRBB	Interest rate risk is monitored on a daily basis: a sensitivity calculation per currency, per management entity and per asset portfolio verifies that each entity complies with the individual limits assigned to it. This sensitivity to interest rate risk is measured using an earning-based methodology common to the entire Mobilize F.S. group. The process keeps overall group exposure and the exposure of each entity at a low level.	Article 448(1), points (e) (i) and (v) ; Article 448(2)

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Qualitative information - free format		Legal basis
A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable)	**Internal indicators** Two indicators are monitored internally for interest rate risk: • EV sensitivity (Economic Value) measures at a given point in time (t) the impact of a change in interest rates on the present value of future earnings. The economic value is determined by discounting future cash flows at market rates. This measurement is used to set the limits that apply to the group's entities. Two scenarios are embedded with this indicator. • a parallel up scenario, • a rotation scenario: below 1y down by rotation shocks, linearly interpolated until 2y, 2y rates unchanged, linearly interpolated until 3y, above 3y up by rotation shocks; • Net Interest Income sensitivity measures the impact of a change in interest rates on undiscounted future earnings. It is calculated over a 12-month time-horizon and on a lifetime time-horizon with limits associated to those two indicators. Currency adjusted shocks used to calculate Interest rate risk indicators are summarized in the table below and subject to periodic review.	Article 448(1), point (e) (iii) ; Article 448(2)

Currency	Parallel up	Rotation
EUR	100	25
GBP	150	37,5
KRW	100	25
BRL	350	87,5
CHF	100	25
PLN	300	75
MAD	100	25
RON	300	75
SEK	150	37,5
ARS	500	125
COP	300	75
HUF	250	62,5
DKK	100	25
CZK	200	50
RUB	500	125

Consolidated Interest Rate Risk Sensitivity is calculated as the sum of the absolute value of the sensitivity to currency adjusted shocks described above and is bound by a limit set at €70 million by the Board of Directors.

Regulatory indicators

Changes in Economic Value of Equity (EVE) and Net Interest Margin (NII) in case of interest rates shocks are the two regulatory IRRBB indicators defined in EBA Guidelines. They are computed quarterly on a consolidated regulatory perimeter based on scenarios displayed in the EBA Guidelines on IRRBB.

Both indicators are bound by internal limits validated by the Risk Committee of the Board Risk Committee.

A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable)	Calculations are based on average monthly asset and liability gaps (gap excluding interest amounts) which incorporate fixed-rate transactions and floating rate transactions until their next review date. Maturities of outstanding are determined by taking into account the contractual characteristics of operations and the results of the modeling of historical customer behavior patterns (early repayments) for which the group has defined a common methodology. This methodology is based on constant prepayment rate assumptions based on moving averages. Deposits are modeled as six successive fixed-rate resources with an initial maturity of three months. The instantaneous duration is therefore approximately 1.5 months. Measurements of NII sensitivity to calculate internal indicators, also take into account an allocation of entity equity and stable working capital requirement to the financing of the longest-term commercial assets for low-rate volatility currencies or 50% long term 50% short term for currencies with high-rate volatility.	Article 448(1), point (e) (ii) ; Article 448(2)

Qualitative information - free format		Legal basis
A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable)	There is no proprietary trading within Mobilize F.S. group. All transactions in financial instruments carried out by RCI Banque S.A., acting as central treasury, or its locally funded subsidiaries aim at refinancing its activity and investing temporary excess of cash while maintaining financial risks below internal limits in order to protect its commercial margin. Sensitivity to interest rate fluctuations is managed with interest rate swaps. Fixed rate receiving swaps are executed when the Bank issues fixed rate debt and wants to reduce its exposure to interest rate going down. Fixed rate paying swaps are executed from time to time to hedge the origination of fixed rate assets. Mobilize F.S. uses principles of IFRS 9 accounting to classify derivatives that hedge Interest Risk. • Fair value hedge (FVH) hedging relationships intend to hedge changes in value of all or part of a recognized asset or liability, attributable to a particular risk (e.g. risk of rate on fixed rate debt). The hedged item and then the hedging derivative are valued at their fair value. Changes in the fair value of the derivative and the hedged item are recorded in the income statement. RCI swaps booked as fair value hedge are made of fixed receiver swaps hedging issuance of fixed rate liabilities. Valuations of the hedging instrument are calculated by discounting future cash flows. As hedging derivatives do not hedge the entire rate but only the risk-free part, only the part of the debt relating to the risk-free rate will have to be valued. Debt valuation excludes the effect of the credit spread (including the accrued interest portion of the “credit spread” effect). The variation in derivative fair value and the variation in hedged debt fair value are recorded in the Income Statement. The FVH test is realized on a monthly basis in order to measure the effectiveness of the micro-hedging. • Cash flow hedge (CFH) hedging relationship intends to hedge the changes in future cash flows associated with a recognized or future asset or liability and attributable to a particular risk (e.g. future interest payments on floating rate). RCI swaps booked as fair cash flow hedge are fixed paying swaps hedging floating rate liabilities or the floating rate leg of a swap booked in FVH. To be recognized as CFH, the floating rate of the hedging instrument should show high correlation with the floating rate of the hedged item. Changes in the fair value of the derivative are accounted in a special equity account (balance sheet/equity impact). Restatement in income is realized at the same frequency as the item covered through accrued interest. This relation between variable-rate debt/fair value hedged debts and cash flow hedge swaps is tracked at least quarterly via a macro-hedging test. The test aims at ensuring that the nominal value of CFH swaps does not exceed the total amount of variable-rate liabilities at any time. In practice, two tests are carried out separately: the first one for floating rate debt, and the second one for fixed rate debts that were initially hedged with a fixed rate receiving swap booked in FVH. • Fair Value portfolio: financial instruments that do not meet IFRS 9 hedge accounting criteria cannot be considered as hedges and despite their hedging intention are classified as fair value instruments. The change in the fair value of these instruments is recognized in the income statement. A portion of the fixed rate paying swaps intends to hedge non-maturity deposits, that are modelled as floating rate liabilities repricing within three months. As correlation between customer deposit rate and market risk free rate is low, such hedges do not qualify as hedge accounting and are booked as trading instruments.	Article 448(1), point (e) (iv) ; Article 448(2)
A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable)	Key modelling assumptions used for IRRBB measured in template EU IRRBB1 are similar to internal assumptions described above for prepayment and modelling of non-maturity deposits. Parametric assumptions are derived from article 115 of the IRRBB Guidelines (cap on positive sensitivity values, floor on IR curves…) and appendices (Annex III) for IR shocks. Mobilize F.S. calculates EVE sensitivity to changes in interest rates on a perimeter including EUR and GBP (significant currencies) as well as BRL and KRW. Altogether, assets in those currencies exceed the 90% of group total assets threshold set in article 115(l) of the IRRBB Guidelines.	Article 448(1), point (c) ; Article 448(2)

Qualitative information - free format		Legal basis
Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures	**Internal indicators** *Indicators* Two monitoring indicators are used internally for interest rate risk: **i)** sensitivity (Economic Value – EV), which consists in measuring at a point in time t the impact of a change in interest rates on the market value of an entity's balance sheet flows. The market value is determined by discounting future flows at market rates at time t. This measure is used to set limits for the group's management entities; **ii)** Net Interest Income (NII) is a measure of a gain or loss from an income statement perspective. It is presented as the difference in future interest income over a defined horizon. The particularity of sensitivity in the NII view, compared to the actuarial view of sensitivity, is the linearization of the impact of new operations. This measure is both tracked over a 12-month horizon and a full horizon.	Article 448(1), point (d)
Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures	*Results* Over the year 2023, the Mobilize F.S. group consolidated Interest Rate Risk Sensitivity and NII (calculated as described above) remained below the limit set by the group at €70 million. **i)** Consolidated Interest Rate Risk Sensitivity (EV) based on internal IRR perimeter, calculated as the sum of the absolute values of sensitivities to currency-adjusted shocks in all currencies amounted to €10.9 million as of December end 2023, compared to €7.0 million at the end of 2022. **ii)** Consolidated Interest Rate risk of the sensitivity to NII based on internal IRR perimeter, calculated as the sum of the absolute values of sensitivities to currency-adjusted shocks in all currencies amounted to €9.9 million as of December end 2022, compared to €5.7 million at the end of 2022. La répartition par devises de la sensibilité MNI suite à une hausse des taux différenciée selon les devises (en milliers d'euros) à fin décembre 2023 en valeur relative :	Article 448(1), point (d)

Currency	In thousand of euros
ARS	1
BRL	213
CHF	224
COP	231
CZK	260
EUR	(5,408)
DKK	(7)
GBP	1,279
HUF	87
KRW	631
MAD	745
PLN	(569)
SEK	17
RON	311

Regulatory indicators

EVE result

Changes in Economic Value of Equity ("EVE") calculated according to EBA IRRBB Guidelines represent 5.62% of Own Funds in the context of Standard shock and 7% of CET1 in the context of differentiated shocks per currency, below regulatory limits.

The most binding scenario is the parallel up of the currency differentiated shock with an impact of -€386 million at December 2023 end against -€449 million in the previous year.

Qualitative information - free format		**Legal basis**
Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures	*NII result* The EBA/RTS/2022/10 which defines the methodology for calculating the regulatory net interest income indicator (Article 5) did not come into force in 2023 and is awaiting the publication of a delegated regulation by the European Commission. Consequently, Mobilize F.S. group has chosen to use, for regulatory purposes, its total internal consolidated NIM, calculated on the basis of the consolidated regulatory banking perimeter. Consolidated Interest Rate Risk Sensitivity of the NII calculated as the sum of the absolute values of sensitivities to currency-adjusted shocks in all currencies amounted to €9.9 million (see EU IRRBB 1 table – Changes of the Net Interest Income) as of December end 2023, compared to €5.7 million at the end of 2022. Sum of absolute value expresses the worst case as the interest rate risk position per currency is not compensated.	Article 448(1), point (d)
Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)	None	
Disclosure of the average and longest repricing maturity assigned to non-maturity deposits	To calculate interest rate risk measurement indicators, deposits are modeled as successive fixed-rate liabilities with an initial maturity of three months. Longest repricing maturity is therefore three months while average repricing duration is approximately 1.5 month.	Article 448(1), point (g)

/ IRRBB1 – INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES

		a	b	c	d
		Changes of the economic value of equity		**Change of the net interest income**	
Supervisory shock scenarios (in thousands of euros)		**Current period 31/12/2023**	**Last period 31/12/2022**	**Current period 31/12/2023**	**Last period 31/12/2022**
1	Parallel up	(386,487)	(449,825)	9,982	5,673
2	Parallel down	211,081	245,003		
3	Steepener	14,128	14,682		
4	Flattener	(105,853)	(117,290)		
5	Short rates up	(217,682)	(248,011)		
6	Short rates down	114,651	129,892		

The above calculations are based on the standard assumptions published by the EBA in its guidelines on interest rate risk management (IRRBB Guidelines). Pursuant to the methodology, the positive impacts of each interest rate scenario are weighted 50% and the negative impacts taken at 100%.

The Year on Year change on EVE is explained by the integration of sundry assets and liabilities (i.e., Net Stable Working Capital) in the regulatory indicators.

The impact of an adverse interest rate movement on the total net interest margin is low, in line with the company's prudent management objectives. It is as a result significant for the Economic Value of Equity or EVE, an indicator which by definition does not take own funds into account, unlike the daily operational asset-liability management of interest rate risk.

3.9 Liquidity risk

/ EU LIQA – LIQUIDITY RISK MANAGEMENT

Row number	Qualitative information - Free format	
(a)	Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding.	The Liquidity Risk Management function is responsible to ensure liquidity risk is understood, monitored, and reported. The Mobilize F.S. group's ILAAP and associated limits intend to: • ensure the bank meets its regulatory liquidity ratio with an appropriate buffer; • ensure the bank funds its business with diversified sources of funding; • ensure the bank maintains liabilities with adequate duration to support its business; • ensure the bank liquidity reserve is sufficient to face various stress scenario assuming impaired access to market funding and stress deposit runoff during a certain period of time.
(b)	Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).	The Mobilize F.S. group's liquidity risk management is under the responsibility of the Finance and Treasury ("F&T") Direction. F&T proposes liquidity indicators and associated limits, that are challenged by the CRO and its team, validated by the group Financial Committee, reviewed by the Risk Committee before final approval by the Board of Directors. Internal liquidity indicators are calculated by the F&T team, regulatory liquidity ratios are calculated by the Regulatory Reporting unit. Those liquidity indicators are controlled by the Financial Risk Control Unit (part of the Risk Control division), reported monthly to the Financial Committee and quarterly (immediately if an alert threshold is breached) to the Board Risk Committee.
(c)	A description of the degree of centralisation of liquidity management and interaction between the group's units.	RCI Banque S.A. acts as a Central Treasury center for group entities belonging to the "Central Funding Perimeter", that includes most of the European entities. Entities in this perimeter borrow the liabilities they need to support their business to the Central Treasury or deposit their liquidity surplus. RCI Banque S.A. and Centrally Funded entities liquidity position is managed as a pool. There is no subsidiary-to-subsidiary lending or borrowing. Other entities are locally funded. Their liquidity position is managed by the local CFOs under the operational supervision of the F&T Direction. Indicators used for liquidity monitoring are controlled by the Risk Control Unit. Some locally funded entities may benefit from partial and limited liquidity support from central treasury. In such situation, Central Treasury accounts for subsidiary liquidity shortfall in its stress scenario.
(d)	Scope and nature of liquidity risk reporting and measurement systems.	RCI Banque S.A. liquidity risk measurement system is based on two types of indicators. Business continuity indicators measure the time during which the bank can support its business in various stress scenarios while maintaining appropriate matching between asset and liabilities duration. Liquidity Reserve indicators measure the bank secured sources of funding that can be used to counter-balance outflows. Liquidity risk indicators are calculated on an aggregated basis for RCI Banque S.A. and its subsidiaries and branches included in the "Central Refinancing perimeter" or on a stand-alone basis for "Locally Funded entities". The bank also monitors funding concentration, asset encumbrance, as well as regulatory ratios LCR and NSFR.

Row number	Qualitative information - Free format	
(e)	Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.	The Mobilize F.S. group main policies for mitigating liquidity risk use static and dynamic indicators. Static liquidity position, representing the difference between remaining liabilities and remaining assets on a given time bucket. It shall always be positive, meaning that current assets in balance sheet are funded with liabilities with similar or higher duration. Dynamic liquidity indicators measure the time during which the bank would survive using its liquidity reserve to balance outflows generated by non-renewal of market debt, stressed outflows on deposits. Dynamic liquidity indicators are bound by a set of limits and early warning indicators.
(f)	An outline of the bank's contingency funding plans.	The Mobilize F.S. group's Liquidity Contingency Plan is part of its ILAAP. It includes contingency funding plans as well as business contingency plans. Contingency funding plan includes various options that can be broken down in two categories: • monetizing components of the liquidity reserve, by drawing on committed credit lines, increasing central bank funding and selling financial assets; • raising liquidity from alternative funding sources, like securitizing a new portfolio or increasing the size of an existing securitization, launching a syndicated bank loan, issuing debt issuance in USD, deploying our deposit business in a new country in partnership with a deposit fintech to accelerate time to market.
(g)	An explanation of how stress testing is used.	The Mobilize F.S. group's business continuity indicators are calculated under various stress scenarios. Scenarios with the highest probability are associated with limits. Alternative scenarios intend to inform management on consequences of certain events and are not associated with limits. A reverse stress test completes those scenarios.
(h)	A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.	The Board of Directors of Mobilize F.S. group has approved the group liquidity risk management framework and its associated procedures. It believes indicators monitored provide a good overview of the bank funding and liquidity risk and that associated limits are conservative and appropriate given the risk appetite for liquidity risk.

Row number	Qualitative information - Free format	
(i)	A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body. These ratios may include: • concentration limits on collateral pools and sources of funding (both products and counterparties); • customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank; • liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity; • balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps.	The Mobilize F.S. group 's funding and liquidity risk management is described in ILAAP procedures that are reviewed by the Board Risk Committee and validated by the Board of Directors. ILAAP and associated limits, calibrated according to the risk appetite for liquidity risk, intend to: • ensure the bank meets its regulatory liquidity ratio with an appropriate buffer; • ensure the bank funds its business with diversified sources of funding; • ensure the bank maintains liabilities with adequate duration to support its business; • ensure the bank liquidity reserve is sufficient to face various stress scenario (market-wide and idiosyncratic) assuming impaired access to market funding and stressed deposit runoff during a certain period of time. As of 31 December 2023 the Mobilize F.S. group's main sources of funds where deposits (51%), bonds (27%), secured funding (12%) and loans from commercial banks (4%). The Mobilize F.S. group manages liquidity on an aggregated basis for RCI Banque S.A. (acting as a Central Treasury Center) and the branches and subsidiaries entities included in the Central Funding Perimeter (most of European countries), and on a stand-alone basis for other entities. On the Central Funding perimeter, the €14,6 billion Liquidity reserve allows to maintain business continuity during more than 12 months in a scenario assuming stable commercial assets, no access to new market funds and a stressed runoff of its deposits. All locally funded entities business continuity were above early warning indicators. In 2023, the Central Funding perimeter and our locally funded entities maintained positive liquidity gaps, demonstrating that assets were funded with longer dated liabilities. The bank has a strong mix of stable funding, highlighted by a NSFR at 128% and a high HQLA buffer (average LCR at 448% on the 12 months ending 31 December 2023). Its low asset encumbrance at 16% allows flexibility in funding options.

Regulatory ratios and charges on assets

/ EU LIQB ON QUALITATIVE INFORMATION ON LCR, WHICH COMPLEMENTS TEMPLATE EU LIQ1

Qualitative information - Free format	
Explanations on the main drivers of the LCR results and the evolution of the contribution of inputs to the LCR's calculation over time.	See Liquidity Coverage Ratio (LCR) section below
Explanations on the changes in the LCR over time.	See Liquidity Coverage Ratio (LCR) section below
Explanations on the actual concentration of funding sources.	The Bank has a diversified funding structure made of deposits (451% of financial indebtedness as of 31/12/2023 vs. 49% as of 31/12/2022), bonds (27% as of 31/12/2023 vs. 29% as of 31/12/2022), secured funding (12% as of 31/12/2023 vs. 14% as of 31/12/2022) and commercial banks (4% as of 31/12/2023 and 31/12/2022). Since 2022, deposits are more competitive than market funding has. Consequently, the bank deployed actions to increase its deposits in its funding mix.
High-level description of the composition of the institution's liquidity buffer.	During the 12-month period ending on 31 December 2023, the Mobilize F.S. group's HQLA liquidity buffer stood at €5.6 billion in average. The share of HQLA in EUR represented 83,6% and mostly consisted of deposits with the European Central Bank. HQLA in GBP represented 13.9% (deposits with the Bank of England and UK Treasury Bills).
Derivative exposures and potential collateral calls.	RCI Banque S.A. uses the Historical Look Back Approach ("HLBA") to measure cash outflows related to margin calls on derivatives. RCI's derivative exposures consist of interest rate swaps (mainly EUR and GBP) and foreign exchange or currency swaps. The liquidity requirement related to these derivatives transactions is limited and represents insignificant amounts (less than €100 million).
Currency mismatch in the LCR.	EUR and GBP HQLA represent respectively 83,9% and 13.9% of total HQLA while GBP mix in Net Cash Outflows was 37.95%. As EUR is the reporting currency of our central treasury, we tend to hold our liquidity reserve exceeding the level required for LCR compliance in this currency.
Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile.	NA

Control of the group's liquidity also aims to meet regulatory liquidity coverage ratios (LCRs) and charges on assets (encumbered and unencumbered assets).

Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) sets a minimum standard for bank liquidity. It is intended to ensure that a bank has an adequate level of unencumbered High Quality Liquid Assets (HQLA), which can be converted into cash to enable it to meet its liquidity needs for 30 calendar days in a stress scenario. The LCR is thus defined as the ratio of HQLAs to net cash outflows over the next 30 days. Net outflows represent the expected outflows less expected inflows or 75% of expected outflows, whichever is the lower.

The Mobilize F.S. group's liquidity is managed by the Finance and Treasury division that centralizes funding for European entities and oversees balance sheet management for all group entities throughout the world.

For each quarter, the table EU LIQ1 (see below) shows the average values of HQLAs, Inflows and Outflows calculated as the simple average of month-end observations over the twelve months preceding the end of each quarter.

The bank's average HQLA during the 12-month period ending on 31 December 2023 was €5,571 million. It amounted to €6,018 million on average during the 12-month period ending on 30 September 2023. They mainly consisted of deposits with the European Central Bank, the Bank of England and securities issued by governments or supranationals. On 31 December 2023, the average duration of the bond portfolio was below one year.

In addition, the group also invested in a fund whose assets are made of debt securities issued by European agencies, sovereigns and supranational issuers. Its average exposure to credit risk is six years with a limit at nine years. The fund is aiming a very low exposure to the interest rate risk with a maximum of two years.

Over the 12-month period ending on 31 December 2023, EUR and GBP denominated HQLA represented on average 83,6% and 13.9% of total HQLA respectively. The weight of EUR denominated HQLA increase compared to the averages of the 12-month period ending on September 2023, which were 85% for EUR and 14% for GBP.

Mobilize F.S. group's inflows mainly come from commercial and financial assets, while Outflows are mostly explained by debt repayment and the deposit run-off factor.

The liquidity requirement linked to derivative transactions is limited and represents non-material amounts.

The average LCR over the 12-month period ending on 31 December 2023 came at 448%, compared to 445% on average over the 12-month period ending on 30 September 2023.

/ EU LIQ1 – QUANTITATIVE INFORMATION OF LCR

In millions of euros		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31/03/2023	30/06/2023	30/09/2023	31/12/2023	31/03/2023	30/06/2023	30/09/2023	31/12/2023
		a	b	c	d	e	f	g	h
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	High-quality liquid assets								
1	**TOTAL HIGH-QUALITY LIQUID ASSETS (HQLA)**					**7,295**	**6,768**	**6,018**	**5,571**
	Cash – Outflows								
2	Retail deposits and deposits from small business customers, of which:	17,569	17,893	18,309	18,538	1,881	1,912	1,953	1,976
3	• *Stable deposits*								
4	• *Less stable deposits*	*17,562*	*17,886*	*18,301*	*18,529*	*1,875*	*1,905*	*1,945*	*1,966*
5	Unsecured wholesale funding	1,164	1,118	1,167	1,125	935	884	930	881
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks								
7	Non-operational deposits (all counterparties)	529	546	569	600	301	312	332	356
8	Unsecured debt	635	572	598	525	635	572	598	525
9	Secured wholesale funding					53	56	50	41
10	Additional requirements	820	793	783	763	316	323	342	348
11	• *Outflows related to derivative exposures and other collateral requirements*	*264*	*274*	*297*	*306*	*264*	*274*	*297*	*306*
12	• *Outflows related to loss of funding on debt products*	*2*	*2*	*2*	*2*	*2*	*2*	*2*	*2*
13	• *Credit and liquidity facilities*	*555*	*517*	*484*	*455*	*50*	*47*	*43*	*41*
14	Other contractual funding obligations	1,036	1,094	1,124	1,148	455	504	528	552
15	Other contingent funding obligations	4,102	4,136	4,023	3,795	658	620	566	500
16	**TOTAL CASH OUTFLOWS**					**4,298**	**4,298**	**4,370**	**4,299**
	Cash – Inflows								
17	Secured lending (e.g., reverse repos)								
18	Inflows from fully performing exposures	3,796	4,083	4,380	4,607	2,261	2,426	2,635	2,781
19	Other cash inflows	389	417	421	457	382	413	420	456
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	**TOTAL CASH INFLOWS**	**4,185**	**4,500**	**4,802**	**5,064**	**2,643**	**2,839**	**3,055**	**3,237**
EU-20a	• *Fully exempt inflows*								
EU-20b	• *Inflows Subject to 90% Cap*								
EU-20c	• *Inflows Subject to 75% Cap*	*4,185*	*4,500*	*4,802*	*5,064*	*2,643*	*2,839*	*3,055*	*3,237*
	Total adjusted value								
21	Liquidity buffer					7,295	6,768	6,018	5,571
22	**TOTAL NET CASH OUTFLOWS**					**1,663**	**1,483**	**1,401**	**1,289**
23	**LIQUIDITY COVERAGE RATIO**					**473%**	**472%**	**445%**	**448%**

Net stable funding ratio (NSFR)

The NSFR is a one-year liquidity ratio. It provides a framework to limit banks' transformation on maturities by requiring that stable assets are funded by a minimum amount of stable liabilities. Stable funding requirements and available stable funding are calculated by multiplying assets, liabilities and off-balance sheet exposures with coefficients reflecting their residual maturity and stability characteristics.

The group's NSFR at the end of December 2023 is 128%, compared to 126% at the end of December 2022. This level is significantly higher than the regulatory minimum and reflects a prudent liquidity risk management policy.

/ EU LIQ2 : NET STABLE FUNDING RATIO

		Unweighted value by residual maturity				
		No maturity	**< 6 months**	**6 months to < 1 year**	**> 1 year**	**Weighted value**
	In millions of euros	a	b	c	d	e
	Available stable funding (ASF) Items					
1	Capital items and instruments	5,855			864	6,719
2	• *Own funds*	*5,855*			*864*	*6,719*
3	• *Other capital instruments*					
4	Retail deposits		20,512	3,152	4,513	25,810
5	• *Stable deposits*					
6	• *Less stable deposits*		*20,512*	*3,152*	*4,513*	*25,810*
7	Wholesale funding:		4,906	5,166	16,454	19,305
8	• *Operational deposits*					
9	• *Other wholesale funding*		*4,906*	*5,166*	*16,454*	*19,305*
10	Interdependent liabilities					
11	Other liabilities:	99	1,244	285	1,683	1,825
12	• *NSFR derivative liabilities*	*99*				
13	• *All other liabilities and capital instruments not included in the above categories*		*1,244*	*285*	*1,683*	*1,825*
14	**TOTAL AVAILABLE STABLE FUNDING (ASF)**					**53,659**
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					4
EU -15a	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:		18,351	9,681	27,322	38,112
18	• *Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*					
19	• *Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*1,556*	*32*	*97*	*269*
20	• *Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*16,694*	*9,628*	*26,984*	*37,540*
21	• *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*					
22	• *Performing residential mortgages, of which:*					

23	• *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*					
24	• *Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		*101*	*21*	*241*	*304*
25	Interdependent assets					
26	Other assets:		2,645	110	2,538	3,650
27	• *Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*					
29	• *NSFR derivative assets*					
30	• *NSFR derivative liabilities before deduction of variation margin posted*		*351*			*18*
31	• *All other assets not included in the above categories*		*2,295*	*110*	*2,538*	*3,632*
32	Off-balance sheet items		3,157	47	234	182
33	**TOTAL RSF**					**41,947**
34	**NET STABLE FUNDING RATIO** (%)					**128%**

(Un) encumbered assets

/ EU AE4 – ACCOMPANYING NARRATIVE INFORMATION

Qualitative information – Free format	
General narrative information on asset encumbrance	See (Un) encumbered assets section below
Narrative information on the impact of the business model on assets encumbrance and the importance of encumbrance to the institution's business model, which provides users with the context of the disclosures required in Template EU AE1 and EU AE2.	See (Un) encumbered assets section below

An asset is deemed "encumbered" if it serves as a guarantee or is used to securitize, collateralize or improve a transaction from which it cannot be separated. In contrast, an "unencumbered" asset is not subject to any legal, regulatory or contractual restriction limiting the institution's ability to do what it wants with it.

By way of example, the following types of contracts match the definition of encumbered assets:

- assets sold to securitization vehicles when the said assets have not been derecognized by the company. The assets underlying self-subscribed securitizations are not considered encumbered, unless the securities are used as security or to guarantee another transaction in any manner (financing in its dealings with the central bank for instance);
- the collateral designed to reduce the counterparty risk on derivatives registered in a clearing house or bilaterally negotiated;
- secured financing.

Disclosure on encumbered and unencumbered assets in the following three tables is calculated in accordance with Regulation 2021/637. Reported figures are the median values of quarterly data on a rolling basis over the previous twelve months.

Over the period ending on 31 December 2023, the median amount of assets encumbered in the form of disposals to a securitization vehicle or guarantee given is €10,107 million, making up 16% of total assets.

/ AE1 – ENCUMBERED AND UNENCUMBERED ASSETS

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			ow notionally elligible EHQLA and HQLA		ow notionally elligible EHQLA and HQLA		ow notionally elligible EHQLA and HQLA		ow notionally elligible EHQLA and HQLA
In millions of euros		010	030	040	050	060	080	090	100
010	**ASSETS OF THE DISCLOSING INSTITUTION**	**10,107**				**52,681**	**4,113**		
030	Equity instruments	36		36		16		16	
040	Debt securities	3		3		365	250	365	250
050	• *ow: covered bonds*								
060	• *ow: securitisations*								
070	• *ow: issued by general governments*	*3*		*3*		*192*	*96*	*192*	*96*
080	• *ow: issued by financial corporations*					*73*	*71*	*73*	*71*
090	• *ow: issued by non-financial corporations*								
120	Other assets	10,064				52,273	3,875		

Median of the amounts at the end of each quarter.

/ EU AE2 – COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED

		FV of encumbered		FV of collateral	
		Collateral received or own debt securities issued	Ow notionally elligible EHQLA and HQLA	Received or own debt securities issued available for encumbrance	Ow notionally elligible EHQLA and HQLA
In millions of euros		010	030	040	060
130	**COLLATERAL RECEIVED BY THE DISCLOSING INSTITUTION**			**963**	
140	Loans on demand			893	
150	Equity instruments				
160	Debt securities				
170	• *ow: covered bonds*				
180	• *ow: securitisations*				
190	• *ow: issued by general governments*				
200	• *ow: issued by financial corporations*				
210	• *ow: issued by non-financial corporations*				
220	Loans and advances other than loans on demand				
230	Other collateral received			68	
240	**OWN DEBT SECURITIES ISSUED OTHER THAN OWN COVERED BONDS OR SECURITISATIONS**				
241	**OWN COVERED BONDS AND SECURITISATIONS ISSUED AND NOT YET PLEDGED**				
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**10,107**			

Collateral received reported as "on demand" as the guarantee can be activated immediately after default.

Median of the amounts at the end of each quarter.

/ EU AE3 – SOURCES OF ENCUMBRANCE

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
In millions of euros		010	030
010	**CARRYING AMOUNT OF SELECTED FINANCIAL LIABILITIES**	**7,135**	**10,107**

The amounts shown are the median values at the end of each quarter.

3.10 Operational and non-compliance risks

/ EU ORA – QUALITATIVE INFORMATION ON OPERATIONAL RISK

Legal basis	Row number	Qualitative information - Free format	
Points (a), (b), (c) and (d) of Article 435(1) CRR	(a)	Disclosure of the risk management objectives and policies	• Strategies and processes: 3.2.1 Risk governance policy – Risk appetite framework • Structure and organisation of risk management function for operational risk: Part 3.2.2 Organization of risk control • Risk measurements and control: Part 3.10.2 Measurement of operational risks and monitoring process and Part 3.10.3 Exposure to the risk and calculation • Operational risk reporting: Part 3.10.2 Measurement of operational risks and monitoring process • Policies for hedging and mitigating operational risk: Part 3.10.4 Insurance of operational risks
Article 446 CRR	(b)	Disclosure of the approaches for the assessment of minimum own funds requirements	Part 3.10.3 Exposure to the risk and calculation Part 3.1.1 Exposure by exposure class
Article 446 CRR	(c)	Description of the AMA methodology approach used *(if applicable)*	N/A
Article 454 CRRR	(d)	Disclose the use of insurance for risk mitigation in the Advanced Measurement Approach *(if applicable)*	N/A

3.10.1 Operational and non-compliance risk management

Mobilize F.S. group is exposed to risks of loss ensuing either from external events or from inadequacies and shortcomings in its internal processes, staff or systems. The operational risk to which Mobilize F.S. group is exposed includes among other things the risks relating to events that are very unlikely to occur but that have a high impact, such as the risk of business interruption due to the unavailability of premises, staff or information systems.

The main operational risks are business interruption, potential losses or damage related to IT systems – technological infrastructure or use of a technology – internal and external fraud, damage to reputation, inadequate human resources, mismanagement of pension schemes and purchases and outsourcing.

The main non-compliance risks are related to failure to protect personal data as well as, failure to adhere to:

- banking and financial transactions regulations;
- regulations and standards in matters of law, tax andaccounting;
- anti-money laundering and combating the financing of terrorism laws;
- anti-corruption and unethical conduct laws;
- regulatory framework regarding bank recovery and resolution (BRRD).

Six operational and non-compliance risk families are given below: legal and contractual risks, conduct risk, tax risks, money laundering and terrorism financing related risks, IT risks, personal data protection related risks and reputational risks.

Legal and contractual risks

Risk factors

Mobilize F.S. group's activity can be affected by any changes in legislation impacting on the marketing of credit and insurance at the point of sale, as well as by any changes in regulatory requirements governing banking and insurance. Additionally, misinterpretation of the law or any inappropriate behavior by staff or agents could also influence Mobilize F.S. group's business.

Management principles and processes

Mobilize F.S. group carries out legal analyses of new products marketed and regularly monitors the regulations governing it to ensure it complies with them. The group has also implemented an internal control system designed in particular to ensure the compliance of transactions made by staff and agents.

Conduct risk

Risk factors

Any inappropriate behaviour on the part of employees or agents involved in the distribution of products and services which is detrimental to customers may affect the business of Mobilize F.S. group.

Management principles and systems

The Mobilize F.S. group carries out legal analyses on the new products it distributes, and regularly monitors the regulations to which it is subject in order to comply with them. The group also ensures that its products and commercial practices are not contrary to customer interests. Finally, the group has also set up an internal control system designed to ensure the compliance of transactions carried out by its employees and agents.

Tax risks

Risk factors

Through its international exposure, the Mobilize F.S. group is subject to numerous sets of national tax laws, all of which are liable to amendments and uncertainties in interpretation that might affect its operations, financial position and earnings.

Management principles and processes

Mobilize F.S. group has put in place a monitoring system designed to list and address all tax issues affecting it.

Any tax disputes with which Mobilize F.S. group may be faced as a result of tax inspections are closely monitored and where appropriate, provisions are booked to cover the estimated risk.

Risks relating to money laundering and financing terrorism

Risk factors

In the course of its business, Mobilize F.S. group is exposed to risks associated with money laundering and the financing of terrorism. In this respect, Mobilize F.S. group is subject to international, European and French regulations as regards combating money laundering and financing terrorism. This regulation can expose to penalties, both criminal and disciplinary.

Management principles and systems

Mobilize F.S. has implemented a group policy set out in a general procedure and Corporate business procedures which are transposed in group entities. Indicators of the level of compliance with the AML/CFT risk management system are applied and monitored in all entities over which RCI Banque S.A. has effective control.

IT risks

Risk factors

The Mobilize F.S. group's activity is partly dependent on the serviceability of its IT systems. The Mobilize F.S. group's IT division, through their governance, security policy, technical architectures and processes, play a part in the fight against threats (cybercrime, frauds…) in order to reduce IT-related risks (security incident, systems shutdown, or loss or non quality of data, etc.).

Management principles and processes

Oversight of Mobilize F.S. IS risks takes into account good management of and control over main potential IS risks: governance, business continuity, IT security, change and operations management, data integrity and data processing.

These risks are managed and controlled by:

- the integration of IT risk management into the overall Mobilize F.S. risk management system at all levels of the company, in accordance with best practices and the guidelines of the EBA (European Banking Authority) and the ACPR;
- the degree of protection of the IT system across the group;
- everyday control, oversight and management of the group's "Information Management Policy";
- awareness-raising initiatives and training in digital security and operational resilience for all staff (e-learning, communications, etc.);
- actions, support and checks performed by the RCI IT Risk, Standards, Compliance and Security department, which are based on a network of IT Security Officers in every DSI subsidiary, and also on a network of internal auditors;
- a group IT security policy, incorporating the regulatory requirements (banking, GDPR/personal data, etc.), an overall management approach and ongoing adapting of IT security;
- a policy of the most demanding intrusion and surveillance tests, covering both external risks (examples: websites, mobile applications) and internal risks;
- a Disaster Recovery Plan in place and regular tests of the plan, including the issue of cyber-risks including cyber-risks and crisis management (Emergency and Business Continuity Plan);

- a device and the animation and training on IS risks and processes of method correspondents, business lines and IT managers, rolled-out throughout the group and contributing to IT process efficiency controls;
- a group process for managing and registering outsourced services, including the various dimensions related to this risk (governance, security, etc.);
- a complete IS process control system covering all IS risks for the entire scope of RCI's IS (internal and outsourced);
- continuous reinforcement of IT processes and tools for security and operational resilience, taking into account new regulatory requirements (e.g., DORA – Digital Operational Resilience Act) and technological developments, thanks to a regulatory and technological watch.

Focus on IT security

Mobilize F.S. implements the Renault Group IS Security policy, taking into account the specific requirements of its banking activity, and placing particular emphasis to the management of access to its applications, protection of personal and sensitive data and business continuity. A dedicated security organization (including a SOC – Security Operation Center…) and many security tools are in place, ensuring continuous monitoring, and are being reinforced and strengthened as risks evolve (for network and application monitoring, avoiding data leaks, monitoring the cloud and the Internet, etc.) for example by developing CTI (Cyber-Threat Intelligence).

As part of the Mobilize F.S. group's emergency and business continuity plan, IS business resumption plans are operational for all of its applications. They are tested at least once a year. These plans are part of the Mobilize F.S. crisis management process, which ensures coordination with the various business lines (including IS), subsidiaries and branches, Mobilize F.S. partners and regulators (ACPR/ECB, CNIL, etc.).

Users of the information system are contractually bound to observe the rules of use of the IT tool. The group ensures it preserves the same level of protection when developing new lines of business (electric vehicles, deployment in new territories…).

Hosting the best part of the IT operations of the group in the "C2" (main) data center and the "C3" (backup) data center enables to guarantee the highest level of protection and uptime for our systems and applications. The requirement for backup sites and compliance with rules are also applied to cloud hosting.

Security requirements and controls are managed on both internal and outsourced information systems, starting with calls for tenders and contracts for outsourced services (for all services and all subsidiaries/branches).

Personal data protection related risks

Risk factors

The EU General Data Protection Regulation (GDPR) which came into effect on 25 May 2018 applies to RCI Banque S.A. Since then, many countries have implemented similar regulations on the protection of personal data. Non-compliance could have serious effects in its business and reputation of the group.

Management principles and systems

A Data Protection Officer (DPO), is responsible for ensuring the governance and implementation of all measures necessary to comply with these regulations, in order to ensure the protection of customer data, as well as that of employees throughout the group. Risks relating to personal data protection are managed in particular by the implementation of a personal data processing policy, monitoring all data processing as from the design stage, the implementation of appropriate organizational and technical resources and regularly making the company's staff aware of the issue.

Reputational risks

Risk factors

The Mobilize Financial Services group is exposed to a risk of worsening perception by its customers, counterparties, investors or supervisors, which could adversely affect the group.

Management principles and processes

The Mobilize Financial Services group has put in place corporate governance ensuring efficient management of compliance risks. Through the development and analysis of indicators, the monitoring of this risk enables the bank where appropriate to take corrective actions.

3.10.2 Measurement of operational risks and monitoring process

Dedicated local and group Committees such as internal control, operational risk and compliance convene every quarter and monitor changes in the mapping and its assessment, the indicators, the alerts and the related action plans.

3.10.3 Exposure to the risk and calculation of requirements

Operational risk is treated with the standard method.

The capital requirement calculation is based on restated average net banking income observed over the last three years and gross of other operating charges, broken down into two business segments (retail banking and commercial banking), the regulatory coefficients of which are 12% and 15% respectively. The retail banking business line includes loans to individuals and to SMEs that match the definition given in Article 123 of the CRR. The commercial banking business line includes all other Mobilize F.S. group activities.

/ EU OR1 – OPERATIONAL RISK OWN FUNDS REQUIREMENTS AND RISK-WEIGHTED EXPOSURE AMOUNTS

	Relevant indicator			Own funds requirements	Risk weighted exposure amount
	Year-3	Year-2	Last year		
In millions of euros	a	b	c	d	e
Banking activities subject to basic indicator approach (BIA)					
Banking activities subject to standardised (TSA)/alternative standardised (ASA) approaches	1,963	2,097	1,977	269	3,366
Subject to TSA:	1,963	2,097	1,977		
Subject to ASA:					
Banking activities subject to advanced measurement approaches AMA					

01. 02. 03. 04. 05. 06.

3.10.4 Insurance of operational risks

Damage to property and business interruption

The French and British companies of the Mobilize F.S. group are affiliated to the world property/business interruption insurance program taken out by Renault s.a.s.

Dince 2023, all MFS subsidiaries in countries where Renault is present have been covered vu the group program : business interruption due to material damage.

Third-party liability

The operational liability (the company's liability for damages caused to a third party while conducting its business, in any place, through the fault of the insured person, the staff, buildings and equipment used for the business) of the French subsidiaries has since January 2010 been covered by the Renault Group world program.

Only third-party liability after delivery and/or errors and omissions liability (damage or loss resulting from mismanagement or non-observance of a contractual obligation vis-à-vis third parties) specific to the Mobilize F.S.group's lines of business is still covered by contracts specific to the group:

- one contract covers the third-party liability after delivery and/or errors and omissions liability of the Diac S.A. and Diac Location S.A. subsidiaries, more particularly concerning long-term rental and car fleet management services;
- one contract insures the Diac S.A. and Diac Location S.A. subsidiaries against the financial consequences of any third-party liability they may incur as owner or lessor of motor vehicles and equipment by virtue of the activities covered by this contract, namely lease purchasing, leasing with purchase option and long-term leasing, on the understanding that this contract is a second Tier insurance policy that is invoked if the lessee's insurance defaults;
- in matters of insurance intermediation, RCI Banque S.A. and the Diac S.A. and Diac Location S.A. subsidiaries are insured with specific Errors & Omission liability contracts together with a financial guarantee in accordance with Articles L.512-6, L.512-7, R.512-14 and A.512-4 of the Insurance Code, regulations resulting from transposing of European Directives on the sale of insurance.

For RCI Banque S.A.'s foreign subsidiaries and branches, the operational and errors & omissions liability contracts, including Errors & Omission liability of the insurance intermediary, are negotiated with local insurers in accordance with local regulations resulting from the transposition of the European directive of 9 December 2002 for European countries or an equivalent regulation for countries outside the EC. The Insurance department oversees the consistency of the programs with group policies.

Since 1 January 2015, a program of professional liability insurance for the Mobilize F.S. group has been taken out, supplementing local policies (with the exception of certain JVs).

In respect of this program, the insurer will meet the cost of the financial consequences (civil defense costs) of any claim filed by a third party on the grounds of malpractice committed exclusively within the framework of the insured activities, as described below, implicating the Errors & Omission liability of one or more insured parties (Mobilize F.S.group subsidiaries).

The program covers the following two areas:

- so-called "regulated" activities (those for which Errors & Omission liability insurance is a legal obligation): insurance intermediation activities and, for certain countries, banking operations, defined as an "activity consisting in presenting, offering or helping to conclude insurance contracts, respectively, banking operations or payment services, or carrying out works and providing advice prior to their execution";
- so-called "unregulated" activities (those for which no Errors & Omission liability insurance is imposed by regulations): activities in the banking, stock market, financial, real estate, insurance and reinsurance industries.

Cyber insurance

Since 1 January 2018, Renault s.a.s. has taken out a Cyber Risks insurance policy for itself and on behalf of its subsidiaries.

3.11 ESG risks

Environmental, Social and Governance ESG risks correspond to the effects that may be caused by climate related and environmental events, social and societal changes as well as governance failures in the operation and conduct of the group's activities but also for Mobilize F.S. group counterparties. ESG risks are factors that can increase certain traditional categories of risks, especially: credit and counterparty risks, residual value risks, liquidity risks, strategic risks, operational risks and non-compliance risks.

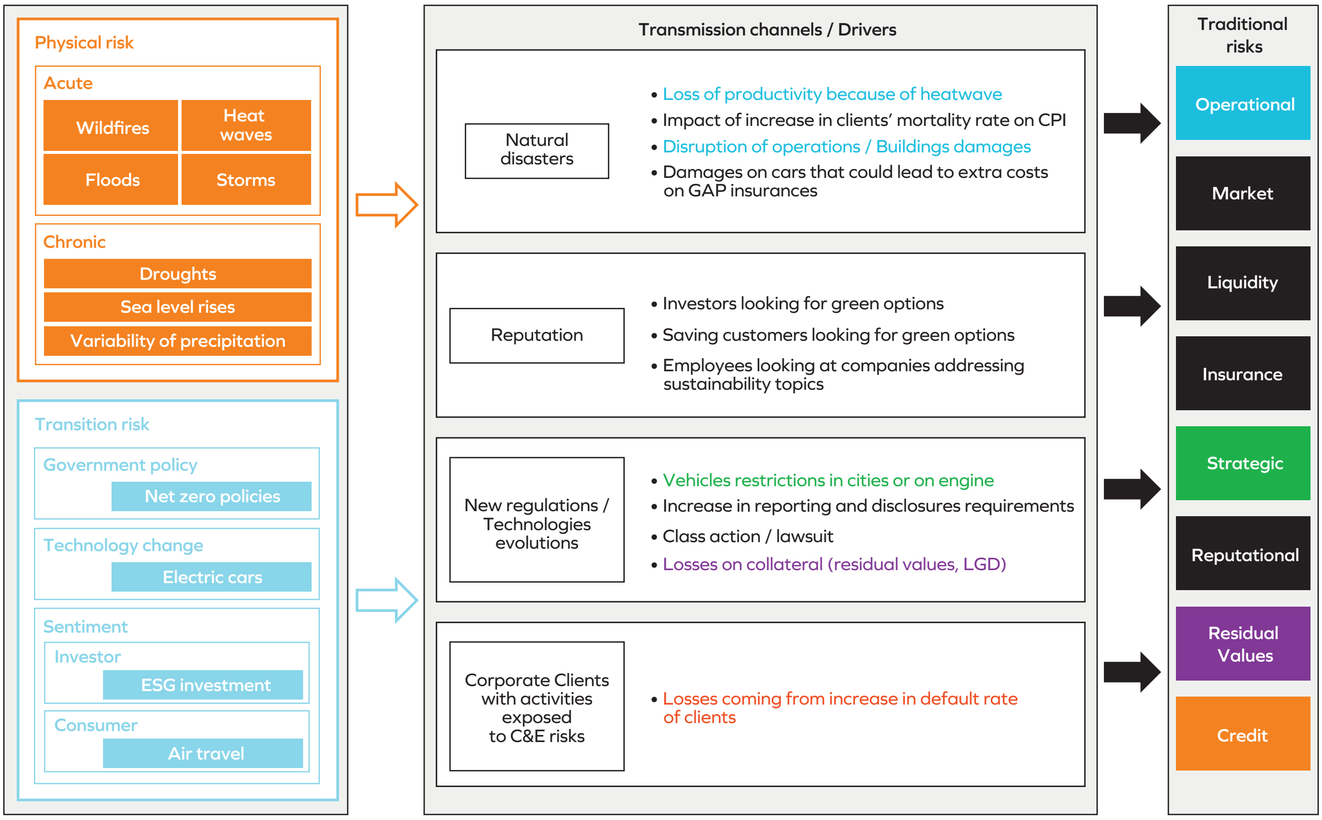
ESG risks are therefore likely to impact the business, operating result, financial position and reputation of Mobilize F.S. group through its direct business and indirectly through its counterparties (for example, which may impact their default rate).

The mapping of C&E risks, to identify the expected impacts of physical and transition risks, has been established and reinforced by:

a) i.a materiality analysis to qualify the frequency and potential impact of C&E risks on Mobilize F.S. group's overall business and risk categories, before and after mitigation actions;

b) ii.quantitative studies and sensitivity analyses specific to certain activities and/or portfolios.

/ CLIMATE & ENVIRONMENTAL-RELATED RISKS CARTOGRAPHY



GAP: Guaranteed Asset Protection
CPI: Customer Protection Insurance

The materiality analysis and the quantitative studies lead to the following observations:

The impact on strategic objectives is potentially strong in view of the very high stakes for car manufacturers who must respond to rapidly changing regulations, in particular on the level of vehicle emissions while facing an infrastructure environment under construction and the entry of new players. These transformations represent opportunities for Mobilize F.S. group, financing solutions and services being particularly necessary to support the adoption of electrified vehicles.

The impact on credit risk is perceived as significant in the medium and long term, even if it remains fairly limited in the short term given the breakdown of loans by sector of activity in the corporate financing portfolio. Mobilize F.S. group has little presence in sectors presenting a high transition risk and, with regard to physical risk, the location of Mobilize F.S. group customers does not present excessive geographical concentration.

The impact on vehicle residual values is also an important issue, as regulations and technologies can accelerate the depreciation of certain models; the Mobilize F.S. group has limited exposure to this risk at the end of 2022, but the group's strategy includes an increase in this exposure in the coming years.

The Risk Appetite Framework (RAF) includes four indicators monitored quarterly by the Risk Committee of Mobilize F.S. group Board of Directors:

(1) reduction of CO_2 emissions financed;
(2) ESG rating of Mobilize F.S. group according to an extra-financial rating agency;
(3) Mobilize F.S. group penetration rate on electric vehicle sales compared to the penetration rate of other vehicle types;
(4) number of commercial offers specific to electric vehicles.

Two of these indicators (#3 and 4) are monitored by brand, customer typology and country. In 2023, they were deployed in the subsidiaries of Mobilize F.S. group.

The indicator 3 was put in place to measure the effectiveness of offers specific to electric vehicles (indicator 4). It is used to animate subsidiaries on climate issues. It is also one of the objectives defined as part of the variable remuneration plan of the main managers of Mobilize F.S. group. This animation could evolve with introduction of new KPIs.

The Mobilize F.S. group key tools for identifying, measuring, and managing C&E risks are listed below and further detailed in the Environment (n) and (o) responses of Table 1 - Qualitative Information on Environmental Risk:

- credit:
  - quantitative and sensitivity analyses on individual portfolios and companies, including SMEs,
  - integration of C&E criteria into the granting process of (i) dealers and (ii) companies;
- liquidity: raising green bonds related to the financing of electric vehicles;
- market: Integration of C&E criteria into investment policy (liquidity reserve management);
- operational: impact analysis of physical C&E risks on business sites;
- strategic:
  - indicators monitoring (penetration rate and profitability of financing on Electric Vehicles),
  - impact analysis of Low Emission Zones in Europe,
  - pricing: by offering regularly pricing incentives, the Mobilize F.S. group encourages its customers to switch to electric vehicles in order to accelerate their transition effort.

Since 2022, Mobilize F.S. group has implemented a project to evaluate financed emissions of vehicles in portfolio, for all type of clients, at the beginning on its seven main markets then, in 2023, on all the geographic areas the group is set up:

- Electric Vehicles (Battery Electric Vehicles et Plug-in hybrid Electric Vehicles) represent 6.9% of all financed contacts in portfolio;
- GHG emissions reach 182 gCO_2/km on average (well to wheel) decreasing by -2,9% vs. December 2022. Definitions, assumptions used and methodological evolutions are detailed in the note accompanying the quantitative models.

The template 3 on portfolio alignment metrics, compared to IEA scenario net zero 2050, presents the same indicators limited to the scope of non financial corporate clients.

The governance of climate and environmental risks is based on an organization dedicated:

- the Risk Management division, with a Climate and Environmental Risks department, develops a global vision of these risks and their impact on the group's various risks: strategic, financial or operational;
- the department Sustainability within group Sales and Strategy division has the mission to develop Mobilize F.S. group ESG strategy and, in liaison with the Strategy division, ensuring its integration into the Renault Group global strategy;
- since 2021, the governance of climate and environmental risks has been based on a dedicated Committee bringing together all the group's divisions;
- the Board of Directors validates the sustainability strategy and the roadmap of GHG emissions reduction. It has the necessary skills, either through specific expertise of its members or through periodic training, to challenge the consideration of climate and environmental issues and the results achieved.

The governance of Mobilize F.S. group thus makes it possible to integrate the double materiality, as presented in the diagram below.

Integration of ESG-related risks double materiality into Mobilize FS governance

Mobilize F.S. group has a solid governance in the consideration of ethical rules and compliance through anti-money laundering, conflict of interest management, professional whistleblowing devices. The prevention of internal social risks is also the subject of a dedicated device led by the group Human Resources department with the support of the Sustainability team. Several trainings and awareness-raising events have been set up and specific performance indicators are monitored.

The integration of ESG risks into Mobilize F.S. group strategy, governance and risk management is detailed in the tables below.

/ TABLE 1 – QUALITATIVE INFORMATION ON ENVIRONMENTAL RISK IN ACCORDANCE WITH 449A CRR

	Business strategy and processes	
(a)	Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning	Mobilize F.S. group offers financing solutions on vehicles that meet increasingly stringent environmental criteria, the group does not finance projects of companies operating in sectors highly exposed to C&E risks. Thus, the strategy of Mobilize F.S. group is part of the ecosystem developed by Renault and Nissan groups around the electric vehicle. Mobilize F.S. group has thus developed a range of services facilitating the adoption of electric vehicles such as (i) the possibility for an Electric Vehicle customer to have a ICE vehicle for a few weeks per year, (ii) to access charging stations in France via a credit card and throughout Europe via a charging pass, (iii) to acquire a home charging station and to finance the installation or (iv) a subscription service for the use of a vehicle, allowing the client to test an electric vehicle over a few months. As part of its commitment to a new form of mobility, more concerned with its ecological footprint, the group supports electric mobility and thus places emphasis on the development of a robust and accessible charging infrastructure. The gradual development of fast charging stations along highways, in urban areas, and in public parking lots is a priority to facilitate the adoption of electric vehicles. In addition, the group is developing a complete range of services aimed at simplifying and improving the experience of electric vehicle users by integrating complementary services developed by the Mobilize Beyond Automotive entity, such as parking spaces reservation equipped with charging stations, optimized route planning based on vehicle autonomy, payment management, and up-to-date information on the state of infrastructure and their availability. In a phase where the volumes of electric vehicles remain a minority in sales, the group is relying on generally more attractive pricing. With regard to its refinancing strategy, Mobilize F.S. group is diversifying its sources of liquidity with green bonds and green deposits backed by the financing of electrified vehicles, ensuring the transparency of information in order to attract new investors. Mobilize F.S. group carries out a constant regulatory watch to inform itself and anticipate regulatory changes, both banking and related to public policies around transport or automotive and which may constitute a C&E risk of transition on its business model. Discussions take place with Renault Group teams during dedicated Committees in which Renault Group takes part which make it possible to better anticipate the impact of regulatory changes and to support them. In this context, as vehicle acquisition and financing are linked to regulatory restrictions on access to certain geographical areas (urban areas in particular), Mobilize F.S. group monitors and anticipates the development of Low Emission Zones in Europe in its main countries of activity. These regulatory changes represent a significant strategic challenge on the group Mobilize F.S. activity. In 2023, Mobilize F.S. group has set up a tool to calculate carbon emissions for our entire value chain. The results obtained on our own emissions (Scope 1, Scope 2 and Scope 3 upstream) will enable us to define an action plan aimed at reducing our carbon footprint. Mobilize F.S. group interviews its suppliers via its Supplier CSR Questionnaire and integrates their answers into the contracting decision. For more details on the content of the Supplier CSR Questionnaire, see Social response (a). Finally, a Sustainable Procurement Charter was established and includes a section about climate and environment topics. By signing the charter, Mobilize F.S. group suppliers commit to complying with environnemental protection regulations, to proposing, where possible, effective solutions in favor of the environment, to applying the best environmental practices of their profession as well as optimize the consumption of resources and strive towards reducing the pollution generated by their activities.
(b)	Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	The group follows its exposure to economic sectors and activities that are not in line with the bank's ESG strategy and/or that could impact reputational risks and/or credit risk. To this end, Mobilize F.S. group carries out sectoral monitoring of exposures taking into account ESG factors. Given the current distribution of assets by business sectors, no limit or threshold on these indicators has been deemed necessary at this stage.

	Business strategy and processes	
(c)	Current investment activities and (future) investment targets towards environmentalobjectives and EU Taxonomy-aligned activities	Through its activity of financing electric or hybrid vehicles as well as charging stations, Mobilize F.S. group contributes to the transition towards carbon-free mobility, thus contributing to the objective of mitigating climate change. Mobilize F.S. group participates in the extension of the life cycle of vehicles by offering used vehicle financing with services and buy back commitments (second and third life offers) based on remarketing tools and expertise in estimating residual values. Mobilize F.S. group conducted a preliminary study of the exposure of its operating buildings (offices and data centers) to climate related and environmental hazards. Several sites have been identified as potentially at risk and further complementary studies could be carried out to understand climate and environmental change adaptation issues.
(d)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks	Since 2022, Mobilize F.S. group developed its approach to analyze the environmental policies of its corporate clients present in sectors with high Climate and Environmental risks. This analysis is currently based on data published by these same counterparties and on their ESG ratings by non-financial rating agencies where they exist. With car dealer customers: **i)** Mobilize F.S. group verifies annually, during the review of the financial limits, that the financed assets of dealer customers are insured against physical risks; **ii)** the Mobilize F.S. group has set up, during the Know Your Customer (KYC) process, an exchange on the physical C&E hazards suffered, in particular concerning the impacts of climate related events on stocks, showrooms or on the activity in general. By offering targeted offers, the Mobilize F.S. group encourages its customers to switch to electric vehicles in order to accelerate their transition effort. With "Corporate" customers: As part of the acceptation process of companies with revenues of €50 million or more, group Mobilize F.S. set up ESG criteria based on counterparties' NACE code sectors by identifying sectors the more exposed to climate and environment risks. The exposition score by sector relies on the Moody's investors services ESG study on the five categories rated from "low" to "very high": • carbon transition; • physical climate risks; • water resource management; • waste and pollution; • natural capital (environmental impacts). This assessment leads to two scores: one for the transition risk and the other for the physical risks. For counterparties from sectors identified as the most exposed, on one of the two scores, an ESG analysis is required in the acceptance process. This analysis includes taking into account ESG rating, ESG policies and objectives defined by the counterparties, etc. By proposing targeted offers, group Mobilize F.S. incentivizes its customers to shift to electric vehicules in order to accelerate their transition efforts.

Governance

(e)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels	The members of Mobilize F.S. group Executive Committee and Board of Directors have been trained on current and potential C&E risks. Regarding the Mobilize F.S. group general governance framework: **i)** the Risk department is responsible for identifying, measuring and managing C&E risks with impact on its business model; **ii)** the Sustainability team within the group Sales and Strategy Business Unit, Mobilize F.S. group is responsible for identifying, measuring and managing the impacts that Mobilize F.S. group business model poses to C&E elements. The double materiality is thus clearly defined and is at the heart of Mobilize F.S. group operational governance. Regarding the operational management of C&E projects, responsibilities are shared between several Teams or departments: Risks, Sustainability, Marketing, Internal Control and Credit are frequently associated. The C&E Risk Steering Committee gathering all the members of the Executive Committee, is systematically informed of the progress of the action plans linked to C&E risks, ensures compliance with risk indicators along with the integration of C&E risks into operational processes. In 2022, the Risk Committee of the Board of Directors validated the inclusion of four C&E indicators at Mobilize F.S. RAF along with their limit and alert threshold. In 2023, the same Committee approved Mobilize F.S. decarbonization trajectory and the Board of Directors validated the environmental strategy including the levers allowing the reduction of financed CO_2 emissions.
(f)	Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organizational structure both within business lines and internal control functions	Mobilize F.S. group RAF contains one indicator concerning the GHG emissions reduction financed. Mobilize F.S. group is committed to achieving Net Zero by 2040, in line with Renault Group objectives. A trajectory of financed emissions (scope 3 downstream) by 2030 including intermediary milestones was validated by the Board of Directors in 2023. Mobilize F.S. group will measure any deviations in emissions reduction with the ambitions taken. The reduction in financed emissions is itself linked to a second objective, also materialized in the RAF, namely the penetration rate on electric vehicles compared to internal combustion vehicles. This objective allows a monitoring of the commercial performance on electric vehicles. The Mobilize F.S. group three lines of defense (LoD) are concerned with C&E risk management. Responsibilities have been clearly defined and assigned between the different departments, including risk owners, Risks Control department, internal control, and internal audit. Internal Audit conducted an independent review of the governance and C&E risk management framework. The conclusions were made mid-December 2022 and corrective actions will be put in place in 2023.

	Governance	
(g)	Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels	The roles of Mobilize F.S. group Committees in the management of C&E factors and risks have been defined as well as the relationships between the different Committees. The C&E Risk Steering Committee is held during the same meeting as the Sustainability Committee, thus making it possible to deal with the same participants on the double materiality of these issues. C&E risk topics are also presented for information or validation to the Risk Committee of the Board of Directors. The Mobilize F.S. groups three lines of defense (LoD) are involved in C&E risk management. Responsibilities have been clearly defined and assigned between the different departments, including risk owners, Risks Control department, internal control and internal audit. Mobilize F.S. group has started training its employees with the "Climate Fresk" workshops and will deploy this training for all countries (https://fresqueduclimat.org/). In 2023, seven employees were trained to become "climate fresk facilitators" and thus roll out this training in different countries (UK, France, Italy and the Netherlands).
(h)	Lines of reporting and frequency of reporting relating to environmental risk	The four C&E RAF indicators are integrated into the Risk Reporting and presented quarterly to the Risk Committee of the Board of Directors. These same indicators are also presented to the C&E Risk Steering Committee along with additional analysis. The Mobilize F.S. group performance on electric vehicles (penetration rate, profitability of new production) is presented at least quarterly to the Executive Committee. The Mobilize F.S. group is developing an internal ESG-dashboard for internal reporting purposes, including several ESG KPIs, including several of the ESG KPIs.
(i)	Alignment of the remuneration policy with institution's environmental risk-related objectives	After a phase of implementation and monitoring of the indicators during 2022, Mobilize F.S. group integrates from 1 January 2023 a dedicated C&E objective in the variable remuneration system.
	Risk Management	
(j)	Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework	Mobilize F.S. group Risk department carried out a materiality analysis of the physical and transition climate-related risks impacts on "classic" banking risks (credit, market, insurance, operational, strategic, compliance, liquidity, etc.) in the short, medium and long term. This analysis will be updated annually. Mobilize F.S. group RAF has four C&E indicators. Three indicators are currently based on the annual activity while the 4th C&E indicator, based on the reduction of financed greenhouse gas emissions, enables to project the activity and its transformations by 2030.
(k)	Definitions, methodologies and international standards on which the environmental risk management framework is based	Mobilize F.S. group uses the definitions of physical and transition C&E risks drafted by the ECB. C&E risks have been identified as critical risks by Mobilize F.S. group. Mobilize F.S. group took into account the results of the ECB 2022 and ACPR 2020 climate stress tests. In addition, macroeconomic data from the IMF and the World Bank are used in Mobilize F.S. group stress tests and quantitative studies. Moreover, the scenarios of the Network for Greening the Financial System NGFS are used to stress portfolios on retail customers for the five main countries of Mobilize F.S. group activity. Finally, the group has also developed its own methodologies, listed below and presented in more details in question (n): • qualitative risk analysis: (A); • quantitative analysis: (B) (B bis) (G); • sensitivity analysis, on credit risks for example: (C) (D) (E) (F) (H) (H bis); • a sector C&E risk score (internal methodology based on sector studies): (D).

Risk Management

(l)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels	Mobilize F.S. group carried out an analysis of the materiality of climate risks on the various banking risks (A) by interviewing its risk owners. In addition, various quantitative and sensitivity analysis were carried out on credit risks (B) (B bis) (C) (D) (E), market risks (F), strategic risks (G) and operational risks (H) (H bis). These complementary studies helped to support the qualitative materiality analysis, and to identify and measure more precisely the different activities and portfolios exposed to physical and transition climate risks. Methodologies of analysis (A) to (H bis) are specified in response (n). Thus, on credit risks, the group carried out: **i)** on the retail portfolio: a historical analysis of the impact of physical C&E risks on the default rate (B) and a second quantitative analysis of physical and transition C&E risks to NGFS scenarios until 2050 (C); **ii)** on the corporate portfolio, including SMEs: an analysis of sensitivity to physical C&E risks and transition to the ECB 2022 and ACPR 2020 scenarios based on a C&E score from an extra-financial rating agency (D). This same analysis made it possible to study the C&E risk of sectoral concentration; **iii)** on collateral recovery: a sensitivity study assessed the C&E risk of devaluation of financed assets (E). These analysis distinguished between physical and transition C&E risks and methodologies are detailed in response (n) below. In addition, Mobilize F.S. group considers in its acceptation policy towards “Corporate” customers the environmental policies of the companies analyzed and the Sustainalytics’ ESG ratings into KYC process. This information are included in the decision tree applied to this perimeter. Regarding market risks, limited to the management of the liquidity reserve, the materiality of C&E risks is estimated to be low, based on a sensitivity study (F). Mobilize F.S. group has implemented the monitoring of the C&E rating of corporate issuers on the basis of external data with non-binding objectives for the purchase issuers’ securities. The instructions for managing the liquidity buffer with regard to C&E information and in addition to traditional information are displayed as follows: (i) the best rated in C&E will be purchased first, (ii) a concentration limit on average C&E ratings is put in place, (iii) poorly rated in C&E are to be excluded from purchases and (iv) a limit on non-C&E ratings rated in C&E is also implemented. Regarding strategic risks, Mobilize F.S. group has carried out a study on the impact of low emission zones (G) with a focus on France. Regarding operational risks, two additional studies enable to identify the Mobilize F.S. group activity sites exposed to physical C&E risks in the 36 countries of activity (H) as well as the sites of activity and their fallback sites exposed more precisely to floods, in the six main countries of activity (H bis). During its Third-party Integrity Management (TIM) process, more specifically on its customers, partners and suppliers scope, Mobilize F.S. group has one external compliance analysis tool, Compliance Catalyst from Moody’s, giving access to LexisNexis and Orbis databases on: (i) any convictions of the counterparty on environmental grounds as well as (ii) negative elements reported by the media that may cover environmental elements.
(m)	Activities, commitments and exposures contributing to mitigate environmental risks	The mitigation of C&E risks on credit risks by Mobilize F.S. group is specific according to the portfolio considered: **i)** on the SME and Corporate portfolio: Mobilize F.S. group has a non-material exposure to sectors sensitive to C&E risks. The Mobilize F.S. group nevertheless monitors sectoral exposures; **ii)** on the dealer portfolio: the Mobilize F.S. group did not observe geographical over-representation in physical C&E risk areas; **iii)** on the individual portfolio: Mobilize F.S. group did not observe an over-representation of the client portfolio in physical C&E risk geographies or any correlation between the client default rate and past climate related events (flood). Strategic C&E risks are mitigated by Mobilize F.S. group by developing new offers and transitioning its business model to low-carbon mobility, enabling it to retain business and customers in the medium and long term. Market C&E risks on the liquidity reserve are mitigated by a small reserve composed mainly of sovereign and corporate bonds. Management guidelines based on available C&E information on corporate bonds have also been put in place.

	Risk Management	
(n)	Implementation of tools for identification, measurement and management of environmental risks	(A) In order to define the impact of physical and transition climate risks on banking risks, Mobilize F.S. group carried out a materiality analysis with its various collaborators: the Risk Director, risk category managers, internal experts on specific topics and external analysis. Respondents described and assessed the transmission links between C&E risks and banking risks before and after mitigation actions, as well as the frequency and financial intensity of these risks. The results were then calibrated, harmonized and nuanced by the Chief Risk Officer and the Climate Risk Officer. Gross and residual risks could thus be estimated and classified by level of financial impact. The results were then shared with Mobilize F.S. group risk managers. (B) Mobilize F.S. group studied the possible correlation between the physical climatic risks of floods and the default rate between 2010 and 2016 of its individual clients, based on French data on natural disaster regimes (GASPAR database). It was first necessary to reconcile the different types of flooding and their frequency with the address of Mobilize F.S.'s private customers and then study the default rate of customers by geographical areas up to 12 months after the occurrence of physical events. The results are presented in question (o). (B bis) The Think Hazard tool was used for Mobilize F.S. groups five largest countries of activity to quantify physical C&E risks on the retail individuals portfolio. Think Hazard produces a physical C&E risk evaluation by region, evaluation translated into a score which was then linked to the portfolio via the clients' zip code. This has then allowed classification of credit exposures by level of C&E physical risks. (C) Mobilize F.S. group also quantified the impact of C&E factors on credit risk retail individuals portfolio using a second methodology. Mobilize F.S. group applied NGFS Network for Greening the Financial System scenarios to quantify the potential impacts of C&E risks on the evolution of the default rate. The study focused on Mobilize F.S. group's top 5 countries of activity: France, Italy, Germany, Spain and the United Kingdom. The impact of C&E risks on Expected Losses (EL) was estimated by comparing the average default rate with a scenario of high physical and transition risks over 2023-2030 compared to the historical evolution of the default rate since 2008. (D) Mobilize F.S. group quantified the impact of C&E risks on non-financial corporate portfolio credit risks, including SMEs. The evaluation of the exposure to physical and transition risks by sectors from an extra-financial rating agency were used to represent Mobilize F.S. group C&E risk exposures and thus calculate the C&E risk of concentration on the corporate portfolio. The scores obtained from the assessments by sector have been converted into a probability of default impact, calibrating these impacts based on the extreme results of the climate stress tests, ACPR 2020 and ECB 2022. (E) Mobilize F.S. group also conducted a sensitivity analysis to quantify the additional losses for C&E motive when recovering collateral: the financed car. An extreme scenario on a stress of Loss Given Default (LGD), was applied. An average based on a significant drops in sales of on electric motors and on combustion engines was applied on all the car models (F) On the market risks of the liquidity reserve: Mobilize F.S. group has implemented a bi-annual stress test on sovereign and corporate issuers. The quantitative level of stress applied was set to a climate or environmental crisis. (G) The group carried out a business strategy study on the impact of Low Emission Zones (LEZ) on its five main countries of activities in Europe according to three scenarios by 2030: (i) "Business as Usual" with implementation of LEZs according to announced schedules; (ii) "1.5°C Sufficiency" with the implementation of more proactive LEZ schedules and a reduction in vehicle sales; (iii) Scenario of extremely rapid implementation of LEZs (within one or two years). On each scenario, the annual sales of new cars, the share of electric vehicles among these sales, the use of the car and the schedules for the implementation of LEZ and their level of restriction were simulated. Finally, the annual evolution of the vehicle fleet (in size and composition) was modeled on the five countries with several assumptions on the lifespan of a car in the Mobilize F.S. group portfolio, on the decrease in sales of diesel vehicles and on the increase in the weight of the electric vehicle. (H) Mobilize F.S. group carried out a study to quantify physical C&E risks at site's in the group's 36 countries. The analysis quantified the financial impacts on sites considering the following event: (i) rising waters, (ii) overflow and submersion flooding, (iii) temperatures requiring air conditioning, (iv) heat wave (above 35°C rendering air conditioning ineffective), (v) water stress and (vi) cyclones. The time horizon considered is 2050 for floods by submersion, 2030 for others. All events consider the RCP8.5 scenario. (H bis) The Mobilize F.S. group carried out a flood risk study of the main sites of activity and fallback sites. The flood risk was chosen because it is the most significant physical risk for Mobilize F.S. group. The study focused on (i) the distance between the primary site and the fallback site and their proximity to a river (or equivalent); (ii) identification of sites within a flood danger zone (source: WRI Aqueduc flood risk: https://www.wri.org/data/aqueduct-floods-hazard-maps), using a pessimistic approach to a millennial flood in 2080; (iii) the measurement of the difference in altitude between the Mobilize F.S. group sites and the nearest river. The objective was to determine whether the primary sites are at risk of flooding and whether the fallback site would also be flooded during the same event.

Risk Management

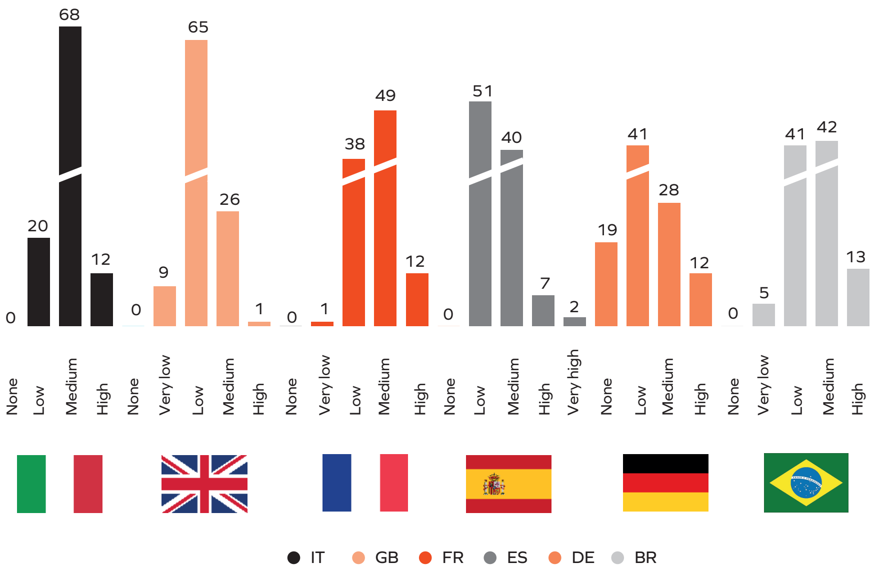
(o) Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity profile

(A) The materiality analysis highlighted that the main risks for Mobilize F.S. group are (i) credit risks, (ii) residual value risks and (iii) strategic risks, all induced by physical and transition C&E risks. The transmission of climate risks to these banking risks is described in response (r).

(B) Following the historical analysis of the impact of the floods on Mobilize F.S. group retail client portfolio, it follows that the 12-month default rate does not appear to be correlated with the occurrence of a physical event. Thus, the historical default rate of customers affected by flooding oscillates around the default rate of customers not affected by flooding. Mobilize F.S. group has concluded that physical climate risks have historically had a low materiality for its retail clients. Nevertheless, this analysis is based on historical data that does not predict future events because of climate change. Mobilize F.S. group remains vigilant on this subject and has therefore carried out a complementary study (C) presented below.

(B Bis) The geographical study with the Think Hazard tool on the retail individuals portfolio concluded that this portfolio is geographically diversified and limitedly exposed to physical C&E risks for the six main countries of activity of Mobilize F.S. group.

The breakdown of outstanding by country on retail individuals portfolio by level of exposures to physical risks is presented below:



1. The "None" category corresponds to the share of exposure where postal code data was missing.

(C) Regarding the quantitative study of the C&E impacts on the credit risks of the retail individual portfolio, the work illustrated the impact of the C&E risks on these five main countries of activity portfolios by 2030. The impacts of variation in default rates according to the two scenarios studied are presented in the table below:

Portfolio impacts	France	Germany	Italy	Spain	United Kingdom
Physical risk scenario	€12.6 million	€3 million	No impact	€1.9 million	€4.6 million
Transition risk scenario	€13.6 million	€3 million	No impact	€1.9 million	€4.7 million

(D) Following the quantitative analysis of the corporate finance portfolio, Mobilize F.S. group identified the sectors most exposed to physical and transition C&E risks. It shows that, thanks to the diversification of its portfolio, Mobilize F.S. group is not impacted in the short (less than three years) and is slightly impacted in the medium term (between three and eight years) by C&E risks on this portfolio of non-financial companies.

(E) The sensitivity analysis on the deterioration of the value of collateral made it possible to calculate an LGD stressed by a C&E scenario. Mobilize F.S. has integrated this quantitative C&E impact into the materiality analysis of C&E risks on credit risks.

(F) Climate and environmental stress applied to the liquidity buffer showed low exposure results, confirming the low materiality of C&E risks on the market risks of the liquidity buffer, the group has identified the sectors most exposed to physical and transition C&E risks. It shows that, thanks to the diversification of its portfolio, Mobilize F.S. is not impacted in the short (less than three years) or medium term (between three and five years) by C&E risks on this portfolio of non-financial companies.

(E) The sensitivity analysis on the deterioration of the value of collateral made it possible to calculate an LGD stressed by a C&E scenario. Mobilize F.S. has integrated this quantitative C&E impact into the materiality analysis of C&E risks on credit risks.

(F) Climate and environmental stress applied to the liquidity buffer showed low exposure results, confirming the low materiality of C&E risks on the market risks of the liquidity buffer.

(G) The business strategy study made it possible to understand the impact of the implementation of LEZ on the obsolescence of Mobilize F.S. group financed vehicle fleet. The size and composition of Mobilize F.S.' groups French car fleet and the potential impacts on the cars sale drops in the five main countries of activity, could thus be estimated by 2030 according to the three scenarios.

(H) The quantification of physical C&E risks at sites in the 36 Mobilize F.S. countries identified the buildings most exposed to each event. In particular, flooding poses a threat to several sites.

(H bis) The results of the flood risk geographical analysis show, with a good level of confidence, that Mobilize F.S.' groups primary and fallback sites on its 5 main countries of activity and Brazil would not be flooded at the same time. The study also identified Mobilize F.S. sites most exposed to flooding.

Risk Management

(p)	Data availability, quality and accuracy, and efforts to improve these aspects	To feed into the identification, measurement and management processes associated with question (l) and the tools presented in question (n), Mobilize F.S. group collects, stores and uses the following data points: (1) greenhouse gas emissions from funded cars. Mobilize F.S. group collects, during financing, the type of engine (electric, hybrid, diesel, gasoline), make, model, year of construction and country of sale. With this information, Mobilize F.S. group searches for vehicle emissions in (i) a Groupe Renault database, for vehicles built by its parent company, and (ii) the European Environment Agency's database for vehicle emission estimates, used for other brands vehicles. Mobilize F.S. group thus covers around 75% of the vehicles financed on all the geographical areas the group is set up Actions plans are in progress in order to improve the coverage of emissions of vehicles financed; (2) the sector of activity. This data is collected during the implementation of financing by each country and then transfered to the headquarters. This data is used in particular in the sensitivity and corporate concentration analysis (D) and during the granting phase; (3) postal code. This data is fed on the main countries of activity of Mobilize F.S. group. For the time being, it is not available at Headquarters level on the some countries of activity (Romania, Morocco, Colombia). Action plans are implemented to collect this missing data; (4) counterparties' greenhouse gas emissions. Mobilize F.S. group has this data via CDP.
(q)	Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits	Mobilize F.S. group does not finance projects of companies operating in sectors highly exposed to transition C&E risks but finances vehicles that meet increasingly stringent environmental criteria. Thus, the RAF of C&E risks has been defined according to the business model defined appropriety accordingly to guide its commercial activity and better manage its C&E risks, and provides alert thresholds when: the support for sales of electric vehicles is lower than the rest of the range; the average financed emissions of the vehicles in the portfolio are not falling at a rateconsistent with Net Zero 2040 objective. The limits in place on RAF indicators have been set according to the Renault Group's objectives, compared to peers and with regard to historical values of the indicators. The limits have been approved by the Risk Committee of the Board of Directors. The management of environmental risk thresholds and limits in the RAF is no different from the management of other types of risk and in this sense, follows Mobilize F.S. group's risk governance policy. Thus, for each of the four RAF C&E risk indicators, definitions, adequate values, alert thresholds (1) and limits (2) have been set. (1) Crossing the alert threshold for one of the C&E risk indicators triggers (i) notification to the Risk Committee of the Board of Directors and (ii) the preparation of an action plan in order to prevent the limit from being reached. (2) Crossing the limit leads to the implementation of the action plan to reduce the risk and therefore all below the limit.

	Risk Management	
(r)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	**Physical C&E risks** can have significant impacts for Mobilize F.S. group, especially on: (a) credit risk: Impairment of the creditworthiness and/or value of borrowers' assets that are affected by the direct impact of natural (e.g., floods) or indirect (e.g., sectorial losses due to drought); (b) operational risk: Business interruption or disruption and loss of efficiency due to multiple factors, including unavailability of offices, employees or computer network; (c) insurance risk: (i) Increased payment of death and disability insurance guarantees due to increased mortality rates; (ii) higher frequency of spread insurance payments due to unpredictable weather events (e.g., floods); (d) liquidity risk: Significant and negative effect on liquidity buffers due to high demand for precautionary liquidity following a severe natural disaster (e.g., withdrawals from savings to recover from floods). **Transition C&E risks** can have a strong impact on Mobilize F.S. group, especially on: (a) strategy risk: Loss of volumes due to new regulations on car use (e.g. restrictions on access to cities); (b) credit risk: Increase in defaults by companies operating in sectors negatively impacted by climate related and environmental factors and with no possibility to adapt their business model; (c) liquidity risk: (i) loss of deposits from customers seeking more sustainable opportunities resulting in increased financing costs; (ii) investors withdraw their funds to encourage green investments if Mobilize F.S. group does not offer such products; (d) reputational risk: higher borrowing rate or volume drops due to Mobilize F.S. group ESG rating lower than other banks; (e) risk of Human Resources inadequation: recruitment difficulties or strong resignation of people seeking to work in a sustainable company; (f)l egal and conduct risk: class actions, including in connection with the use of an internal combustion engine; (g) residual value risk: decrease in the residual values of cars (especially internal combustion engine vehicles) with the implementation of new regulations and evolving technologies. Regarding market risks: as these activities are limited for Mobilize F.S. group, the risks are mainly based on the management of the liquidity reserve. Mainly composed of Central Bank deposits, sovereign or corporate bonds, the risk of market volatility due to physical and transitional ESG factors and risks was considered low.

/ TABLE 2 – QUALITATIVE INFORMATION ON SOCIAL RISK IN ACCORDANCE WITH ARTICLE 449A CRR

	Business strategy and processes	
(a)	Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning	The integration of social risks into financing and investment activities appears indirectly through Mobilize F.S. group's Third-party Integrity Management TIM anti-corruption process, including knowledge of possible convictions of counterparties on social grounds, as well as the study of the counterparty's reputation, which may be impacted by media events on social topics. In 2023, workshops were held on mapping social risk mapping with ESG risk mapping. This work contributed to enriching the HR risk map. Indeed, on the elements relating to human capital, it was decided to broaden the risk of inadequacy of human resources to add the human capital component. This enrichment is to be set up in 2024 in the risk mapping. In terms of internal social practices, Mobilize F.S. group deploys two areas of intervention (Mobilize F.S. group's resources are its own employees): **(1)** Diversity & Inclusion: Gender equality has been particularly developed through several ongoing complementary programs: • "Zero discrimination", • "0% gender pay gap in 2025" with Renault Group, • "40% or above women among managers and directors by 2024" including the monitoring of the male/female ratio in the Management Committees and Executive Committees of six countries of activity: France, Italy, Spain, United Kingdom, Germany, Brazil. Employee surveys in which Diversity & Inclusion topics are included are deployed, and the results are presented to the Mobilize F.S. group's Executive Committee. The group Human Resources division also organizes awareness-raising events and monitors these topics with each country HR Director. The main focus of actions are on the "Gender Equality" for several years since 2023 we began to put a new focus on "Disability" topics. We are integrated in the Renault Group Disability Global Policy launched in 2023. As a first action, implementation of internal disability declaration process has been taken, followed by deployment of dedicated indicators to track the progress of the policy and to track the data, in which Mobilize F.S. France is leading the way (Training of HRBPs, Appointment of Disability correspondents in each worksite, Awareness raising events, E-learnings, Strong internal communications); **(2)** Safety & Care: Mobilize F.S. group pays strong attention to Quality of Life at Work topics. Based on employee surveys, action plans are launched in all countries of activities. Mobilize F.S. group obtained the "Great Place to Work" label in seven countries of activity: France, Brazil, United Kingdom, Spain, Italy, Argentina, Colombia. The Mobilize F.S. group applies its duty of vigilance to its suppliers, by requesting, as part of the contracting process, several social verifications through an approved certifier. The requested checks relate to the fight against illegal work and are imposed by the French Labor Code. They relate in particular to (i) social declarations and the payment of social security contributions and contributions, (ii) the registration of the supplier, (iii) the nominative list of foreign employees, assigned to the execution of the contract, employed by the contracting party and subject to the work permit. In addition, Mobilize F.S. group asks its suppliers, when they are selected, to complete its CSR Supplier Questionnaire covering, among other things, (i) the certifications and labels obtained (ISO or equivalent, LUCIE, BCorp, etc.), (ii) the publication of a CSR report, (iii) the presence of performance indicators and the setting of objectives, (iv) the contribution to sustainable development and the themes of commitment. The answers are integrated into the decision to contract with suppliers.
(b)	Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	In 2023, as part of the acceptance process for corporate counterparties, Mobilize F.S. group integrated an ESG assessment including an analysis of social risks via ESG ratings. Regarding its internal social strategy, Mobilize F.S. group has set itself several objectives and monitors them with defined indicators: **i)** Diversity & Inclusion: Mobilize F.S. has set itself two long-term objectives: "0% gender pay gap in 2025" and "40% or above women among managers and directors by 2024". See answer (a) for details; **ii)** Safety & Care: Mobilize F.S. group obtained the "Great Place to Work" label in 2023 in seven countries of activity: France, Brazil, United Kingdom, Spain, Italy, Argentina and Colombia.
(c)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities	Mobilize F.S. as part of the anticorruption analysis process of the counterparties (Third Party Integrity Management – TIM), the analysts have information on possible convictions for social reasons.

	Gouvernance	
(d)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to: (i) activities towards the community and society; (ii) employee relationships and labour standards; (iii) customer protection and product responsibility; (iv) human rights.	During the counterparties' Third-party Integrity Management TIM anti-bribery analysis process, the analyst has information on possible convictions on social grounds. The TIM process is carried out by the Compliance department and the departments involved: Finance & Treasury, Credit, Purchasing, Insurance & Services. The analysis makes it possible to identify the level of risk and the level of vigilance to be brought to the file. See question Governance (c).
(e)	Integration of measures to manage social factors and risks in internal governance arrangements, including the role of Committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body	During the TIM process, one external Compliance tool, Moody's Compliance Catalyst provides information on possible convictions on social grounds. For the internal employees (at the Headquarter and in the subsidiaries) and for external stakeholders (eg. former employees, suppliers) a whistleblowing process has been set up by Mobilize F.S. group. Directors of group Compliance and group Internal Control take into account the alerts and carry out possible internal investigations with the Human Resources departments and any other departments deemed necessary (e.g.: Internal Audit).
(f)	Lines of reporting and frequency of reporting relating to social risk	Regarding internal operational social risks, the Mobilize F.S. group monitors gender equality indicators calculated by Human Resources: **i)** (i)gender pay gap; calculated by country and for the group – quarterly; **ii)** (ii)share of women in local Management Committees – calculated by country quarterly; **iii)** (iii)share of women among new recruits – calculated for headquarters and for Mobilize F.S. group quarterly; **iv)** (iv)share of women among women managers and directors; calculated for headquarters and for the Mobilize F.S. group quarterly; **v)** (v)share of women among Key Talents; calculated for the Mobilize F.S. group annually. These indicators are presented quarterly to the Mobilize F.S. Executive Committee via the group Human Resources Committee. These indicators are also presented to Groupe Renault, with whom targets are defined for Mobilize F.S. group's specific activity. ESG dashboard deployed in 2023 includes internal social risks indicators covering the following themes: employee well-being (number of group entities with "Great Place to Work" certification) as well as diversity and inclusion (number of women occupying positions in "Top management", gap between male-female salaries and number of solidarity and inclusive mobility solutions proposed).
(g)	Alignment of the remuneration policy in line with institution's social risk-related objectives	Mobilize F.S. group remuneration does not depend on elements relating to social risks.

Risk Management

(h)	Definitions, methodologies and international standards on which the social risk management framework is based	During its Third-party Integrity Management (TIM) process, particularly on its customers, partners and suppliers, Mobilize F.S. group has one external compliance analysis tool, Compliance Catalyst from Moody's, giving access to LexisNexis and Orbis database on: (i) any convictions of the counterparty for social reasons as well as (ii) negative elements reported by the media that may cover social elements. Mobilize F.S. group took into account social elements into account in the granting of credit indirectly through the integration of the ESG rating of funded counterparties carried out by an extra-financial rating agency. The Mobilize F.S. group has not put in place yet a specific social risk management framework for its counterparties.
(i)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels	During its Third-party Integrity Management (TIM) process, particularly on its customers, partners and suppliers, Mobilize F.S. group has one external compliance analysis tool, Compliance Catalyst from Moody's, giving access to LexisNexis and Orbis database on: (i) any convictions of the counterparty for social reasons as well as (ii) negative elements reported by the media that may cover social elements. Mobilize F.S. took into account social elements into account in the granting of credit indirectly through the integration of the ESG rating of funded counterparties carried out by an extra-financial rating agency.
(j)	Activities, commitments and assets contributing to mitigate social risk	Regarding its internal social risks, Mobilize F.S. group deploys several programs and action plans to limit Human Resources shortfalls and reputational risks for social reasons. See reply (a) for more details on the actions taken. Mobilize F.S. group has not implemented any action to measure or monitor the social risks of its counterparties.
(k)	Implementation of tools for identification and management of social risk	Mobilize F.S. group has not implemented a tool to measure or monitor the social risks of its counterparties.
(l)	Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits	Mobilize F.S. group has not put in place a limit on the social risks of its counterparties.
(m)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	In 2023, workshops were held on mapping social risk mapping with ESG risk mapping. This work contributed to enriching the HR risk map. Indeed, on the elements relating to human capital, it was decided to broaden the risk of inadequacy of human resources to add the human capital component. This enrichment is planned for 2024 in the risk mapping.

/ TABLE 3 – QUALITATIVE INFORMATION ON GOVERNANCE RISK IN ACCORDANCE WITH ARTICLE 449A CRR

	Governance	
(a)	Institution's integration in their governance arrangements governance performance of the counterparty, including Committees of the highest governance body, Committees responsible for decision-making on economic, environmental, and social topics	The integration of governance risks into financing and investment activities is present indirectly through: **i)** the Know Your Customer (KYC) process which feeds into AML-CFT Anti-Money Laundering and Terrorist Financing analyses and sanctions for all clients-natural and legal persons. The Mobilize F.S. group employees are trained in the AML-CFT; and **ii)** the Third-party Integrity Management TIM anti-corruption process required by the French law named "Sapin 2" in particular, which is carried out only on the most significant customers-legal entities and dealers. This same type of analysis is carried out for suppliers, banks, insurance partners with slight differences according to the specificities of third parties. As part of this TIM analysis, a local or central function of Mobilize F.S. group may request External Due Diligence on a counterparty which will then always be initiated by the group Compliance department with Renault Group. These two processes make it possible to determine a level of risk, leading to an appropriate decision-making process and a level of vigilance to be brought to the counterparty. They are carried out at the beginning of the relationship with the counterparty and then during the business relationship according to a frequency defined in the procedures and according to the level of vigilance determined. The responsibilities for verifying these elements of governance risks of counterparties, including retail and corporate clients, are distributed among the different business lines concerned, both at group level and at local level. Depending on the level of vigilance, the opinion and/or validation of the local and/or central compliance function is required. The Chief Compliance Officer (CCO) has veto power over third parties at high risk of corruption. Finally, the Mobilize F.S. group has internal processes to: **i)** manage professional whistleblowing (e.g., a crime, non-compliance with regulations or a breach of code of conduct) and protect whistleblowers; **ii)** manage conflicts of interest between the Mobilize F.S. group employees and its counterparts, in several stages: (i)identification potential conflicts of interest according to several criteria such as the frequency of relationship with the counterparty, the position of the employee in the hierarchy of Mobilize F.S. group, and his personal, professional or extra-professional links with the counterparty, (ii)declaration of the conflict of interest by the employee spontaneously or annually (for managers in particular), and commitment statement for new employees and employees in charge of loans, (iii)processing: spontaneous and annual declarations are analyzed and remedial actions are put in place, for example limiting the employee's participation in the business relationship process with the counterparty, (iv)monitoring and recording of conflicts of interest detected. The Committees: Steering of the Compliance risks within Mobilize F.S. group is monitored by the following bodies: The Ethics, Compliance and Internal Control Committee at the group level, attended by all members of the Executive Committee of RCIBS, defines and validates the group policy in Compliance matters, examines group projects relating to Compliance and supervises any observed shortfalls and the corresponding remedial plans. It is in particular responsible for supervising the risk of corruption and unethical conduct, risk of money laundering & the financing of terrorism and the risk of internal/external fraud (other than credit-related fraud). The Risks Committee of the Board of Directors supervises critical non-compliance risks of Mobilize F.S. group, such as the risk of money laundering and the financing of terrorism, the personal data protection risk, the customer protection risk, and risks associated with prudential regulations in banking matters. Third party Risk Committee that, through Procurement department and following TIM analysis, takes the decision to keep or stop a relationship with a third party rated "low risk" ("Green flag") or in medium risk ("Orange flag"). In case of a risk rated "high" ("Red flag"), an opinion/arbitration from group Risk Director and/or from group Compliance Director is required. The professional alert processing Committee is chaired by the group Compliance Director and has the main missions of processing and instructing professional alerts, establishing facts, evaluating damages suffered and the responsibility of actors, recommending corrective actions (internally or externally), ensuring the implementation of any sanctions decided, acting in strict compliance with confidentiality obligations in the processing of files and the protection of whistleblowers in line with applicable regulations, validating the closure of alerts in the system. This closure is formalized in the Committee's report. New Product/Product Committee analyzes compliance risks upstream of the launch of each new product, project, activity or process, in order to define an adequate device in compliance with regulatory expectations. Members of the Executive Committee participate in the final phase of the Committee.

(b)	Institution's accounting of the counterparty's highest governance body's role in non-financial reporting	Mobilize F.S. group takes governance elements into account in its lending indirectly through the integration of the ESG rating of counterparties provided by an extra-financial rating agency.
(c)	Institution's integration in governance arrangements of the governance performance of their counterparties including: **i)** ethical considerations; **ii)** strategy and risk management; **iii)** inclusiveness; **iv)** transparency; **v)** management of conflict of interest; **vi)** internal communication on critical concerns.	Mobilize F.S. group evaluates and selects its counterparties (see question (a) for the scope) according to: **i)** <u>taking into account ethical rules and regulatory obligations in terms of compliance:</u> Mobilize F.S. group systematically applies its KYC and Anti-Money Laundering and Countering the Financing of Terrorism (AML-CFT) (including sanctions) processes as well as its Third-party Integrity Management TIM anti-corruption process which is based on analyses conducted by Mobilize F.S. group or an external independent service provider. These processes aim to identify potential risks of corruption, fraud, money laundering, financing of terrorism or other unethical crimes, as well as risks associated with international sanctions programs. The TIM process and KYC also provides for the identification of possible convictions and the evaluation of the reputation of the counterparty, particularly in the media, these two elements may be impacted by the third party's ESG practices or factors. TIM analysis is carried out at the group or local level by the divisions according to their scope and counterparties (suppliers/service providers, insurance partners and bank dealers); **ii)** <u>their transparency:</u> as part of the KYC/LAB-FT process and the TIM process, Mobilize F.S. group systematically seeks beneficial owners, in other words, any natural person directly or indirectly owning more than 25% of the capital or voting rights as well as any person exercising control over the management or management bodies of the considered counterparty. Mobilize F.S. group also seeks the shareholding structure, as well as possible PEP Politically Exposed Persons among the effective beneficiaries of the counterparty and managers of the company; **iii)** <u>their management of conflicts of interest:</u> Mobilize F.S. group has internal processes for managing its own conflicts of interest with its counterparties, see answer (a) for more details. Governance items (ii), (iii) and (vi), as defined by qualitative Pillar III ESG, are not currently formalized in the Mobilize F.S. group risk management processes, however these elements may be taken into account as appropriate.
	Risk Management	
(d)	Institution's integration in risk management arrangements the governance performance of their counterparties considering: **i)** ethical considerations; **ii)** strategy and risk management; **iii)** inclusiveness; **iv)** transparency; **v)** management of conflict of interest; **vi)** internal communication on critical concerns.	Operationally: **i)** the KYC process collects several information including those allowing AML-CFT analyses, asset freezing and embargo sanctions. The sector of activity and its geographical location as well as the nature of the transactions with the client are studied in particular to determine the level of risk. The beneficial owners, as well as any person exercising control over the management or management bodies, for a client who is a legal person, shall also be identified; **ii)** the TIM process shall take place in several phases, considering the different integrity criteria defined in the procedures, with the objective of assessing the level of integrity of the third party. Mobilize F.S. group has several tools, used systematically, to identify the risks of its counterparties, including: the classification of corruption risks by country where Mobilize F.S. group operates and by sector of activity established by Groupe Renault; a corruption risk scoring system based on the type of counterparty analyzed; external compliance tools providing access to information on possible convictions, including on ESG topics, such as Moody's Compliance Catalyst. Finally, TIM procedures define a decision tree according to the level of risk of the counterparty.

Introduction to quantitative tables

Scope

The tables presented below illustrates the data on Mobilize F.S. group.

Maturity

The residual maturity presented in tables 1, 4 et 5 are shown **in number of months**.

/ TEMPLATE 1: BANKING BOOK – CLIMATE CHANGE TRANSITION RISK: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMISSIONS AND RESIDUAL MATURITY

	a	b	c	d	e	f	g	h
	Gross carrying amount (in millions of euros)					**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions** (in millions of euros)		
Sector/subsector		**Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation**	**Of which environmentally sustainable (CCM)**	**Of which stage 2 exposures**	**Of which non -performing exposures**		**Of which Stage 2 exposures**	**Of which non -performing exposures**
Exposures towards sectors that highly contribute to climate change(*)	**18,361**	**14**	**1,196**	**751**	**278**	**(216)**	**(38)**	**(134)**
A – Agriculture, forestry and fishing	86	0	5	5	3	(3)	0	(2)
B – Mining and quarrying	9	1	1	1	0	0	0	0
B.05 – Mining of coal and lignite	0	0	0	0	0	0	0	0
B.06 – Extraction of crude petroleum and natural gas	1	1	0	0	0	0	0	0
B.07 – Mining of metal ores	0	0	0	0	0	0	0	0
B.08 – Other mining and quarrying	6	0	1	1	0	0	0	0
B.09 – Mining support service activities	2	0	0	0	0	0	0	0
C – Manufacturing	962	1	65	106	25	(22)	(1)	(8)
C.10 – Manufacture of food products	160	0	9	11	5	(5)	0	(2)
C.11 – Manufacture of beverages	16	0	1	1	0	0	0	0
C.12 – Manufacture of tobacco products	0	0	0	0	0	0	0	0
C.13 – Manufacture of textiles	25	0	1	1	1	(1)	0	0
C.14 – Manufacture of wearing apparel	13	0	0	1	1	(1)	0	0
C.15 – Manufacture of leather and related products	7	0	1	0	0	0	0	0
C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	32	0	2	2	1	(1)	0	0
C.17 – Manufacture of pulp, paper and paperboard	7	0	0	0	0	0	0	0
C.18 – Printing and service activities related to printing	24	0	2	1	1	(1)	0	0
C.19 – Manufacture of coke oven products	2	1	0	0	0	0	0	0
C.20 – Production of chemicals	23	0	3	6	1	(1)	0	0
C.21 – Manufacture of pharmaceutical preparations	5	0	1	0	0	0	0	0
C.22 – Manufacture of rubber products	27	0	2	2	1	(1)	0	0
C.23 – Manufacture of other non-metallic mineral products	26	0	2	2	1	(1)	0	0
C.24 – Manufacture of basic metals	8	0	1	0	1	0	0	0
C.25 – Manufacture of fabricated metal products, except machinery and equipment	130	0	11	6	4	(3)	0	(1)
C.26 – Manufacture of computer, electronic and optical products	21	0	2	1	0	0	0	0

i	j	k	l	m	n	o	p
GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)							
	Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1,639,976	**1,639,976**	**0%**	**18,329**	**32**	**0**	**0**	**11.2**
14,502	14,502	0%	85	1	0	0	31.6
1,450	1,450	0%	9	0	0	0	26.2
6	*6*	*0%*	*0*	*0*	*0*	*0*	*10.0*
200	*200*	*0%*	*1*	*0*	*0*	*0*	*20.9*
17	*17*	*0%*	*0*	*0*	*0*	*0*	*23.1*
1,064	*1,064*	*0%*	*6*	*0*	*0*	*0*	*26.5*
163	*163*	*0%*	*2*	*0*	*0*	*0*	*29.2*
111,706	111,706	0%	957	5	0	0	26.6
20,780	*20,780*	*0%*	*159*	*1*	*0*	*0*	*26.5*
1,987	*1,987*	*0%*	*16*	*0*	*0*	*0*	*24.7*
26	*26*	*0%*	*0*	*0*	*0*	*0*	*21.5*
2,962	*2,962*	*0%*	*25*	*0*	*0*	*0*	*29.1*
1,136	*1,136*	*0%*	*13*	*0*	*0*	*0*	*29.9*
727	*727*	*0%*	*7*	*0*	*0*	*0*	*30.3*
4,019	*4,019*	*0%*	*32*	*0*	*0*	*0*	*30.7*
594	*594*	*0%*	*7*	*0*	*0*	*0*	*26.8*
2,565	*2,565*	*0%*	*24*	*0*	*0*	*0*	*29.9*
330	*330*	*0%*	*2*	*0*	*0*	*0*	*17.1*
2,894	*2,894*	*0%*	*23*	*0*	*0*	*0*	*26.8*
417	*417*	*0%*	*5*	*0*	*0*	*0*	*26.0*
2,695	*2,695*	*0%*	*27*	*0*	*0*	*0*	*27.9*
3,423	*3,423*	*0%*	*26*	*0*	*0*	*0*	*29.5*
874	*874*	*0%*	*8*	*0*	*0*	*0*	*26.2*
15,670	*15,670*	*0%*	*130*	*1*	*0*	*0*	*30.6*
2,107	*2,107*	*0%*	*21*	*0*	*0*	*0*	*27.3*

	a	b	c	d	e	f	g	h
	Gross carrying amount (in millions of euros)					**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions** (in millions of euros)		
Sector/subsector		**Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation**	**Of which environmentally sustainable (CCM)**	**Of which stage 2 exposures**	**Of which non -performing exposures**		**Of which Stage 2 exposures**	**Of which non -performing exposures**
Exposures towards sectors that highly contribute to climate change(*)	**18,361**	**14**	**1,196**	**751**	**278**	**(216)**	**(38)**	**(134)**
C.27 – Manufacture of electrical equipment	*23*	*0*	*2*	*1*	*0*	*0*	*0*	*0*
C.28 – Manufacture of machinery and equipment n.e.c.	*64*	*0*	*4*	*3*	*2*	*(1)*	*0*	*0*
C.29 – Manufacture of motor vehicles, trailers and semi-trailers	*102*	*0*	*7*	*41*	*0*	*(1)*	*0*	*0*
C.30 – Manufacture of other transport equipment	*8*	*0*	*0*	*1*	*1*	*0*	*0*	*0*
C.31 – Manufacture of furniture	*30*	*0*	*2*	*2*	*1*	*(1)*	*0*	*0*
C.32 – Other manufacturing	*36*	*0*	*4*	*1*	*0*	*(1)*	*0*	*0*
C.33 – Repair and installation of machinery and equipment	*171*	*0*	*7*	*24*	*3*	*(3)*	*0*	*(1)*
D – Electricity, gas, steam and air conditioning supply	94	12	17	9	1	(1)	0	0
D35.1 – Electric power generation, transmission and distribution	*48*	*11*	*13*	*8*	*1*	*(1)*	*0*	*0*
D35.11 – Production of electricity	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
D35.2 – Manufacture of gas; distribution of gaseous fuels through mains	*2*	*1*	*1*	*0*	*0*	*0*	*0*	*0*
D35.3 – Steam and air conditioning supply	*44*	*0*	*4*	*1*	*0*	*0*	*0*	*0*
E – Water supply; sewerage, waste management and remediation activities	91	0	8	10	2	(2)	0	(1)
F – Construction	1,416	0	77	166	49	(39)	(4)	(22)
F.41 – Construction of buildings	*207*	*0*	*9*	*18*	*13*	*(9)*	*(1)*	*(6)*
F.42 – Civil engineering	*169*	*0*	*9*	*33*	*6*	*(6)*	*(1)*	*(3)*
F.43 – Specialised construction activities	*1,040*	*0*	*59*	*115*	*30*	*(25)*	*(3)*	*(13)*
G – Wholesale and retail trade; repair of motor vehicles and motorcycles	14,832	0	931	337	144	(121)	(30)	(82)
H – Transportation and storage	543	0	49	90	34	(15)	(2)	(12)
H.49 – Land transport and transport via pipelines	*350*	*0*	*19*	*54*	*29*	*(13)*	*(2)*	*(10)*
H.50 – Water transport	*2*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
H.51 – Air transport	*1*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
H.52 – Warehousing and support activities for transportation	*161*	*0*	*28*	*32*	*4*	*(2)*	*0*	*(1)*
H.53 – Postal and courier activities	*28*	*0*	*1*	*3*	*1*	*(1)*	*0*	*0*
I – Accommodation and food service activities	173	0	21	14	9	(5)	0	(4)
L – Real estate activities	155	0	22	13	11	(7)	0	(4)
Exposures towards sectors other than those that highly contribute to climate change(*)	**3,709**	**0**	**416**	**761**	**134**	**(93)**	**(14)**	**(58)**
K – Financial and insurance activities	11	0	1	2	1	(1)	0	(1)
Exposures to other sectors (NACE codes J, M – U)	3,698	0	415	758	133	(93)	(14)	(57)
TOTAL	**22,070**	**14**	**1,612**	**1,511**	**412**	**(310)**	**(52)**	**(192)**

(*) In accordance with the Commission delegatedRegulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – Climate Benchmark Standards Regulation – Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.

i	j	k	l	m	n	o	p
GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)							
	Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1,639,976	**1,639,976**	**0%**	**18,329**	**32**	**0**	**0**	**11.2**
2,271	2,271	0%	23	0	0	0	29.2
7,268	7,268	0%	64	0	0	0	29.8
7,466	7,466	0%	102	0	0	0	10.3
1,197	1,197	0%	8	0	0	0	24.6
3,293	3,293	0%	30	0	0	0	30.6
3,235	3,235	0%	36	0	0	0	30.4
23,769	23,769	0%	170	2	0	0	28.2
11,273	11,273	0%	94	0	0	0	20.3
3,254	3,254	0%	48	0	0	0	21.5
0	0	0%	0	0	0	0	0.0
144	144	0%	2	0	0	0	33.2
7,875	7,875	0%	44	0	0	0	18.3
8,049	8,049	0%	91	0	0	0	30.6
281,342	281,342	0%	1,406	10	0	0	30.9
36,304	36,304	0%	204	2	0	0	30.0
34,752	34,752	0%	169	0	0	0	25.8
210,285	210,285	0%	1,032	7	0	0	31.9
1,078,032	1,078,032	0%	14,824	9	0	0	7.1
94,297	94,297	0%	539	4	0	0	25.3
57,817	57,817	0%	346	3	0	0	25.7
309	309	0%	2	0	0	0	31.2
271	271	0%	1	0	0	0	25.7
31,608	31,608	0%	161	0	0	0	23.6
4,292	4,292	0%	28	0	0	0	29.6
22,898	22,898	0%	171	2	0	0	31.2
16,427	16,427	0%	155	1	0	0	26.6
843,412	**843,412**	**0%**	**3,696**	**12**	**0**	**0**	**22.3**
29,967	29,967	0%	10	1	0	0	18.5
813,445	813,445	0%	3,686	12	0	0	22.4
2,483,388	**2,483,388**	**0%**	**22,026**	**44**	**0**	**0**	**13.1**

Methodology linked to financed emissions calculations

The Mobilize F.S. group almost exclusively finances vehicles (private vehicles and light commercial vehicles).

In this respect, the emissions financed are evaluated according to the emissions of the vehicle(s) financed from databases made available by the manufacturers or from external databases listing the technical information relating to vehicles registered in Europe (databases of the European Environment Agency). Emissions financed are not indicated in proportion to the emissions recorded by the counterparties (disclosed or estimated). For this reason, 0% has been systematically indicated in the column GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting.

Financed emissions are reported using the PCAF methodology, section 5.6 Motor Vehicles Loans, as a reference. The emissions financed consist of the greenhouse gas emissions of the vehicles financed in the portfolio, based on an average annual mileage, focusing on the usage phase. All types of contracts (credit or leasing) are processed according to the same methodology.

The average mileage used is aligned with the Renault Group's statistics on vehicle lifespans and the total mileage considered. These elements were modified in 2023 in order to take into account a car average lifespan of 15 years and a total mileage of 200,000km on its lifespan.

The usage phase is made up of vehicles emissions "well to wheel", which includes:

- emissions related to the combustion of fuels during the movement of internal combustion engines and hybrid vehicles (tailpipe – tank to wheel);
- emissions related to the electricity consumption of electric and hybrid vehicles (well to socket);
- emissions related to the production and delivery of fuels (well to tank).

Tailpipe emissions mainly come from gCO_2/km data communicated by Renault Group to Mobilize F.S. group or from the databases of the European Environment Agency (EEA).

The manufacturers' databases make it possible in most cases to establish an exact match between a vehicle, through its identification number, and the individual CO_2 data.

The EEA databases were used to establish average values by model, country, engine, year of sale.

Since 2023, a coefficient representing the emissions emitted in real conditions has been added to the exhaust approval data. These data are consistent with the data available to Renault Group

Emissions related to electricity consumption are calculated according to the same principles as tailpipe emissions, either directly from manufacturer databases or from averages established from EEA databases. Emission factors related to electricity generated by country (average CO_2 per kWh) are also taken into account. These data are aligned with the emission factors used by Renault Group.

Emissions linked to the production and transportation of fuels were considered according to the country and the fuels of the vehicles financed. These detailed coefficients are aligned with Renault Group assumptions.

Emission data have been completed for approximately 75% of active contracts in the portfolio at the end of December 2023 of which about 85% for the seven main countries of activity. The remaining 25% could not be identified in the absence of technical data related to the vehicles financed (identification numbers, brands and models in particular). The improvement of completeness of emissions calculations is part of action plans that should be seen in future Pillar III disclosures.

In 60% of the cases, the tailpipe data of gCO_2/km were obtained from the databases provided by the Renault Group. In 15% of cases, these same data were obtained from external EEA databases.

Greenhouse gas emissions related to vehicles constitute all the emissions financed, and are, for the moment, classified in scope 3.

The next Pillar III on ESG risks will reflect possible modifications to the classification of scopes as well as possible methodological developments.

In particular, it is planned to enrich the calculation of financed emissions by adding emissions related to the production and end of life of vehicles and batteries, in order to give a complete view of the emissions related to the life cycle of the vehicles financed.

NACE sector codes

NACE sector codes are available in internal databases at the level of a letter and three digits, for example D.351. The line concerning sector D35.11 is therefore not filled in.

Segment G presented in this template includes financing of Renault and Nissan dealership inventories (NACE code G45). This financing is very short-term, with an average residual maturity of less than six months.

Exposures to companies excluded from the EU Paris-aligned Benchmarks

The evaluation of the alignment of Corporate customers with the Paris Benchmarks was carried out manually using the NACE sector codes of the customers and information made available in disclosures or websites. In order of priority, companies with exposures greater than €100 thousand were assessed, then exposures greater than €50 thousand depending on the availability of information. All counterparties for which the assessment was not possible were considered by default as non-aligned.

As Mobilize F.S. group never finances real estate, template 2 is not completed as non applicable.

/ TEMPLATE 3: BANKING BOOK – CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS

	a	b	c	d	e	f	g
	Sector	**NACE Sectors (a minima)**	**Portfolio gross carrying amount** (in millions of euros)	**Alignment metric**	**Year of reference**	**Distance to IEA NZE2050** (%)**(*)**	**Target (year of reference +3 years)**
1	Automotive	Automotive	22,070	gCO_2/km	2023 - 195,5	-84.4%	trajectory under construction
				Share of PHEV BEV and FCEV	2023 - 6,8%	-89.3%	

(*) PiT distance to 2030 NZE2050 scenario in % (for each metric).

In line with the financed emissions methodology, the table on portfolio alignment presents the entire portfolio under the "automotive industry" sector, as Mobilize F.S. group financing are allocated to vehicles.

The alignment indicators therefore include the following indicators from the IEA NZE2050 scenario:

- gCO_2/km;
- share of BEV, PHEV, FCEV (PHEV = plug-in hybrid electric vehicle; BEV = battery electric vehicle; FCEV = fuel cell electric vehicle).

The reference indicators of the IEA NZE2050 scenario used (WorldEnergyOutlook2021 – table 1.2 ▹ Selected indicators in the Net Zero Emissions by 2050 Scenario) are for 2030:

- gCO_2/km: 106;
- share of BEV, PHEV, FCEV: 64%.

The distance of the Mobilize F.S. group portfolio indicators is measured against these values.

Note that the figures at the end of December 2023 do not include FCEV, as these vehicles are not financed by Mobilize F.S. group.

The average gCO_2/km is shown "well to wheel" aligned with the methodology of financed emissions presented in template 1.

The internal objectives announced by Mobilize F.S. group, in line with Renault Group objectives, are to achieve carbon neutrality by 2040 in Europe. The intermediary objectives, between now and 2040, are also built in coherence with Renault Group. The translation of the carbon neutrality objectives into gCO_2/km indicators and share of BEV, PHEV, FCEV will be communicated in future Pillar III ESG publications.

Internally, Mobilize F.S. group has favored monitoring the weight of BEVs, excluding PHEVs, thus aligning with the taxonomy criterion of climate change mitigation (section 6.5 – transport by motorbikes, passenger cars and light commercial vehicles) by 2026.

As an indication, with a constant 2023 methodology, the average gCO_2/km of Mobilize F.S. group portfolio on the non-financial corporates scope as of December 2022, amounts to 197.3gCO_2/km. The average value at the end of December 2023 for this scope represents, therefore, a slight decrease (-0.9%) vs. 2022, less significant than the decrease obesreved on total portfolio of financing to households and corporate (-2,9%).

/ TEMPLATE 4: BANKING BOOK – CLIMATE CHANGE TRANSITION RISK: EXPOSURES TO TOP 20 CARBON-INTENSIVE FIRMS

	a	b	c	d	e
	Gross carrying amount (aggregate)	**Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)(*)**	**Of which environmentally sustainable (CCM)**	**Weighted average maturity**	**Number of top 20 polluting firms included**
1	0.6	0.003%	0.3	16.0	1

(*) For counterparties among the top 20 carbon emitting companies in the world.

References used to complete this template are TopTwenty Rank 1965-2017 Climate Accountability Institute and CDP – Carbon-Majors-report-2017. Counterparties present in these two lists and financed by Mobilize F.S. group have been reported. Only one counterpary has been identified in the TOP 20 of carbon intensive firms. The total exposure to this counterparty is limited.

/ TEMPLATE 5: BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

a		b	c	d	e	f	g
Gross carrying amount (in millions of euros)							
			of which exposures sensitive to impact from climate change physical events				
Variable: Geographical area subject to climate change physical risk – acute and chronic events							
			Breakdown by maturity bucket				
			<= 5 years	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
1	**A – Agriculture, forestry and fishing**	**86**	**68**	**1**	**0**	**0**	**22.8**
2	B – Mining and quarrying	9	9	0	0	0	19.3
3	C – Manufacturing	962	634	5	0	0	19.8
4	D – Electricity, gas, steam and air conditioning supply	94	66	0	0	0	18.1
5	E – Water supply; sewerage, waste management and remediation activities	91	44	0	0	0	21.6
6	F – Construction	1,416	1,193	9	0	0	22.2
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	14,832	11,231	8	0	0	6.0
8	H – Transportation and storage	543	471	4	0	0	17.4
9	L – Real estate activities	155	113	1	0	0	20.0
10	Loans collateralised by residential immovable property						
11	Loans collateralised by commercial immovable property						
12	Repossessed collaterals						
13	Other relevant sectors (breakdown below where relevant)						

h	i	j	k	l	m	n	o
of which exposures sensitive to impact from climate change physical events							
of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
						of which Stage 2 exposures	of which non-performing exposures
63	**52**	**46**	**5**	**3**	**(2)**	**0**	**(2)**
9	8	7	1	0	0	0	0
579	511	451	105	14	(10)	(1)	(8)
65	63	62	9	1	(1)	0	0
42	30	28	10	1	(1)	0	(1)
1,061	942	801	163	43	(28)	(4)	(21)
9,700	7,927	6,388	312	98	(60)	(5)	(37)
439	338	303	89	34	(14)	(2)	(11)
97	98	82	12	9	(5)	0	(4)

The classification of loans and advances exposed to physical risks was established based on the assessment of exposure to natural disasters by region presented on the ThinkHazard website.

The following events were taken into account:

- floods (related to rivers, seas and oceans or rainfalls), fires, landslides, tsunami representing the events qualified as acute;
- water stress and heat wave representing the events qualified as chronic.

For each type of natural disaster, a score was assigned, by region, based on ThinkHazard's assessment (very low, low, moderate, high). Two averages were then established for acute and chronic events. From these averages, the regions are classified as weakly exposed, moderately exposed, highly or very highly exposed. Highly or very highly exposed regions were selected to meet the criteria in Template 5, sensitive to the impact of acute or chronic climate events.

The division by region was made from the regions present under ThinkHazard and allowing the link with the postal codes entered in the internal databases.

Where post codes for non-financial corporate customers cannot be linked to a ThinkHazard region, the country average is applied. For some countries (Morocco, Romania, Poland, Colombia, Switzerland…) the country average was applied in absence of available and usable post codes for ESG Pilar III report. For many countries in the scope, the national average leads to a "highly exposed" classification by default. This explains the relatively high proportion of exposures sensitive to acute and chronic climate.

/ TEMPLATE 6: SUMMARY OF GAR KPIS

December 2023	KPI			
	Climate change mitigation	**Climate change adaptation**	**Total (Climate change mitigation + Climate change adaptation)**	**% coverage (over total assets)(*)**
GAR stock	5.2%	0.0%	5.2%	50.6%
GAR flow	6.7%	0.0%	6.7%	75.2%

(*) of assets covered by the KPI over banks´ total assets.

December 2022	KPI			
	Climate change mitigation	**Climate change adaptation**	**Total (Climate change mitigation + Climate change adaptation)**	**% coverage (over total assets)(*)**
GAR stock	4.2%	0.0%	4.2%	36.3%
GAR flow	Not available	Not available	Not available	Not available

(*) of assets covered by the KPI over banks´ total assets.

Taxonomy

A significant part of the Mobilize F.S. group efforts in terms of sustainable development is now highlighted by the European regulation 2020/852 in date of 18 June 2020 completed by the regulation 2023/2486 in date of 27 June 2023 establishing a framework aimed at promoting sustainable investments within the European Union, known as “Taxonomy”.

For 2023, Mobilize F.S. group considers that, among its various activities, the following activitiy is eligible for the taxonomy, as a contribution to the objective of mitigating climate change:

- **transport by motorcycles, passenger cars and utility vehicles (taxonomic code 6.5)**, including activities such as purchase, financing, rental, leasing and operation of passenger and light utility vehicles.

These eligible activities concern both electric and internal combustion engine vehicles; the group thus complies with the document *“Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets”* (2022/C 385/01), published on 6 October 2022.

Within this perimeter, activities that make a substantial contribution to the objective in question, do not cause significant harm (“Do Not Significantly Harm or DNSH”) to other environmental objectives, and respect minimum guarantees are considered aligned.

Activity 6.5 aligned only involve vehicules emitting less than, 50g of CO_2e per kilometer, also known as “low emissions vehicles” in this section. It is the entire electric vehicles range (EV) and plug-in hybrid vehicules range (PHEV) of all the brands Mobilize F.S. group finances. The procedures carried out for the detailed verification of the DNSH criteria and the minimum guarantees are described below.

Method applied to define the scope of the substantial contributing activities

To define the substantial contributing activities eligible related to the vehicule, we conducted analysis on the loans and from advances towards financials companies, non-financial companie, households and local administrations based on the vehicule model and the group motopropulsor technology. The other types of assets were not assessed.

In accordance with Note 4, table 1. Assets included in the GAR calculation, Annex VI – Model for ICPs of credit institutions of delegated Regulation (EU) 2023/2486 of 27 June 2023, motor vehicle loans to households created before the date of entry into force of the publication obligation are excluded. Only financing contracts to households started after 1 January 2022 are declared eligible and are subject to a study on their alignment.

Climate change adaptation

As part of "TCFD", Renault Group has conducted an assessment of the climate risk and of the vulnerability in order to identify the sites that are susceptible to physical climate risks. The physical climate risks identified were evaluated based on the useful life of the asset concerned and are essentially of three types (extreme heat, water stress and flooding) covered by appropriate action plans.

Mobilize F.S. group carried a review of its sites, including those of IT service providers, in terms of exposure to several extreme weather events (floods, heat waves, water stress, etc.). This assessment was carried out with the assistance of a specialized firm and demonstrated that Mobilize F.S. group sites are not concentrated in areas highly exposed to physical climate risks. For sites identified as vulnerable, this should lead to consideration in business continuity plans.

Transition towards a circular economy

Renault Group eco-design standards applied to the vehicules and batteries allow for frugal use of rare materials, integration of recycled materials, predisposition of the products for dismantling, and end-of-life recycling. Since 2007, 95% of the mass of vehicules Renault Group sold worldwide is recyclable or recoverable. The low emissions vehicules that Mobilize F.S. group rents or operates have been in circulation after that date.

At the end of the life of the electric vehicules sold by Renault Group, their batteries are collected and directed towards a second life or recycled after a diagnosis of their health status.

Regarding waste management, Renault Group and European factories producing low-emission vehicules prioritize recycling while trying to minimize any landfilling.

Prevention and pollution control

The low emission vehicules that Mobilize F.S. finances, rents or operates are all equipped with tyres in classes of external rolling noise and rolling resistance coefficient that comply with the European requirements set by Regulation EC 661/2009. The requirements of the Taxonomy going beyond regulatory compliance on this criterion, additional analysis was conducted and demonstrated that most of the tire references originally equipping a low-emission vehicle meet this criterion. However, in spite of all the efforts led, it has not been possible to verify this point for the entirety of the financed vehicules because the information regarding their actual tire fitment is not available.

To date, this criteria is considered non operable. This position will be reassessed in the future depending on the availability of the necessary data.

With a homologated noise level greatly lower tha 68dBA, electric vehicles of Renault brands have been respected since 2021 the limits of external noise levels that will be applicable from 2024, thus contributing to the reduction of ambient noise and to the quality of life in urban areas. All the commercialized Renault vehicules in Europe are, therefore, compliant with European regulation 540/2014/EC applicable to vehicles approved since July 2016, which require a maximum of 72dBA (cf. 2.2.2.3.3).

Verification of the minimum safaguards

As part of the animation of its Vigilance plan, Renault Group continuously ensures the proper completion of reasonable due diligence and remediation procedures necessary to confirm alignment with the following texts:

- United Nations Guiding Principles on Business and Human Rights;
- Fundamental Conventions of the International Labour Organization (ILO);
- OECD Guidelines for Multinational Enterprises;
- Fundamental rights at work and the International Bill of Human Rights.

The treatment of those points are monitored on a monthly basis in Steering Committee of Vigilance Plan.

Renault Group delegated Compliance division in close collaboration with the Legal division and under the Ethics and Compliance Committee supervision deploys a structured approach aimed at analyzing and ensuring the robustness of its regulatory compliance in a sustainable and anticipatory manner, over a scope of major regulated areas including in particular the themes of "competition" and "corruption".

Renault Group Tax division ensures compliance, in all countries where it is established, with the tax rules applicable to its activity, in accordance with international conventions and local laws, thanks to an appropriate management system.

To the best of our knowledge, Renault Group was not convicted in 2023 for corruption, tax evasion, and human rights violations or, by a competition authority, for anti-competitive practices.

/ TEMPLATE 7: MITIGATING ACTIONS: ASSETS FOR THE CALCULATION OF GAR

As of December 2023

		a	b	c	d	e	f
		Disclosure reference date T-1					
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
In millions of euros		Total gross carrying amount			Of which specialised lending	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	43,560	33,057	3,147	3,147	210	0
2	**Financial corporations**	**265**	**150**	**27**	**27**	**2**	**0**
3	Credit institutions	150	150	27	27	2	0
4	Loans and advances	150	150	27	27	2	0
5	Debt securities, including UoP	0	0	0	0	0	0
6	Equity instruments	1	0	0		0	0
7	Other financial corporations	114	0	0	0	0	0
8	of which investment firms	114	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0
10	Debt securities, including UoP	74	0	0	0	0	0
11	Equity instruments	41	0	0		0	0
12	of which management companies	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**11,162**	**11,160**	**856**	**856**	**43**	**0**
21	Loans and advances	11,160	11,160	856	856	43	0
22	Debt securities, including UoP	0	0	0	0	0	0
23	Equity instruments	2	0	0		0	0

01.
02.
03.
04.
05.
06.

g	h	i	j	k	l	m	n	o	p
Disclosure reference date T-1									
Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
		Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling
0	0	0	0	0	33,057	3,147	3,147	210	0
0	**0**	**0**	**0**	**0**	**150**	**27**	**27**	**2**	**0**
0	0	0	0	0	150	27	27	2	0
0	0	0	0	0	150	27	27	2	0
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
					0	0		0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
0	**0**	**0**	**0**	**0**	**11,160**	**856**	**856**	**43**	**0**
0	0	0	0	0	11,160	856	856	43	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0		0	0

	In millions of euros	a	b	c	d	e	f
		Disclosure reference date T-1					
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
		Total gross carrying amount			Of which specialised lending	Of which transitional	Of which enabling
24	**Households**	**32,133**	**21,747**	**2,264**	**2,264**	**165**	**0**
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0
27	of which motor vehicle loans	32,133	21,747	2,264	2,264	165	0
28	**Local governments financing**	**0**	**0**	**0**	**0**	**0**	**0**
29	Housing financing	0	0	0	0	0	0
30	Other local governments financing	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0**	**0**	**0**	**0**	**0**	**0**
32	**TOTAL GAR ASSETS**	**43,560**	**33,057**	**3,147**	**3,147**	**210**	**0**
ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)							
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**	**7,508**					
34	Loans and advances	7,508					
35	Debt securities	0					
36	Equity instruments	0					
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**	**3,092**					
38	Loans and advances	3,092					
39	Debt securities	0					
40	Equity instruments	0					
41	Derivatives	225					
42	On demand interbank loans	1,413					
43	Cash and cash-related assets	0					
44	Other assets (e.g., goodwill, commodities, etc.)	4,400					
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**16,638**					
OTHER ASSETS EXCLUDED FROM BOTH THE NUMERATOR AND DENOMINATOR FOR GAR CALCULATION							
46	Sovereigns	281					
47	Central banks exposure	4,838					
48	Trading book	27					
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**	**5,146**					
50	**TOTAL ASSETS**	**65,344**					

g	h	i	j	k	l	m	n	o	p
Disclosure reference date T-1									
Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
		Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling
0	**0**	**0**	**0**	**0**	**21,747**	**2,264**	**2,264**	**165**	**0**
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	21,747	2,264	2,264	165	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	**0**	**0**	**0**	**0**	**33,057**	**3,147**	**3,147**	**210**	**0**

As of December 2022

In millions of euros		a	b	c	d	e	f
			Disclosure reference date T-1				
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
		Total gross carrying amount			Of which specialised lending	Of which transitional	Of which enabling
GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	39,743	21,919	2,284	2,284	214	0
2	**Financial corporations**	**159**	**52**	**8**	**8**	**1**	**0**
3	Credit institutions	121	52	8	8	1	0
4	Loans and advances	52	52	8	8	1	0
5	Debt securities, including UoP	69	0	0	0	0	0
6	Equity instruments	0	0	0		0	0
7	Other financial corporations	38	0	0	0	0	0
8	of which investment firms	38	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0
10	Debt securities, including UoP	1	0	0	0	0	0
11	Equity instruments	36	0	0		0	0
12	of which management companies	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**9,981**	**9,968**	**1,087**	**1,087**	**79**	**0**
21	Loans and advances	9,968	9,968	1,087	1,087	79	0
22	Debt securities, including UoP	0	0	0	0	0	0
23	Equity instruments	13	0	0	0	0	0

g	h	i	j	k	l	m	n	o	p
Disclosure reference date T-1									
Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
	Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ a aptation	Of which enabling	
0	0	0	0	0	21,919	2,284	2,284	214	0
0	**0**	**0**	**0**	**0**	**52**	**8**	**8**	**1**	**0**
0	0	0	0	0	52	8	8	1	0
0	0	0	0	0	52	8	8	1	0
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0		0	0	0	0		0	0
0	**0**	**0**	**0**	**0**	**9,968**	**1,087**	**1,087**	**79**	**0**
0	0	0	0	0	9,968	1,087	1,087	79	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0

	In millions of euros	a	b	c	d	e	f
		Disclosure reference date T-1					
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)			
		Total gross carrying amount			Of which specialised lending	Of which transitional	Of which enabling
24	**Households**	**29,604**	**11,899**	**1,189**	**1,189**	**134**	**0**
25	of which loans collateralised by residential immovable property	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0
27	of which motor vehicle loans	29,604	11,899	1,189	1,189	134	0
28	**Local governments financing**	**0**	**0**	**0**	**0**	**0**	**0**
29	Housing financing	0	0	0	0	0	0
30	Other local governments financing	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**0**	**0**	**0**	**0**	**0**	**0**
32	**TOTAL GAR ASSETS**	**39,743**	**21,919**	**2,284**	**2,284**	**214**	**0**
ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)							
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**	**6,501**					
34	Loans and advances	6,501					
35	Debt securities	0					
36	Equity instruments	0					
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**	**2,620**					
38	Loans and advances	2,620					
39	Debt securities	0					
40	Equity instruments	0					
41	Derivatives	329					
42	On demand interbank loans	1,654					
43	Cash and cash-related assets	0					
44	Other assets (e.g., goodwill, commodities, etc.)	3,110					
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**14,213**					
OTHER ASSETS EXCLUDED FROM BOTH THE NUMERATOR AND DENOMINATOR FOR GAR CALCULATION							
46	Sovereigns	338					
47	Central banks exposure	5,970					
48	Trading book	105					
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**	**6,413**					
50	**TOTAL ASSETS**	**60,370**					

g	h	i	j	k	l	m	n	o	p
Disclosure reference date T-1									
Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
	Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ a aptation	Of which enabling	
0	**0**	**0**	**0**	**0**	**11,899**	**1,189**	**1,189**	**134**	**0**
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	11,899	1,189	1,189	134	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
0	**0**	**0**	**0**	**0**	**21,919**	**2,284**	**2,284**	**214**	**0**

/ TEMPLATE 8: GAR (%)

Stock as of December 2023

		a	b	c	d	e
		Disclosure reference date T: KPIs on flows				
		Climate Change Mitigation (CCM)				
		Proportion of new eligible assets funding taxonomy relevant sectors				
			Of which environmentally sustainable			
% (compared to total covered assets in the denominator)				Of which specialised lending	Of which transitional	Of which enabling
1	**GAR**	**54.9%**	**5.2%**	**5.2%**	**0.3%**	**0.0%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	75.9%	7.2%	7.2%	0.5%	0.0%
3	**Financial corporations**	**56.6%**	**10.0%**	**10.0%**	**0.6%**	**0.0%**
4	Credit institutions	99.6%	17.7%	17.7%	1.1%	0.0%
5	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%
6	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%
7	of which management companies					
8	of which insurance undertakings					
9	**Non-financial corporations subject to NFRD disclosure obligations**	**100.0%**	**7.7%**	**7.7%**	**0.4%**	**0.0%**
10	**Households**	**67.7%**	**7.0%**	**7.0%**	**0.5%**	**0.0%**
11	of which loans collateralised by residential immovable property					
12	of which building renovation loans					
13	of which motor vehicle loans	67.7%	7.0%	7.0%	0.5%	0.0%
14	Local government financing					
15	Housing financing					
16	Other local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%
17	**Collateral obtained by taking possession: residential and commercial immovable properties**					

f	g	h	i	j	k	l	m	n	o	p
Disclosure reference date T: KPIs on flows										
Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					
	Of which environmentally sustainable					Of which environmentally sustainable				
		Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling	Proportion of total new assets covered
0.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**54.9%**	**5.2%**	**5.2%**	**0.3%**	**0.0%**	**50.6%**
0.0%	0.0%	0.0%	0.0%	0.0%	75.9%	7.2%	7.2%	0.5%	0.0%	50.6%
0.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**56.6%**	**10.0%**	**10.0%**	**0.6%**	**0.0%**	**0.2%**
0.0%	0.0%	0.0%	0.0%	0.0%	99.6%	17.7%	17.7%	1.1%	0.0%	0.2%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**100.0%**	**7.7%**	**7.7%**	**0.4%**	**0.0%**	**17.1%**
					67.7%	**7.0%**	**7.0%**	**0.5%**	**0.0%**	**33.3%**
					67.7%	7.0%	7.0%	0.5%	0.0%	33.3%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Stock as of December 2022

% (compared to total covered assets in the denominator)		a	b	c	d	e
		Disclosure reference date T: KPIs on flows				
		Climate Change Mitigation (CCM)				
		Proportion of new eligible assets funding taxonomy relevant sectors				
			Of which environmentally sustainable			
				Of which specialised lending	Of which transitional	Of which enabling
1	**GAR**	**40.6%**	**4.2%**	**4.2%**	**0.4%**	**0.0%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	55.2%	5.7%	5.7%	0.5%	0.0%
3	**Financial corporations**	**32.5%**	**5.1%**	**5.1%**	**0.4%**	**0.0%**
4	Credit institutions	42.6%	6.7%	6.7%	0.5%	0.0%
5	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%
6	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%
7	of which management companies					
8	of which insurance undertakings					
9	**Non-financial corporations subject to NFRD disclosure obligations**	**99.9%**	**10.9%**	**10.9%**	**0.8%**	**0.0%**
10	**Households**	**40.2%**	**4.0%**	**4.0%**	**0.5%**	**0.0%**
11	of which loans collateralised by residential immovable property					
12	of which building renovation loans					
13	of which motor vehicle loans	40.2%	4.0%	4.0%	0.5%	0.0%
14	Local government financing					
15	Housing financing					
16	Other local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%
17	**Collateral obtained by taking possession: residential and commercial immovable properties**					

f	g	h	i	j	k	l	m	n	o	p
Disclosure reference date T: KPIs on flows										
Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of total new assets covered
	Of which environmentally sustainable					Of which environmentally sustainable				
		Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling	
0.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**40.6%**	**4.2%**	**4.2%**	**0.4%**	**0.0%**	**36.3%**
0.0%	0.0%	0.0%	0.0%	0.0%	55.2%	5.7%	5.7%	0.5%	0.0%	36.3%
0.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**32.5%**	**5.1%**	**5.1%**	**0.4%**	**0.0%**	**0.1%**
0.0%	0.0%	0.0%	0.0%	0.0%	42.6%	6.7%	6.7%	0.5%	0.0%	0.1%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**99.9%**	**10.9%**	**10.9%**	**0.8%**	**0.0%**	**16.5%**
					40.2%	**4.0%**	**4.0%**	**0.5%**	**0.0%**	**19.7%**
					40.2%	4.0%	4.0%	0.5%	0.0%	19.7%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Flows as of December 2023

% (compared to total covered assets in the denominator)		q	r	s	t	u
		Disclosure reference date T: KPIs on flows				
		Climate Change Mitigation (CCM)				
		Proportion of new eligible assets funding taxonomy relevant sectors				
			Of which environmentally sustainable			
				Of which specialised lending	Of which transitional	Of which enabling
1	**GAR**	**75.2%**	**6.7%**	**6.7%**	**0.3%**	**0.0%**
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	99.7%	8.9%	8.9%	0.4%	0.0%
3	**Financial corporations**	**31.9%**	**7.6%**	**7.6%**	**0.3%**	**0.0%**
4	Credit institutions	98.4%	23.6%	23.6%	1.0%	0.0%
5	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%
6	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%
7	of which management companies	0.0%	0.0%	0.0%	0.0%	0.0%
8	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%
9	**Non-financial corporations subject to NFRD disclosure obligations**	**100.0%**	**7.6%**	**7.6%**	**0.3%**	**0.0%**
10	**Households**	**100.0%**	**9.9%**	**9.9%**	**0.4%**	**0.0%**
11	of which loans collateralised by residential immovable property	0.0%	0.0%	0.0%	0.0%	0.0%
12	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%
13	of which motor vehicle loans	100.0%	9.9%	9.9%	0.4%	0.0%
14	Local government financing	0.0%	0.0%	0.0%	0.0%	0.0%
15	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%
16	Other local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%
17	**Collateral obtained by taking possession: residential and commercial immovable properties**					

v	w	x	y	z	aa	ab	ac	ad	ae	af
Disclosure reference date T: KPIs on flows										
Climate Change Adaptation (CCA)					**TOTAL (CCM + CCA)**					
Proportion of new eligible assets funding taxonomy relevant sectors					**Proportion of new eligible assets funding taxonomy relevant sectors**					
	Of which environmentally sustainable					**Of which environmentally sustainable**				
		Of which specialised lending	**Of which adaptation**	**Of which enabling**			**Of which specialised lending**	**Of which transitional/ adaptation**	**Of which enabling**	**Proportion of total new assets covered**
0.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**75.2%**	**6.7%**	**6.7%**	**0.3%**	**0.0%**	**75.2%**
0.0%	0.0%	0.0%	0.0%	0.0%	99.7%	8.9%	8.9%	0.4%	0.0%	75.2%
0.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**31.9%**	**7.6%**	**7.6%**	**0.3%**	**0.0%**	**0.1%**
0.0%	0.0%	0.0%	0.0%	0.0%	98.4%	23.6%	23.6%	1.0%	0.0%	0.1%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**100.0%**	**7.6%**	**7.6%**	**0.3%**	**0.0%**	**31.9%**
					100.0%	**9.9%**	**9.9%**	**0.4%**	**0.0%**	**43.1%**
					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
					100.0%	9.9%	9.9%	0.4%	0.0%	43.1%
					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

The flows related to loans and advances correspond to new financings (value of new credit or leasing) of Mobilize F.S. group recorded in 2023 and still active in portfolio in December 2023.

In line with the regulation, template 9 will be published in the future publications of Pillar III ESG report.

Template 10 – "Other climate change mitigating actions that are not covered in Regulation (UE) 2020/852" is not published as Mobilize F.S. group do not hold any "green" or "sustainable" bonds as assets. Loans were assessed as part of taxonomy and no additional category outside of alignment with taxonomy can be considered as "green" or "sustainable".

3.12 Other risks

3.12.1 Residual values risk

Risk factors

Residual value (RV) is the estimated value of the vehicle at the end of the leasing contract. Nevertheless, there are risks of unexpected used car market development, due to offer saturation, occurrence of an economic crisis, political decisions and other factors that could lead to a residual value loss, with a resale price lower than the initial RV.

In the environment Mobilize F.S. group, there several kinds of risk bearer:

- Mobilize F.S. group through its subsidiaries-so called direct residual value risk;
- the manufacturer (especially in France but also in some other countries at the launch period of a brand-new model);
- the dealer network.

In the last two cases, the risk is called indirect residual value risk.

After the launch in 2022 of the Mobilize Lease&Co subsidiary dedicated to the Long-Term Leasing activity in direct risk, 2023 must materialize these choices by the progressive installation in the countries of the tools allowing the development of LLD. The decision to make Mobilize a major player in the Long-Term Leasing sector, today the main tool for financing professional fleets and growing rapidly among retail customers.

Moreover, Long-Term Leasing allows to develop a cycle of several lives of the vehicle within the Mobilize F.S. group ecosystem and more particularly on the electric vehicle market. Indeed, as the Mobilize F.S. group remains the owner, the vehicle can be re-leased in a second and third life and allow to keep maintenance or repair products and other services.

However, the risk exposure has not yet increased significantly because countries such as Germany and France have not Long term Leasing contracts in portfolio for direct risk yet and the countries where LLD has been launched in direct risk do not represent a dominant position. 2024 will mark an evolution in the risk direct split between countries but for the time being the UK still represents, ahead of Brazil, the dominant share for direct risk.

Management principles and processes

The Used car market development, the range of products, the pricing of manufacturers (Renault, Nissan, Dacia) and the remarketing channels among other topics, are strongly monitored to optimize the control of this risk by deciding adequate actions on residual value strategy.

Consequently, as risk is growing with the development of Operative Leasing, Mobilize F.S. group is driving a prudential provision policy on the existing contracts where regular observations could highlight potential overestimation of the initial RV in comparison with latest the used car market expectation.

/ BREAKDOWN OF RESIDUAL VALUES RISK CARRIED BY THE MOBILIZE F.S. GROUP

In millions of euros	Residual value exposure					Residual Value Provision				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Corporate segment:	**360**	**476**	**330**	**227**	**208**	**24**	**11**	**6**	**9**	**19**
France	53	0	0	0	0	0	0	0	0	0
European Union (excluding France)	179	91	63	46	205	2	8	4	3	19
Europe excluding European Union	128	385	267	179	-	22	4	3	6	-
Retail segment:	**2,996**	**2,030**	**1,780**	**1,583**	**1,727**	**50**	**45**	**41**	**36**	**40**
France	18	1	2	-	-	0	0	0	0	-
European Union (excluding France)	123	11	0	-	1,681	0	0	-	-	36
Europe excluding European Union	2,855	2,006	1,765	1,558	-	50	43	39	35	-
TOTAL	**3,356**	**2,506**	**2,110**	**1,810**	**1,935**	**74**	**56**	**47**	**45**	**59**

/ VOLUNTARY TERMINATION RISK

In the UK and in Ireland, based on a specific regulation allowing the customer to stop his financing under certain conditions, Mobilize F.S. group faces a risk on "voluntary termination". The provision covers the potential gap between the net book value when the voluntary termination occurs and the resale value. The total net book value corresponds to the carrying amount of assets held on the balance sheet which are at the end of agreement but are yet to have been disposed of through Mobilize F.S. remarketing channels.

In millions of euros

Total net book value					Voluntary termination provision				
2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
18	10	4	4	4	35	67	63	53	40

/ RESIDUAL VALUES RISK NOT CARRIED BY THE MOBILIZE F.S. GROUP

	Residual Value Exposure				
In millions of euros	2023	2022	2021	2020	2019
Corporate and Retail segments:					
Commitments received from the Renault Group	3,139	3,503	4,407	4,331	4,067
Commitments received from others (Dealers and Customers)	14,588	10,974	10,256	8,767	8,347
TOTAL	**17,727**	**14,477**	**14,663**	**13,098**	**12,414**

A methodological change was introduced in 2023, with a new automated data source. Exposures for 2019 to 2022 have been recalculated using this method. A proforma has been produced for past years.

3.12.2 Insurance risk

The main risks for insurance intermediation activity are the risk of a defective partnership not identified, the non-compliance of the products distribution and the failure to match offers to consumer needs. For insurance and reinsurance activities of Mobilize F.S. group's insurance companies, the main risks are linked to the subscription, the technical balance of the products (claims increase, early redemptions, lack of provisioning…) and the investment policy (liquidity risk, counterparty risk…).

These risks are managed, followed and steered in Solvency II regulatory framework. They are subject to a yearly ORSA report (Own Risk and Solvency Assessment).

The group makes a strict selection of contracts and has underwriting guides.

3.12.3 Risks relating to commercial deployment

The Mobilize F.S. group operates in the personal and businesses car finance and services sector. Consequently, there is a risk of sectorial concentration inherent in the group's business which is managed by the diversification of brands financed, and products and services deployed.

Additionally, in a changing environment, the Mobilize F.S. group strives to adapt its strategy to new demand and new market trends in line with new mobilities.

The group conducts business internationally and the geographic choices of the group's sites are determined in accordance with its growth strategy as well as in support of manufacturers. As a result, the Mobilize F.S. group can be subject, in all areas in which it operates, to a risk of geographic concentration, local economic and financial instability, and changes in government, social and central bank policies. One or more of these factors can have an unfavorable effect on the group's future results, as exposure to the risk of geographic concentration is partly mitigated by its presence on various markets.

In a complex economic environment, the group puts in place systems and procedures that meet statutory and regulatory obligations corresponding to its banking status, and that enable it to comprehensively apprehend all the risks associated with its activities and sites, by strengthening its management and control processes.

3.12.4 Risk relating to shares

The Mobilize F.S. group's exposure from shares not held for transactional purposes represent equity securities of entities owned but not consolidated, valued at fair value through P&L as well as entities accounted for using the equity method within the regulatory scope of consolidation. These are weighted at 100% and at 250% if they are financial sector entities.

/ EU INS1 — INSURANCE PARTICIPATIONS

	Exposure value	Risk exposure amount
Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	302	756

Cross-reference table

CRD IV	Purpose	Consistency
Article 90	Public disclosure of return on assets	Introduction
CRR	**Purpose**	**Consistency**
Article 431	Disclosure requirements and policies	Introduction
Article 432	Non-material, proprietary or confidential information	Introduction
Article 433	Frequency and scope of disclosures	Introduction
Article 435	Disclosure of risk management objectives and policies	
1a		Part 3.2.1
1b		Part 3.2.2
1c		Part 3.1-1+3
1d		Part 3.4-2+7+3.5+3.10.4
1e		Part 3.2.1
1f		Part 3.2.3
2a-d		Part 3.2.1 + 3.2
2e		Part 3.2.1+3.2+3.3
Article 436	Disclosure of the scope of application	Part 3.3.1
Article 437	Disclosure of own funds	Part 3.3.3
Article 437a	Disclosure of own funds and eligible liabilities	Part 3.3.2
Article 438	Disclosure of own funds requirements and risk-weighted exposure amounts	
a		Part 3.3.5
b		Part 3.1.1
c		Part 3.3.5
d		Part 3.3.5
e		NA
f-g		Part 3.9.5
h		Part 3.4.5.7
Article 439	Disclosure of exposures to counterparty credit risk	Part 3.4.8
Article 440	Disclosure of countercyclical capital buffers	Part 3.3.2
Article 441	Disclosure of indicators of global systemic importance	Part 3.3.2
Article 442	Disclosure of exposures to credit risk and dilution risk	Part 3.4.1
Article 443	Disclosure of encumbered and unencumbered assets	Part 3.9
Article 444	Disclosure of the use of the Standardised Approach	Part 3.4.6
Article 445	Disclosure of exposure to market risk	Part 3.7
Article 446	Disclosure of operational risk management	Part 3.10
Article 447	Disclosure of key metrics	Part 3.1
Article 448	Disclosure of exposures to interest rate risk on positions not held in the trading book	Part 3.8
Article 449	Exposure to securitization positions	Part 3.6
Article 449a	Disclosure of environmental, social and governance risks (ESG risks)	Part 3.2.3 Part 3.11

CRD IV	Purpose	Consistency
Article 450	Disclosure of remuneration policy	Part 3.2.5
Article 451	Disclosure of the leverage ratio	Part 3.3.6
1a-c		Part 3.3.6
1d-e		Part 3.3.7
Article 451a	Disclosure of liquidity requirements	Part 3.9
Article 452	Disclosure of the use of the IRB Approach to credit risk	
a		Part 3.4.5
b.		Part 3.4.5.7
c		Part 3.4.5 (1+7+8)
d-f		Part 3.4.5 (1+3+4+5+6)
g-h		Part 3.4.5.4
Article 453	Disclosure of the use of credit risk mitigation techniques	Part 3.4.7
Article 454	Disclosure of the use of the Advanced Measurement Approaches to operational risk	NA Advanced Measurement Approaches not used
Article 455	Use of Internal Market Risk Models	NA internal models not used
Article 492	Disclosure of own funds	Part 3.3.3

Tables

Part	Ref	Title
3.4.1	EU CQ5	Credit quality of loans and advances to non-financial corporations by industry
3.4.1	EU CQ6	Collateral valuation - loans and advances
3.4.1	EU CQ7	Collateral obtained by taking possession and execution processes
3.4.1	EU CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown
3.4.5.3	EU CRE	Qualitative disclosure requirements related to IRB approach
3.4.5.3	EU CR6	IRB approach – Credit risk exposures by exposure class and PD range
3.4.5.3	EU CR6-A	Scope of the use of IRB and SA approaches
3.4.5.4.3		Segmentation of exposures by the advanced method and average PD by country
3.4.5.4.4		History of default rates per class
3.4.5.4.4		The Consumer PD model for Germany end December 2017
3.4.5.4.4	EU CR9	IRB approach – Back-testing of PD per exposure class (fixed PD scale)
3.4.5.4.4	EU CR9-1	IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)
3.4.5.5		Segmentation of exposures by the advanced method and average LGD by country
3.4.5.8	EU CR8	RWEA flow statements of credit risk exposures under the IRB approach
3.4.6	EU CRD	Qualitative disclosure requirements related to standardised model
3.4.6	EU CR4	Standardised approach – Credit risk exposure and CRM effects
3.4.6	EU CR5	Standardised approach
3.4.7	EU CRC	Qualitative disclosure requirements related to CRM techniques
3.4.7	EU CR3	CRM techniques overview: Disclosure of the use of credit risk mitigation techniques
3.4.7	EU CR7	IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques
3.4.7	EU CR7-A	IRB approach – Disclosure of the extent of the use of CRM techniques
3.4.8	EU CCRA	Qualitative disclosure related to CCR
3.4.8	EU CCR1	Analysis of counterparty credit risk (CCR) exposure by approach
3.4.8	EU CCR3	Standardised approach – CCR exposures by regulatory exposure class and risk weights
3.4.8	EU CCR4	IRB approach – CCR exposures by exposure class and PD scale
3.4.8	EU CCR5	Composition of collateral for CCR exposures
3.4.8	EU CCR6	Credit derivatives exposures
3.4.8	EU CCR7	RWEA flow statements of CCR exposures under the IMM
3.4.8	EU CCR8	IRB approach – CCR exposures by exposure class and PD scale
3.5	EU CCR2	Transactions subject to own funds requirements for CVA risk
3.6	EU SECA	Qualitative disclosure requirements related to securitisation exposures
3.6	EU SEC1	Securitisation exposures in the non-trading book
3.6	EU SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments
3.7	EU MRA	Qualitative disclosure requirements related to market risk
3.7	EU MR1	Market risk under the standardised approach

Part	Ref	Title
3.8	EU IRRBBA	Qualitative information on interest rate risks of non-trading book activities
3.8	EU IRRBB1	Interest rate risks of non-trading book activities
3.9	EU LIQA	Liquidity risk management
3.9	EU LIQB	Qualitative information on LCR, which complements template EU LIQ1
3.9	EU LIQ1	Liquidity Coverage Ratio (LCR)
3.9	EU LIQ2	Net Stable Funding Ratio
3.9	EU AE4	Accompanying narrative information
3.9	EU AE1	Encumbered and unencumbered assets
3.9	EU AE2	Collateral received and own debt securities issued
3.9	EU AE3	Sources of encumbrance
3.10	EU ORA	Qualitative information on operational risk
3.10	EU OR1	Operational risk own funds requirements and risk-weighted exposure amounts
3.11	Table 1	Qualitative information on Environmental risk in accordance with 449a CRR
3.11	Table 2	Qualitative information on Social risk in accordance with Article 449a CRR
3.11	Table 3	Qualitative information on Governance risk in accordance with Article 449a CRR
3.11	Template 1	Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity
3.11	Template 3	Banking book – Climate change transition risk: Alignment metrics
3.11	Template 4	Banking book – Climate change transition risk: Exposures to top 20 carbon-intensive firms
3.11	Template 5	Banking book – Climate change physical risk: Exposures subject to physical risk
3.11	Template 6	Summary of GAR KPIs
3.11	Template 7	Mitigating actions: Assets for the calculation of GAR
3.11	Template 8	GAR (%)
3.12.1		Breakdown of residual values risk carried by the Mobilize F.S. group
3.12.1		Voluntary termination risk
3.12.1		Residual values risk not carried by the Mobilize F.S. group
3.12.4	EU INS1	Insurance participations

04.

REPORT ON CORPORATE GOVERNANCE

CONTENT

As of 31 December 2023

Pursuant to the provisions of Article L.225-37 of the French Commercial Code, the following developments constitute the corporate governance report containing information in particular on:

i) Shareholders;

ii) Group organization;

iii) Governance bodies and players, as well as their functioning.

This report was approved by the Board of Directors at its meeting of 9 February 2024.

RCI Banque declares that it does not refer to any corporate governance code issued by the corporate representative organizations, and fully complies with the applicable legal obligations to ensure good governance of the company.

At its meeting of 6 January 2022, the Board of Directors of RCI Banque adopted a purpose which is not included in the Company's Articles of Association, and which reads as follows:

"As a partner who cares for all its customers
we build innovative financial services
to create sustainable mobility for all"
(English version)

"À l'écoute de tous nos clients
nous créons des services financiers innovants
pour construire une mobilité durable pour tous"
(French version)

Finally, the Mobilize Financial Services brand is a trademark of RCI Banque S.A.

4.1 Shareholder structure

4.1.1 Share capital

The share capital has been €100,000,000 since 22 November 2000. It is divided into 1,000,000 fully paid shares of €100 each.

RCI Banque S.A. is an entity directly owned by Renault s.a.s. at 99.99%.

4.1.2 Shareholding

As of 31 December 2023, all shares were held by Renault s.a.s. (excluding one share granted to the Chairman of the Board of Directors).

4.1.3 Changes in share capital ownership over the past three years

No change in share capital ownership has occurred over the past three years.

4.2 Organization of groupe RCI Banque

The aim of the organization implemented by groupe RCI Banque is to develop commercial activities in the financing of the Renault-Nissan Alliance manufacturers' sales and associated services.

Subject to control by the European Central Bank in its capacity as a credit institution, RCI Banque has structured its governance in accordance with banking and financial regulations.

Oversight of this organization is delivered in three ways:

4.2.1 Supervision

As a reminder, the Company's strategy is decided by the Board of Directors, on the proposal of Senior Management. To carry out its duties for the financial year ending 31 December 2023, the Board of Directors, as supervisory body, relies on the work of four specialized committees: Risk Committee, an Account and Audit Committee, a Nomination Comittee and a Remunaration Committee. The missions of these committees are detailed below.

4.2.2 Hierarchical line

RCI Banque's Senior Management and its Executive Committee direct RCI Banque's policy and strategy, under the control of the Board of Directors.

The Management Committees, both central and in the controlled subsidiaries and branches, implement the actions needed to meet the objectives set by Senior Management and the Executive Committee.

4.2.3 Functional line

The functional departments play the role of "technical overseer" for the following purposes:

- establishing specific policies and rules of operation for IT systems, human resources, financial policy, credit risk management, etc.);
- providing the operational departments with support and ensuring that established policies are implemented by these departments. The group also has standardized mapping of all of the company's processes.

4.3 Governance bodies and players

4.3.1 The Board of Directors

4.3.1.1 Responsibilities of the Board of Directors

The responsibilities of RCI Banque's Board of Directors and Board Committees are described in its internal rules and regulations, the main features of which are given below.

Extract from the internal rules of the Board of Directors

Article 1: Responsibilities of the Board of Directors

The Board of Directors is a supervisory body that collectively represents all shareholders and ensures that it acts in all circumstances in RCI Banque's corporate interest.

The Board of Directors:

a) determines the guidelines of the company's business activities and oversees implementation by the Executive Directors and the Executive Committee of supervisory systems so as to ensure effective and prudent management;

b) approves and regularly reviews the strategies and policies governing the taking, management, monitoring and reduction of risks to which the company is or might be exposed, including risks generated by the economic environment. In this respect, it ensures that the group's risk management systems are appropriate and effective, inspects and verifies the exposure to risk of its activities and approves the level of risk appetite and the related limits and alert thresholds as determined by the Risk Management Committee. It also ensures that corrective measures taken to remedy any shortcomings are effective;

c) reviews the governance system, regularly assesses its effectiveness and ensures that corrective measures are taken to remedy any shortcomings;

d) makes sure that the consolidated and separate financial statements are true, fair and accurate, and that the information published by RCI Banque is of high quality;

e) approves the annual management report and the report on corporate governance;

f) controls the publication and disclosure process, the quality and reliability of the information to be published and communicated by the company;

g) adopts and reviews the general principles of the compensation policy applied within the RCI group;

h) discusses beforehand any changes to RCI Banque's management structures;

i) prepares and convenes the General Meeting and establishes its agenda;

j) may delegate to any person at its discretion the powers needed to complete, within a one year, bond issues, and to determine the terms and conditions thereof;

k) subject to the powers specifically allocated to shareholders' meetings, and within the purview of the company's corporate purpose, it deals with all matters relating to the good conduct of the company's business and decides all pertinent issues through its deliberations.

In addition, at least one meeting of the Board of Directors each year reviews the internal control system and the annual report on internal control submitted to the ACPR.

It also has the power to authorize transactions affecting the share capital, bond issues, the signature or termination of agreements with other undertakings that entail commitments affecting the company's future, and major transactions likely to alter significantly the scope of business or capital structure of the company and the group it controls.

4.3.1.2 Composition of the Board of Directors and its specialized committees

4.3.1.2.1 Board of Directors

As of 31 December 2023, the Board of Directors of RCI Banque consisted of four women and six men. As recommended by the Appointments Committee, the Board of Directors set the goal of maintaining a minimum proportion of 40% of directors of each sex.

Gianluca de FICCHY

Date of birth: 24/07/1970
Nationality: Italian and Swiss
Date first appointed: 1st February 2023
Number of shares held: 0

CHAIRMAN OF THE BOARD OF DIRECTORS
Start of term: 1st February 2023
Term ends: May 2025

Committees
- Nominations
- Remunerations

OTHER OFFICES
- France: Renault Mobility as an Industry – *Chairman*
- France: Mobilize Ventures – *Chairman*

Isabelle LANDROT

Date of birth: 06/08/1967
Nationality: French
Date first appointed: 26 July 2016
Number of shares held: 0

DIRECTOR
Start of term: 22 May 2018
Term ends: May 2024

Committees
- Accounts and Audit
- Risks

OTHER OFFICES
- France: Mobilize Ventures – *Chief Executive Officer*
- United Kingdom: Flit Technologies Ltd – *Chairman of the Board of Directors*

Philippe BUROS

Date of birth: 17/11/1961

Nationality: French

Date of first appointment: 10/07/2019

Number of shares held: 0

DIRECTOR

Start of term: 10 July 2019

Term ends: May 2025

Committees

- Nominations
- Remunerations

OTHER OFFICES

- Germany: Renault Deutschland AG – *Member of the Supervisory Board*
- France: Renault Retail Group – *Chairman and CEO*
- France: Kadensis – *Chairman of the Supervisory Board*
- Poland: Renault Polska SP zoo – *Member of the Supervisory Board*
- United Kingdom: Fixter Ltd – *Chairman of the Supervisory Board*
- Slovenia: Revoz D.D – *Member of the Supervisory Board*

Isabelle MAURY

Date of birth: 27/04/1968

Nationality: French

Date of first appointment: 05/12/2019

Number of shares held: 0

DIRECTOR - CHAIRMAN OF THE RISK MANAGEMENT COMMITTEE

Start of term: 5 December 2019

Term ends: May 2024

Committees

- Accounts and Audit
- Risks

OTHER OFFICES

- France: ABC Arbitrage – *Director*
- France: H2O AM Europe – *Director*
- Monaco: H2O Monaco SAM – *Director*
- London: H2O AM LLP - *Director*

Nathalie RIEZ-THIOLLET

Date of birth: 26/06/1966
Nationality: French
Date of first appointment: 06/20/2020
Number of shares held: 0

DIRECTOR
Start of term: 26 June 2020
Term ends: May 2023

Committees
- Accounts and Audit
- Risks

OTHER OFFICES
- France: Datapred – *Director*

Patrick CLAUDE

Date of birth: 11/11/1962
Nationality: French
Date of first appointment: 01/09/2021
Number of shares held: 1

DIRECTOR
Start of term: 1st September 2021
Term ends: May 2024

Committees
- Accounts and Audit
- Risks

OTHER OFFICES
- Austria: Bank Austria Renault Nissan B.V. – *Non-executive director*
- Luxembourg: Motor Reinsurance Company – *Director*
- Malte : RCI Services - *Director*
- Malta: RCI Insurance – *Director*
- Malta: RCI Life – *Director*
- Netherlands: Renault Group BV – *Chairman of the Supervisory Board*
- Netherlands: Barn BV – *Director*
- Singapore: Renault Treasury Services Pte – *Chairman*
- Switzerland: Renault Finance – *Chairman*
- Turkey: Orfin Finansman – *Director*

Etienne BORIS

Date of birth: 20/02/1956

Nationality: French

Date of first appointment: 01/01/2022

Number of shares held: 0

DIRECTOR - CHAIRMAN OF THE FINANCIAL STATEMENTS AND AUDIT COMMITTEE

Start of term: 1st January 2022

Term ends: 31 December 2024

Committees

- Accounts and Audit
- Risks

OTHER OFFICES

- Ireland: Barclays Europe – *Director*
- Netherlands: Stahl Parent BV – *Director*

Thierry PIETON

Date of birth: 05/03/1970

Nationality: French

Date of first appointment: 11/03/2022

Number of shares held: 0

DIRECTOR

Start of term: 11 March 2022

Term ends: May 2023

Committees

OTHER OFFICES

- France: Entrusted NS Holding – *Director*

Laurent POIRON

Date of birth: 25/09/1966

Nationality: French

Date of first appointment: 01/09/2022

Number of shares held: 0

DIRECTOR - CHAIRMAN OF THE APPOINTMENTS COMMITTEE AND THE COMPENSATION COMMITTEE

Start of term: 1st September 2022

Term ends: 31 August 2025

Committees

- Nominations
- Remunerations

OTHER OFFICES

- Germany: Fidor Bank AG – *Chief Executive Officer*
- France: LP Ventures 66 – *Chairman*
- France: Alpes Premium – *Chairman*

Céleste THOMASSON

Date of birth: 23/09/1966

Nationality: French and American

Date of first appointment: 08/12/2023

Number of shares held: 0

DIRECTOR

Start of term: 8 December 2023

Term ends: May 2025

Committees

OTHER OFFICES

01.
02.
03.
04.
05.
06.

4.3.1.2.2 Specialized committees

/ ACCOUNTS AND AUDIT COMMITTEE AS OF 31 DECEMBER 2023

	Position in the company	Position within the Committee
Etienne Boris	Director	Chairperson
Isabelle Landrot	Director	Member
Patrick Claude	Director	Member
Isabelle Maury	Director	Member
Nathalie Riez-Thiollet	Director	Member

/ NOMINATIONS COMMITTEE AS OF 31 DECEMBER 2023

	Position in the company	Position within the Committee
Laurent Poiron	Director	Chairperson
Gianluca de Ficchy	Chairman of the Board of Directors	Member
Philippe Buros	Director	Member

/ REMUNERATIONS COMMITTEE AS OF 31 DECEMBER 2023

	Position in the company	Position within the Committee
Laurent Poiron	Director	Chairperson
Gianluca de Ficchy	Chairman of the Board of Directors	Member
Philippe Buros	Director	Member

/ RISK COMMITTEE AS OF 31 DECEMBER 2023

	Position in the company	Position within the Committee
Isabelle Maury	Director	Chairperson
Isabelle Landrot	Director	Member
Nathalie Riez-Thiollet	Director	Member
Patrick Claude	Director	Member
Etienne Boris	Director	Member

4.3.1.2.3 Compensation of directors

In accordance with Article 9 of the Board of Directors' internal rules, Directors may receive, as compensation for their activities, an annual sum, whose size, determined by the Ordinary General Meeting, remains unchanged until otherwise decided and that the Board distributes among its members as it deems appropriate.

Directors' travel, accommodation, meals and expenses relating to meetings of the Board of Directors, the Committees of the Board of Directors, the General Meeting or any other meeting related to the work of the Board of Directors or Committees is paid for or reimbursed by RCI Banque, upon presentation of supporting documents.

The General Meeting of 30 June 2023 approved the fee schedule for directors' compensation (*) for the 2023 financial year as follows:

	Annual fixed portion pro rata temporis	Annual variable portion Depending on the participation rate	Additional amount for the Chairman
Board of Directors	€13,000	€13,000	€ 0
Financial Statements and Audit Committee	€4,000	€8,000	€13,000
Risk Management Committee	€4,000	€8,000	€13,000
Appointments Committee	€2,000	€4,000	€6,500
Compensation Committee	€2,000	€4,000	€6,500

(*) It being understood that the directors appointed by the shareholder, Renault s.a.s., undertake to waive their compensation in respect of their office.

Beyond 8 instances per year, an additional remuneration of €3,000 per instance is added.

- It is understood that the directors appointed by the shareholder, Renault S.A.S., undertake to waive their remuneration for their mandate.

In addition to the remunerations described above, no other elements of remuneration for the directors are provided.

4.3.1.2.4 Procedure for appointing directors

In accordance with the Company's Articles of Association and the laws and regulations applicable to it, the Board of Directors is composed of at least three members and no more than eighteen.

The term of office of directors is three years.

Directors may either be proposed by the Board of Directors on the recommendation of the Appointments Committee as part of an appointment by the Ordinary General Meeting or be co-opted by the Board of Directors on the recommendation of the Appointments Committee and ratified the Ordinary General Meeting.

They may be re-elected and may be dismissed at any time by the Ordinary General Meeting.

4.3.1.2.5 Directors' onboarding process

On their first appointment, each director benefits from an onboarding process that takes place over two days, and during which he or she meets each member of the Executive Committee. The director benefits from a presentation of the Group, its governance and its various activities.

Directors may also receive refresher training on specific subjects in accordance with the banking regulations in force.

4.3.1.2.6 Diversity policy

The company has implemented a diversity policy within its Board of Directors so that the Board is composed of directors with different skills and professional experience but also of different ages and genders.

To implement this diversity policy, the Board of Directors relies on the annual executive assessment report presented by the Appointments Committee and submitted for its approval in accordance with applicable banking legislation and regulations. This report makes it possible to identify the skills of each director and, where applicable, to identify any skills that are not represented on the Board.

Collectively, the members of the Board of Directors and the Executive Directors have the knowledge, expertise and experience needed to fully understand all of the company's business activities, including the main risks to which to which it is exposed, of the sales financing sector, of the Renault-Nissan Alliance and of the automotive sector.

The purpose of this diversity policy is to better inform the Board of Directors' decision-making by allowing the expression of different points of view.

This policy has been implemented to appoint directors in recent years and has led to the appointment of directors who have had a professional background outside the RCI Group, as well as to the promotion of the appointment of women.

4.3.1.2.7 Notion of independent director

On the recommendation of the Appointments Committee, the Board of Directors has defined the notion of independent director as follows: "An RCI director is independent when he or she has no relationship of any kind whatsoever with the RCI Group or its management, or with the Groupe Renault, which might compromise the exercise of his or her freedom of judgment. Thus, an independent director does not only mean a non-executive director, i.e. a director who does not hold management positions within the RCI Group or the Groupe Renault, but also one who has no ties of particular interest (significant shareholder, employee, other) with them".

On this basis, it has identified four directors as independent as recommended by the Appointments Committee dated 18 September 2023.

4.3.1.2.8 Conflict of interests

To the best of the company's knowledge, there are no conflicts of interests between the private interests of the members of the Board of Directors and their duties towards the company. There are no family ties between the members of the Board of Directors.

During the last financial year, no agreements or arrangements were entered into by any of the company's Senior Managers or significant shareholder with any subsidiary. In accordance with Order 2014-863 of 31 July 2014, the Board of Directors hereby states that agreements entered into with the parent company or with company subsidiaries that are directly or indirectly fully owned are excluded from the scope of control of regulated agreements.

To the best of the company's knowledge, none of the members of the Board of Directors and none of its Senior Managers has, in the past five years:

- been convicted in relation to fraudulent offences;
- been associated with any bankruptcy, receivership or liquidation, in the capacity of Senior Manager;
- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities; or
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer, or from acting in the management or conduct of the affairs of any issuer.

The management of conflicts of interests is governed by Article 4 of the Board of Directors' internal regulations which state as follows:

Extract from the internal rules of the Board of Directors (Art. 4)

Article 4: Conduct and conflicts of interests

a) 4.1 In compliance with RCI Group procedure related to the management of conflicts of interests of staff, the directors shall maintain under all circumstances their independence in analyzing, assessing, deciding and acting in order to ensure sound and prudent management of RCI Banque.

They commit to not search for or accept any advantage that may compromise their independence.

b) 4.2 The directors shall inform the Chairman of the Board of any conflicts of interests, including potential, they might directly or indirectly be involved in.

The directors shall inform for example the Chairman of the Board of their intention to accept any new mandate in a listed company which is not part of Renault Group.

They shall also inform the Chairman of the Board of any sentence for fraud, and/or public sanction, and of any prohibition to manage or to operate, that may have been ordered against them, as well as any bankruptcy, confiscation or liquidation they may have been associated with.

c) 4.3 A conflict of interests involving a director is handled by the Chairman of the Board. Where appropriate, the latter assesses the importance of the conflict of interests and decides the relevant mitigation measures.

Where appropriate, the Appointments Committee is requested, and potentially the Board of Directors of RCI Banque. In this case, the relevant director in a situation of conflict of interests does not take part in voting on his case.

d) 4.4 A conflict of interests involving the Chairman of the Board is handled by the Appointments Committee, and potentially the whole Board of Directors.

e) 4.5 The members of the Board of Directors shall sign a declaration indicating the existence or absence of potential conflicts of interests annually.

4.3.1.3 Functioning and work of the Board of Directors

4.3.1.3.1 Functioning of the Board of Directors

The Board of Directors meets at least four times a year and as often as the interest of the company requires, upon notice duly served adequately in advance, by any means, by the secretary of the Board appointed by the Chairperson, in accordance with the provisions of the Articles of Association.

In accordance with Article L.823-17 of the French Commercial Code (Code de Commerce), the statutory auditors are invited to all meetings of the Board of Directors examining or preparing the annual or interim financial statements, and if relevant, to other meetings at the same time as the directors themselves.

All technical documents and information required for the directors to fulfill their responsibilities are sent to them in compliance with the applicable provisions of the law and the company's Articles of Association.

The Chairman chairs the meetings of the Board of Directors. He/she sets the schedule and agenda. He/she organizes and oversees the work of the Board and reports thereon to the General Meeting. He/she chairs General Meetings.

The Chairman makes sure that the company's bodies operate properly and that best governance practices are implemented. This applies in particular to the Committees set up within the Board of Directors, whose meetings the Chairperson may attend. He/she may submit questions to be examined by these Committees for their opinion.

The Chairman is provided with all information required to perform his/her duties and tasks. He/she is provided with regular updates by Senior Management on all significant events relating to the life of RCI group. He/she may request communication of all appropriate documents and information needed to enlighten the Board of Directors. In this respect, he/she may also interview the statutory auditors and, after informing the Chief Executive Officer thereof, any member of RCI Group's Senior Management.

The Chairman ensures that the members of the Board of Directors are in a position to fulfill their duties and makes sure that they are properly informed.

The meetings of the Board of Directors were held at the company's registered office, and by means of videoconference, allowing the identification and effective participation of the directors.

The minutes of each Board of Director's meeting were drawn up by the secretary of the Board, approved at the following meeting, and transferred to a register held at the company's registered office and available for inspection by the directors.

4.3.1.3.2 Work of the Board of Directors

The Board of Directors met twelve times during the 2023 financial year:

- On January 26, 2023, the Board of Directors appointed a new Chairman of the Board of Directors and a new director.
- On February 10, 2023, based on the recommendation of the Accounts and Audit Committee, the Board reviewed the activity report, approved the financial statements as of December 31, 2022, and approved the 2023 budget. Based on the recommendation of the Nominations Committee, it proposed the renewal of the mandates of Ms. Nathalie Riez and Mr. Thierry Piéton as directors of the Company. Based on the recommendation of the Remuneration Committee, the Board approved the RCI group variable share system for 2023, increased the maximum variable share ratio from 100% to 200%, modified the remuneration of risk takers by including 50% of LTI as a remuneration instrument, and approved the governance and allocation process for LTI. Based on the recommendation of the Risks Committee, it approved the update of Pillar 3 and the liquidity risk statements. Finally, it decided on the terms of payment of directors' remuneration for the second half of 2022, on delegation from the General Meeting.
- On March 9, 2023, the Board met to approve the sale of the Russian subsidiary RN Bank.
- On March 17, 2023, the Board approved the acquisition of the company Select Vehicle Group Holding in the United Kingdom, and the creation of a new subsidiary, Mobilize Lease&Co UK Ltd.
- On March 31, 2023, the Board of Directors approved the Capital Adequacy Statement and the Liquidity Adequacy Statement (ICAAP/ILAAP), reviewed the directors' remuneration grid for the 2023 fiscal year. It also approved the amendment of the corporate purpose of the Colombian subsidiary RCI Servicios, and approved the planned relocation of the head office in 2026.
- On April 24, 2023, the Board approved the skills matrix of the directors on the proposal of the Nominations Committee. It then approved the AML/CFT report, the credit risk strategy, and the credit approval framework on the recommendation of the Risks Committee. It approved the acquisition of the company Mobility Concept GmbH (MeinAuto). It also approved the increase in the share capital of the companies Heycar and Mobilize Insurance. Finally, it amended the delegation of authority of the CEO regarding the increase in share capital to a cumulative amount of 30 million euros.
- On May 23, 2023, the Board met to review and approve the project to revoke Mr. Joao Leandro as CEO. It then approved the sale of the Russian subsidiary RNL Leasing. It rejected the proposed increase in the share capital of Mobilize Pay.
- On June 13, 2023, the Board of Directors terminated Mr. Joao Leandro's mandate as CEO of the Company and appointed Mr. Frédéric Schneider as interim CEO. It then reviewed the MRT remuneration scheme and approved the presented scheme.
- On July 25, 2023, the Board of Directors reviewed the profiles of the candidates selected by the Nominations Committee for the position of CEO of RCI Banque and approved the candidacy of Mr. Martin Thomas and his remuneration. It also approved the appointment of Mr. Vincent Gellé as Director of Accounting and Performance Control, replacing Mr. Stéphane Johan. Based on the recommendation of the Risks Committee, it approved the CSRBB governance and its limit of 10 million euros, as well as a governance point (delegation to the Risks Committee and introduction of a quorum). It reviewed and approved the semi-annual financial statements as of June 30, 2023. It studied and recommended the study of a partnership project with Santander as part of the Leaseco project. It decided to suspend the credit/debit card project and approved an increase in the share capital of the subsidiary Mobilize Pay in the amount of 1.8 million euros. The Fast Charge project (implementation of financing solutions) was presented for approval. Finally, it approved the remuneration of the directors for the first half of 2023, on delegation from the General Meeting of June 30, 2023, and the increase in the share capital of the Spanish subsidiary BIPI Mobility SL.
- On November 3, 2023, the Board of Directors held a Strategic Day where various subjects were presented: MFS Results and Action Plans, Renatul: the automotive market and Renaulution, MFS Captive Today and Tomorrow, as well as 2 deep dives on the Mobilize Lease&Co strategy and the IT strategy. The results of the self-evaluation of the Board of Directors were also presented to the directors. It also approved the liquidation of the Algerian subsidiary RCI Services Algérie and the establishment of a joint venture with partner Oyak in Turkey for the development of insurance activities.
- On December 8, 2023, the Board of Directors reviewed the work on the 2024 budget. It authorized bond issues and securitization operations for 2024/2025 and renewed the powers of delegation for their implementation. It approved the update of the ILAAP governance. Based on the recommendation of the Nominations Committee, the Board appointed Ms. Céleste Thomasson by co-optation to replace Ms. Fedra Ruibeiro. Based on the recommendation of the Risks Committee, the Board approved the global IRRBB strategy and its management framework, as well as the changes made to the Risk Appetite Framework. Based on the recommendation of the Accounts and Audit Committee, the Board approved the internal audit plan.
- On December 19, 2023, the Board of Directors reviewed and approved the trajectory for carbon reduction and the associated levers. It confirmed the appointment of Mr. Martin Thomas as CEO of the Company as of January 22, 2024, and appointed Mr. Frédéric Schneider as Deputy CEO as of the same date.

4.3.1.3.3 Specialized committees

The Board of Directors relies on the work of the different Committees to help it fulfill its duties.

The Financial Statements and Audit Committee met five times in 2023. Its main duties were to present and monitor the financial statements and preparation thereof, and to monitor the statutory audits of the consolidated and separate financial statements. It also examined the audit plan and analyzed the audits performed. The Committee monitored the effectiveness of the internal control and risk management systems, the independence of the statutory auditors, the management of their non-audit services. It also focused on non-consolidated companies.

The Risk Management Committee met eight times in 2023. Its main duties were to review the risk mapping and validation of the definition of risks, the analysis and validation of the RCI Group risk limits, the analysis of action plans in the event of exceeding limits or alert thresholds. It also examined the pricing systems for products and services and the compensation policy with regard to its impact on risks. Lastly, it analyzed and approved the report on internal control, the ICAAP and ILAAP systems, as well as the recovery plan, and the significant aspects of the rating and estimation processes of the company's internal credit risk models.

The Remuneration Committee met six times in 2023. Its main duty was to review Groupe RCI Banque's compensation policy and variable compensation system for 2022. The Committee also reviewed the compensation granted to corporate officers and the compensation policy for individuals with an impact on risk and risk management.

The Appointments Committee met twelve times in 2023. Their main duty was to recommend members for the Board of Directors and new members of the Executive Committee. They were also tasked with the annual review of the Board of Directors, and in particular with reviewing its structure, its composition, the diversity of knowledge, expertise and experience of its members, the definition of independent director and its gender balance objectives.

4.3.2 Senior management

4.3.2.1 Composition of Senior Management

In accordance with the Act implementing CRD IV and with the Order of 3 November on internal control, the roles of Chairperson and Chief Executive Officer are separate.

The Chief Executive Officer holds the broadest powers to act under any circumstances on the company's behalf, within the limits of the corporate purpose and conditional on those powers that the law expressly attributes to shareholders' meetings and the Board of Directors. The Chief Executive Officer has the authority to grant sub-delegations or substitute powers of attorney for one or more specified transactions or categories of transactions.

However, the Chief Executive Officer must obtain authorization from the Board of Directors to acquire, sell or mortgage buildings, the Board intending to retain authority in such matters.

The Deputy Chief Executive Officer has the same powers as the Chief Executive Officer with regard to third parties.

As of 31 December 2023, the Senior Management was as follows:

Frédéric SCHNEIDER

Date of birth: 06/08/1976
Nationality: French
Date of first appointment: 13 June 2023
Number of shares held: 0

DEPUTY CHIEF EXECUTIVE OFFICER AND DIRECTOR OF SALES AND STRATEGY
Date of appointment: 13 June 2023

Other offices
- Brazil: Banco RCI Brasil – *Director*
- France: DIAC – *Director*
- France: DIAC Location SA – *Director*
- France Mobilize Lease&Co – *Director*
- Poland: RCI Leasing Polska – *Member of the Supervisory Board*
- Romania: RCI Leasing Romania – *Chairman of the Board of Directors*

Jean-Marc SAUGIER

Date of birth: 10/12/1962
Nationality: French
Date of first appointment: 8 February 2019
Number of shares held: 0

Deputy Chief Executive Officer and VP Finance and Treasury
Date of appointment: 23 July 2019

Other offices
- France: FGDR – *Member of the Supervisory Board*
- Argentina: Rombo Compañía Financiera – *Director*
- Brazil: Banco RCI Brasil – *Chairman of the Board of Directors*
- Colombia: RCI Comp de Financiero – *Director*

4.3.2.1.1 Executive Committee

RCI Banque's Executive Committee contributes to forming RCI Banque's policy and strategy.

As of 31 December 2023, the Executive Committee was composed as follows:

Frédéric SCHNEIDER	Deputy Chief Executive Officer and Director of Sales and Strategy
Jean-Marc SAUGIER	Deputy Chief Executive Officer and VP Finance and Treasury
Pierre-Yves BEAUFILS	Group Chief Compliance Officer
Philippe DURAND	Credit Director
Vincent GELLE	Accounting and Performance Control Division
Marc LAGRENE	Chief Risk Officer
Umberto MARINI	Chief Information Officer
Mathieu OUDOT	Chief of Human Ressources
Thibault PALAND	Chief Executive Officer (France)
Enrico ROSSINI	Chief Executive Officer Mobilize Lease & Co

4.3.2.1.2 Specialized committees of Senior Management

In addition, Senior Management relies in particular on the following Committees to manage the group's risk control:

- the Finance Committee, which reviews the following: economic analyses and forecasts, resource cost, liquidity, interest rate and counterparty risks across the group's different scopes and subsidiaries. Changes in RCI Holding's statement of financial position and income statement are also analyzed so that the necessary adjustments to intra-group transfer prices can be made;
- the Credit Committee, which validates commitments that are beyond the authority of the subsidiaries and group Commitments Officer;
- the Performance Committee, for "Retail and Wholesale risks" matters, which assesses the quality of customer lending and subsidiary collection performances in relation to objectives set. With respect to the Wholesale business, changes in outstandings and stock rotation indicators, as well as changes in dealership and loan classification are reviewed;
- the Regulations Committee which reviews major regulatory changes in prudential supervision and action plans, and validates internal rating models and the related management system;
- the Internal Control, Operational Risk and Compliance Committee which oversees the whole of the group's internal control system, checks its quality and its related systems, and adjusts means, systems and procedures accordingly. It defines, steers and monitors the principles of the operational risk management policy as well as the principles of the compliance control system. It monitors progress made on the action plans. An Internal Control, Operational Risk and Compliance Committee operates in groupe RCI Banque subsidiaries;
- the New Product Committee which verifies new products before they are marketed, by ensuring in particular that new products comply with the group's commercial policy, the group's budgetary requirements, legislation applicable locally, and the group's governance of risks.

4.4 Methods of shareholder participation in the General Meeting

The methods of participation in the General Meeting are defined in Articles 27 to 33 of the Company's Articles of Association in accordance with the legislation in force.

Extract of the Articles of Association (Articles 27 to 33)

Article 27 - Types of General Meetings

Each year, the shareholders convene in an Ordinary General Meeting, which must be held within five months of the end of the financial year.

In addition, the shareholders may hold Ordinary General Meetings that meet on an extraordinary basis, or Extraordinary General Meetings when their purpose is to amend the Articles of Association, except as otherwise provided for by law, may also be held.

The General Meeting, duly constituted, represents all shareholders. Its decisions, taken in accordance with law and the company's Articles of Association, are binding on all shareholders, even those who are absent, incapable of attending or in disagreement.

Shares held in treasury by the company are not counted when calculating the quorum for the various meetings.

Two members of the works council, appointed by that council, one representing engineers and managerial staff and the other representing support staff, may attend General Meetings.

The Board of Directors may decide that shareholders will be able to take part in and vote at General Meetings by videoconference or any other means of telecommunication that permits them to be identified as required by law.

Article 28 - Notices of meeting

The Board of Directors calls the shareholders to General Meetings by means of a notice indicating the date, time and place of meeting.

Failing this, General Meetings may also be convened by:

a) the Statutory Auditors;

b) a representative appointed by order of the presiding judge of a French commercial court ruling in summary proceedings at the petition either of any interested party, or of one or more shareholders who together own at least 5% of the share capital;

c) the receivers.

Article 29 - Quorum - Majority

Ordinary and Extraordinary General Meetings are subject to the quorum and majority requirements prescribed by law and exercise the powers allocated to them by law.

Article 30 - Composition of General Meetings

All shareholders, regardless of the number of shares they own, may attend General Meetings, participate in the proceedings and vote.

Owners of registered shares who have requested that such shares be duly recorded in the company register at least five days before the meeting are admitted upon presentation of identification.

Shareholders may be represented by another shareholder, or by their spouse.

Proxies prepared in accordance with the law must be received at the registered office at least five days before the date of the meeting.

All shareholders, regardless of the number of shares they own, may attend Extraordinary General Meetings, take part in the proceedings and vote.

The right to vote in Ordinary General Meetings belongs to the beneficial owner of the shares to which the right is attached; the right to vote in Extraordinary General Meetings belongs to the named legal owner.

When a General Meeting has been called, the company shall, at its own expense, deliver or send a mail ballot and attachments thereto, to any shareholder who so requests by registered mail (return receipt requested).

The company must honor any request received by its registered office no later than six days before the date of the meeting. The mail ballot must include certain information as stipulated by Articles R.131-2 and seq. of the Decree of 23 March 1967.

It must clearly notify the shareholder that abstention from voting or failure to indicate voting instructions on any item shown on the form will be treated as a vote against the proposed resolution. The form may be included in the same document as the proxy form, if applicable. In this event, the applicable provisions are those of Article R.131-4 of the Decree of 23 March 1967.

The documents stipulated by Article R.131-2 of the aforementioned decree must be attached to the mail ballot. A mail ballot sent to the company for a given General Meeting is also valid for any subsequent meetings convened to address the same agenda.

Mail ballots must be received by the company at least three days before the date of the meeting. If a proxy is returned with a mail ballot, the proxy is taken into consideration subject to the votes indicated in the mail ballot.

Article 31 - Meeting officers – Attendance sheet

The General Meeting is chaired by the Chairman of the Board of Directors or, in his or her absence, by the Vice-Chairman, if one has been named, or by a director appointed by the Board. If the meeting has been convened by the statutory auditors, by a court-appointed representative or by the receivers, one of their members chairs the meeting.

The votes are counted by the two largest shareholders, either acting on their own behalf or as representatives, or, if they decline, by the next largest shareholders, and so on, until this responsibility is accepted.

These officers appoint the secretary of the meeting, who may be chosen from outside the members of the Meeting.

An attendance sheet containing all information required by law and regulation is drawn up at General Meetings.

The Meeting's officers may attach to the attendance sheet all proxy or mail ballots showing the last name, usual first name and address of each shareholder represented or casting a mail ballot, the number of shares that he or she owns, and the number of votes attached to those shares. In this case, the meeting's officers shall indicate the number of proxies and mail ballots attached to the attendance sheet, together with the number of shares and voting rights associated with such proxies and mail ballots.

Proxies and mail ballots shall be submitted at the same time and under the same conditions as the attendance sheet.

The accuracy of the attendance sheet, duly initialed by the shareholders in attendance and by shareholders' representatives, is certified by the meeting's officers.

The responsibilities of the officers relate exclusively to the holding of the meeting and proper conduct thereof; their decisions are always provisional and remain subject to a vote by the meeting itself. Any interested party may initiate such a vote.

Article 32 - Agenda

The meeting's agenda is established by the Board of Directors or by the person who convenes the General Meeting. However, under the conditions prescribed by law, one or more shareholders may request that certain draft resolutions not concerning the presentation of candidates for the Board of Directors be included on the agenda.

Article 33 - Minutes

The proceedings of General Meetings are recorded in minutes that are entered in a special numbered and initialed register and signed by the meeting's officers.

The minutes may be drawn up on sequentially numbered, initialed loose-leaf sheets.

Copies or extracts of the minutes to be provided for legal or other purposes are duly certified either by the Chairman of the Board of Directors or by a director serving as Chief Executive Officer or by the Meeting's Secretary.

Such copies or extracts are valid with respect to third parties provided that the signatures thereon are valid.

01. 02. 03. 04. 05. 06.

4.5 Regulated agreements

No agreements resulting in the special application of Article L.225-38 of the French Commercial Code occurred during the 2023 financial year.

4.6 Summary table of current delegations within the meaning of Article L.225-37-4 paragraph 3 of the French Commercial Code

Corporate body	Transaction concerned	Maximum amount	Term of the delegation	Implementation of the delegation
General meeting of 19 May 2023	Capital increase in cash	€400,000,000	18 months	None

05.

CONSOLIDATED FINANCIAL STATEMENTS

CONTENT

5.1 Statutory auditors' report on the consolidated financial statements

Statutory auditors' report on the consolidated financial statements

For the year ended 31 december 2023

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of RCI Banque S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of RCI Banque S.A. for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 december 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

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

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

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1st January 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Audit highlight

Without calling into question the opinion expressed above, we draw your attention to the following matter set out in note "1.3.3 Accounting rules and methods" in the appendix to the consolidated accounts regarding the change of method in connection with the first application of IFRS 17.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Assessment of credit risk and evaluation of impairment

Risk identified	RCI Banque S.A. recognizes impairment losses to cover the risk of non-recovery of loans granted to its customers. In compliance with IFRS 9 "Financial Instruments", RCI Banque S.A. calculates impairment allowances on expected credit losses on assets without signs of credit impairment (bucket 1), on assets whose risk has deteriorated since the initial recognition (bucket 2) and on defaulting assets (bucket 3), such as described in Note 3. E) to the consolidated financial statements. We consider the credit loss provisioning is a key audit matter due to the significant amount of receivables on retail customers and car dealers in the asset section of the balance sheet, the use of numerous parameters and assumptions in the calculation models and the use of judgment made by management in estimating expected credit losses. These impairment allowances have been estimated taking into account the contrasting macroeconomic environement which is reflected in particular by the slowdown in inflation and the rise in rates. This is described in note 1.3.4 "economic and financial environment". The expected credit losses set in accordance with IFRS 9 are presented in the Note 7 to the consolidated financial statements and amount to €1,168M with a gross amount of receivables of €56,583M as of 31 December 2023.
Our audit response	With the support of our credit risk experts and IT specialists, our work involved: • assessing the methodologies applied to determine the parameters used in the impairment model and their correct operational insertion in the information systems; • evaluating the key controls around validating of changes in key parameters and assumptions that support the calculation of impairment allowances for expected credit losses; • assessing the impairment adjustments relying on expertises and inspecting the documentation underlying the additional impairment allowances; • assessing the assumptions used in determining the Forward-Looking models, notably the weighting of different scenarios and the governance underlying the choice of weightings; • performing controls on RCI Banque's IT system, including a review of general IT controls, interfaces and automatic controls involved in the preparation of IFRS9 financial information; • assessing the soundness of the bucketting process (i.e. classifying assets by IFRS 9 category); • carrying out substantive analytical procedures on the evolution of outstanding loans to customers and the dealer network, and impairment allowances for credit risk from one financial year to the next; • examining the compliance of the information published in the notes to the annual accounts with the applicable accounting rules.

Specific Verifications

We have also proceeded, in accordance with the professional practice standards applicable in France, to the specific verifications provided for by legal and regulatory texts of information relating to the group, data in the management report of the board of directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the General Director, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. When it comes to the consolidated accounts, our procedures include verifying the compliance of tagging in the format defined by the aforementioned regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent in the macro-tagging of consolidated accounts according to the European Single Electronic Format (ESEF), it is possible that the content of certain tags of the notes from the annual financial report is not reproduced in an identical manner to the consolidated accounts and notes attached to this report.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of RCI Banque S.A by the annual general meeting held on 22nd may 2014 for KPMG S.A and on 29th April 2020 for Mazars.

As at 31st December 2023, KPMG S.A. and Mazars were respectively in the 10th year and 4th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

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

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

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

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (code de commerce) and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory auditors

Paris La Défense, 8 March 2024

KPMG SA	MAZARS
Ulrich SARFATI	Anne VEAUTE
Partner	Partner

5.2 Consolidated financial statements

5.2.1 Consolidated balance sheet

/ ASSETS

In millions of euros	Notes	12/2023	12/2022 Restated*	01/01/2022 Restated*
Cash and balances at Central Banks	2	4,733	5,874	6,745
Derivatives	3	225	329	135
Financial assets at fair value through other comprehensive income	4	483	521	837
Financial assets at fair value through profit or loss	4	143	224	149
Amounts receivable at amortized cost from credit institutions	5	1,539	1,690	1,294
Loans and advances at amortized cost to customers	6 and 7	53,851	48,631	44,074
Current tax assets	8	88	41	21
Deferred tax assets	8	249	220	179
Tax receivables other than on current income tax	8	322	125	112
Reinsurance contracts assets	8	33	36	59
Adjustment accounts and other assets	8	1,583	978	852
Non-current assets held for sale		0	19	-
Investments in associates and joint ventures	9	97	66	146
Expenses related to operating lease transactions	6 and 7	1,564	1,383	1,344
Tangible and intangible non-current assets	10	150	123	94
Goodwill	11	136	137	149
TOTAL ASSETS		**65,196**	**60,397**	**56,190**

(*) The 2022 financial statements were restated pursuant to IFRS 17 for insurance contracts (see Accounting rules and methods) Including the impact of the swap reclassification recognized at fair value through profit and loss (see note 4 Financial assets)

/ LIABILITIES AND EQUITY

In millions of euros	Notes	12/2023	12/2022 Restated*	01/01/2022 Restated*
Central banks	13.1	2,375	3,715	3,738
Derivatives	3	289	322	27
Financial liabilities at fair value through profit or loss	12	62	29	17
Amounts payable to credit institutions	13.2	2,275	2,012	1,997
Amounts payable to customers	13.3	29,312	25,473	22,030
Debt securities	13.4	20,316	18,108	17,971
Current tax liabilities	15	135	108	227
Deferred tax liabilities	15	772	899	670
Taxes payable other than on current income tax	15	54	25	21
Adjustment accounts and other amounts payable	15	1,880	2,004	1,916
Non-current liabilities held for sale		0	1	-
Liabilities on insurance contracts issued	16	182	166	132
Provisions	17	151	188	162
Subordinated debt	19	893	886	893
Equity		6,500	6,461	6,389
• Of which equity – owners of the parent		6,499	6,460	6,375
Share capital and attributable reserves		*814*	*814*	*814*
Consolidated reserves and other		*5,256*	*5,160*	*5,117*
Unrealized or deferred gains and losses		*(358)*	*(198)*	*(402)*
Net income for the year		*787*	*684*	*846*
• Of which equity – non-controlling interests		1	1	14
TOTAL LIABILITIES		**65,196**	**60,397**	**56,190**

(*) The 2022 financial statements were restated pursuant to IFRS 17 for insurance contracts (see Accounting rules and methods) Including the impact of the swap reclassification recognized at faire value through profit and loss (see note 4 Financial assets)

5.2.2 Consolidated income statement

In millions of euros	Notes	12/2023	12/2022 Restated*
Interests and similar incomes	27	3,397	2,152
Interest expenses and similar charges	28	(2,109)	(883)
Fees and commission income	28	765	679
Fees and commission expenses	29	(383)	(311)
Net gains (losses) on financial instruments at fair value through profit or loss	30	(109)	69
Income from insurance contracts issued	16	387	359
Expenses related to insurance contracts issued	16	(25)	(65)
Income and expenses related to reinsurance contracts held	16	0	1
Financial income and expenses from insurance contracts issued	16	(16)	(10)
Income of other activities	31	813	601
Expense of other activities	31	(759)	(576)
NET BANKING INCOME		1,961	2,016
General operating expenses	32	**(693)**	**(618)**
Depreciation and impairment losses on tangible and intangible assets		(19)	(20)
GROSS OPERATING INCOME		**1,249**	**1,378**
Cost of risk	33	(153)	(195)
OPERATING INCOME		**1,096**	**1,183**
Share in net (income) loss of associates and joint ventures [(2)]	9	(12)	(127)
Gains less losses on non-current assets		(1)	0
Income exposed to inflation [(3)]		(49)	(31)
PRE-TAX INCOME		**1,034**	**1,025**
Income tax	34	(234)	(321)
NET INCOME		**800**	**704**
Of which Comprehensive income attributable to non-controlling interests		13	20
Of which owners of the parent		787	684
Number of shares		1,000,000	1,000,000
Net income per share [(1)] and in euros		787	684.12
Diluted earnings per share in euros		787	684.12

(*) The 2022 financial statements were restated in application of IFRS 17 for insurance contracts (see Accounting rules and methods)

(1) Net income – Owners of the parent compared to the number of shares.

(2) The sale of RN Bank had a positive impact on the equity-accounted result of €9 million for the period. The impairment of Mobility Trader Holding GmbH (Heycar) had a negative impact on the result of the equity-accounted result of -€20 million

(3) Argentina hyperinflation.

5.2.3 Consolidated statement of comprehensive income

In millions of euros	12/2023	12/2022 Restated*
NET INCOME	800	704
Actuarial differences on post-employment benefits	(4)	11
Revaluation of insurance contracts	(3)	0
Total of items that will not be reclassified subsequently to profit or loss	*(7)*	*11*
Unrealized P&L on cash flow hedge instruments	(173)	199
Unrealized P&L on financial assets	4	(8)
Exchange differences	16	(1)
Total of items that will be reclassified subsequently to profit or loss	*(153)*	*190*
Other components of comprehensive income	**(160)**	**201**
TOTAL COMPREHENSIVE INCOME	640	905
Of which Comprehensive income attributable to non-controlling interests	13	17
Of which Comprehensive income attributable to owners of the parent	627	888

* The 2022 financial statements were restated in application of IFRS 17 for insurance contracts (see Accounting rules and methods)

5.2.4 Consolidated statement of changes in equity

In millions of euros	Capital [1]	Attribut. reserves [2]	Consolid. reserves	Translation adjust. [3]	Unrealized or deferred P&L [4]	Net income (Shareholders of the parent company)	Equity (Shareholders of the parent company)	Equity (Non-controlling interests)	Total Consolidated equity
Equity at 31 December 2021*	**100**	**714**	**4,950**	**(399)**	**(3)**	**846**	**6,208**	**14**	**6,222**
Restatement of IFRS 17 opening equity	0	0	167	0	0	0	167	0	167
Equity at 1 January 2022*	**100**	**714**	**5,117**	**(399)**	**(3)**	**846**	**6,375**	**14**	**6,389**
Change in value of financial instruments recognized in equity	0	0	0	0	194	0	194	(3)	191
Actuarial differences on post-employment benefits.	0	0	0	0	11	0	11	0	11
Exchange differences	0	0	0	(1)	0	0	(1)	0	(1)
Net income for the year (before appropriation)	0	0	0	0	0	684	684	20	704
Total comprehensive income for the period	**0**	**0**	**0**	**(1)**	**205**	**684**	**888**	**17**	**905**
Appropriation of net income of previous year	0	0	846	0	0	(846)	0	0	0
Effect of changes in scope, stock options and others	0	0	(11)	0	0	0	(11)	0	(11)
Dividend for the year	0	0	(800)	0	0	0	(800)	(12)	(812)
Repurchase commitment of non-controlling interests	0	0	8	0	0	0	8	(18)	(10)
Equity at 31 December 2022*	**100**	**714**	**5,160**	**(400)**	**202**	**684**	**6,460**	**1**	**6,461**
Restatement of opening equity [5]	0	0	0	0	0	0	0	0	0
Equity at 1 January 2023	**100**	**714**	**5,160**	**(400)**	**202**	**684**	**6,460**	**1**	**6,461**
Change in value of financial instruments recognized in equity	0	0	0	0	(161)	0	(161)	(8)	(169)
Actuarial differences on post-employment benefits.	0	0	0	0	(4)	0	(4)	0	(4)
Revaluation of insurance contracts	0	0	0	0	(3)	0	(3)	0	(3)
Exchange differences	0	0	0	8	0	0	8	8	16
Net income for the year (before appropriation)	0	0	0	0	0	787	787	13	800
Total comprehensive income for the period	**0**	**0**	**0**	**8**	**(168)**	**787**	**627**	**13**	**640**
Appropriation of net income of previous year	0	0	684	0	0	(684)	0	0	0
Effect of changes in scope, stock options and others	0	0	16	0	0	0	16	0	16
Effect of changes in capital	0	0	(18)	0	0	0	(18)	0	(18)
Dividend for the year [5]	0	0	(600)	0	0	0	(600)	(31)	(631)
Repurchase commitment of non-controlling interests	0	0	14	0	0	0	14	18	32
EQUITY AT 31 DECEMBER 2023	100	714	5,256	(392)	34	787	6,499	1	6,500

(*) The 2022 financial statements were restated in application of IFRS 17 for insurance contracts (see Accounting rules and methods).
(1) The share capital of RCI Banque S.A. of 100 million euros is composed of 100 000 000 ordinary shares of 100 euros fully paid up 999 999 ordinary shares being held by Renault s.a.s.
(2) Attributable reserves include the share premium account of the parent company.
(3) The change in translation differences at 31 December 2023 mainly concerns Argentina, South Korea, the Netherlands, the United Kingdom, Colombia, Brazil and Turkey. At 31 December 2022, it covered Argentina, Brazil, Colombia, India, Morocco, Poland, Russia, Switzerland, Turkey and the United Kingdom.
(4) Includes in particular the fair value of derivative financial instruments used as cash flow hedges and debt instruments for €46 million and IAS 19 actuarial gains and losses for -€5million at the end of December 2023.
(5) Distribution to the shareholder Renault of a dividend on the 2022 result for €600 million.

5.2.5 Consolidated cash flow statement

In millions of euros	12/2023	12/2022 Restated*
NET INCOME	**800**	**704**
Depreciation and amortization of tangible and intangible non-current assets	18	19
Net allowance for impairment and provisions	(20)	137
Share in net (income) loss of associates and joint ventures	12	127
Deferred tax (income)/expense	(78)	33
Net loss/gain from investing activities	1	(11)
Other (gains/losses on derivatives at fair value through profit and loss)	157	(80)
CASH FLOW	**890**	**929**
Other movements (accrued receivables and payables)	49	173
Total non-monetary items included in net income and other adjustments	**139**	**398**
Cash flows on transactions with credit institutions	(1,351)	107
• Inflows/outflows in amounts receivable from credit institutions	(100)	5
• Inflows/outflows in amounts payable to credit institutions	(1,251)	102
Cash flows on transactions with customers	(1,474)	(1,258)
• Inflows/outflows in amounts receivable from customers	(5,179)	(4,953)
• Inflows/outflows in amounts payable to customers	3,705	3,695
Cash flows on other transactions affecting financial assets and liabilities	1,197	557
• Inflows/outflows related to AFS securities and similar	39	285
• Inflows/outflows related to debt securities	1,827	397
• Inflows/outflows related to collections	(669)	(125)
Cash flows on other transactions affecting non-financial assets and liabilities	(88)	11
NET CHANGE IN ASSETS AND LIABILITIES RESULTING FROM OPERATING ACTIVITIES	**(1,716)**	**(583)**
NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**(777)**	**519**
Flows related to financial assets and investments	(13)	(15)
Flows related to tangible and intangible non-current assets	(72)	(53)
NET CASH FROM/(USED BY) INVESTING ACTIVITIES (B)	**(85)**	**(68)**
Net cash from/(to) shareholders	(643)	(819)
• Repayment of equity instruments and subordinated loans	9	
• Dividends paid	(631)	(812)
• Inflows/outflows related to non-controlling interests	(21)	(7)
NET CASH FROM/(USED BY) FINANCING ACTIVITIES (C)	**(643)**	**(819)**
EFFECT OF CHANGES IN EXCHANGE RATES AND SCOPE OF CONSOLIDATION ON CASH AND EQUIVALENTS (D)	**73**	**(46)**
CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(1,432)**	**(414)**
Opening cash and cash equivalents:	7,291	7,705
• Cash and balances (assets and liabilities)(assets and liabilities) at central banks	5,836	6,729
• Balances (assets and liabilities) in sight accounts at credit institutions	1,455	976
Cash and cash equivalents at end of year:	5,859	7,291
• Cash and balances (assets and liabilities) at central banks	4,729	5,836
• Balances (assets and liabilities) in sight accounts at credit institutions	1,130	1,455
CHANGE IN NET CASH [1]	**(1,432)**	**(414)**

(*) The 2022 financial statements were restated in application of IFRS 17 for insurance contracts (see Accounting rules and methods).
(1) The rules for determining treasury and treasury equivalent cash flows are presented in the "Accounting rules and methods" section.

5.3 Notes to the consolidated financial statements

RCI Banque S.A, the Group's parent company, is a limited company with a Board of Directors and fully paid-up capital of €100,000,000, subject to all legal and regulatory provisions applicable to regulations governing credit institutions, and registered with the Paris Registre du Commerce et des Sociétés de Paris under SIREN N°. 306 523 358.

The registered office of RCI Banque S.A. is located at 15, rue d'Uzès 75002 Paris, France.

RCI Banque S.A.'s main business is to provide financing for the Renault Group, Nissan et Mitsubishi brands.

The consolidated financial statements of the Mobilize Financial Services group as at 31 December relate to the company and its subsidiaries, and to the Group's interests in associates and jointly-controlled entities.

The consolidated financial statements are expressed in millions of euros unless otherwise indicated.

5.3.1 Approval of financial statements – Distributions

The consolidated financial statements of the Mobilize Financial Services group at 31 December 2023, were approved by the Board of Directors' meeting on 9 February 2024, and will be submitted for approval at the annual general meeting of 20 May 2024.

2022 dividend payout

The Mobilize Financial Services group's consolidated financial statements for the year 2022 were established by the Board of Directors on 10 February 2023 and approved at the combined general meeting on 19 May 2023. It was decided to pay shareholders a dividend of €600 million on the 2022 result, ie a dividend per share of €600

Dividends for 2023

On the Ordinary General Meeting on 9 February 2024, the Board of Directors called to approve the financial statements for the year ended 31 December 2023 decided to pay a dividend of €600 million, ie a dividend per share of €600.

5.3.2 Key highlights

War in Ukraine

The conflict in Ukraine and the economic and trade sanctions progressively levied against Russia, as well as the counter-sanctions levied by Russia impacted the Group's business. The areas in question mainly include employee security, the risk of a shortage of financing in Russia, the risk of cyberattacks, and information systems failure.

RCI Banque S.A.'s net investment in Ukraine is limited to the share of capital held in its local subsidiary for an amount of €0.3 million, which has been fully provisioned for in 2022.

In Russia, RN Bank was sold on 20 June 2023 for 7 billion Russian rubles (€76.4 million). The Group held a 30% economic interest in this company through the holding company RN SF B.V., which is accounted for by the equity method. RN SF B.V. shares were fully written down in 2022. This sale changed the participations in associated companies of +€24.4 million, of which +€8.6 million were recognized in the income statement and +€15.8 million in foreign exchange reserves.

On 3 August 2023, Insight Investment Group LLC entered into an agreement to acquire 100% of RNL Leasing LLC (and its subsidiary RNL Finance LLC) from RCI Banque S.A.. RNL Leasing LLC and its subsidiary RNL Finance LLC were sold for 675 million Russian rubles after tax (6.6 million euros). The Group owned 100% of RNL Leasing, which was fully consolidated. In application of IFRS 5, the assets and liabilities of RNL Leasing LLC were reclassified under "non-current assets/liabilities held for sale" in the Mobilize Financial Services group's consolidated financial statements at 31 December 2022. This sale of shares generated a loss of €11 million in the income statement, and represents the final stage in the withdrawal of RCI Banque S.A. from the Russian Federation, in accordance with the decision taken by Renault Group in 2022.

New issued securitization funds issued

In March, Mobilize Financial Services placed a transaction for approximately €719 million backed by car loans granted by its German branch (including €700 million in senior securities and approximately €19 million in subordinated securities).

The French subsidiary set up a new securitization program of lease-to-purchase plan (LOA) outstandings originated by DIAC. As part of this program, a public offering ("Cars Alliance Auto Lease France V 2023-1" compartment) for around €737 million backed by lease receivables was issued (including €700 million in senior securities [€100 million self-subscribed] and around €37 million in subordinated securities).

Scope entry

In 2023, five new entities joined the full consolidation scope

Bipi Mobility Germany GmbH, Mobilize Lease&Co SAS, Mobilize Lease&Co UK Ltd and Mobilize Insurance SAS have been fully consolidated.

In addition, the Mobilize Financial Services group acquired 36.6% of Select Vehicle Group Holdings Ltd via the subsidiary RCI Bank UK Ltd, which is now consolidated by equity method.

5.3.3 Accounting rules and methods

Pursuant to European regulations, the Mobilize Financial Services group's consolidated financial statements for the 2023 fiscal year were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) at 31 December 2023, as adopted by the European Union at the reporting date.

5.3.3.1 Changes in accounting policies

The Mobilize Financial Services group applies the standards and amendments published in the Official Journal of the European Union, application of which has been mandatory since 1 January 2023.

New regulations that must be applied in 2023

IFRS 17 and amendments	Insurance policies
Amendment IAS 12	Deferred tax on assets and liabilities arising from the same transaction International tax reform (Pillar 2)
Amendments IAS 1	Disclosure of material accounting policies
Amendments IAS 8	Definition of accounting estimates

The application of the IAS 12, IAS 1 and IAS 8 amendments from 1 January 2023 has no significant effect on the Group's financial statements. The impacts of applying IFRS 17 are presented in the dedicated paragraph below.

New texts not applied in advance by the Group

New IFRS standards and amendments not adopted early by the Group		Application date according to the IASB
Amendments IFRS 16	Lease liabilities under sale-leaseback agreements	1 January 2024
Amendments IAS 1	Classification of liabilities as current or non-current liabilities. Non-current liabilities with covenants	1 January 2024

At this stage, the Group does not foresee any material impact on the consolidated financial statements as a result of adopting these amendments.

Other standards and amendments not yet adopted by the European Union

In addition, the IASB has published new standards and amendments that are not yet adopted by the European Union.

New IFRS amendments and standards not yet adopted by the European Union		Application date according to the IASB
Amendment IAS 7	Supplier financing agreements	1 January 2024
Amendment IAS 21	Effect of changes in foreign exchange rates (non-convertibility)	1 January 2025

The Group does not foresee any material impact on the consolidated financial statements as a result of adopting these amendments.

5.3.3.2 Application of IFRS 17

IFRS 17 “Insurance contracts,” published on 18 May 2017 and amended by the amendments of 25 June 2020, sets out the principles of recognition, measurement, presentation, and disclosures for insurance contracts. It replaces IFRS 4 "Insurance Contracts," and is applicable as of 1 January 2023. The Mobilize Financial Services group did not adopt the proposed exemption from applying IFRS 9 and had already been applying it since 1 January 2018. The introduction of IFRS 17 leads to the end of the overlay approach previously applied. In accordance with recommendation No. 2022-01, the Group has chosen option 2 for presenting insurance financial investments on the balance sheet, i.e. a breakdown of insurance financial investments in the accounting categories for banking activities on the assets side of the balance sheet.

Methodology for calculating insurance liabilities and assets, and treatment of acquisition cash flows

IFRS 17 mainly applies within the Group to insurance contracts issued and reinsurance treaties issued and/or held by the Group's insurance companies.

Given the nature of our insurance and reinsurance portfolios — contracts with a term of over one year and a non-linear risk profile — their technical provisions are valued using the general model (known as the "building blocks approach"), comprising: (1) estimates of discounted future cash flows weighted by their probability of occurrence, (2) an adjustment for non-financial risk, and (3) the contractual service margin.

There are no participatory contracts in the portfolio justifying the application of the Variable Fee Approach (VFA) model. No contracts are valued using the Premium Allocation Approach (PAA).

The insurance business holds some proportional reinsurance coverage. The components of existing reinsurance contracts are valued separately, but their accounting date corresponds to the date of the underlying contracts hedged, as the reinsurance is related to the generations of contracts.

The contractual service margin will be recognized in the income statement according to the coverage units provided during the period. A hedging unit is used to reflect the allocation of the contractual service margin as services are rendered.

Contract aggregation level

In accordance with the standard, technical provisions are valued by homogeneous groups of contracts using the following aggregation rules:

- By portfolios with similar risks and that are managed together,
- By annual cohorts
- By profitability groups, with a separate group for onerous contracts at the time of recognition.

Cash flow (BE – Best Estimate)

The BE of insurance and reinsurance portfolios corresponds to the projected future cash flows (in particular premiums, benefits, attributable expenses) of the contracts included in the contract boundary. These projections are based on models that reflect the way insurance and reinsurance contracts operate, and are carried out according to the levels of aggregation defined above. These projection models are based on the same foundations as those used for Solvency calculations. They were subject to an external review in 2023.

The contract boundary corresponds to the date on which the contract takes effect and the date on which it expires.

Acquisition costs

Acquisition costs correspond to distribution commissions paid to the network dealer. These costs are incurred on the effective date of the contract and are amortized according to the same profile as the Contractual Service Margin (CSM).

Attributable/non-attributable expenses

All overheads recognized in 2023 are entirely classified as expenses attributable to the insurance business and are therefore fully reflected in the projected expense flows.

Risk adjustment (RA) for non-financial risk

The adjustment for non-financial risk is intended to compensate for the uncertainty inherent in the amounts and timing of projected cash flows. It is based on the observed distribution of the frequency of claims, representing the main risk factor of the insurance portfolio, and is calibrated with a confidence threshold of 90%, consistent with that used in the risk appetite rules. The risk adjustment is amortized according to the claims cash flow profile.

Contractual Service Margin (CSM)

The contractual service margin represents the portion of profits earned on underwritten insurance contracts that will be deferred and gradually brought into income over the estimated life of the insurance contracts. It is defined when the contracts subscription and evolves during the life of the contracts depending on experience and assumptions that differ from the original expectations.

Hedging units

Hedging units are used to measure risk coverage periods for income recognition purposes (contractual service margin). These hedging units are based on the risk profile of the annual cohorts of contracts, taking into account the profile of the sums at risk.

Discount rate

Discount rates are defined using the bottom-up method, to which an illiquidity premium is added. The risk-free yield curve is as defined by EIOPA

/ EIOPA RISK-FREE RATE AS AT 31 DECEMBER 2023:

EIOPA - RFR (FY2023)	1	2	3	4	5	6	7	8	9	10
Forward rates (yearly)	3.73%	2.68%	2.46%	2.51%	2.62%	2.72%	2.81%	2.88%	2.96%	3.05%

The illiquidity premium adjustment is derived from the market price curve using the Merton structural credit risk model and the CoC (Cost Of Captial) adjustment to remove the “expected” probability of default and credit risk premiums for (un)expected losses, adjusted according to the bond portfolio held.

OCI options

The Mobilize Financial Services group decided to use the option to allocate financial income and expenses for the period between income statement and other comprehensive income.

Treatment of internal margins

The treatment of internal margins corresponds solely to the restatement of distribution fees paid by the Group’s insurance companies to the Group’s subsidiaries.

Relevant accounting estimates

All of the underlying technical assumptions used to calculate future cash flows from insurance portfolios are defined on the basis of statistical studies on portfolio data and represent the best estimate of these elements at the calculation date.

- Frequency of claims
- Claims acceptance rate
- Indemnity periods for hedging the monthly payments of the underlying financing
- Early buyout contract rates
- Unit costs

Financial assumptions are based on data supplied by the regulator and market data used by the Group.

Impacts of the transition

Since IFRS 17 is being retrospectively applied as of 1 January 2022, the Group considered that it was not possible to obtain all the historical data that would be required to estimate the contracts in the portfolio at the transition date using the full retrospective approach without incurring excessive costs and efforts. Accordingly, the modified retrospective approach was adopted and applied to the entire scope concerned, in order to account for the impact of the transition on the financial statements at 1 January 2022.

The impact of the transition generated a positive impact on equity of €167 million in the opening balance sheet at 1 January 2022.

This positive effect on equity is due to a quicker recognition of profits under IFRS 17 linked to the profile of hedging units that reflect the decline in sums at risk corresponding to the change in the underlying financial outstandings. Under IFRS 4, insurance premiums are earned on a straight-line basis.

As required by IFRS 17, the comparative financial statements were restated to take into account the application of the standard as at 1 January 2022. The IFRS 17 technical provisions at 31 December 2022 were defined by applying the general model to the portfolio on the basis of the opening balance sheet resulting from the transition at 1 January 2022.

Technical provisions measuring the value of insurance contracts are presented on a dedicated line "Liabilities on insurance contracts issued" in the statement of financial position. They represent an amount of €436 million at 31 December 2021, €132 million at 1 January 2022 after application of IFRS 17 and €166 million at 31 December 2022.

In millions of euros	31/12/2021	31/12/2021 Restated	Adjustment	31/12/2022	31/12/2022 restated	Adjustment
Active insurance and reinsurance contracts	105	59	(46)	63	36	(27)
Liabilities — insurance contracts issued	(436)	(132)	304	(425)	(166)	259
Current tax liabilities			(91)			(81)
Net equity restatement			167			151

The transition on 1 January 2022 led to new accounting breakdowns within the balance sheet aggregate "Liabilities — insurance contracts issued by securitization vehicles set." The liabilities of -€132 million at 31 December 2021 presented in the above table break down as follows:

- Best Estimate (BE) of future cash flows: €155 million
- contractual service margin (CSM): -€274 million
- risk adjustment (RA): -€13 million

Net income from insurance activities is presented on a dedicated line in Mobilize Financial Services group's income statement. It representes an impact of €44 million in the income statement for the first half of 2022 and €95 million over 2022.

In millions of euros	31/12/2022	31/12/2022 restated	Adjustment
Insurance result	314	285	(29)
NBI	314	285	(29)
Profit or loss before tax	310	285	(25)
Net income	202	185	(16)

5.3.3.3 Consolidation principles

Scope and methods of consolidation

The consolidated financial statements incorporate the accounts of companies over which the Group directly or indirectly (subsidiaries and branches) exercises control, within the meaning of IFRS 10 (Associate companies or joint control – joint ventures).

The securitized assets of Diac SA, RCI FS Ltd and the Italian, Spanish and German branches for which Mobilize Financial Services group has retained the majority of the risks and rewards remain on the asset side of the balance sheet. Under IFRS 10, the Group retains control of the securitization fund-FCT vehicles that it creates as part of its securitization program because it retains the most risky shares. These are what determine who has power in the securitization fund-FCT vehicle. Thus, because it has control, the Group can consolidate and eliminate reciprocal transactions while retaining the assigned receivables. The assigned receivables as well as the accrued interest and impaired allowances continue to appear on the asset side of the Group's balance sheet. At the same time, the bonds issued by the Fund are included in the liabilities of the Group's balance sheet and the related expenses in the profit and loss statement.

Thus, during the securitization process, the Group does not derecognize the securitized receivables because the vehicle (securitization fund-FCT), which manages the securitization, remains under the control of the Mobilize Financial Services group. The non-recognition of receivables assigned under the securitization programs is supported by paragraph 3.2.4 IFRS 9.

It should be noted that under the "collection" business model, as part of the Group's accounting and threshold policy, assignments of receivables via securitization are infrequent but significant. These sales of receivables through securitization do not call into question the "collection" business model applied to these portfolios.

Associate companies and joint ventures are accounted for under the equity method (IFRS 11).

Significant transactions between consolidated companies are eliminated.

For the most part, the companies included in the Mobilize Financial Services group scope of consolidation are the Renault, Nissan, Dacia, Samsung and Datsun vehicle sales finance companies and the associated service companies.

Acquisition cost of shares and goodwill

Goodwills are measured at the acquisition date, as the difference of:

- the total amount transferred, measured at fair value, and any participation amount which does not give controlling interest in the acquired company; and
- the net carrying amounts of acquired identifiable assets and liabilities.

The costs related to the acquisition such as broker's commissions, advisory fees, legal, accounting, valuation and other professional and consulting fees, are recorded as expenses for the periods when costs are incurred and services received.

Debt issuance or equity costs are accounted for under IAS 32 and IFRS 9.

If the business combination generates negative goodwill, the relevant amount is immediately recognized in profit or loss.

An impairment test is performed at least annually and whenever there is an indication of a loss in value by comparing the book value of the assets with their recoverable amount, the latter being the highest value between the fair market value (after deducting the cost of disposal) and the going concern value. The value-in-use is based on a market approach and determined by using multiples for each group of cash-generating units, which comprise legal entities or groups thereof in the same country. A single discounting value is used for all cash-generating units thus tested, which is the risk-free 10-year forward rate augmented by the average risk premium for the sector in which they operate.

One-year data projections about profit or loss are used for most of the cash-generating units except for BIPI which is 8. The discount rate used is the BIPI WACC.

Goodwill is therefore measured at its cost less any accrued impairment losses. If impairment is found, the impairment loss is recognized in the income statement.

Transactions with non-controlling interests (purchases/sales) are booked as capital transactions. The difference between the amount received or paid and the book value of the non-controlling interests sold or bought is recognized directly in equity.

Non-controlling interests

The Group has granted buy-out commitments on the interests held by minority shareholders in fully consolidated subsidiaries. For the Group, these buy-out commitments represent contractual obligations arising from the sales of put options. The exercise price for these options is determined by estimating the price the Mobilize Financial Services group would have to pay out to the non-controlling interests if the options were exercised, taking into account future returns on the financing portfolio existing at the closing date and the provisions set out in the cooperation agreements concerning the subsidiaries.

In accordance with the provisions set out in IAS 32, the Group has recognized a liability arising from put options sold to non-controlling interests of exclusively controlled entities in a total amount of €157 million at 31 December 2023, compared with €186 million at 31 December 2022. This liability is initially measured at the present value of the estimated exercise price of the put options.

The counterpart entries for this liability are booked as decreases in the non-controlling interests underlying the options and, for the balance, a decrease in equity attributable to the owners of the parent company. The obligation to recognize a liability even though the put options have not been exercised means that, in order to be consistent, the Group has initially applied the same accounting treatment as that applied to increases in its interests in controlled entities.

If the options have not been exercised when this commitment expires, the previous entries are reversed. If the options are exercised and the buyout is made, the amount recognized as a liability is extinguished by the cash outlay associated with the buy-out of the non-controlling interests.

The detail of subsidiaries in which non-controlling interests are significant can be found in the note 1.3.8.2

5.3.3.4 Presentation of the financial statements

The summary statements are presented in the format recommended by the Autorité des Normes Comptables (French Accounting Standards Authority) in its Recommendation n° 2017-02 of 14 June 2017 on the format of consolidated financial statements for banking sector institutions applying international accounting standards.

Operating income includes all income and expense directly associated with Group operations, whether these items are recurring or result from one-off decisions or transactions, such as restructuring costs.

5.3.3.5 Estimates and judgments

To establish its financial statements, Mobilize Financial Services group has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain Notes. The Mobilize Financial Services group regularly reviews its estimates and assessments to take account of past experience and other factors deemed relevant in view of economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in future financial statements could differ from current estimates. The main items in the financial statements that depend on estimates and assumptions are the recoverable value of loans and advances to customers and allowances for impairment and provisions.

These estimates are taken into account in each of the relevant Notes.

Significant assumptions for IFRS 9 expected loss calculations:

These are close to those used for the 2022 financial year, to which is added the forecast adverse effect on the amount of provisions for the application of the new definition of default for the scope treated under the advanced method.

Forward-looking

The forward-looking provision is composed of a statistical provision and a sectoral expertise provision.

Sectoral approach

The forward-looking provision includes an industry provision to hedge the risk of certain specific business industries (including companies operating in these industries and individuals working in these companies).

At the end of December 2023, the sectors identified as risky, in particular due to rising commodity and energy prices and interest rates, were hotels, restaurants, textiles, clothing distribution and construction, added during the last review performed in October 2023.

The passenger transport sector is no longer considered a risky sector due to the post-COVID return to normality and the recovery in tourism, in particular the reopening of China, as well as the impact of public policies, such as those implemented in Germany.

The average provisioning rate for these segments was increased by applying the average of the B1 (bucket 1) provisioning rate and the B2 outstandings applied to B1 exposures. The methodology was revised because a study of the transitions from B1 to B2 showed that the payment behavior of companies and employees isn't adjusted anymore with previous provisioning rate.

The impact on 2023 amounted to €17 million, primarily attributable to a €24 million provision related to the inclusion of the construction sector. Additionally, there were reversals of €29 million due to the change in provisioning methodology, €8.5 million following the withdrawal of the transportation sector, and finally, €3 million for the expertise of the specific Individual and SME (small and medium entities) sectors in France.

The sectorial expertise provision amounts to €29.4 million at the end of December 2023, compared and €46.9 million at the end of December 2022.

Statistical approach

The statistical provision is based on three scenarios:

- “Stability”: Providing for the next three years of stability of the expected credit loss provision parameters (ECL: Expected Credit Losses), based on the latest available risk parameters;
- “Baseline”: Use of stress parameters from internal models. The projections are based on macroeconomic data used as part of the institution’s ICAAP (Internal Capital Adequacy Assessment Process), dated September 2023. This enables the PD and LGD, and therefore the ECL, to be stressed on portfolios with models;
- “Adverse”: Similar approach to the “Baseline” scenario but with the use of deteriorated macroeconomic data used in the ICAAP leading to higher ECLs.

The various scenarios are then weighted to take into account the latest OECD macroeconomic projections (change in GDP, unemployment rate and inflation) and their probability of occurrence, thus enabling the calculation of a statistical forward-looking provision (amount of the provision obtained by comparison with the IFRS 9 accounting provisions of the Stability scenario).

At the end of September 2023, the ECB’s outlook for available income growth was positive at a time when overall inflation was lower than the previous year and when labor markets remained solid. Economic growth remained moderate until the end of 2023.

The global economy is expected to perform better in 2024, as inflation slows down and labor market strengthens, with a growth of interest rates impacting already GDP growth.

Growth could be higher than expected if the labor market remains resilient and if the increase in real incomes has a positive impact on consumer and business morale.

Given that internal models are employed in calculating forward-looking statistical data, and considering the gradual normalization of the macroeconomic situation, the Baseline scenario aligns most closely with the OECD's macroeconomic projections (as at June 2023). Consequently, it remains the scenario deemed most probable.

Given the high volatility observed in 2020 and 2022 (COVID-19 crisis, lockdowns, war in Ukraine, semiconductor crisis) and the macroeconomic changes observed (accelerating inflation), the probability that the Stability scenario would occur was considered to be relatively low.

Given the gradual stabilization of the economic environment in 2023 and the announced end of monetary tightening cycles, the Stability scenario is now considered more likely. Its weighting was therefore revised upwards.

By contrast, the weighting of the Adverse scenario has been revised downward, reflecting a tendency toward macroeconomic stabilization and a convergence of OECD forecasts with those of the Baseline scenario.

As the new macroeconomic indicator projections between the OECD and the Adverse scenario are less correlated, the scenario is considered less likely than in December 2022.

	FL Weight Scenario – December 2022			FL Weight Scenario - December 2023			Variance		
Customers	Stability	Baseline	Adverse	Stability	Baseline	Adverse	Stability	Baseline	Adverse
France	0.10	0.65	0.25	0.35	0.55	0.10	0.25	(0.10)	(0.15)
Germany	0.10	0.60	0.30	0.35	0.55	0.10	0.25	(0.05)	(0.20)
Italy	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)
UK	0.10	0.65	0.25	0.35	0.50	0.15	0.25	(0.15)	(0.10)
Brazil	0.55	0.10	0.35	0.30	0.45	0.25	(0.25)	0.35	(0.10)
Spain	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)
Korea	0.10	0.65	0.25	0.35	0.50	0.15	0.25	(0.15)	(0.10)
Non-G7 (ECLAT)	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)

	FL Weight Scenario – December 2022			FL Weight Scenario - December 2023			Variance		
Dealer network	Stability	Baseline	Adverse	Stability	Baseline	Adverse	Stability	Baseline	Adverse
France	0.10	0.65	0.25	0.35	0.55	0.10	0.25	(0.10)	(0.15)
Germany	0.10	0.60	0.30	0.35	0.55	0.10	0.25	(0.05)	(0.20)
Italy	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)
UK	0.10	0.65	0.25	0.35	0.50	0.15	0.25	(0.15)	(0.10)
Brazil	0.55	0.05	0.40	0.30	0.45	0.25	(0.25)	0.40	(0.15)
Spain	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)
Korea							0.00	0.00	0.00
Non-G7 (ECLAT)	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)

Changes in the parameters used to calculate the statistical forward-looking provision at 31 December 2023:

In 2022, Mobilize Financial Services developed internal models (for portfolios where this was possible, i.e. with sufficient volume and data quality) and has been using these models to calculate the statistical forward-looking provisions since 2022.

Proxies were set up for portfolios without internal models (example of proxies used: average of results for portfolios with internal models for portfolios without internal models).

Customer financing activity

Following the changes in the way various scenarios are weighted, the statistical forward-looking provision for Customers stood at €100.2 million at the end of December 2023, compared with €99.6 million at the end of December 2022.

The France statistical Customer forward-looking provision stood at €27.8 million at the end of December 2023, compared with €33.7 million at the end of December 2022.

The OECD projects improvements in the French and German economies compared to 2022. The weighting of the Adverse scenario was reduced to 10% and that of the Stability scenario increased to 35%, justified by lower inflation and higher GDP.

In the United Kingdom and Korea, inflation has continued to fall since peaking at the end of 2022. There is a slight downward trend in GDP and unemployment rate, and it is very close to the Baseline scenario. Based on these factors, the Forward-Looking Committee decided to assign a weighting of 15% to the Adverse scenario, compared with 25% in December 2022.

For Italy and Spain, the Committee assigned a weighting of 20% to the Adverse scenario, compared with 30% in December 2022. Despite forecasts of a slowdown in GDP, unemployment and inflation rates should continue to improve in 2023 and 2024. The committee considered the Baseline scenario to be the most likely, with a weighting of 45%.

Smaller countries have historically tended to be slower to react to economic downturns. As a result, the Forward-Looking Committee decided to allocate a 20% weighting to the Adverse scenario and a 45% weighting to the Baseline scenario.

Brazil's GDP and unemployment rates have remained highly volatile in recent years. The Brazilian economy is expected to slow to 0.8% in 2023, after growing 2.9% in 2022, before recovering to 2.0% in 2024. Factors such as slower employment growth and tighter lending conditions are expected to limit consumer spending and investment. Given Brazil's historical economic uncertainty, a conservative weighting of 25% was assigned to the Adverse scenario and 30% to the Stability scenario.

Network financing activity:

The weighting of each scenario was aligned with the weightings observed on the customer financing activity.

As a result of these weighting changes, the statistical forward-looking provision for Dealer networks stood at €1.6 million at end-December 2023, compared with €1.4 million at December 2022.

The France statistical forward-looking provision for Dealer networks amounted to €0.03 million compared with €1.0 million in December 2022.

Forward-looking statistical sensitivity versus December 2022:

Applying a 100% weighting to the Stability scenario would reduce the statistical impairment by €101.3 million.

Applying a 100% weighting to the Baseline scenario would reduce the statistical impairment by €9.8 million.

Applying a 100% weighting to the Adverse scenario would increase this impairment by €224.8 million.

Total forward-looking: Customer and Dealer financing activity:

Statistical approach: €101.8 million at the end of December 2023, compared with €101.0 million at the end of December 2022.
Industry approach: €29.4 million at the end of December 2023, compared with €46.9 million at the end of December 2022.

The statistical and industry provisions stood at €131.2 million compared with €147.9 million in December 2022.

			Customers			Dealer network	Global
In millions of euros	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	12/2023
France	22	13	3				38
Spain	10	4	1	1			16
Germany	7	8	2				17
Italy	5	6					11
United Kingdom	5	4	1				10
South Korea	4	3					7
Colombia	2	5	1				8
Brazil	2	3	2				7
Morocco	4	2	1				7
Poland	1	1					2
Portugal	2						2
Austria	1						1
Other	2	1	1				4
GLOBAL	**67**	**50**	**12**	**1**			**130**

			Customers			Dealer network	Global
In millions of euros	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	12/2022
France	29	17	1	1			48
Spain	11	6	2				19
Italy	8	9	1				18
Germany	7	6	1				14
United Kingdom	10	3					13
Morocco	6	2	1				9
Colombia	2	4					6
Brazil	1	2	2				5
Austria	3	1					4
Poland	2	1					3
Portugal	2	1					3
South Korea	1	1					2
Other	1	2	1				4
GLOBAL	**83**	**55**	**9**	**1**			**148**

Provisions for appraisals (additional non-model adjustments)

Provisions based on expert opinion are recorded to reinforce the statistical depreciations made on performing and non-performing loans. In 2023, 5 categories of expert opinion provisions are established to cover a specific risk: credit risk related to customers identified as fragile, risk related to inflation, individual risk on corporate counterparties, risk of non-adequate statistical model on a type of counterparty or customer sub-portfolio, a risk of classification not adapted to the IFRS9 risk stage. At 31 December 2023, the total amount of provisions according to expert opinion was €23.8m.

Vulnerable customers

In 2022, the MFS group has put in place a system designed to preventively identify customers who may have financial difficulties in meeting their credit repayment obligations. This system makes it possible to assess the severity of the financial difficulty according to 3 grades. Of the two grades considered as the highest severity; a provision is booked: €10.9m at the end of December 2023.

Inflation risk

On the Retail portfolios, an adjustment linked to a deterioration in the solvency of customers whose cost of living is impacted by inflation has been generalized at the end of 2022. The methodology used to calibrate this adjustment consists of estimating what proportion of the portfolio in Bucket 1 would be likely to switch to Bucket 2 by stressing cost-of-living factors and covering this part of the portfolio in Bucket 1 on the basis of the Bucket 2 provisioning rate. At end-December 2023, the inflation expertise represented a provision of €27.3m, compared with €42.7m at end-2022. This provision has been revised downwards due to the structural fall in inflation and energy costs during 2023.

Individual risk on corporate counterparties

For corporate counterparties with a downgraded risk rating and exposure above a minimum threshold, an individual review is carried out. The purpose of this review is to assess the credit risk and to adjust any impairment on the exposure of the counterparty under individual review, by recording an allowance. At end-December 2023, total provisions for individual corporate counterparty risk amounted to €8.2m, compared with €14.6m at end-December 2022.

Risk of non-adequate statistical model

In certain circumstances and on an ad hoc basis , internal models based on a statistical approach incorrectly estimate expected losses. Consequently, to compensate this temporary weakness, provisions are recorded. In 2023, the main adjustment was made on the impairment of doubtful debts in the portfolio of the subsidiary Mobilize Financial Services Colombia. The amount of the expertise is a reduction of 30.4 million euros in Expected Credit Losses. At end-December 2023, the amount of provisions is a negative allowance of 19.7 million euros compared with an allowance of 19.6 million euros at end-December 2022.

Classification risk

In certain circumstances, the classification of corporate loans in stage 3 (non-performing loans) incorrectly reflects the level of expected losses. This issue arises mainly in the case of so-called technical defaults.

5.3.3.6 Loans and advances to customers and finance lease contracts

Measurement (excluding impairment) and presentation of loans and advances to customers

Sales financing receivables from end customers and dealer financing receivables come under the category of “Loans and advances issued by the company.” As such, they are initially recorded at fair value and carried at amortized cost calculated according to the effective interest rate method.

The effective interest rate (EIR) is the internal rate of return to maturity or, for adjustable-rate loans, to the nearest rate adjustment date. The discounted amount of amortization on any difference between the initial loan amount and the amount payable at maturity is calculated using the EIR.

In addition to the contractual component of the receivable, the amortized cost of sales financing receivables includes interest subsidies received from the car maker or dealer as part of promotional campaigns, handling fees paid by customers, and commissions paid for referral of business. These items, which are all factors in the return on the loan, are either deducted from or added to the amount receivable. They are recognized in the income statement as a pro-rated portion discounted at the effective interest rate for the receivables to which they apply.

Finance lease contracts, as identified by the rules described in section 1.3.3.7, "Operating leases," are in substance booked as sales financing receivables.

It should be noted that when commissions are attached to a loan or finance lease, the commissions are valued on an actuarial basis according to the contract’s EIR. These commissions are spread over the life of the contract. Indeed, these fees are directly linked to the establishment of the contract and are therefore treated as incremental costs under IFRS 9.

When commissions are “stand-alone,” they are not attached to a financing contract. These fees are recognized in accordance with IFRS 15. They are recognized in the income statement when the performance obligation is fulfilled, i.e. either at a specific point in time or on a percentage-of-completion basis (see Note 29).

Income from the resale of vehicles at the end of finance lease contracts is included under “Net income/(expense) of other activities.”

As a result, gains and losses on the resale of vehicles coming off performing lease agreements, amounts charged to or recovered from allowances for risks on residual values and gains or losses resulting from damage to vehicles less any corresponding insurance settlements are recorded under “Other income related to banking operations” and “Other expenses related to banking operations.”

Significant deterioration in risk (definition of bucketing)

Each loan or receivable, at the reporting date, is classified in a risk category depending on whether or not it has suffered significant deterioration in credit risk since its initial recognition. This classification depends on the level of the provision for expected impairment to be recognized for each instrument:

- Bucket 1: no deterioration or insignificant deterioration in credit risk since origination;
- Bucket 2: significant deterioration in credit risk since origination or non-investment grade financial counterparty;
- Bucket 3: counterparty default classification

This segmentation of outstandings by risk level, required under IFRS 9, is integrated into the credit risk monitoring and management processes of the Group’s entities and implemented in the operating systems.

The origination date is defined at the level of each loan or receivable and not at the level of the counterparty (e.g. date of entry into relationship).

The origination date is defined as follows:

- for irrevocable financing commitments, the origination date is the date of signature of the commitment or, for Dealer network financing commitments, the date of the last review of the limits;

- for outstandings on conventional loans, finance or operating leases, the date of origination is the date of the transition to management, i.e. the date on which the treatment of the financing commitment changes, and the receivable is recorded on the balance sheet.
- for Dealer network "single account" loan outstandings, the origination date will correspond to the date of the last transfer to the debit balance;
- for securities, the origination date corresponds to the purchase date.

Credit risk identification and analysis

The Mobilize Financial Services group currently uses a number of different internal rating systems:

- A Group-wide rating for borrowers in the "Dealer" segment, which is used during the various phases of the relationship with the borrower (initial approval, risk monitoring, provisioning);
- A Group-wide rating for bank counterparties, which is established on the basis of external ratings and each counterparty's level of capital;
- For the "Customer" borrowers, different acceptance scoring systems are used; these vary by affiliate and by type of financing.

As a result, the significant deterioration in credit risk is assessed at the transaction level, i.e. at the level of the financing contract (Retail and Corporate customers financing activity) or the financing line (Dealer financing activity). For portfolios with an IRB-A rating, which are the largest majority in the Group, a downgrade from Bucket 1 to Bucket 2 is made depending on the downgrading of the transaction's rating by in relation to origination.

Example: if the rating of a transaction is downgraded by x notches on the reporting date vs. the origination date, we downgrade the transaction from Bucket 1 to Bucket 2.

The number of notches "x" is determined depending on the portfolio in question.

The credit rating is not projected over the life of the transaction, nor over 12 months.

Restructured (forborne) contracts are either downgraded to Bucket 2 (performing, "viable forbearance measure") or Bucket 3 (non-performing, "distressed forbearance measure").

For portfolios using the standard method (not rated), Bucket 1 is downgraded to Bucket 2 according to different decision trees between the Retail and Dealer activities, taking into account, among other things, the presence of arrears and restructuring (forborne) contracts.

The portfolios are divided into four segments on which behavioral scores are developed: Retail, Business Customers, Large Corporations (France only), Dealer.

The score variables are specific to each country and each segment:

- Qualitative criteria: legal form of the company, age of the company, type of new vehicle/used vehicle, percentage of cash contribution, marital status, type of residence, occupation, etc.;
- Quantitative criteria: duration of outstanding arrears, period elapsed since the last deferred payment, exposure, initial financing period, usual balance sheet ratios.

Forborne exposures

The Mobilize Financial Services group uses the definition given by the European Banking Authority (EBA) in its ITS (Implementing Technical Standards) 2013/03 rev1 of 24/07/2014 to identify its forborne exposures (restructured loans).

Forbearance (loan restructuring) consists of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments.

It thus refers to cases where there is:

- a modification of the terms and conditions of a contract in order to give the customer in financial difficulties the chance to meet their commitments (such as a change to the number of repayments, extension of term, change to instalment amount, change to customer interest rate);
- a total or partial refinancing of a troubled debt contract (instead of terminating it) which would not have been granted had the customer not been in financial difficulties.

The classification of contracts as forborne exposures is separate from provisioning (for example, a contract that is forborne and returns to being considered as performing will not be provisioned and yet will be classified as a forborne exposure throughout the probation period).

Receivables whose characteristics have been commercially renegotiated with counterparties not in financial difficulties are not identified as forborne exposures.

The definition of forborne exposure is applied at the level of the individual contract ("facility") that is forborne, and not at the level of the third party (no contagion principle).

Financial difficulties however, are assessed at the debtor level.

The forbearance classification of a contract is discontinued when all of the following conditions are met:

- The contract is considered as performing and analysis of the financial condition of the debtor shows that they have recovered their creditworthiness and debt service ability;
- A minimum 2-year probation period has passed from the date the forborne exposure returned to being considered as performing;
- Regular and significant payments have been made by the debtor during at least half of the probation period;
- None of the exposures to the debtor is more than 30 days past-due at the end of the probation period.

If a contract currently considered as performing but previously classified as forborne again benefits from forbearance measures (such as an extension of term) or if any of the exposures to the debtor is more than 30 days past-due, it must be re-classified as a forborne exposure.

Impairment for credit risk

Under IFRS 9, it is no longer necessary for an operative event to occur to recognize depreciation as was the case under IAS 39 ("Incurred loss"). So any financial instruments coming within the scope of the standard are allocated depreciation for expected losses from the outset (except for ones originating or acquired if there is an event of default):

- originally, the instrument is allocated a loss in value representing the expected loss at 12 months (Bucket 1);
- in the case of significant deterioration in credit risk from the outset, the instrument is then allocated a loss in value representing expected credit losses for the full term.

Definition of Expected Credit Loss

IFRS 9 defines the ECL as the expectation of updated credit loss (in principal and interest). The expectation will form the amount of the provision allocated to a facility or portfolio.

To calculate the ECL, the standard requires the use of relevant (verified) and reasonably available internal and external information in order to make estimates of expected/forward-looking loses, including past events, current conditions and forecasts of future events and economic conditions.

Generic ECL formula:

On the basis of the above components, the ECL calculation formula used by the Mobilize Financial Services group can be given in generic form as follows:

$$ECL_{Maturity} = \sum_{i=1\,month}^{M\,month} EAD_i * PD_i^9 * ELBE_0^9 * \frac{1}{(1+t)^{i/12}}$$

With:

- **M** = maturity
- **EAD_i** = expected exposure at the time of the start of default for the year in question (taking into account any early repayments)
- **PD^9_i** = probability of default during the year in question
- **$ELBE^9_0$** = best estimate of the loss in the event of default on the facility
- **t** = discount rate

Each of the parameters is individually calibrated.

Credit losses anticipated for the next 12 months are a portion of the credit losses expected over the full term, and represent cash-flow shortfalls for the full term that would occur in the event of a default in the 12 months following the date of the financial year-end (or a shorter period if the expected term of the financial instrument is less than 12 months), weighted by the probability of a default. Consequently, the 12-month ECL is deduced from the above formula restricted to measuring parameters over the next 12 months.

So it would appear that, for contracts with a maturity of under 12 months, the provision is the same whether the transaction of classified as Bucket 1 or Bucket 2. For the Mobilize Financial Services group, it has in particular an impact on the Dealer scope as it mainly concerns short term finance.

Probability of default – PD:

The Mobilize Financial Services group capitalizes on the Basel provisions to calculate its IFRS 9 parameters.

Best estimate of loss in the event of default – ELBE IFRS 9:

IFRS 9 does not include any specific mention of the period for monitoring and collecting historic data used for calculating LGD parameters. Consequently, it is possible, for the countries concerned, to use estimates of the LGD as determined in the prudential environment in the IRB approach as starting point (adjustments are made if necessary).

Update:

The standard states that expected losses must be updated on the date of the report at the actual interest rate (AIR) for the asset (or an approximate estimate of the rate determined at initial recognition).

Because of the option allowed by the standard and bearing in mind the generic structure of the Mobilize Financial Services group's agreements, the AIR can be approximated as the rate for the agreement.

Forward-looking perspective:

IFRS 9 introduces into the credit risk-related expected loss (ECL) calculation the notion of forward looking. Through this notion, new requirements in terms of monitoring and measuring credit risk are introduced with the use of forward-looking data, in particular of macroeconomic type.

The incorporation of forward-looking data is not intended to determine a prudential margin on the amount of provisions. It mainly concerns taking account of the fact that past observations do not necessarily reflect future expectations and consequently adjustments are necessary to the amount of the provision determined on the basis of parameters calibrated exclusively on a historic basis. Such adjustments of the amount of the provision can be made either upwards or downwards and must be duly documented.

The Mobilize Financial Services group method is based on a multi-scenario (three scenarios) approach. PDs and LGDs are determined for each scenario in order to calculate the expected losses for each of them.

Macroeconomic indicators (such as GDP and long-term rates) and sector-based data are used to attach a probability of occurrence to each scenario and thus get the final forward-looking amount. Macroeconomic projections are used for all contracts in the portfolio, regardless of the product (lending, finance lease, operating lease).

In the Group, the forward-looking provision covers two components:

- The statistical provision, which takes into account macro-economic scenarios and is applied to all Customer and Dealer Network outstandings;
- The sectoral provision for Corporate Customers, whose purpose is to cover sectors identified as vulnerable (particularly the macroeconomic changes observed - accelerating inflation).

Definition of default used at Mobilize Financial Services group

Criteria for defaulting in the retail sector:

- Quantitative criterion: the absolute threshold and the relative threshold have been exceeded for more than 90 consecutive days; or
- Qualitative criterion: Unlikeliness To Pay (UTP): signs of a probable lack of payment. Namely:
  - there is one or more arrears for at least three months (in accordance with the new definition of default rules for counting arrears);
  - or the deterioration in the counterparty's financial circumstances translates into a risk of non-collection. In particular in the event of over-indebtedness/insolvency procedures, receivership, bankruptcy, compulsory liquidation, personal bankruptcy or liquidation of assets, or in the event of summons to appear before an international court;
  - or there are litigation proceedings between the establishment and its counterparty.

The quantitative criteria for default are:

a) absolute materiality threshold (SA)

- The value of the absolute threshold was set by the regulator at €500 for non-retail arrears.

The value of the absolute threshold is to be compared with all non-technical arrears of the customer (single obligor) on the day of the calculation.

The threshold is considered to be reached if ∑ (the customer's non-technical arrears on day D) > SA.

This calculation of all non-technical customer arrears must be performed on a daily basis.

Threshold value in non-euro currencies:

For countries outside the Euro zone, the absolute threshold must correspond to the equivalent of €100 and €500 in national currency.

The exchange rates applied in the Mobilize Financial Services group are always those used by Renault.

b) The value of the relative threshold was set by the ECB at 1%.

The value of the relative threshold of 1% is to be compared with the ratio sum of all of the customer's arrears on day D/Total value of the customer's balance sheet outstandings (including arrears) on day D.

This calculation must be carried out on a daily basis for arrears as well as for balance sheet outstandings.

The threshold is considered to be met if:

(∑ (Arrears day D)/∑ (Balance sheet outstandings day D)) > SR

Customer Customer

The customer's balance sheet outstandings will be calculated as follows:

OUTSTANDINGS =

+ Outstanding amounts due

– Credit balances

- Balance of security deposit

+ ICNE

+ Balance due recognized at invoicing (principal)

+ Balance due recognized at invoicing (collection costs)

+ Balance due recognized at invoicing (IR)

+ Balance not due (principal)

The definition of default for dealers is based on the presence of at least one of the following default criteria, common to the entire RCI scope:

Default:

(1) Counting of late days
(2) Inability to pay:
- one abstention
- legal and litigation proceedings
- Inventory audit anomalies
- fraud
- other indications of improbability of payment (see details below)
- contagion
- end of financial contract

(3) Judicial liquidation
(4) Forfeiture of term

For the Customers and Dealer sectors, defaulted receivables are excluded:

- disputed receivables: receivables where the customer refuses to make payment further to a dispute over interpretation of the clauses in the contract (if the customer's financial situation does not seem to be compromised);
- customers with negotiable payment terms if, and only if, there is no doubt that the debt will be collected;
- receivables that are affected by a country risk only: a receivable should not be considered as doubtful just because a country risk exists.

Overnight loan transactions with the Central Bank are included in "Cash and balances at central banks".

Rules for writing off loans

The rules on write-offs are detailed in IFRS 9 § 5.4.4: the gross book value of a financial asset is reduced when there is no reasonable expectation of the outstanding amount being repaid. Mobilize Financial Services group subsidiaries must remove from the financial statements the amount due from the counterparty on an account in loss and resume the associated depreciation when the unrecoverable nature of receivables is confirmed and so at the latest when its rights as creditor are extinguished.

In particular, receivables become irrecoverable and thus removed from the accounts if they:

- have been abandoned through negotiation with the customer in particular as part of an insolvency plan;
- are time-barred;
- have been the subject of an unfavorable court ruling (negative result of legal proceedings or litigation);
- concern a customer that has disappeared.

Transfer of bucket (complementary information)

In addition to the information already provided in the "Identification and analysis of credit risk" section, the conditions under which transactions previously classified in Bucket 2 are returned to Bucket 1 are as follows:

- retail and wholesale portfolios rated in IRB-A are returned to Bucket 1 when the rating of the transaction has improved;

- non-rated Retail portfolios under the standardized approach are returned to Bucket 1 twelve months after the date of settlement of the last unpaid rent;
- Wholesale portfolios under the standardized approach are returned to Bucket 1 when the risk status of the third party improves.

In addition, instruments classified in Bucket 3 are returned to Bucket 2 when the customer has repaid all of its outstandings and no longer meets the default criterion.

For the Retail activity, transactions can return from Bucket 3 to Bucket 2 when the customer settles its arrears.

For the Wholesale activity, any financing lines originated when the customer was in default (POCI) remain in Bucket 3. If there is a return to a healthy status, new exposures come into line with this status.

Impairment of residual values

The Mobilize Financial Services group regularly monitors the resale value of used vehicles across the board so as to optimize the pricing of its financing products.

In most cases, tables of quoted prices showing typical residual values based on vehicle age and mileage are used to determine the residual value of vehicles at the end of the contract term.

However, for contracts under which the trade-in value of the vehicle at the end of the contract term is not guaranteed by a third party outside the group, an impairment allowance is determined by comparing:

a) the economic value of the contract, meaning the sum of future cash flows under the contract plus the re-estimated residual value at market conditions on the measurement date, all discounted at the contract interest rate;

b) the carrying value on the balance sheet at the time of the measurement.

The projected resale value is estimated by considering known recent trends on the used vehicle market, which may be influenced by external factors such as economic conditions and taxation, and internal factors such as changes in the model range or a decrease in the car maker's prices.

The impairment charge is not offset by any profit on resale.

5.3.3.7 Operating leases (IFRS 16) as lessor

In accordance with IFRS 16, Mobilize Financial Services group makes a distinction between finance leases and operating leases as lessor.

The general principle that leads Mobilize Financial Services to classify its leases as "operating leases" is always that of "non-transfer" of the risks and rewards inherent in ownership. Thus, leases under which the leased vehicle will be bought back by a Mobilize Financial Services group entity at the end of the lease are classified as operating leases since most of the risks and rewards are not transferred to a third party outside the group. The classification as operating leases of lease contracts that contain a buy-back commitment from Mobilize Financial Services group also takes into account the estimated term of such leases. This lease term is far shorter than the economic life of the vehicles, which is put by the Renault Group at an estimated seven or eight years, depending on the type of vehicle. Consequently, all leases with this buy-back clause are treated as operating leases.

The classification of battery leases for electric vehicles as operating leases is justified by the fact that Mobilize Financial Services group retains the risks and rewards incidental to ownership throughout the automobile life of the batteries, which is put at between eight and ten years, and so is much longer than the lease agreements.

Operating leases are recognized as non-current assets leased out and are carried on the balance sheet at the gross value of the assets less depreciation, plus lease payments receivable and transaction costs still to be staggered. Lease payments and impairment are recognized separately in the income statement in "Net income (expense) of other activities". Depreciation does not take into account residual values and is taken into the income statement on a straight-line basis, as are transaction costs. Classification as an operating lease does not affect the assessments of counterparty risk and residual value risk.

Income from the resale of vehicles at the end of operating lease contracts is included in "Net income (or expense) of other activities".

5.3.3.8 Operating leases (IFRS 16), lessee side

Pursuant to IFRS 16, all leases are recognized in the balance sheet through the recognition of an asset representing the right of use of the leased asset, in exchange for a lease liability, corresponding to the present value of the leased assets rents to be paid over the reasonably certain term of the lease. The lease term is the non-cancellable period during which the lessee has the right to use the asset leased, to which are added the renewal options that the group is reasonably certain to exercise.

The right of use generates depreciation expenses while the existence of a debt generates financial expenses.

The group has also opted for the exemption of low-value, short-term contracts. Indeed, the Mobilize Financial Services group applies IFRS 16 only to its leases deemed material. These contracts are mainly represented by material real estate leases in certain subsidiaries and vehicle leases held solely by its subsidiary Bipi.

In fact, in the course of 2021, the group acquired Bipi, a platform offering car subscription packages; "Car subscription". Bipi, through partnerships with long-term rental companies, chooses vehicles to put in its own window. This entity leases vehicles from these lessors for a minimum period of 24 months and a maximum of 36 months (Bipi therefore pays a monthly rent to the lessors, including services) without any residual value commitment and returns the vehicles to the lessors at the end of the contractual term.

Subsequently, Bipi sub-leases these vehicles (through its platform) to end customers with a mark-up that depends on the duration of the contract and therefore on the flexibility left to the customers (i.e. 3 month up to a maximum of 36 months) and takes care of the letting arrangements.

In view of this significant new activity, the Mobilize Financial Services group has activated its movable property contracts under IFRS 16.

5.3.3.9 Transactions between Mobilize Financial Services and Renault Group and the Nissan and Mitsubishi brands

Transactions between related parties are conducted following terms equivalent to those prevailing in the case of transactions subject to conditions of normal competition if these terms can be substantiated.

The Mobilize Financial Services group helps to win customers and build loyalty to Renault Group brands, and Nissan and Mitsubishi brands, by offering financing and providing services as an integral part of their sales policy.

The main indicators and cash flows between the two entities are as follows:

Sales support

At 31 December 2023, the Mobilize Financial Services group had provided €21,187 million in new financing (including cards) compared with €18,232 million at 31 December 2022.

Relations with the dealer network

The Mobilize Financial Services group acts as a financial partner to maintain and ensure the sound financial health of the Groupe Renault, and Nissan and Mitsubishi brands distribution networks.

At 31 December 2023, dealer financing net of impairment allowances amounted to €11,641 million, compared with €10,429 million at 31 December 2022.

At 31 December 2023, €276 million was finance directly granted to subsidiaries or branches of Renault Group compared with €489 million at 31 December 2022.

At 31 December 2023, the dealer network had received, as business introducers, remuneration of €804 million compared with €764 million at 31 December 2022.

Relations with the car makers

The Mobilize Financial Services group pays the car maker for vehicles delivered to dealers for which it provides financing. Conversely, at the end of the contract, the Renault Group pays the Mobilize Financial Services group for vehicles taken back under financial guarantees made by the car maker. These transactions generate substantial cash flows between the two groups.

Under their trade policies and as part of promotional campaigns, the manufacturers help to subsidize financings granted to customers by the Mobilize Financial Services group. At 31 December 2023, this contribution amounted to €747 million against €357 million at 31 December 2022.

5.3.3.10 Recognition and measurement of the securities portfolio

RCI Banque S.A.'s portfolio of securities is classified according to the financial asset categories specified in IFRS 9.

Securities measured at fair value through P&L (FV P&L)

UCITSs and FCPs (units in funds) are deemed non SPPI and so will be valued at fair value by result.

Shares in companies neither controlled nor under significant influence also come into this category and are valued by result.

The fair value of financial assets is determined as a priority by reference to the market price, or, which failing, on the basis of valuation methods not based on market data.

Securities measured at fair value through OCI (FV OCI)

This category includes securities that are managed under a collect-and-sell business model and pass the SPPI tests at Mobilize Financial Services group. It concerns debt instruments.

These securities are measured at fair value (including accrued interest). Changes in value (excluding accrued interest) are recognized in the revaluation reserve directly in equity. Depreciation on this type of share follows the models recommended by IFRS 9 according to the ECLs.

5.3.3.11 Fixed assets (IAS 16/IAS 36)

Non-current assets are recognized and depreciated using the component approach. The components of an asset item, especially a complex asset, are treated as separate assets if their characteristics or useful lives are different, or if they generate economic benefits at different rates.

Property, plant and equipment is measured at historical acquisition cost less accumulated depreciation and impairment losses, if any.

Non-current assets other than land are generally depreciated on a straight-line basis over the following estimated useful lives:

Buildings	15 to 30 years
Other tangible non-current assets	4 to 8 years

Intangible assets are mainly software, amortized on a straight-line basis over three years.

5.3.3.12 Income taxes (IAS 12)

The restatements of the annual financial statements of companies included in the scope of consolidation, made to bring them into line with IAS standards for financial reporting purposes, and the tax deferrals allowed in the statutory statements filed for tax purposes, give rise to timing differences in the recognition of income for tax and financial reporting purposes. A timing difference is also recognized whenever the book value of an asset or liability differs from its value for tax purposes.

These differences give rise to the recognition of deferred taxes in the consolidated financial statements. Under the liability method used by Mobilize Financial Services group, deferred tax expense is calculated by applying the last tax rate in effect at the closing date and applicable to the period in which the timing differences will be reversed. Within a given taxable entity (company, establishment, or tax consolidation group), deferred tax assets and liabilities are presented on a net basis whenever the entity is entitled to offset its tax receivables against its tax payables. Deferred tax assets are written down whenever their utilization is unlikely.

For fully consolidated companies, a deferred tax liability is recognized for taxes payable on advance dividend distributions by the group.

5.3.3.13 Pension and other post-employment benefits (IAS 19)

The plans give rise to the recognition of provisions and concern: France, Switzerland, the United Kingdom, South Korea, Italy and Austria.

Overview of plans

The Mobilize Financial Services group uses different types of pension and post-employment benefit plans:

Defined benefit plans:

Charges are booked to provisions for these plans to cover:

- indemnities payable upon retirement (France);
- supplementary pensions: the main countries using this type of plan are the United Kingdom and Switzerland;
- mandated savings plans: this type of plan is used in Italy.

Defined-benefit plans are in some cases covered by funds. Such funds are subject to periodic actuarial valuation by independent actuaries. The value of such funds, if any, is deducted from the corresponding liability.

The Mobilize Financial Services group affiliates that use external pension funds are RCI Financial Services Ltd and RCI Finance SA.

Defined contribution plans:

In accordance with the laws and practices of each country, the group makes salary-based contributions to national or private institutions responsible for pension plans and provident schemes.

Such plans and schemes release the group from any later obligations, as the national or private institution is responsible for paying employees the amounts owed to them. Payments by the group are booked as expenses for the period to which they refer.

Valuation of liabilities for defined benefit plans

With respect to defined-benefit plans, the costs of post-employment benefits are estimated using the projected unit credit method. Under this method, benefit rights are allocated to periods of service according to the plan's vesting formula, taking into account a linearizing effect when rights are not vested uniformly over subsequent periods of service.

The amounts of future benefits payable to employees are measured on the basis of assumptions about salary increases, retirement age and mortality, and then discounted to their present value at a rate based on interest rates on the long-term bonds of top-grade issuers and on the estimated average term of the plan measured.

Actuarial gains or losses resulting from revision of the assumptions used in the calculation and experience-related adjustments are recognized as items of other comprehensive income.

The net expense of the period, corresponding to the sum of the cost of services rendered plus any past service costs, and to the cost of accretion of provisions less the return on plan assets is recognized in the income statement under personnel expenses.

Details by country are given in the notes to the balance sheet.

5.3.3.14 Translation of financial statements of foreign companies

The presentation currency used by the group is the euro.

As a general rule, the functional currency used by foreign companies is their local currency. In cases where the majority of transactions are conducted in a currency other than the local currency, that currency is used.

The financial statements of the group's foreign companies are drawn up in their functional currency, and then translated into the group's presentation currency as follows:

- balance sheet items other than equity, which are held at the historic exchange rate, are translated at closing exchange rates;
- income statement items are translated at the average rate for the period, said rate being used as an approximation applied to underlying transactions, except in the event of significant fluctuations;
- translation adjustments are included as a separate component of consolidated equity and do not affect income.

Goodwill and measurement differences realized when combining with a foreign company are treated as assets and liabilities of the acquired entity.

When a foreign company is disposed of, the translation differences in its assets and liabilities, previously recognized in equity, are recognized in the income statement.

To determine whether a country is in hyperinflation, the group refers to the list published by the AICPA (American Institute of Certified Public Accountants) International Task Force. Argentina and Turkey, where Mobilize Financial Services group has significant business, are on the list. The IFRS, IAS 29 "Financial information in hyperinflationist economies", requires revaluation of financial assets for the financial year in which hyperinflation appears. This requires restatements in individual accounts for the companies concerned so that uniform information is published. These individual restated financial statements are then incorporated into the group's consolidated accounts. As the currency is suffering from hyperinflation, the conversion rate is devaluing; restatements made in local accounts partially neutralize, in the consolidated accounts, the impacts of such devaluation. For Argentine companies, a revaluation has been made in the profit and loss account in accordance with the IPC indicator. The counterparty for revaluation restatement due to hyperinflation is given in the result as inflation exposure. The effect of the Turkish entity on the contribution to the financial statements of the Mobilize Financial Services group is presented in the share in net income of associates and joint ventures.

5.3.3.15 Translation of foreign currency transactions

Transactions made by an entity in a currency other than its functional currency are translated and booked in the functional currency at the rate in effect on the date such transactions are made.

On the statement closing date, cash assets and liabilities in currencies other than the entity's functional currency are translated at the exchange rate in effect on that date. Gains or losses from such foreign currency translation are recorded in the income statement.

5.3.3.16 Financial liabilities

The Mobilize Financial Services group recognizes financial liabilities consisting of bonds and similar obligations, negotiable debt securities, securities issued as part of securitization transactions, amounts owed to credit institutions and savings deposits from customers.

Any issuance costs and premiums on financial liabilities are amortized on an actuarial basis over the term of the issue according to the effective interest rate method.

When first recognized, financial liabilities are measured at fair value net of transaction costs directly attributable to their issuance.

At each closing, financial liabilities are measured at amortized cost using the effective interest rate method, except when specific hedge accounting procedures are applicable. The financial expenses calculated in this way include issuance costs and issue or redemption premiums.

Financial liabilities covered by a fair value hedge are accounted for as described in: Derivatives and hedge accounting.

The group's medium-term and long-term issuance programs do not feature any clauses that might lead to acceleration of maturity of the debt.

5.3.3.17 Structured products and embedded derivatives

The group engages in a small number of structured transactions. These issues are hedged by derivatives so as to neutralize the embedded derivative and thereby obtain a synthetic adjustable-rate liability.

The only embedded derivatives identified within the Mobilize Financial Services group correspond to indexing clauses contained in structured bond issues. When embedded derivatives are not closely related to the host contract, they are measured and recognized separately at fair value. Changes in fair value are then recognized in the income statement. The structured issue with the embedded derivative extracted, i.e. the host contract, is measured and recognized at amortized cost.

Structured issues are associated with swaps of assets, whose characteristics are strictly identical to those of the embedded derivative, thereby providing an effective economic hedge. However, embedded derivatives that are separated from the host contract and swaps associated with structured issues are accounted for as if held for trading purposes.

5.3.3.18 Derivatives and hedge accounting

Risks

The Mobilize Financial Services group's management of financial risks (interest-rate risk, currency risk, counterparty risk and liquidity risk) is described in the "Financial risks" appendix of this document.

The Mobilize Financial Services group enters derivative contracts as part of its currency and interest-rate risk management policy. Whether or not these financial instruments are then accounted for as hedging instruments depends on their eligibility for hedge accounting.

The financial instruments used by the Mobilize Financial Services group can be classified as fair value hedges or cash flow hedges. A fair value hedge protects against changes in the fair value of the assets and liabilities hedged. A cash flow hedge protects against changes in the value of cash flows associated with existing or future assets or liabilities. The Mobilize Financial Services group applies the IFRS 9 provisions to designate and monitor its hedging relationships.

Measurement

Derivatives are measured at fair value when first recognized. Subsequently, fair value is re-estimated at each closing date.

In accordance with IFRS 13 "Fair Value Measurement", fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At initial recognition in the accounts, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability (exit price).

- The fair value of forward currency agreements and currency swaps is determined by discounting cash flows at market interest rates and exchange rates at the closing date. It also incorporates the measurement of interest rate and currency swap "base" effects.
- The fair value of interest-rate derivatives represents what the group would receive (or would pay) to unwind the running contracts at the closing date, taking into account unrealized gains or losses as determined by current interest rates at the closing date.

Credit adjustment

An adjustment is booked on the valuation of OTC derivative portfolios, excluding those cleared by a CCP, for counterparty credit risk (or CVA, Credit Valuation Adjustment) and own credit risk (or DVA, Debt Valuation Adjustment).

Exposure (EAD – Exposure at Default) is approximated by the mark-to-market (MTM) plus or minus an add-on, representing potential future risk and taking into account netting agreements with each counterparty. This potential future risk is estimated using the standard method recommended by French banking regulations (Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, Article 274 on capital adequacy requirements applicable to credit institutions and investment companies).

Loss Given Default (LGD) is estimated by default at 60%.

Probability of default (PD) is the probability of default associated with each counterparty's CDS (Credit Default Swaps). In certain countries, if this information is unavailable, the approximated probability of default is that of the counterparty's country.

Fair value hedge

The Mobilize Financial Services group has elected to apply fair value hedge accounting for hedging interest-rate risk on fixed rate liabilities using a receive fixed/pay variable swap or cross currency swap.

Fair value hedge accounting is applied on the basis of documentation of the hedging relation at the date of implementation and of the results of fair value hedge effectiveness tests, which are performed at each balance sheet date.

Changes in the value of fair value hedging derivatives are recognized in the income statement.

For financial liabilities covered by a fair value hedge, only the hedged component is measured and recognized at fair value. Changes in the value of the hedged component are recognized in the income statement. The unhedged component of these financial liabilities is measured and recognized at amortized cost.

If the hedging relationship is terminated before the end of its term, the hedging derivative is classified as an asset or liability measured at fair value through profit or loss, and the hedged item is recognized at amortized cost in an amount equal to its last fair value measurement.

Cash flow hedge

The Mobilize Financial Services group has elected to apply cash flow hedge accounting in the following cases:

- hedging interest-rate risk on variable rate liabilities using a receive variable/pay fixed swap, enabling them to be backed by fixed rate assets;
- hedging interest-rate risk on fixed rate liabilities and pay variable/pay fixed swap by using a pay-fixed/ receive-variable swap;
- hedging future or probable cash flows in foreign currency.

Cash flow hedge effectiveness tests are performed at each balance sheet date to ensure that the relevant transactions are eligible for hedge accounting. The group calculates a hedging ratio to ensure that the nominal amount of the hedges does not exceed the nominal amount hedged. For the second type of hedging, the test performed entails ascertaining that interest-rate exposure on the cash flows from reinvestment of non-derivative financial assets is indeed reduced by the cash flows from the derivatives used for hedging.

Changes in the value of the effective part of cash flow hedging derivatives are recognized in equity, in a special revaluation reserve account.

Derivatives at fair value through profit or loss

This line item includes transactions not eligible for hedge accounting and currency hedging transactions to which the Mobilize Financial Services group has preferred not to apply hedge accounting.

Changes in the value of these derivatives are recognized in the income statement.

5.3.3.19 Operating segments (IFRS 8)

Segment reporting is presented in the annual financial statements in accordance with IFRS 8 "Operating Segments".

The Mobilize Financial Services group is tasked with offering a comprehensive range of financing products and services to its two core markets: end Customers (Retail and Corporate) and the Renault Group brands and Nissan and Mitsubishi brands Dealer network. These two segments have different expectations, needs and demands, and so each require a specific approach in terms of marketing, management processes, IT resources, sales methods and communication. The group's organization has been fine-tuned to perfectly match these two customer bases, to strengthen its steering and support role.

In accordance with IFRS 8, segmentation by market has therefore been adopted as the operating segmentation method. This is in line with the strategic focus developed by the company. The information presented is based on internal reports sent to the group Executive Committee, identified as the "chief operating decision maker" under IFRS 8.

A breakdown by market is thus provided for the main income statement as well as for average performing loan outstandings in the corresponding periods.

Since 1 January 2009, as decided by the Executive Committee, the formerly separate Retail and Corporate segments have been consolidated into the single "Customer" segment. The breakdown of operating segments as required by IFRS 8 has followed the same segmentation.

The Dealer network covers financing granted to the Renault Group and Nissan and Mitsubishi brand dealer networks. The Customer segment covers all financing and related services for all customers other than Dealers. Results are presented separately for each of these two market segments. Refinancing and holding activities are grouped together under "Other activities".

Renault, Nissan, Dacia, Samsung and Datsun sales financing activities have been combined.

Business	Customers	Dealer network
Lending	√	√
Finance Lease	√	NA
Operating Lease	√	NA
Services	√	NA

5.3.3.20 Insurance

Since 1 January 2023, the accounting policies and measurement rules specific to assets and liabilities generated by insurance contracts issued by consolidated insurance companies have been established in accordance with IRRBB1.

Other assets held and liabilities issued by insurance companies follow the rules common to all of the group's assets and liabilities and are presented in the same balance sheet and consolidated income statement items.

Assets dedicated to insurance:

The primary objective of the group's investment strategy is to protect and preserve its assets, with all investment decisions to be made in accordance with the "prudent person" principle, while seeking an adequate return to ensure that investments are made in the best interests of policyholders.

In this respect, the insurance business investment portfolio can be considered conservatively managed as it is largely composed of corporate, sovereign and supranational bonds, term loans as well as demand deposits. The group continued to diversify its holdings in investment-grade corporate bonds, favoring issuers with an ESG rating meeting the Carbon Disclosure Project (CDP) criteria (see Note 4 Financial assets).

It should be noted that bonds and term loans are held to maturity in accordance with the group's business model policy of "inflows".

Technical liabilities on insurance contracts:

Please see section 1.3.3.2 regarding IFRS 17.

Income statement:

The income and expenses recognized for the insurance contracts issued by the group appear in the income statement in "Net income of other activities" and "Net expense of other activities".

Risk management:

The group's insurance risk appetite related to the insurance business is "Moderate". Although insurance is not the core business of Mobilize Financial Services, it does make a significant contribution to the group's net income.

The group adopts a "prudent approach" to its management of the risks to which it could be exposed through its insurance activities. The main risks associated with this activity are as follows:

Underwriting risks (technical risks)

Technical risks include potential losses related to:

- poor product design and definition of guarantees,
- inadequate pricing,
- non-compliance with underwriting rules
- an unfavorable policyholder risk profile (age structure, etc.),
- a drift in the underlying claims frequency,
- an increase in contract cancellations and surrenders,
- inadequate reinsurance coverage.

The risks underwritten (death, disability/incapacity, unemployment, total loss of the financed vehicle) exhibit low volatility and are insured for short periods aligning with the financing terms. In addition, portfolio diversification by geographic area reduces risk. The risk profile is therefore moderate. Moreover, insurance products and their distribution are subject to periodic reviews in accordance with regulatory oversight and product governance requirements. Technical indicators are in place to monitor the structure of the insured portfolio, claims frequency and surrender rates, thereby identifying any potential deviations.

Liquidity risk

Insurance company don't have financial debt. The company's main financial liabilities are short-term debt. Most exposure to liquidity risk comes from the need to settle future obligations relating to insurance technical provisions (these commitments to clients are more than one year) and other liabilities such as income tax and other amounts due. To fulfill these obligations, the group has established stringent criteria for analyzing its liquidity, relying on an asset-liability analysis in a run-off scenario of the insurance portfolios. This analysis is updated every quarter. In addition, the Group only invests in highly liquid assets, reinforcing its security profile.

It has no exposure to illiquid assets such as equities, real estate, equity investments, unlisted assets, etc.

Counterparty risk

As stated above, the insurance company only invests in assets (bank deposits, sovereign bonds, supra or agencies or corporate bonds) of quality investment grade with low credit risk.

Interest rate risk

With the implementation of IFRS 17, the insurance companies' entire balance sheets are now subject to interest rate risk. Financial assets are assessed at "market value" (IFRS 9), while technical provisions for insurance liabilities are appraised at "fair value" (IFRS 17). Changes in the yield curve therefore lead to volatility in the financial statements. However, this volatility is contained and has a limited economic impact. Indeed, the financial assets are at fixed rates and held to maturity, the insurance commitments in the portfolio of outstanding contracts have a short average maturity of around 24 months and the investment policy is based on assets-liabilities. The insurance portfolios do not include contracts with policyholder bonuses.

In addition, the group does not rely on external refinancing for insurance activities.

All these risks are monitored in detail in insurance companies' ORSA (Own Risk & Solvency Assessment) reports. This involves measuring their potential impact on insurance company solvency, as part of stress-testing.

5.3.3.21 Cash flow statement

The cash flow statement is presented on the basis of the indirect method model. The operating activities are representative of the Mobilize Financial Services group's income-generating activities. Tax flows are presented with operating activities in full.

Investing activities represent cash flows for the acquisition and disposal of interests in consolidated and non-consolidated companies, and non-current tangible and intangible assets.

Financing activities result from changes related to transactions bearing on the financial structure of equity and long-term borrowings.

Net cash includes cash, receivables and debts with central banks, as well as accounts (assets and liabilities) and sight loans with credit institutions.

5.3.4 Adapting to the economic and financial environment

In a mixed economic environment, the Mobilize Financial Services group continues to implement a prudent financial policy and reinforces its liquidity management and control system.

Liquidity

The Mobilize Financial Services group pays great attention to diversifying its sources of access to liquidity. Since the start of the financial crisis, the company has largely diversified its sources of funding. In addition to its traditional bond investor base in euros, new investment areas have also been successfully worked.

By extending the maximum maturities of its issues in Euros to eight years, new investors looking for longer-term assets have been reached. In addition, the group has access to the bond markets in multiple currencies, whether to finance European assets or to support its development outside Europe.

Recourse to funding through securitization transactions in private and public format also helps to expand the investor base.

Lastly, the deposit collection activity, launched in February 2012, completes this diversification and strengthens the long-term structural liquidity ratio (NSFR).

Oversight of the Mobilize Financial Services group’s liquidity risk takes into account EBA recommendations on the Internal Liquidity Adequacy Assessment Process (ILAAP) and is based on the following components:

- **risk appetite:** This component is determined by the Board of Directors’ Risk Committee;
- **refinancing:** The funding plan is constructed with a view to diversifying access to liquidity by product, by currency and by maturity. Funding requirements are regularly reviewed and clarified so that the funding plan can be adjusted accordingly;
- **liquidity reserve:** The company’s aim is to have available at all times a liquidity reserve consistent with its appetite for liquidity risk. The liquidity reserve consists of confirmed lines of credit, assets eligible as collateral in European Central Bank monetary policy transactions, High Quality Liquid Assets (HQLA), and financial assets. It is reviewed every month by the Finance Committee;
- **transfer prices:** Refinancing for the group’s European entities is mainly delivered by the group Finance and Treasury division, which centralizes liquidity management and pools costs. Internal liquidity costs are reviewed at regular intervals by the Finance Committee and are used by sales subsidiaries to construct their pricing;
- **stress scenarios:** Every month, the Finance Committee is informed of the length of time for which the company would be able to maintain its business activity using its liquidity reserve in various stress scenarios. The stress scenarios used include assumptions about runs on deposits, loss of access to new funding, partial unavailability of certain components of the liquidity reserve, and forecasts of new gross lending. Assumptions about runs on deposits under stress are very conservative and are regularly back-tested;
- **emergency plan:** An established emergency plan identifies the steps to be taken in the event of stress on the liquidity position.

Credit business risk

The economic environment in 2023 in the main countries where Mobilize Financial Services Group operates was stable, except for Colombia, where high inflation severely affected households' ability to repay their debts. As a result, write-downs on loans to Colombian households have risen sharply for the banking sector. For Mobilize Financial Services Group, this situation explains the deterioration in 2023 in the ratio of non-performing loans (outstanding loans in default), which stood at 2.52% at the end of December 2023, compared with 2.44% at the end of December 2022.

The MFS Group's appetite for credit risk remains moderate and is aimed at maintaining the quality of customer loans in line with the Group's profitability.

Profitability

The Mobilize Financial Services group regularly reviews the costs of internal liquidity used to price customer transactions, thereby maintaining a margin on new lending in line with budget targets. Similarly, the pricing of financing granted to dealers is indexed on an internal base rate reflecting the cost of borrowed resources and liquidity cushions needed for business continuity.

Governance

Liquidity indicators are the subject of particular scrutiny at each monthly Financial Committee meeting.

The Country Management Committees also monitor risk and instant projected margin indicators more systematically, thereby supplementing the routine assessments of subsidiary profitability.

Exposure to non-commercial credit risk

Financial counterparty risk arises from the investment of cash surpluses, invested in the form of short-term bank deposits with leading banks, investments in money market funds, the purchase of bonds issued by governments, supranational issuers, government agencies, and corporate bonds with an average duration of less than one year at 31 December 2023.

All these investments are made with counterparties of superior credit quality previously authorized by the Finance Committee. The Mobilize Financial Services group pays close attention to diversifying its counterparties.

Furthermore, to meet regulatory requirements resulting from implementation of the 30-day liquidity coverage ratio (LCR), the Mobilize Financial Services group invests in liquid assets as defined in the European Commission’s Delegated Act. These liquid assets mainly consist of deposits with the European Central Bank and securities issued by governments or supranational issuers held directly. The average duration of the securities portfolio was less than one year.

In addition, RCI Banque S.A. has also invested in a fund whose assets consist of debt securities issued by European agencies and sovereigns and by supranational issuers. Targeted average exposure to credit risk is six years with a limit at nine years. The fund is aiming for zero exposure to the interest rate risk with a maximum of two years.

In addition, interest rate or foreign exchange hedging transactions using derivatives may expose the company to counterparty risk. In Europe, where the group is subject to EMIR regulations, derivatives are subject to counterparty risk mitigation techniques through bilateral collateral exchange or registration in a clearing house. Outside Europe, the group pays close attention to the credit quality of the bank counterparties it uses for derivatives.

Macroeconomic environment

To combat inflation, Central Banks continued their monetary tightening policies in the first half of 2023. This period was also characterized by a resurgence of volatility in financial markets, featuring episodes of risk aversion, particularly in response to challenges faced by certain US regional banks and during budget discussions on US deficits. In the second half of 2023, as inflation eased and economies demonstrated increased resilience, Central Banks ended the rate hike cycle. The movement was initiated by the FED when it maintained its key rates in July. Subsequently, the ECB became the last central bank to raise rates in September. The ECB's objective is to reach a level deemed sufficiently high to curb inflation, while preserving an economy showing signs of slowdown. By the end of 2023, the monetary policy cycle entered a new phase, characterized by a diminishing risk of recession alongside escalating geopolitical and fiscal risks.

In the United States, despite ongoing inflationary pressures and a resilient labor market, key rate hikes continued into July, after pausing in June (+100 bps since December 2022, +525 bps since January 2022).

In the middle of the first half-year, financial markets went through a phase of volatility and risk aversion. After a period of rising interest rates, some banks, possessing significant bond portfolios with unrealized capital losses, had a weakened balance sheet. The US authorities have put in place rescue measures to protect the depositors of these institutions. At the end of May, the improvement in economic statistics (lower inflation and producer prices, less pressure on the job market) led the FED to hold its key rates steady at its June meeting.

The second half of the year saw a notable acceleration in US economic expansion (GDP was up +4.9% in the third quarter and +2.9% year-on-year) and mounting awareness of the scale of government deficits (new debt ceiling crisis and country rating downgrades). Between July and October, the increase in long-term rates prompted the FED to keep its key rates unchanged, considering that they had an effect equivalent to a monetary tightening. The robustness of the US economy is confirmed by year-end data, allowing the FED to confirm the suspension of rate hikes at its December meeting. Inflationary pressures are easing (3.1% in November), while the job market is normalizing. Unemployment rose to 3.9% in November, compared with 3.6% at the end of June and the annual average. Job creation fell significantly to 150,000 in the third quarter compared to an average of 240,000 in 2023). Markets reacted strongly to this new monetary policy stance. At the end of December, they expected a reduction of 150 bps over the coming 12 months, with the first cut in March 2024.

In Europe, the ECB raised its key rate at every Governing Council meeting from February to September 2023 (+200 bps between December 2022 and September 2023, +450 bps since the start of the tightening cycle initiated in July 2022) and started to reduce its balance sheet from early March 2023, as announced in December 2022. The "APP" asset purchase program portfolio was thus reduced by an average of €15 billion per month. As in the United States, European markets experienced significant volatility in the middle of the half-year.

Striking a balance between price stability and financial stability has been the ECB's priority in its monetary policy decisions. From September onwards, the ECB indicated its preference for keeping rates high for an extended period, aiming to combat inflation and mitigate economic risks. Economic indicators for the second half of the year were mixed. While inflation seems to be under control and is falling sharply (+2.4% in November, +5.5% in June vs. +8.6% in January), the economy is exhibiting signs of weakness (GDP: +0.1% at the end of September vs. +1.8% at the end of 2022). At its final meeting of the year, the ECB resolved to reduce PEPP reinvestments from the second half of 2024 (monthly average of -€7.5 billion) and to cease all reinvestments from 1 January 2025. At the end of December, the markets expected rates to remain at existing levels until Q2 2024 and a decrease of 160 bps by the end of 2024.

The Bank of England (BoE), one of the first central banks to initiate the monetary tightening cycle, raised its key rate by 175 bps between January and August 2023, bringing it to 5.25%, i.e., a total increase of 515 bps since the start of the monetary tightening cycle in December 2021. Inflation, while still high, exhibited significant improvement towards year-end (3.9% in November, 8.9% in September, compared with 13.4% in January), and the UK economy remains delicate (GDP at -0.1% for the quarter, -0.4% in private consumption). At the end of December, the market expected the continuation of current rates until H2 2024 and a 150-bp reduction within a year.

Following a divergence in short-term rates during the first half of the year, sovereign rates on long maturities exhibited a significant spread in October, only to revert to their early-September levels by year-end. German 2-year bond yields increased by 51 bps in H1 and decreased by -28 bps since the beginning of the year (2.39% at the end of 2023 compared with 2.67% at the beginning of 2023). In the meantime, German 10-year government bond yields were at 2.02% at the end of December 2023, having peaked at 3% in mid-October (2.39% at the end of June, and 2.44% at the beginning of 2023). Yields on US bonds have risen by 53 bps over the 2 year period and 14 bps over the 10 year period since the beginning of 2023, reaching 4.25% and 3.88% respectively at the end of December 2023 (compared with 4.38% and 3.7% at the beginning of 2023).

Despite a few periods of sharp decline (March and October 2023), equity markets continued their recovery that began in the fourth quarter of 2022. The Eurostoxx 50 and the S&P 500 are up +19% and +24.2% respectively year-to-date. After an episode of volatility in the middle of the half-year, during which the IBOXX Corporate Bond Euro index reached a high of 115.6 bps, the index stood at 91 bps at the end of December 2023, a level very close to that observed at the end of 2022.

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5.3.5 Refinancing

In this context, the Group issued the equivalent of €3.9 billion on the bond market in 2023. In particular, it launched its second green bond issue for €750 million. The success of this operation shows that the Group's ESG strategy is appreciated by the market and confirms Mobilize Financial Service's commitment to the fight against climate change. The group also issued 200 million Swiss francs with a five-year maturity and five tranches of €750 million, with maturities of 3, 3.5, 4, 5 and 6 years, respectively.

In the securitization market, the group placed two public transactions in 2023. The first transaction placed €719 million worth of securities backed by car loans granted by its German branch. The second transaction issued for €737 million (including 100 million euros senior retained notes) worth of securities backed by automotive lease-to-purchase plans (LOA) outstandings backed by DIAC in France. The revolving period for private securitizations of car loans in the United Kingdom, leasing in Germany, and the residual value component of lease-to-purchase plans (LOA) in France extended for an additional year. Their amounts increased to £600 million in the United Kingdom, €400 million in Germany and €400 million in France.

The retail savings activity proved to be very dynamic and competitive in terms of resources collected. Deposits mitigated the impact of the rising costs of market funding, thus demonstrating the relevance of the financing diversification strategy initiated over 10 years ago. Savings deposits received increased by €3.8 billion since the beginning of the year, to stand at €28.2 billion.

These resources, together with €4.4 billion in undrawn confirmed bank lines, €5.4 billion in collateral eligible for Central Bank monetary policy operations, and €4.6 billion in highly liquid assets (HQLA), enable the Mobilize Financial Services group to maintain the financing granted to its customers for more than 12 months without access to external liquidity. As at 31 December 2023, the Mobilize Financial Services group's liquidity reserve (European scope) stood at €14.6 billion.

RCI Banque's overall sensitivity to interest rate risk remained below the group's limit of €70 million.

As at 31 December 2023, a parallel rise in rates [1] would have an impact on the group's net interest income (NII) of -€4.5 million, with the following contribution by currency:

- -€5.4 M in EUR;
- +€0.2 M in CHF;
- + €0.7 M in MAD;
- -€1.3 M in GBP;
- -€0.6 M in PLN;
- +€0.2 M in COP.

The sum of the absolute values of the sensitivities to a parallel interest rate shock [1] in each currency amounts to €10.9 million.

Groupe RCI Banque's consolidated transactional foreign exchange position [2] was €17.9 million at the end of December.

5.3.6 Regulatory requirements

In accordance with the prudential banking regulations transposing EU Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV) and EU Regulation 575/2013 into French law, the Mobilize Financial Services group is subject to compliance with the solvency ratio and liquidity ratios, Risk division ratio and balance sheet balancing (leverage ratio). At 31 December 2023, the ratios calculated did not reveal any non-compliance with regulatory requirements.

1) Since 2021 and in accordance with the guidelines of the regulator (IRRBB Guidelines of 2018), the magnitude of interest rate shocks depends on the currency. As of 30 June 2023, interest rate shocks applied for each currency were: +100 bps for EUR, CHF, DKK and MAD; +150 bps for SEK and GBP; +200 bps for CZK; 250 bps for HUF; + 300 bps for RON, COP, PLN and BRL; +350 bps for BRL; +500 bps for ARS and RUB.

2) Foreign exchange position excluding holdings in the share capital of subsidiaries.

5.3.7 Notes to the consolidated financial statements

NOTE 1 Segment information

1.1 Segmentation by market

In millions of euros	Customers	Dealer network	Other	Total 12/2023
Average performing loan outstandings	39,195	10,488		49,683
Average performing asset	40,684	10,488		51,172
Net Banking Income	1,543	342	76	1,961
Gross operating income	999	278	(28)	1,249
Operating income	838	287	(29)	1,096
Pre-tax income	778	286	(30)	1,034

In millions of euros	Customers	Dealer network	Other	Total 12/2022
Average performing loan outstandings	36,936	6,443		43,379
Average performing asset	38,283	6,443		44,726
Net Banking Income	1,557	215	244	2,016
Gross operating income	1,033	160	185	1,378
Operating income	817	181	185	1,183
Pre-tax income	662	181	182	1,025

A breakdown by market is provided for the main income statement as well as for average performing loan outstandings in the corresponding periods.

At the Net Banking Income level, given that most of the Mobilize Financial Services group's segment income comes from interest, the latter are shown net of interest expenses.

The earnings of each business segment are determined on the basis of internal or fiscal analytical conventions for intercompany billing and valuation of funds allocated. The equity allocated to each business segment is the capital effectively made available to the affiliates and branches and then divided among them according to internal analytical rules.

Average performing loan outstandings is the operating indicator used to monitor outstandings. As this indicator is the arithmetic mean of outstandings, its value therefore differs from the outstandings featuring in the Mobilize Financial Services group's assets, as presented in Notes 6 and 7: Customer finance transactions and similar/Customer finance transactions by business segment.

Average Performing Assets (APA) is another indicator used to monitor outstandings. It is equal to average performing outstandings plus assets arising from operating lease operations.

For Retail customers, it means the average of performing assets at end-period. For Dealers, it means the average of daily performing assets.

1.2 Segmentation by geographic region

In millions of euros	Year	Net Loan outstandings at year-end (1)	of which Customer outstandings at year-end (1)	of which Dealer outstandings at year-end
Europe	**2023**	**50,466**	**39,587.6**	**10,878.4**
	2022	45,125	35,387	9,738
of which Germany	**2023**	**8,676.1**	**7,361.5**	**1,314.6**
	2022	7,981	6,803	1,178
of which Spain	**2023**	**4,420.8**	**3,574.3**	**846.5**
	2022	3,883	3,204	679
of which France	**2023**	**18,281.8**	**14,000.2**	**4,281.6**
	2022	17,264	12,711	4,553
of which Italy	**2023**	**6,863.3**	**5,648.5**	**1,214.8**
	2022	5,752	4,942	810
of which United Kingdom	**2023**	**6,324.9**	**5,286.9**	**1,038**
	2022	5,302	4,383	919
of which Other countries (2)	**2023**	**5,899.1**	**3,716.2**	**2,182.9**
	2022	4,943	3,344	1,599
Africa – Middle East	**2023**	**527.4**	**376.7**	**150.7**
	2022	505	369	136
Asia – Pacific	**2023**	**833.8**	**823.1**	**10.7**
	2022	1,255	1,242	13
of which South Korea	**2023**	**833.8**	**823.1**	**10.7**
	2022	1,255	1,242	13
America	**2023**	**2,867.8**	**2,266.6**	**601.2**
	2022	2,607	2,065	542
of which Argentina	**2023**	**99.8**	**33.6**	**66.2**
	2022	213	101	112
of which Brazil	**2023**	**1,934.7**	**1,449.7**	**485**
	2022	1,694	1,324	370
of which Colombia	**2023**	**833.3**	**783.3**	**50**
	2022	700	640	60
TOTAL RCI BANQUE GROUP	**2023**	**54,695**	**43,054**	**11,641**
	2022	49,492	39,063	10,429

(1) Including operating leases.
(2) Belgium, Netherlands, Switzerland, Austria, Sweden, Hungary, Malta, Poland, Czech Republic, Slovenia, Slovakia, Croatia, Ireland, Portugal, Romania.

Income from external customers is allocated to the different countries according to the home country of each of the entities. Each entity actually only books income from customers residing in the same country as that entity.

NOTE 2 Cash and balances at Central Banks

In millions of euros	12/2023	12/2022
CASH AND BALANCES AT CENTRAL BANKS	**4,729**	**5,836**
Cash and balances at Central Banks	4,728	5,836
Accrued interest	1	
TERM DEPOSITS AT CENTRAL BANKS	**4**	**38**
Accrued interest	4	38
TOTAL CASH AND BALANCES AT CENTRAL BANKS	**4,733**	**5,874**

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NOTE 3 Derivatives

In millions of euros	12/2023		12/2022	
	Assets	Liabilities and equity	Assets	Liabilities and equity
Interest-rate and currency derivatives: Fair value hedges	44	196		315
Interest-rate derivatives: Cash flow hedges	181	93	329	7
TOTAL DERIVATIVES	**225**	**289**	**329**	**322**

Derivatives not designated as hedging instruments have been reclassified as financial assets at fair value through profit or loss

These line items mainly include OTC derivatives contracted by the Mobilize Financial Services group as part of its currency and interest-rate risk hedging policy.

The impact of changes in the fair value of derivatives used as cash flow hedges was -€166 million in 2023. This impact, explained by the amortization of the swaps carried out in 2022 partially offset by the increases in interest rates recorded in 2023, is included in the item Cash flow hedges in the consolidated statement of comprehensive income.

Derivative instruments qualifying as cash flow hedges are backed by floating-rate debt and aggregate sets consisting of a fixed-rate debt and a floating interest rate swap

Changes in the cash flow hedging instrument revaluation reserve

In millions of euros	Cash flow hedge	Schedule for the transfer of the CFH reserve account to the income statement		
		<1 year	1 year to 5 years	+5 years
Balance at 31 December 2021	**16**	**1**	**15**	
Changes in fair value recognized in equity	198			
Transfer to income statement	4			
Balance at 31 December 2022	**218**	**15**	**203**	
Changes in fair value recognized in equity	(46)			
Transfer to income statement	(119)			
BALANCE AT 31 DECEMBER 2023	**53**	**28**	**25**	

With respect to cash flow hedging, the above table shows the periods during which RCI Banque S.A. expects cash flows to intervene and affect the income statement.

Changes in the cash flow hedging reserve result from changes in the fair value of the hedging instruments carried in equity, and from the transfer of the period to the income statement at the same rate as the item hedged.

Nominal values of derivative instruments by maturity and management intent

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2023	Of which related parties
HEDGING OF CURRENCY RISK					
Forward forex contracts					
Sales	1,619			1,619	
Purchases	1,561			1,561	
Spot forex transactions					
Loans	1			1	
Borrowings	1			1	
Currency swaps					
Loans	82	93		175	
Borrowings	84	91		175	
HEDGING OF INTEREST-RATE RISK					
Interest rate swaps					
Lender	9,407	11,451	500	21,358	
Borrower	9,407	11,451	500	21,358	

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2022	Of which related parties
HEDGING OF CURRENCY RISK					
Forward forex contracts					
Sales	1,489			1,489	
Purchases	1,451			1,451	
Spot forex transactions					
Loans	1			1	
Borrowings	1			1	
Currency swaps					
Loans	122	136		258	
Borrowings	122	137		259	
HEDGING OF INTEREST-RATE RISK					
Interest rate swaps					
Lender	11,172	12,628	250	24,050	
Borrower	11,172	12,628	250	24,050	

NOTE 4 Financial assets

In millions of euros	12/2023	12/2022
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (**)	**483**	**521**
Government debt securities and similar	322	401
Bonds and other fixed income securities	161	119
Interests in companies controlled but not consolidated		1
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**143**	**224**
Variable income securities	41	36
Bonds and other fixed income securities	72	71
Interests in companies controlled but not consolidated	3	12
Interest-rate derivatives	23	91
Currency derivatives	4	14
TOTAL FINANCIAL ASSETS (*)	**626**	**745**
(*) Of which related parties	3	13
(**) Of which financial assets dedicated to insurance	202	180

As part of the hedging of variable-rate sight deposits (Deposits and TLTROs), the Mobilize Financial Services group has set up interest rate derivatives that do not qualify as hedging derivatives for accounting purposes according to the provisions of IFRS . These derivatives were classified as financial assets or financial liabilities at fair value through profit or loss. Net banking income was impacted by a valuation effect of these swaps of -€84 million. This impact is explained by the amortization of the swaps carried out in 2022, which had then benefited from the increase in interest rates.

NOTE 5 Amounts receivable at amortized cost from credit institutions

In millions of euros	12/2023	12/2022
CREDIT BALANCES IN SIGHT ACCOUNTS AT CREDIT INSTITUTIONS	**1,390**	**1,638**
Ordinary accounts in debit	1,359	1,589
Overnight loans	31	49
TERM DEPOSITS AT CREDIT INSTITUTIONS	**149**	**52**
Term loans in Bucket 1	143	27
Term loans in Bucket 2	6	25
TOTAL AMOUNTS RECEIVABLE FROM CREDIT INSTITUTIONS (*)	**1,539**	**1,690**
(*) Of which related parties	3	2

Credit balances in sight accounts are included in the "Cash and cash equivalents" line item in the cash flow statement.

Current bank accounts held by the FCTs (Fonds Commun de Titrisation – Securitization Mutual Funds) contribute in part to the funds' credit enhancement. They totaled €888 million at December 2023 and are included in "Ordinary Accounts in debit."

Overnight loan transactions with the Central Bank are included in "Cash and balances at Central Banks."

NOTE 6 Customer finance transactions and similar

In millions of euros	12/2023	12/2022
LOANS AND ADVANCES TO CUSTOMERS	**53,851**	**48,631**
Customer loans	36,919	33,901
Finance leases	16,932	14,730
EXPENSES RELATED TO OPERATING LEASE TRANSACTIONS	**1,564**	**1,383**
TOTAL CUSTOMER FINANCE TRANSACTIONS AND SIMILAR	**55,415**	**50,014**

The gross value of restructured outstandings (including non-performing), following all measures and concessions to borrowing customers who encounter (or are likely in future to encounter) financial difficulties, amounts to €225 million at 31 December 2023, compared with €238 million at 31 December 2022. It was impaired in the amount of €64 million at 31 December 2023, compared with €78 million at 31 December 2022.

6.1 Customer financial transactions

In millions of euros	12/2023	12/2022
LOANS AND ADVANCES TO CUSTOMERS	**37,203**	**34,046**
Healthy factoring	347	217
Factoring with a significant increase in credit risk since initial recognition	4	7
Other healthy commercial receivables	6	3
Other healthy customer credit	33,664	31,038
Other customer credit with a significant increase in credit risk since initial recognition	1,838	1,729
Healthy ordinary accounts in debit	577	375
Defaulted receivables	767	677
INTEREST RECEIVABLE ON CUSTOMER LOANS AND ADVANCES	**114**	**80**
Other non-defaulted customer credit	46	41
Non-defaulted ordinary accounts	65	36
Defaulted receivables	3	3
TOTAL OF ITEMS INCLUDED IN AMORTIZED COST – CUSTOMER LOANS AND ADVANCES	**393**	**560**
Staggered handling charges	(30)	(59)
Staggered contributions to sales incentives by manufacturer or dealers	(414)	(265)
Staggered fees paid for referral of business	837	884
IMPAIRMENT ON LOANS AND ADVANCES TO CUSTOMERS	**(791)**	**(785)**
Impairment on healthy receivables	(137)	(151)
Impairment on receivables with a significant increase in credit risk since initial recognition	(113)	(110)
Impairment on defaulted receivables	(450)	(409)
Impairment on residual value	(91)	(115)
TOTAL CUSTOMER FINANCE TRANSACTIONS, NET	**36,919**	**33,901**

The securitization transactions were not intended to result in derecognition of the receivables assigned. The assigned receivables as well as the accrued interest and impaired allowances continue to appear on the asset side of the Group's balance sheet.

Factoring receivables result from the acquisition by the Group of trade receivables sold by the Groupe Renault and the Nissan and Mitsubishi brands. Impairment on residual value concerns credit (risk borne and not borne).

6.2 Finance lease transactions

In millions of euros	12/2023	12/2022
FINANCE LEASE TRANSACTIONS	**17,206**	**14,878**
Other healthy customer credit	15,065	13,029
Other customer credit with a significant increase in credit risk since initial recognition	1,722	1,512
Defaulted receivables	419	337
ACCRUED INTEREST ON FINANCE LEASE TRANSACTIONS	**8**	**8**
Other non-defaulted customer credit	7	7
Defaulted receivables	1	1
TOTAL OF ITEMS INCLUDED IN AMORTIZED COST – FINANCE LEASES	**47**	**162**
Staggered handling charges	6	28
Staggered contributions to sales incentives by manufacturer or dealers	(379)	(229)
Staggered fees paid for referral of business	420	363
IMPAIRMENT ON FINANCE LEASES	**(329)**	**(318)**
Impairment on healthy receivables	(66)	(79)
Impairment on receivables with a significant increase in credit risk since initial recognition	(73)	(75)
Impairment on defaulted receivables	(189)	(163)
Impairment on residual value	(1)	(1)
TOTAL FINANCE LEASE TRANSACTIONS, NET	**16,932**	**14,730**

Reconciliation between gross investment in finance lease contracts at the closing date and present value of minimum payments receivable

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2023
Finance leases – net investment	6,641	10,577	43	17,261
Finance leases – future interest receivable	677	767	7	1,451
FINANCE LEASES – GROSS INVESTMENT	**7,318**	**11,344**	**50**	**18,712**
Amount of residual value guaranteed to RCI Banque Group	4,417	7,310	1	11,728
• Of which amount guaranteed by related parties	2,118	2,451		4,569
Minimum payments receivable under the lease (excluding amounts guaranteed by related parties, as required by IAS 17)	5,200	8,893	50	14,143

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2022
Finance leases – net investment	6,504	8,505	39	15,048
Finance leases – future interest receivable	489	487	15	991
FINANCE LEASES – GROSS INVESTMENT	**6,993**	**8,992**	**54**	**16,039**
Amount of residual value guaranteed to RCI Banque Group	4,950	5,054	1	10,005
• Of which amount guaranteed by related parties	2,823	2,069		4,892
Minimum payments receivable under the lease (excluding amounts guaranteed by related parties, as required by IAS 17)	4,170	6,923	54	11,147

6.3 Operating lease transactions

In millions of euros	12/2023	12/2022
FIXED ASSET NET VALUE ON OPERATING LEASE TRANSACTIONS	**1,595**	**1,402**
Gross value of tangible assets	2,433	2,148
Depreciation of tangible assets	(838)	(746)
RECEIVABLES ON OPERATING LEASE TRANSACTIONS	**17**	**19**
Non-defaulted receivables	13	12
Defaulted receivables	13	13
Income and charges to be staggered	(9)	(6)
IMPAIRMENT ON OPERATING LEASES	**(48)**	**(38)**
Impairment on defaulted receivables	(8)	(9)
Impairment on residual value	(40)	(29)
TOTAL OPERATING LEASE TRANSACTIONS, NET (*)	**1,564**	**1,383**
(*) Of which related parties.	(3)	(1)

The amount of minimum future payments receivable under operating non-cancelable lease contracts is analyzed as follows

In millions of euros	12/2023	12/2022
0-1 year	109	79
1-5 years	428	255
+5 years	100	304
TOTAL	**637**	**638**

6.4 Maximum exposure to credit risk on performing loans

At 31 December 2023, the Group's maximum aggregate exposure to credit risk stood at €67,102 million, compared with €63,350 million at 31 December 2022. This exposure chiefly includes net loans outstanding from sales financing, sundry debtors, asset derivatives and irrevocable financing commitments on the Mobilize Financial Services group's off-balance sheet (see Note 25 Commitments received).

Amount of receivables due

In millions of euros	12/2023	of which non-defaulted (1)	12/2022	of which non-defaulted (1)
Between 0 and 3 months	680	461	611	362
Between 3 and 6 months	71		57	
Between 6 months and 1 year	74		59	
More than one year	54		48	
RECEIVABLES DUE	**879**	**461**	**775**	**362**

(1) Only includes sales financing receivables non classed in Bucket 3.

The risks on the quality of customer loans are assessed (using a score system) and monitored per type of business (Customer and Dealer). At the statement closing date, no component affected the credit quality of non-due and non-impaired sales financing receivables.

There is no significant concentration of risks within the sales financing customer base in line with regulatory requirements.

As at 31 December 2023, guarantees held on doubtful or delinquent receivables totaled €916 million, compared with €784 million at 31 December 2022.

6.5 Residual values of risk carried by the Mobilize Financial Services group

Total exposure to residual value risk borne by the Mobilize Financial Services group (excluding exposure to batteries and early termination risk) amounted to €3,356 million at 31 December 2023, compared with €2,506 million at 31 December 2022. A provision was made in the amount of €74 million at 31 December 2023 compared with €56 million at 31 December 2022 for the residual values of risk carried without battery risk and without Voluntary Termination risk (mainly concerns the United Kingdom). The provision for residual value risk borne is a provision that covers the loss of value borne by the Mobilize Financial Services group on the resale of a vehicle.

NOTE 7 Customer finance transactions by business segment

In millions of euros	Customers	Dealer network	Other	Total 12/2023
GROSS VALUE	**44,182**	**11,679**	**722**	**56,583**
Healthy receivables	39,651	11,430	720	51,801
In % of total receivables	*89.7%*	*97.9%*	*99.7%*	*91.5%*
Receivables with a significant increase in credit risk since initial recognition	3,394	185		3,579
In % of total receivables	*7.7%*	*1.6%*		*6.3%*
Defaulted receivables	1,137	64	2	1,203
In % of total receivables	*2.6%*	*0.5%*	*0.3%*	*2.1%*
IMPAIRMENT ALLOWANCE	**(1,128)**	**(38)**	**(2)**	**(1,168)**
Impairment on healthy receivables	(316)	(18)	(1)	(335)
In % of total impairment	*28.0%*	*47.4%*	*50.0%*	*28.7%*
Impairment on receivables with a significant increase in credit risk since initial recognition	(183)	(3)		(186)
In % of total impairment	*16.2%*	*7.9%*		*15.9%*
Impairment on defaulted receivables	(629)	(17)	(1)	(647)
In % of total impairment	*55.8%*	*44.7%*	*50.0%*	*55.4%*
Coverage rate	2.6%	0.3%	0.3%	2.1%
Healthy receivables	*0.8%*	*0.2%*	*0.1%*	*0.6%*
Receivables with a significant increase in credit risk since initial recognition	*5.4%*	*1.6%*		*5.2%*
Defaulted receivables	*55.3%*	*26.6%*	*50.0%*	*53.8%*
TOTAL NET VALUE (*)	**43,054**	**11,641**	**720**	**55,415**
(*) Of which: related parties (excluding participation in incentives and fees paid)	(2)	276	379	653

The "Other" classification mainly includes buyers accounts and ordinary accounts with dealers and with the Renault Group and the Nissan and Mitsubishi brands.

In millions of euros	Customers	Dealer network	Other	Total 12/2022
GROSS VALUE	**40,154**	**10,477**	**524**	**51,155**
Healthy receivables	36,083	10,261	522	46,866
On % of total receivables	*89.9%*	*97.9%*	*99.6%*	*91.6%*
Receivables with a significant increase in credit risk since initial recognition	3,091	167		3,258
On % of total receivables	*7.7%*	*1.6%*		*6.4%*
Defaulted receivables	980	49	2	1,031
On % of total receivables	*2.4%*	*0.5%*	*0.4%*	*2.0%*
IMPAIRMENT ALLOWANCE	**(1,091)**	**(48)**	**(2)**	**(1,141)**
Impairment on healthy receivables	(354)	(20)	(1)	(375)
On % of total impairment	*32.4%*	*41.7%*	*50.0%*	*32.9%*
Impairment on receivables with a significant increase in credit risk since initial recognition	(179)	(6)		(185)
On % of total impairment	*16.4%*	*12.5%*		*16.2%*
Impairment on defaulted receivables	(558)	(22)	(1)	(581)
On % of total impairment	*51.1%*	*45.8%*	*50.0%*	*50.9%*
Coverage rate	2.7%	0.5%	0.4%	2.2%
Healthy receivables	*1.0%*	*0.2%*	*0.2%*	*0.8%*
Receivables with a significant increase in credit risk since initial recognition	*5.8%*	*3.6%*		*5.7%*
Defaulted receivables	*56.9%*	*44.9%*	*50.0%*	*56.4%*
TOTAL NET VALUE (*)	**39,063**	**10,429**	**522**	**50,014**
(*) Of which: related parties (excluding participation in incentives and fees paid)	1	489	207	697

As the economic context remains uncertain, the prudent approach adopted at the end of 2022 is maintained.

Concerning the provisioning rate for Bucket 1, it decreased from 1% to 0.8% due to the release of the sectoral forward looking (€17 million) and the decline in inflation expertise (€ 15 million) and risk parameters expertise (€10 million).

At 31 December 2023, provisions booked are €1,166 million including : provisioning tool (statistical) for €852 million, expertise provision (additional ajustments excluding model) for €20 million, Forward-looking provision for €131 million, provision on vehicle residual value for €116 million

In Customer activity, the provisioning rate for Bucket 2 decreased from 5.8% to 5.4% due to the improvement in the PD Lifetime parameter in Brazil and Spain.

In Customer activity, in 2023, the LGD decreases in Brazil and Italy and NPL sales in Italy and Korea, respectively, of €16.8 million at a coverage rate of 77.3% and €4 million at a coverage rate of 90% largely explain the B3 decrease in the provisioning rate of 55.9% against to 56.9% at the end of December 2022.

In the Dealers business, the coverage rate for Bucket 1 (healthy receivables) is stable, while the coverage rate for Bucket 2 (receivables with a significant increase in credit risk since initial recognition) is 1.6% at end-December 2023 vs. 3.6% at end-December 2022, an improvement mainly thanks to the positive trend in the distribution of outstandings by risk class and the updating of PD/LGD parameters. In Bucket 3, the coverage rate was 26.6% vs. 44.9% at end-December 2022, a trend explained in particular by a lower LGD (maturity effect in default and mix effect by status with a lower weighting in Default-Compromised) and by a lower coverage rate in Brazil with the entry into default over the period of four counterparties with outstandings largely covered by guarantees.

- on the criteria for reclassifying certain receivables to Bucket 2 (receivables downgraded since origination).

These are non-model adjustments, mainly concerning a) corporate exposures outside the network on which an individual review is carried out on a regular basis, and b) customers under expired forborne moratoria.

The in-depth analysis of situations through external data and/or more substantial hindsight is now making it possible to assess the behavior of outstandings with longer moratoria, leads to a downgrade of €12 million in Italy (forbearance) and €2 million in Morocco.

- In the provisioning of the same receivables; these are non-model adjustments (mainly on expired moratoria when signs of a possible deterioration are identified).

Concerning the adjustments on Corporate exposures subject to individual reviews, a significant reversal was made in France for €10.9 million due to a decrease in the estimated risk on these counterparties.

In addition, in the same way as at 31 December 2022, the estimate of the forward-looking provision was revised in June 2023 and December 2023, maintaining the customer segments considered particularly impacted by inflation. In the absence of any actual late payments, the segments concerned were retained in their original bucket. These are all Corporate exposures to clients operating in business sectors particularly affected by the crisis (inflation and energy) but for which an individual analysis was not possible. The outstandings concerned amounted to €1,978 million. The adjustment carried out consisted in bringing the provisioning rate to an average rate between Bucket 1 and Bucket 2. For the Retail customers portfolio, which operates in these business sectors, the outstandings concerned in France and the UK are hedged and amount to €211 million.

7.1 Breakdown of customer transactions by Buckets and geographical areas

In millions of euros	Gross value receivables			Impairment receivables			Total
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	12/2023
France	17,002.2	1,478.3	419.2	(67.7)	(64.2)	(221.5)	18,546.3
Germany	8,169.9	558.8	75.3	(21.3)	(24.5)	(36.2)	8,722
Italy	6,598.4	396.8	86.1	(13.8)	(12.3)	(59)	6,996.2
United Kingdom	6,152.6	322.7	43.3	(127.7)	(9.1)	(23.1)	6,358.7
Spain	4,251.5	227.9	88	(27.1)	(13.2)	(67.5)	4,459.6
Brazil	1,744.7	186.7	104.5	(15.8)	(14.5)	(42.9)	1,962.7
South Korea	801.9	42.8	29.7	(10.6)	(5)	(25)	833.8
Switzerland	869.3	80.8	27.9	(1.4)	(3.3)	(3.5)	969.8
Colombia	696.6	88.9	159.8	(17.3)	(23.5)	(70.5)	834
Poland	976.6	75.8	45.9	(2.7)	(4.2)	(17.7)	1,073.7
Netherlands	788.5	6.6	3.1	(2)	(0.3)	(0.6)	795.3
Portugal	651.5	7.8	6.8	(6.5)	(0.8)	(4.3)	654.5
Austria	627.8	10.3	3.1	(4.6)	(1.8)	(1.2)	633.6
Morocco	494.5	32.6	87.9	(8.2)	(7)	(65.5)	534.3
Other countries	1,975	62.2	22.4	(8.3)	(2.3)	(8.5)	2,040.5
TOTAL	**51,801**	**3,579**	**1,203**	**(335)**	**(186)**	**(647)**	**55,415**

In millions of euros	Gross value receivables			Impairment receivables			Total
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	12/2022
France	16,150	1,315	362	(83)	(68)	(205)	17,471
Germany	7,546	496	63	(22)	(20)	(30)	8,033
Italy	5,446	357	95	(21)	(16)	(68)	5,793
United Kingdom	5,159	286	40	(136)	(6)	(20)	5,323
Spain	3,719	225	83	(29)	(18)	(63)	3,917
Brazil	1,470	212	110	(19)	(19)	(56)	1,698
South Korea	1,209	53	35	(8)	(2)	(31)	1,256
Switzerland	768	76	11	(2)	(3)	(2)	848
Colombia	634	43	67	(8)	(12)	(23)	701
Poland	667	67	41	(3)	(4)	(14)	754
Netherlands	698	7	7	(1)		(1)	710
Portugal	598	21	6	(7)	(2)	(5)	611
Austria	543	16	2	(7)	(2)	(1)	551
Morocco	483	26	81	(14)	(8)	(54)	514
Other countries	1,776	58	28	(15)	(5)	(8)	1,834
TOTAL	**46,866**	**3,258**	**1,031**	**(375)**	**(185)**	**(581)**	**50,014**

7.2 Change in customer finance transactions

In millions of euros	12/2022	Increase (1)	Transfer (2)	Repayment	Write off	12/2023
Healthy receivables	46,866	67,779	(2,035)	(60,809)		51,801
Receivables with a significant increase in credit risk since initial recognition	3,258		1,499	(1,178)		3,579
Defaulted receivables	1,031		536	(194)	(170)	1,203
CUSTOMER FINANCE TRANSACTIONS (GV)	**51,155**	**67,779**		**(62,181)**	**(170)**	**56,583**

(1) Increase = New production.
(2) Transfer = Change of classification.

7.3 Change in impairments of customer finance transactions

In millions of euros	12/2022	Increase (1)	Decrease (2)	Transfer (3)	Changes (4)	Others (5)	12/2023
Impairment on healthy receivables (*)	375	109	(80)	(203)	131	3	335
Impairment on receivables with a significant increase in credit risk since initial recognition	185	33	(29)	(7)	1	3	186
Impairment on defaulted receivables	581	84	(258)	210	21	9	647
IMPAIRMENTS OF CUSTOMER FINANCE TRANSACTIONS	**1,141**	**226**	**(367)**	**-**	**153**	**15**	**1,168**

(1) Increase = Allowance due to new production.
(2) Decrease = Reversal of allowance due to reimbursement, disposals or write-off.
(3) Transfer = Change of classification.
(4) Variations = Variation due to risk criteria adjustments (PD, LGD, ECL…).
(5) Others = Reclassification, currency translation effects, changes in scope of consolidation.
Note: increases (1), decreases (2), and reclassifications (3) are accounted for in the income statement under Net banking income or cost of risk.
Other movements (4) and (5) are balance sheet changes only.
(*) Impairment on performing receivables includes impairments on residual values (vehicles and batteries) for an amount of €118 million at 31 December 2023, compared with €144 million at 31 December 2022.

NOTE 8 Adjustment accounts and miscellaneous assets

In millions of euros	12/2023	12/2022
TAX RECEIVABLES	**659**	**386**
Current tax assets	88	41
Deferred tax assets	249	220
Tax receivables other than on current income tax	322	125
ADJUSTMENT ACCOUNTS AND OTHER ASSETS	**1,583**	**978**
Social Security and employee-related receivables	1	1
Other sundry debtors	912	537
Adjustment accounts – Assets	110	84
Other assets	5	3
Items received on collections	555	353
ACTIVE INSURANCE AND REINSURANCE CONTRACTS	**33**	**36**
Reinsurance contracts held	33	36
TOTAL ADJUSTMENT ACCOUNTS AND OTHER ASSETS (*)	**2,275**	**1,400**
(*) Of which related parties	390	223

Deferred tax assets are analyzed in Note 34.

RCI Banque S.A. has opted to recognize part of its annual contributions to the Single Resolution Fund in the balance sheet, the additional part is recorded in the income statement as taxes.

Thus, miscellaneous debtors include, for 31 December 2023, a cumulative amount of security deposit according to the SRF of €19.6 million and a cumulative amount of €13 million at 31 December 2022.

In return, an irrevocable off-balance sheet payment commitment of an identical amount is recorded in financing commitments (Note 24).

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NOTE 9 Investments in associates and joint ventures

In millions of euros	12/2023 EAC balance sheet value	12/2023 Net income	12/2022 EAC balance sheet value	12/2022 Net income
Orfin Finansman Anonim Sirketi	13	(2)	15	(3)
RN SF B.V.	25	8		(110)
Nissan Renault Financial Services India Private Limited	37	2	37	2
Mobility Trader Holding Gmbh (RCI)	4	(20)	14	(16)
Select Vehicle Group Holdings Limited	18			
TOTAL INTERESTS IN ASSOCIATES	**97**	**(12)**	**66**	**(127)**

NOTE 10 Tangible and intangible non-current assets

In millions of euros	12/2023	12/2022
INTANGIBLE ASSETS, NET	**42**	**34**
Gross value	87	75
Accumulated depreciation and impairment	(45)	(41)
PROPERTY, PLANT AND EQUIPMENT, NET	**25**	**22**
Gross value	133	127
Accumulated depreciation and impairment	(108)	(105)
AMORTIZATION RIGHT OF USE ON RENTED ASSET, NET	**83**	**67**
Gross value	177	121
Accumulated depreciation and impairment	(94)	(54)
TOTAL TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS	**150**	**123**

Property, plant and equipment includes real estate leases activated under IFRS 16 (see section 1.3.3. – Accounting rules and methods).

Entities of Bipi contributed an increase of €51 million for the net right of use, and €28 million in depreciation and impairment.

NOTE 11 Goodwill

In millions of euros	12/2023	12/2022
United Kingdom	36	35
Germany	12	12
Italy	9	9
South Korea	18	19
Czech Republic	2	3
Spain	59	59
TOTAL GOODWILL FROM ACQUISITIONS BY COUNTRY	**136**	**137**

All of this goodwill was tested for impairment (using the methods and assumptions described in Section 1.3.3.3 - Consolidation principle). These tests did not reveal any material impairment risk at 31 December 2023.

NOTE 12 Financial liabilities at fair value through profit or loss

In millions of euros	12/2023	12/2022
Interest-rate derivatives	15	5
Currency derivatives	47	24
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**62**	**29**

NOTE 13 Liabilities to credit institutions and customers & debt securities

13.1 Central banks

In millions of euros	12/2023	12/2022
Term borrowings	2,321	3,711
Accrued interest	54	4
TOTAL CENTRAL BANKS	**2,375**	**3,715**

At 31 December 2023, the book value of the collateral presented to the Bank of France (3G) amounted to €7,702 million, meaning €6,968 million in securities issued by securitization vehicles and €735 million in private accounts receivable.

The Group was able to benefit from the TLTRO III program issued by the ECB. Three redemptions were made for a total nominal amount of €1,750 million in 2023. Two drawdowns are still due as of December 31, 2023

Two new drawdowns were made in 2021;

- €750 million maturing in September 2024;
- €750 million maturing in December 2024.

The Group has chosen to apply IFRS 9 to the drawdowns made under the TLTRO III program, considering that the ECB rate is a market rate. The initial effective interest rate of the drawdowns takes into account the Group's achievement of the lending targets set for the reference period ending in March 2021. The ECB confirmed achievement of these objectives in September 2021. In view of its initial expectations, the Group had not included in its estimates the achievement of the targets for granting credit over the special additional reference period. As a result and in accordance with the current provisions of IFRS 9, the achievement of the lending targets for the special additional reference period (October 2020 - December 2021) resulted in an adjustment of the value of the credit lines. TLTRO-related debt of €14 million in June 2022.

The interest rate applicable to this financing is now calculated based on the average Deposit Facility Rate (DFR) of the European Central Bank (ECB).

TFSME program

The Group was also able to avail itself of the TFSME program announced by the Bank of England in 2020 and draw down £409.3 million in 2021 with a maturity in September and October 2025.

The interest rate applicable to this financing is calculated on the basis of the Bank of England base rate (5.25% at 31 December 2023) plus a 0.25% spread.

The Group applied IFRS 9 to its financing, considering this rate to be adjustable like a market rate applicable to all banks benefiting from the TFSME program.

13.2 Amounts payable to credit institutions

In millions of euros	12/2023	12/2022
SIGHT ACCOUNTS PAYABLE TO CREDIT INSTITUTIONS	**260**	**183**
Ordinary accounts in credit	15	12
Other amounts owed	245	171
TERM ACCOUNTS PAYABLE TO CREDIT INSTITUTIONS	**2,015**	**1,829**
Term borrowings	1,920	1,734
Accrued interest	95	95
TOTAL LIABILITIES TO CREDIT INSTITUTIONS	**2,275**	**2,012**

Sight accounts are included in the "Cash and cash equivalents" line item in the cash flow statement.

13.3 Amounts payable to customers

In millions of euros	12/2023	12/2022
AMOUNTS PAYABLE TO CUSTOMERS	**29,061**	**25,367**
Ordinary accounts in credit	341	256
Term accounts in credit	608	701
Ordinary saving accounts (**)	18,224	17,647
Customer term accounts (**)	9,888	6,763
OTHER AMOUNTS PAYABLE TO CUSTOMERS AND ACCRUED INTEREST	**251**	**106**
Other amounts payable to customers	171	60
Accrued interest on ordinary accounts in credit	15	14
Accrued interest on term accounts in credit	1	1
Accrued interest on ordinary saving accounts	31	14
Accrued interest on customers term accounts	33	17
TOTAL AMOUNTS PAYABLE TO CUSTOMERS (*)	**29,312**	**25,473**
(*) Of which related parties.	635	769
(**) Of which covered by a deposit guarantee scheme	25,072	21,764
In percentages	89.2%	89.2%

In millions of euros	12/2023			12/2022		
	Savings account	Term deposit	Total	Savings account	Term deposit	Total
Germany	10,838	6,025	16,863	11,412	4,070	15,482
United Kingdom	2,695	2,822	5,517	2,642	2,027	4,669
Austria	1,334	419	1,753	1,353	285	1,638
France	1,424	24	1,448	1,114	117	1,231
Spain	1,087	463	1,550	570	251	821
Netherlands	877	143	1,020	570		570
Brazil		25	25		30	30
TOTAL CUSTOMER DEPOSITS	**18,255**	**9,921**	**28,176**	**17,661**	**6,780**	**24,441**

Term accounts in credit include a €600 million cash warrant agreement given to RCI Banque S.A. by the manufacturer Renault, covering, without any geographical exceptions, against the risks of Groupe Renault defaulting.

The Mobilize Financial Services group launched its savings business in France in February 2012, in Germany in February 2013, in Austria in April 2014, in the United Kingdom in June 2015 and in Brazil in March 2019 and Spain in November 2020, marketing both savings accounts and term deposits accounts. In July 2021, the Group rolled out its savings collection business in the Netherlands through fintech Raisin.

Deposit collection increased by €3,735 million (of which €594 million in sight deposits and €3,141 million in term deposits) in 2023 to reach €28,176 million (of which €18,255 million in sight deposits and €9,921 million in term deposits) classified as other interest-bearing liabilities. 89.2% of these deposits were covered by a deposit guarantee scheme at the end of December 2023 as at the end of 2022.

13.4 Debt securities

In millions of euros	12/2023	12/2022
NEGOTIABLE DEBT SECURITIES (1)	**1,808**	**1,221**
Certificates of deposit	1,570	1,013
Commercial paper and similar	184	175
Accrued interest on negotiable debt securities	54	33
OTHER DEBT SECURITIES (2)	**4,324**	**3,319**
Other debt securities	4,317	3,317
Accrued interest on other debt securities	7	2
BONDS AND SIMILAR	**14,184**	**13,568**
Bonds	13,857	13,369
Accrued interest on bonds	327	199
TOTAL DEBT SECURITIES	**20,316**	**18,108**

(1) Certificates of deposit, commercial paper and French MTNs are issued by RCI Banque S.A., Banco RCI Brasil S.A., RCI Colombia S.A. Compania De Financiamiento and Diac SA

(2) Other debt securities mainly correspond to securities issued by securitization vehicles set up for the purposes of German securitization operations (RCI Banque S.A. Niederlassung Deutschland), British (RCI Financial Services Ltd) and French (Diac SA).

13.5 Breakdown of liabilities by valuation method

In millions of euros	12/2023	12/2022
LIABILITIES VALUED AT AMORTIZED COST – EXCLUDING FAIR VALUE HEDGE	**48,411**	**44,417**
Central Banks	2,375	3,715
Amounts payable to credit institutions	2,275	2,012
Amounts payable to customers	29,312	25,473
Debt securities	14,449	13,217
LIABILITIES VALUED AT AMORTIZED COST – FAIR VALUE HEDGE	**5,867**	**4,891**
Debt securities	5,867	4,891
TOTAL FINANCIAL DEBTS	**54,278**	**49,308**

13.6 Breakdown of financial liabilities by rate type before derivatives

In millions of euros	Variable	Fixed	12/2023
Central Banks	2,025	350	2,375
Amounts payable to credit institutions	1,224	1,051	2,275
Amounts payable to customers	15,655	13,657	29,312
Negotiable debt securities	532	1,276	1,808
Other debt securities	4,317	7	4,324
Bonds	2,126	12,058	14,184
TOTAL FINANCIAL LIABILITIES BY RATE	**25,879**	**28,399**	**54,278**

In millions of euros	Variable	Fixed	12/2022
Central Banks	3,715		3,715
Amounts payable to credit institutions	760	1,252	2,012
Amounts payable to customers	17,483	7,990	25,473
Negotiable debt securities	855	366	1,221
Other debt securities	3,311	8	3,319
Bonds	2,708	10,860	13,568
TOTAL FINANCIAL LIABILITIES BY RATE	**28,832**	**20,476**	**49,308**

13.7 Breakdown of financial liabilities by remaining term to maturity

The breakdown of financial liabilities by maturity is shown in Note 20.

NOTE 14 Securitization

Securitization – Public issues

Country	France	France	France	France	France	France	Italy
Originator	DIAC SA	DIAC SA	DIAC SA	DIAC SA	DIAC SA	DIAC SA	RCI Banque Succursale Italiana
Securitized collateral	Auto loans to customers	Receivables independent dealers	Auto loans to customers	Auto Leasing (Rent)	Auto Leasing (Rent)	Auto Leasing (Rent)	Auto loans to customers
Issuer	CARS Alliance Auto Loans France FCT Master	FCT Cars Alliance DFP France	CARS Alliance Auto Loans France V 2022-1	Cars Alliance Auto Leases France V 2023-1	CARS Alliance Auto Leases France V 2020-1	CARS Alliance Auto Leases France Master	Cars Alliance Auto Loans Italy 2015 s.r.l.
Commence-ment date	May 2012	July 2013	May 2022	October 2023	October 2020	October 2020	July 2015
Legal maturity date	August 2034	July 2028	November 2032	October 2038	October 2036	October 2038	December 2031
Initial purchase of receivables	715	1,020	759	769	1,057	533	1,234
Credit enhancement as at the closing date	Cash reserve for 1% Over -collateralization in receivables of 13.3%	Cash reserve for 1% Over -collateralization of receivables of 12.5%	Cash reserve for 0.7% Over -collateralization in receivables of 13.7%	Cash reserve for 1.25% Over -collateralization in receivables of 9%	Cash reserve for 1% Over -collateralization in receivables of 9%	Cash reserve for 1% Over -collateralization of receivables of 11.1%	Cash reserve for 1% Over -collateralization of receivables of 14.9%
Receivables purchased as at 31 December 2023	770	1,261	717	713	354	731	2,073
Securities issued as at 31 December 2023 (including shares possibly subscribed by RCI Banque Group)	Class A	Class A	Class A	Class A	Class A	Class A	Class A
	Rating: AAA	Rating: AA	Rating: AAA	Rating: AAA	Rating: AAA	Rating: AAA	Rating: AA
	657	1,000	619	700	300	722	1,835
			Class B	Class B	Class B		
			Rating: AA-	Rating: AA	Rating: AA		
			52	37	42		
	Class B		Class C	Class C	Class C	Class B	Class J
	Non rated		Non rated	Non rated	Non rated	Non rated	Non rated
	104		45	32	53	91	296
Period	Revolving	Revolving	Amortizing	Revolving	Amortizing	Revolving	Revolving
Nature of transaction	retained	Retained	Market	Market	Market	Retained	Retained

Country	Spain	Germany	Germany	Germany	Germany	Germany	United Kingdom
Originator	RCI Banque Sucursal en Espana	RCI Bank Niederlassung	RCI Bank Niederlassung	RCI Bank Niederlassung	RCI Bank Niederlassung	RCI Bank Niederlassung	RCI Financial Services
Securitized collateral	Auto loans to customers	Auto loans to customers	Auto loans to customers	Auto loans to customers	Receivables independent dealers	Auto loans to customers	Auto loans to customers
Issuer	Cars Alliance Auto Loans Spain 2022	CARS Alliance Auto Loans Germany Master	Cars Alliance Auto Loans Germany V 2019-1	CARS Alliance Auto Loans Germany V 2021-1	Cars Alliance DFP Germany 2017	Cars Alliance Auto Loans Germany V 2023-1	CARS Alliance UK Master Plc
Commencement date	November 2022	March 2014	May 2019	October 2021	July 2017	March 2023	October 2021
Legal maturity date	October 2036	March 2031	August 2031	June 2034	August 2031	March 2035	September 2032
Initial purchase of receivables	1,223	674	1,107	1,009	852	757	1,249
Credit enhancement as at the closing date	Cash reserve for 1.1% Over -collateralization of receivables of 8.8%	Cash reserve for 1% Over -collateralization in receivables of 8%	Cash reserve for 1% Over -collateralization of receivables o f 7.5%	Cash reserve for 0.75% Over -collateralization in receivables of 7.5%	Cash reserve for 1.5% Over -collateralization in receivables of 20.8%	Cash reserve for 1.25% Over -collateralization of receivables of 7.5%	Cash reserve for 1% Over -collateralization of receivables of 28%
Receivables purchased as at 31 December 2023	1,121	983	105	703	649	813	1,212
Securities issued as at 31 December 2023 (including shares possibly subscribed by RCI Banque Group)	Class A	Class A	Class A	Class A	Class A	Class A	Classe A
	Rating: AA	Rating: AAA	Rating: AAA	Rating: AAA	Rating: AAA	Rating: AAA	Rating: AA
	1,120	891	34	612	540	700	861
			Class B	Class B		Class B	
			Rating: AAA	Rating: AA		Rating: AA	
			26	24		19	
	Class B	Class B	Class C	Class C		Class C	Class B
	Non rated	Non rated	Non rated	Non rated		Non rated	Non rated
	108	67	51	49		38	334
Period	Revolving	Revolving	Amortizing	Amortizing	Revolving	Revolving	Revolving
Nature of transaction	Retained	Retained	Market	Market	Retained	Market	Retained

In 2023, the Mobilize Financial Services group completed a public securitization transaction in Germany and a public securitization transaction in France by means of special purpose vehicles.

In addition, and as part of its efforts to diversify its refinancing, operations were secured by banks or conduits. As these issues are private, their terms and conditions are not disclosed in the above table.

At 31 December 2023, the amount of financing obtained through securitization by conduit totaled €1,489 million. The amount of financing obtained through securitization transactions in public format placed on the markets totaled €3,165 million.

The securitization transactions carried out by the Group all meet the requirement under Article 405 of European Directive No. 575/2013 for a net economic interest of not less than 5% to be retained. These transactions were not intended to result in derecognition of the receivables transferred, and at 31 December 2023, the amount of the sales financing receivables thus maintained on the balance sheet totaled €14,822 million (€13,926 million at 31 December 2022), as follows:

- for securitizations placed on the market: € 3,404 million;
- for self-subscribed securitizations: € 8,800 million;
- for private securitizations: €2,618 million.

The fair value of these receivables was €14,945 million at 31 December 2023.

Liabilities of €4,324 million have been booked under "Other debt securities" corresponding to the securities issued during securitization transactions. The fair value of these liabilities is €4,364 million as at 31 December 2023.

The difference between the amount of receivables transferred and the amount of the aforementioned liabilities corresponds to the credit enhancement needed for these transactions and to the share of securities retained by the Mobilize Financial Services group serving as a liquidity reserve.

NOTE 15 Adjustment accounts & miscellaneous liabilities

In millions of euros	12/2023	12/2022
TAXES PAYABLE	**961**	**1,032**
Current tax liabilities	135	108
Deferred tax liabilities	772	899
Taxes payable other than on current income tax	54	25
ADJUSTMENT ACCOUNTS AND OTHER AMOUNTS PAYABLE	**1,880**	**2,004**
Social security and employee-related liabilities	68	64
Other sundry creditors	887	952
Debt on rented asset	85	69
Adjustment accounts – liabilities	513	508
Accrued interest on other sundry creditors	318	400
Collection accounts	9	11
TOTAL ADJUSTMENT ACCOUNTS AND OTHER AMOUNTS PAYABLE	**2,841**	**3,036**
(*) Of which related parties.	64	119

Deferred tax liabilities are analyzed in Note 34.

In addition, other sundry creditors and accruals on sundry creditors mainly concern accrued invoices, provisions for commissions payable for referral of business, insurance commissions payable by the Maltese entities and the valuation of put options on minority interests.

NOTE 16 Liabilities on issued insurance contracts

Insurance technical reserves by component

In millions of euros	Discounted cash flow	Adj. for non-financial risk	Contract service margin.	Total
Insurance and reinsurance assets	32	3	1	36
Liabilities on insurance and reinsurance contracts	186	(19)	(333)	(166)
OPENING NET BALANCE AT 01/01/2023	**218**	**(16)**	**(332)**	**(130)**
Changes related to current services	**2**	**2**	**180**	**184**
CSM recognized for services rendered			180	180
Change in risk adjustment		2		2
Experience adjustments	2			2
Changes related to future services	**318**	**(5)**	**(159)**	**154**
Contracts initially recognized over the period	348	(5)	(188)	155
Changes in estimates that adjust the CSM	(29)		29	
Changes in loss estimates on onerous contracts	(1)			(1)
Changes in past service	**20**	**4**		**24**
Changes in liabilities for claims incurred	24	2		26
Experience adjustments on claims and other expenses	(4)	2		(2)
INSURANCE SERVICE RESULT	**340**	**1**	**21**	**362**
Financial income and expenses from insurance contracts issued	**(10)**		**(6)**	**(16)**
Other movements	(10)		(6)	(16)
Other components of comprehensive income	**(5)**			**(5)**
TOTAL CHANGES IN THE INCOME STATEMENT AND OCI	**325**	**1**	**15**	**341**
Cash flow	**(353)**	**(1)**	**(6)**	**(360)**
Premiums and taxes on premiums received	(591)			(591)
Claims and other insurance service expenses paid	54			54
Cash flow from insurance acquisitions	184	(1)	(6)	177
CLOSING NET BALANCE AT 31/12/2023	**190**	**(16)**	**(323)**	**(149)**
Insurance and reinsurance assets	28	2	3	33
Liabilities on insurance and reinsurance contracts	162	(18)	(326)	(182)

In millions of euros	Discounted cash flow	Adj. for non-financial risk	Contract service margin.	Total
Insurance and reinsurance assets	56	3		59
Liabilities on insurance and reinsurance contracts	155	(13)	(274)	(132)
OPENING NET BALANCE AT 01/01/2022	**211**	**(10)**	**(274)**	**(73)**
Changes related to current services	**(14)**	**(1)**	**170**	**155**
CSM recognized for services rendered			170	170
Change in risk adjustment		(1)		(1)
Experience adjustments	(14)			(14)
Changes related to future services	**374**	**(6)**	**(230)**	**138**
Contracts initially recognized over the period	317	(6)	(174)	137
Changes in estimates that adjust the CSM	57		(56)	1
Changes in past service	**1**			**1**
Changes in liabilities for claims incurred	2	(2)		
Experience adjustments on claims and other expenses	(1)	2		1
INSURANCE SERVICE RESULT	**361**	**(7)**	**(60)**	**294**
Income and expenses from reinsurance contracts			**1**	**1**
Financial income and expenses from insurance contracts issued	**(12)**	**1**	**1**	**(10)**
Other movements	(12)	1	1	(10)
TOTAL CHANGES IN THE INCOME STATEMENT AND OCI	**349**	**(6)**	**(58)**	**285**
Cash flows	**(342)**			**(342)**
Premiums and taxes on premiums received	(397)			(397)
Claims and other insurance service expenses paid	51			51
Cash flow from insurance acquisitions	4			4
CLOSING NET BALANCE AT 31/12/2022	**218**	**(16)**	**(332)**	**(130)**
Insurance and reinsurance assets	32	3	1	36
Liabilities on insurance and reinsurance contracts	186	(19)	(333)	(166)

Insurance technical reserves by coverage

In millions of euros	Liability for remaining coverage Excluding loss	Liability for remaining coverage Loss	Liabilities for claims incurred	Total
Insurance and reinsurance assets	21	(1)	16	36
Liabilities on insurance and reinsurance contracts	(99)		(67)	(166)
OPENING NET BALANCE AT 01/01/2023	**(78)**	**(1)**	**(51)**	**(130)**
Total insurance revenues	**387**			**387**
Margin recognized for services provided	180			180
Change in non-financial risk adjustment on expired risk	5			5
Expenses incurred for insurance services - Claims	49			49
Expenses incurred for insurance services - Expenses	14			14
Recovery of cash flows from insurance acquisitions	139			139
Total insurance service expenses	**16**	**1**	**(42)**	**(25)**
Expenses incurred on insurance services - Claims		1	(61)	(60)
Expenses incurred on insurance services - Expenses		1	(4)	(3)
Expenses incurred on insurance services - Other movements			1	1
Amortization of insurance acquisition cash flows	16			16
Changes in past services			22	22
Losses and reversals of losses on onerous contracts		(1)		(1)
INSURANCE SERVICE RESULT	**403**	**1**	**(42)**	**362**
Financial income and expenses from insurance contracts issued	**(16)**			**(16)**
Other movements	(16)			(16)
Other components of comprehensive income	**(4)**		**(1)**	**(5)**
TOTAL CHANGES IN THE INCOME STATEMENT AND OCI	**383**	**1**	**(43)**	**341**
Cash flows	**(414)**		**54**	**(360)**
Premiums and taxes on premiums received	(591)			(591)
Claims and other insurance service expenses paid			54	54
Cash flow from insurance acquisitions	177			177
CLOSING NET BALANCE AT 31/12/2023	**(109)**		**(40)**	**(149)**
Insurance and reinsurance assets	27		6	33
Liabilities on insurance and reinsurance contracts	(136)		(46)	(182)

In millions of euros	Liability for remaining coverage Excluding loss	Liability for remaining coverage Loss	Liabilities for claims incurred	Total
Insurance and reinsurance assets	37		22	59
Liabilities on insurance and reinsurance contracts	(71)		(61)	(132)
OPENING NET BALANCE AT 01/01/2022	**(34)**		**(39)**	**(73)**
Total insurance revenues	**359**			**359**
Margin recognized for services provided	170			170
Change in non-financial risk adjustment on expired risk	4			4
Expenses incurred for insurance services - Claims	33			33
Expenses incurred for insurance services - Expenses	15			15
Recovery of cash flows from insurance acquisitions	137			137
Total insurance service expenses		**(1)**	**(64)**	**(65)**
Expenses incurred on insurance services - Claims			(54)	(54)
Expenses incurred on insurance services - Expenses			(16)	(16)
Expenses incurred on insurance services - Other movements			4	4
Changes in past services			2	2
Losses and reversals of losses on onerous contracts		(1)		(1)
INSURANCE SERVICE RESULT	**359**	**(1)**	**(64)**	**294**
Income and expenses from reinsurance contracts	**1**			**1**
Financial income and expenses from insurance contracts issued	**(12)**		**2**	**(10)**
Other movements	(12)		2	(10)
TOTAL CHANGES IN THE INCOME STATEMENT AND OCI	**348**	**(1)**	**(62)**	**285**
Cash flows	**(393)**		**51**	**(342)**
Premiums and taxes on premiums received	(397)			(397)
Claims and other insurance service expenses paid			51	51
Cash flow from insurance acquisitions	4			4
CLOSING NET BALANCE AT 31/12/2022	**(79)**	**(1)**	**(50)**	**(130)**
Insurance and reinsurance assets	21	(1)	16	36
Liabilities on insurance and reinsurance contracts	(100)		(66)	(166)

Breakdown by maturity of discounted cash flow

In millions of euros	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total 12/2023
Insurance and reinsurance assets	12	9	6	1			28
Liabilities on insurance and reinsurance contracts	(56)	(56)	(33)	(13)	(4)		(162)

In millions of euros	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total 12/2023
Insurance and reinsurance assets	15	14	2	1			32
Liabilities on insurance and reinsurance contracts	(90)	(34)	(39)	(17)	(5)	(1)	(186)

Sensitivity tests

	Central amount after Audit adjustment	Interest rate shock: +100bp in discount rate curve	Insurance risk shock: Permanent increase of the claim frequency (+20% to + 40% according to coverage)	Regulatory shock: decrease of the New Production 2023 by 15%
In millions of euros	12/2023	Sensitivity 1	Sensitivity 2	Sensitivity 3
Pre-tax income	203	203	189	207
Variations	0	0	-14	4
Other Comprehensive income	-5	-7	-4	-5
Variations	0	-2	1	0

NOTE 17 Provisions

In millions of euros	12/2022	Charge	Reversals Used	Reversals Not Used	Other (*)	12/2023
IMPAIRMENT ON BANKING OPERATIONS	**45**	**27**	**(2)**	**(28)**		**42**
Provisions for signature commitments (**)	11	17		(21)	1	7
Provisions for litigation risks	9				(6)	3
Other provisions	25	10	(1)	(7)	5	32
IMPAIRMENT ON NON-BANKING OPERATIONS	**143**	**30**	**(70)**	**(2)**	**8**	**109**
Provisions for pensions liabilities and related	37	6	(10)		5	38
Provisions for restructuring	22	6	(13)	(1)		14
Provisions for tax and litigation risks	79	14	(47)	(1)	3	48
Other provisions	5	4				9
TOTAL PROVISIONS	**188**	**57**	**(72)**	**(30)**	**8**	**151**

(*) Other = Reclassification, currency translation effects, changes in scope of consolidation
(**) Provisions on signature commitments = mainly related to financing commitments

Each of the known disputes in which RCI Banque S.A. or the Group's companies are involved was reviewed at the closing date. On the advice of legal counsel, provisions were established when deemed necessary to cover estimated risks.

Every so often, the Group's companies are subject to tax audits in the countries where they are based. Uncontested deficiency notices are booked by means of tax provisions. Contested deficiency notices are recognized case by case on the basis of estimates taking into account the merit of the claims against the company concerned and the risk that it may not prevail in its case.

Provisions for restructuring are for the work exemption plan, a career development scheme funded by the company.

Provisions for litigation risks on banking operations relate to administration/processing fees billed to business customers. The allocation of provisions for tax risks and litigation in 2023 is linked to the VAT adjustment of the Italian branch (settled in the second half of the year) The reversal of the provision for tax risks and litigation in 2023 is linked to the payment of a CSLL provision for Brézil.

In 2021, the FCA banned certain commissioning models for automotive financing, which had encouraged intermediaries to increase costs for consumers. Several customer complaints were filed regarding commission charged agreements put in place before this ban. The financial mediation service examined certain complaints rejected by the companies. It ruled in favor of the plaintiffs in two recent decisions. This will likely lead to a significant increase in consumer complaints to companies and the financial ombudsman. On 11 January 2024, the Financial Conduct Authority (FCA) announced that it would review the automotive financing sales and commissions agreements of several financial institutions. It also announced that it would ensure that consumers receive appropriate compensation if it finds evidence of widespread misconduct. As the FCA's review has not yet been completed, Mobilize Financial Services is not in a position to determine whether the proceedings initiated are likely to have a material adverse impact on its financial statements.

Provisions for pension and other post-employment benefits

In millions of euros	12/2023	12/2022
France	26	25
Rest of world	12	12
TOTAL PROVISIONS FOR PENSION LIABILITIES	**38**	**37**

Subsidiaries without a pension fund

Main actuarial assumptions	France 12/2023	France 12/2022
Retirement age	67 years old	67 years old
Salary increases	2.44%	1.84%
Financial discount rate	3.12%	3.10%
Starting rate	10.33%	9.80%

Subsidiaries with a pension fund

	United Kingdom		Swiss		Netherlands	
Main actuarial assumptions	12/2023	12/2022	12/2023	12/2022	12/2023	12/2022
Average duration	15 years	17 years	23 years	18 years		21 years
Rate of wage indexation			1.00%	1.00%		1.00%
Financial discount rate	4.40%	4.90%	1.40%	1.80%		0.80%
Actual return rate of hedge assets	7.50%	-38.10%	1.00%	1.00%		0.80%

Changes in provisions during the year

In millions of euros	Actuarial value of obligations (A)	Fair value of invested funds (B)	Obligations less invested funds (C)	Net liability (asset) of the defined-benefit pension plans (A)-(B)-(C)
OPENING BALANCE OF THE CURRENT PERIOD	**81**	**43**		**38**
Current service cost	4			4
Net interest on the net liability (asset)	2	1		1
EXPENSE (INCOME) RECORDED IN THE INCOME STATEMENT	**6**	**1**		**5**
Actuarial gains and losses on the obligation resulting from changes in demographic assumptions	1			1
Actuarial gains and losses on the obligation resulting from changes in financial assumptions	5			5
Actuarial gains and losses on the obligation resulting from experience adjustments	(2)			(2)
EXPENSE (INCOME) RECORDED IN OTHER COMPONENTS OF COMPREHENSIVE INCOME	**4**			**4**
Employer's contributions to funds		4		(4)
Benefits paid	(6)	(2)		(4)
Effect of changes in exchange rates	(13)	(12)		(1)
BALANCE AT THE CLOSING DATE OF THE PERIOD	**72**	**34**		**38**

Nature of invested funds

	12/2023		12/2022	
In millions of euros	Quoted on an active market	Not quoted on an active market	Quoted on an active market	Not quoted on an active market
Shares	13		11	
Bonds	14		26	
Other	7		6	
TOTAL	**34**		**43**	

NOTE 18 Impairment allowances to cover counterparty risk

In millions of euros	12/2022	Charge	Reversals Used	Reversals Not Used	Other (*) changes	12/2023
IMPAIRMENTS ON BANKING OPERATIONS	**1,141**	**677**	**(464)**	**(201)**	**15**	**1,168**
Customer Loans	1,141	677	(464)	(201)	15	1,168
• *O/w impairment on healthy receivables*	*375*	*294*	*(196)*	*(141)*	*3*	*335*
• *O/w impairment on receivables with a significant increase in credit*	*185*	*157*	*(125)*	*(34)*	*3*	*186*
• *O/w impairment on defaulted receivables*	*581*	*226*	*(143)*	*(26)*	*9*	*647*
IMPAIRMENT ON NON-BANKING OPERATIONS	**2**	**2**	**(1)**		**(1)**	**2**
Other provisions to cover counterparty risk	2	2	(1)		(1)	2
IMPAIRMENT ON BANKING OPERATIONS	**20**	**17**	**(1)**	**(21)**	**(5)**	**10**
Provisions for signature commitments	11	17	(1)	(21)	1	7
Provisions for litigation risks	9				(6)	3
TOTAL PROVISIONS TO COVER COUNTERPARTY RISK	**1,163**	**696**	**(466)**	**(222)**	**9**	**1,180**

(*) Other = Reclassification, currency translation effects, changes in scope of consolidation.

A breakdown by market segment of allowances for impairment of assets in connection with customer finance operations is provided in Note 7.

NOTE 19 Subordinated debt - Liabilities

In millions of euros	12/2023	12/2022
LIABILITIES MEASURED AT AMORTIZED COST	**882**	**872**
Subordinated securities	865	856
Accrued interest on subordinated securities	17	16
HEDGED LIABILITIES MEASURED AT FAIR VALUE	**11**	**14**
Participating loan	11	14
TOTAL SUBORDINATED LIABILITIES	**893**	**886**

The liabilities measured at amortized cost represent the subordinated securities issued by RCI Banque S.A. in November 2019 for €850 million and the subordinated securities issued by RCI Finance Maroc S.A. in December 2020 for €6.2 million. RCI Finance Maroc issued a subordinated security for an amount of €9.2 million.

The hedged liabilities measured at fair value represent the participating initial loan stocks of 500,000,000 francs issued in 1985 by Diac SA.

The remuneration system includes:

- a fixed portion equal to 60% of the Annual Monetary Rate (AMR);
- a variable portion obtained by applying the rate of increase in consolidated net income for the last financial year over that of the previous financial year to 40% of the AMR.

Annual remuneration is between 100% and 130% of the AMR, with a floor rate of 6.5%. The loan is perpetual.

NOTE 20 Financial assets and liabilities by remaining term to maturity

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2023
FINANCIAL ASSETS	**16,429**	**16,849**	**27,182**	**514**	**60,974**
Cash and balances at Central Banks	4,729	4			4,733
Derivatives	21	57	124	23	225
Financial assets	209	108	193	116	626
Amounts receivable from credit institutions	1,539				1,539
Loans and advances to customers	9,931	16,680	26,865	375	53,851
FINANCIAL LIABILITIES	**23,095**	**10,488**	**19,691**	**2,248**	**55,522**
Central Banks	357	1,547	471		2,375
Derivatives	15	17	257		289
Amounts payable to credit institutions	35	15	12		62
Financial liabilities	605	677	993		2,275
Amounts payable to customers	19,872	4,327	4,513	600	29,312
Debt securities	2,192	3,905	13,445	774	20,316
Subordinated debt	19			874	893

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2022
FINANCIAL ASSETS	**16,691**	**16,386**	**23,676**	**516**	**57,269**
Cash and balances at Central Banks	5,836	31	7		5,874
Derivatives	11	24	294		329
Financial assets	191	257	177	120	745
Amounts receivable from credit institutions	1,690				1,690
Loans and advances to customers	8,963	16,074	23,198	396	48,631
FINANCIAL LIABILITIES	**21,752**	**9,059**	**17,515**	**2,219**	**50,545**
Central Banks	4	1,750	1,961		3,715
Derivatives	6	12	296	8	322
Financial liabilities	13	11	5		29
Amounts payable to credit institutions	446	594	972		2,012
Amounts payable to customers	18,907	2,573	3,293	700	25,473
Debt securities	2,361	4,119	10,988	640	18,108
Subordinated debt	15			871	886

Central Bank borrowings correspond to the longer-term refinancing operations (TLTRO) introduced at the end of 2014 and gradually being used by RCI Banque S.A. The Mobilize Financial Services group was also able to benefit from the TFSME program announced by the Bank of England in 2020.

NOTE 21 Breakdown of future contractual cash flows by maturity

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2023
FINANCIAL LIABILITIES	**23,327**	**11,036**	**21,097**	**2,330**	**57,790**
Central Banks	350	1,500	471		2,321
Derivatives	10	95	204		309
Amounts payable to credit institutions	595	591	993		2,179
Amounts payable to customers	19,820	4,299	4,513	600	29,232
Debt securities	2,289	3,672	13,355	774	20,090
Subordinated debt	19			872	891
Future interest payable	244	879	1,561	84	2,768
FINANCING AND GUARANTEE COMMITMENTS	**3,001**	**148**		**1**	**3,150**
TOTAL BREAKDOWN OF FUTURE CONTRACTUAL CASH FLOWS BY MATURITY	**26,328**	**11,184**	**21,097**	**2,331**	**60,940**

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2022
FINANCIAL LIABILITIES	**22,166**	**9,611**	**18,622**	**2,327**	**52,726**
Central Banks		1,750	1,961		3,711
Derivatives	5	82	252	2	341
Amounts payable to credit institutions	423	523	972		1,918
Amounts payable to customers	18,873	2,561	3,293	700	25,427
Debt securities	2,664	4,003	10,923	640	18,230
Subordinated debt	15			866	881
Future interest payable	186	692	1,221	119	2,218
FINANCING AND GUARANTEE COMMITMENTS	**4,199**	**25**		**1**	**4,225**
TOTAL BREAKDOWN OF FUTURE CONTRACTUAL CASH FLOWS BY MATURITY	**26,365**	**9,636**	**18,622**	**2,328**	**56,951**

The sum of the future contractual cash flows is not equal to the values in the balance sheet. This is because future contractual interest and non-discounted coupon payments on swaps are taken into account.

For liability derivatives, the contractual cash flows correspond to the amounts payable.

For the other non-derivative financial liabilities, the contractual cash flows correspond to the repayment of the value and the payment of interest.

Interest for variable rate financial instruments has been estimated on the basis of the interest rate in effect at 31 December 2023.

NOTE 22 Fair value of assets and liabilities (in accordance with IFRS 7 & IFRS 13) and breakdown of assets and liabilities by fair value hierarchy

		Fair Value				
In millions of euros – 31/12/2023	**Book Value**	**Level 1**	**Level 2**	**Level 3**	**FV (*)**	**Gap (*)**
FINANCIAL ASSETS	**60,974**	**596**	**6,524**	**52,925**	**60,045**	**(929)**
Cash and balances at Central Banks	4,733		4,733		4,733	
Derivatives	225		225		225	
Financial assets	626	596		3	626	
Amounts receivable from credit institutions	1,539		1,539		1,539	
Loans and advances to customers	53,851			52,922	52,922	(929)
FINANCIAL LIABILITIES	**55,522**	**11**	**55,720**		**55,731**	**(209)**
Central Banks	2,375		2,378		2,378	(3)
Derivatives	289		289		289	
Financial liabilities	62		62		62	
Amounts payable to credit institutions	2,275		2,305		2,305	(30)
Amounts payable to customers	29,312		29,312		29,312	
Debt securities	20,316		20,564		20,564	(248)
Subordinated debt	893	11	810		821	72

(*) FV: Fair value – Difference: Unrealized gain or loss.

		Fair Value				
In millions of euros – 31/12/2022	**Book Value**	**Level 1**	**Level 2**	**Level 3**	**FV (*)**	**Gap (*)**
FINANCIAL ASSETS	**57,269**	**627**	**7,998**	**48,317**	**56,942**	**(327)**
Cash and balances at Central Banks	5,874		5,874		5,874	
Derivatives	329		329		329	
Financial assets	745	627		13	745	
Amounts receivable from credit institutions	1,690		1,690		1,690	
Loans and advances to customers	48,631			48,304	48,304	(327)
FINANCIAL LIABILITIES	**50,545**	**15**	**50,414**		**50,429**	**116**
Central Banks	3,715		3,760		3,760	(45)
Derivatives	322		322		322	
Financial liabilities	29		29		29	
Amounts payable to credit institutions	2,012		1,986		1,986	
Amounts payable to customers	25,473		25,473		25,473	
Debt securities	18,108		18,085		18,085	23
Subordinated debt	886	15	759		774	112

(*) FV: Fair value – Difference: Unrealized gain or loss.

Financial assets classified as Level 3 are holdings in non-consolidated companies.

Customer loans and receivables, classified in Level 3, are measured at amortized cost in the balance sheet. Fair value calculations are provided for information purposes only and should be interpreted as estimates only. In most cases, the values provided are not intended to be realized and generally could not be realized in practice. These values are not indicators used for the purpose of managing the bank's activities, for which the management model is collection of expected cash flows.

The assumptions used to measure the fair value of the instruments at amortized cost are presented below.

Assumptions and methods used

The three-level hierarchy for financial instruments recognized on the balance sheet at fair value, as required by IFRS 7, is as follows:

- level 1: measurements based on quoted prices on active markets for identical financial instruments;
- level 2: measurements based on quoted prices on active markets for similar financial instruments or measurements for which all significant data are based on observable market data;
- level 3: measurement techniques for which significant data are not based on observable market data.

Estimated fair values have been determined using available market information and appropriate valuation methods for each type of instrument.

However, the methods and assumptions used are by nature theoretical, and a substantial amount of judgment comes into play in interpreting market data. Using different assumptions and/or different valuation methods could have a significant effect on the estimated values.

Fair values have been determined on the basis of information available at the closing date of each period, and thus do not reflect later changes.

As a general rule, whenever a financial instrument is traded on an active, liquid market, its most recent quoted price is used to calculate market value. For instruments without a quoted price, market value is determined by applying recognized valuation models that use observable market parameters. If Mobilize Financial Services group does not have the necessary valuation tools, including for complex products, valuations are obtained from leading financial institutions.

The main assumptions and valuation methods used are the following:

Financial assets

Fixed-rate loans have been estimated by discounting future cash flows at the interest rates offered by the Mobilize Financial Services group at 31 December 2022 and at 31 December 2023 for loans with similar conditions and maturities.

Level 3 securities are non-consolidated holdings for which there is no quoted price.

Loans and advances to customers

Sales financing receivables have been estimated by discounting future cash flows at the interest rate that would have applied to similar loans (conditions, maturity and borrower quality) at 31 December 2022 and at 31 December 2023.

Customer receivables with a term of less than one year are not discounted, as their fair value is not significantly different from their net book value.

Financial liabilities

Fair value of financial liabilities has been estimated by discounting future cash flows at the interest rates offered to the Mobilize Financial Services group at 31 December 2022 and 31 December 2023 for borrowings with similar conditions and maturities. Projected cash flows are therefore discounted according to the zero-coupon yield curve, augmented by the spread specific to RCI Banque S.A. for issues on the secondary market against 3 months.

NOTE 23 Netting agreements and other similar commitments

Master Agreement relating to transactions on forward financial instruments and similar agreements

The Mobilize Financial Services group negotiates its forward derivative agreements under International Swaps and Derivatives Association (ISDA) and FBF (Fédération Bancaire Française) Master Agreements.

The occurrence of an event of default entitles the non-defaulting party to suspend performance of its payment obligations and to payment or receipt of a settlement amount for all terminated transactions.

ISDA and FBF Master Agreements do not meet the criteria for offsetting in the financial statements. The Mobilize Financial Services group does not currently have a legally enforceable right to offset booked amounts in the event of default or a credit event.

Synthesis of financial assets and liabilities agreements

In millions of euros – 31/12/2023	Gross book value before agreement	Netted gross amounts	Net amount in balance sheet	Non compensated amount: Financial instruments on the liability	Non compensated amount: Guarantees on the liability	Non compensated amount: Off-balance sheet guarantees	Net Exposure
ASSETS	**1,212**		**1,212**	**234**	**703**		**275**
Derivatives	225		225	234			(9)
Dealer financing receivables [1]	987		987		703		284
LIABILITIES	**289**		**289**	**234**			**55**
Derivatives	289		289	234			55

(1) The gross book value of dealer financing receivables breaks down into €498 million for the Renault Retail Group, whose exposures are hedged for up to €495 million by a cash warrant agreement given by the Renault manufacturer (see Note 12.3), and €489 million for dealers financed by Banco RCI Brasil S.A., whose exposures are hedged for up to €208 million by pledge of letras de cambio (bills of exchange) subscribed by the dealers.

In millions of euros – 31/12/2022	Gross book value before agreement	Netted gross amounts	Net amount in balance sheet	Non compensated amount: Financial instruments on the liability	Non compensated amount: Guarantees on the liability	Non compensated amount: Off-balance sheet guarantees	Net Exposure
ASSETS	**1,241**		**1,241**	**334**	**720**		**187**
Derivatives	329		329	334			(5)
Dealer financing receivables [1]	912		912		720		192
LIABILITIES	**322**		**322**	**334**			**(12)**
Derivatives	322		322	334			(12)

(1) The gross book value of dealer financing receivables breaks down into €538 million for the Renault Retail Group, whose exposures are hedged for up to €531 million by a cash warrant agreement given by the Renault manufacturer (see Note 9.3), and €374 million for dealers financed by Banco RCI Brasil S.A., whose exposures are hedged for up to €189 million by pledge of letras de cambio (bills of exchange) subscribed by the dealers.

NOTE 24 Commitments given

In millions of euros	12/2023	12/2022
FINANCING COMMITMENTS	**3,092**	**4,209**
Commitments to customers	3,092	4,209
GUARANTEE COMMITMENTS	**279**	**305**
Commitments to credit institutions	200	140
Customer guarantees	79	165
OTHER COMMITMENTS GIVEN	**66**	**86**
Commitments given for equipment leases and real estate leases	66	86
TOTAL COMMITMENTS GIVEN [*]	**3,437**	**4,600**
(*) Of which related parties.	1	3

NOTE 25 Commitments received

In millions of euros	12/2023	12/2022
FINANCING COMMITMENTS	**4,631**	**4,714**
Guarantees received from credit institutions	4,631	4,714
GUARANTEE COMMITMENTS	**21,603**	**18,242**
Guarantees received from credit institutions	206	175
Guarantees from customers	6,745	6,511
Commitments to take back leased vehicles at the end of the contract	14,652	11,556
OTHER COMMITMENTS RECEIVED	**64**	**88**
Other commitments received	64	88
TOTAL COMMITMENTS RECEIVED (*)	**26,298**	**23,044**
(*) Of which related parties	5,624	5,869

At 31 December 2023, the Mobilize Financial Services group had €4,631 million in unused confirmed lines of credit, as well as broadly diversified short-term and medium-term issuance programs. It also held €5,182 million of assets eligible and mobilizable with the European Central Bank (after haircuts and excluding securities and receivables already in use at year-end).

Most of the commitments received from related parties concern the commitments to take back vehicles agreed with manufactures as part of finance leases.

Guarantees and collateral

Guarantees or collateral offer partial or total protection against the risk of losses due to debtor insolvency (mortgages, pledges, comfort letters, bank guarantees on first demand for the granting of loans to dealers and private customers in certain cases). Guarantors are the subject of internal or external rating updated at least annually.

With a view to reducing its risk-taking, the Mobilize Financial Services group thus actively and rigorously manages its sureties, among other things by diversifying them: credit insurance, personal and other guarantees.

NOTE 26 Exposure to currency risk

	Balance sheet		Off balance sheet		Net position		
In millions of euros – 12/2023	Long position	Short position	Long position	Short position	Total	Of which monetary	Of which structural
Position GBP	608			(273)	335	1	334
Position JPY	2				2	2	
Position CHF	299			(294)	5	1	4
Position CZK	68			(51)	17		17
Position ARS	1				1		1
Position BRL	130				130		130
Position PLN	839			(826)	13		13
Position HUF	5				5		5
Position RON	41			(41)			
Position KRW	149				149		149
Position MAD	27				27		27
Position DKK	44			(44)			
Position TRY	2				2		2
Position SEK	104			(104)			
Position INR	23				23		23
Position COP	28				28		28
TOTAL EXPOSURE	**2,370**			**(1,633)**	**737**	4	**733**

In millions of euros – 12/2022	Balance sheet		Off balance sheet		Net position		
	Long position	Short position	Long position	Short position	Total	Of which monetary	Of which structural
Position GBP	802			(474)	328	1	327
Position JPY	1				1	1	
Position CHF	302			(298)	4		4
Position CZK	72			(54)	18		18
Position ARS	3				3		3
Position BRL	124				124		124
Position PLN	563			(551)	12		12
Position HUF	5				5		5
Position RON	30			(30)			
Position KRW	159				159		159
Position MAD	26				26		26
Position DKK	35			(35)			
Position TRY	4				4		4
Position SEK	93			(93)			
Position RUB	16			(17)	(1)	(1)	
Position INR	24				24		24
Position COP	23				23		23
TOTAL EXPOSURE	**2,282**			**(1,552)**	**730**	**1**	**729**

The structural foreign exchange position corresponds to the history value of foreign currency equity securities held by RCI Banque S.A.

NOTE 27 Interest and similar income

In millions of euros	12/2023	12/2022
INTEREST AND SIMILAR INCOMES	**4,195**	**2,965**
Transactions with credit institutions	439	154
Customer Loans	2,626	1,950
Finance leases	879	730
Accrued interest due and payable on hedging instruments	187	80
Accrued interest due and payable on Financial assets	64	51
STAGGERED FEES PAID FOR REFERRAL OF BUSINESS	**(798)**	**(813)**
Customer Loans	(546)	(603)
Finance leases	(252)	(210)
TOTAL INTEREST AND SIMILAR INCOME (*)	**3,397**	**2,152**
(*) Of which related parties	672	546

The increase of interest and similar incomes is explained by the increase of market rate in 2023 which result an increase of rate invoiced to clients in order to protect our financial margin.

As the receivables assigned under the securitization transactions have not been derecognized, interest on those receivables continues to appear under interest and similar income in customer finance transactions.

NOTE 28 Interest expenses and similar charges

In millions of euros	12/2023	12/2022
Transactions with credit institutions	(431)	(240)
Customer Loans	(684)	(158)
Finance leases	(3)	(8)
Accrued interest due and payable on hedging instruments	(166)	(31)
Expenses on debt securities	(807)	(429)
Other interest and similar expenses	(18)	(17)
TOTAL INTEREST AND SIMILAR EXPENSES (*)	**(2,109)**	**(883)**
(*) Of which related parties	(25)	(3)

The increase of interest and similar expenses mainly explained by the increase of market rate in 2023.

NOTE 29 Fees and commissions

In millions of euros	12/2023	12/2022
FEES AND COMMISSION INCOME	**765**	**679**
Commissions	31	20
Fees	21	17
Commissions from service activities	158	126
Insurance brokerage commission	63	61
Incidental insurance commissions from finance contracts	266	244
Incidental maintenance commissions from finance contracts	166	150
Other incidental commissions from finance contracts	60	61
FEES AND COMMISSION EXPENSES	**(383)**	**(311)**
Commissions	(50)	(31)
Commissions on service activities	(118)	(98)
Incidental insurance commissions from finance contracts	(52)	(47)
Incidental maintenance commissions from finance contracts	(134)	(108)
Other incidental commissions from finance contracts	(29)	(27)
TOTAL NET COMMISSIONS (*)	**382**	**368**
(*) Of which related parties	17	9

Incidental income from and expenses of services related to finance contracts as well as income and expenses of service activities primarily concern insurance and maintenance contracts.

NOTE 30 Net gains (losses) on financial instruments at fair value through profit or loss

In millions of euros	12/2023	12/2022
NET GAINS (LOSSES) ON DERIVATIVES CLASSIFIED AS TRANSACTIONS IN TRADING SECURITIES	**(102)**	**75**
Net gains/losses on forex transactions	26	(20)
Net gains and losses on derivatives classified at fair value through profit or loss	(118)	82
Net gains and losses on equity securities at fair value	4	2
Fair value hedges: change in value of hedging instruments	185	(372)
Fair value hedges: change in value of hedged items	(202)	383
Net gains and losses on securities measured at fair value through profit and loss	3	
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**(7)**	**(6)**
Dividends from non-consolidated holdings		1
Gains and losses on assets at fair value through profit and loss	(7)	(7)
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE (*)	**(109)**	**69**
(*) Of which related parties	(7)	1

As part of the hedging of certain variable-rate liabilities (Deposits and TLTROs), the Mobilize Financial Services group has set up interest rate derivatives that do not qualify as hedging derivatives for accounting purposes according to the provisions of IFRS 9. Net banking income was negatively impacted by a negative effect of the valuation of interest rate swaps and, to a lesser extent, by foreign exchange swaps for a total of -€118 million mainly due to the amortization of the portfolio that generated €82 million in profit in 2022.

NOTE 31 Net income or expense of other activities

In millions of euros	12/2023	12/2022
OTHER INCOME FROM BANKING OPERATIONS	**785**	**573**
Income related to non-doubtful lease contracts	406	258
• of which reversal of impairment on residual values	203	49
Expenses related to operating lease transactions	340	295
Other income from banking operations	39	20
• of which reversal of charge to reserve for banking risks	9	7
OTHER BANKING OPERATION EXPENSES	**(739)**	**(561)**
Expenses related to non-doubtful lease contracts	(381)	(229)
• of which allowance for impairment on residual values	(190)	(67)
Distribution costs not treatable as interest expense	(81)	(85)
Expenses related to operating lease transactions	(239)	(213)
Other banking operation expenses	(38)	(34)
• of which charge to reserve for banking risks	(10)	(8)
OTHER OPERATING INCOME AND EXPENSES	**8**	**13**
Other operating income	28	28
Other operating expenses	(20)	(15)
TOTAL NET INCOME (EXPENSE) OF OTHER ACTIVITIES (*)	**54**	**25**
(*) Of which related parties	10	2

Income and expenses of service activities include the income and expenses booked for insurance policies issued by the Group's captive insurance companies.

NOTE 32 General operating expenses and personal costs

In millions of euros	12/2023	12/2022
PERSONNEL COSTS	**(372)**	**(360)**
Employee pay	(255)	(231)
Expenses of post-retirement benefits – Defined-contribution pension plan	(27)	(22)
Expenses of post-retirement benefits – Defined-benefit pension plan	4	(1)
Other employee-related expenses	(81)	(77)
Other personnel expenses	(13)	(29)
OTHER ADMINISTRATIVE EXPENSES	**(321)**	**(258)**
Taxes other than current income tax	(58)	(54)
Rental charges	(7)	(7)
Other administrative expenses	(256)	(197)
TOTAL GENERAL OPERATING EXPENSES (*)	**(693)**	**(618)**
(*) Of which related parties	(1)	11

Auditors' fees are analyzed in Appendix 3 "Fees paid to the Statutory Auditors and their network."

In addition, the services other than the certification of the financial statements provided by KPMG SA and Mazars during the financial year to RCI and the entities it controls mainly concern (i) customer experience assessments, (ii) preparation of the tax declaration and (ii) certificates following new regulations.

Other personnel expenses include amounts charged to and reversed from provisions for restructuring and for personnel related risks totaling -€4 million as at 31 December 2023 compared with -€19 million as at 31 December 2022.

Average number of employees	12/2023	12/2022
Sales financing operations and services in France	1,852	1,801
Sales financing operations and services in other countries	2,420	2,286
TOTAL RCI BANQUE GROUP	**4,272**	**4,087**

NOTE 33 Cost of risk by customer category

In millions of euros	12/2023	12/2022
COST OF RISK ON CUSTOMER FINANCING	**(154)**	**(210)**
Impairment allowances	(447)	(331)
Reversal of impairment	421	221
Losses on receivables written off	(160)	(128)
Amounts recovered on loans written off	32	28
COST OF RISK ON DEALER FINANCING	**9**	**21**
Impairment allowances	(43)	(25)
Reversal of impairment	54	54
Losses on receivables written off	(2)	(8)
OTHER COST OF RISK	**(8)**	**(6)**
Change in allowance for impairment of other receivables		(3)
Other valuation adjustments	(8)	(3)
TOTAL COST OF RISK	**(153)**	**(195)**

This item includes the net increase (decrease) in impairment allowances, losses on receivables written off and amounts recovered on receivables written off.

At the end of December 2023, the total cost of risk was a net provision of €153 million, of which €154 million in customer financing (i.e. 0.38% of average earning assets) and a reversal of €9 million euros (i.e. -0.09% of Average Productive Assets) on dealer financing.

The main changes in customer activity in 2023 were:

- a net increase in provisions of €55 million for non-performing outstandings, which is explained by an increase in exposures offset by a decrease in the coverage ratio;
- a net decrease in provisions of 29M€ on performing loans or impaired since origination, explained by the following factors :
  - an allowance of 10M€ for changes in the bucket mix and risk parameters
  - an allowance regarding an increase in outstanding of 38M€;
  - a release of expertise on risk parameters of 21M€
  - a reversal regarding forward-looking of €20 million
  - a release inflation risk expertise of 15M€
  - an allowance related to fragile customers of 6M€
  - a release for individual risks of 14M€

Regarding the Dealer activity (dealer financing), the cost of risk (reversal of €9 million) breaks down as follows:

- €5 million reversal of provision on non-performing outstandings explained by an improvement in the portfolio mix in B3 with less exposure to long-maturity counterparties in the default and entry into default of counterparties in Brazil, a significant amount of which is covered by a guarantee;
- €5 million of provision reversal on performing loans, partly explained by the improvement in the mix by risk class and by the update of PD/LGD parameters.

In other activities, the cost of risk is mainly related to the impairment of RNL Leasing shareholder loans (-€6 million).

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NOTE 34 Income tax

In millions of euros	12/2023	12/2022
CURRENT TAX EXPENSE	**(312)**	**(288)**
Current income tax	(312)	(288)
DEFERRED TAXES	**78**	**(33)**
Deferred taxes	77	(33)
Change in impairment of deferred tax assets	1	
TOTAL INCOME TAX	**(234)**	**(321)**

The amount of the French CVAE tax (Cotisation sur la Valeur Ajoutée des Entreprises, a tax computed on the added value generated by the company) included in current income tax was -€5 million.

Current tax expense is equal to the amount of income tax due and payable to tax authorities for the year, under the rules and tax rates applicable in each country.

The tax expense at 31 December 2023 takes into account tax income of €54.5 million. This tax income corresponds to the reimbursement by the Maltese state of a tax credit equivalent to 6/7 of the tax expense for 2022 (i.e. 6/7 of €63.7 million).

Certain differences between companies' income for tax purposes and their income for consolidated financial reporting purposes give rise to the recognition of deferred taxes. These differences result mainly from rules for accounting for lease-purchase and long-term rental transactions and for recognizing impairment on doubtful receivables.

Breakdown of net deferred taxes by major category

In millions of euros	12/2023	12/2022
Provisions	31	24
Provisions and other charges deductible when paid	(39)	5
Tax loss carryforwards	93	92
Other assets and liabilities	107	(90)
Lease transactions	(721)	(708)
Non-current assets	14	7
Impairment allowance on deferred tax assets	(8)	(9)
TOTAL NET DEFERRED TAX ASSET (LIABILITY)	**(523)**	**(679)**

The interest rate differential for French entities is mainly due to a less advantageous mechanism for capping deductions for financial expenses, the "rabot" effect (French proportional interest deduction restriction).

Deferred tax expense recognized in the other comprehensive income

	2023 change in equity			2022 change in equity		
In millions of euros	Before tax	Tax	Net	Before tax	Tax	Net
Unrealized P&L on cash flow hedge instruments	(236)	63	(173)	265	(66)	199
Unrealized P&L on financial assets	6		4	(12)	4	(8)
Actuarial differences	(6)	2	(4)	15	(4)	11
Exchange differences	16		16	(1)		(1)
Change in insurance contracts	(5)	2	(3)			

NOTE 35 Events after the end of the reporting period

The acquisition of Mobility Concept and MeinAuto, divisions of the MeinAuto Group, a major player in the German automotive leasing market, was completed on January 2, 2024 by Mobilize Lease&Co, a subsidiary of RCI Bank SA.. This transaction aims to accelerate the growth and development of long-term rental offers in Germany.

This synergy will allow Mobilize Lease&Co to deploy package offers, subscription services and flexible multi-brand leasing formulas.

This acquisition represents a structuring development opportunity thanks to its €1.5 billion fleet assets composed of 60,000 vehicles and 350 employees. The fair value of the net assets acquired amounts to €167 million. Acquisition goodwill is estimated at €81 million. The purchase price allocation is in progress.

No other post-closing event is to be noted.

5.3.8 Group subsidiaries and branches

5.3.8.1 List of consolidated companies and foreign branches

			Indirect interest of RCI		% interest	
	Country	Direct interest of RCI	%	Held by	2023	2022
PARENT COMPANY						
RCI Banque S.A.						
BRANCHES OF RCI BANQUE						
RCI Banque S.A. Niederlassung Deutschland	Germany					
RCI Banque Sucursal Argentina	Argentina					
RCI Banque S.A. Niederlassung Osterreich	Austria					
RCI Banque S.A. España branch	Spain					
RCI Banque Sucursal Portugal	Portugal					
RCI Banque S.A. Bancna Podruznica Ljubljana	Slovenia					
RCI Banque Succursale Italiana	Italy					
RCI Banque Branch Ireland	Ireland					
Renault Finance Nordic, Bankfilial till RCI Banque S.A. Frankrike	Sweden					
RCI Banque Spółka Akcyjna Oddział w Polsce	Poland					
FULLY CONSOLIDATED COMPANIES						
RCI Versicherungs Service GmbH	Germany	100			100	100
Bipi Mobility Germany GmbH (1)	Germany	-	100	Bipi Mobility SL	100	0
Rombo Compania Financiera S.A.	Argentina	60			60	60
Courtage S.A.	Argentina	95			95	95
RCI Financial Services S.A.	Belgium	100			100	100
AUTOFIN	Belgium	100			100	100
Administradora De Consorcio RCI Brasil Ltda.	Brazil	99.92			99.92	99.92
Banco RCI Brasil S.A. (ex Companhia de Arrendamento Mercantil RCIBrasil)	Brazil	60.11			60.11	60.11
Corretora de Seguros RCI Brasil S.A.	Brazil	100			100	100
RCI Brasil Serviços e Participações Ltda	Brazil	100			100	100
RCI Colombia S.A. Compania De Financiamiento	Colombia	51			51	51
RCI Servicios Colombia S.A.	Colombia	100			100	100
RCI Usluge d.o.o (2)	Croatia	100			100	100
RCI Financial Services Korea Co, Ltd	South Korea	100			100	100
RCI Insurance Service Korea Co, Ltd (2)	South Korea	100			100	100
Overlease S.A.	Spain	100			100	100
Bipi Mobility SL	Spain	100			100	100
Diac SA	France	100			100	100
Diac Location S.A.	France	-	100	Diac SA	100	100
Bipi Mobility France	France	-	100	Bipi Mobility SL	100	100
Mobilize Insurance SAS (1)	France	100			100	0
Mobilize Lease&Co SAS (1)	France	100			100	0
RCI ZRT	Hungary	100			100	100
ES Mobility SRL	Itay	100			100	100
Bipi Mobility Italy S.R.L	Itay	-	100	Bipi Mobility SL	100	100
RCI Services Ltd	Malta	100			100	100
RCI Insurance Ltd	Malta	-	100	RCI Services Ltd	100	100
RCI Life Ltd	Malta	-	100	RCI Services Ltd	100	100
RCI Finance Maroc S.A.	Morocco	100			100	100
RDFM S.A.R.L	Morocco	-	100	RCI Finance Maroc S.A.	100	100
RCI Financial Services B.V.	Netherlands	100			100	100

	Country	Direct interest of RCI	Indirect interest of RCI		% interest	
			%	Held by	2023	2022
Bipi Mobility Netherlands B.V. (2)	Netherlands	-	100	Bipi Mobility SL	100	100
RCI Leasing Polska Sp. z.o.o	Poland	100			100	100
RCI COM SA	Portugal	100			100	100
RCI GEST SEGUROS – Mediadores de Seguros, Lda	Portugal	-	100	RCI COM SA	100	100
RCI Finance CZ s.r.o.	Czech R.	100			100	100
RCI Financial Services s.r.o.	Czech R.	50			50	50
RCI Broker De Asigurare S.R.L.	Romania	-	100	RCI Finantare Romania	100	100
RCI Finantare Romania	Romania	100			100	100
RCI Leasing Romania IFN S.A.	Romania	100			100	100
RCI Financial Services Ltd	United Kingdom	-	100	RCI Bank UK Ltd	100	100
RCI Bank UK Ltd	United Kingdom	100				
Bipi Mobility UK Limited (2)	United Kingdom	-	100	Bipi Mobility SL	100	100
Mobilize Lease&Co UK Ltd (1)	United Kingdom	-	85	RCI Bank UK Ltd	85	0
RNL Leasing (3)	Russia	0			0	100
RCI Finance S.A.	Swiss	100			100	100
RCI Finance SK S.r.O (2)	Slovakia	100			100	100
RCI Lizing d.o.o (2)	Slovenia	100			100	100
SPV						
CARS Alliance Auto Loans Germany Master	Germany		(see Note 14)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Leases Germany	Germany			RCI Banque Niederlassung Deutschland		
Cars Alliance DFP Germany 2017	Germany		(see Note 14)	RCI Banque Niederlassung Deutschland		
Cars Alliance Auto Loans Germany V 2019-1	Germany		(see Note 14)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Loans Germany V 2021-1	Germany		(see Note 14)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Loans Germany V2023-1 (1)	Germany		(see Note 14)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Loans Spain 2022 (2)	Spain		(see Note 14)	RCI Banque Sucursal en Espana		
FCT Cars Alliance DFP France	France		(see Note 14)	Diac SA		
CARS Alliance Auto Loans France FCT Master	France		(see Note 14)	Diac SA		
CARS Alliance Auto Leases France V 2020-1	France		(see Note 14)	Diac SA		
CARS Alliance Auto Leases France Master	France		(see Note 14)	Diac SA		
CARS Alliance Auto Loans France V 2022-1 (2)	France		(see Note 14)	Diac SA		
Diac RV Master	France			Diac SA		
CARS Alliance Auto Leases France V 2023-1 (1)	France		(see Note 14)	Diac SA		
Cars Alliance Auto Loans Italy 2015 SRL	Itay		(see Note 14)	RCI Banque Succursale Italiana		
CARS Alliance UK Master Plc	United Kingdom		(see Note 14)	RCI Financial Services Ltd		
Cars Alliance Auto UK 2015 Limited	United Kingdom			RCI Financial Services Ltd		
ASSOCIATES						
RN SF B.V.	Netherlands	50			50	50
BARN B.V.	Netherlands	-	60	RN SF B.V.	30	30
RN Bank (3)	Russia	-	0			30

	Country	Direct interest of RCI	Indirect interest of RCI		% interest	
			%	Held by	2023	2022
Orfin Finansman Anonim Sirketi	Turkey	50			50	50
Renault Crédit Car	Belgium	-	50.1	AUTOFIN	50.1	50.10
Nissan Renault Financial Services India Private Ltd	India	30			30	30
Mobility Trader Holding Gmbh [(3)]	Germany	7.4			7.4	4.97
Select Vehicle Group Holdings Ltd	United Kingdom		36.6	RCI Bank UK Ltd	36.6	

(1) Entities added to the scope in 2023.
(2) Entities added to the scope in 2022.
(3) Entities sold and removed from the scope of consolidation in 2023

5.3.8.2 Subsidiaries in which non-controlling interests are significant

In millions of euros – 12/2023 Before intra-group elimination	**RCI Financial Services, S.r.o**	**Rombo Compania Financiera S.A.**	**Banco RCI Brasil S.A**	**RCI Colombia S.A**
Country of location	Czech Republic	Argentina	Brazil	Colombia
Percentage of capital held by non controlling interests	49.90%	40.00%	39.89%	49.00%
Share in associates by non controlling interests	49.90%	40.00%	39.89%	49.00%
Nature	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Consolidation method	Fully consolidated	Fully consolidated	Fully consolidated	Fully consolidated
Net Income: Share in net income (loss) of associates and joint ventures	2	3	18	(7)
Equity: Investments in associates and joint ventures				
Dividends paid to non controlling interests	2		24	4
Cash due from banks	4	4	89	83
Net outstandings customers loans and lease financings	106	34	1,856	834
Other assets	4		151	41
TOTAL ASSETS	**114**	**38**	**2,096**	**958**
Due to banks, customer deposits and debt securities issued	86	28	1,794	886
Other liabilities	3	2	73	9
Net Equity	25	8	229	63
TOTAL LIABILITIES	**114**	**38**	**2,096**	**958**
NET BANKING INCOME	**7**	**9**	**96**	**45**
Income tax	(1)		(12)	7
Net income	4	7	44	(13)
Other components of comprehensive income			(10)	(1)
TOTAL COMPREHENSIVE INCOME	**4**	**7**	**34**	**(14)**
Net cash generated by operating activities	14	1	106	86
Net cash generated by financing activities	(9)		(101)	(15)
Net cash generated by investing activities				(1)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**5**	**1**	**4**	**70**

In millions of euros – **12/2022** **Before intra-group elimination**	**RCI Financial Services, S.r.o**	**Rombo Compania Financiera S.A.**	**Banco RCI Brasil S.A**	**RCI Colombia S.A**
Country of location	Czech Republic	Argentina	Brazil	Colombia
Percentage of capital held by non controlling interests	49.90%	40.00%	39.89%	49.00%
Share in associates by non controlling interests	49.90%	40.00%	39.89%	49.00%
Nature	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Consolidation method	Fully consolidated	Fully consolidated	Fully consolidated	Fully consolidated
Net Income: Share in net income (loss) of associates and joint ventures	2	1	12	8
Equity: Investments in associates and joint ventures				1
Dividends paid to non controlling interests	3		2	7
Cash due from banks	2	19	120	36
Net outstandings customers loans and lease financings	105	100	1,618	701
Other assets	4	3	176	11
TOTAL ASSETS	**111**	**122**	**1,914**	**748**
Due to banks, customer deposits and debt securities issued	81	108	1,544	661
Other liabilities	4	8	116	15
Net Equity	26	6	254	72
TOTAL LIABILITIES	**111**	**122**	**1,914**	**748**
NET BANKING INCOME	**8**	**5**	**93**	**52**
Income tax	(1)	1	(9)	(10)
Net income	5	1	29	16
Other components of comprehensive income			11	(1)
TOTAL COMPREHENSIVE INCOME	**5**	**1**	**40**	**15**
Net cash generated by operating activities	3	5	(5)	70
Net cash generated by financing activities	(10)		(9)	(28)
Net cash generated by investing activities				(1)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(7)**	**5**	**(14)**	**41**

Percentages of voting rights are identical.

The amount of debt for puts on minority interests for the Brazilian entity, Banco RCI Brasil S.A. is included under "Other liabilities" for €109 million at 31 December 2023, compared with €117 million at 31 December 2022.

The amount of debt for puts on minority interests for ROMBO Compania Financiera is included under "Other liabilities" for €10 million at 31 December 2023, compared with €4 million at 31 December 2022.

The amount of debt for puts on minority interests for RCI Colombia S.A. is included under "Other liabilities" for €24 million at 31 December 2023, compared with €49 million at 31 December 2022.

The amount of debt for puts on minority interests for RCI Financial Services S.r.o. is included under "Other liabilities" for €15 million at 31 December 2023, compared with €16 million euros at 31 December 2022.

5.3.8.3 Significant associates and joint ventures

In millions of euros – 12/2023 Before intra-group elimination	**ORFIN Finansman Anonim Sirketi**	**Nissan Renault Financial Services India Private Ltd**	**Mobility Trader Holding Gmbh**	**Select Vehicle Group HoldingsLimited**
Country of location	Turkey	India	Germany	United Kingdom
Percentage of capital held	50.00%	30.00%	4.97%	36,60%
Nature	Joint venture	Associate	Associate	Associate
Consolidation method	Equity method	Equity method	Equity method	Equity method
Share in net income of associates and joint ventures	(2)	2	(20)	
Investments in associates and joint ventures	13	37	4	18
Dividends received from associates and joint ventures				
Cash due from banks	71	4	26	4
Net outstandings customers loans and lease financings	251	396	184	10
Other assets	4	13	38	7
TOTAL ASSETS	**326**	**413**	**248**	**21**
Due to banks, customer deposits and debt securities issued	295	157		10
Other liabilities	6	132	96	6
Net Equity	25	124	152	5
TOTAL LIABILITIES	**326**	**413**	**248**	**21**
NET BANKING INCOME	**15**	**19**		**2**
Income tax	(3)	(2)		
Net income	7	7	(269)	
Other components of comprehensive income				
TOTAL COMPREHENSIVE INCOME	**7**	**7**	**(269)**	
Net cash generated by operating activities	23	(15)	(168)	(1)
Net cash generated by financing activities			135	
Net cash generated by investing activities				
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**23**	**(15)**	**(33)**	**(1)**

In millions of euros – 12/2022 Before intra-group elimination	ORFIN Finansman Anonim Sirketi	Nissan Renault Financial Services India Private Ltd	Mobility Trader Holding Gmbh	RN SF B.V.
Country of location	Turkey	India	Germany	Russia
Percentage of capital held	50.00%	30.00%	4.97%	30.00%
Nature	Joint venture	Associate	Associate	Associate
Consolidation method	Equity method	Equity method	Equity method	Equity method
Share in net income of associates and joint ventures	(3)	2	(16)	
Investments in associates and joint ventures	15	37	14	
Dividends received from associates and joint ventures				
Cash due from banks	78	19	59	206
Net outstandings customers loans and lease financings	294	426		845
Other assets	5	10	287	28
TOTAL ASSETS	**377**	**455**	**346**	**1,079**
Due to banks, customer deposits and debt securities issued	339	196		678
Other liabilities	8	137	60	30
Net Equity	30	122	286	371
TOTAL LIABILITIES	**377**	**455**	**346**	**1,079**
NET BANKING INCOME	**11**	**20**	**(318)**	**88**
Income tax	(1)	(3)		(8)
Net income	5	9	(318)	31
Other components of comprehensive income				
TOTAL COMPREHENSIVE INCOME	**5**	**9**		**31**
Net cash generated by operating activities	70	2	59	113
Net cash generated by financing activities				
Net cash generated by investing activities				
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**70**	**2**	**59**	**113**

5.3.8.4 Significant restrictions

The Group has no significant restrictions on its ability to access or use its assets and settle its liabilities, other than those resulting from the regulatory framework in which its subsidiaries operate. Local supervisory authorities may require bank subsidiaries to maintain a certain level of capital and liquidities, to limit their exposure to other parts of the Group and to comply with other ratios.

5.4 Appendix 1: Information about locations and operations

In millions of euros – 12/2023

Country	Company name	Nature of activities	Number of employees (end of period)	Net Banking Income	Profit or loss before tax	Current tax expense	Deferred taxes	Public subsidies received
France	RCI Banque S.A.	Holding	480	75.17	(5.07)	(67)	55.29	
Germany	RCI Banque S.A. Niederlassung Deutschland	Financing	377	259.91	131.76	(43.6)	(9.3)	
	Bipi Mobility Germany GmbH	Services						
	RCI Versicherungs – Service GmbH	Services						
	Mobility Trader Holding GmbH	Services						
Argentina	RCI Banque Sucursal Argentina	Financing	59	73.4	15.6		(0.2)	
	Rombo Compania Financiera S.A.	Financing						
	Courtage S.A.	Services						
Austria	RCI Banque S.A. Niederlassung Österreich	Financing	57	31.7	22.4	(3.7)	(1.6)	
Belgium	RCI Financia Services S.A	Financing	31	18	12.3	(3.1)		
	Autofin S.A.	Financing						
	Renault Crédit Car S.A.	Financing						
Brazil	Administradora de Consórcio RCI Brasil Ltda	Financing	171	120.4	75.8	(9.4)	(8.7)	
	Banco RC Brasil S.A	Financing						
	RCI Brasil Serviços e Participações Ltda	Services						
	Corretora de Seguros RCI Brasil S.A	Services						
Colombia	RCI Colombia S.A Compañía De Financiamiento	Financing	109	45.5	(21.2)	(4.8)	12.3	
	RCI Servicios Colombia S.A.	Financing						
South Korea	RCI Financial Services Korea Co. Ltd	Financing	98	42.3	10.2	(4.8)	2.1	
	RCI Insurance Service Korea Co. Ltd	Services						
Croatia	RCI Usluge d.o.o	Financing	7	1.9	1.3	(0.2)		
Spain	Rci Banque S.A. España branch	Financing	442	143.64	87.2	(16.2)	(10.3)	
	Overlease S.A.	Financing						
	Bipi Mobility SL	Services						
France	Diac S.A	Financing	1,162	402.47	166.9	(43.3)	25.7	
	Diac Location S.A	Financing						
	Mobilize Insurance SAS	Services						
	Mobilize Lease&Co SAS	Services						
	Bipi Mobility France	Services						

In millions of euros – 12/2023 Country	Company name	Nature of activities	Number of employees (end of period)	Net Banking Income	Profit or loss before tax	Current tax expense	Deferred taxes	Public subsidies received
Hungary	RCI Zrt	Financing	7	0.4	(0.5)			
India	Nissan Renault Financial Services India Private Limited	Financing	136		2.1			
Ireland	RCI Banque, Branch Ireland	Financing	32	13.8	8.6	(1)		
Itay	RCI Banque S.A. Italiana branch	Financing	235	158.69	97.3	(37.7)	(0.8)	
	ES Mobility S.R.L.	Financing						
	Bipi Mobility Italy S.R.L	Services						
Malta	RCI Services Ltd	Holding	35	208.2	203.4	(15.4)	(1.4)	
	RCI Insurance Ltd	Services						
	RCI Life Ltd	Services						
Morocco	RCI Finance Maroc S.A	Financing	48	33.2	18.5	(5.7)	(1.1)	
	RDFM S.A.R.L	Services						
Netherlands	RCI Financial Services B.V.	Financing	54	19	15	(2)	0.5	
	Bipi Mobility Netherlands B.V.	Services						
	RN SF BV	Services						
Poland	RCI Banque Spólka Akcyjna Oddzial w Polsce	Financing	66	28.9	17.3	(11.5)	8.2	
	RCI Leasing Polska Sp. z o .o	Financing						
Portugal	RCI Banque S.A. Portugal branch	Financing	40	15.5	8.3	(2.8)	(0.2)	
	RCI COM SA	Financing						
	RCI Gest Seguros - Mediadores de Seguros Lda	Services						
Czech Republic	RCI Finance C.Z., S.r.o	Financing	22	10.3	7.3	(1.4)		
	RCI Financial Services, S.r.o	Financing						
Romania	RCI Finantare Romania S.r.l.	Financing	64	16.8	9.8	(1.7)		
	RCI Broker de asigurare S.R.L.	Services						
	RCI Leasing Romania IFN S.A	Financing						
United Kingdom	RCI Financial Services Ltd	Financing	348	190.57	121.3	(29.1)	6.5	
	RCI Bank Uk Limited	Financing						
	Mobilize Lease & Co UK Ltd	Services						
	Select Vehicle Group Holdings	Services						
	Bipi Mobility UK Limited	Services						
Slovenia	RCI BANQUE S.A. Bančna podružnica Ljubljana	Financing	39	8.6	5.2	(1.4)		
	RCI Lizing d.o .o	Financing						
Slovakia	RCI Finance SK S.r.o	Financing	3	2.4	2.8	(0.4)		
Sweden	Renault Finance Nordic Bankfilial till RCI Banque S.A., Frankrike	Financing	19	7	3.5	(1.7)	1	
Switzerland	RCI Finance S.A.	Financing	46	33.2	19.4	(4.1)		
Turkey	ORFIN Finansman Anonim Sirketi	Financing	50		(2.5)			
TOTAL			**4,237**	**1,961**	**1,034**	**(312)**	**78**	

5.5 Appendix 2: Financial risks

Refinancing and balance sheet management

The Finance and Cash department is responsible for refinancing those of the Group's entities that are eligible for centralized refinancing. It obtains the funds required to ensure continuity of business activity (issuance of bonds and other negotiable debt securities, securitization, money market borrowings…), balances assets and liabilities, and adjusts the cash positions of the Group's companies, while managing and minimizing exposure to financial risks, through the use of interest rate swaps, currency swaps and spot and forward foreign exchange transactions.

The principles of the financial policy extend to all consolidated subsidiaries of the Mobilize Financial Services group and are adapted and applied in subsidiaries whose refinancing is not centralized.

All refinancing for subsidiaries in countries outside the Eurozone whose transfer and convertibility risk is deemed to be a material risk by Mobilize Financial Services is generally done locally to limit any cross-border risk. Group procedures do however allow the central refinancing office to grant occasional cross border funding to subsidiaries located in such countries if the funding is for a limited amount only or if there is an insurance policy covering the non-convertibility and non-transfer risk.

Such subsidiaries are also subject to the same financial risk monitoring requirements as other Group subsidiaries. They must observe limits on interest rate risk and foreign exchange risk, monitor their liquidity risk, contain their counterparty risk and have in place specific monitoring of financial risk by means of a dedicated Finance Committee and ad hoc reporting.

Transactions on financial instruments carried out by the Mobilize Financial Services holding are for the main part related to its central refinancing function for the Group.

5.5.1 Organization of market risk management

The specific market risk management system is part of the Mobilize Financial Services group's overall internal control system and operates to standards approved by the Board of Directors. The Mobilize Financial Services group's Finance and Cash department is responsible for managing market risks (interest rate, liquidity and foreign exchange risks) and for verifying compliance with allowable limits for the consolidated Mobilize Financial Services group scope. The rules and ceilings are approved by the shareholder and are periodically updated.

The Financial Risks Team, attached to the Risk and Banking Regulation department (Risk Management Division), issues a daily report and monitors the Group's exposure to financial risks.

Foreign exchange instruments, interest rate instruments and currencies approved for use in managing market risks are specified on a list of authorized products validated by Mobilize Financial Services's Chief Executive Officer.

5.5.2 Managing aggregate interest-rate, foreign exchange, counterparty and liquidity risks

Interest rate risk

The overall interest rate risk represents the impact of fluctuating rates on the future gross financial margin.

The Mobilize Financial Services group's aim is to mitigate this risk as far as possible.

Two monitoring indicators are used internally for rate risk:

- Discounted sensitivity (Economic Value – EV) consists of measuring at a given point in time (t) the impact of a change in interest rates on the market price of an entity's balance sheet flows. The market price is determined by the discounting of future cash flows at the market rates at point t. This measurement is used to set the limits that apply to the Group's management entities.
- The net interest income which consists of measuring a gain or loss, according to an income statement vision. It is presented as the future interest income difference over a set time-frame. The particular feature adopting an NII vision, compared with the actuarial vision of sensitivity, is the linearization of the impact of new operations.

In order to take account of the difficulty of precisely adjusting the structure of borrowings to that of loans, limited flexibility is accepted in interest rate hedging by each subsidiary.

This flexibility consists in a sensitivity limit being assigned to each subsidiary as approved by the Finance Committee, in an individual adaptation of part of the overall limit determined by Mobilize Financial Services's Board of Directors.

Central refinancing limit	€32 million
Limit for sales financing subsidiaries	€25.1 million
Not assigned	€4.8 million
Total sensitivity limit in millions of euros granted by the Board of Directors on the recommendation of RCI Banque's Risk Committee:	€70.0 million

In accordance with regulatory changes (EBA/GL/2018/12), Mobilize Financial Services also measures the sensitivity of the net interest margin (NIM) and the sensitivity of the economic value of equity (EVE).

Calculations are based on average monthly asset and liability gaps which incorporate fixed-rate transactions and floating rate transactions until their next review date.

Maturities of in-force business are determined by taking into account the contractual characteristics of transactions and the results of the modeling of historical customer behavior patterns (early repayment, etc.), supplemented by assumptions about certain aggregates (owners' equity, etc.).

Sensitivity is calculated daily per currency and per management entity (central refinancing office, French and foreign sales financing subsidiaries) and enables overall management of interest rate risk across the consolidated scope of the Mobilize Financial Services group. Monitoring is performed by the Financial Risk Team attached to the Risk and Banking Regulation department (Risk Management department).

The situation of each entity with regard to its limit is checked daily, and immediate hedging directives are issued to the subsidiaries if circumstances so dictate.

The results of controls are the subject of monthly reporting to the Finance Committee, which checks that positions are in line with the Group's financial strategy and with prevailing procedural memoranda.

As at 31 December 2023, Mobilize Financial Services' overall sensitivity to interest-rate risk remained below the limit set by the Group (€70 million).

At 31 December 2023, a parallel rise in rates [1] would have an impact on the Mobilize Financial Services group's net interest margin (NIM) of €9.9 million in absolute currency terms. The contribution by currency is as follows:

Currency	€K	Currency	€K	Currency	€K	Currency	€K
ARS	1	CZK	260	HUF	87	SEK	17
BRL	213	EUR	(5,408)	KRW	631	RON	311
CHF	224	DKK	(7)	MAD	745		
COP	231	GBP	(1,279)	PLN	(569)		

The sum of the absolute values of the sensitivities to a parallel interest rate shock [1] in each currency amounts to €10.9 million.

5.5.3 Analysis of the structural rate highlights the following points

Sales financing subsidiaries

Virtually all loans to customers by sales financing subsidiaries are granted at a fixed rate for terms of one to seventy-two months.

These loans are hedged by fixed-rate resources having the same structure. They are backed by macro-hedging and only generate a residual interest rate risk.

In subsidiaries where the resource is at a floating rate, interest rate risk is hedged by macro-hedging interest rate swaps.

Central refinancing

RCI Holding's main activity is to refinance the Group's commercial subsidiaries.

The in-force business of the sales financing subsidiaries is backed by fixed-rate resources, some of which are micro-hedged by interest rate swaps and by variable rate resources.

Macro-hedging transactions in the form of interest rate swaps keep the sensitivity of the holding company below the limit set by the Group (€32 million).

1) In accordance with the regulator's guidelines (IRRBB Guidelines of 2018), MFS has set up an internal model for determining interest rate shocks whose magnitude depends on the currency.
As of December 31, 2023, the interest rate shocks applied for each currency were: +100bps for EUR, CHF, DKK and MAD; +150bps for SEK and GBP; +200bps for CZK; 250bps for HUF; +300bps for RON, COP and PLN; +350bps for BRL; +500bps for ARS and RUB.

These swaps and the securities available for sale are measured at fair value by reserves in accordance with IFRS 9. These macro-hedging transactions cover variable-rate resources and/or fixed-rate resources that are variable through micro-hedging of swaps.

Monthly tests are carried out to ascertain:

- the effectiveness of the hedging of fixed-rate resources by the interest rate swaps assigned to micro-hedge them;
- the relevance of macro-hedging transactions, by setting them against variable rate resources/ fixed variable rate resources.

These data are calculated on the basis of simplified scenarios, working on the assumption that all positions run to maturity and that they are not readjusted to factor in new market conditions.

The sensitivity of reserves to a change in interest rates as presented above would in no way be representative of an impact on future results.

5.5.4 Liquidity risk

Mobilize Financial Services pays great attention to diversifying its sources of access to liquidity. To that end, the Group imposes stringent internal standards on itself.

Mobilize Financial Services's oversight of liquidity risk is based on the following:

Static liquidity

This indicator measures the difference (gap) between existing liabilities and assets at a given date without any assumptions as to the renewal of liabilities or assets. It gives a point-in-time snapshot of the liquidity position, or static liquidity gap. The Group’s policy is to refinance its assets by means of liabilities with a longer maturity, thus maintaining positive static liquidity gaps across all areas of the balance sheet.

Liquidity reserve

The liquidity reserve is a source of emergency liquidity that can be used by Mobilize Financial Services in the event of necessity. It consists of High Quality Liquid Assets (HQLA) as defined by the Basel Committee for calculating the liquidity coverage ratio (LCR), financial assets not recognized as HQLA by the Basel Committee, confirmed bilateral lines of credit and assets eligible as collateral in European Central Bank (ECB) transactions not already counted as HQLA or financial assets. Minimum and adequate liquidity reserve levels are determined every six months by the Finance Committee within the centralized refinancing scope and for physical entities whose refinancing is local.

Stress scenarios

Every month, the Finance Committee is informed of the length of time for which the company would be able to maintain its business activity using its liquidity reserve in various stress scenarios. The stress scenarios used include assumptions about runs on deposits, loss of access to new funding, partial unavailability of certain components of the liquidity reserve, and forecasts of new gross lending. Assumptions about runs on deposits under stress are very conservative and are regularly back-tested.

5.5.5 Foreign exchange risk

The foreign exchange position is decomposed into:

- the structural foreign exchange position, resulting from the Group's long-term investments in the equity of foreign subsidiaries;
- the transactional exchange position, which arises from the cash flow denominated in a currency other than the domestic currency.

Since 2022, Mobilize Financial Services has had a capital allocation covering its exposure to structural foreign exchange risk.

The Group benefits from an ECB exemption for the five most significant currencies (GBP, BRL, KRW, CHF and MAD), allowing it to take into account only the excess capital over the average Group CET1.

Structural foreign exchange risk is included in Mobilize Financial Services’ risk appetite framework. The Group’s position in all currencies is checked monthly during the Capital and Liquidity Committee and communicated quarterly to the Supervisor.

The transactional foreign exchange position is framed by limits.

Central refinancing

The forex position of RCI Banque S.A., the central refinancing unit, which historically is very low, stayed under €13 million throughout the year.

No position is accepted within the framework of refinancing management. In this respect, the trading room secures the systematic hedging of all flows concerned.

Residual and temporary positions in currencies, related to cash flow timing differences inherent in multi-currency cash management, may, however, remain. Any such positions are monitored daily and are subject to the same hedging concern.

Any other forex transactions (in particular for the anticipated hedging of projected dividends) may only be initiated further at the decision of the head of the Finance and Cash department.

Sales financing subsidiaries

Sales financing subsidiaries are required to refinance themselves in their own currency and thus are not exposed.

By way of exception, limits are allocated to subsidiaries whose sales financing operations or refinancing are multi-currency, and to those that are authorized to invest some of their cash surpluses in a currency other than their domestic currency.

The overall limit for Mobilize Financial Services group granted by the Chairman of the Board of Directors on the advice of the Chairman of the Board's Risk Committee has been set at €40 million, down €15 million compared with 2022.

At 31 December 2023, the Mobilize Financial Services group's consolidated transactional foreign exchange position was €17.9 million.

This decrease is due to a change in the operational management of the importing activity. This activity generated a foreign exchange position due to the temporary delay between the issuance of the invoice (D + 0) and the conversion (D + 1). Following a change in tool, invoices and conversions are now made on the same day, which immediately neutralizes the foreign exchange position generated.

5.5.6 Counterparty risk

Mobilize Financial Services's exposure to bank counterparty risk arises from various market transactions made by the Group's entities as part of their everyday business (investment of cash surpluses, interest rate or forex hedging, investments in liquid assets, etc.).

Transactions are made with first-class banks and counterparty risk on market transactions is managed with a system of limits set by Mobilize Financial Services and then approved by Renault as part of the Group-wide consolidation of counterparty risks.

Limits are set using an internal rating method based on capital adequacy, long-term ratings by credit agencies and a qualitative appraisal of the counterparty.

Compliance with these limits is monitored daily. All the results of controls are communicated monthly to the Mobilize Financial Services Finance Committee and integrated into the consolidated monitoring of Groupe Renault counterparty risk.

In addition to meet regulatory requirements resulting from implementation of the 30-day liquidity coverage ratio (LCR), Mobilize Financial Services has a portfolio of investments in liquid assets. Limits on the amount and maturity of the latter are set for each issuer.

Mobilize Financial Services has also invested in money market funds, corporate bonds and a fund whose assets consist of debt securities issued by European agencies, sovereigns and by supranational issuers. Each of these investments is subject to a specific limit approved by the Finance Committee and reviewed at least once a year.

Occasional authorization is also granted to sales refinancing subsidiaries so that they can invest in treasury bills or Central Bank notes in their home countries.

These limits are also monitored daily and are reported monthly to the Mobilize Financial Services Finance Committee.

In the case of finance entities, risk takes into account cash exposure (deposits and accrued interest) and exposure on derivatives calculated using the internal fixed-rate method presented hereafter when the system of risk mitigation by collateral exchange does not exist.

Fixed-rate method

Mobilize Financial Services reviewed its market risk valuation method in March 2023.

The increasing use of the clearing house mechanism in the management of derivatives (clearing house or collateral exchange with the counterparty of bilateral base) has prompted Mobilize Financial Services to review its valuation method for market risk.

Mobilize Financial Services has made the distinction in its inventory between clearing house, bilateral and non-cleared derivatives and allocated a risk coefficient to each situation. A risk equivalent coefficient is assigned to each type of transaction.

The coefficient applied depends on the length of time Mobilize Financial Services is exposed to potential adverse changes in the value of the derivatives that it holds.

These changes in value depend on changes in interest rates or exchange rates:

- for clearing house derivatives, Mobilize Financial Services is in the one-day position;
- for non-cleared derivatives with bilaterally cleared derivatives, Mobilize Financial Services is in the seven-day position;
- for non-cleared derivatives without collateral exchange, Mobilize Financial Services holds a position until the transaction matures.

Following the various yield curve analyses, Mobilize Financial Services has opted for the risk coefficient in the following table.

To ensure that this method is conservative, exposure on derivatives is recalculated at regular intervals using the regulatory "positive mark to market + add-on" method presented below:

01. 02. 03. 04. 05. 06.

Interest rate contract

		Non-cleared interest SWAPS	
Cleared SWAPS	Bilateral interest-rate SWAPS	Residual term	Rate coefficient
0%	2%	Between 0 and 1 year	2%
		Between 1 and 2 years	5%
		Between 2 and 3 years	8%
		Between 3 and 4 years	11%
		Between 4 and 5 years	14%
		Between 5 and 6 years	17%
		Between 6 and 7 years	20%
		Between 7 and 8 years	23%
		Between 8 and 9 years	26%
		Between 9 and 10 years	29%

Exchange rate contract

	Non-cleared exchange swaps	
Bilateral exchange swaps	Initial duration	Exchange rate coefficient
6%	Between 0 and 1 year	6%
	Between 1 and 2 years	18%
	Between 2 and 3 years	22%
	Between 3 and 4 years	26%
	Between 4 and 5 years	30%
	Between 5 and 6 years	34%
	Between 6 and 7 years	38%
	Between 7 and 8 years	42%
	Between 8 and 9 years	46%
	Between 9 and 10 years	50%

"Positive mark to market + add-on" method

This method is based on the so-called "major risks" regulatory method. Exposure for derivatives (rate and foreign exchange) is calculated as the sum of potential losses, calculated on the basis of the replacement value of the contracts with the counterparty without netting with potential gains, plus an "add-on" representing the potential future risk. This potential future risk is determined by French banking regulations (Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, Article 274) as follows:

Residual term	Interest rate options (as a % of the nominal)	Foreign currency and gold options (as a % nominal)
<= 1 year	0%	1%
1 year < term <= 5 years	0.50%	5%
> 5 years	1.50%	7.50%

According to the flat-rate method, it amounted to €188 million at 31 December 2023, compared with €237 million at 31 December 2022. According to the "positive mark to market + add-on" method, the equivalent counterparty risk was €26.3 million at 31 December 2023, compared with €43 million at 31 December 2022. These figures only relate to credit institutions. They were determined without taking into account netting agreements, in accordance with the methodology described.

5.6 Appendix 3: Statutory Auditors' fees

	MAZARS				KPMG				Other statutory auditors			
	2023		2022		2023		2022		2023		2022	
	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%
Legal audit	2,078.44	95%	1,897	98%	1,301.74	93%	1,300	97%	91.65	81%	139	85%
Services necessarily rendered due to local regulations	30.13	1%	5	0%	21	1%	9	1%	21.08	19%	22	13%
Services usually provided by the auditors	67.12	3%	4	0%							2	1%
Legal audit and related services	**2,175.69**	**100%**	**1,906**	**98%**	**1,322.74**	**94%**	**1,309**	**98%**	**112.73**	**100%**	**163**	**100%**
Tax, legal & social advisory	4	0%										
Organization advisory												
Other advisory			30	2%	78	6%	28	2%				
Authorized non-audit services requiring approval	**4**	**0%**	**30**	**2%**	**78**	**6%**	**28**	**2%**				
TOTAL FEES	**2,179.69**	**100%**	**1,936**	**100%**	**1,400.74**	**100%**	**1,337**	**100%**	**112.73**	**100%**	**163**	**100%**

06.

GENERAL INFORMATION

CONTENT

6.1 General information about the company

6.1.1 General presentation

Corporate name and registered office

RCI Banque S.A. Commercial name: Mobilize Financial Services Nationality: French Registered office: 15, rue d'Uzès 75002 Paris - France. Tel. : +33 (1) 49 32 80 00

Legal form

Société Anonyme à Conseil d'administration (a limited company with a Board of Directors, under French law).

Governing law

The company is governed by the provisions of the Code de Commerce (French Commercial Code).

Since it was granted its banking license by the Banque de France on 7 March 1991, RCI Banque has also been subject to all the laws and regulations applicable to credit institutions, in particular those incorporated into the Code Monétaire et Financier (French Monetary and Financial Code).

Date created and term

The company was created on 9 April 1974 and registered with the Paris Commercial Court on 4 June 1974. It began operating on 21 August 1974, for a term of 99 years, i.e. until August 2073.

Corporate purpose

The corporate purpose of the Société Anonyme (limited company under French law) RCI Banque, both in France and abroad, directly and indirectly, on its own behalf or own behalf of third parties, is:

- carrying out lending and banking operations, in all their forms, intended or not to finance the acquisition of goods and/or services, and in particular revolving loan operations and the issue or management of payment instruments linked to such operations;
- conducting studies of all kinds relating to the formation, expansion and transformation of industrial, commercial, financial and service undertakings;
- conducting full or partial studies, and engaging in consulting and negotiating activities in economic, financial, commercial and managerial areas;
- conducting research on designing and improving managerial, organizational and financial systems;
- carrying out projects resulting from the aforementioned studies, or contributing to the execution thereof by any appropriate means, including taking equity interests in existing or new entities;
- financing business customers, in particular by acquiring holdings of their equity or debt securities, using the company's own equity or borrowed funds;
- providing investment services as defined by the French Financial Activities Modernization Act (96-597) of 2 July 1996;
- managing the portfolio of securities resulting from these activities, in particular by carrying out all purchase, sale, exchange and transfer transactions in securities of all kinds;
- doing business as an insurance intermediary within the meaning of the French law of 15 December 2005 transposing the European Directive of 9 December 2002, acting as agent, commissioner or broker;
- more generally, carrying out any industrial, commercial, financial or property transactions directly or indirectly related to the corporate purpose or to any similar or connected purposes useful to, or facilitating the realization and development of that purpose.

Registration and identification number

The company is registered with the Paris Register of Companies under SIREN number: 306 523 358, SIRET number: 306 523 358 00076, ORIAS number: 07023704, and APE code 6419Z (business activity code).

Access to legal documents

Legal documents pertaining to the issuer may be consulted at the company's registered office.

Financial year

The company's financial year starts on 1 January and ends on 31 December of each calendar year.

6.1.2 Special articles of association provisions

Statutory allocation of earnings

(Article 36 – distribution of dividends)

Net income consists of net revenues for the year, less overhead costs and other corporate expenses, and after depreciation, amortization and impairment allowances.

At least 5% of net income less any prior-year losses is appropriated to fund the legal reserve. Once the amount of the legal reserve is equal to one-tenth of the share capital, this appropriation is no longer mandatory. It is resumed in the event that the legal reserve falls below one tenth of the share capital for any reason.

Distributable income consists of the current year's net income less any prior-year losses, the aforementioned appropriation, and any other transfers required by applicable law, plus unallocated retained earnings brought forward from previous years.

From this income, the Ordinary General Meeting may decide to distribute dividends. Such dividends shall be appropriated first from the distributable income generated in the current year.

From the available surplus, the Ordinary General Meeting may appropriate any amounts it deems appropriate, to be carried over to one or more general or special reserve accounts to be allocated or used as it sees fit.

General meetings

(Articles 27 to 33 of the Articles of Association)

Types of General Meetings

Each year, the shareholders convene in an Ordinary General Meeting, which must be held within five months of the end of the financial year.

In addition, the shareholders may hold Ordinary General Meetings that meet on an extraordinary basis, or Extraordinary General Meetings when their purpose is to amend the Articles of Association, except as otherwise provided for by law, may also be held.

The General Meeting, duly constituted, represents all shareholders. Its decisions, taken in accordance with law and the company's Articles of Association, are binding on all shareholders, even those who are absent, incapable of attending or in disagreement.

Shares held in treasury by the company are not counted when calculating the quorum for the various meetings.

Two members of the works council, appointed by that council, one representing engineers and managerial staff and the other representing support staff, may attend General Meetings.

The Board of Directors may decide that shareholders will be able to take part in and vote at General Meetings by videoconference or any other means of telecommunication that permits them to be identified as required by law.

Notice of meetings

The Board of Directors calls the shareholders to General Meetings by means of a notice indicating the date, time and place of meeting. Failing this, General Meetings may also be convened by:

- the statutory auditors;
- a representative appointed by order of the presiding judge of a French commercial court ruling in summary proceedings at the petition either of any interested party, or of one or more shareholders who together own at least 5% of the share capital;
- the receivers.

Quorum – Majority

Ordinary and Extraordinary General Meetings are subject to the quorum and majority requirements prescribed by law and exercise the powers allocated to them by law.

Composition of General Meetings

All shareholders, regardless of the number of shares they own, may attend General Meetings, participate in the proceedings and vote. Owners of registered shares who have requested that such shares be duly recorded in the company register at least five days before the meeting are admitted upon presentation of identification. Shareholders may be represented by another shareholder, or by their spouse. Proxies prepared in accordance with the law must be received at the registered office at least five days before the date of the meeting.

All shareholders, regardless of the number of shares they own, may attend Extraordinary General Meetings, take part in the proceedings and vote. The right to vote in Ordinary General Meetings belongs to the beneficial owner of the shares to which the right is attached; the right to vote in Extraordinary General Meetings belongs to the named legal owner. When a General Meeting has been called, the company shall, at its own expense, deliver or send a mail ballot and attachments thereto, to any shareholder who so requests by registered mail (return receipt requested).

The company must honor any request received by its registered office no later than six days before the date of the meeting.

The mail ballot must include certain information as stipulated by Articles R.225-76 et seq. of the Code de Commerce (French Commercial Code). It must clearly notify the shareholder that abstention from voting or failure to indicate voting instructions on any item shown on the form will be treated as a vote against the proposed resolution.

The form may be included in the same document as the proxy form, if applicable. In this event, the applicable provisions are those of Article R.225-78 of the Code de Commerce (French Commercial Code). The documents stipulated by the aforementioned Article R.225-76 must be attached to the mail ballot. A mail ballot sent to the company for a given General Meeting is also valid for any subsequent meetings convened to address the same agenda.

A mail ballot sent to the company for a given General Meeting is also valid for any subsequent meetings convened to address the same agenda. Mail ballots must be received by the company at least three days before the date of the meeting. If a proxy is returned with a mail ballot, the proxy is taken into consideration subject to the votes indicated in the mail ballot.

Meeting officers – Attendance sheet

The General Meeting is chaired by the Chairperson of the Board of Directors or, in his or her absence, by the Vice-Chairperson, if one has been named, or by a director appointed by the Board.

If the meeting has been convened by the statutory auditors, by a court-appointed representative or by the receivers, one of their members chairs the meeting. The votes are counted by the two largest shareholders, either acting on their own behalf or as representatives, or, if they decline, by the next largest shareholders, and so on, until this responsibility is accepted.

These officers appoint the secretary of the meeting, who need not be a member of the meeting. An attendance sheet containing all information required by law and regulation is drawn up at shareholders' meetings. The Meeting's officers may attach to the attendance sheet all proxy or mail ballots showing the last name, usual first name and address of each shareholder represented or casting a mail ballot, the number of shares that he or she owns, and the number of votes attached to those shares. In this case, the meeting's officers shall indicate the number of proxies and mail ballots attached to the attendance sheet, together with the number of shares and voting rights associated with such proxies and mail ballots.

Proxies and mail ballots shall be submitted at the same time and under the same conditions as the attendance sheet. The accuracy of the attendance sheet, duly initialed by the shareholders in attendance and by shareholders' representatives, is certified by the meeting's officers.

The responsibilities of the officers relate exclusively to the holding of the meeting and proper conduct thereof; their decisions are always provisional and remain subject to a vote by the meeting itself. Any interested party may initiate such a vote.

Agenda

The meeting's agenda is established by the Board of Directors or by the person who convenes the General Meeting. However, under the conditions prescribed by law, one or more shareholders may request that certain draft resolutions not concerning the presentation of candidates for the Board of Directors be included on the agenda.

Minutes

The proceedings of General Meetings are recorded in minutes that are entered in a special numbered and initialed register and signed by the meeting's officers. The minutes may be drawn up on sequentially numbered, initialed loose-leaf sheets. Copies or extracts of the minutes to be provided for legal or other purposes are duly certified either by the Chairperson of the Board of Directors or by a director serving as Chief Executive Officer or by the meeting's secretary. Such copies or extracts are valid with respect to third parties provided that the signatures thereon are valid.

6.1.3 General information about the share capital

6.1.3.1 General presentation

Share capital

The share capital, which was initially FRF 2 million, was subsequently altered by capital increases and by conversion into euros. Following these changes, the share capital has stood at €100,000,000 since 22 November 2000. It is divided into 1,000,000 fully paid shares of €100 each.

6.1.3.2 Current breakdown of share capital ownership and voting rights

Shareholders

At 31 December 2023, all shares were held by Renault S.A.S. (excluding one share granted to a director).

Changes in share capital ownership over the past three years

Following an amendment to the Articles of Association decided upon by the Extraordinary General Meeting of 30 September 2015, the number of shareholders was reduced to seven. Following the amendment to Article L.225-1 of the Code de Commerce (French Commercial Code) by the Act of 10 May 2016, the number of shareholders was reduced to its minimum, i.e. to two shareholders.

Individuals or legal entities that exercise or may exercise control over RCI Banque

Renault s.a.s. holds 99.99% of the share capital of RCI Banque S.A. Organization chart - position of issuer in a group. The Groupe Renault is made up of two distinct business units: the automotive business unit; the sales financing business unit, made up of the groupe RCI Banque. Through its status as a bank, its independent access to financial markets and its inclusion in Renault's marketing policy, RCI Banque offers a competitive range of automotive financing products and related services to Groupe Nissan and Groupe Renault brand dealership networks worldwide. The organization of the RCI Banque group is described on the back cover of this document.

6.1.3.3 Markets for the issuer's securities

The company's shares are not listed on any stock exchanges.

Securities listings

Publicly traded debt securities of the RCI Banque group are listed on the Luxembourg and Paris stock exchanges.

6.1.3.4 Employee profit sharing scheme

In accordance with Articles L.442-1 et seq. of the Code du Travail (French Labor Code), a profit-sharing agreement was signed on 2 June 2003.

Profit-sharing is allocated to all group employees in proportion to the gross salary received by each eligible individual during the relevant year, up to the limits set by law. Each beneficiary may choose to allocate this amount:

- either to a current account in his or her name on the company's books; or
- to units in a unit trust. There is no RCI Banque share option plan for the Groupe RCI Banque employees and executives.

	2023	2022	2021	2020	2019	2018	2017
Profit-sharing (in millions of euros)	7.4	12.6	10.9	2.8	10.3	9.5	9.1
Beneficiaries	2,195	2,065	1,957	1,866	1,814	1,707	1,601

6.1.4 Fees paid to statutory auditors and their network

	MAZARS statutory auditors				KPMG				Other statutory auditors			
	2023		2022		2023		2022		2023		2022	
	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%
Legal audit in the strict sense	2,078	95%	1,897	98%	1,302	93%	1,300	97%	92	81%	139	85%
Services necessarily rendered due to local regulations	30	1%	5	0%	21	%	9	1%	21	19%	22	13%
Services usually provided by the auditors	67	3%	4	0%							2	1%
LEGAL AUDIT AND RELATED SERVICES	**2,176**	**100%**	**1,906**	**98%**	**1,323**	**94%**	**1,309**	**98%**	**113**	**100%**	**163**	**100%**
Tax, legal & social consulting	4	0%										
Organization consulting												
Other consulting			30	2%	78	6%	28	2%				
AUTHORIZED SERVICES EXCLUDING LEGAL AUDITS REQUIRING APPROVAL	**4**	**0%**	**30**	**2%**	**78**	**6%**	**28**	**2%**				
TOTAL FEES	**2,180**	**100%**	**1,936**	**100%**	**1,401**	**100%**	**1,337**	**100%**	**113**	**100%**	**163**	**100%**

6.1.5 External auditors

KPMG S.A.

Tour Eqho, 2 Avenue Gambetta

92066 Paris La Défense Cedex

Société Anonyme (limited company under French law) listed in the Nanterre Register of Companies under no. 775 726 417

Statutory auditor, Member, Compagnie Régionale de Versailles

Term of office: six years

Term expires: accounting year 2025

Represented at 31 December 2023 by Ulrich Sarfati

Mazars

Tour Exaltis, 61 rue Henri Regnault

92075 Paris La Défense Cédex

Société Anonyme (limited company under French law) listed in the Nanterre Register of Companies under no. 784 824 153

Statutory auditor, Member, Compagnie Régionale de Versailles

Term of office: six years

Term expires: accounting year 2027

Represented at 31 December 2023 by Anne Veaute

6.2 Historical background

RCI Banque is the result of the merger on 1 January 1990 between:

- Diac, created in 1924 to finance sales of Renault vehicles in France; and
- Renault Crédit International, established in 1974 to finance sales of Renault vehicles in Europe. Under the terms of the agreement of 27 March 1999 between Renault and Nissan, RCI Banque group acquired Nissan's sales financing subsidiaries in five European countries. Those subsidiaries have been consolidated by RCI Banque group since 1 July 1999. At 31 December 2002, all of the shares were held by Compagnie Financière Renault, which in turn was wholly owned by Renault S.A. Compagnie Financière Renault grouped together the Renault group's financial companies. From 20 June 2003, as a result of its merger with Renault s.a.s., Compagnie Financière Renault stopped being a director and shareholder of RCI Banque and since then, 99.99% of the share capital has been held by Renault s.a.s.

6.2.1 Dependence

RCI Banque finances Groupe Renault and Nissan customers and dealers. RCI Banque is not subject to any commercial or financial dependence on patents and licenses.

6.2.2 Investment policy advice

Main investments and disposals over the last five financial years.

	Disposals - dissolutions - mergers	Acquisitions	Creations
2023	**Russie :** Sale of RN Bank Sale of RNL Finance Sale of RN Finance	**Allemagne :** Acquisition of Mobility Concept GmbH Acquisition of DFD Deutscher Fahrzeugdienst GmbH Acquisition of MS Mobility Solutions GmbH Acquisition of MeinAuto GmbH **Royaume-Uni :** Acquisition of Select Vehicle Group Ltd	**Allemagne :** Constitution of BIPI Mobility Germany GmbH **Royaume-Uni :** Constitution of Mobilize Lease&Co UK Ltd
2022			**France**: Creation of Mobilize Pay SAS **France**: Creation of Mobilize Insurance SAS **France**: Creation of Mobilize Lease & Co **Netherlands**: Creation of BIPI Mobility Netherlands BV **United Kingdom**: Creation of BIPI Mobility UK Ltd
2021	**France**: sale of BPI France stake	**Germany**: acquisition of a 4% stake in Mobility Trader Holding **Spain**: acquisition of BIPI Mobility SL **France**: acquisition of BIPI Mobility France s.a.s. **France**: acquisition of a 14% stake in Kadensis **Italy**: acquisition of BIPI Mobility SRL	**Argentina**: creation of RCI Compañía de Seguros de Personas **Russia**: creation of RNL Finance
2020	**United Kingdom**: closing of the RCI Banque branch		
2019	**Canada**: sale of ICABBI CANADA INC. to the parent company **United States**: sale of KARHOO AMERICAS INC., ICABBI USA INC. to the parent company **Ireland**: sale of COOLNAGOUR LTD. T/A ICABBI to the parent company **France**: disposal of RCI MOBILITY SAS, CLASS & CO SAS, MARCEL SAS, CLASS & CO SOFTWARE (YUSO) to the parent company **United Kingdom**: sale of FLIT TECHNOLOGIES LTD., KARHOO EUROPE (UK) LTD., COMO URBAN MOBILITY LTD., COOLNAGOUR UK LTD., SCT SYSTEMS LTD. to the parent company Intragroup sale of RCI FINANCIAL SERVICES LTD. to RCI BANK UK LTD	**Colombia**: acquisition of the 5.02% stake in RCI SERVICIOS COLOMBIA S.A.S.	

DOCUMENTS AVAILABLE TO THE PUBLIC

This document is available on the RCI Banque website www.mobilize-fs.com.

In accordance with Article L225-102-1 of the French Commercial Code (Code de Commerce), information on the social and environmental consequences of the Company's activities is covered by a consolidated statement on extrafinancial performance of Renault S.A, the Group's parent company.

Anyone wishing for further information regarding RCI Banque group, may send their request to:
RCIBanque
Direction Financement et Tresorerie
FR UZS 000 015
15 rue d'Uzes 75002 Paris - France

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