annual report 2022

THE FINANCIAL REPORT

RCI Banque S.A.
OPÉRANT SOUS LA MARQUE COMMERCIALE

MOBILIZE
FINANCIAL SERVICES

MOBILIZE
FINANCIAL SERVICES

ORGANIZATION CHART 2022

ALGERIA
- 100% RCI Services Algérie S.A.R.L.

GERMANY
- RCI Banque S.A. Niederlassung Deutschland
  - 100% RCI Versicherungs - Service GmbH

ARGENTINA
- RCI Banque Sucursal Argentina
  - 60% Rombo Compañía Financiera S.A.
  - 95% Courtage S.A.
  - 100% RCI Compañia de Seguros de Personas

AUSTRIA
- RCI Banque S.A. Niederlassung Österreich

AUSTRIA
- 100% RCI Financial Services S.A.
  - 100% Autofin
    - 50,10% Renault Crédit Car (société en participation) (Equity method)

BRAZIL
- 99,92% Administradora de Consórcio RCI Brasil Ltda
- 60,11% Banco RCI Brasil S.A.
- 100% Corretora de Seguros RCI Brasil S.A.
- 100% RCI Brasil Serviços e Participações Ltda

BRAZIL
- 100% RCI Servicios Colombia S.A.S
- 51% RCI Colombia S.A. Compañía De Financiamiento

SOUTH KOREA
- 100% RCI Financial Services Korea Co. Ltd
- 100% RCI Insurance Service Korea Co. Ltd

MALTA
- 100% RCI Services Ltd
- 100% RCI Insurance Ltd
- 100% RCI Life Ltd

MOROCCO
- 100% RCI Finance Maroc S.A.
  - 100% RDFM S.A.R.L.

NETHERLANDS
- 100% RCI Financial Services B.V.
- 100% BIPI Mobility Netherlands BV
- 50% RN SF B.V. (*) (Equity method)
  - 60% BARN B.V (*) (Equity method)

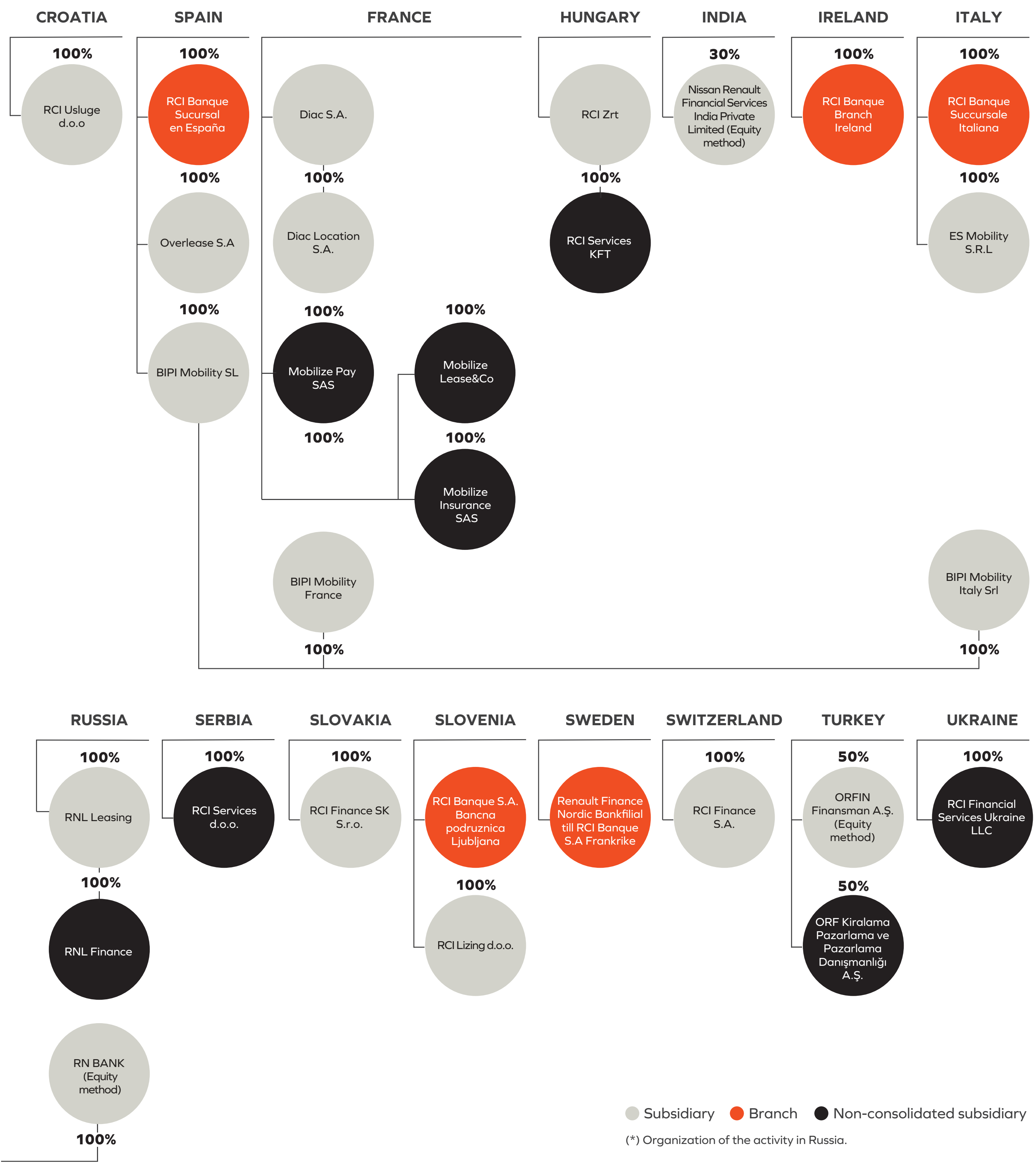
POLAND
- RCI Banque Spolka Akcyjna Oddzial w Polsce
- 100% RCI Leasing Polska Sp. z.o.o.

PORTUGAL
- RCI Banque Sucursal Portugal
- 100% RCICOM S.A.
  - 100% RCI Gest Seguros Mediadores de Seguros L.d.a

CZECH REPUBLIC
- 50% RCI Financial Services S.r.o
- 100% RCI Finance C.Z S.r.o

ROMANIA
- 100% RCI Leasing Romania IFN S.A.
- 100% RCI Finantare Romania S.R.L.
  - 100% RCI Broker de asigurare S.R.L.

UNITED KINGDOM
- 100% RCI Bank UK Ltd
  - 100% RCI Financial Services Ltd
- 100% BIPI Mobility UK Ltd



(*) Organization of the activity in Russia.

CONTENT

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THE FINANCIAL REPORT

our ambition : to 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 once again demonstrated the strength of its business model with net banking income up 11.9% and a record level of savings collected.
I am delighted to welcome back the Mobilize Financial Services teams, which play a key role in the mobility services value chain developed by Mobilize. In 2023, we will continue to innovate for more sustainable mobility.

How would you describe Mobilize Financial Services' annual results?

Mobilize Financial Services continued its strategy focused on value creation rather than volumes and maintained a good commercial performance in a contracting market. The average amount financed per contract increased by 10.4% in 2022 compared to 2021, in line with the "From Volume to Value" Revolution strategy. The share of rental financing offers continued to increase and stood at 57% in 2022 compared to 47% in 2021. The penetration rate of 44.8% was down 1.3 points compared to 2021, in a shrinking market also characterized by a decline in brand volumes. The number of services sold for each financed vehicle was up slightly and stood at 3.2 in 2022 compared to 3.1 in 2021.

How can Mobilize Financial Services support the development of Mobilize in 2023?

In order to support Mobilize's "vehicle-as-a-service" strategy and new uses, the Group continued to innovate in 2022 with a new commercial brand, Mobilize Financial Services, the reference for all mobility needs related to car use, and the creation of three entities in growth sectors: Mobilize Pay, Mobilize Insurance and Mobilize Lease&Co. .

What is your assessment of Mobilize Financial Services' performance in 2022?

Despite an automotive market still adversely affected by the shortage of semiconductors, Mobilize Financial Services saw its new financing increase by 3.3% compared to 2021, thanks to the increase in average financed amounts. In an automotive market down 4.6%, the volumes of the Alliance brands stood at 1.90 million vehicles in the first half of 2022, down 5.7%. The penetration rate stood at 44.8, down by 1.3 points compared to 2021, impacted by non-recurring items linked in particular to the Russian crisis.

Pre-tax income thus amounted to €1,050 million compared to €1,194 million at the end of December 2021.

Customer satisfaction, at the heart of Mobilize Financial Services' actions, reached a record level in 2022, with a Net Promoter Score of +56 points, up 3 points compared to 2021, i.e. a jump of 9 points in three years, making Mobilize Financial Services the benchmark in the automotive and banking captive markets.

Message
from João **Leandro**

Chief Executive Officer of RCI Bank and Services

> **In 2022, we achieved a record financial performance while once again achieving a record level of satisfaction. Mobilize Financial Services also created three subsidiaries to accelerate in the growth sectors of the mobility market: Mobilize Pay, Mobilize Insurance and Mobilize Lease&Co. It was the culmination of transformation work that reflected our ambition to be the most innovative automotive captive on the market serving the Alliance's customers.**

Mobilize Financial Services carried out an inaugural green bond issue and dynamic savings inflows. What's the strategy behind it?

In a volatile market context, the Group issued the equivalent of €2.8 billion in 2022 and launched its first green bond issue for €500 million. Proceeds are being used to finance Battery Electric Vehicles (BEVs) 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 savings collection activity was particularly dynamic and competitive in terms of the cost of the resources collected, thus demonstrating the relevance of the financing diversification strategy. Outstanding savings collected increased by €3.4 billion in 2022 to €24.4 billion at the end of December 2022.

In 2022, Mobilize Financial Services created three dedicated subsidiaries to accelerate the offer towards "vehicle-as-a-service" use, how will you support the Mobilize brand?

In May 2022, RCI Bank and Services became Mobilize Financial Services, a unique commercial brand, to support the development of Mobilize and support the new lifestyles of Renault Group customers.

To accelerate the offer towards use, Mobilize Financial Services has created three dedicated activities with strong development ambitions:

• Mobilize Insurance, a subsidiary specializing in motor insurance for the European market and meeting new mobility uses. The objective is to triple the number of insurance contracts by 2030 and reach 3.6 million contracts in Europe.

• Mobilize Lease&Co, a subsidiary dedicated to accelerating the long-term rental offer in all geographical areas where the Alliance brands are present. The goal is to reach a fleet of one million vehicles by 2030 and to double their international presence.

• Mobilize Pay, to design a car-based payment ecosystem. In 2022, Mobilize Pay launched a new eco-responsible credit card developed with Visa for use when charging electric vehicles.

The goal is to reach 1 million contracts by 2030.

creating sustainable mobility for all.

OUR 2022 PERFORMANCE

Good commercial performance with an increase in the average financed amount and a record financial performance thanks to a strong increase in net banking income.

Despite an automotive market still adversely affected by the shortage of semiconductors, Mobilize Financial Services saw its new financing increase by 3.3% compared to 2021, thanks to the increase in average financed amounts.

Resilient key indicators despite a contracting market.

Worldwide

4,000+
Employees

5
Brands

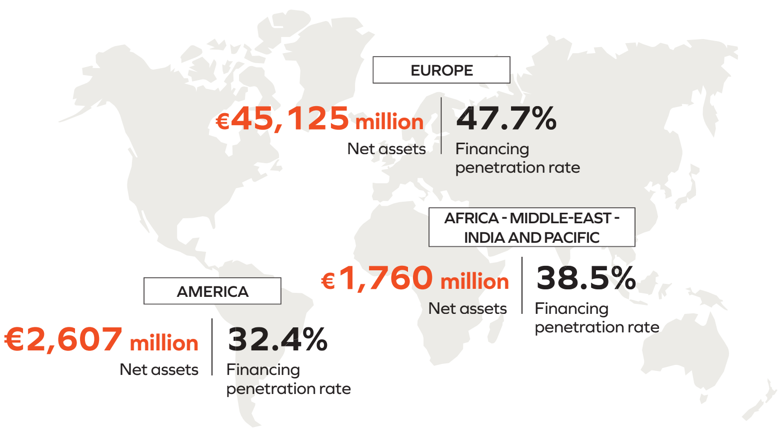
35
Geographical location

54%
Parity

42%
Women Executives

6.9%
Financing of electric and hybrid vehicles

Breakdown of net assets and financing penetration rates by geographical area at the end of 2022



Financial performance

€44,7 billion
Average performing assets
-0.1% VS 2021

1,050 million
Pre-tax income
-12.1% VS 2021

2,045 million
Net Banking Income
+11.9% VS 2021

Financing

1,2 million
Financing contracts
-6.4% VS 2021

€18 billion
New financings
+3.3% VS 2021

44.8%
Financed registrations
+1.3 pt. VS 2021

342,000
Used vehicle financing contracts
-1.2% VS 2021

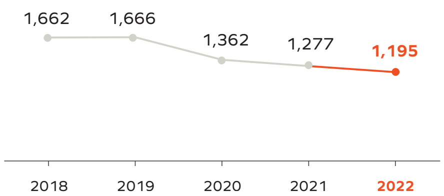
Services

3,8 MILLION
SERVICE CONTRACTS SOLD
-4.7% VS 2021

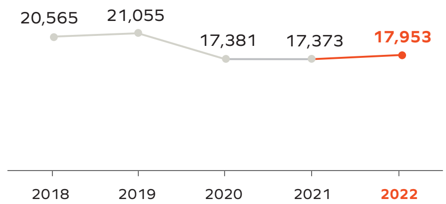
3,19 SERVICES
SOLD BY FINANCING CONTRACT
VS 3,14 in 2021

Resilient key indicators in a turbulent context

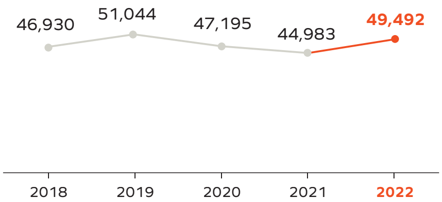
TOTAL NUMBER OF VEHICLE CONTRACTS
(in thousands)



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

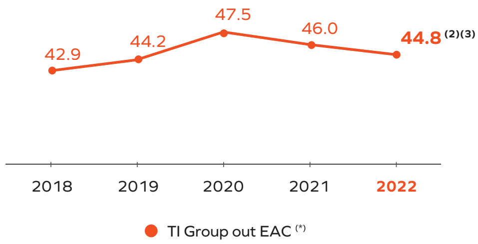


NET ASSETS AT 2022 YEAR-END(1)
(in millions of euros)



(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)



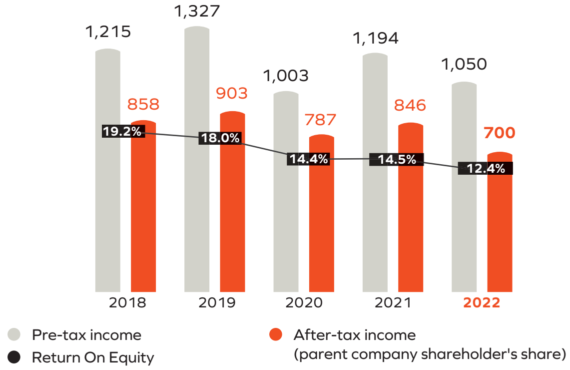
(*) EAC: Equity-accounted Company (Turkey, India)

(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 1.3 points compared to 2021, 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

In an automotive market down 4.6%, the volumes of the Alliance brands, excluding EACs, stood at 1.90 million vehicles in the first half of 2022, down 5.7%. The penetration rate was 44.8%, down 1.3 points compared to 2021.

	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]	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
EUROPE [3]	**47.7%**	**48.2%**	**1,010**	**1,078**	**15,839**	**15,420**	**45,125**	**40,832**
of which Germany	49.4%	47.5%	150	151	2,619	2,362	7,981	7,809
of which Spain	51.8%	51.4%	85	98	1,257	1,275	3,883	3,593
of which France	51.9%	52.8%	366	408	5,412	5,723	17,264	15,319
of which Italy	64.5%	68.0%	136	154	2,164	2,229	5,752	5,352
of which United Kingdom	46.7%	39.9%	126	113	2,496	1,987	5,302	4,371
of which other countries	31.5%	33.2%	147	155	1,890	1,844	4,943	4,388
AMERICAS	**32.4%**	**35.8%**	**129**	**134**	**1,356**	**1,101**	**2,607**	**2,227**
of which Argentina	23.3%	21.6%	18	15	197	113	213	166
of which Brazil	30.8%	33.6%	76	83	759	640	1,694	1,475
of which Colombia	46.7%	60.3%	34	37	400	349	700	586
AFRICA-MIDDLE EAST-INDIA AND THE PACIFIC	**38.5%**	**42.6,%**	**56**	**64**	**758**	**852**	**1,760**	**1,910**
TOTAL GROUP [4]	**44.8%**	**46.0%**	**1,195**	**1,277**	**17,953**	**17,373**	**49,492**	**44,983**

(1) Figures refer to passenger car (PC) and light commercial vehicle (LCV) markets.
(2) Net assets at year-end = net total outstandings + operational lease transactions net of depreciation and impairment.
(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 62.83% in 2022 compared to 63.3% in 2021, 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)	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
	35,387	**34,551**	**9,738**	**6,281**	**40,507**	**40,768**	**1,740**	**1,559**	**1,029**	**1,038**
	6,803	6,828	1,178	981	7,568	7,974	216	227	97	143
	3,204	3,253	679	340	3,560	3,810	128	112	74	62
	12,711	12,359	4,553	2,960	15,005	14,845	436	373	173	186
	4,942	4,875	810	477	5,283	5,370	154	174	94	116
	4,383	3,936	919	435	4,866	4,414	177	158	113	133
	3,344	3,300	1,599	1,088	4,226	4,354	629	515	478	398
	2,065	**1,855**	**542**	**372**	**2,448**	**2,086**	**220**	**181**	**93**	**91**
	101	94	112	72	178	122	59	41	16	18
	1,324	1,201	370	274	1,636	1,427	109	98	51	50
	640	560	60	26	634	537	52	42	26	23
	1,611	**1,793**	**149**	**117**	**1,752**	**1,893**	**84**	**87**	**46**	**50**
	39,063	**38,213**	**10,429**	**6,770**	**44,726**	**44,752**	**2,045**	**1,827**	**1,050**	**1,194**

#1

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.

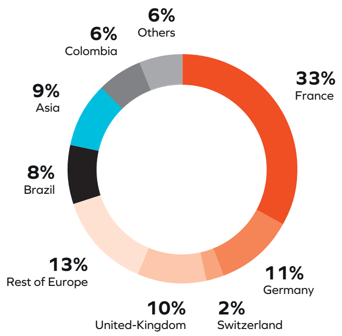
In this volatile market context, the group issued the equivalent of €2.8 billion in 2022 and launched its first green bond for €500 million. Proceeds are being used to finance electric vehicles and charging infrastructures. This transaction demonstrates the group's willingness to support the transition 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.

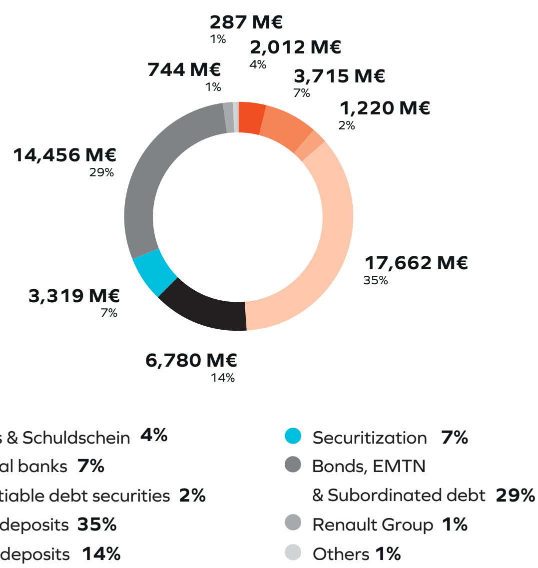
/ GEOGRAPHICAL BREAKDOWN OF NEW RESOURCES WITH A MATURITY OF ONE YEAR OR MORE (EXCLUDING DEPOSITS AND TLTRO)

(AS AT 12/31/2022)

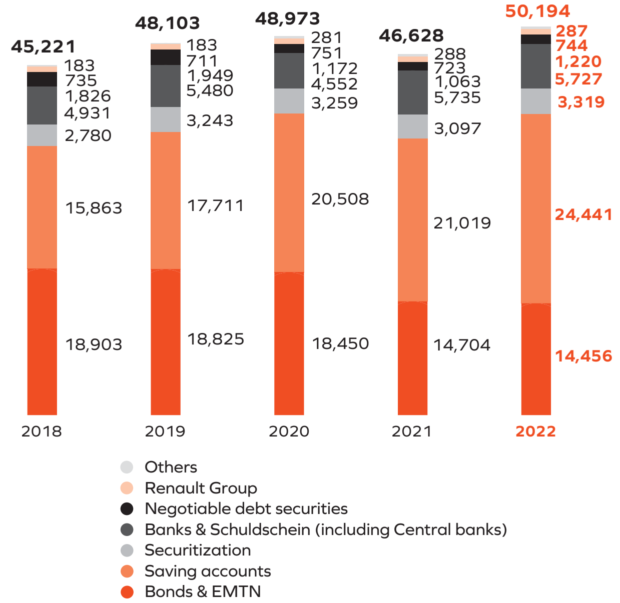


/ STRUCTURE OF TOTAL DEBT

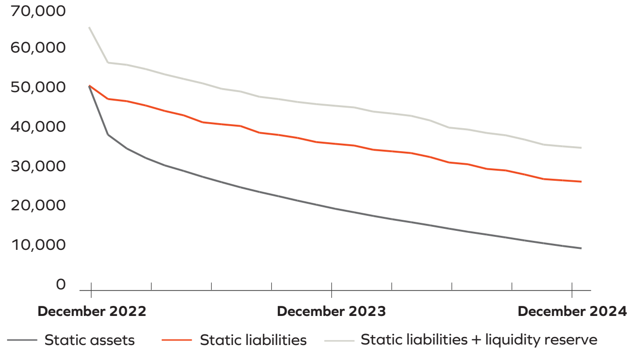
(AS AT 12/31/2022)



/ CHANGES IN THE STRUCTURE OF TOTAL DEBT
(IN MILLION EUROS)



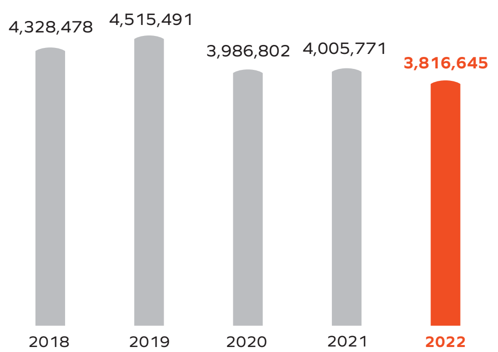
/ STATIC LIQUIDITY POSITION[1]
(IN MILLION EUROS)



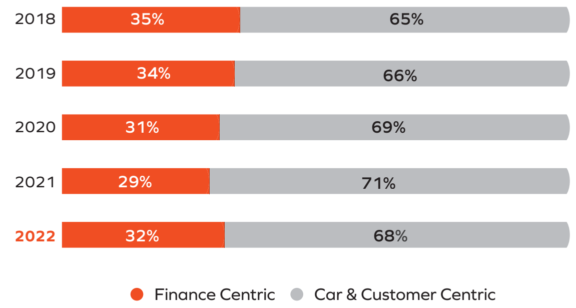
Static assets: assets runoff over time assuming no renewal.
Static liabilities: liabilities runoff over time assuming no renewal.

(1) Scope: Europe.

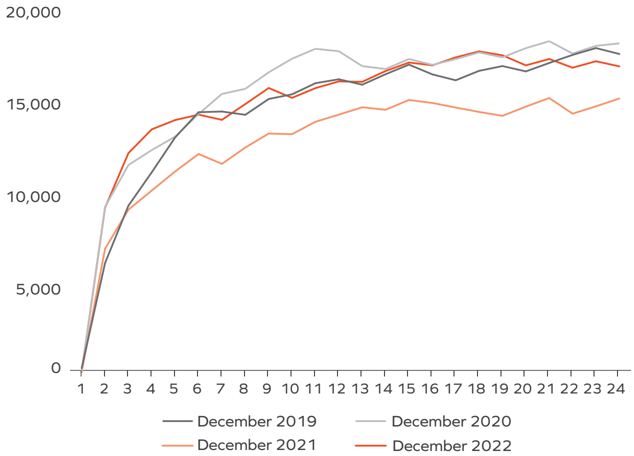
/ SERVICE CONTRACTS (IN NUMBER)
(AT 31/12/2022)



/ SERVICE MIX (AS A %)
(AT 31/12/2022)

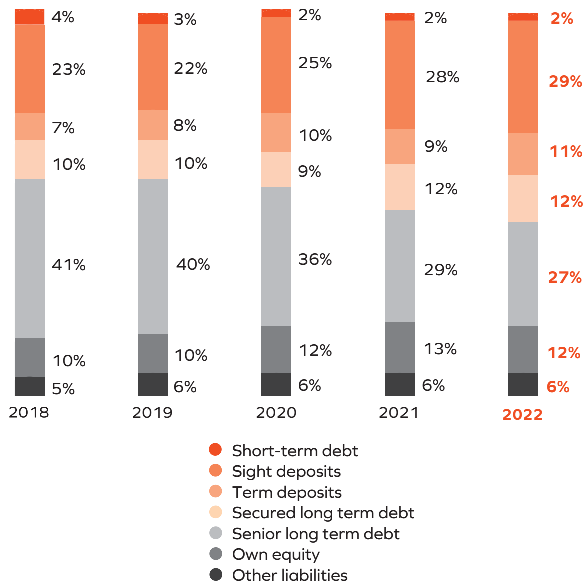


/ STATIC LIQUIDITY GAP[1]
(IN MILLION EUROS)



(1) Scope: Europe.

/ BREAKDOWN OF LIABILITIES
(AT 31/12/2022)



These resources, to which should be added, on the European scope, €4.4 billion in undrawn confirmed bank lines, €4.6 billion in collateral eligible for Central Bank monetary policy operations, and €5.8 billion in high quality liquid assets (HQLA), enable the Mobilize Financial Services group to maintain the financing granted to its customers for 11 months without access to external liquidity. As of 31 December 2022, the liquidity reserve of the Mobilize Financial Services group (Europe scope) stood at €14.9 billion.

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

As of 31 December 2022, a parallel rise in rates[1] would have an impact on the group's net interest income (NII) of €0.78 million, with the following contribution by currency:

- -€1.6 million in EUR;
- -€0.3 million in BRL;
- -€0.1 million in KRW;
- +€1.0 million in GBP;
- +€0.1 million in PLN;
- -€0.3 million in CHF.

The sum of the absolute values of the sensitivities to a parallel interest rate shock[1] in each currency amounts to €7.0 million.

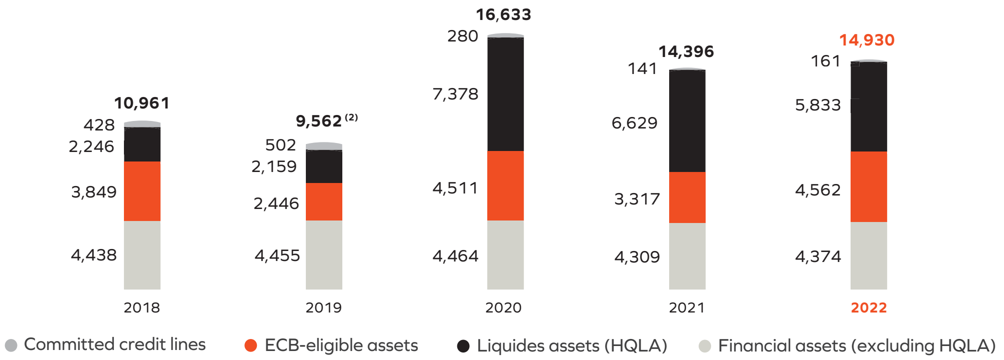
The groupe RCI Banque's consolidated transactional foreign exchange position[2] is €12.7 million.

(1) Since 2021 and in accordance with EBA (IRRBB Guidelines), the magnitude of interest rate shocks depends on the currency. As of 31 December 2022, 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 BRL; +500 bps for ARS and RUB.

(2) Foreign exchange position excluding holdings in the share capital of subsidiaries.

/ LIQUIDITY RESERVE [1]

(IN MILLION EUROS)



(1) Scope Europe.

(2) Liquidity reserve is calibrated to achieve internal business continuity target in stress scenario. Lower level in December 2019 reflects lower level of bond redemption for the following year (bond repayments respectively €1.8 billion in 2020 and €2.8 million in 2019).

RCI Banque group's programs and insurances

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

RCI Banque short term: S&P: A-3/Moody's: P-2

RCI Banque long term: S&P: BBB- (Stable)/Moody's: Baa2 (stable)

Issuer[1]	Instrument	Market	Amount	S&P	Moody's	Other
RCI BanqueS.A.	TIER2 Subordinated Notes	Euro	€850 million [4]	**BB**	**Baa2** (stable outlook)	
RCI BanqueS.A.	NEU MTN Program [3]	French	€2,000 million	**BBB-** (stable outlook)	**Baa2** (stable outlook)	
RCI BanqueS.A.	Euro MTN Program	Euro	€23,000 million	**BBB-** (stable outlook)	**Baa2** (stable outlook)	
RCI BanqueS.A.	NEU CP Program [2]	French	€4,500 million	**A-3**	**P2**	
DIACS.A.	NEU MTN Program [3]	French	€1,500 million	**BBB-** (stable outlook)		
DIACS.A.	NEU CP Program [2]	French	€1,000 million	**A-3**		
Rombo Compania FinancieraS.A.	Bond Program	Argentinian	USD150 million		**A+** (arg) (stable outlook)	Fix Scr: **AA (arg)** (stable outlook)
RCI Financial Services Korea CoLtd	Bonds	South Korean	KRW1,330 billion [4]			KR, KIS, NICE: **A+**
Banco RCI BrasilS.A.	Bonds	Brazilian	BRL3,841 million[4]		**AA+.br** (stable outlook)	
RCI ColombiaS.A. Compañia de Financiamiento	CDT: Certificado de depósito a Término	Colombian	COP1,020 billion [4]	**AAA.co**		
RCI ColombiaS.A. Compañia de Financiamiento	Bonds	Colombian	OP189 billion [4]	**AAA.co**		
RCI Finance Maroc	Tier 2 Subordinated	Moroccan	MAD68 million [4]			
RCI Finance Maroc	BSF Program	Moroccan	MAD3,500 million			

(1) RCI Banque & Subsidiaries fully consolidated.

(2) Negotiable European Commercial Paper (NEU CP), new name for Certificates of Deposit.

(3) Negotiable European Medium-Term Note (NEU MTN), new name for Negotiable Medium-Term Notes.

(4) Outstandings.

#2

RISKS – PILLAR III

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 2022 has been subjected to the same degree of internal control and same internal control procedures as other information provided as regards the financial report.

João Miguel Leandro

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.

I. Summary of risks

1. Key figures

/ EU KM1 – KEY METRICS TEMPLATE

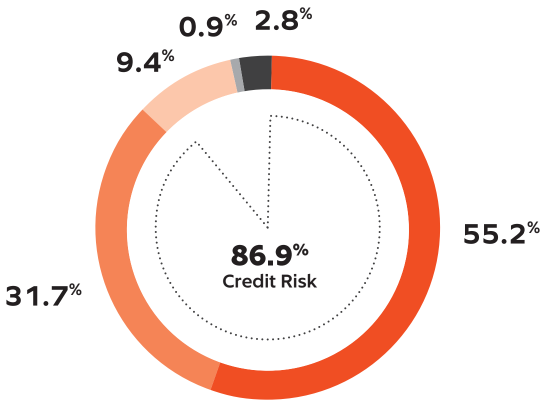
In millions of euros	31/12/2022	30/06/2022	31/12/2021
Available own funds (amounts)			
Common Equity Tier 1 (CET1) capital	5,271	5,138	4,932
Tier 1 capital	5,271	5,138	4,932
Total capital	6,135	6,002	5,909
Risk-weighted exposure amounts			
Total risk-weighted exposure amount	36,430	34,943	33,420
Capital ratios (as a percentage of risk-weighted exposure amount)			
Common Equity Tier 1 ratio (%)	14.47%	14.71%	14.76%
Tier 1 ratio (%)	14.47%	14.71%	14.76%
Total capital ratio (%)	16.84%	17.18%	17.68%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.01%	2.01%	2.00%
of which: to be made up of CET1 capital (percentage points)	1.13%	1.13%	1.13%
of which: to be made up of Tier 1 capital (percentage points)	1.51%	1.51%	1.50%
Total SREP own funds requirements (%)	10.01%	10.01%	10.00%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)			
Capital conservation buffer (%)	2.50%	2.50%	2.50%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)			
Institution specific countercyclical capital buffer (%)	0.12%	0.00%	0.00%
Systemic risk buffer (%)			
Global Systemically Important Institution buffer (%)			
Other Systemically Important Institution buffer (%)			
Combined buffer requirement (%)	2.62%	2.50%	2.50%
Overall capital requirements (%)	12.63%	12.51%	12.50%
CET1 available after meeting the total SREP own funds requirements (%)	6.83%	7.17%	7.26%
Leverage ratio			
Total exposure measure	63,846	59,597	58,628
Leverage ratio (%)	8.26%	8.62%	8.41%

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".

In millions of euros	31/12/2022	30/06/2022	31/12/2021
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
Additional own funds requirements to address the risk of excessive leverage (%)			
of which: to be made up of CET1 capital (percentage points)			
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)			
Leverage ratio buffer requirement (%)			
Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%
Liquidity Coverage Ratio			
Total high-quality liquid assets (HQLA) (Weighted value-average)	7,834	7,749	6,603
Cash outflows – Total weighted value	4,205	4,116	3,930
Cash inflows – Total weighted value	2,505	2,322	2,795
Total net cash outflows (adjusted value)	1,709	1,794	1,384
Liquidity coverage ratio (%)	487.50%	469.83%	524.82%
Net Stable Funding Ratio			
Total available stable funding	48,380	46,677	47,017
Total required stable funding	38,455	36,725	35,616
NSFR ratio (%)	125.81%	127.10%	132.01%

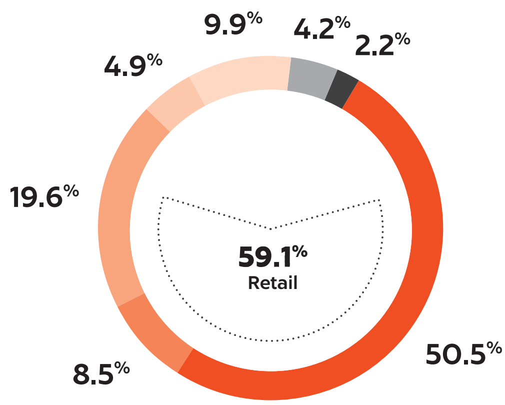
The data relating to the LCR and its aggregates are averages for the 12 months ending on the reporting date mentioned (Article 447 f of CRR2).

/ OWN FUNDS REQUIREMENTS BY TYPE OF RISK



- Credit Risk - Internal Ratings Based Approach **55.2%**
- Credit Risk - Standard Approach **31.7%**
- Operational Risk **9.4%**
- Credit Valuation Adjustment Risk **0.9%**
- Market Risk **2.8%**
- Credit Risk **86.9%**

/ EXPOSURE BY EXPOSURE CLASS



- Retail **50.5%**
- Retail SME **8.5%**
- Corporates **19.6%**
- Corporates SME **4.9%**
- Central Governments or Central Banks **9.9%**
- Institutions **4.2%**
- Others **2.2%**
- Retail **59.1%**

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

	31/12/2022	30/06/2022	31/12/2021
Return on assets	1.16%	1.19%	1.51%

The ROA had been negatively impacted by the normalization of the cost of risk, 2020 being a year of increasing provisions due to Covid crisis and the 2021 financial year had therefore benefited from provision reversals following the improvement of the sanitary situation, the depreciation of shares of RN Bank for €119 million in 2022 being partially offset by a positive impact non-recurring impact of €101 million due to interests rate swaps valuation hedging sight deposits in a context of rising interest rates.

2. Context

The resurgence of Covid in China and the Russian invasion of Ukraine impacted global economic activity and financial markets. Rising inflation (mainly driven by rising commodity prices), the normalization of quantitative easing policies and rate hikes by the major central banks have led the markets to revise growth expectations downwards. In addition, the automotive market continues to be negatively impacted by the shortage of semiconductors. These elements have had an impact on the financial performance of Mobilize F.S. group (average earning assets, interest income, cost of risk). However, no new risks have been identified in the light of these elements.

3. Risk factors

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 and 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.

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 5 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 and tax risks.

A) 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 business strategy and sales of Renault-Nissan Alliance brand vehicles

As a wholly owned financial subsidiary of Renault serving the Renault-Nissan Alliance, the predominant activity of the Mobilize F.S. group is to finance sales of Renault-Nissan Alliance branded vehicles, which accounts for a substantial majority of its net banking income.

Because of the Mobilize F.S. group's complex strategic, commercial and financial relationships with the Renault Group and the fact that the business is concentrated within the Renault Nissan Alliance, any reduction or suspension of the production or sale of Renault Group vehicles due to a decline in the actual or perceived quality, safety or reliability of the vehicles, a disruption of third-party supply, significant changes in marketing programs or strategies or negative publicity, could have a negative impact on the level of Mobiliser F.S. group's financing volume and on its financial condition and results of operations. In addition, demand for Renault-Nissan Alliance vehicles may be affected by the following factors:

- the diversification and innovation of the Renault-Nissan Alliance's 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 Renault-Nissan Alliance 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.

In addition, the Renault-Nissan Alliance's business strategy and sales mix 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.

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 2 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 contributing to the transition to a low-carbon economy.

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

The group could be exposed to physical climate risk, which could affect its ability to maintain its services in geographical areas affected by extreme events (floods, droughts, etc.), as well as the negative impact that extreme weather events could have on its clients' business or even directly on the group's business through its insurance products (CPI, GAP). 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.

B) 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.

The Mobilize F.S. group pays great attention to diversifying its sources of access to liquidity. To this end, the group imposes strict internal standards. The group finances its activities through long-term debt issues, bank loans, commercial paper issues, 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

The interest rate risk in the banking book (IRRBB) is the risk to the bank's capital and results that would result from an unfavorable development of interest rates affecting the bank's banking book positions. The Mobilize F.S. group's objective is to mitigate this risk as much as possible.

The Mobilize F.S. group's customer loans are generally issued at fixed interest rates for with an average term of approximately four years, while loans to dealers are issued at rates that are revided monthly. The Mobilize F.S. group's exposure to interest rates is assessed daily by measuring the sensitivity for each currency, management entity and asset portfolio, and cash flow hedging is systematic, using swaps to convert floating rate liabilities to fixed rate liabilities.

The 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 possible nor perfectly adjustableappropriate, 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 EUR 70 million.

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 wholesale financing at competitive rates depends on overall financial market conditions and its ability to obtain appropriate credit ratings. A decline in its credit ratings or Renault S.A.'s credit ratings or any revision of the outlook would likely result in an increase in RCI Banque S.A.'s borrowing costs or could rapidly reduce its 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.

#1 #2 #3 #4 #5

C) 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 may be 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/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/importers in Mobilize F.S. group's portfolio, the quality of the collateral and processes in place to secure financing, and 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. 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 to the extent that 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.

D) Operational risks

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

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 must also be extended to outsourced activities, as service providers hold, store, or process the institution's ICT systems and information. The lack of control over these external parties to protect the institution's systems and information (confidentiality, integrity, availability) impacts the institution's ability to comply with regulatory requirements.

For example, the risk of inability to maintain/operate the Mobilize F.S. group's critical operations 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) can negatively affect the Mobilize F.S. group's operations.

IT systems are a critical 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.

E) Legal, regulatory and tax risks

The Mobilize F.S. group is exposed to legal, regulatory and tax 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. However, the protean nature of regulation makes it difficult to assess future impacts on the institution. Any failure to comply could lead to financial penalties, in addition to damage to the group's image, or to the imposed suspension of its activities or even the withdrawal of its authorizations to conduct its activities (including its license), which could significantly affect its business and operating results.

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.

II. Governance and organization principles of risk management

1. Risk governance policy – Risk appetite framework

/ EU OVA – INSTITUTION RISK MANAGEMENT APPROACH

Legal basis	Qualitative information – Free format	
Point (f) of Article 435(1) CRR	Disclosure of concise risk statement approved by the management body	Part II-3 Risk profile – risk appetite statement
Point (b) of Article 435(1) CRR	Information on the risk governance structure for each type of risk	Part II-2 Organization of risk control
Point (e) of Article 435(1) CRR	Declaration approved by the management body on the adequacy of the risk management arrangements.	Part II-3 Risk profile – risk appetite statement
Point (c) of Article 435(1) CRR	Disclosure on the scope and nature of risk disclosure and/or measurement systems.	Part II-1 Risk governance policy – risk appetite framework Part II-2 Organization of risk control
Point (c) of Article 435(1) CRR	Disclose information on the main features of risk disclosure and measurement systems.	Part II-2 Organization of risk control
Point (a) of Article 435(1) CRR	Strategies and processes to manage risks for each separate category of risk.	Part II-3 Risk profile – risk appetite statement Part III-5 Management of internal capital Part IV-2 Credit risk management process Part VIII Interest rate risk for portfolio positions Part IX-1 Liquidity risk Part X-1 Operational and non-compliance risks Part XI-ESG Risks Part XII Other risks
Points (a) and (d) of Article 435(1) CRR	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 II-1 Risk governance policy – risk appetite framework Part IV Credit risk – 2 Credit risk management process +7 Credit risk mitigation techniques + V Advanced method Part X-4 Insurance of operational risks

/ EU OVB – DISCLOSURE ON GOVERNANCE ARRANGEMENTS

Legal basis	Qualitative information _ Free format	
Point (a) of Article 435(2) CRR	The number of directorships held by members of the management body.	Part II-2 Organization of risk control § the governing bodies
Point (b) of Article 435(2) CRR	Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.	Part II-2 Organization of risk control § the governing bodies
Point (c) of Article 435(2) CRR	Information on the diversity policy with regard of the members of the management body.	Part II-2 Organization of risk control § the governing bodies
Point (d) of Article 435(2) CRR	Information whether or not the institution has set up a separate Risk Committee and the frequency of the meetings.	Part II-2 Organization of risk control § the governing bodies
Point (e) of Article 435(2) CRR	Description on the information flow on risk to the management body.	Part II-1 Risk of governance policy – Risk appetite framework Part II-2 – Organization of risk control Part II-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 RCI Banque 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.

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, is responsible for directing the general internal control system for the entire 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 report to him/her functionally. The Internal Controllers report 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 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 Committee (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 Alliance 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 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.

#1
#2
#3
#4
#5

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

Board of Directors as at 31 December 2022

	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	1 executive position 5 non-executive positions	
Laurent DAVID	Director of the Board		
Clotilde DELBOS	Chairman of the Board	2 executive positions 2 non-executive positions	1 executive position 2 non-executive positions
Isabelle LANDROT	Director of the Board	3 executive positions 2 non-executive positions	
Isabelle MAURY	Director of the Board		1 executive position 1 non-executive positions
Patrick CLAUDE	Director of the Board	2 executive positions 7 non-executive positions	
Thierry PIÉTON	Director of the Board		
Laurent POIRON	Director of the Board		1 executive position 3 non-executive positions
Nathalie RIEZ-THIOLLET	Director of the Board		

Other members ofthe management body in its executive function at 31 December 2022

	Position held in RCI Banque S.A.	Number of other positions held inside Renault Group	Number of other positions held outside Renault Group
João Miguel LEANDRO	Chief Executive Officer	8 non-executive positions	
Jean-Marc SAUGIER	Deputy Chief Executive Officer and VP Finance and Treasury	1 executive position 3 non-executive positions	1 executive position 2 non-executive positions
Frédéric SCHNEIDER	Deputy Chief Executive Officer and VP Commercial and Strategy	6 non-executive positions	

At 31 December 2022, 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 five 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 three 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 2021, 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 João Miguel Leandro, Chief Executive Officer, Jean-Marc Saugier, Deputy Chief Executive Officer and V.P. Finance and Treasury, and Frédéric Schneider, Deputy Chief Executive Officer and V.P. Commercial and Strategy.

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.

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

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 and considering the environment in which it operates. The risk profile is determined based on all risks inherent in the Mobilize F.S. group's activities in Europe and worldwide. These are identified in the group's risk mapping and are regularly assessed.

The risk profile is taken into account when working out and implementing rules on managing the said risks, more particularly to steer decision-making on risks in line with the Board of Directors' risk appetite level and the group strategy.

The risk profile or risk appetite is implemented within the group by the Executive Committee through the committees it chairs (Financial Committee, Capital and Liquidity Committee, Credit Risk Committee, Internal Control, Operational Risk and Ethics & Compliance Committee, etc.), which are responsible for monitoring 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 that the bank is willing to assume;
- 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 by means of indicators that are tracked at a frequency that varies from daily to quarterly depending on the indicators and risks. 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. For example, 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 Alliance, in particular through its key role in financing 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;

- **climate and environmental risks** have been included in the group's list of principal risks since the end of 2021. The identification of these risks and their criticality rating has been established through the corresponding mapping, which makes it possible to list the expected impacts of physical and transition risks. The appetite framework has been completed with the definition of a Risk Appetite Framework in 2022 whose main indicators are currently as follows:
  - reduction of CO_2 emissions,
  - ESG rating,
  - number of specific commercial offers for electric vehicles.

  These indicators will be monitored and analyzed to adapt to future changes in climate and environmental risks within the group;
- the **solvency risk** is controlled with a view to maintaining:

a) a necessary security margin regarding prudential requirements, to reflect RCI high levels of 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 6 months' business continuity has been set for centrally funded subsidiaries (3 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:**
  - 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.
- 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** including risks of non-compliance (legal and conduct risk, tax, AML/CFT, BRRD regulation, fraud, reputation, business continuity,, IT, personal data protection, corruption, 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 company's image and reputation.

  More specifically, 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 RCI'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, which means that continuity of service would be maintained.

Internal "interconnections" concern two main areas:

- refinancing: 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 RCI France for the networks business management system and the accounting system.

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 2022 was based on several main scenarios: a central scenario based on the budget trajectory, a macro-economic stress scenario, an idiosyncratic 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;
- liquidity stress tests ensure that the time frame in which the group can continue to operate is assured 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.

5. Remuneration policy

EU REMA – Remuneration policy

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

The Remuneration Committee met two times in 2022. As of 31 December 2022, the members of the Remuneration Committee were C. Delbos, P. Buros and 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. The variable component of remuneration is capped at a percentage of the fixed salary. This percentage is always lower than 100% or equal to 100%, so Mobilize F.S. group complies with regulations on variable remuneration.

The criteria used to measure the performance for the fiscal year 2022 are: the operating margin per country and on a consolidated basis at the group; the sales margin on new financing and services contracts, measured per country and on a consolidated basis; the RORWA measured on a consolidated basis at the group; the commercial margin on new financing and service contracts, measured by country minus the commercial means by country, the actions dashboard per country and at the Corporate level; the NPS "Net Promoter Score" per country and on a consolidated basis at the group; Operating expenses as a % of group Average Productive Assets; 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. Most of these criteria are consistent with those used in the fiscal year 2021.

In the fiscal year 2022, 116 individuals had significant impact on the risk profile. Their fixed remuneration in 2022 came to a total of 13,098,752 euros. Their variable remuneration in 2022 totaled 3,767,151 euros, representing 28.76% of the total fixed remuneration, or 22.34% of the total fixed and variable remuneration.

Mobilize F.S. group'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 RCI Banque 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 = 2,228,648 euros; total variable remuneration = 988,348 euros;
- control functions: total fixed remuneration = 1,127,351 euros; total variable remuneration = 210,105 euros;
- corporate functions excluding Executive Committee and control: total fixed remuneration = 1,483,406 euros; total variable remuneration = 409,065 euros;
- other positions: total fixed remuneration = 8,179,347 euros; total variable remuneration = 2,095,258 euros.

In 2022, the external directors of the Board of Directors received remuneration for their duties in the amount of 143,875 euros.

No employee receives an annual salary of more than 1,000,000 euros.

Part of the variable remuneration awarded to the individuals whose professional activities have a significant impact on the risk profile of RCI Banque 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, RCI Banque S.A. 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 euros; 40% of the variable remuneration is then deferred over a period of five years as indicated above.

During each year of the three years of deferral for years prior to 2021, one-third of the deferred amount may be released, provided that RCI Banque has achieved a certain level of Pre-Tax Income, expressed as a percentage of average performing outstanding:

- the amount allocated in the year following the reference year is paid 50% in cash and 50% by payment of funds into a Subordinate Term Account;
- from the fiscal year 2018 to 2020, the amount paid up over each of the 3 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.

In the event that a serious event affecting Mobilize F.S. group'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 deleted 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 RCI Banque S.A.

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. group'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.

Thus, in light of the internal organization of Mobilize F.S. group and its nature, scope and low complexity of its activities, RCI Banque S.A. 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 2022, with the application of the above provisions, the deferred remuneration situation is as follows:

- for the fiscal year 2018, deferred amounts determined in 2019 represented a total of 511,589 euros, spread over 2020, 2021 and 2022. Of that total, amounts that could be paid in 2020, 2021 and 2022 conditional on confirmation were paid in full. There are no further amounts deferred beyond 2022 in respect of the fiscal year 2018;
- for the fiscal year 2019, deferred amounts determined in 2020 represented a total of 510,549 euros, spread over 2021, 2022 and 2023. Of that total, amounts that could be paid in 2022 conditional on confirmation were paid in full; they represent a sub-total of 170,183 euros. The amounts that remain deferred in respect of the fiscal year 2019 to 2023 amount to 170,183 euros;
- for the fiscal year 2020, amounts determined in 2021 represented a total deferred of 205,422 euros, spread over 2022, 2023 and 2024. Of this total, the amounts that can be paid in 2022 subject to confirmation have been confirmed and paid in full; they represent a subtotal of 68,474 euros. Amounts still to be deferred in respect of the fiscal year 2020 over the years 2023 and 2024 amount to 136,948 euros;
- for the fiscal year 2021, amounts determined in 2022 represented a total deferred of 611,848 euros, spread over the years from 2023 to 2027;
- thus, at the end of 2022, there remains no deferred amount for the fiscal year 2018, and for all the fiscal years 2019, 2020 and 2021, the amounts deferred over the years 2023 to 2027 represent a total of 918,979 euros.

No severance payments were made to those whose professional activities have a significant impact on the risk profile of Mobilize F.S. group in 2022.

/ EU REM1 – REMUNERATION AWARDED FOR THE FINANCIAL YEAR

		a	b	c	d
		MB Management function	**MB Management function**	**Other senior management**	**Other identified staff**
	Fixed remuneration				
1	Number of identified staff	10	3	9	94
2	Total fixed remuneration	79,500	822,817	1,405,831	10,790,104
3	Of which: cash-based	79,500	822,817	1,405,831	10,790,104
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	64,375	478,672	509,676	2,714,427
11	Of which: cash-based	64,375	180,194	229,289	2,369,880
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	0	298,478	280,387	344,548
EU-14y	Of which: deferred	0	298,478	280,387	344,548
15	Of which: other forms				
16	Of which: deferred				
17	Total remuneration (2 +10)	143,875	1,301,489	1,915,507	13,504,531

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

		a	b	c	d
		MB Supervisory function	**MB Management function**	**Other senior management**	**Other identified staff**
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards – Number of identified staff				
2	Guaranteed variable remuneration awards – Total amount				
3	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				
4	Severance payments awarded in previous periods, that have been paid out during the financial year – Number of identified staff				
5	Severance payments awarded in previous periods, that have been paid out during the financial year – Total amount				
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year – Number of identified staff				
7	Severance payments awarded during the financial year – Total amount				
8	Of which paid during the financial year				
9	Of which deferred				
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person				

No guaranteed variable compensation or severance payments have been granted in 2022.

/ EU REM3 – DEFERRED REMUNERATION

Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	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)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
MB Supervisory function								
Cash-based								
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments								
Other forms								
MB Management function	482,258	108,814	373,644				108,814	
Cash-based							0	
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments	482,258	108,814	373,644				108,814	
Other forms								
Other senior management	184,576	50,534	134,042				50,534	
Cash-based							0	
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments	184,576	50,534	134,042				50,534	
Other forms								
Other identified staff	661,131	249,839	411,292				249,839	
Cash-based							0	
Shares or equivalent ownership interests								
Share-linked instruments or equivalent non-cash instruments								
Other instruments	661,131	249,839	411,292				249,839	
Other forms								
TOTAL AMOUNT	**1,328,165**	**409,186**	**918,979**				**409,186**	

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

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

No remuneration of 1 million euros or more paid in the year 2022

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

	Management body remuneration			Business areas
	MB Supervisory function	MB Management function	Total MB	Investment banking
TOTAL NUMBER OF IDENTIFIED STAFF				
Of which: members of the MB	10	3	13	
Of which: other senior management				
Of which: other identified staff				
TOTAL REMUNERATION OF IDENTIFIED STAFF	**143,875**	**1,301,488**	**1,445,363**	
Of which: variable remuneration	64,375	478,672	543,047	
Of which: fixed remuneration	79,500	822,817	902,317	

Business areas					
Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
					116
		7	2		
36		12	10	36	
5,103,396		**3,405,782**	**1,739,652**	**5,171,209**	
1,040,715		808,465	320,381	1,054,543	
4,062,682		2,597,317	1,419,271	4,116,665	

III. Capital management and capital adequacy

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 is 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:				
In millions of euros	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
Assets							
Cash and balances at central banks	5,874	5,874	5,874				
Derivatives	434	434		434			
Financial assets at fair value through other comprehensive income	521	341	341				
Financial assets at fair value through profit or loss	119	119	119				
Financial assets at amortised cost							
Amounts receivable from credit institutions	1,690	1,666	1,666				
Loans and advances to customers	48,631	48,817	48,847				(30)
Current tax assets	166	41	41				
Deferred tax assets	220	167	160				7
Adjustment accounts & miscellaneous assets	1,041	1,073	1,035				38
Non-current assets held for sale	19	19	19				
Investments in associates and joint ventures	66	175	175				
Operating lease transactions	1,383	1,383	1,383				
Tangible and intangible non-current assets	123	123	89				34
Goodwill	137	137					137
TOTAL ASSETS	**60,424**	**60,370**	**59,750**	**434**			**186**

In millions of euros	Carrying values as reported in published financial statements	Carrying values under scope of prudential consoli-dation	Carrying values of items subject to: Credit risk framework	Counterparty credit risk framework	Securiti-sation framework	Market risk framework	Not subject or deduction from own funds
Liabilities							
Central Banks	3,715	3,715					3,715
Derivatives	351	351					351
Financial liabilities at fair value through profit or loss							
Amounts payable to credit institutions	2,012	2,012					2,012
Amounts payable to customers	25,473	25,939	42				25,897
Debt securities	18,108	18,108					18,108
Current tax liabilities	133	44					44
Deferred tax liabilities	818	819					819
Adjustment accounts & miscellaneous liabilities	2,004	1,998	8				1,990
Non-current liabilities held for sale	1	1					1
Provisions	188	188					188
Insurance technical provisions	425						
Subordinated debt – Liabilities	886	886					886
Equity	6,310	6,310					6,310
TOTAL LIABILITIES	**60,424**	**60,370**	**50**				**60,320**

/ 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
Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	60,184	59,750	434		
Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	50	50			
TOTAL NET AMOUNT UNDER THE SCOPE OF PRUDENTIAL CONSOLIDATION	**60,134**	**59,700**	**434**		
Off-balance-sheet amounts	4,370	4,370			
Differences in valuations	(1)	(1)			
Differences due to different netting rules, other than those already included in row 2					
Differences due to consideration of provisions	780	780			
Differences due to the use of credit risk mitigation techniques (CRMs)	(717)	(717)			
Differences due to credit conversion factors	(563)	(563)			
Differences due to Securitisation with risk transfer					
Other differences	173	(243)	416		
EXPOSURE AMOUNTS CONSIDERED FOR REGULATORY PURPOSES	**64,176**	**63,326**	**850**		

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

Name of the entity	Method of accounting consolidation	Method of prudential consolidation: Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the entity
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

/ 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 is accounted for under the equity method in the accounting scope and proportionally consolidated in the prudential scope; • 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 7) and the impairments not taken into account under the advanced method (art. 166) On the "Other" line are mainly: • additional exposures calculated as part of counterparty credit risk (SA CCR); • the application of 1/t on the residual values of contracts recognised as operating leases (art. 134.7. CRR – t being the number of years before the end of the lease agreement). This reduces the accounting exposure of the residual value (€678 million) to a prudential exposure of €441 million in credit risk.

/ 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.

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 16.84% at the end of 2022 (of which the CET1 ratio was 14.47%), compared to 17.68% at the end of December 2021 (of which the CET1 ratio was 14.76%).

These ratios include the interim profits at the end of December 2022, 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 fall in the overall ratio is explained by the increase in RWEA (+€2,008 million) mostly due to the increase of the Dealer network activity (+€1,542 million) as well as by the integration of structural exchange rate risk in the market risk component (+€1,002 million of REA), following the entry into application of the guideline (EBA/GL/2020/09) on structural foreign exchange positions, applicable from 1 January 2022.

This increase in REA is partially offset by an increase in CET1 capital (+€339 million) linked to a reduction in EL/PROV [(1)] (+ €256 million) and the integration of the halfyear result net from the forecast dividend (+€100 million). The lower increase in overall equity (+€225 million) compared to CET1 is due to the impact of EL/PROV netting (-€113 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 (0.12% at the end of 2022) 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 2022, 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 2023. It is set at 2.01%, applicable from 1 January 2023.

Minimum requirement for own funds and eligible liabilities (MREL)

The Mobilize F.S. group received, in December 2022, 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 10.01% 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. Calculated on a contract basis in December 2021, these are calculated on a portfolio basis in December 2022, in accordance with EBA Q&A 2013/573.

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

	Relevant credit exposures					
	General credit exposures		Market risk			
In millions of euros	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	Securitisation exposures Exposure value for non-trading book	Total exposure value
BREAKDOWN BY COUNTRY						
Argentina	226					226
Austria	598					598
Belgium	258					258
Brazil	1,584					1,584
Swiss	891					891
Czech Republic	174					174
Germany	726	8,182				8,907
Spain	379	3,788				4,167
France	1,526	18,519				20,045
Great-Britain	786	4,932				5,717
Hungary	51					51
Ireland	421					421
India	37					37
Italy	649	5,727				6,376
South Korea	68	1,307				1,375
Luxembourg	69					69
Morocco	566					566
Malta	135					135
Netherlands	728					728
Poland	759					759
Portugal	667					667
Romania	331					331
Russia	20					20
Sweden	138					138
Slovenia	216					216
Slovakia	31					31
Turkey	149					149
Colombia	826					826
Croatia	29					29
TOTAL ALL COUNTRIES	**13,033**	**42,455**				**55,488**

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**
17			17	211	0.69%	
37			37	456	1.49%	
20			20	246	0.80%	
98			98	1,223	3.98%	
55			55	681	2.22%	
10			10	123	0.40%	1.50%
288			288	3,604	11.74%	
192			192	2,403	7.82%	
871			871	10,881	35.44%	
248			248	3,100	10.10%	1.00%
4			4	48	0.15%	
27			27	335	1.09%	
7			7	91	0.30%	
233			233	2,918	9.50%	
37			37	461	1.50%	
7			7	86	0.28%	0.50%
36			36	450	1.47%	
26			26	323	1.05%	
48			48	601	1.96%	
43			43	543	1.77%	
45			45	563	1.83%	
19			19	240	0.78%	0.50%
1			1	13	0.04%	
11			11	135	0.44%	1.00%
13			13	159	0.52%	
2			2	24	0.08%	1.00%
9			9	114	0.37%	
53			53	656	2.14%	
2			2	21	0.07%	
2,457			**2,457**	**30,706**	**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
Total risk exposure amount	36,430
Institution specific countercyclical capital buffer rate	0.12%
Institution specific countercyclical capital buffer requirement	43

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. 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 2022 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 17.5% 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.

Tier 1 capital increased by €339 million compared to 31 December 2021 to €5,271 million:

- integration of the result for the year 2022 net of the planned dividend (+€100 million);
- decrease of deductions dues to insufficiency of provisions to cover expected loss (+€257 million).

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 5 years without advance repayment during these first 5 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.

#1 #2 #3 #4 #5

/ 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 MEUR
Nominal amount of instrument	Capital of 100 MEUR divided into 1 M shares of a nominal value of 100 EUR
Issue price	N/A
Redemption price	N/A
Accounting classification	Subscribed capital and related reserves
Original date of issuance	9 Aug 1974
Perpetual or dated	dated
Original maturity date	21 Aug 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
Non-cumulative 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

	Qualitative or quantitative information
Issuer	RCI Banque S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	FR0013459765
Public or private placement	Public placement
Governing law(s) of the instrument	French law
Contractual recognition of write down and conversion powers of resolution authorities	Yes
Regulatory treatment	
Current treatment taking into account, where applicable, transitional CRR rules	Tier 2
Post-transitional CRR rules	Tier 2
Eligible at solo/(sub-)consolidated/solo&(sub-)consolidated	Consolidated
Instrument type (types to be specified by each jurisdiction)	CRR Article 63
Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	850 MEUR
Nominal amount of instrument	100,000 EUR
Issue price	100%
Redemption price	N/A
Accounting classification	Liabilities – amortized cost
Original date of issuance	18/11/2019
Perpetual or dated	Dated
Original maturity date	18/02/2030
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	18/02/2025 100%
Subsequent call dates, if applicable	N/A
Coupons/dividends	
Fixed or floating dividend/coupon	Fixed till 18/02/25 then floating
Coupon rate and any related index	2,625% till 18/02/25, then EUR 5 year Mid Swap rate +2.85%
Existence of a dividend stopper	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory

	Qualitative or quantitative information
Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory
Existence of step up or other incentive to redeem	No
Non-cumulative or cumulative	No
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
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	No write-down feature
If write-down, write-down trigger(s)	N/A
If write-down, full or partial	N/A
If write-down, permanent or temporary	N/A
If temporary write-down, description of write-up mechanism	N/A
Type of subordination (only for eligible liabilities)	Subordinated Securities
Ranking of the instrument in normal insolvency proceedings	2
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured
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

	Qualitative or quantitative information
Issuer	RCI Finance Maroc
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	MA0000094930
Public or private placement	Private placement
Governing law(s) of the instrument	Morroco
Contractual recognition of write down and conversion powers of resolution authorities	Yes
Regulatory treatment	
Current treatment taking into account, where applicable, transitional CRR rules	Tier 2
Post-transitional CRR rules	Tier 2
Eligible at solo/(sub-)consolidated/solo&(sub-)consolidated	Solo & Consolidated
Instrument type (types to be specified by each jurisdiction)	CRR Article 63
Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	68 MMAD
Nominal amount of instrument	100,000 MAD
Issue price	100%
Redemption price	N/A
Accounting classification	Liabilities – amortized cost
Original date of issuance	30/12/2020
Perpetual or dated	Dated
Original maturity date	30/12/2030
Issuer call subject to prior supervisory approval	Yes

	Qualitative or quantitative information
Optional call date, contingent call dates and redemption amount	30/12/2025 100%
Subsequent call dates, if applicable	30/12/2026, 30/12/2027, 30/12/28, 30/12/29
Coupons/dividends	
Fixed or floating dividend/coupon	Floating
Coupon rate and any related index	52 weeks Morroco Treasury bond rate +1.70%
Existence of a dividend stopper	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory
Existence of step up or other incentive to redeem	No
Non-cumulative or cumulative	No
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
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	No write-down feature
If write-down, write-down trigger(s)	N/A
If write-down, full or partial	N/A
If write-down, permanent or temporary	N/A
If temporary write-down, description of write-up mechanism	N/A
Type of subordination (only for eligible liabilities)	Subordinated Securities
Ranking of the instrument in normal insolvency proceedings	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior unsecured
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

	Qualitative or quantitative information - Free format
Issuer	DIAC S.A.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	FR0000047821
Public or private placement	Public placement
Governing law(s) of the instrument	French law
Contractual recognition of write down and conversion powers of resolution authorities	No
Regulatory treatment	
Current treatment taking into account, where applicable, transitional CRR rules	Tier 2
Post-transitional CRR rules	Tier 2
Eligible at solo/(sub-)consolidated/solo&(sub-)consolidated	Solo & Consolidated
Instrument type (types to be specified by each jurisdiction)	CRR Article 63
Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	7 MEUR
Nominal amount of instrument	1,000 FRF/152.45 EUR

	Qualitative or quantitative information – Free format
Issue price	100%
Redemption price	N/A
Accounting classification	Liabilities – fair value
Original date of issuance	01/04/1985
Perpetual or dated	Perpetual
Original maturity date	N/A
Issuer call subject to prior supervisory approval	No
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	Floating
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
Existence of a dividend stopper	No
Fully discretionary, partially discretionary or mandatory (in terms of timing)	mandatory
Fully discretionary, partially discretionary or mandatory (in terms of amount)	mandatory
Existence of step up or other incentive to redeem	No
Non-cumulative or cumulative	No
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
If convertible, specify issuer of instrument it converts into	N/A
Write-down features	No write-down feature
If write-down, write-down trigger(s)	N/A
If write-down, full or partial	N/A
If write-down, permanent or temporary	N/A
If temporary write-down, description of write-up mechanism	N/A
Type of subordination (only for eligible liabilities)	Equity securities
Ranking of the instrument in normal insolvency proceedings	3
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated Securities
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

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	Amounts	Ref CC2
Common Equity Tier 1 (CET1) capital: instruments and reserves		
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*		
Retained earnings	1,993	B
Accumulated other comprehensive income (and other reserves)	2,802	C
Funds for general banking risk		
Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		
Minority interests (amount allowed in consolidated CET1)		
Independently reviewed interim profits net of any foreseeable charge or dividend	100	
COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS	**5,709**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (- amount)	(1)	
Intangible assets (net of related tax liability) (- amount)	(162)	Part of E
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)	(7)	
Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(217)	
- amounts resulting from the calculation of expected loss amounts	(19)	
Any increase in equity that results from securitised assets (- amount)		
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	7	D1
Defined-benefit pension fund assets (- amount)		
Direct and indirect holdings by an institution of own CET1 instruments (- amount)		
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)		
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)		
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)		
Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		
• *of which: qualifying holdings outside the financial sector (- amount)*		
• *of which: securitisation positions (- amount)*		
• *of which: free deliveries (- amount)*		
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)		
Amount exceeding the 17.65% threshold (- amount)		
• *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*		
• *of which: deferred tax assets arising from temporary differences*		

In millions of euros	Amounts	Ref CC2
Losses for the current financial year (- amount)		
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)		
Qualifying AT1 deductions that exceed the AT1 items of the institution (- amount)		
Other regulatory adjustments	(39)	
TOTAL REGULATORY ADJUSTMENTS TO COMMON EQUITY TIER 1 (CET1)	**(438)**	
COMMON EQUITY TIER 1 (CET1) CAPITAL	**5,271**	
Additional Tier 1 (AT1) capital: instruments	**Amounts**	**Ref CC2**
Capital instruments and the related share premium accounts		
• *of which: classified as equity under applicable accounting standards*		
• *of which: classified as liabilities under applicable accounting standards*		
Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		
Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
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		
• *of which: instruments issued by subsidiaries subject to phase out*		
ADDITIONAL TIER 1 (AT1) CAPITAL BEFORE REGULATORY ADJUSTMENTS		
Additional Tier 1 (AT1) capital: regulatory adjustments	**Amounts**	**Ref CC2**
Direct and indirect holdings by an institution of own AT1 instruments (- amount)		
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)		
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)		
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)		
Qualifying T2 deductions that exceed the T2 items of the institution (- amount)		
Other regulatory adjustments to AT1 capital		
TOTAL REGULATORY ADJUSTMENTS TO ADDITIONAL TIER 1 (AT1) CAPITAL		
ADDITIONAL TIER 1 (AT1) CAPITAL		
TIER 1 CAPITAL (T1 = CET1 + AT1)	**5,271**	
Tier 2 (T2) capital: instruments	**Amounts**	**Ref CC2**
Capital instruments and the related share premium accounts	864	D2
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		
Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
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		
• *of which: instruments issued by subsidiaries subject to phase out*		

In millions of euros	Amounts	Ref CC2
Credit risk adjustments		
TIER 2 (T2) CAPITAL BEFORE REGULATORY ADJUSTMENTS	**864**	
Tier 2 (T2) capital: regulatory adjustments	**Amounts**	**Ref CC2**
Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (- amount)		
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)		
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)		
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)		
Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (- amount)		
Other regulatory adjustments to T2 capital		
TOTAL REGULATORY ADJUSTMENTS TO TIER 2 (T2) CAPITAL		
TIER 2 (T2) CAPITAL	**864**	
TOTAL CAPITAL (TC = T1 + T2)	**6,135**	
TOTAL RISK EXPOSURE AMOUNT	**36,430**	
Capital ratios and requirements including buffers	**Amounts**	**Ref CC2**
Common Equity Tier 1 capital	14.47%	
Tier 1 capital	14.47%	
Total capital	16.84%	
Institution CET1 overall capital requirements	8.25%	
• *of which: capital conservation buffer requirement*	*2.50%*	
• *of which: countercyclical capital buffer requirement*	*0.12%*	
• *of which: systemic risk buffer requirement*		
• *of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement*		
Common Equity Tier 1 capital available to meet buffer (as a percentage of risk exposure amount)	6.83%	
Amounts below the thresholds for deduction (before risk weighting)	**Amounts**	**Ref CC2**
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)		
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)	175	
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)	150	
Applicable caps on the inclusion of provisions in Tier 2	**Amounts**	**Ref CC2**
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
Cap on inclusion of credit risk adjustments in T2 under standardised approach	144	
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	Amounts	Ref CC2
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	121	

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)	Amounts	Ref CC2
Current cap on CET1 instruments subject to phase out arrangements		
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
Current cap on AT1 instruments subject to phase out arrangements		
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
Current cap on T2 instruments subject to phase out arrangements		
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
Assets			
Cash and balances at central banks	5,874	5,874	
Derivatives	434	434	
Financial assets at fair value through other comprehensive income	521	341	
Financial assets at fair value through profit or loss	119	119	
Financial assets at amortised cost			
Amounts receivable from credit institutions	1,690	1,666	
Loans and advances to customers	48,631	48,817	
Current tax assets	166	41	
Deferred tax assets	220	167	
Adjustment accounts & miscellaneous assets	1,041	1,073	
Non-current assets held for sale	19	19	
Investments in associates and joint ventures	66	175	
Operating lease transactions	1,383	1,383	
Tangible and intangible non-current assets	123	123	
• *of which other intangibles*	*34*	*34*	*E*
Goodwill	137	137	E
TOTAL ASSETS	**60,424**	**60,370**	
Liabilities			
Central Banks	3,715	3,715	
Derivatives	351	351	
Financial liabilities at fair value through profit or loss			
Amounts payable to credit institutions	2,012	2,012	
Amounts payable to customers	25,473	25,939	
Debt securities	18,108	18,108	
Current tax liabilities	133	44	
Deferred tax liabilities	818	819	
Adjustment accounts & miscellaneous liabilities	2,004	1,998	
Non-current liabilities held for sale	1	1	
Provisions	188	188	
Insurance technical provisions	425		
Subordinated debt – Liabilities	886	886	
• *of which Gains or losses on liabilities valued at fair value resulting from changes in own credit standing*	*859*	*859*	*D1*
• *of which T2 Capital instruments and the related share premium accounts*	*7*	*7*	*D2*
TOTAL LIABILITIES	**54,114**	**54,060**	
Shareholders' Equity			
Capital instruments and the related share premium accounts	814	814	A
Retained earnings	1,993	1,993	B
Accumulated other comprehensive income	2,802	2,802	C
Profit or loss attributable to owners of the parent	700	700	
Minority interests [Non-controlling interests]	1	1	
TOTAL SHAREHOLDERS' EQUITY	**6,310**	**6,310**	

/ EU PV1 — PRUDENT VALUATION ADJUSTMENTS (PVA)

In millions of euros	Risk category					Category level AVA – Valuation uncertainty				
Category level AVA	**Equity**	**Interest Rates**	**Foreign exchange**	**Credit**	**Commodities**	**Unearned credit spreads AVA**	**Investment and funding costs AVA**	**Total category level post -diversi-fication**	**Of which: Total core approach in the trading book**	**Of which: Total core approach in the banking book**
Market price uncertainty										
Close-out cost										
Concentrated positions										
Early termination										
Model risk										
Operational risk										
Future administrative costs										
TOTAL ADDITIONAL VALUATION ADJUSTMENTS (AVAS)								**1**		

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
In millions of euros	12/2022	06/2022	12/2022
Credit risk (excluding CCR)	31,438	30,245	2,515
• *Of which the standardised approach*	*11,329*	*10,929*	*906*
• *Of which the foundation IRB (FIRB) approach*	*81*	*69*	*6*
• *Of which: slotting approach*			
• *Of which equities under the simple risk weighted approach*			
• *Of which the advanced IRB (AIRB) approach*	*20,028*	*19,247*	*1,602*
Counterparty Credit Risk – CRR	569	419	46
• *Of which the standardised approach*	*95*	*76*	*8*
• *Of which internal model method (IMM)*			
• *Of which exposures to a CCP*	*135*	*88*	*11*
• *Of which credit valuation adjustment – CVA*	*339*	*256*	*27*
• *Of which other CCR*			
Settlement risk			
Securitisation exposures in the non-trading book (after the cap)			
• *Of which SEC-IRBA approach*			
• *Of which SEC-ERBA (including IAA)*			
• *Of which SEC-SA approach*			
• *Of which 1250%*			
Position, foreign exchange and commodities risks (Market risk)	1,003	773	80
• *Of which the standardised approach*	*1,003*	*773*	*80*
• *Of which IMA*			
Large exposures			
Operational risk	3,419	3,505	274
• *Of which basic indicator approach*			
• *Of which standardised approach*	*3,419*	*3,505*	*274*
• *Of which advanced measurement approach*			
Amounts below the thresholds for deduction (subject to 250% RW) For information	813	746	65
TOTAL	**36,429**	**34,943**	**2,914**

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.

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 econonomic 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

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 8.26% at 31 December 2022.

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

In millions of euros	31/12/2022
TOTAL ASSETS AS PER PUBLISHED FINANCIAL STATEMENTS	**60,424**
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(54)
(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	
(Adjustment for temporary exemption of exposures to central banks (if applicable))	
(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)	
Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	
Adjustment for eligible cash pooling transactions	
Adjustment for derivative financial instruments	844
Adjustment for securities financing transactions (SFTs)	
Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	3,843
(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(1)
(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	
(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	
Other adjustments	(1,210)
TOTAL EXPOSURE MEASURE	**63,846**

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

#1 #2 #3 #4 #5

/ EU LR2 – LRCOM: LEVERAGE RATIO COMMON DISCLOSURE

CRR leverage ratio exposures (in millions of euros)	31/12/2022	30/06/2022
ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)		
On-balance sheet items (excluding derivatives, SFTs, but including collateral)	59,465	55,333
Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework		
(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
(General credit risk adjustments to on-balance sheet items)		
(Asset amounts deducted in determining Tier 1 capital)	(399)	(364)
TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)	**59,066**	**54,969**
DERIVATIVE EXPOSURES		
Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	622	364
Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	315	263
Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
Exposure determined under Original Exposure Method		
(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
Adjusted effective notional amount of written credit derivatives		
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
TOTAL DERIVATIVES EXPOSURES	**937**	**627**
SECURITIES FINANCING TRANSACTION (SFT) EXPOSURES		
Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions		
(Netted amounts of cash payables and cash receivables of gross SFT assets)		
Counterparty credit risk exposure for SFT assets		
Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
Agent transaction exposures		
(Exempted CCP leg of client-cleared SFT exposure)		
TOTAL SECURITIES FINANCING TRANSACTION EXPOSURES		
OTHER OFF-BALANCE SHEET EXPOSURES		
Off-balance sheet exposures at gross notional amount	4,374	4,680
(Adjustments for conversion to credit equivalent amounts)	(530)	(679)
(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
OFF-BALANCE SHEET EXPOSURES	**3,844**	**4,001**
EXCLUDED EXPOSURES		
(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)	31/12/2022	30/06/2022
(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))		
(Excluded exposures of public development banks (or units) – Public sector investments)		
(Excluded exposures of public development banks (or units) – Promotional loans)		
(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
(Excluded guaranteed parts of exposures arising from export credits)		
(Excluded excess collateral deposited at triparty agents)		
(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
(Reduction of the exposure value of pre-financing or intermediate loans)		
(TOTAL EXEMPTED EXPOSURES)		
CAPITAL AND TOTAL EXPOSURE MEASURE		
Tier 1 capital	5,271	5,138
Total exposure measure	63,846	59,597
LEVERAGE RATIO (EXCLUDING THE IMPACT OF THE EXEMPTION OF PUBLIC SECTOR INVESTMENTS AND PROMOTIONAL LOANS) (%)		
Leverage ratio (%)	8.26%	8.62%
Leverage ratio (without the adjustment due to excluded exposures of public development banks – Public sector investments) (%)	8.26%	8.62%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	8.26%	8.62%
Regulatory minimum leverage ratio requirement (%)		
Additional own funds requirements to address the risk of excessive leverage (%)		
Leverage ratio buffer requirement (%)		
CHOICE ON TRANSITIONAL ARRANGEMENTS AND RELEVANT EXPOSURES		
Choice on transitional arrangements for the definition of the capital measure		
DISCLOSURE OF MEAN VALUES		
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		
Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
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)	63,846	59,597
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)	63,846	59,597
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)	8.26%	8.62%
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)	8.26%	8.62%

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

CRR leverage ratio exposures (in millions of euros)	**31/12/2022**
TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS, AND EXEMPTED EXPOSURES), OF WHICH:	**59,465**
Trading book exposures	
Banking book exposures, of which:	59,465
• *Covered bonds*	
• *Exposures treated as sovereigns*	*6,640*
• *Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns*	*39*
• *Institutions*	*1,631*
• *Secured by mortgages of immovable properties*	
• *Retail exposures*	*34,468*
• *Corporates*	*14,956*
• *Exposures in default*	*446*
• *Other exposures (eg equity, securitisations, and other non-credit obligation assets)*	*1,286*

/ 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 8.26% at the end of December 2022 against 8.62% at the end of June 2022. The ratio decreases due to the increasing risk exposure amount at €63.8 billion (+€4.2 billion vs June 2022).

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.

IV. 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 Nissan Alliance 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: • Dealers and Large Fleets Commitment Control (review applications above subsidiaries delegations on Dealers and SME/Corporate, submit them to group Commitment Committee depending on DOA); • Regulatory Modeling (Design, monitoring and backtesting of A-IRB, acceptance, collection and IFRS9 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, IFRS9 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 department; • 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 IFRS9 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 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 II-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 5 – Advanced Method a) Governance for further 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 01/01/2021, 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 IFRS9 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 IFRS9 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.

#1 #2 #3 #4 #5

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: deterioration such as ascertained loss (category of 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 01/18/2017 as well as EBA/RTS/2016/06 "Final draft RTS on materiality threshold of past due credit obligations" published on 09/28/2016.

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 €238 million as of end of December 2022 versus €272 million as of end of December 2021. The amount of the impairment is €78 million as of end of December 2022 versus €80 million as of end of December 2021.

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

Individual analyzes

An adjustment following an individual review of SME & corporate counterparties (non wholesale) has been computed on a basis of €347 million exposure amount (vs €317 million as of end of 2021) and the corresponding impairment amounts to €24 million as of end of 2022, vs €35 million as of end of 2021.

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 remains stable compared to 2021 (allowance of only €0.4 million in 2022).

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, it is intended 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 IFRS9 Stage 1 are subject to an additional provision adjustment. In 2022, an allowance of €8 million has been booked.

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

	Gross carrying amount/ nominal amount					
	Performing exposures			Non-performing exposures		
In millions of euros		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3
Cash balances at central banks and other demand deposits	7,490	7,490				
Loans and advances	48,959	45,676	3,260	1,030		960
• *Central banks*	*38*	*38*				
• *General governments*	*90*	*66*	*24*	*10*		*10*
• *Credit institutions*	*52*	*27*	*25*			
• *Other financial corporations*						
• *Non-financial corporations*	*19,053*	*17,722*	*1,314*	*347*		*308*
• *Of which SMEs*	*7,836*	*7,124*	*706*	*278*		*251*
• *Households*	*29,727*	*27,824*	*1,897*	*673*		*642*
Debt securities	*411*	*377*	*34*			
• *Central banks*	*96*	*96*				
• *General governments*	*244*	*210*	*34*			
• *Credit institutions*	*69*	*69*				
• *Other financial corporations*	*1*	*1*				
• *Non-financial corporations*	*0*	*0*				
Off-balance-sheet exposures	4,585	4,488	97	14		5
• *Central banks*						
• *General governments*	*27*	*25*	*2*	*0*		*0*
• *Credit institutions*	*140*	*139*	*1*			
• *Other financial corporations*						
• *Non-financial corporations*	*2,006*	*1,913*	*93*	*11*		*2*
• *Households*	*2,412*	*2,411*	*1*	*3*		*2*
TOTAL	**61,446**	**58,032**	**3,391**	**1,044**		**965**

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
(530)	(345)	(184)	(583)		(548)		18,805	200
(2)	*0*	*(1)*	*(4)*		*(4)*		*8*	*2*
0	*0*						*52*	
(139)	*(79)*	*(61)*	*(171)*		*(154)*		*14,293*	*114*
(95)	*(54)*	*(41)*	*(147)*		*(131)*		*2,099*	*61*
(389)	*(266)*	*(122)*	*(408)*		*(390)*		*4,452*	*84*
0	*0*							
0	*0*							
0	*0*							
(11)	(7)	(5)	(1)		0			
0	*0*	*0*	*0*		*0*			
0	*0*	*0*						
(9)	*(5)*	*(4)*	*(1)*		*0*			
(2)	*(1)*	*0*	*0*		*0*			
(541)	**(352)**	**(188)**	**(584)**		**(549)**		**18,805**	**200**

/ EU CR1-A: MATURITY OF EXPOSURES

In millions of euros	Net exposure value					
	On demand	**< 1 year**	**> 1 and <= 5 years**	**> 5 years**	**No stated maturity**	**Total**
Loans and advances	473	24,695	23,311	396		48,876
Debt securities		331	9		70	411
TOTAL	**473**	**25,026**	**23,321**	**396**	**70**	**49,287**

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

In millions of euros	Gross carrying amount
INITIAL STOCK OF NON-PERFORMING LOANS AND ADVANCES	**1,051**
Inflows to non-performing portfolios	430
Outflows from non-performing portfolios	451
Ow: Outflows due to write-offs	107
Ow: Outflow due to other situations	344
FINAL STOCK OF NON-PERFORMING LOANS AND ADVANCES	**1,030**

/ 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

In millions of euros	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	
	Performing forborne	**Non-performing forborne**			**On performing forborne exposures**	**On non-performing forborne exposures**		**ow on NPE with forbearance measures**
			Of which defaulted	**Of which impaired**				
Cash balances at central banks and other demand deposits								
Loans and advances	118	120	120	120	(16)	(62)	4	
• *Central banks*								
• *General governments*								
• *Credit institutions*								
• *Other financial corporations*								
• *Non-financial corporations*	*7*	*12*	*12*	*12*	*0*	*(7)*	*0*	
• *Households*	*111*	*108*	*108*	*108*	*(16)*	*(55)*	*3*	
Debt securities								
Loan commitments given								
TOTAL	**118**	**120**	**120**	**120**	**(16)**	**(62)**	**4**	

/ 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								
In millions of euros		Not past due or past due ≤ 30 days	Past due > 30 d and ≤ 90 d		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 ears	Of which defaulted
Cash balances at central banks and other demand deposits	**7,490**	**7,490**										
Loans and advances	**48,959**	**48,912**	**47**	**1,030**	**856**	**57**	**59**	**49**	**10**	**0**		**1,030**
Central banks	38	38										
General governments	90	90	0	10	9	0	0	1				10
Credit institutions	52	52										
Other financial corporations												
Non-financial corporations	19,053	19,022	31	347	303	20	5	14	4			347
• *Of which SMEs*	*7,836*	*7,814*	*22*	*278*	*243*	*19*	*3*	*9*	*4*			*278*
Households	29,727	29,711	17	673	544	36	53	34	6	0		673
Debt securities	**411**	**411**										
Central banks	96	96										
General governments	244	244										
Credit institutions	69	69										
Other financial corporations	1	1										
Non-financial corporations	0	0										
Off-balance-sheet exposures	**4,585**			**14**								**14**
Central banks												
General governments	27			0								0
Credit institutions	140											
Other financial corporations												
Non-financial corporations	2,006			11								11
Households	2,412			3								3
TOTAL	**61,446**	**56,813**	**47**	**1,044**	**856**	**57**	**59**	**49**	**10**	**0**		**1,044**

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

	Gross carrying/Nominal amount						
In millions of euros		Of which non -performing	Of which defaulted	Ow subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in FV due to credit risk on non -performing exposures
ON BALANCE SHEET EXPOSURES	**50,400**	**1,030**	**1,030**	**50,330**	**(1,113)**		
France	17,482	362	362	17,413	(345)		
Germany	7,883	63	63	7,883	(70)		
Great-Britain	5,226	40	40	5,226	(155)		
Italy	5,887	95	95	5,887	(104)		
Spain	4,004	84	84	4,004	(110)		
Brazil	1,811	110	110	1,811	(94)		
South Korea	1,408	36	36	1,408	(42)		
Swiss	824	11	11	824	(7)		
Poland	752	42	42	752	(22)		
Portugal	603	6	6	603	(11)		
Netherland	686	7	7	686	(3)		
Other countries	3,832	174	174	3,831	(151)		
OFF BALANCE SHEET EXPOSURES	**4,599**	**14**	**14**			**(12)**	
France	2,178	10	10			(10)	
Germany	717	1	1			(1)	
Great-Britain	336	0	0			0	
Italy	447	1	1			(1)	
Spain	105					0	
Brazil	73						
South Korea	2					0	
Swiss	68	1	1			0	
Poland	178	1	1			0	
Portugal	23					0	
Netherland	75						
Other countries	397	0	0			(1)	
TOTAL	**54,999**	**1,044**	**1,044**	**50,330**	**(1,113)**	**(12)**	

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

In millions of euros	Gross carrying amount				Accumulated impairment	Accum. – changes in FV due to credit risk on non-perf. Expo.
		Of which non -performing	Of which defaulted	ow loans & advances subject to impairment		
Agriculture, forestry and fishing	80	3	3	80	(3)	
Mining and quarrying	7	0	0	7	0	
Manufacturing	785	25	25	785	(22)	
Electricity, gas, steam and air conditioning supply	103	1	1	103	(1)	
Water supply	74	3	3	74	(1)	
Construction	1,242	50	50	1,242	(44)	
Wholesale and retail trade	13,082	121	121	13,082	(121)	
Transport and storage	536	27	27	536	(18)	
Accommodation and food service activities	146	7	7	146	(5)	
Information and communication	153	4	4	153	(5)	
Real estate activities	9	1	1	9	(1)	
Financial and insurance actvities	136	7	7	136	(6)	
Professional, scientific and technical activities	661	23	23	661	(21)	
Administrative and support service activities	1,209	34	34	1,209	(28)	
Public adm. and defense, compulsory social security	179	10	10	179	(8)	
Education	153	9	9	153	(6)	
Human health services and social work activities	394	9	9	394	(9)	
Arts, entertainment and recreation	72	3	3	72	(3)	
Other services	379	9	9	379	(7)	
TOTAL	**19,399**	**347**	**347**	**19,399**	**(311)**	

/ 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

In millions of euros	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)		
Other than PP&E		
Residential immovable property		
Commercial Immovable property		
Movable property (auto, shipping, etc.)		
Equity and debt instruments		
Other collateral		
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.

The following three templates provide information on exposures subject to legislative and non-legislative moratoria on loan repayments applied in the light of the COVID- 19 crisis, on newly originated exposures subject to public guarantee schemes and the impairment attached to.

/ INFORMATION ON LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA

	Gross carrying amount							
		Performing			Non performing			
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit -impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	
Loans and advances subject to moratorium	0	0	0	0	0	0	0	0
• *of which: Households*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
of which: Collateralised by residential immovable property	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
• *of which: Non-financial corporations*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
of which: Small and Medium-sized Enterprises	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
of which: Collateralised by commercial immovable property	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*

#1 #2 #3 #4 #5

Accumulated impairment, accumulated negative changes in fair value due to credit risk						Gross carrying amount
Performing			Non performing			
	Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
0	0	0	0	0	0	0
0	*0*	*0*	*0*	*0*	*0*	*0*
0	*0*	*0*	*0*	*0*	*0*	*0*
0	*0*	*0*	*0*	*0*	*0*	*0*
0	*0*	*0*	*0*	*0*	*0*	*0*
0	*0*	*0*	*0*	*0*	*0*	*0*

At the end of December 2022, the Mobilize F.S. group has no more exposures under not yet expired moratoria measures in the context of COVID-19 related measures (vs €0.7 million as of end of December 2021).

/ BREAKDOWN OF LOANS AND ADVANCES SUBJECT TO LEGISLATIVE AND NON-LEGISLATIVE MORATORIA BY RESIDUAL MATURITY OF MORATORIA

		Gross carrying amount			
					Residual maturity of moratoria
	Number of obligors		Of which: legislative moratoria	Of which: expired	≤ 3 months
Loans and advances for which moratorium was offered	116,819	900,391,480			
Loans and advances subject to moratorium (granted)	111,080	835,013,494	163,051,520	835,013,494	0
• *of which: Households*		*235,868,146*	*94,843,556*	*235,868,146*	*0*
• *of which: Collateralised by residential immovable property*		*0*	*0*	*0*	*0*
• *of which: Non-financial corporations*		*599,145,348*	*68,207,964*	*599,145,348*	*0*
• *of which: Small and Medium-sized Enterprises*		*367,566,530*	*58,645,780*	*367,566,530*	*0*
• *of which: Collateralised by commercial immovable property*		*0*	*0*	*0*	*0*

> 3 months ≤ 6 months	> 6 months ≤ 9 months	> 9 months ≤ 12 months	> 1 year
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 portfolio that has benefited from moratoria measures duing COVID-19 crisis amounts to €835 million exposure, and all the moratoria phase is now expired.

/ INFORMATION ON NEWLY ORIGINATED LOANS AND ADVANCES PROVIDED UNDER NEWLY APPLICABLE PUBLIC GUARANTEE SCHEMES INTRODUCED IN RESPONSE TO COVID-19 CRISIS

		a	b	c	d
		Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	**Newly originated loans and advances subject to public guarantee schemes**	**0**	**0**	**0**	**0**
2	*of which: Households*	*0*			*0*
3	*of which: Collateralised by residential immovable property*	*0*			*0*
4	*of which: Non-financial corporations*	*0*	*0*	*0*	*0*
5	*of which: Small and Medium-sized Enterprises*	*0*			*0*
6	*of which: Collateralised by commercial immovable property*	*0*			*0*

The Mobilize F.S. group has not granted any loans nor advances under public guarantee schemes.

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 background remained uncertain and contrasted in 2022. Ukrainian and energy crisis have lead to inflation shocks in Europe and meanwhile local adjustment packages to support the economy and facilitate the short-term working during the COVID-19 crisis are no longer in place.

Quality of New Production

Year 2022 is characterized by a weakened economic situation – economic growth slowdown, inflation rise – and by geopolitical tensions (war In Ukraine). Consequently, the acceptance policy for new financings remained cautious and lead to an improvement of the credit quality for new financings.

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 has reduced by 2% in 2022 to reach €1,030 million as of end of December 2022 vs €1,051 million as of end of December 2021. This performance is a result of a set of action plans aiming at shortening the collection phases of unpaid instalments and improve the prevention of transfer to default.

Collective depreciation excluding statistical models

Given the economic context described above, group Mobilize F.S. has implemented in 2022 two types of collective impairment on the performing exposures of its Retail portfolio to prevent a likely increase in credit risk due 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 2022 to new countries such as Germany, Austria, Switzerland, Portugal and Morrocco.

In this particular context, all the adjustments amount to a stock of €107 million at the end of 2022, excluding the "forward looking" coverage. Amont this €107 million, the adjustment for inflation risk contributes for €43 million and the expertise on identified fragile customers amounts to €17 million (in stock).

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 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

At the level of each subsidiary and centrally, Network 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 2022 for retail business

The IFRS9 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 cost of risk in 2022 reaches 0.55% of Average Productive Assets versus 0.26% in 2021. The difference mainly comes from:

- an decrease of net write-offs (after recoveries) at €100 million (vs €115 million in 2021), or 0.26% based on the average performing assets;
- an allowance for the assets in default (Stage 3) of €27 million (vs €65 million in 2021);
- an allowance of provision of €81 million on performing assets (vs a release of €82 million in 2021), of which:
  - an allowance of €36 million due to forward-looking provisions update,
  - an allowance of €39 million due to the inflation risk adjustement,
  - an allowance of €8 million due to fragile customers adjustement,
  - a release of provision of €27 million on customers with expired moratoria.

The non-performing assets for Retail & Corporate exposures (without Dealers Financing) are slightly decreasing at end of December 2022 at €979 million, vs €989 million at end of December 2021. Their share out of the total assets (NPL ratio) decreases from 2.52% end of December 2021 to 2.44% at end of December 2022.

Dealer business results at end of December 2022

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, 2022 was marked by an increase in outstandings at year-end.

In 2022, the Mobilize F.S. group stabilised its international presence and supported the development of the Alliance brands and their networks. In addition, in several countries, the group began financing importers.

Outstanding network loans across the entire scope of intervention increased by €3.6 billion compared to 12/2021 to reach €10.4 billion at 12/2022.

The cost of risk for 2022 is a recovery of €22 million. The effect of the increase in outstandings has been more than offset by the reduction in forward looking adjustment following the implementation of internal models better suited to our dealership financing activity, in place of the EBA stress test "path generator" model.

Non-performing loans decreased slightly from €67 million at the end of December 2021 to €50 million at the end of December 2022, their share of total loans decreasing from 0.9% to 0.5% in one year.

In 2022, the amount of write-offs net of recoveries is only €7.1 million (notably Spain €6.6 million and UK €0.5 million), which confirms the good control of the risk on Network financing.

Restructured loans outstanding amounted to only €2.6 million, a very low level, although up €0.5 million on last year.

3. Diversification of credit risk exposure

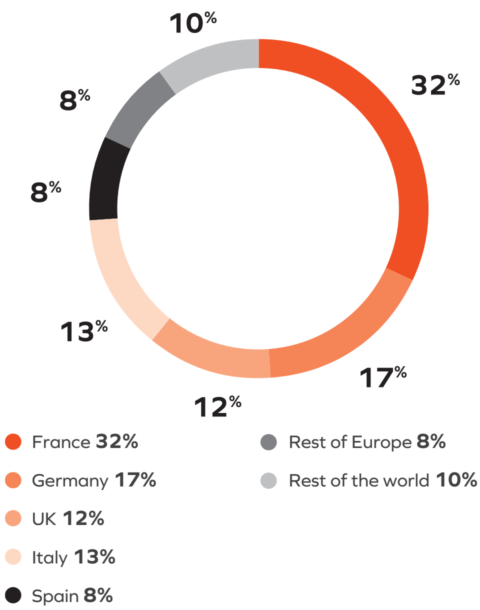
Retail performing assets at end December 2022 are increasing compared to end of December 2021 at 38.9 billion euros. It is driven by the improving average financed amount impacting positively the new financings. They are spread over 21 countries, with Europe well represented for 91% of the total. group subsidiaries using IRB methodology (France, Italy, Germany, Spain, UK and South Korea) represent 85% 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 -11.7%. The weight of the 7 main countries where Mobilize FS is operating (IRB approved subsidiaries mentioned above plus Brazil) remains quite stable at 89% of total in 2022.

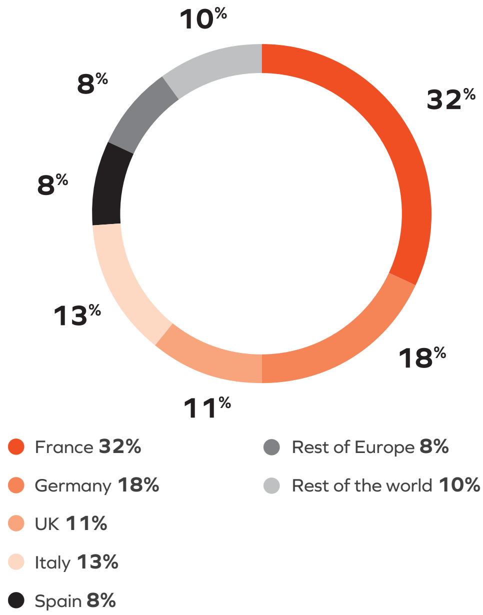
In terms of the breakdown of Retail business by product, credits represented 59% of outstandings, financial leases 38%, up 1 point, and operating leases (including battery leases) 4%, stable.

Retail credit risk exposure

/ RETAIL DECEMBER 2022



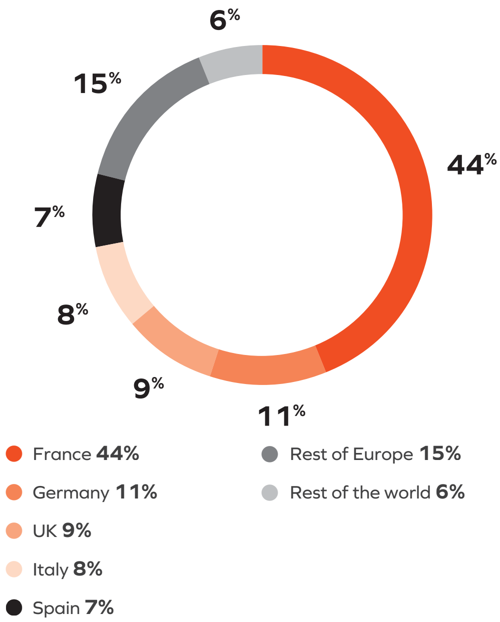
/ RETAIL DECEMBER 2021



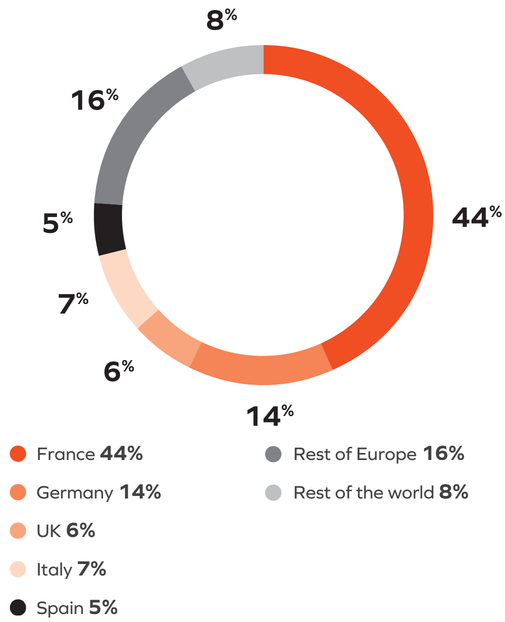
The outstanding network loans are spread over 24 consolidated countries with a strong preponderance of Europe. The overall network assets represents 10.4 billion euros. The breakdown of outstandings by country is relatively stable except in Germany with a 3 pts decrease and in the UK with a 3 pts increase

Wholesale credit risk exposure

/ WHOLESALE - DECEMBER 2022



/ WHOLESALE - DECEMBER 2021



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 A uses the standardized method.

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.

a) 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, which independently reviews the elements carried outby 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 6 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.

b) 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 anatycal 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.

c) 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 57% for the overall Corporate portfolio using the advanced internal rating method and 97% for the foundation internal rating method.

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

#1 #2 #3 #4 #5

/ 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 IV-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) the relationship between the risk management function and the internal audit function; (ii) the rating system review; (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) the procedure to ensure the accountability of the functions in charge of developing and reviewing the models	**i)** Part IV-5 a) Governance **ii)** Part 5-h) Procedures for monitoring internal ratings **iii)** Part IV-5 a) Governance **iv)** Part IV-5 a) Governance
Article 452(d) CRR	(c)	The role of the functions involved in the development, approval and subsequent changes of the credit risk models	Part IV-5 a) Governance
Article 452(e) CRR	(d)	The scope and main content of the reporting related to credit risk models	Part IV-5 a) 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) 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) 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 lapse between the default event and the closure of the exposure; (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)** Part 5-d)i)Description of the internal rating process **ii)** Part 5-e)Transaction data dimension – Loss given default parameter **iii)** Part 5-f)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-IRB Corporate					
0.00 to <0.15	49			49	0.06%
0.00 to <0.10	49			49	0.06%
0.10 to <0.15					
0.15 to <0.25					
0.25 to <0.50	161	6	1.0	168	0.41%
0.50 to <0.75	868	47	1.0	915	0.60%
0.75 to <2.50	5,549	477	1.0	6,026	1.48%
0.75 to <1.75	3,944	142	1.0	4,086	1.23%
1.75 to <2.50	1,605	335	1.0	1,940	2.01%
2.50 to <10.00	2,085	208	1.0	2,293	3.89%
2.50 to <5.00	1,701	150	1.0	1,851	3.28%
5.00 to <10.00	384	58	1.0	442	6.43%
10.00 to <100.00	269	18	1.0	288	15.33%
10.00 to <20.00	206	17	1.0	223	11.49%
20.00 to <30.00	48	1	1.0	50	26.18%
30.00 to <100.00	15	0	1.0	15	36.22%
100.00 (Default)	35	5	1.0	41	100.00%
SUB-TOTAL A-IRB CORPORATE	**9,017**	**761**	**1.0**	**9,778**	**2.75%**
A-IRB Corporate SME					
0.00 to <0.15	9	1	1.0	9	0.04%
0.00 to <0.10	9	1	1.0	9	0.04%
0.10 to <0.15					
0.15 to <0.25					
0.25 to <0.50	82	1	1.0	83	0.37%
0.50 to <0.75	609	32	1.0	640	0.61%
0.75 to <2.50	355	31	1.0	386	1.44%
0.75 to <1.75	233	29	1.0	262	1.19%
1.75 to <2.50	122	2	1.0	124	1.97%
2.50 to <10.00	388	13	1.0	401	4.61%
2.50 to <5.00	251	3	1.0	254	3.35%
5.00 to <10.00	137	10	1.0	147	6.77%
10.00 to <100.00	166	10	1.0	176	22.27%
10.00 to <20.00	58	7	1.0	66	11.99%
20.00 to <30.00	83	2	1.0	85	26.43%
30.00 to <100.00	25	0	1.0	25	35.10%
100.00 (Default)	28	0	1.0	28	100.00%
SUB-TOTAL A-IRB CORPORATE SME	**1,637**	**87**	**1.0**	**1,724**	**5.54%**

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
7	17.45%	1.0	3	5.52%	0	0
7	17.45%	1.0	3	5.52%	0	0
48	18.39%	1.0	35	20.61%	0	0
1,290	18.08%	1.0	326	35.62%	1	(1)
3,770	24.05%	1.0	3,489	57.90%	23	(17)
2,049	17.32%	1.0	1,546	37.83%	9	(5)
1,721	38.21%	2.0	1,943	100.17%	15	(12)
1,340	21.31%	1.0	1,567	68.33%	19	(14)
989	22.17%	1.0	1,202	64.93%	14	(9)
351	17.72%	2.0	365	82.58%	5	(4)
326	24.65%	2.0	357	124.17%	11	(7)
296	24.53%	2.0	265	119.10%	6	(3)
22	26.17%	1.0	73	147.10%	3	(3)
8	21.36%	1.0	19	123.53%	1	(1)
194	49.57%	2.0	27	66.74%	19	(9)
6,975	**22.84%**	**1.0**	**5,803**	**59.35%**	**73**	**(46)**
12	18.56%	1.0	0	2.79%	0	0
12	18.56%	1.0	0	2.79%	0	0
256	22.37%	1.0	13	15.48%	0	0
392	18.76%	1.0	169	26.46%	1	(1)
496	19.81%	1.0	166	42.96%	1	(3)
136	18.93%	2.0	121	46.22%	1	(3)
360	21.66%	1.0	45	36.09%	1	0
399	19.99%	1.0	196	48.85%	4	(1)
276	20.18%	1.0	109	42.82%	2	(1)
123	19.67%	1.0	87	59.26%	2	(1)
178	19.09%	1.0	131	74.33%	8	(4)
91	19.12%	1.0	48	73.08%	2	(1)
66	18.93%	1.0	63	73.96%	4	(1)
21	19.58%	1.0	20	78.85%	2	(1)
40	81.11%	1.0	21	75.66%	21	(15)
1,773	**20.50%**	**1.0**	**696**	**40.39%**	**34**	**(25)**

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-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	265	38	1.0	302	0.34%
0.50 to <0.75	209	25	1.0	234	0.60%
0.75 to <2.50	1,532	305	1.0	1,837	1.66%
0.75 to <1.75	997	204	1.0	1,201	1.26%
1.75 to <2.50	535	101	1.0	637	2.42%
2.50 to <10.00	644	105	1.0	749	5.10%
2.50 to <5.00	317	57	1.0	374	4.01%
5.00 to <10.00	328	48	1.0	375	6.18%
10.00 to <100.00	244	30	1.0	274	20.83%
10.00 to <20.00	101	16	1.0	116	10.60%
20.00 to <30.00	127	14	1.0	141	25.71%
30.00 to <100.00	16	1	1.0	17	50.09%
100.00 (Default)	96	2	1.0	98	100.00%
SUB-TOTAL A-IRB RETAIL SME	**2,991**	**504**	**1.0**	**3,495**	**6.47%**
A-IRB Retail no SME					
0.00 to <0.15	1,302	310	1.0	1,611	0.10%
0.00 to <0.10	598	18	1.0	616	0.07%
0.10 to <0.15	704	292	1.0	996	0.12%
0.15 to <0.25	760	29	1.0	789	0.21%
0.25 to <0.50	4,920	500	1.0	5,420	0.34%
0.50 to <0.75	4,125	239	1.0	4,364	0.67%
0.75 to <2.50	9,310	839	1.0	10,149	1.32%
0.75 to <1.75	7,577	632	1.0	8,209	1.12%
1.75 to <2.50	1,732	207	1.0	1,940	2.15%
2.50 to <10.00	3,447	135	1.0	3,582	4.67%
2.50 to <5.00	2,307	96	1.0	2,403	3.44%
5.00 to <10.00	1,140	39	1.0	1,179	7.18%
10.00 to <100.00	984	27	1.0	1,010	24.46%
10.00 to <20.00	366	12	1.0	378	12.45%
20.00 to <30.00	420	12	1.0	433	23.32%
30.00 to <100.00	198	2	1.0	200	49.63%
100.00 (Default)	446	2	1.0	448	100.00%
SUB-TOTAL A-IRB RETAIL NO SME	**25,293**	**2,081**	**1.0**	**27,374**	**3.82%**
TOTAL A-IRB	**38,938**	**3,433**	**1.0**	**42,371**	**3.87%**

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
33	47.70%		0	6.48%	0	0
33	47.70%		0	6.48%	0	0
11,216	46.22%		64	21.29%	0	0
13,769	44.89%		68	28.93%	1	0
80,495	39.12%		694	37.79%	12	(9)
52,674	38.75%		419	34.89%	6	(5)
27,821	39.81%		275	43.26%	6	(5)
31,663	37.56%		339	45.32%	15	(10)
16,824	35.35%		156	41.67%	5	(4)
14,839	39.76%		184	48.95%	9	(6)
10,052	35.30%		169	61.80%	21	(15)
4,060	34.05%		56	47.86%	4	(3)
4,927	36.24%		101	71.67%	13	(9)
1,065	36.07%		13	75.41%	3	(3)
5,996	74.54%		64	64.91%	68	(58)
153,224	**40.48%**		**1,399**	**40.02%**	**116**	**(93)**
350,942	39.91%		174	10.79%	1	(1)
93,025	37.25%		48	7.76%	0	0
257,917	41.56%		126	12.67%	0	(1)
88,641	34.54%		120	15.26%	1	(1)
508,237	39.50%		1,354	24.98%	7	(19)
313,205	41.72%		1,708	39.14%	12	(19)
744,356	41.26%		5,027	49.54%	56	(53)
605,885	41.24%		3,914	47.68%	39	(44)
138,471	41.32%		1,113	57.39%	17	(9)
343,041	42.40%		2,459	68.66%	72	(96)
218,114	41.80%		1,576	65.60%	35	(41)
124,927	43.61%		883	74.89%	37	(56)
94,020	40.21%		961	95.16%	100	(120)
35,258	40.27%		297	78.52%	19	(25)
37,866	39.93%		440	101.72%	41	(46)
20,896	40.72%		225	112.39%	40	(49)
57,884	77.09%		325	72.58%	320	(307)
2,500,326	**41.41%**		**12,130**	**44.31%**	**568**	**(615)**
2,662,298	**36.19%**	**1.0**	**20,028**	**47.27%**	**791**	**(779)**

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
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	63			63	1.87%
0.75 to <1.75					
1.75 to <2.50	63			63	1.87%
2.50 to <10.00	4			4	3.25%
2.50 to <5.00	4			4	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)	16			16	100.00%
TOTAL F-IRB CORPORATE	**84**			**84**	**21.15%**

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
10	45.00%	3.0	75	119.39%	1	(1)
10	45.00%	3.0	75	119.39%	1	(1)
1	45.00%	3.0	6	139.26%	0	0
1	45.00%	3.0	6	139.26%	0	0
1	45.00%	3.0			7	0
12	**45.00%**	**3.0**	**81**	**97.01%**	**8**	**(1)**

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

In millions of euros	Exposure value art 166 CRR for exposures subject 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
Central governments and central banks		6,503	100.00%		
• *Of which Regional governments or local authorities*					
• *Of which Public sector entities*					
Institutions		2,776	1.74%	98.26%	
Corporates	11,585	16,043	3.40%	24.39%	72.21%
• *Of which Corporates – Specialised lending, excluding slotting approach*					
• *Of which Corporates – Specialised lending under slotting approach*					
Retail	30,869	38,638	0.66%	19.45%	79.89%
• *of which Retail – Secured by real estate SMEs*					
• *of which Retail – Secured by real estate non-SMEs*					
• *of which Retail – Qualifying revolving*					
• *of which Retail – Other SMEs*		*5,576*	*3.94%*	*33.39%*	*62.68%*
• *of which Retail – Other non-SMEs*		*33,061*	*0.11%*	*17.10%*	*82.80%*
Equity		12		100.00%	
Other non credit obligation assets		1,454		100.00%	
TOTAL	**42,455**	**65,426**	**1.45%**	**33.66%**	**64.89%**

d) 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.

i) 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	Definition	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	PD values have been approved in October 2022 following the retail inspection mission of 2021.	Conservative PD with respect to long-term observed default rates.
	Germany	Retail SME			Since 2008		
	Spain	Retail Individuals			Since 2008		
	Spain	Retail SME			Since 2008		
	Italy	Retail Individuals			Since 2008		
	Italy	Retail SME			Since 2008		
	Korea	Retail			Since 2011		
	France	Retail Individuals			Since 2008		
	UK	Retail Individuals			Since 2010		
	France	Retail SME			Since 2008	PD parameters have been approved by the ECB within the scope of the 2020 inspection on the new definition of default.	
Wholesale	Germany	Wholesale R1			Since 2010		
	Germany	Wholesale R2					
	Spain	Wholesale R1					
	Italy	Wholesale R1					
	UK	Wholesale R1					
	France	Wholesale R1					
Corporate	France	Very large corporate			Since 2008		
	France	Corporate other			Since 2008		

ii) 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 iii) below shows the mapping of the models developed.

iii) 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 2021 December. 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. In the Retail package application submitted in June 2021, ECB also approved a new model for the UK portfolio that will be implemented on early 2023.

/ SEGMENTATION OF EXPOSURES BY THE ADVANCED METHOD AND AVERAGE PD BY COUNTRY

Category of exposure	IRBA countries	Average sound portfolio PD at 31/12/2022
Retail customers	Germany	1.34%
	Spain	2.03%
	France	2.88%
	Italy	1.96%
	United Kingdom	2.96%
	South Korea	0.99%
Small and medium-sized companies	Germany	1.91%
	Spain	3.77%
	France	4.28%
	Italy	4.20%
	United Kingdom	2.86%
	South Korea	1.46%
Large corporations	Germany	2.02%
	Spain	7.65%
	France	2.26%
	Italy	3.00%
	United Kingdom	3.09%

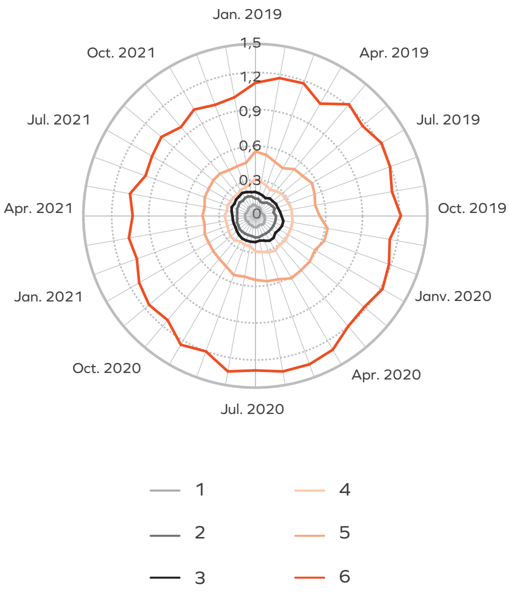
iv) Testing PD models

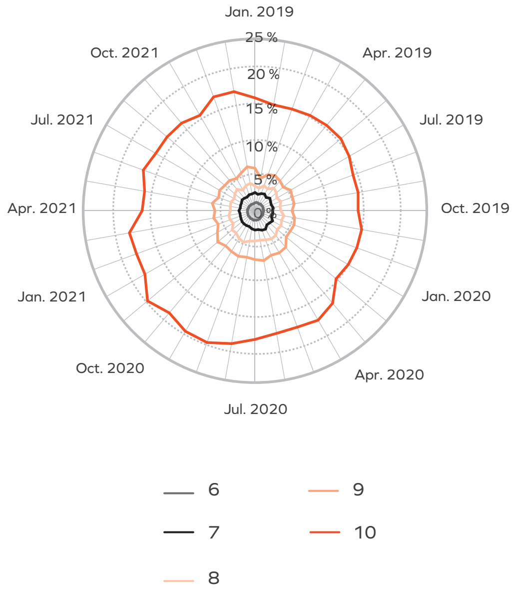
The figures disclosed in this section come from the backtesting databases, which are in line with the modeling databases. The figures given in the previous sections correspond to the use of parameters, and so there may be differences in management rules. For example, the default rates and PDs derived 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 euros, 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

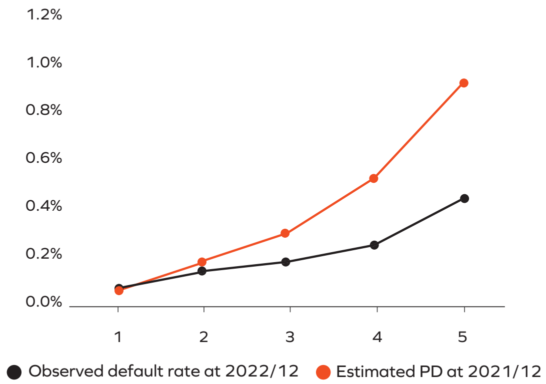




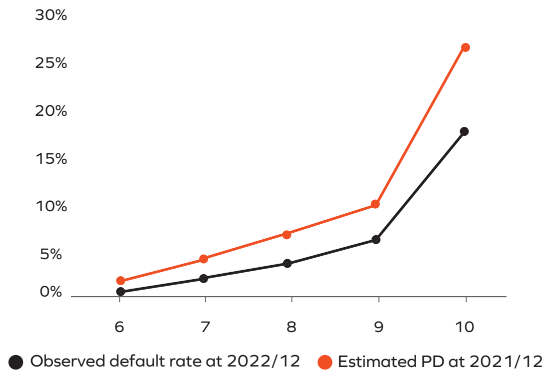
Since the curves by rating class are concentric, the two graphs above enable to conclude that the model is discriminant.

/ BACKTESTING OF CONSUMER PD MODEL FOR GERMANY AT END-DECEMBER 2022

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 2021 portfolio, with defaults observed at the end of December 2022, therefore appears to be well calibrated.

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)

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
COCOR	0.00 to <0.15	16	0	0.00%	0.06%	0.05%	0.94%
	0.00 to <0.10	16	0	0.00%	0.06%	0.05%	0.94%
	0.10 to <0.15						
	0.15 to <0.25						0.00%
	0.25 to <0.50	36	0	0.00%	0.41%	0.41%	0.92%
	0.50 to <0.75	1,272	7	0.55%	0.60%	0.64%	0.11%
	0.75 to <2.50	3,514	35	1.00%	1.47%	1.50%	0.85%
	0.75 to <1.75	1,866	16	0.86%	1.24%	1.08%	0.87%
	1.75 to <2.5	1,648	19	1.15%	2.00%	2.00%	0.38%
	2.50 to <10.00	1,305	21	1.61%	3.87%	4.18%	1.48%
	2.5 to <5	1,003	10	1.00%	3.29%	3.43%	1.14%
	5 to <10	302	11	3.64%	6.42%	6.32%	2.42%
	10.00 to <100.00	284	19	6.69%	15.21%	12.97%	5.30%
	10 to <20	244	16	6.56%	11.48%	11.53%	4.06%
	20 to <30	32	3	9.38%	26.25%	23.41%	5.51%
	30.00 to <100.00	8	0	0.00%	36.22%	36.22%	6.61%
	100.00 (Default)	227	227	100.00%	100.00%	100.00%	100.00%
COSME	0.00 to <0.15	8	0	0.00%	0.04%	0.04%	0.39%
	0.00 to <0.10	8	0	0.00%	0.04%	0.04%	0.39%
	0.10 to <0.15						
	0.15 to <0.25						3.33%
	0.25 to <0.50	247	0	0.00%	0.37%	0.36%	0.76%
	0.50 to <0.75	345	0	0.00%	0.61%	0.62%	0.00%
	0.75 to <2.50	502	2	0.40%	1.44%	1.82%	0.48%
	0.75 to <1.75	131	1	0.76%	1.20%	1.16%	0.66%
	1.75 to <2.5	371	1	0.27%	1.97%	2.06%	0.29%
	2.50 to <10.00	486	2	0.41%	4.63%	4.35%	1.99%
	2.5 to <5	322	0	0.00%	3.36%	3.09%	0.48%
	5 to <10	164	2	1.22%	6.77%	7.19%	3.77%
	10.00 to <100.00	159	7	4.40%	22.10%	19.84%	9.50%
	10 to <20	98	2	2.04%	12.00%	11.01%	8.20%
	20 to <30	38	3	7.89%	26.50%	27.63%	3.68%
	30.00 to <100.00	23	2	8.70%	35.14%	35.65%	15.74%
	100.00 (Default)	20	20	100.00%	100.00%	100.00%	100.00%

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	23	0	0.00%	0.05%	0.05%	0.00%
	0.00 to <0.10	23	0	0.00%	0.05%	0.05%	0.00%
	0.10 to <0.15						
	0.15 to <0.25						
	0.25 to <0.50	11,021	24	0.22%	0.30%	0.34%	0.26%
	0.50 to <0.75	13,801	25	0.18%	0.74%	0.59%	0.39%
	0.75 to <2.50	79,573	717	0.90%	1.44%	1.68%	1.21%
	0.75 to <1.75	51,555	303	0.59%	1.41%	1.29%	0.92%
	1.75 to <2.5	28,018	414	1.48%	2.42%	2.43%	1.59%
	2.50 to <10.00	33,153	1,075	3.24%	3.74%	5.15%	3.55%
	2.5 to <5	17,848	478	2.68%	2.60%	4.07%	2.73%
	5 to <10	15,305	597	3.90%	8.07%	6.38%	4.65%
	10.00 to <100.00	10,044	1,421	14.15%	28.71%	21.36%	19.25%
	10 to <20	4,281	230	5.37%	10.60%	11.02%	7.09%
	20 to <30	4,745	782	16.48%	25.69%	23.62%	18.68%
	30.00 to <100.00	1,018	409	40.18%	37.49%	50.43%	37.31%
	100.00 (Default)	5,457	5,457	100.00%	100.00%	100.00%	100.00%
REIND	0.00 to <0.15	384,472	270	0.07%	0.05%	0.11%	0.08%
	0.00 to <0.10	107,960	70	0.06%	0.05%	0.07%	0.07%
	0.10 to <0.15	276,512	200	0.07%	0.12%	0.12%	0.08%
	0.15 to <0.25	95,789	164	0.17%	0.21%	0.21%	0.18%
	0.25 to <0.50	516,178	946	0.18%	0.30%	0.34%	0.22%
	0.50 to <0.75	308,716	722	0.23%	0.74%	0.67%	0.35%
	0.75 to <2.50	735,443	3,947	0.54%	1.41%	1.33%	0.77%
	0.75 to <1.75	597,248	2,582	0.43%	1.41%	1.14%	0.66%
	1.75 to <2.5	138,195	1,365	0.99%	2.15%	2.14%	1.27%
	2.50 to <10.00	345,452	6,198	1.79%	4.19%	4.82%	2.52%
	2.5 to <5	224,086	2,921	1.30%	2.53%	3.45%	1.82%
	5 to <10	121,366	3,277	2.70%	8.62%	7.27%	3.96%
	10.00 to <100.00	93,914	12,393	13.20%	35.72%	24.87%	15.44%
	10 to <20	37,015	2,393	6.46%	12.45%	12.80%	7.82%
	20 to <30	37,423	4,694	12.54%	23.33%	22.72%	14.05%
	30.00 to <100.00	19,476	5,306	27.24%	36.92%	49.07%	31.05%
	100.00 (Default)	58,236	58,236	100.00%	100.00%	100.00%	100.00%

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						2.15%
	0.00 to <0.10						2.15%
	0.10 to <0.15						
	0.15 to <0.25						
	0.25 to <0.50						1.39%
	0.50 to <0.75	1	0	0.00%	0.64%	0.64%	0.00%
	0.75 to <2.50	7	0	0.00%	1.86%	1.86%	0.52%
	0.75 to <1.75				1.17%	1.17%	0.65%
	1.75 to <2.5	7	0	0.00%	1.86%	1.92%	0.00%
	2.50 to <10.00	3	1	33.33%	3.25%	3.25%	10.42%
	2.5 to <5	2	0	0.00%	3.25%	3.25%	2.78%
	5 to <10	1	1	100.00%			25.00%
	10.00 to <100.00						16.67%
	10 to <20						16.67%
	20 to <30						
	30.00 to <100.00						
	100.00 (Default)						64.85%
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	1	0	0.00%			0.00%
	0.75 to <1.75	1	0	0.00%			0.00%
	1.75 to <2.5						
	2.50 to <10.00						
	2.5 to <5						
	5 to <10						
	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						
	0.75 to <2.50	1	0	0.00%	2.42%	2.42%	0.00%
	0.75 to <1.75						0.00%
	1.75 to <2.5	1	0	0.00%	2.42%	2.42%	0.00%
	2.50 to <10.00						0.00%
	2.5 to <5						0.00%
	5 to <10						0.00%
	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 globally greater than the default rate except for some PD range with few obligors. Moreover, quarterly backtesting of PD models, enables to ensure internal models performance: conservatism, discriminatory power and stability.

/ 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.

e) 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 7 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.

Exposure class	Country	Scope	Definition	LGD estimation method	LGD downturn estimation method	Time to work out	Data	Validation
Retail	Germany	LGD	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 the net discounted loss rates, added of the conservatism margins of type A, B, C and downturn.	LGD downturn is estimated in accordance with the LGD Downturn Guideline EBA/GL/2019/03	• 42 months for Germany Retail model and UK Retail model • 108 months for Credit's buckets on the France Retail model • 48) months for others models	Since 2008	LGD values have been approved in October 2022 following the retail inspection mission of 2021.
	Germany	LGD in default					Since 2008	
	Germany	ELBE					Since 2008	
	Spain	LGD					Since 2008	
	Spain	LGD in default					Since 2008	
	Spain	ELBE					Since 2008	
	Italy	LGD					Since 2008	
	Italy	LGD in default					Since 2008	
	Italy	ELBE					Since 2008	
	France	LGD					Since 2008	
	France	LGD in default					Since 2008	
	France	ELBE					Since 2008	
	UK	LGD					Since 2010	
	UK	LGD in default					Since 2010	
	UK	ELBE					Since 2010	
	Korea	LGD					Since 2011	
	Korea	LGD in default					Since 2011	
	Korea	ELBE					Since 2011	
Wholesale	DE-ES-IT-FR-UK	LGD					Since 2010	LGD parameters have been approved by the ECB within the scope of the 2020 inspection on the new definition of default.
	DE-ES-IT-FR-UK	LGD in default						
	DE-ES-IT-FR-UK	ELBE						
Corporate	France	LGD					Since 2008	
	France	LGD in default					Since 2008	
	France	ELBE					Since 2008	

/ 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%	56.63%
		Credit with ratio Exposition amount/Funding amount < 1 and Duration before funding ends <= 36 months	31.74%	29.36%
		Credit with ratio Exposition amount/Funding amount < 1 and Duration before funding ends > 36 months	41.03%	36.98%
		Leasing with duration before funding ends <= 45 months	33.38%	21.82%
		Leasing with duration before funding ends > 45 months	45.80%	27.64%
	Germany	Credit with duration before funding ends <= 34 months	27.43%	20.30%
		Credit with duration before funding ends > 34 months and downpayment rate > 8.57%	37.51%	30.41%
		Credit with duration before funding ends > 34 months & downpayment rate <= 8.57% or Leasing	48.45%	35.80%
	Spain	Duration before funding ends <= 24 months	33.14%	16.23%
		24 < Duration before funding ends <= 35 months	51.30%	24.30%
		35 < Duration before funding ends <= 56 months	60.86%	32.16%
		Duration before funding ends > 56 mois	73.14%	42.27%
	Italy	Leasing	19.64%	10.86%
		Credit with duration before funding ends <= 26 months	31.37%	22.58%
		Credit with 26 < duration before fundung ends <= 51 months	47.33%	35.77%
		Credit with durantion before funding ends > 51 months and ratio Maturity in management/Forecast duration > 0	53.75%	43.69%
		Credit with duration before funding ends > 51 months and ratio Maturity in management/Forecast duration = 0	82.72%	58.19%
	United Kingdom	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[1] <= 15,301,795 krw or Collateral[1]]15,301,795; 21,499,925] & Collateral coefficient[2] <= 86.64%	35.99%	28.81%
		Collateral[1] > 21,499,925 krw or Collateral[1]]15,301,795; 21,499,925] & Collateral coefficient[2] > 86.64%	50.47%	37.48%
Corporate	France	Credit	12.68%	3.77%
		Leasing	35.06%	11.23%
Dealers	G5(*)	R1 VN	16.30%	9.36%
		R1 others	26.22%	16.28%

(*) G5: France, Germany, Spain, Italy, United Kingdom.
(1) This is quantitative data calculated to suit the vehicle's price and the maturity in management.
(2) This is quantitative data calculated to suit the maturity in management.

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. The LGDs observed are conservative overall, despite an overshoot observed in one of the segments of German Retail, SME and Corporate Customers portfolio. The average loss computed at the last backtesting remains the same as last year for Corporate France and Dealers, these averages will be updated soon.

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 2021 December. 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 sound portfolio is 40.81% for Retail Customers and 27.26% for the Corporate segment, the latter breaking down as 37.50% for non-Dealer companies and 18.92% for the Dealers.

Individuals and Corporate customers expected loss (EL) decreased by -4.75% compared to December 2021 (-€36.78 million), as a result of a decrease of the EL Default by -7.7%: driven by the decrease of exposure in default (€619.9 million in December 2021 vs €600.4 million in December 2022) and the update of LGD default for all retail portfolios.

EL for the Dealers increased by +€13 million (+27%) compared to December 2021, under the effect of the increase in exposures not in default (+€2,839 million, i.e. an increase of +56%).

f) Credit conversion factor

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

g) Operational use of internal ratings

i) 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.

ii) 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.

h) 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 2021 March), Retail (in 2021 June) and Wholesale (in 2021 December). 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 except for UK for which parameters will be implemented in early 2023. Another EBC IMI mission started in the second semester 2022 concerning the Corporate perimeter and another one is scheduled on the Wholesale perimeter in 2023.

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.

In millions of euros	Risk weighted exposure amount 12/2022	Risk weighted exposure amount 09/2022
Risk weighted exposure amount as at the end of the previous reporting period	**19,091**	**19,316**
Asset size (+/-)	2,027	(344)
Asset quality (+/-)	(221)	193
Model updates (+/-)	(790)	
Methodology and policy (+/-)		
Acquisitions and disposals (+/-)		
Foreign exchange movements (+/-)	2	(75)
Other (+/-)		
RISK WEIGHTED EXPOSURE AMOUNT AS AT THE END OF THE REPORTING PERIOD	**20,109**	**19,091**

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

Between September 2022 and December 2022, the level of RWAs has increased due to the rise in outstandings. Model updates and asset quality mitigate this increase.

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 © 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	
In millions of euros	On-Balance-sheet exposures	Off-balance-sheet exposures	On-Balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density
Central governments or central banks	6,640	8	6,640	4	404	6.08%
Regional government or local authorities	39	9	39	4	9	20.03%
Public sector entities						
Multilateral development banks						
International organisations						
Institutions	1,631	130	1,631	119	550	31.43%
Corporates	4,341	291	4,157	28	3,932	93.97%
Retail	7,067	446	7,067	208	5,131	70.53%
Secured by mortgages on immovable property						
Exposures in default	211	5	209	2	228	108.13%
Exposures associated with particularly high risk						
Covered bonds						
Institutions and corporates with a short-term credit assessment	72	48	72	10	76	92.73%
Collective investment undertakings	70		70		98	139.57%
Equity	188		188		450	240.08%
Other items	955	1	955	1	682	71.28%
TOTAL	**21,214**	**937**	**21,028**	**374**	**11,560**	**54.01%**

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				
Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**
Central governments or central banks	6,468				0		2	
Regional government or local authorities					43		0	
Public sector entities								
Multilateral development banks								
International organisations								
Institutions					2,468		17	
Corporates								
Retail exposures								
Exposures secured by mortgages on immovable property								
Exposures in default								
Exposures associated with particularly high risk								
Covered bonds								
Exposures to institutions and corporates with a short-term credit assessment					86			
Units or shares in collective investment undertakings								
Equity exposures								
Other items	0				343			
TOTAL	**6,468**				**2,941**		**19**	

		Risk weight						
75%	100%	150%	250%	370%	1250%	Others	Total	of which unrated
	12	10	150				6,643	1
							43	43
	47	1					2,532	2,468
	4,143	64					4,208	4,208
7,275							7,275	7,275
	177	34					211	205
		39					125	39
					1	69	70	70
	12		175				188	188
	185					428	956	956
7,275	**4,577**	**149**	**325**		**1**	**497**	**22,252**	**15,453**

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 €700 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 €531 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 €186 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 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 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
Loans and advances	38,474	19,005	886	18,119	
Debt securities	411				
TOTAL	**38,885**	**19,005**	**886**	**18,119**	
• *Of which Non-performing exposures*	*829*	*200*		*200*	
• *Of which defaulted*	*829*	*200*		*200*	

/ 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
EXPOSURES UNDER FIRB	**81**	**81**
Central governments and central banks		
Institutions		
Corporates	81	81
• *of which Corporates – SMEs*		
• *of which Corporates – Specialised lending*		
EXPOSURES UNDER AIRB	**20,028**	**20,028**
Central governments and central banks		
Institutions		
Corporates	6,499	6,499
• *of which Corporates – SMEs*	*696*	*696*
• *of which Corporates – Specialised lending*		
Retail	13,529	13,529
• *of which Retail – SMEs – Secured by immovable property collateral*		
• *of which Retail – non-SMEs – Secured by immovable property collateral*		
• *of which Retail – Qualifying revolving*		
• *of which Retail – SMEs – Other*	*1,399*	*1,399*
• *of which Retail – Non-SMEs – Other*	*12,130*	*12,130*
Equity IRB		
Other non credit obligation assets		
TOTAL (INCLUDING F-IRB EXPOSURES AND A-IRB EXPOSURES)	**20,109**	**20,109**

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

		Credit risk Mitigation techniques					
		Funded credit Protection (FCP)					
In millions of euros	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
EXPOSURES UNDER AIRB							
Central governments and central banks							
Institutions							
Corporates	11,502	5.43%					
• *Of which Corporates – SMEs*	*1,724*						
• *Of which Corporates – Specialised lending*							
• *Of which Corporates – Other*	*9,778*	*5.43%*					
Retail	30,869						
• *Of which Retail – Immovable property SMEs*							
• *Of which Retail – Immovable property non-SMEs*							
• *Of which Retail – Qualifying revolving*							
• *Of which Retail – Other SMEs*	*3,495*						
• *Of which Retail – Other non-SMEs*	*27,374*						
TOTAL	**42,371**	**1.25%**					
EXPOSURES UNDER FIRB							
Central governments and central banks							
Institutions							
Corporates	84						
• *Of which Corporates – SMEs*							
• *Of which Corporates – Specialised lending*							
• *Of which Corporates – Other*	*84*						
TOTAL	**84**						

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 substitution effects)
					6,499	6,499
					696	*696*
					5,803	*5,803*
					13,529	13,529
					1,399	*1,399*
					12,130	*12,130*
					20,028	**20,028**
					81	81
					81	*81*
					81	**81**

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 entitieswith a 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 2022, the cash outflows required to fund additional securitization reserves in case of a 3 notch rating downgrade totaled €194 million.

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Exposure to counterparty credit risk

/ EU CCR1 – ANALYSIS OF CCR EXPOSURE BY APPROACH

In millions of euros	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
EU – Original Exposure Method (for derivatives)				1.4				
EU – Simplified SA-CCR (for derivatives)				1.4				
SA-CCR (for derivatives)	61	63		1.4	173	173	173	95
IMM (for derivatives and SFTs)								
• *Of which securities financing transactions netting sets*								
• *Of which derivatives and long settlement transactions netting sets*								
• *Of which from contractual cross-product netting sets*								
Financial collateral simple method (for SFTs)								
Financial collateral comprehensive method (for SFTs)								
VaR for SFTs								
TOTAL					**173**	**173**	**173**	**95**

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

In millions of euros	Risk weight											
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total
Central governments or central banks												
Regional government or local authorities												
Public sector entities												
Multilateral development banks												
International organisations												
Institutions					724	12			47	0		783
Corporates									23			23
Retail												
Institutions and corporates with a short-term credit assessment					43					0		43
Other items												
TOTAL EXPOSURE VALUE					**767**	**12**			**70**	**0**		**850**

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

PD scale (in millions of euros)	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	EW average maturity (years)	RWEA	Density of RWEA
Exposure class X							
0.00 to <0.15							
0.15 to <0.25							
0.25 to <0.50							
0.50 to <0.75							
0.75 to <2.50							
2.50 to <10.00							
10.00 to <100.00							
100.00 (Default)							
SUB-TOTAL EXPOSURE CLASS X							
Exposure class Y							
0.00 to <0.15							
0.15 to <0.25							
0.25 to <0.50							
0.50 to <0.75							
0.75 to <2.50							
2.50 to <10.00							
10.00 to <100.00							
100.00 (Default)							
SUB-TOTAL EXPOSURE CLASS Y							
TOTAL (ALL CCR RELEVANT EXPOSURE CLASSES)							

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/ 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	
In millions of euros	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
Cash – domestic currency								
Cash – other currencies								
Domestic sovereign debt								
Other sovereign debt								
Government agency debt								
Corporate bonds								
Equity securities								
Other collateral								
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

In millions of euros	Protection bought	Protection sold
Notionals		
Single-name credit default swaps		
Index credit default swaps		
TOTAL RETURN SWAPS		
Credit options		
Other credit derivatives		
TOTAL NOTIONALS		
Fair values		
Positive fair value (asset)		
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

In millions of euros	Exposure value	RWEA
EXPOSURES TO QCCPS (TOTAL)		**135**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); ow	677	135
i) OTC derivatives	677	135
ii) Exchange-traded derivatives		
iii) SFTs		
iv) Netting sets where cross-product netting has been approved		
Segregated initial margin		
Non-segregated initial margin		
Prefunded default fund contributions		
Unfunded default fund contributions		
EXPOSURES TO NON-QCCPS (TOTAL)		
Exposures for trades at non-QCCPs (ex initial margin and default fund contributions) ow		
i) OTC derivatives		
ii) Exchange-traded derivatives		
iii) SFTs		
iv) Netting sets where cross-product netting has been approved		
Segregated initial margin		
Non-segregated initial margin		
Prefunded default fund contributions		
Unfunded default fund contributions		

V. Credit valuation adjustment risk

For all over-the-counter derivatives, if derivatives recognized as credit protection are not used, the RCI Banque 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.

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

In millions of euros	Exposure value	RWEA
Total transactions subject to the Advanced method		
i) VaR component (including the 3×multiplier)		
ii) Stressed VaR component (including the 3×multiplier)		
Transactions subject to the Standardised method	827	339
Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
TOTAL TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK	**827**	**339**

VI. 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 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 does not have any exposure linked to such position. The receivables securitised by RCI Banque 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) iSSPEs 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 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 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. RCI Banque group acts as originator, asset servicer for all SSPEs listed in point (e) and swap provider for some of these SSPEs.

Legal basis	Row number	Qualitative information – Free format	
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 €13,926 million on 31 December 2022 (€12,590 million on 31 December 2021), namely:

- for securitizations placed on the market: €2,812 million;
- for self-subscribed securitizations: €9,211 million;
- for private securitizations: €1,903 million.

The stock of securitized assets is itemized in Note 13 of the consolidated financial statements. At 31 December 2022, funding secured through private securitizations totaled €1,079 million, and funding secured through public securitizations placed on the markets totaled €2,626 million.

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

	Institution acts as originator					
	Traditional			Synthetic		
In millions of euros	STS	*of which SRT*	Non-STS	*of which SRT*	*of which SRT*	Sub-total
TOTAL EXPOSURES						
RETAIL (TOTAL)						
residential mortgage						
credit card						
other retail exposures						
re-securitisation						
WHOLESALE (TOTAL)						
loans to corporates						
commercial mortgage						
lease and receivables						
other wholesale						
re-securitisation						

Institution acts as sponsor				Institution acts as investor			
Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
STS	Non-STS			STS	Non-STS		

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, RCI Banque 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		
In millions of euros	Total outstanding nominal amount	*Of which exposures in default*	Specific credit risk adjustments made during the period
TOTAL EXPOSURES	**14,160**	***39***	
RETAIL (TOTAL)	**12,218**	***39***	
residential mortgage			
credit card			
other retail exposures	12,218	39	
re-securitisation			
WHOLESALE (TOTAL)	**1,942**		
loans to corporates	1,942		
commercial mortgage			
lease and receivables			
other wholesale			
re-securitisation			

VII. 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 €12.7 million as of December end 2022. 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 is 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.

/ TEMPLATE EU MR1 – MARKET RISK UNDER THE STANDARDISED APPROACH

In millions of euros	RWEA
Outright products	**1,003**
Interest rate risk (general and specific)	
Equity risk (general and specific)	
Foreign exchange risk	1,003
Commodity risk	
Options	
Simplified approach	
Delta-plus method	
Scenario approach	
Securitisation (specific risk)	
TOTAL	**1,003**

VIII. 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 that the 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 (2018).
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 6 successive fixed-rate resources with an initial maturity of 3 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 own funds (equity + 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)

<table>
<tr><th>Qualitative information – free format</th><th></th><th>Legal basis</th></tr>
<tr><td>A high-level description of how the bank hedges its IRRBB, as well as the associated
accounting treatment (if applicable)</td><td>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.
Mobbilize 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.
● Trading portfolio: financial instruments that do not meet IFRS9 hedge accounting criteria cannot be considered as hedges and despite their hedging intention are classified as trading instruments/Trading portfolio. 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 3 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.</td><td>Article 448(1), point (e) (iv);
Article 448(2)</td></tr>
<tr><td>A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable)</td><td>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.</td><td>Article 448(1), point (c);
Article 448(2)</td></tr>
<tr><td>Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures</td><td>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</td><td>Article 448(1), point (d)</td></tr>
</table>

#1 #2 #3 #4 #5

Qualitative information – free format	Legal basis	
Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures	*Results* Over the year 2021, the Mobilize F.S. group' Bans 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 €7.0 million as of December end 2022, compared to €8.6 million at the end of 2021. 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 €5.7 million as of December end 2022, compared to €8.3 million at the end of 2021. Breakdown by main currencies of the sensitivity to NII following a currency differentiated rise in rates (in MEUR) at December end, 2022, in relative value:	Article 448(1), point (d)

Devises	K€
ARS	122
BRL	(256)
CHF	(294)
COP	171
CZK	320
EUR	(1,593)
DKK	(9)
GBP	1,013
HUF	164
KRW	(40)
MAD	1,107
PLN	109
SEK	15
RON	244
RUB	(288)

Internal indicators

EVE result

Changes in Economic Value of Equity ("EVE") calculated according to EBA IRRBB Guidelines represent 6.92% of Own Funds in the context of Standard shock and 8.53% of CET1 in the context of differentiated shocks per currency, below regulatory limits.

The most biting scenario is the parallel up of the currency differentiated shock with an impact of -€449 million at December 2022 end against -€442 million in the previous year

NII result

In the absence of detailed instructions on methodology to calculate consolidated NII indicator in the IRRBB Guidelines, and after liaising with EBA and its JST, RCI chose to use its internal consolidated NII calculated on the consolidated banking perimeter for regulatory purpose.

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 €5.7 million (*see EU IRRBB 1 table – Changes of the Net Interest Income*) as of December end 2022, compared to €7.4 million at the end of 2021. Sum of absolute value expresses the worst case as the interest rate risk position per currency is not compensated.

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 3 months. Longest repricing maturity is therefore 3 months while average repricing duration is approximately 1.5 month.	Article 448(1), point (g)

/ EU 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 31/12/2022	Last period 31/12/2021	Current period 31/12/2022	Last period 31/12/2021
1	Parallel up	(449,825)	(442,340)	5,673	7,387
2	Parallel down	245,003	94,900		
3	Steepener	14,682	52,558		
4	Flattener	(117,290)	(156,762)		
5	Short rates up	(248,011)	(282,549)		
6	Short rates down	129,892	102,241		

The above calculations are based on the standardized assumptions published by the EBA described in IRRBB Guidelines. 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 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.

IX. 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 31/12/2022 the Mobilize F.S. group's main sources of funds where deposits (49%), bonds (29%), secured funding (7%) 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 €14,9 billion Liquidity reserve allows to maintain business continuity during nearly 11 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 2022, 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 126% and a high HQLA buffer (average LCR at 495% % on the 12 months ending 31/12/2022). Its low asset encumbrance at 18% 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 (49% of financial indebtedness as of 31/12/2022 vs 45% as of 31/12/2021), bonds (29% as of 31/12/2022 vs 31% as of 31/12/2021), secured funding (14% as of 31/12/2022 vs 15% as of 31/12/2021) and commercial banks (4% as of 31/12/2022 and 31/12/2021). In 2022 the price competitiveness of deposits vs market funding has improved, leading the bank to initiate 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 2022, the Mobilize F.S. group's HQLA liquidity buffer stood at €7,8 billion in average. The share of HQLA in EUR represented 82.1% and mostly consisted of deposits with the European Central Bank. HQLA in GBP represented 16.4% (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 82.1% and 16.4% of total HQLA while GBP mix in Net Cash Outflows was 30.1%. 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 2022 was €7,834 million. It amounted to €7,784 million on average during the 12-month period ending on 30 September 2022. They mainly consisted of deposits with the European Central Bank, the Bank of England and securities issued by governments or supranationals. On 31 December 2022, the average duration of the bond portfolio was below 1 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 2022, EUR and GBP denominated HQLA represented on average 82.1% and 16.4% of total HQLA respectively. The weight of EUR denominated HQLA remained stable compared to the averages of the 12-month period ending on September 2022, which were 82.1% for EUR and 116.4% 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 2022 came at 487%, compared to 492% on average over the 12-month period ending on 30 September 2022.

/ EU LIQ1 – QUANTITATIVE INFORMATION OF LCR

In millions of euros	Total unweighted value (average)				Total weighted value (average)			
Quarter ending on	**31/03/2022**	**30/06/2022**	**30/09/2022**	**31/12/2022**	**31/03/2022**	**30/06/2022**	**30/09/2022**	**31/12/2022**
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS								
TOTAL HIGH-QUALITY LIQUID ASSETS (HQLA)					**7,304**	**7,749**	**7,784**	**7,834**
Cash – outflows								
Retail deposits and deposits from small business customers, of which:	16,184	16,467	16,777	17,229	1,733	1,763	1,796	1,846
• *Stable deposits*								
• *Less stable deposits*	*16,183*	*16,465*	*16,774*	*17,224*	*1,732*	*1,761*	*1,793*	*1,841*
Unsecured wholesale funding	954	1,056	1,009	1,113	764	857	801	896
Operational deposits (all counterparties) and deposits in networks of cooperative banks								
Non-operational deposits (all counterparties)	*443*	*463*	*492*	*505*	*252*	*264*	*284*	*289*
Unsecured debt	*511*	*593*	*517*	*607*	*511*	*593*	*517*	*607*
Secured wholesale funding					83	39	44	49
Additional requirements	834	819	836	841	290	285	292	306
• *Outflows related to derivative exposures and other collateral requirements*	*235*	*230*	*236*	*251*	*235*	*230*	*236*	*251*
• *Outflows related to loss of funding on debt products*	*2*	*2*	*2*	*2*	*2*	*2*	*2*	*2*
• *Credit and liquidity facilities*	*597*	*588*	*598*	*589*	*54*	*53*	*54*	*53*
Other contractual funding obligations	1,117	1,121	1,026	1,023	503	514	436	442
Other contingent funding obligations	2,847	3,264	3,610	3,884	596	660	668	666
TOTAL CASH OUTFLOWS					**3,970**	**4,116**	**4,038**	**4,205**
Cash – inflows								
Secured lending (e.g. reverse repos)								
Inflows from fully performing exposures	3,457	3,348	3,387	3,564	2,044	1,969	1,988	2,118
Other cash inflows	775	362	387	395	423	353	379	387
(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)								
(Excess inflows from a related specialised credit institution)								
TOTAL CASH INFLOWS	**4,232**	**3,710**	**3,774**	**3,959**	**2,467**	**2,322**	**2,367**	**2,505**
• *Fully exempt inflows*								
• *Inflows Subject to 90% Cap*								
• *Inflows Subject to 75% Cap*	*4,232*	*3,710*	*3,774*	*3,959*	*2,467*	*2,322*	*2,367*	*2,505*
Total adjusted value								
Liquidity buffer					7,304	7,749	7,784	7,834
TOTAL NET CASH OUTFLOWS					**1,577**	**1,794**	**1,670**	**1,709**
LIQUIDITY COVERAGE RATIO					**498%**	**470%**	**492%**	**487%**

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 2022 is 126%, compared to 132% at the end of December 2021. 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				
In millions of euros	No maturity	< 6 months	6 months to < 1 year	> 1 year	Weighted value
Available stable funding (ASF) Items					
Capital items and instruments	5,671			864	6,534
• *Own funds*	*5,671*			*864*	*6,534*
• *Other capital instruments*					
Retail deposits		19,051	2,097	3,293	22,327
• *Stable deposits*					
• *Less stable deposits*		*19,051*	*2,097*	*3,293*	*22,327*
Wholesale funding:		6,408	3,441	15,479	17,365
• *Operational deposits*					
• *Other wholesale funding*		*6,408*	*3,441*	*15,479*	*17,365*
Interdependent liabilities					
Other liabilities:		1,179	373	1,967	2,154
• *NSFR derivative liabilities*					
• *All other liabilities and capital instruments not included in the above categories*		*1,179*	*373*	*1,967*	*2,154*
TOTAL AVAILABLE STABLE FUNDING (ASF)					**48,380**
Required stable funding (RSF) Items					
Total high-quality liquid assets (HQLA)					3
Assets encumbered for a residual maturity of one year or more in a cover pool					
Deposits held at other financial institutions for operational purposes					
Performing loans and securities:		17,853	8,715	23,717	35,253
• *Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*					
• *Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		*1,680*	*2*	*75*	*244*
• *Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		*16,068*	*8,712*	*23,415*	*34,733*
• *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*					
• *Performing residential mortgages, of which:*					
• *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*					
• *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*		*104*	*2*	*227*	*277*

In millions of euros	Unweighted value by residual maturity: No maturity	< 6 months	6 months to < 1 year	> 1 year	Weighted value
Interdependent assets					
Other assets:		1,981	95	2,131	2,955
• *Physical traded commodities*					
• *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*					
• *NSFR derivative assets*		*83*			*83*
• *NSFR derivative liabilities before deduction of variation margin posted*		*351*			*18*
• *All other assets not included in the above categories*		*1,547*	*95*	*2,131*	*2,854*
Off-balance sheet items		4,434	13	153	243
TOTAL RSF					**38,455**
NET STABLE FUNDING RATIO (%)					**126%**

(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 2022, the median amount of assets encumbered in the form of disposals to a securitization vehicle or guarantee given is €10,286 million, making up 18% of total assets.

/ EU AE1 – ENCUMBERED AND UNENCUMBERED ASSETS

In millions of euros	Carrying amount of encumbered assets	ow notionally elligible EHQLA and HQLA	Fair value of encumbered assets	ow notionally elligible EHQLA and HQLA	Carrying amount of unencumbered assets	ow notionally elligible EHQLA and HQLA	Fair value of unencumbered assets	ow notionally elligible EHQLA and HQLA
ASSETS OF THE DISCLOSING INSTITUTION	**10,286**				**47,753**	**6,842**		
Equity instruments	30		30		42		42	
Debt securities	240		240		421	354	421	354
• *ow: covered bonds*								
• *ow: securitisations*								
• *ow: issued by general governments*	*240*		*240*		*255*	255	*255*	*255*
• *ow: issued by financial corporations*					*71*	71	*71*	*71*
• *ow: issued by non-financial corporations*								
Other assets	10,017				47,273	6,481		

/ EU AE2 – COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED

In millions of euros	FV of encumbered collateral received or own debt securities issued	ow notionally elligible EHQLA and HQLA	FV of collateral received or own debt securities issued available for encumbrance	ow notionally elligible EHQLA and HQLA
COLLATERAL RECEIVED BY THE DISCLOSING INSTITUTION			**1,000**	
Loans on demand			880	
Equity instruments				
Debt securities				
• *ow: covered bonds*				
• *ow: securitisations*				
• *ow: issued by general governments*				
• *ow: issued by financial corporations*				
• *ow: issued by non-financial corporations*				
Loans and advances other than loans on demand				
Other collateral received			121	
OWN DEBT SECURITIES ISSUED OTHER THAN OWN COVERED BONDS OR SECURITISATIONS				
OWN COVERED BONDS AND SECURITISATIONS ISSUED AND NOT YET PLEDGED				
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**10,286**			

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

/ EU AE3 – SOURCES OF ENCUMBRANCE

In millions of euros	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
CARRYING AMOUNT OF SELECTED FINANCIAL LIABILITIES	**7,471**	**10,286**

X. 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: II-1 Risk governance policy – Risk appetite framework; • structure and organisation of risk management function for operational risk: Part II-2 Organization of risk control; • risk measurements and control: Part X-2 Measurement of operational risks and monitoring process and Part X-3 Exposure to the risk and calculation; • operational risk reporting: Part X-2 Measurement of operational risks and monitoring process; • policies for hedging and mitigating operational risk: Part X-4 Insurance of operational risks.
Article 446 CRR	(b)	Disclosure of the approaches for the assessment of minimum own funds requirements	Part X-3 Exposure to the risk and calculation Part I-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

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 and accounting;
- 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, 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.

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

The 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 has effective control.

IT risks

Risk factors

The Mobilize F.S. group's activity is partly dependent on the serviceability of its IT systems. RCI Banque'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 (systems shutdown, data loss etc.).

The years 2020 to 2022, in particular the COVID-19 crisis, demonstrated the resilience of the RCI IS systems in place (teleworking, security…) which allowed the business to continue without any technical impact.

Management principles and processes

Oversight of RCI 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 RCI 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";
- security awareness and training actions for all personnel (e-learning, information, 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;
- 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

RCI Banque S.A. 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.).

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 RCI crisis management process, which ensures coordination with the various business lines (including IS), subsidiaries and branches, RCI 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 a backup site is 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 F.S. 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 F.S. 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.

2. Measurement of operational risks and monitoring process

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

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 3 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.

The weighted risk exposure decreased by -€498 million due to the entry of 2021 and the exit of 2018 in the calculation of the 3-year average (impact -€86 million) and the integration of the charges on the operational lease activity, as provided for by an amendment made by CRR2 (REG 2019/876 Art 1, §88) to article 316.1 (impact -€413 million).

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

	Relevant indicator				
In millions of euros	Year-3	Year-2	Last year	Own funds requirements	Risk weighted exposure amount
Banking activities subject to basic indicator approach (BIA)					
Banking activities subject to standardised (TSA)/alternative standardised (ASA) approaches	2,087	1,963	2,097	274	3,419
Subject to TSA:	2,087	1,963	2,097		
Subject to ASA:					
Banking activities subject to advanced measurement approaches AMA					

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 Nissan Motor Co. Ltd and Renault s.a.s.

RCI Banque S.A. aims to include all its subsidiaries in the group's program to guarantee for each entity the same degree of coverage in terms of damage to property and business interruption.

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 1st 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 SAS has taken out a Cyber Risks insurance policy for itself and on behalf of its subsidiaries.

XI. 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). 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 training and awareness-raising events have been set up and specific performance indicators are monitored.

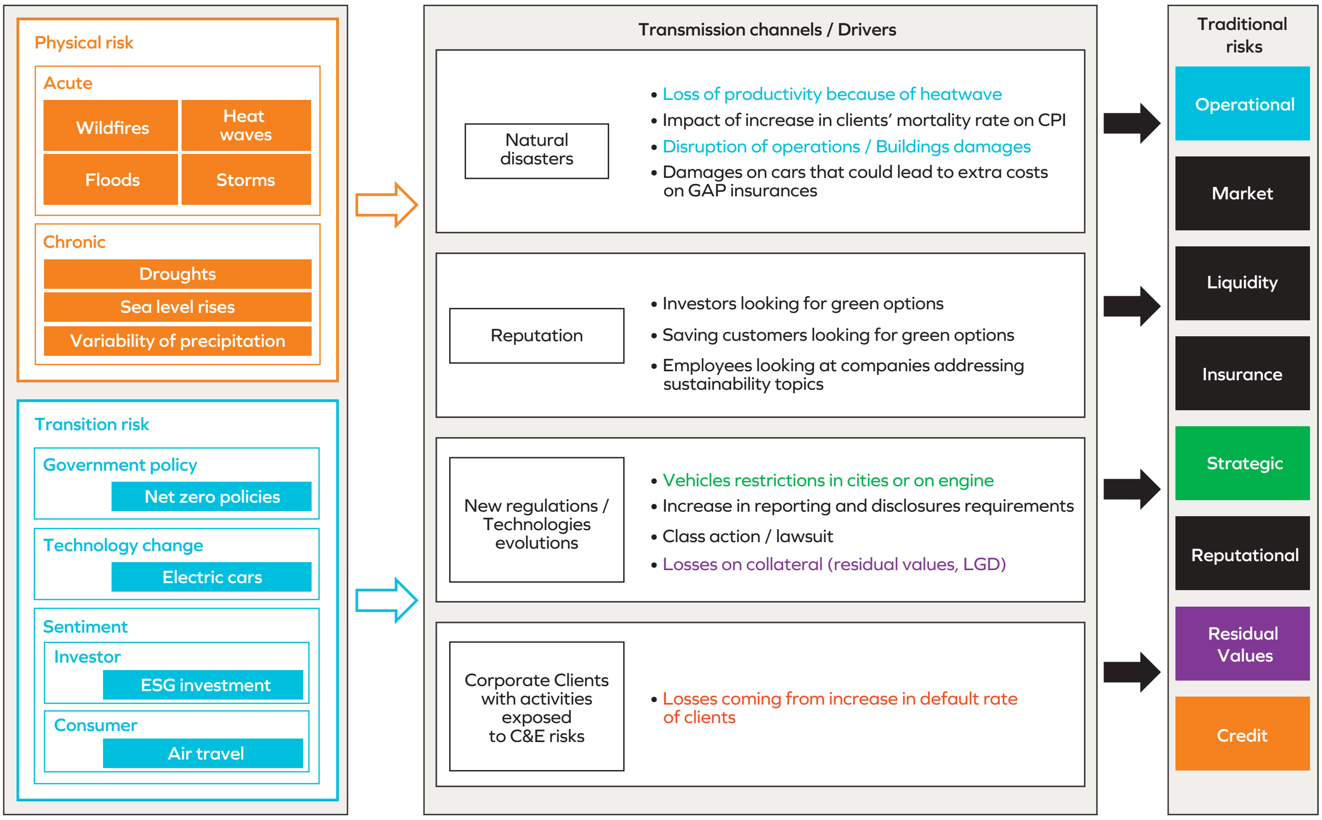
Regarding climate and environmental risks (C&E), which have been included in the list of critical risks since 2021, identification, measurement and management work was carried out in 2022.

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

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

/ CLIMATE AND ENVIRONMENTAL-RELATED RISKS CARTOGRAPHY



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.

In addition, 4 C&E indicators were added to the RAF Risk *Appetite Framework* in 2022 and are monitored quarterly by the Risk Committee of Mobilize F.S. group Board of Directors:

(1) reduction of CO_2 emissions financed compared to 2019;
(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.

The indicator 3 was put in place to measure the effectiveness of offers specific to electric vehicles (indicator 4). It is used in 2023 to animate subsidiaries on climate issues 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 during an ongoing test on the France;
- 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.

During 2022, the Mobilize F.S. group has implemented a project to evaluate financed emissions of vehicles in portfolio, for all type of clients, on its seven main markets:

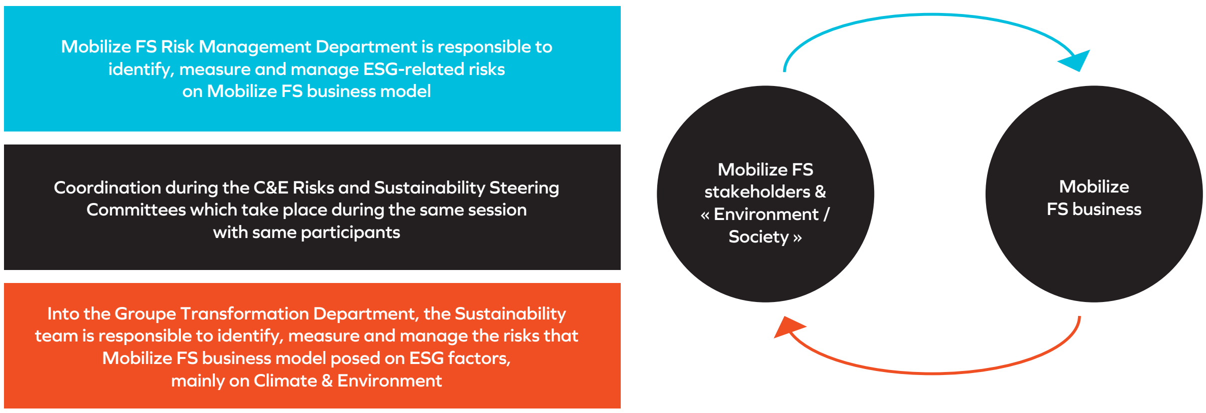
- Electric Vehicles (Battery Electric Vehicles et Plug-in hybrid Electric Vehicles) represent 6.8% of all financed contacts in portfolio;
- GHG emissions reach 152 gCO_2/km on average (well to wheel). Definitions and assumptions used are detailed in the methodological note accompanying the quantitative 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 group Transformation and Sustainability division has the mission todevelop the Mobilize F.S. group ESG strategy and, in liaison with the Strategy division, ensuring its integration into the Mobilize F.S. 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

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	The 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 the 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 throughout the country via a credit card, (iii) to finance the installation of a home charging station or (iv) a subscription service for the use of a vehicle, allowing the client to test an electric vehicle over a few months. 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, the 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. The Mobilize FS 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 the Renault Group teams during dedicated committees in which Mobilize F.S. 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), the 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 addition, the Mobilize F.S. group is committed to energy savings. Several national initiatives have been launched, in particular to reduce the heating consumption of its buildings. For example, in France, efforts have reduced energy consumption by about 30% between 2021 and 2022. The 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).
(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, nolimit or threshold on these indicators has been deemed necessary at this stage.
(c)	Current investment activities and (future) investment targets towards environmental objectives 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. The 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. The 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 will be conducted to understand climate and environmental change adaptation issues.

	Business strategy and processes	
(d)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks	In 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 Client (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.
	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's 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 Transformation department, hosting Mobilize F.S. group Sustainability teams, is responsible for identifying, measuring and managing the risks that Mobilize F.S. group business model poses to C&E elements. The double materiality is thus clearly defined and 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. For example, the Risk Committee of the Board of Directors validated the inclusion of 4 C&E indicators in the Mobilize FS group RAF as well as their limit and alert thresholds.
(f)	Management body's integration of short-, medium- and long-term effects of environmental factors and risks, rganizational structure both within business lines and internal control functions	The Mobilize F.S. group RAF contains 1 indicator concerning the GHG emissions reduction financed. Mobilize FS is committed to achieving Net Zero by 2040, in line with Groupe Renault's objectives. The intermediate objectives will themselves be established in line with the milestones communicated by Groupe Renault. 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 3 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.
(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 FS' groups 3 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. The 2022 internal audit of Mobilize FS' group on C&E risk management was presented to the C&E Risk Committee. The Mobilize F.S. group has started training its employees with the "The Climate Fresk" workshops and will roll out this training in 2023 for all countries (URL link: https://climatefresk.org/)

	Governance	
(h)	Lines of reporting and frequency of reporting relating to environmental risk	The 4 C&E RAF indicators are integrated into the Risk Reporting and presented quarterly to the Risk Committee of the Board of Directors. The Mobilize FS group performance on electric vehicles (penetration rate, profitability of new production) is presented at least quarterly to the Performance Committee, which includes all members of the Executive Committee. The Mobilize F.S. group is developing an internal ESG-dashboard for internal reporting purposes, including several ESG KPIs, including the 4 RAF C&E indicators.
(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 1st 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	The Mobilize FS' groups 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. The Mobilize F.S. group RAF has 4 C&E indicators. 3 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	The 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. The 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 5 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) € (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	The 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) (€(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, a pilot project is being conducted by Mobilize F.S. group in France on credit acceptance to integrate the environmental policies of the companies analyzed and the Sustainalytics' ESG ratings into KYC. This information will also be 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). The 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 of 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, the 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, 2 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 6 main countries of activity (H bis). During its Third-party Integrity Management TIM process, more specifically on its customers and suppliers scope, the Mobilize F.S. group has 2 external compliance analysis tools, Compliance Catalyst from Moody's and LexisNexis, giving access to information 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.

#1 #2 #3 #4 #5

Risk Management

(n)	Implementation of tools for identification, measurement and management of environmentasks	(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 5 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) The Mobilize F.S. group also quantified the impact of C&E factors on credit risk retail individuals portfolio using a second methodology. The Mobilize F.S. group applied NGFS Network for Greening the Financial System scenarios until 2030 to quantify the potential impacts of C&E risks on the evolution of the default rate. The study focused on Mobilize FS' groups 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 2022-2030 compared to the historical evolution of the default rate since 2008. (D) The 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's 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) The group also conducted a sensitivity analysis to quantify the additional losses for C&E motive when recovering collateral: the financed car. The Mobilize F.S. group thus applied an extreme scenario on a stress of Loss Given Default LGD, based on assumptions from actual event: a drop in sales of electric vehicles in Germany between July 2020 and July 2021. This drop in sales was applied to all car models, regardless of their engine. (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 13 European countries according to 3 scenarios by 2030: (i) Business as Usual; (ii) 1.5°C Sobriety; (iii) 1.5°C Technology. Existing and planned LEZ were first identified and mapped across the 13 European countries up to 2030. Then, the 3 scenarios were differentiated by 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 restrictiveness. Finally, the annual evolution of the vehicle fleet (in size and composition) was modeled on the France scope only. Several assumptions were made, for example: (i) the lifespan of a car in the Mobilize F.S. group portfolio, (ii) a decrease in sales of diesel vehicles and (iii) the increase in the weight of the electric vehicle. (H) The 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 funded 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 FS. 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 Aqued–ct flood risk – hyperlink: 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

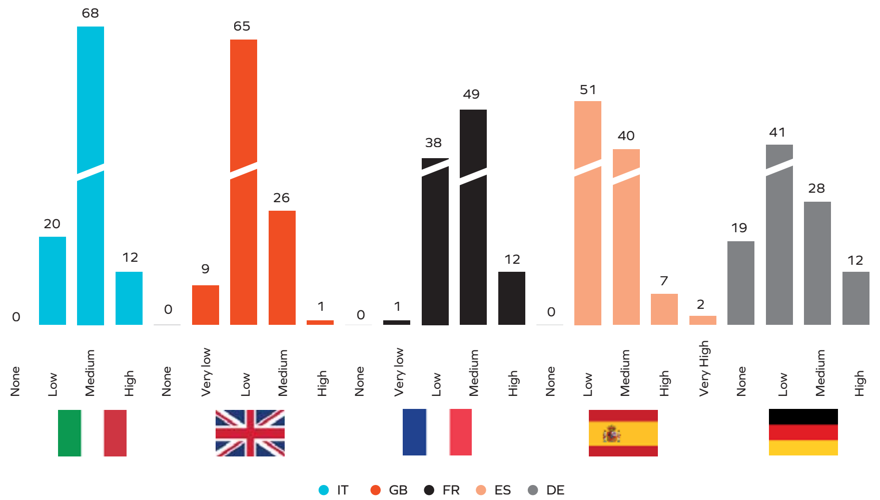
(o) Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity profile

(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 FS's 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.

(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 5 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 pented 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 concluded that C&E risks on these portfolios are insignificant in Spain, the United Kingdom and Germany by 2030. The impacts of variation in default rates according to the 2 scenarios studied on France and Italy are presented in the table below.

Portfolio impacts	France	Italie
Physical risk scenario	1.1 M€	No impact
Transition risk scenario	3.0 M€	5 M€

(D) Following the quantitative analysis of the corporate finance portfolio identified the sectors most exposed to physical and transition C&E risks. It shows that, thanks to the diversification of its portfolio, Mobilize FS is not impacted in the short (less than 3 years) or medium term (between 3 and 5 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 FS 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 FS is not impacted in the short (less than 3 years) or medium term (between 3 and 5 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 FS 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 Mobilize F.S. group financed vehicle fleet. The size and composition of Mobilize FS' groups French car fleet could thus be estimated by 2030 according to the 3 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 FS 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: **i)** 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 90% of the vehicles financed. Actions plans have been designed to improve the coverage of emissions of vehicles financed. **ii)** 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. **iii)** postal code. This data is fed on the 5 major countries of activity of Mobilize F.S. group, fed (but of lower quality) for Brazil and South Korea and not available at Headquarters level on the other countries of activity. **iv)** counterparties' greenhouse gas emissions. Mobilize F.S. group has this data via CDP information and uses it for regulatory climate stress tests. **v)** (forthcoming) the weight of activities related to coal, unconventional oil and gas in the counterparty's turnover. Mobilize F.S. group does not have this data but is counting on future European regulatory publications to obtain it.
(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	The 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 appropriectly accordingly to guide its commercial activity and better manage its C&E risks, and provides alert thresholds when: **i)** the support for sales of electric vehicles is lower than the rest of the range; **ii)** the average financed emissions of the vehicles in the portfolio are not falling at a rate consistent with Groupe Renault's 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 4 RAF C&E risk indicators, definitions, adequate values, alert thresholds (1) and limits (2) have been set. **i)** 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 that can be implemented in order to prevent the limit from being reached. **ii)** 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: **i)** 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. reduced sectoral growth due to drought); **ii)** Operational risk: Business interruption or disruption and loss of efficiency due to multiple factors, including unavailability of offices, employees or computer network; **iii)** Insurance risk: (i) Increased payment of credit insurance guarantees due to increased mortality rates; (ii) Higher frequency of spread insurance payments due to unpredictable weather events (e.g. floods); **iv)** 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: **i)** Strategy risk: Loss of volumes due to new regulations on car use (e.g. restrictions on access to cities); **ii)** Credit risk: Increase in defaults by companies operating in sectors negatively impacted by climate related and environmental factors; **iii)** Liquidity risk: (i) Loss of deposits from customers to meet unforeseen expenses following natural disasters or 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; **iv)** Reputational risk: higher borrowing rate due to Mobilize F.S. group€ ESG rating lower than other banks; **v)** Risk of Human Resources insufficiency: Recruitment difficulties or strong resignation of people seeking to work in a sustainable company; **vi)** Legal and conduct risk: Class actions, including in connection with the use of an internal combustion engine; **vii)** 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. The Mobilize F.S. group has planned to strengthen the consideration of social risks in KYC and acceptance processes. Its social risk mapping will also be carried out in 2023. In terms of internal social practices, Mobilize F.S. group deploys 2 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 Groupe Renault, • "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 6 years of activity: France, Italy, Spain, United Kingdom, Germany, Brazil. Diversity & Inclusion surveys 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 National HR Director. An audit with AGEFIP on the integration of people with disabilities was conducted in 2022 on the perimeter France exclusively, with the aim of setting up an action plan in 2023. **(2)** Safety & Care: Mobilize F.S. group seeks to obtain the "Great Place to Work" label in these 5 main countries of activity. In 2022, Mobilize F.S. France obtained this label. 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 Labour 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	Mobilize F.S. group plans to integrate exclusion criteria from its financing on the basis of the social risks borne by its counterparties. Regarding its internal social strategy, Mobilize F.S. group has set itself several objectives and monitors them with defined indicators: **i)** Diversity & Inclusion: Mobilize FS has set itself 2 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 FS wants to have its 5 main countries of activity labelled "Great Place To Work" by 2023. Mobilize FS France obtained this label in 2022.
(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	The Mobilize F.S. group does not have a social risk management framework in place for these counterparties. The group has planned to strengthen the consideration of social risks in KYC and acceptance processes.

	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 responsability **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, 2 external Compliance tools, Moody's Compliance Catalyst and LexisNexis, provide information on possible convictions on social grounds. Internally, a whistleblowing process is set up by Mobilize F.S. group for all discrimination issues. It is the Human Resources departments that seize the alert and conduct any internal investigations with the Ethics, Compliance and Legal departments.
(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)** Gender pay gap; calculated by country and for the group; annually; **ii)** Share of women in local management committees; calculated by country quarterly; **iii)** Share of women among new recruits; calculated for headquarters and for Mobilize F.S. group quarterly; **iv)** Share of women among women managers and directors; calculated for headquarters and for the Mobilize F.S. group quarterly; **v)** Share of women among Key Talents; calculated for the Mobilize F.S. group annually. These indicators are presented quarterly to the Mobilize FS 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. The ESG-dashboard, which is scheduled to be rolled out in 2023, will incorporate indicators related to internal social risks.
(g)	Alignment of the remuneration policy in line with institution's social risk-related objectives	The Mobilize FS group's remuneration does not depend on elements relating to social risks.

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#5

	Risk Management	
(h)	Definitions, methodologies and international standards on which the social risk management framework is based	The Mobilize F.S. group has not put in place a social risk management framework for its counterparties.
(i)	Processes to identify, measure and monitor activities and exposures (and collateral wher applicable) sensitive to social risk, covering relevant transmission channels	During its Third-party Integrity Management TIM process, particularly on its customers and suppliers, Mobilize F.S. group has 2 external compliance analysis tools, Compliance Catalyst from Moody's and LexisNexis, giving access to information 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 plans to take 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	Mobilize F.S. group has not implemented any action to measure or monitor the social risks of its counterparties. Regarding its internal and social operational risks, Mobilize F.S. group deploys several programs and action plans to limit Human Resources deficiencies and reputational risks for social reasons. See reply (a) for more details on the actions taken.
(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	Mobilize F.S. group has not yet worked on the mechanisms for transferring social risks from its counterparties to traditional banking risks. Mobilize F.S. group is committed to establishing a social risk mapping in 2023.

/ 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 Client (KYC) process which feeds into AML-CFT Anti-Money Laundering and Terrorist Financing analyses for all clients-natural and legal persons. The Mobilize F.S. group employees are trained in the AML-CFT. **ii)** and 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. These 2 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), (ii) 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.
(b)	Institution's accounting of the counterparty's highest governance body's role in non-financial reporting	Mobilize F.S. group plans to take governance elements into account in its lending indirectly through the integration of the ESG rating of counterparties provided by an extra-financial rating agency.

	Governance	
(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 FS evaluates and selects its counterparties (see question (a) for the scope) according to: **iii)** taking into account ethical rules and regulatory obligations in terms of compliance: Mobilize F.S. group systematically applies its KYC and Anti-Money Laundering and Countering the Financing of Terrorism (AML-CFT) 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 also provides for the identification of possible convictions and the evaluation of the reputation of the counterparty, particularly in the media, these 2 elements may be impacted by the third party's ESG practices or factors. **iv)** their transparency: 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. **v)** their management of conflicts of interest: 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. TIM analysis is conducted by the team in charge of each counterparty category, at group or local level.
	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 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 actual beneficiaries, 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 and LexisNexis. 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 linked to loans and advances towards non financial corporate clients, in seven main markets of Mobilize FS: France, Germany, Italy, Spain, the UK, Brazil and South Korea. This scope represents more than 80% of exposures towards non financial corporate clients. of Mobilize FS.

This scope has been selected because of its significance and availability of data, particularly:

- information linked to vehicles financed (brands, models, identification) allowing to calculate associated GHG emissions;
- postal codes used in physical risks evaluation, with a better documentation on this scope

The next Pillar 3 on ESG risks disclosures should include information linked to the other markets of the group, as data collection plans are implemented, to complete the analysis. Those action plans are included in the climate related and environmental risks roadmap that should end in 2024.

Maturity

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

Columns "Of which environmentally sustainable (CCM)"

The columns "Of which environmentally sustainable (CCM)" of templates 1 and 4 are not completed yet, in line with Pillar 3 on ESG risks instructions.

/ 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**	**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(*)	**12,886**	**11**		**625**	**131**	**(97)**	**(14)**	**(58)**
A – Agriculture, forestry and fishing	52	0		3	2	(1)	0	(1)
B – Mining and quarrying	6	1		0	0	0	0	0
B.05 – Mining of coal and lignite	*0*	*0*		*0*	*0*	*0*	*0*	*0*
B.06 – Extraction of crude petroleum and natural gas	*1*	*1*		*0*	*0*	*0*	*0*	*0*
B.07 – Mining of metal ores	*0*	*0*		*0*	*0*	*0*	*0*	*0*
B.08 – Other mining and quarrying	*4*	*0*		*0*	*0*	*0*	*0*	*0*
B.09 – Mining support service activities	*1*	*0*		*0*	*0*	*0*	*0*	*0*
C – Manufacturing	518	1		73	11	(8)	(1)	(6)
C.10 – Manufacture of food products	*96*	*0*		*6*	*2*	*(2)*	*0*	*(1)*
C.11 – Manufacture of beverages	*9*	*0*		*1*	*0*	*0*	*0*	*0*
C.12 – Manufacture of tobacco products	*0*	*0*		*0*	*0*	*0*	*0*	*0*
C.13 – Manufacture of textiles	*13*	*0*		*1*	*0*	*0*	*0*	*0*
C.14 – Manufacture of wearing apparel	*5*	*0*		*0*	*0*	*0*	*0*	*0*
C.15 – Manufacture of leather and related products	*3*	*0*		*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	*16*	*0*		*1*	*0*	*0*	*0*	*0*
C.17 – Manufacture of pulp, paper and paperboard	*3*	*0*		*0*	*0*	*0*	*0*	*0*
C.18 – Printing and service activities related to printing	*12*	*0*		*1*	*0*	*0*	*0*	*0*
C.19 – Manufacture of coke oven products	*1*	*1*		*0*	*1*	*0*	*0*	*0*
C.20 – Production of chemicals	*12*	*0*		*2*	*1*	*0*	*0*	*0*
C.21 – Manufacture of pharmaceutical preparations	*3*	*0*		*0*	*0*	*0*	*0*	*0*
C.22 – Manufacture of rubber products	*15*	*0*		*1*	*0*	*0*	*0*	*0*
C.23 – Manufacture of other non-metallic mineral products	*14*	*0*		*1*	*0*	*0*	*0*	*0*
C.24 – Manufacture of basic metals	*4*	*0*		*0*	*0*	*0*	*0*	*0*
C.25 – Manufacture of fabricated metal products, except machinery and equipment	*63*	*0*		*3*	*1*	*(1)*	*0*	*(1)*
C.26 – Manufacture of computer, electronic and optical products	*17*	*0*		*1*	*0*	*0*	*0*	*0*
C.27 – Manufacture of electrical equipment	*11*	*0*		*1*	*0*	*0*	*0*	*0*
C.28 – Manufacture of machinery and equipment n.e.c.	*34*	*0*		*2*	*1*	*0*	*0*	*0*
C.29 – Manufacture of motor vehicles, trailers and semi-trailers	*59*	*0*		*40*	*1*	*(1)*	*0*	*0*
C.30 – Manufacture of other transport equipment	*5*	*0*		*0*	*0*	*0*	*0*	*0*
C.31 – Manufacture of furniture	*13*	*0*		*1*	*0*	*0*	*0*	*0*

#1 #2 #3 #4 #5

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**
1,432,061	**1,432,061**	**0%**	**12,868**	**18**	**0**	**0**	***47.3***
12,877	12,877	0%	51	0	0	0	30.4
1,282	1,282	0%	6	0	0	0	25.4
10	*10*	*0%*	*0*	*0*	*0*	*0*	*23.1*
192	*192*	*0%*	*1*	*0*	*0*	*0*	*28.3*
15	*15*	*0%*	*0*	*0*	*0*	*0*	*31.9*
934	*934*	*0%*	*4*	*0*	*0*	*0*	*24.4*
131	*131*	*0%*	*1*	*0*	*0*	*0*	*27.6*
107,932	107,932	0%	515	3	0	0	24.3
21,689	*21,689*	*0%*	*96*	*1*	*0*	*0*	*23.9*
1,783	*1,783*	*0%*	*9*	*0*	*0*	*0*	*22.5*
29	*29*	*0%*	*0*	*0*	*0*	*0*	*35.5*
2,905	*2,905*	*0%*	*13*	*0*	*0*	*0*	*25.6*
1,129	*1,129*	*0%*	*5*	*0*	*0*	*0*	*29.0*
767	*767*	*0%*	*3*	*0*	*0*	*0*	*28.1*
3,680	*3,680*	*0%*	*16*	*0*	*0*	*0*	*29.5*
621	*621*	*0%*	*3*	*0*	*0*	*0*	*26.9*
2,564	*2,564*	*0%*	*12*	*0*	*0*	*0*	*26.9*
279	*279*	*0%*	*1*	*0*	*0*	*0*	*19.0*
2,571	*2,571*	*0%*	*12*	*0*	*0*	*0*	*24.3*
350	*350*	*0%*	*3*	*0*	*0*	*0*	*22.8*
3,024	*3,024*	*0%*	*15*	*0*	*0*	*0*	*27.8*
3,203	*3,203*	*0%*	*14*	*0*	*0*	*0*	*27.8*
937	*937*	*0%*	*4*	*0*	*0*	*0*	*26.6*
14,324	*14,324*	*0%*	*63*	*1*	*0*	*0*	*28.9*
3,275	*3,275*	*0%*	*17*	*0*	*0*	*0*	*25.0*
2,156	*2,156*	*0%*	*11*	*0*	*0*	*0*	*25.5*
7,413	*7,413*	*0%*	*34*	*0*	*0*	*0*	*26.9*
7,160	*7,160*	*0%*	*59*	*0*	*0*	*0*	*9.3*
1,237	*1,237*	*0%*	*5*	*0*	*0*	*0*	*21.6*
3,165	*3,165*	*0%*	*13*	*0*	*0*	*0*	*28.1*

	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**	**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**
C.32 – Other manufacturing	*17*	*0*		*1*	*0*	*0*	*0*	*0*
C.33 – Repair and installation of machinery and equipment	*91*	*0*		*9*	*1*	*(1)*	*0*	*(1)*
D – Electricity, gas, steam and air conditioning supply	149	9		19	1	(1)	0	(1)
D35.1 – Electric power generation, transmission and distribution	*72*	*8*		*19*	*1*	*(1)*	*0*	*(1)*
D35.11 – Production of electricity								
D35.2 – Manufacture of gas; distribution of gaseous fuels through mains	*2*	*1*		*0*	*0*	*0*	*0*	*0*
D35.3 – Steam and air conditioning supply	*75*	*0*		*0*	*0*	*0*	*0*	*0*
E – Water supply; sewerage, waste management and remediation activities	32	0		2	1	(1)	0	(1)
F – Construction	1,021	0		101	29	(19)	(2)	(14)
F.41 – Construction of buildings	*138*	*0*		*13*	*7*	*(5)*	*0*	*(4)*
F.42 – Civil engineering	*121*	*0*		*14*	*4*	*(1)*	*0*	*(1)*
F.43 – Specialised construction activities	*762*	*0*		*74*	*18*	*(13)*	*(2)*	*(9)*
G – Wholesale and retail trade; repair of motor vehicles and motorcycles	10,545	0		281	59	(50)	(7)	(24)
H – Transportation and storage	363	0		127	18	(12)	(3)	(9)
H.49 – Land transport and transport via pipelines	*216*	*0*		*59*	*15*	*(9)*	*(2)*	*(7)*
H.50 – Water transport	*2*	*0*		*0*	*0*	*0*	*0*	*0*
H.51 – Air transport	*1*	*0*		*0*	*0*	*0*	*0*	*0*
H.52 – Warehousing and support activities for transportation	*130*	*0*		*67*	*2*	*(2)*	*(1)*	*(1)*
H.53 – Postal and courier activities	*14*	*0*		*1*	*1*	*0*	*0*	*0*
I – Accommodation and food service activities	107	0		10	5	(3)	0	(3)
L – Real estate activities	92	0		9	4	(1)	0	(1)
Exposures towards sectors other than those that highly contribute to climate change(*)	**2,785**	**0**		**451**	**59**	**(55)**	**(14)**	**(35)**
K – Financial and insurance activities	198	0		14	2	(2)	0	(1)
Exposures to other sectors (NACE codes J, M – U)	2,587	0		438	57	(53)	(13)	(33)
TOTAL	**15,672**	**11**		**1,076**	**190**	**(152)**	**(28)**	**(93)**

(*) In accordance with the Commission delegated regulation 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
2,911	2,911	0%	17	0	0	0	28.3
20,761	20,761	0%	90	0	0	0	26.3
21,656	21,656	0%	149	0	0	0	20.7
5,740	5,740	0%	72	0	0	0	18.0
270	270	0%	2	0	0	0	24.9
15,646	15,646	0%	75	0	0	0	23.2
7,137	7,137	0%	32	0	0	0	27.8
253,442	253,442	0%	1,015	7	0	0	28.3
33,039	33,039	0%	137	2	0	0	28.2
30,022	30,022	0%	121	0	0	0	23.1
190,380	190,380	0%	757	5	0	0	29.1
903,965	903,965	0%	10,540	5	0	0	6.7
88,301	88,301	0%	362	1	0	0	22.7
54,901	54,901	0%	215	1	0	0	22.8
322	322	0%	2	0	0	0	27.5
302	302	0%	1	0	0	0	24.2
29,259	29,259	0%	130	0	0	0	21.7
3,517	3,517	0%	14	0	0	0	29.0
19,711	19,711	0%	106	1	0	0	29.5
15,757	15,757	0%	92	1	0	0	25.1
494,202	**494,202**	**0%**	**2,765**	**20**	**0**	**0**	**18.8**
33,041	33,041	0%	198	0	0	0	15.0
461,161	461,161	0%	2,567	20	0	0	19.1
1,926,263	**1,926,263**	**0%**	**15,633**	**39**	**0**	**0**	**11.8**

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.

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.

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 related to the production and transport of fuels were considered according to an average level added to the "tailpipe" emissions, a level also aligned with the assumptions of the Renault Group.

Emission data have been completed for approximately 90% of active contracts in the portfolio at the end of December 2022. The remaining 10% could not be identified in the absence of technical data related to the vehicles financed (brands and models in particular).

In 70% of the cases, the tailpipe data of gCO_2/km were obtained from the databases provided by the Renault Group. In 20% 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 classification in scope 1, 2 or 3 will be reviewed during 2023. The next Pillar 3 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:

- using more detailed assumptions of emissions related to the production and transport of fuels (by country and by engine);
- 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 3 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 6 months.

#1 #2 #3 #4 #5

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 100k€ were assessed. Then exposures greater than 50k€ 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

Sector	NACE Sectors (a minima)	Portfolio gross carrying amount (in millions of euros)	Alignment metric	Year of reference	Distance to IEA NZE2050 in %(***)	Target (year of reference + 3 years)
Automotive	Automotive	15,672	gCO_2/km	2022 – 160.05	-51.0%	2025 trajectory under construction
			Share of PHEV BEV and FCEV	2022 – 7.7%	-87.9%	

(***) 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 2022 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 3 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.

/ TEMPLATE 4: BANKING BOOK – CLIMATE CHANGE TRANSITION RISK: EXPOSURES TO TOP 20 CARBON-INTENSIVE FIRMS

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
15,671.6	0.004%		18.05	1

(*) For counterparties among the top 20 carbon emitting companies in the world.

Only one counterparty has been identified in the TOP 20 of carbon intensive firms (reference TopTwenty Rank 1965-2017 Climate Accountability Institute and CDP – Carbon-Majors-Report-2017). Total exposure to this counterparty is limited.

/ TEMPLATE 5: BANKING BOOK – CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

Gross carrying amount (in millions of euros)		**Breakdown by maturity bucket**				
Variable: Geographical area subject to climate change physical risk – acute and chronic events		**<= 5 years**	**> 5 year <= 10 years**	**> 10 year <= 20 years**	**> 20 years**	**Average weighted maturity**
A – Agriculture, forestry and fishing	52	47	0	0	0	23.5
B – Mining and quarrying	6	6	0	0	0	18.8
C – Manufacturing	518	463	3	0	0	19.7
D – Electricity, gas, steam and air conditioning supply	149	144	0	0	0	20.3
E – Water supply; sewerage, waste management and remediation activities	32	29	0	0	0	20.6
F – Construction	1,021	915	6	0	0	21.9
G – Wholesale and retail trade; repair of motor vehicles and motorcycles	10,545	9,103	5	0	0	6.2
H – Transportation and storage	363	343	1	0	0	17.3
L – Real estate activities	92	81	1	0	0	23.9
Loans collateralised by residential immovable property						
Loans collateralised by commercial immovable property						
Repossessed collaterals						
Other relevant sectors (breakdown below where relevant)						

of which exposures sensitive to impact from climate change physical events					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
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 non-performing exposures	Of which non performing exposures		of which Stage 2 exposures	Of which non-performing exposures
40	33	26	2	1	(1)	0	(1)
5	5	4	0	0	0	0	0
397	348	280	60	7	(7)	(1)	(5)
136	136	129	19	1	(1)	0	(1)
24	18	13	1	1	(1)	0	0
740	669	489	69	17	(18)	(2)	(13)
8867	8564	8272	221	42	(48)	(7)	(24)
311	220	187	61	10	(12)	(3)	(8)
57	65	40	6	3	(3)	0	(2)

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 postcodes for non-financial corporate customers cannot be linked to a ThinkHazard region, the country average is applied. For many Renault and Nissan car dealerships (present in the G sector) for whom Mobilize FS finances short-term inventory the average per country has been applied since the information on the sites' postal codes could not be used in the context of Pillar 3 ESG,. For all the countries in the scope except the UK, the national average leads to a "highly exposed" classification by default. This explains the high proportion of exposures sensitive to acute and chronic climate events in sector G out of total exposures in this sector.

XII. Other risks

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 the Mobilize FS group, there several kinds of risk bearer:

- the Mobilize FS 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 2 cases, the risk is called indirect residual value risk.

In 2022 Mobilize Lease&Co (MLC), direct subsidiary of Mobilize FS group, has been launched. MLC will be fully dedicated to Operative Leasing and will be the risk bearer on RV, when necessary for business development. This decision is stemming from the fact that Operative Leasing is regularly increasing its penetrations in the corporate financing business and as well in the Private/retail financing. Moreover, Operative Leasing enables to develop the concept of various life cycles of the assets in the Groupe Mobilize FS Ecosystem. Remaining the owner of the asset allows a Leasing company to rent more easily the vehicle a second and a third time, keeping a large range of services.

As announced last year, the risk exposure is going to increase in parallel with the development of the Operative Leasing on new vehicle but also on used cars and of course faster in countries where Groupe Mobilize FS is already a well-established company.

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 in order 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, the Mobilize FS 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

	Residual Value exposure					Residual Value Provision				
In millions of euros	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
Corporate segment:	**476**	**330**	**227**	**208**	**216**	**11**	**6**	**9**	**19**	**17**
France	0	0	0	0	0	0	0	0	0	0
European Union (excluding France)	91	63	46	205	211	8	4	3	19	17
Europe excluding European Union	385	267	179	-	-	4	3	6	-	-
Retail segment:	**2,030**	**1,780**	**1,583**	**1,727**	**1,728**	**45**	**41**	**36**	**40**	**44**
France	1	2	-	-	-	0	0	0	-	-
European Union (excluding France)	11	0	-	1,681	1,679	0	-	-	36	40
Europe excluding European Union	2,006	1,765	1,558	-	-	43	39	35	-	-
TOTAL	**2,506**	**2,110**	**1,810**	**1,935**	**1,944**	**56**	**47**	**45**	**59**	**61**

#1
#2
#3
#4
#5

/ VOLUNTARY TERMINATION RISK

In the UK and in Ireland, based on a specific regulation allowing the customer to stop his financing under certain conditions, Groupe Mobilize FS 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.

In millions of euros

Total net book value					Voluntary termination provision				
2022	**2021**	**2020**	**2019**	**2018**	**2022**	**2021**	**2020**	**2019**	**2018**
10	4	4	4	4	67	63	53	40	33

/ RESIDUAL VALUES RISK NOT CARRIED BY THE MOBILIZE F.S. GROUP

	Residual Value Exposure				
In millions of euros	**2022**	**2021**	**2020**	**2019**	**2018**
Corporate and Retail segments:					
Commitments received from the Renault Groupe	5,155	5,025	4,827	4,678	3,998
Commitments Received from others (Dealers and Customers)	6,400	5,812	5,303	4,666	3,732
TOTAL	**11,555**	**10,837**	**10,130**	**9,344**	**7,730**

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 RCI 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. 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.

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	124	311

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 II-1
1b		Part II-2
1c		Part II-1+3
1d		Part IV-2+7 + V + X-4
1e		Part II-1
1f		Part II-3
2a-d		Part II-1+2
2e		Part II-1+2+3
Article 436	Disclosure of the scope of application	Part III-1+3
Article 437	Disclosure of own funds	Part III-3
Article 437a	Disclosure of own funds and eligible liabilities	Part III-2
Article 438	Disclosure of own funds requirements and risk-weighted exposure amounts	
a		Part III-5
b		Part I-1
c		Part III-5
d		Part III-5
e		NA
f-g		Part XI-5
h		Part IV-5-g
Article 439	Disclosure of exposures to counterparty credit risk	Part IV-8
Article 440	Disclosure of countercyclical capital buffers	Part III-2
Article 441	Disclosure of indicators of global systemic importance	Part III-2
Article 442	Disclosure of exposures to credit risk and dilution risk	Part IV-1
Article 443	Disclosure of encumbered and unencumbered assets	Part IX
Article 444	Disclosure of the use of the Standardised Approach	Part IV-6
Article 445	Disclosure of exposure to market risk	Part VII
Article 446	Disclosure of operational risk management	Part X-1+2+3
Article 447	Disclosure of key metrics	Part I-1
Article 448	Disclosure of exposures to interest rate risk on positions not held in the trading book	Part VIII
Article 449	Exposure to securitization positions	Part VI
Article 449a	Disclosure of environmental, social and governance risks (ESG risks)	Part II-3 Part XI

CRD IV	Purpose	Consistency
Article 450	Disclosure of remuneration policy	Part II-5
Article 451	Disclosure of the leverage ratio	
1a-c		Part III-6
1d-e		Part III-7
Article 451a	Disclosure of liquidity requirements	Part IX
Article 452	Disclosure of the use of the IRB Approach to credit risk	
a		Part IV-5
b.		Part IV-5g
c		Part IV-5 (a+g+h)
d-f		Part IV-5 (a+c+d+e+f)
g-h		Part IV-5 (d)
Article 453	Disclosure of the use of credit risk mitigation techniques	Part IV-1+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 III-3

Tables

PART	REF	Title
I-1	EU KM1	Key metrics template
II-1	EU OVA	Institution risk management approach
II-1	EU OVB	Disclosure on governance arrangements
II-2		Positions held by the members of the Board of Directors
II-5	EU REMA	Remuneration policy
II-5	EU REM1	Remuneration awarded for the financial year
II-5	EU REM2	Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)
II-5	EU REM3	Deferred remuneration
II-5	EU REM4	Remuneration of 1 million EUR or more per year
II-5	EU REM5	Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)
III-1	EU LI1	Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories
III-1	EU LI2	Main sources of differences between regulatory exposure amounts and carrying values in financial statements
III-1	EU LI3	Outline of the differences in the scopes of consolidation (entity by entity)
III-1	EU LIA	Explanations of differences between accounting and regulatory exposure amounts
III-1	EU LIB	Other qualitative information on the scope of application
III-2	EU CCYB1	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer
III-2	EU CCYB2	Amount of institution-specific countercyclical capital buffer
III-3	EU CCA	Main features of regulatory own funds instruments and eligible liabilities instruments
III-3	EU CC1	Composition of regulatory own funds
III-3	EU CC2	Reconciliation of regulatory own funds to balance sheet in the audited financial statements
III-3	EU PV1	Prudent valuation adjustments (PVA)
III-4	EU OV1	Overview of total risk exposure amount
III-5	EU OVC	ICAAP information
III-6	EU LR1-LRSum	Summary reconciliation of accounting assets and leverage ratio exposures
III-6	EU LR2- LRCom	Leverage ratio common disclosure
III-6	EU LR3-LRSpl	Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)
III-6	EU LRA	Disclosure of LR qualitative information
IV	EU CRA	General qualitative information about credit risk
IV	EU CRB	Additional disclosure related to the credit quality of assets
IV-1	EU CR1	Performing and non-performing exposures and related provisions
IV-1	EU CR1-A	Maturity of exposures
IV-1	EU CR2	Changes in the stock of non-performing loans and advances
IV-1	EU CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries
IV-1	EU CQ1	Credit quality of forborne exposures
IV-1	EU CQ2	Quality of forbearance
IV-1	EU CQ3	Credit quality of performing and non-performing exposures by past due days
IV-1	EU CQ4	Quality of non-performing exposures by geography
IV-1	EU CQ5	Credit quality of loans and advances to non-financial corporations by industry

PART	REF	Title
IV-1	EU CQ6	Collateral valuation – loans and advances
IV-1	EU CQ7	Collateral obtained by taking possession and execution processes
IV-1	EU CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown
IV-I		Information on loans and advances subject to legislative and non-legislative moratoria
IV-I		Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria
IV-I		Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis
IV-5	EU CRE	Qualitative disclosure requirements related to IRB approach
IV-5-c	EU CR6	IRB approach – Credit risk exposures by exposure class and PD range
IV-5-c	EU CR6-A	Scope of the use of IRB and SA approaches
IV-5-d		Segmentation of exposures by the advanced method and average PD by country
IV-5-d		History of default rates per class
IV-5-d		The Consumer PD model for Germany end December 2017
IV-5-d	EU CR9	IRB approach – Back-testing of PD per exposure class (fixed PD scale)
IV-5-d	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)
IV-5-e		Segmentation of exposures by the advanced method and average LGD by country
IV-5-g	EU CR8	RWEA flow statements of credit risk exposures under the IRB approach
IV-6	EU CRD	Qualitative disclosure requirements related to standardised model
IV-6	EU CR4	Standardised approach – Credit risk exposure and CRM effects
IV-6	EU CR5	Standardised approach
IV-7	EU CRC	Qualitative disclosure requirements related to CRM techniques
IV-7	EU CR3	CRM techniques overview: Disclosure of the use of credit risk mitigation techniques
IV-7	EU CR7	IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques
IV-7	EU CR7-A	IRB approach – Disclosure of the extent of the use of CRM techniques
IV-8	EU CCRA	Qualitative disclosure related to CCR
IV-8	EU CCR1	Analysis of counterparty credit risk (CCR) exposure by approach
IV-8	EU CCR3	Standardised approach – CCR exposures by regulatory exposure class and risk weights
IV-8	EU CCR4	IRB approach – CCR exposures by exposure class and PD scale
IV-8	EU CCR5	Composition of collateral for CCR exposures
IV-8	EU CCR6	Credit derivatives exposures
IV-8	EU CCR7	RWEA flow statements of CCR exposures under the IMM
IV-8	EU CCR8	IRB approach – CCR exposures by exposure class and PD scale
V	EU CCR2	Transactions subject to own funds requirements for CVA risk
VI	EU SECA	Qualitative disclosure requirements related to securitisation exposures
VI	EU SEC1	Securitisation exposures in the non-trading book
VI	EU SEC5	Exposures securitised by the institution – Exposures in default and specific credit risk adjustments
VII	EU MRA	Qualitative disclosure requirements related to market risk
VII	EU MR1	Market risk under the standardised approach
VIII	EU IRRBBA	Qualitative information on interest rate risks of non-trading book activities
VIII-4	EU IRRBB1	Interest rate risks of non-trading book activities

PART	REF	Title
IX-1	EU LIQA	Liquidity risk management
IX-1	EU LIQB	Qualitative information on LCR, which complements template EU LIQ1
IX-4	EU LIQ1	Liquidity Coverage Ratio (LCR)
IX-4	EU LIQ2	Net Stable Funding Ratio
IX-4	EU AE4	Accompanying narrative information
IX-4	EU AE1	Encumbered and unencumbered assets
IX-4	EU AE2	Collateral received and own debt securities issued
IX-4	EU AE3	Sources of encumbrance
X-3	EU ORA	Qualitative information on operational risk
X-3	EU OR1	Operational risk own funds requirements and risk-weighted exposure amounts
XI	Table 1	Qualitative information on Environmental risk in accordance with 449a CRR
XI	Table 2	Qualitative information on Social risk in accordance with Article 449a CRR
XI	Table 3	Qualitative information on Governance risk in accordance with Article 449a CRR
XI	Template 1	Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity
XI	Template 3	Banking book – Climate change transition risk: Alignment metrics
XI	Template 4	Banking book – Climate change transition risk: Exposures to top 20 carbon-intensive firms
XI	Template 5	Banking book – Climate change physical risk: Exposures subject to physical risk
XII-1		Breakdown of residual values risk carried by the Mobilize F.S. group
XII-I		Voluntary termination risk
XII-1		Residual values risk not carried by the RCI Banque group
XII-4	EU INS1	Insurance participations

#3

REPORT ON CORPORATE GOVERNANCE

At 31 December 2022

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 10 February 2023.

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.

3.1 Shareholders

3.1.1 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%.

3.1.2 Shareholders

At 31 December 2022, all shares were held by Renault s.a.s. (excluding one share granted to the Chairman of the Board of Directors).

3.1.3 Changes in share capital ownership over the past three years

No change in share capital ownership has occurred over the past three years.

3.2 Organization of Groupe RCI Banque

The aim of the organization implemented by RCI Banque group is to boost its business action in both 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:

3.2.1 Supervision

As a reminder, the Company's strategy is decided by the Board of Directors, on the proposal of Senior Management. For the performance of its duties for the financial year ended 31 December 2022, the Board of Directors, a supervisory body, relies on the work of four specialized committees: a Risk Management Committee, a Financial Statements and Audit Committee, a Compensation Committee and an Appointments Committee. The missions of these committees are detailed below.

3.2.2 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.

3.2.3 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.

3.3 Governance bodies and players

3.3.1 The Board of Directors

3.3.1.1 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.

3.3.1.2 Composition of the Board of Directors and its specialized committees

3.3.1.2.1 Board of Directors

At 31 December 2022, 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.

Clotilde DELBOS

Date of birth: 30/09/1967

Nationality: French

Date first appointed: 11 November 2014

Number of shares held: 1

CHAIRMAN OF THE BOARD OF DIRECTORS

Start of term: 29 April 2020

Term ends: 31 December 2022

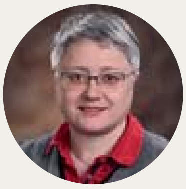
Committees

- Appointments
- Compensation

OTHER OFFICES

- Spain: Renault España S.A. – *Director*
- France: Renault MAI s.a.s.- *Chairman*
- France: Mobilize Ventures SAS - *Chairman*
- France: Alstom – *Director*
- France: Axa - *Director*
- The Netherlands: RN BV – *Director*

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

Comittees

- Financial Statements and Audit
- Risks

OTHER OFFICES

- China: Renault Brilliance Jinbei Automative Co, Ltd - *Director*
- China: JMEV - *Director*
- France: Renault MAI - *Chief Executive Officer*
- France: Renault Energy Services - *Chief Executive Officer*
- 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 first appointed: 10 July 2019

Number of shares held: 0

DIRECTOR

Start of term: 10 July 2019

Term ends: May 2025

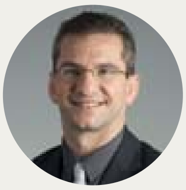
Comittees

- Appointments
- Compensation

OTHER OFFICES

- Germany: Renault Deutschland AG – *Member of the Supervisory Board*
- France: Renault Retail Group - *Chairman and CEO*
- France: Sogedir – *Chairperson*
- 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*

Laurent DAVID



Date of birth: 23/09/1971

Nationality: French

Date of first appointment: 10 July 2019

Number of shares held: 0

DIRECTOR

Start of term: 10 July 2019

Term ends: May 2025

Comittees

- Financial Statements and Audit

OTHER OFFICES

Isabelle MAURY

Date of birth: 27/04/1968

Nationality: French

Date of first appointment: 5 December 2019

Number of shares held: 0

DIRECTOR - CHAIRMAN OF THE RISK MANAGEMENT COMMITTEE

Start of term: 5 December 2019

Term ends: May 2024

Comittees

- Financial Statements and Audit
- Risks

OTHER OFFICES

- France: ABC Arbitrage - *Director*
- France: H2O AM Europe - *Director*
- Monaco: H2O Monaco SAM - *Director*

Nathalie RIEZ-THIOLLET

Date of birth: 26/06/1966

Nationality: French

Date of first appointment:

20 June 2020

Number of shares held: 0

DIRECTOR

Start of term: 26 June 2020

Term ends: May 2023

Comittees

- Financial Statements and Audit
- Risks

OTHER OFFICES

Patrick CLAUDE

Date of birth: 11/11/1962

Nationality: French

Date of first appointment: 1 September 2021

Number of shares held: 0

DIRECTOR

Début de mandat : 1er septembre 2021

Échéance : Mai 2024

Comittees

- Risks

OTHER OFFICES

- France: RDIC - *Chairman*
- Malta: 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: 1 January 2022

Number of shares held: 0

DIRECTOR - CHAIRMAN OF THE FINANCIAL STATEMENTS AND AUDIT COMMITTEE

Start of term: 1 January 2022

Term ends: 31 December 2024

Comittees

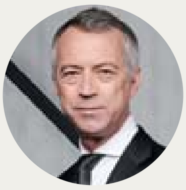
- Financial Statements and Audit
- Risks

OTHER OFFICES

- Ireland: Barclays Europe - *Director*
- Netherlands: Stahl Parent BV - *Director*

Thierry PIETON

Comittees



Date of birth: 05/03/1970

Nationality: French

Date of first appointment: 11 March 2022

Number of shares held: 0

DIRECTOR

Start of term: 11 March 2022

Term ends: May 2023

OTHER OFFICES

Laurent POIRON

Comittees

- Appointments
- Compensation

Date of birth: 25/09/1966

Nationality: French

Date of first appointment: 1 September 2022

Number of shares held: 0

DIRECTOR - CHAIRMAN OF THE APPOINTMENTS COMMITTEE AND THE COMPENSATION COMMITTEE

Start of term: 1 September 2022

Term ends: 31 August 2025

OTHER OFFICES

- Germany: Fidor Bank AG - *Chief Executive Officer*
- France: LP Ventures 66 - *Chairman*
- France: Alpes Premium - *Chairman*
- France: Ô Terres d'Exception - *Chairman*

The appointment of Patrick Claude as interim Chairman by the Board of Directors on 7 December 2022, following the resignation of Clothilde Delbos with effect from 31 December 2022, should be noted.

On 26 January 2023, the Board of Directors co-opted Gianluca de Ficchy as Director, replacing Laurent David, who resigned.

At the same Board of Directors meeting Gianluca de Ficchy was appointed as Chairman of the Board of Directors with effect from 1 February 2023, replacing Patrick Claude, who resigned from his position as interim Chairman of the Board of Directors.

Lastly, at the same Board of Directors meeting of 26 January 2023 the appointment of Fedra Ribeiro as director was proposed, replacing Clothilde Delbos, who resigned. This proposal was approved by the General Meeting of 9 February 2023.

#1 #2 #3 #4 #5

3.3.1.2.2 Specialized committees

Financial Statements and Audit Committee at 31 December 2022

	Position in the company	Position within the Committee
Etienne Boris	Director	Chairperson
Isabelle Landrot	Director	Member
Laurent David	Director	Member
Isabelle Maury	Director	Member
Nathalie Riez-Thiollet	Director	Member

Appointments Committee at 31 December 2022

	Position in the company	Position within the Committee
Laurent Poiron	Director	Chairperson
Clotilde Delbos	Chairman of the Board of Directors	Member
Philippe Buros	Director	Member

Compensation Committee at 31 December 2022

	Position in the company	Position within the Committee
Laurent Poiron	Director	Chairperson
Clotilde Delbos	Chairman of the Board of Directors	Member
Philippe Buros	Director	Member

Risk Management Committee at 31 December 2022

	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

3.3.1.2.3 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 20 May 2022 approved the fee schedule for directors' compensation(*) for the 2022 financial year as follows:

	Annual fixed portion prorate temporis	Annual variable portion Depending on the participation rate	Additional amount for the Chairman
Board of Directors	€10,000	€10,000	€0
Financial statements and Audit Committee	€3,000	€5,000	€10,000
Risk Management Committee	€3,000	€5,000	€10,000
Appointments Committee	€1,500	€2,500	€5,000
Compensation Committee	€1,500	€1,500	€5,000

(*) It being understood that the directors appointed by the shareholder, Renault s.a.s., undertake to waive their compensation in respect of their office.

In addition to the remuneration as described above, no other compensation is provided to the directors.

3.3.1.2.4 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.

3.3.1.2.5 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.

3.3.1.2.6 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.

3.3.1.2.7 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 the Groupe Renault, which could compromise the exercise of his/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 three directors as independent as recommended by the Appointments Committee dated 1 June 2022. At the end of the 2022 financial year, a fourth independent director was appointed by the Board of Directors, Laurent Poiron.

3.3.1.2.8 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 Committee of nominations 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.

3.3.1.3 Functioning and work of the Board of Directors

3.3.1.3.1 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.

3.3.1.3.2 Work of the Board of Directors

The Board of Directors met seventeen times during the 2022 financial year:

- On 6 January 2022, the Board of Directors adopted a purpose. This purpose is not included in the Company's Articles of Association.
- On 11 February 2022, on the recommendation of the Financial Statements and Audit Committee, the Board reviewed the activity report, approved the separate and consolidated financial statements as of 31 December 2021, and approved the 2022 budget. On the recommendation of the Financial Statements and Audit Committee, it approved the 2022 audit plan and the renewal of Mazars' term of office as Statutory Auditor. On the recommendation of the Compensation Committee, the Board approved the RCI Group variable compensation system for the 2022 financial year. On the recommendation of the Risk Management Committee, it approved the report on compliance with alert thresholds and limits associated with the level of risk appetite, and the "Risk Appetite Statement", it reviewed the limit and delegation of interest rate risk, and reviewed the delegation of transactional foreign exchange risk. It approved the creation of the Mobilize Pay subsidiary. It discussed the Ukraine crisis and the impacts on the company's activities in Russia. It decided on the terms and conditions for the payment of directors' compensation for 2021, as authorized by the General Meeting. Finally, the European Central Bank intervened during the meeting to present the results of the SREP 2021;
- On 4 March 2022, the Board of Directors met to examine the consequences of the Russian-Ukrainian war and the resulting sanctions taken by the international community on the company and its activities. In this respect, it approved an update of the ICAAP and the ILAAP and the inclusion of an additional ICAAP stress scenario.

- On 11 March 2022, the Board appointed Thierry Piéton, by co-option, as a director of the Company to replace Alain Ballu. It approved a 2022 profit-sharing supplement and the corporate social responsibility (CSR) manifesto. It issued a favorable opinion on the proposed change of the commercial name from "RCI Bank and Services" to "Mobilize Financial Services". Finally, it was presented with a follow-up on the situation in Russia.
- On 25 March 2022, the Board met to review the situation in Russia, and mandated the Chief Executive Officer to study the option of the run-off of the Russian entity RN Bank to protect the company, and took note of an adjustment to the value of the Company's assets in Russia.
- On 5 April 2022, the Board of Directors approved the change of the Company's commercial name to "Mobilize Financial Services".
- On 28 April 2022, the Board reviewed the quarterly activity report. On the recommendation of the Risk Management Committee, it took note of the assumptions and the ICAAP and ILAAP results, and approved the "Capital Adequacy Statement" and the "Liquidity Adequacy Statement". It also approved the AML/TF report related to the fight against anti-money laundering and terrorism financing. It approved the company's CSR strategy and the creation of the subsidiary Mobilize Insurance.
- On 24 June 2022, the Board approved the proposed appointment of Laurent Poiron as director and convened a General Meeting. As a result, it changed the composition of the Appointments and Compensation Committees, notably by appointing Laurent Poiron as Chairman of these committees.
- On 11 July 2022, the Board of Directors validated in principle a sale of the shares held by RCI Banque in BARN (holding company of RN Bank) or in RN Bank directly, and gave a mandate to RCI Banque's Senior Management. to continue negotiations for the sale.
- On 28 July 2022, the Board reviewed the activity report and approved the consolidated half-year financial statements at 30 June 2022. It approved the creation of a subsidiary as part of the LeaseCo project. On the recommendation of the Risk Management Committee, it approved the renewal of the IRRBB management framework and the operation by delegation for its supervision and control, the overall IRRBB strategy as well as the key principles of the IRRBB procedures, the allocation of a group IRRBB risk limit of €16 million, and the increase of the group FX limit from €35 million to €55 million. On the recommendation of the Appointments Committee, it approved the report on the assessment of the Company's executives, the definition of an independent director, and identified the independent directors. On the recommendation of the Compensation Committee, the Board approved the addition to the 2022 Group Variable Policy and the 2022 risk-takers' compensation policy. It approved the decision to sell the shares held by RCI Banque in RNL Leasing in Russia. Lastly, as authorized by the General Meeting, it approved the compensation of directors for the first half of 2022.
- On 1 September 2022, the Board approved the sale of the subsidiary RNL Leasing in Russia.
- On 23 September 2022, the Board approved the creation of a German subsidiary of BIPI Mobility, acquired by the company in 2021. It took note of a professional whistleblowing in Colombia.
- On 28 October 2022, the Board approved the sale of BARN BV and approved additional delegations of powers to the Chief Executive Officer.
- On 18 November 2022, the Board of Directors approved the proposal not to consider operating margin, revenue and operating margin as a percentage of revenue as Alternative Business Performance Indicators as defined by ESMA.
- On 29 November 2022, the Board of Directors held a Strategic Day at the Renault plant in Flins, and held a meeting during which it was presented with various projects: OEM outlook, review of competitors, strategic projects for 2023, BIPI one year later and the HR strategy.
- On 7 December 2022, the Board of Directors received the resignation of Clotilde Delbos as director and Chairman of the Board of Directors of the Company on 31 December 2022. It appointed Patrick Claude as Chairman of the Board of Directors to replace Clotilde Delbos with effect from 1 January 2023 and decided on the new composition of the Appointments Committee and the Compensation Committee.
- On 9 December 2022, the Board reviewed the new organization of the Mobilize Financial Services Group effective as from December 2022, and the progress made on the 2023 budget. It authorized the 2023/2024 bond issues and securitization transactions and renewed the delegations of powers for their implementation. It approved the ILAAP governance update. On the recommendation of the Appointments Committee, the Board appointed Frédéric Schneider as Deputy Chief Executive Officer of the company. On the recommendation of the Risk Management Committee, the Board approved the changes made to the "Risk Appetite Framework". On the recommendation of the Financial Statements and Audit Committee, the Board mandated the Chief Executive Officer to complete the negotiations necessary to sell the company's stake in Alios Finance, and validated the internal audit plan.

3.3.1.3.3 Specialized committees

The Board of Directors relies in particular on the work of the different Committees to help it fulfill its duties.

The Financial Statements and Audit Committee met five times in 2022. 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 2022. 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 Appointments Committee met three times in 2022. 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 six times in 2022. 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.

#1 #2 #3 #4 #5

3.3.2 Senior management

3.3.2.1 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.

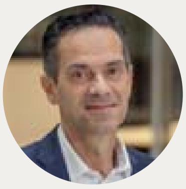
The Chief Executive Officer holds the broadest powers to act under any circumstances on the company's behalf, within the limits of the corporate purpose and conditional on those powers that the law expressly attributes to shareholders' meetings and the Board of Directors. The Chief Executive Officer 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.

At 31 December 2022, the Senior Management was as follows:

JOÃO MIGUEL LEANDRO



Date of birth: 04/02/1972
Nationality: Portuguese
Date of first appointment: 23/07/2019
Number of shares held: 0

Chief Executive Officer (CEO)
Date of appointment: 23 July 2019

Other offices

- Brazil: Banco RCI Brasil – *Director*
- Spain: BIPI Mobility SL - *Chairman of the Board of Directors*
- France: Diac – *Chairman of the Board of Directors*
- France: Kadensis - *Director*
- France: Mobilize Lease & Co - *Chairman of the Board of Directors*
- France: Mobilize Pay - *Director*
- The Netherlands: RN SF – *Director*
- United Kingdom: Fixter - *Director*

JEAN-MARC SAUGIER

Date of birth: 10/12/1962
Nationality: French
Date of first appointment: 08/02/2019
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*

FRÉDÉRIC SCHNEIDER

Date of birth: 06/08/1976
Nationality: French
Date of first appointment: 09/12/2022
Number of shares held: 0

Deputy Chief Executive Officer and Director of Sales and Strategy
Date of appointment: 9 December 2022

Other offices
- Spain: Overlease - *Director*
- France: DIAC SA - *Director*
- France: Diac Location – *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*

3.3.2.1.1 Executive Committee

RCI Banque's Executive Committee contributes to forming RCI Banque's policy and strategy.

At 31 December 2022, the Executive Committee was composed as follows:

João Miguel LEANDRO	Chief Executive Officer (CEO)
Jean-Marc SAUGIER	Deputy Chief Executive Officer and VP Finance and Treasury
Frédéric SCHNEIDER	Deputy Chief Executive Officer and Director of Sales and Strategy
Pierre-Yves BEAUFILS	Group Chief Compliance Officer
Sandrine BLEC-RECOQUILLAY	Director of Human Resources and Communications
Philippe DURAND	Credit Director
Stéphane JOHAN	Accounting and Performance Control Division
Marc LAGRENE	Chief Risk Officer
Umberto MARINI	Chief Information Officer
Mallika MATHUR-LHERITIER	Transformation and CSR Director
Thibault PALAND	Chief Executive Officer (France)
Enrico ROSSINI	Chief Executive Officer Mobilize Lease & Co

3.3.2.1.2 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.

3.4 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.

3.5 Regulated agreements

No agreements resulting in the special application of Article L.225-38 of the French Commercial Code occurred during the 2022 financial year.

3.6 Summary table of current delegations within the meaning of Article L.225-37-4 3 of the French Commercial Code

Corporate body	Transaction concerned	Maximum amount	Term of the delegation	Implementation of the delegation
General meeting of 20 May 2022	Capital increase in cash	€400 million	18 months	None

#4

CONSOLIDATED FINANCIAL STATEMENTS

4.1 Statutory auditors' report on the consolidated financial statements

For the year ended 31 December 2022

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 31st December 2022.

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 2022 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 Consolidated 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 2022 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.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 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. RCI Banque S.A. applies the accounting principles of IFRS 9 "Financial Instruments" which defines a provisioning model for expected losses based on three stages of risk: on healthy outstandings (bucket 1), outstandings with a significant increase in risk since initial recognition (bucket 2) and outstandings delinquent/defaulted (bucket 3) as described in the Note 3. E) of the consolidated financial statements. We consider the credit loss provisioning on retail customers and car dealers is a key audit matter, due to the significant amount in the assets of the group's 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. The methods used to estimate credit loss provisionning take into account the uncertain macro-economic context driven among other effects by the rise of inflation and of rates as described in the Note 2 "Faits Marquants" of the consolidated financial statements. The expected credit losses impairments set in accordance with IFRS 9 are presented in the Note 7 to the consolidated financial statements and amount to M€1,141 with a gross amount of receivables of M€51,155.
Our audit response	Our procedures, performed with our specialists, mainly consisted in: • Evaluating the methodologies applied to determine the parameters used in the depreciation model and their correct operational insertion in the information systems; • Evaluating the key controls in place to validate changes in parameters and key assumptions that support the calculation of expected credit loss impairments; • Evaluating the expert impairment adjustments calculated at the local and group level and reviewing the documentation supporting the additional impairments; • Assessing the assumptions used in the determination of the Forward-Looking models, including the weighting of the different scenarios used, and the governance underlying the choice of weightings; • Reviewing the process in place to ensure the completeness and quality of the data used to determine impairments; • Testing the quality of the application program interfaces that support the calculation and accounting of the expected credit losses impairments; • Assessing the process for classifying assets by category; • Carrying out analytical procedures on the evolution of retail customer and car dealer loans oustandings and credit risk impairments; • Assessing the compliance of the information presented in the Notes to the consolidated financial statements with the applicable accounting rules.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the group's information given in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated 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 N° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated 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 technical limits related to the macro-tagging of the consolidated financial statements prepared according to the European single electronic format, some tagging of the notes to the consolidated financial statements might not reflect exactly the consolidated financial statements 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 2022, KPMG S.A. and Mazars were respectively in the 9th year and 3rd year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union 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 consolidated 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 audit 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.822-10 to L.822-14 of the French Commercial Code (Code de Commerce) and in the French code of ethics 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.

Paris La Défense, 3rd March 2023,

The statutory auditors

KPMG S.A.	**MAZARS**
Ulrich Sarfati	Anne Veaute
Partner	Partner

4.2 Consolidated financial statements

The group decided to change its brand name to "Mobilize Financial Services."

4.2.1 Consolidated balance sheet

ASSETS

In millions of euros	Notes	12/2022	12/2021
Cash and balances at central banks	2	5,874	6,745
Derivatives	3	434	147
Financial assets at fair value through other comprehensive income	4	521	837
Financial assets at fair value through profit or loss	4	119	137
Amounts receivable at amortised cost from credit institutions	5	1,690	1,294
Loans and advances at amortised cost to customers	6 and 7	48,631	44,074
Current tax assets	8	41	21
Deferred tax assets	8	220	179
Tax receivables other than on current income tax	8	125	112
Adjustment accounts & miscellaneous assets	8	1,041	957
Non-current assets held for sale		19	
Investments in associates and joint ventures	9	66	146
Operating lease transactions	6 and 7	1,383	1,344
Tangible and intangible non-current assets	10	123	94
Goodwill	11	137	149
TOTAL ASSETS		**60,424**	**56,236**

LIABILITIES AND EQUITY

In millions of euros	Notes	12/2022	12/2021
Central Banks	12.1	3,715	3,738
Derivatives	3	351	44
Amounts payable to credit institutions	12.2	2,012	1,997
Amounts payable to customers	12.3	25,473	22,030
Debt securities	12.4	18,108	17,971
Current tax liabilities	14	108	136
Deferred tax liabilities	14	818	670
Taxes payable other than on current income tax	14	25	21
Adjustment accounts & miscellaneous liabilities	14	2,004	1,916
Non-current liabilities held for sale		1	
Provisions	15	188	162
Insurance technical provisions	15	425	436
Subordinated debt – Liabilities	17	886	893
Equity		6,310	6,222
• *Of which equity – owners of the parent*		*6,309*	*6,208*
Share capital and attributable reserves		*814*	*814*
Consolidated reserves and other		*4,993*	*4,950*
Unrealised or deferred gains and losses		*(198)*	*(402)*
Net income for the year		*700*	*846*
• *Of which equity – non-controlling interests*		*1*	*14*
TOTAL LIABILITIES & EQUITY		**60,424**	**56,236**

4.2.2 Consolidated income statement

In millions of euros	Notes	12/2022	12/2021
Interest and similar income	25	2,152	1,766
Interest expenses and similar charges	26	(883)	(599)
Fees and commission income	27	679	639
Fees and commission expenses	27	(311)	(282)
Net gains (losses) on financial instruments at fair value through profit or loss	28	69	8
Income of other activities	29	1,023	1,091
Expense of other activities	29	(684)	(795)
NET BANKING INCOME		**2,045**	**1,828**
General operating expenses	30	(622)	(556)
Depreciation and impairment losses on tangible and intangible assets		(20)	(20)
GROSS OPERATING INCOME		**1,403**	**1,252**
Cost of risk	31	(195)	(62)
OPERATING INCOME		**1,208**	**1,190**
Share in net income (loss) of associates and joint ventures[1]	9	(127)	19
Gains less losses on non-current assets			
Impact of Profit & Loss for Subisidiaries in Hyperinflation Context[2]		(31)	(14)
Goodwill impairment			(1)
PRE-TAX INCOME[3]		**1,050**	**1,194**
Income tax	32	(330)	(328)
NET INCOME		**720**	**866**
Of which, non-controlling interests		20	20
Of which owners of the parent		700	846
Number of shares		1,000,000	1,000,000
Net Income per share[4] in euros		**700.12**	**846.42**
Diluted earnings per share in euros		**700.12**	**846.42**

(1) RN Bank's equity-method value was fully impaired at 31 December 2022, due to the uncertainties regarding the recoverability of this asset, representing a negative impact on the equity-method entities' net income of €119 million for the period. Also included is the impact of Turkish hyperinflation for an amount -€6 million.

(2) Hyperinflation Argentina.

(3) Within the impact of discontinued operations for – €1 million.

(4) Net income – Owners of the parent compared to the number of shares.

4.2.3 Consolidated statement of comprehensive

In millions of euros	12/2022	12/2021
NET INCOME	**720**	**866**
Actuarial differences on post-employment benefits	11	8
TOTAL OF ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	**11**	**8**
Unrealised P&L on cash flow hedge instruments	199	47
Unrealised P&L on financial assets	(8)	(3)
Exchange differences	(1)	53
Other unrealised or deferred P&L		(0)
Total of items that will be reclassified subsequently to profit or loss	*190*	*97*
Other comprehensive income	201	105
TOTAL COMPREHENSIVE INCOME	**921**	**971**
Of which Comprehensive income attributable to non-controlling interests	17	27
Of which Comprehensive income attributable to owners of the parent	904	944

4.2.4 Consolidated statement of changes in equity

In millions of euros	Share capital(1)	Attribut. reserves(2)	Consolid. reserves	Trans-lation adjust.(3)	Un-realized or deferred P&L(4)	Net income (Share-holders of the parent company)	Equity (Share-holders of the parent company)	Equity (Non-control-ling interests)	Total Consoli-dated equity
Equity at 31 December 2020	**100**	**714**	**5,159**	**(454)**	**(46)**	**787**	**6,260**	**13**	**6,273**
Appropriation of net income of previous year			787			(787)			
Equity at 1 January 2021	**100**	**714**	**5,946**	**(454)**	**(46)**		**6,260**	**13**	**6,273**
Change in value of financial instruments recognized in equity					35		35	9	44
Actuarial differences on defined-benefit pension plans					8		8		8
Exchange differences				55			55	(2)	53
Net income for the year (before appropriation)						846	846	20	866
Total comprehensive income for the period				55	43	846	944	27	971
Effect of acquisitions, disposals and others			1				1		1
Dividend for the year			(1,000)				(1,000)	(20)	(1,020)
Repurchase commitment of non-controlling interests			3				3	(6)	(3)
Equity at 31 December 2021	**100**	**714**	**4,950**	**(399)**	**(3)**	**846**	**6,208**	**14**	**6,222**
Appropriation of net income of previous year			846			(846)			
Equity at 1 January 2022	**100**	**714**	**5,796**	**(399)**	**(3)**		**6,208**	**14**	**6,222**
Change in value of financial instruments recognized in equity					194		194	(3)	191
Actuarial differences on post-employment benefits					11		11		11
Exchange differences				(1)			(1)		(1)
Net income for the year (before appropriation)						700	700	20	720
Total comprehensive income for the period				(1)	205	700	904	17	921
Effect of acquisitions, disposals and other			(11)				(11)		(11)
Dividend for the year(5)			(800)				(800)	(12)	(812)
Repurchase commitment of non-controlling interests			8				8	(18)	(10)
EQUITY AT 31 DECEMBER 2022	**100**	**714**	**4,993**	**(400)**	**202**	**700**	**6,309**	**1**	**6,310**

(1) The share capital of RCI Banque S.A. (€100 million) consists of 1,000,000 fully paid up ordinary shares with par value of 100 euros each, of which 999,999 ordinary shares are owned by Renault s.a.s.

(2) Attributable reserves include the share premium account of the parent company.

(3) The change in translation adjustments at 31 December 2022 relates primarily to Argentina, Brazil, Colombia, India, Morocco, Poland, the United Kingdom, Switzerland and Turkey. At 31 December 2021, it related primarily to Argentina, Brazil, Colombia, South Korea, India, Morocco, Turkey, the United Kingdom, Switzerland and Czech Republic.

(4) Includes changes in the fair value of derivatives used as cash flow hedges and fair value on debt instruments for €209 million and IAS 19 actuarial gains and losses for -€7 million at end-December 2022.

(5) Distribution to the shareholder Renault of a dividend on the 2021 result for €800 million.

4.2.5 Consolidated cash flow statement

In millions of euros	12/2022	12/2021
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY	**700**	**846**
Depreciation and amortization of tangible and intangible non-current assets	19	19
Net allowance for impairment and provisions	112	(89)
Share in net (income) loss of associates and joint ventures	127	(19)
Deferred tax (income)/expense	42	62
Net loss/gain from investing activities	(11)	5
Net income attributable to non-controlling interests	20	20
Other (gains/losses on derivatives at fair value through profit and loss)	(80)	13
CASH FLOW	**929**	**857**
Other movements (accrued receivables and payables)	172	(222)
TOTAL NON-MONETARY ITEMS INCLUDED IN NET INCOME AND OTHER ADJUSTMENTS	**402**	**(212)**
Cash flows on transactions with credit institutions	107	1,289
• Inflows/outflows in amounts receivable from credit institutions	5	165
• Inflows/outflows in amounts payable to credit institutions	102	1,124
Cash flows on transactions with customers	(1,258)	2,774
• Inflows/outflows in amounts receivable from customers	(4,953)	2,525
• Inflows/outflows in amounts payable to customers	3,695	249
Cash flows on other transactions affecting financial assets and liabilities	557	(3,998)
• Inflows/outflows related to AFS securities and similar	285	(71)
• Inflows/outflows related to debt securities	397	(3,914)
• Inflows/outflows related to collections	(125)	(13)
Cash flows on other transactions affecting non-financial assets and liabilities	11	(57)
NET CHANGE IN ASSETS AND LIABILITIES RESULTING FROM OPERATING ACTIVITIES	**(583)**	**8**
NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**519**	**642**
Flows related to financial assets and investments	(15)	(101)
Flows related to tangible and intangible non-current assets	(53)	(15)
NET CASH FROM/(USED BY) INVESTING ACTIVITIES (B)	**(68)**	**(116)**
Net cash from/(to) shareholders	(819)	(1,020)
• Dividends paid	(812)	(1,020)
• Inflows/outflows related to non-controlling interests	(7)	
NET CASH FROM/(USED BY) FINANCING ACTIVITIES (C)	**(819)**	**(1,020)**
EFFECT OF CHANGES IN EXCHANGE RATES AND SCOPE OF CONSOLIDATION ON CASH AND EQUIVALENTS (D)	**(46)**	**88**
CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(414)**	**(406)**
Cash and cash equivalents at beginning of year:	7,705	8,111
• Cash and balances at central banks	6,729	7,289
• Balances in sight accounts at credit institutions	976	822
Cash and cash equivalents at end of year:	7,291	7,705
• Cash and balances at central banks	5,836	6,729
• Credit balances in sight accounts with credit institutions	1,638	1,236
• Debit balances in sight accounts with credit institutions	(183)	(260)
CHANGE IN NET CASH[(1)(2)]	**(414)**	**(406)**

(1) The rules for determining treasury and treasury equivalent cash flows are presented in §. 3.S.
(2) Variation generated by the discontinued operations is deemed insignificant.

4.3 Notes to the consolidated financial statements

RCI Banque S.A., the group's parent company, is a limited company (Société Anonyme under French law) with a Board of Directors and a fully paid up share capital of €100,000,000. It is subject to all legislation and regulations applicable to credit institutions and is listed on the Paris Register of Trade and Companies under number 306,523,358.

RCI Banque S.A.'s registered office is located at 15, rue d'Uzès 75002 Paris, France.

RCI Banque S.A.'s main business is to provide financing for the Alliance 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.

4.3.1 Approval of financial statements – Distributions

The consolidated financial statements of the Mobilize Financial Services group at 31 December 2022, were approved by the Board of Directors' meeting on 10 February 2023, and will be put before the annual general meeting of 19 May 2023, for approval.

The Mobilize Financial Services group's consolidated financial statements for the year 2021 were established by the Board of Directors on 11 February 2022 and approved at the mixed general meeting on 20 May 2022. It was decided to pay shareholders a dividend of €800 million on the 2021 result.

The consolidated financial statements are expressed in millions of euros unless otherwise indicated.

4.3.2 Key highlights

"Mobilize Financial Services" trade name change

In order to reinforce its ties to Mobilize, Renault Group's mobility branch, and to benefit from a strong brand everywhere in the world, the group decided to change the name of its trademark "RCI Bank and Services." As a result, the name was changed to "Mobilize Financial Services".

This change did not impact the company's name at all, which remains RCI Banque S.A.

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 during 2022. 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.

The Mobilize Financial Services group has investments in both Russia and Ukraine.

The Mobilize Financial Services group complies strictly with the regulations in force and has diligently implemented the necessary measures to comply with international sanctions.

Given the way the bank operates in these two countries, the statement of financial position exposure to Russia and Ukraine is limited.

In Ukraine

RCI Banque S.A. owns 100% of a non-consolidated subsidiary. The group does not have any loan exposures to this company.

RCI Banque S.A.'s net investment is limited to the share of this subsidiary's capital (€0.3 million) that was fully provisioned during the year of 2022.

In Russia

The main exposure to Russia comes from the investment in RN Bank, a self-financed entity in which the group holds a 30% economic interest through the holding RN SF B.V which is consolidated using the equity method. Pending the disposal of our stake and due to the uncertainties regarding the recoverability of this asset, its holdings in RN Bank were subject to a provision for their full value at 31 December 2022. The negative impact in 2022 amounted to €119 million on net income. The change in the ruble exchange rate resulted in a foreign exchange reserve of -€16 million at the end of December in this currency.

The group also owns 100% of RNL Leasing, a leasing company fully consolidated. RNL leasing's contribution to the group's equity was not significant (€0.6 million) and the shareholder loans of 1.5 billion rubles (equivalent to €19 million) were eliminated as part of the treatment of intragroup transactions. The 11 October 2022, a contract about sale of RNL Leasing was signed (waiting for the authorization of authorities Russia). As a consequence, the assets and liabilities of RNL Leasing were reclassified as "non-current assets/liabilities held for sale" in accordance with IFRS 5. The non-current assets held for sale amount to €22 million at end of 2022 with an impairment of €3 million was recognized represent the difference between the sale price and the outstanding hold. The closing conversion rate KRUB used at end of 2022 is 76.85 and the average conversion rate (income statement) used is 72.17.

The Mobilize Financial Services group has taken steps to withdraw from its investments in Russia.

#1 #2 #3 #4 #5

New issues of securitization funds

In the securitization market, the group invested around €700 million in May backed by car loans granted by its French subsidiary DIAC (of which €650 million in senior notes and around €50 million in subordinated notes).

In addition, group Mobilize Financial Services put in place its first Spanish securitization, issuing €1.1 billion of senior notes fully retained by the group. This new program strengthens the group's liquidity reserve by diversifying and increasing ECB-eligible assets.

Scope entry

In 2022, two new entities of the Bipi Group (Bipi Mobility Netherlands B.V. and Bipi Mobility UK Limited) were fully consolidated.

The attendance of CEO Mobilize Financial Services in executive board of Mobility Trader Holding Gmbh involve the group has a significant influence. Mobility Trader Holding Gmbh which hold 4.97% by the group is accounted under the equity method.

According to the article CRR 19, the entity need to be consolidated if the total balance sheet and off-balance-sheet exceeded €10 million. As a consequence, four entities (RCI Finance SK S.r.O; RCI Lizing d.o.o.; RCI Usluge d.o.o.; RCI Insurance Service Korea Co. Ltd), previously non-consolidated, were fully consolidated retroactively from 1 January 2022.

Covid-19 health crisis:

The "Covid-19" moratoria have been applied within the framework of the EBA definitions and according to the situation in each country. Given that they were not renewed in 2021, the Mobilize Financial Services group no longer has any outstandings subject to active moratoria at the end of December 2022.

Note: The Mobilize Financial Services group is not involved in the granting of government-guaranteed loans (PGE).

Cost of risk

IFRS 9 introduces the notion of "forward looking" into the credit risk-related expected loss (ECL) calculation. Through this notion, new requirements in terms of monitoring and measuring credit risk are introduced with the use of forward-looking data, in particular macroeconomic data. The principles for calculating provisions for credit risk are described in Section 4.3.3.5.

The cost of customer risk at the end of December 2022 amounted to €195 million (0.44% of average performing assets) with €210 million for retail (0.55% of average performing assets) and a release of €21 million for dealer network (-0.35% of average performing assets).

Compared with the year of 2021 (cost of risk €62 million, 0.14% APA), the cost of risk at the end of December 2022 increased (cost of risk) by €130 million. This change is mainly due to:

- an increase, over the year of 2022, in impairment allowances for customer receivables (Note 7) of €116 million compared to a decrease of €4 million over the year of 2021. This difference is mainly due to:
  - the change in coverage rates on impaired receivables: in December 2022, the overall coverage rate for customer receivables was 2.7% up 0.2 point over 2021,
  - the change in customer outstandings increased by €996 million over the year of 2022. In 2021, it decrease €84 million;
- the increase in the overall coverage rate is mainly due to the update of the IFRS 9 calculation parameters, in particular the Loss Given Default for France and Brazil in the first half of 2022, which had been frozen since October 2021, the impact of the update of the forward-looking provisions, and the implementation of an inflation risk adjustment on Retail portfolios and an adjustment for vulnerable customers.

For the dealer network, the cost of risk consists of a reversal of provisions for impairment of €21 million compared to December 2021.

The forward-looking adjustment included in these figures has a macroeconomic component and a collective component.

An allowance of €37 million was made as a customer forward-looking adjustment:

- €37 million increase from the update of the macroeconomic component, for which internal stress models of PD and LGD parameters were used (especially France, Germany and Italy);
- A decrease of €0.1 million for the collective provision for economic players in sectors most affected by the Covid-19 crisis.

For the dealer network, the forward-looking adjustment was a reversal of €24 million.

The proportion of customer receivables in default was slightly down to 2.4% decrease 0.1 point over 2021.

The breakdown of customer loans and provisions associated with each IFRS 9 category is detailed in Notes 7.

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 comprises a statistical provision and a sectoral expertise provision.

Changes in the statistical forward-looking calculation parameters in 2022

Mobilize Financial Services (MFS) did not have internal models in the past to perform projections of credit risk parameters such as PD (Probability of Default) and LGD (Loss Given Default) required to calculate IFRS 9 forward-looking provisions. Instead, benchmarks provided by the EBA (European Banking Authority) were used as part of the banking stress tests conducted every two years under the supervision of the ECB (European Central Bank). The benchmarks used were from the last stress-testing exercise (1st quarter 2021).

However, as part of the SREP (Supervisory review and evaluation process), the ECB asked MFS to use internal models. MFS has therefore developed internal models (for portfolios where this was possible, i.e. with sufficient volume and data quality) and used these models to calculate the statistical forward-looking provisions in 2022. Proxies have been set up for portfolios without internal models (Example of proxies used: Average of the results of portfolios with internal models for portfolios without internal models)

The statistical provision is based on three scenarios:

- "Stability": which provides for 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 developed in 2022. Projections are based on macroeconomic data used for the institution's Internal Capital Adequacy Assessment Process (ICAAP) dating from 09/2022 (except for Brazil where the macroeconomic data used is from 02/2022). This enables the PD and LGD, and therefore the ECL (Expected Credit Losses), to be stressed on portfolios with models;
- "Adverse": Similar approach to the "Baseline" scenario but with the use of deteriorated macroeconomic data leading to higher ECLs.

The various scenarios are then weighted to take into account the latest OECD macroeconomic projections (GDP, unemployment rate and inflation) and thus calculate a statistical forward-looking provision (amount of the provision obtained by comparison with the IFRS 9 accounting provisions of the stability scenario).

Between December 2021 and December 2022, the OECD macroeconomic scenarios used for the weightings changed negatively due to the changing economic environment:

- the OECD has revised downwards the GDP forecasts for 2022 and 2023 for the majority of countries. For 2022, the forecasts were lowered by -1.6 points for France, -2.3 points for Germany, -0.9 point for Spain and Italy and -0.3 point for the United Kingdom. Conversely, in Brazil, the forecast improved by 1.3 points. In 2023, the deterioration in GDP forecasts was the most marked in the following countries: -1.5 points in France, around -2.5 points in Germany, Spain, Italy and the United Kingdom and -0.9 point in Brazil;
- unemployment forecasts for 2022 and 2023 are slightly favorable in most countries. Stable in France, the United Kingdom, Germany and Italy, with a variation between -0.7 and +0.4 between 2022 and 2023. The OECD forecasts an improvement in Spain of 1.3 points in 2022 and -0.7 in 2023. In Brazil, the OECD forecasts a decrease of more than 3 points over the two years;
- with regard to inflation, the majority of countries experienced very high inflation in 2022 (above 8 points except France at 5.9%). In 2023, the OECD inflation forecast for all countries is between 4.8% (Spain) and 8.8% (Brazil).

Since the Covid-19 crisis, the forward-looking statistic includes a sectoral provision and is therefore composed of a statistical + sectoral provision. The calculation is made after restating the statistical provision for sectoral provisions in order to avoid double provisioning of outstandings.

Forward-looking – Sector approach

The sector-based forward-looking provision includes individuals working for an employer in high-risk sectors.

In the same way as of 31 December 2021, the estimate of the forward-looking provision has been completed for the Retail and Corporate customer segments deemed to be more specifically impacted by the crisis. In the absence of any actual late payments, the segments concerned were retained in their original bucket.

For Retail exposures, customers in France and the United Kingdom in risky business sectors were adjusted, bringing the coverage rate to that of Stage 2 for each sector considered. This adjustment covers €869 million in outstandings.

As for Corporate exposures to customers operating in business sectors particularly impacted by the crisis, but for which an individual analysis was not possible, the adjustment made raised the provisioning rate to the rate observed for outstandings in the same segments recognized in bucket 2. The Corporate outstandings concerned amount to €1,046 million.

Since end of 2020, additional hedging was assigned to the main business sectors affected by the Covid-19 crisis (hotels, catering, passenger transport, etc.) by applying the hedging ratio for B2 outstandings to B1 exposures. They were occasionally supplemented by a small number of sectors specific to certain countries. This adjustment represented €46.9 million at the end of December 2022, compared with €47 million at the end of 2021.

Forward-looking – Statistical approach

Due to the use of internal models in the statistical forward-looking calculation, the Baseline scenario has become the scenario with macroeconomic data projections most in line with those of the OECD (dating from November 2022).

Given the high volatility observed in recent years (Covid in 2019, lockdowns, war in Ukraine, semiconductor crisis) and the macroeconomic changes seen in 2022 (acceleration of inflation), the probability of occurrence of the "Stability" scenario was considered to be relatively low. It therefore remains a potential scenario but the weight of this scenario has been reduced compared to previous years in order to obtain better representation of the "Baseline" scenario given its alignment with the OECD projections of November 2022.

Thus, compared to the weightings of 31 December 2021, the Mobilize Financial Services Group has decided, in the majority of countries, to reduce the weight of the Stability scenario and increase the weight of the "Baseline" scenario.

Retail	FL Scenario Poids – December 2021			FL Scenario Poids – December 2022			2022 vs 2021		
	Stability	Baseline	Adverse	Stability	Baseline	Adverse	Stability	Baseline	Adverse
France	0.75	0.05	0.20	0.10	0.65	0.25	(0.65)	0.60	0.05
Germany	0.75	0.10	0.15	0.10	0.60	0.30	(0.65)	0.50	0.15
Italy	0.70	0.05	0.25	0.10	0.65	0.25	(0.60)	0.60	0.00
UK	0.70	0.05	0.25	0.10	0.65	0.25	(0.60)	0.60	0.00
Brazil	0.50	0.10	0.40	0.55	0.10	0.35	0.05	0.00	(0.05)
Spain	0.70	0.05	0.25	0.10	0.65	0.25	(0.60)	0.60	0.00
Korea	0.65	0.20	0.15	0.10	0.65	0.25	(0.55)	0.45	0.10
Hors G7 (ECLAT)	0.75	0.05	0.20	0.10	0.65	0.25	(0.65)	0.60	0.05

- Customer financing activity: the "Stability" scenarios for all countries excluding Brazil have been reduced to 10% in order to take into account the use of internal models and a baseline scenario more in line with the latest economic data. For Brazil, the weighting has been maintained at 55% as in the previous year in order to take into account the volatility of the country's macroeconomic data in recent years (instability not captured by the baseline scenario).

  The "Baseline" scenarios, which are the most in line with the OECD's macroeconomic forecasts, were weighted at 65%, with the only exceptions being Germany and Brazil.

  Germany with a "Baseline" scenario weighted at 60% in order to take into account a gap between GDP growth forecasts in this scenario and the decline forecast by the OECD.

  The German macro-economic picture shows a higher GDP and lower inflation than the recent OECD scenario, the risk is a bit higher and we propose a higher weighting of the unfavorable scenario at 30%. Brazil, as seen above, where the "baseline" scenario has been weighted at 10% due to the economic uncertainty seen. We note very high volatility in the GDP and the unemployment rate in recent years in Brazil. The policy of the new government formed in 01/2023 also brings additional uncertainty to the results of the economic policy and the potential reaction of the financial markets.

  The Adverse scenarios have been weighted at 25% (excluding Germany at 30% and Brazil at 35%).
- Dealer network financing activity: The weighting of each scenario has been aligned with the weightings for the customer financing activity, with the exception of Brazil, where the "Baseline" has been weighted at 10% and the "Adverse" at 40% in line with the previous update from June 2022.

Retail	FL Scenario Poids – December 2021			FL Scenario Poids – December 2022			2022 vs 2021		
	Stability	Baseline	Adverse	Stability	Baseline	Adverse	Stability	Baseline	Adverse
France	0.65	0.05	0.30	0.10	0.65	0.25	(0.55)	0.60	(0.05)
Germany	0.70	0.05	0.25	0.10	0.60	0.30	(0.60)	0.55	0.05
Italy	0.55	0.05	0.40	0.10	0.65	0.25	(0.45)	0.60	(0.15)
UK	0.65	0.05	0.30	0.10	0.65	0.25	(0.55)	0.60	(0.05)
Brazil	0.50	0.05	0.45	0.55	0.05	0.40	0.05	0.00	(0.05)
Spain	0.55	0.05	0.40	0.10	0.65	0.25	(0.45)	0.60	(0.15)
Korea							0.00	0.00	0.00
Hors G7 (ECLAT)	0.65	0.05	0.30	0.10	0.65	0.25	(0.55)	0.60	(0.05)

Following these changes in weightings, the statistical forward-looking provision is €101.2 million, compared with €87.6 million in December 2021.

Forward-looking statistical sensitivity versus December 2021:

The application of a weighting of 100% to the stability scenario would be equivalent to calculating the ECL without applying stress and would lead to a reduction in the statistical impairment of €87.6 million.

The application of a weighting of 100% to the baseline scenario would lead to a reduction of €45.7 million in the statistical impairment.

The application of a weighting of 100% to the adverse scenario would lead to an increase of €172.2 million in the statistical impairment.

The statistical and sectoral provision stood at €147.9 million compared to €134.8 million in December 2021.

	Customer			Dealer financing			Total
In millions of euros	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	12/2022
France	28.8	16.8	1.2	1.0	0.0	0.0	47.9
Brazil	1.2	1.7	2.3	0.1	0.0		5.4
Italy	7.7	9.1	0.8	(0.0)	(0.0)	0.1	17.7
Spain	10.9	6.4	1.6			0.1	18.9
Morocco	6.0	2.0	0.6	0.0	(0.0)	0.0	8.7
United Kingdom	9.5	2.7	0.3				12.5
Germany	7.3	6.2	0.9			0.0	14.4
Colombia	1.9	4.1	0.4			0.0	6.5
Portugal	1.8	0.8	0.0	0.0	(0.0)	0.0	2.7
Austria	3.0	0.6	0.0	0.0			3.6
Poland	2.2	1.2	0.2	0.0	(0.0)	0.0	3.6
Czech Rep	0.7	0.1	0.0	0.0			0.8
Other	2.0	2.9	0.4	0.1	(0.0)		5.4
TOTAL	**83.1**	**54.6**	**8.8**	**1.2**	**0.0**	**0.2**	**147.9**

	Customer			Dealer financing			Total
In millions of euros	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	12/2021
France	27.3	5.8	5.6	9.5	0.4	0.0	48.6
Brazil	3.6	6.0	2.2	1.3	0.2		13.3
Italy	5.8	2.5	2.0	2.0	0.4	0.4	13.0
Spain	4.3	2.9	2.1	2.7	0.8	0.1	12.9
Morocco	5.8	1.3	1.4	1.1	0.3	0.1	9.9
United Kingdom	4.9	1.7	0.7	0.4	0.0		7.7
Germany	3.2	2.1	0.8	1.0	0.1	0.0	7.2
Colombia	3.1	0.8	0.7	0.1	0.1	0.0	4.7
Portugal	3.2	0.2	0.1	1.0	0.0	0.0	4.5
Austria	2.2	0.3	0.1	0.4	0.0		3.0
Poland	1.5	0.3	0.3	0.6		0.1	2.8
Czech Rep	0.9	0.0	0.0	0.1	0.0	0.0	1.1
Other	1.9	1.5	0.5	1.7	0.5	0.0	6.1
TOTAL	**67.5**	**25.5**	**16.5**	**21.9**	**2.8**	**0.7**	**134.8**

Provisions for appraisals (additional non-model adjustments)

An expert adjustment of the provisions may be made locally if necessary. The expert can adjust the allocation of an exposure in buckets 1 and 2 and the calculated ECL if he/she has additional information. These adjustments must be justified and are classified into six categories: Moratoria/Vulnerable customers, Inflation, Rentacar/Short-Term Renting, Individual, Risk Parameters, Others.

Vulnerable customers

The specific credit risk on customers who benefited from deferrals or maturity extensions during the Covid-19 crisis is now assessed as low or zero, as all customers have resumed their loan repayments for more than one year. However, in Italy, where a significant proportion of the portfolio was able to benefit from payment moratoria, an appraisal was kept on the basis of a counterparty quality screening by a credit bureau.

The inventory from this appraisal represented a provision of €5.3 million at the end of December 2022, compared with €31.9 million at the end of 2021 for all the countries concerned.

The system for vulnerable customers has been extended and strengthened in 2022 to enable early detection of Retail customers likely to be in difficulty, using decision trees or scores specific to each country. Bucket 1 customers who were assigned a medium or high severity grade were then covered at the bucket 2 rate.

The inventory from this appraisal complementary represented a provision of €17.4 million at the end of December 2022 compared to €9.1 million at the end of 2021 (only for Spain in 2021).

Inflation

For Retail portfolios, an adjustment related to the solvency deterioration of customers, whose cost of living is impacted by inflation, was made across the Board at the end of 2022. It consists of estimating what proportion of the bucket 1 portfolio would be likely to pass through bucket 2 by stressing the cost-of-living items, and covering its outstandings at the bucket 2 rate.

The inventory from this Inflation appraisal represented a provision of €42.7 million at the end of December 2022 compared to €3.9 million at the end of 2021 (only for the UK in 2021). In 2021, inflation appraisal of UK aimed to evaluate the impact of Brexit.

It was verified that this amount did not overlap with the forward-looking.

Rentacar/Short Term Renting

These are appraisals related to short-term leasing companies. This appraisal's inventory represented €3.7 million at the end of December 2022.

Individual

In the event of non-model adjustments following an individual review of corporate counterparties (excluding wholesale), the healthy exposure is downgraded to B2.

Forbearance should not lead to systematic downgrading from one bucket to another (and in particular from Bucket 1 to Bucket 2). Instead, counterparties should be analyzed (on an individual or collective basis) to differentiate those suffering real deterioration in their credit risk over the life of the assets from those only encountering "temporary liquidity problems".

These appraisals are applied during individual company reviews based on a minimum threshold of outstandings. They represented €20.5 million at the end of December 2022, a reversal of €11.2 million compared to the end of December 2021. This reversal was concentrated in France and reflects the improvement of the financial indicators of companies subject to individual review.

Risk Parameters

These appraisals are performed in order to cover biases or uncertainties regarding the risk parameters. They can also be applied to anticipate changes in parameters or model changes. They amounted to €17.3 million at the end of December 2022 compared to €32.4 million at the end of December 2021.

Others

This type of appraisal includes those that have not been classified in one of the other five categories. They totaled €3.5 million at the end of December 2022.

Application of the new definition of default

In 2021, the Mobilize Financial Services Group finalized its project to comply with the new definition of default for countries using the advanced method (France, Italy, Spain, Germany, the United Kingdom, and South Korea) and for countries using the standardized method (Brazil and non-G7 countries).

The provisioning parameters (probability of default, measurement of the loss incurred in the event of a counterparty default) are currently set according to the methods applicable to the new default (reconstruction of the calculation history, adapted "days past due" counter, etc.). The loss incurred in the event of counterparty default parameter has been updated on a monthly basis for all countries since June 2022.

4.3.3 Accounting rules and methods

In application of Regulation 1606/2002 adopted on 19 July 2002 by the European Parliament and European Council, groupe Mobilize Financial Services has prepared its consolidated financial statements for 2022 in accordance with the IFRS (International Financial Reporting Standards) guidelines published by the IASB (International Accounting Standards Board) at 31 December 2022 and as adopted in the European Union by the statement closing date.

4.3.3.1 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 2022.

New regulations that must be applied at 1 January 2022

Amendment IAS 16	Revenue generated before intended use
Amendment IFRS 3	Update of the reference to the conceptual framework
Amendment IAS 37	Costs to be taken into account when determining if the contract is onerous
Annual improvements (2018-2020 cycle)	Annual standards improvement process

The application of the other standards and amendments from January 1, 2022 has no significant effect on the group's financial statements.

New texts not applied in advance by the group

Amendment IAS 1	Information on material accounting policies	01/01/2023
Amendment IAS 8	Definition of accounting estimates	01/01/2023
IFRS 17 and amendments	Insurance policies	01/01/2023
Amendment IFRS 17	First-time adoption of IFRS 17 and IFRS 9 – Comparative information	01/01/2023
Amendment IAS 12	Deferred tax on assets and liabilities arising from the same transaction	01/01/2023

The Mobilize Financial Services group is currently analyzing the potential impacts but at this stage does not anticipate any significant impact on the consolidated financial statements arising from the application of amendments IAS 1, IAS 8 and IAS 12.

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 will be applicable for fiscal years starting on or after 1st January 2023.

IFRS 17 applies mainly in the Mobilize Financial Services Group to insurance policies issued and reinsurance agreements taken out by RCI Life and RCI Insurance. Policies will now be valued according to the general model (known as the "building blocks approach") comprising: (1) estimates of future cash flows discounted using the so-called "bottom-up" approach, which consists of determining the discount rates by adjusting a risk-free yield curve of liquid assets to take into account the differences in liquidity between the financial instruments whose rates were observed in the market and those of the insurance policies and weighted by the probability of occurrence, (2) an adjustment for the non-financial risk and (3) the margin on contractual services. The margin on contractual services will be recognized in the income statement according to the coverage units provided during the period. The Mobilize Financial Services Group will apply the simplified retrospective approach to address the impact of the transition on the financial statements as of 1 January 2023. The Mobilize Financial Services Group expects that its implementation will have a positive impact on equity of around €130 million as of 1 January 2022, the date of the transition. At this date, in accordance with IFRS 17, the amount of technical provisions net of reinsurance assets is estimated at €129 million and the inventory of margin on contractual services at €332 million across the Mobilize Financial Services Group. The calculation of the impact of the applying IFRS 17 on the 2022 income statement is being finalized.

Other standards and amendments not yet adopted by the European Union

Amendments IAS 1	Classification of liabilities as current or non-current liabilities.	01/01/2023
Amendments IFRS 16	Lease liabilities under sale-leaseback agreements	01/01/2024

The Mobilize Financial Services Group is currently analyzing the potential impacts but at this stage does not anticipate any significant impact on the consolidated financial statements arising from the application of these amendments.

Interpretation of the IFRS IC related to the recognition of "Targeted Long Term Refinancing Operations" (IFRS 9 and IAS 20)

The IFRS IC decision aiming to clarify the analysis and recognition of TLTRO III transactions was made final in March 2022. This decision applies to the TLTRO III drawdowns performed by the Sales Financing sector, to which the Mobilize Financial Services Group has chosen to apply IFRS 9. More details are provided regarding these transactions in Note 12.

Hyperinflation in Turkey

Turkey was identified on 16 March 2022 by the International Practices Task Force (IPTF) of the "Center for Audit Quality" as a country to be considered as being hyperinflationary for the preparation of the financial statements for the 2022 financial year.

ORFIN Finansman Anonim Sirketi, an entity accounted for using the equity method in the local functional currency, applied the restatement for hyperinflation at 31 December 2022. Its effect on the contribution to the Mobilize Financial Services Group's financial statements is deemed insignificant.

4.3.3.2 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 impairment allowances on them 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, along with the related expenses.

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 IFRS9.

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 group Mobilize Financial Services 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

Goodwill is measured at the acquisition date, as the excess 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 identifiable assets acquired and liabilities assumed.

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.

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 €186 million at 31 December 2022, compared with €168 million at 31 December 2021. 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.

Details of subsidiaries in which non-controlling interests are significant are detailed in Note B.

4.3.3.3 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.

4.3.3.4 Estimates and judgments

In preparing 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. 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.

A few changes were made to the judgments and assumptions used compared to December 2021, concerning:

- forward-looking for those internal models used for determining some calculate parameters;
- ECL Adjustment intended a complement of ECL by issuing a few calculate model in order to take into account the background of particularities link with the macroeconomies situation.

In addition to these points above, the main areas of judgment and estimation in the preparation of the consolidated financial statements remain the same.

4.3.3.5 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 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 effective interest rate.

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 Part F, 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 effective interest rate. 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 27).

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: deterioration such that the loss is proven (category of default).

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.

Identifying credit risk

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 (Wholesale 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 contracts (forborne) are also downgraded to Bucket 2.

For portfolios using the standard method (not rated), Bucket 1 is downgraded to Bucket 2 according to different decision trees between the Retail and Wholesale activities, taking into account, among other things, the presence of arrears and restructuring contracts (forborne).

The portfolios are divided into four segments on which behavioral scores are developed: Retail, Business Customers, Large Corporations (France only), Wholesale.

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) that 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;
- a 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, that includes 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 Network perimeter 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 – ELBE9 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 group Mobilize Financial Services method is based on a multi-scenario (3 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 during the Covid-19 crisis).

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:

Counting of late days

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

Judicial liquidation

Forfeiture of term

For the retail sector and the dealer sector, 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.

4.3.3.6 "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 Mobilize Financial Services group uses to classify leases as one or the other is still whether the risks and rewards incidental to ownership are transferred to another party. 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".

4.3.3.7 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, groupe Mobilize Financial Services 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. These are the only furniture contracts deemed material and at the end of December they represented:

Net right of use (see Note 10): €20.6 million

Lease debt (see Note 14): €20.6 million.

4.3.3.8 Transactions between the Mobilize Financial Services group and the Renault-Nissan Alliance

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-Nissan Alliance brands by offering financing and providing services as an integral part of the Alliance's sales development strategy.

The main indicators and cash flows between the two entities are as follows:

Sales support

At 31 December 2022, the Mobilize Financial Services group had provided €18,232 million in new financing (including cards) compared with €17,832 million at 31 December 2021.

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 Renault-Nissan Alliance distribution networks.

At 31 December 2022, dealer financing net of impairment allowances amounted to €10,429 million against €6,770 million at 31 December 2021.

At 31 December 2022, €489 million was finance directly granted to subsidiaries or branches of Renault Group against €505 million at 31 December 2021.

At 31 December 2022, the dealer network had received, as business introducers, remuneration of €764 million against €837 million at 31 December 2021.

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 2022, this contribution amounted to €357 million against €338 million at 31 December 2021.

4.3.3.9 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 pass the SPPI tests and in Mobilize Financial Services group it concerns:

- Debt instruments:

These securities are measured at fair value (including accrued interest) and changes in value (excluding accrued interest) are recognized directly in equity under a revaluation reserve. Depreciation on this type of share follows the models recommended by IFRS 9 according to the ECLs.

4.3.3.10 Tangible and intangible non-current assets (IAS16/IAS36)

Tangible non-current assets are carried and depreciated using the components 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.

4.3.3.11 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.

4.3.3.12 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.

4.3.3.13 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.

4.3.3.14 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.

4.3.3.15 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.

4.3.3.16 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.

4.3.3.17 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 Mobilize Financial Services 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

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 held for trading purposes and the item hedged is recognized at amortized cost in an amount equal to its last fair value measurement.

Cash flow hedge

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.

Trading transactions

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.

4.3.3.18 Operating segments (IFRS 8)

Segment reporting is presented in the annual financial statements in accordance with IFRS 8 "Operating Segments".

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, Nissan, Dacia, Samsung and Datsun 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. Adjustments have been made to the group's organization to make it consistent with these two types of customer, to strengthen its management and support role and to increase its integration with Renault and Nissan, especially with respect to sales and marketing aspects.

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 segment covers financing granted to the Renault-Nissan Alliance Dealer network. 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	Retail customers	Dealer network
Lending	√	√
Finance Lease	√	NA
Operating Lease	√	NA
Services	√	NA

4.3.3.19 Insurance

The accounting policies and measurement rules specific to assets and liabilities generated by insurance contracts issued by consolidated insurance companies are established in accordance with IFRS 4.

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. Following the previous year, the group continued to diversify its holdings into investment grade corporate bonds. (see Note 4)

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

- provisions for unearned premiums (non-life insurance): Technical reserves for unearned premiums are equivalent to the portion of the premiums relating to the period between the inventory date and the following endowment date. They are calculated by policy on a prorata daily basis;
- policy reserves (life insurance): These are intended to cover the long-term obligations (or payment of benefits) resulting from the commitments given, and the costs of managing such contracts. They are calculated by policy on a prorata daily basis;
- reserve for outstanding claims: the reserve for outstanding claims represents the estimate, net of outstanding recoveries, of the cost of all claims reported but not yet settled at the closing date. Outstanding claim reserve are calculated by claim file based on reserving rules set according to the insurance benefit definition;
- IBNR (Incurred But Not Reported) claim provisions: these are reserves for claims not yet reported, estimated on a statistical basis. They are calculated according to an actuarial method (method type: "chain ladder"), where the ultimate claim charge is estimated from a statistical analysis of the payments development on past claim history. Historical data is calculated using a Best Estimate method, plus a calibrated prudential margin. Thus, the IBNR provisions are always sufficient even in the event of a very unfavorable scenario.

The guarantees offered cover death, disability, redundancy and unemployment as part of a loan protection insurance policy. These types of risk are controlled through the use of appropriate mortality tables, statistical checks on loss ratios for the population groups insured and through a reinsurance program.

Liability adequacy test: a goodness-of-fit test aimed at ensuring that insurance liabilities are adequate with respect to current estimates of future cash flows generated by the insurance contracts is performed at each statement of account. Future cash flows resulting from the contracts take into account the guarantees and options inherent therein. In the event of inadequacy, the potential losses are fully recognized in net income.

The modeling of future cash flows in the insurance liability adequacy test are based on the following assumptions:

- the frequency of claims, corresponding to the mortality rates for the death cover, the incidence rate for the incapacity for work and unemployment cover, and the frequency of total loss of the vehicles for the financial loss cover;
- the claims acceptance rate, which reflects the impact of claims management on the eligibility of claims reported to the insurer;
- the policy surrender rate to take into account policy terminations prior to term, specifically early repayments of the corresponding underlying financing assets. This repurchase rate will impact all future cash flows (premiums, claims, expenses, etc.) by modifying their probability of occurrence;
- general expenses assumptions expressed in the form of variable costs per item (administration, claims management, financial, production) and fixed costs to reflect the overhead costs of insurance companies;
- the interest rate curve used to discount future cash flows. The curve used is that provided quarterly by EIOPA.

At the end of 2022, this liability adequacy test did not reveal any anomalies.

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 adopts a "prudent approach" to its management of the risks to which it could be exposed through its insurance activities.

Risk of contrepartie

As stated above, insurance company only invests in assets (bank deposit, sovereign bonds, supra or agencies or corporate bonds) of quality investment grade with low credit risk.

Interest rate risk

As part of the Solvency II calculations, a rate shock scenario of +/-100 bp is simulated. As of 31/12/2022, the impact of an increase of 100 bp on the asset portfolio was -€4.9 million, i.e. 1.5% of the portfolio value. However, it is important to note that companies systematically keep their assets until maturity.

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. In order to meet these obligations, the group has set itself very strict liquidity analysis criteria based on a run-off scenario for the insurance portfolios updated every quarter and only invests in highly liquid assets which enhance the group's security profile.

It has no exposure to illiquid assets such as equities, real estate, equity investments, unlisted assets, etc.

Insurance/reinsurance risk

As part of our internal risk and solvency assessment (ORSA), insurance risk was classified as a major risk in terms of probability of occurrence and financial impact. We therefore simulated over four years (2022-2025) the impact of an increase in claims assumptions (Death PPI: +20%, Disability PPI +20%; and Unemployment PPI: +50%; Gap: +30%). This shock led to a 10% drop in profitability for the insurance subsidiary RCI Life and 6% for the insurance subsidiary RCI Insurance in the 2023-2025 results. In addition, the solvency ratio should remain well above 100% for both companies (and around 200% of our target by adjusting the dividends paid downwards)

In addition, the group does not rely on external refinancing for insurance activities.

4.3.3.20 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.

4.3.4 Adapting to the economic and financial environment

In a mixed economic environment, Mobilize Financial Services group continues to implement a prudent financial policy and reinforces its liquidity management and control system.

Liquidity

Mobilize Financial Services group pays great attention to diversifying its sources of access to liquidity. Since the start of the financial crisis of 2008, 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 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

Following 2021, which was marked by the Covid-19 pandemic and the adaptation of acceptance and debt collection processes to this particular context, and in which an end to loan payment extensions was also envisaged and planned in all countries to support our customers in continuing the reimbursement of their loan payments and help them get through this difficult period, 2022 saw a certain stability in the processes.

The quality of the Customer portfolio was stable overall in 2022: 2.4% of customer outstandings were in default in December 2022, i.e. a slight decrease in the NPE rate compared to December 2021 at 2.52%, but stable in value, with outstandings in default of €979 million at the end of December 2022, compared to €989 million at the end of 2021.

Lastly, non-model adjustments were used. In particular, when an increase in credit risk appeared likely, they covered exposures that benefited from susceptible moratorium periods in 2020-2021 (in Morocco, Spain, Italy) or customers identified as vulnerable, with the help, if applicable, of external data (Spain, Italy, Portugal, Switzerland, Austria). The approach aimed at systematizing the identification and treatment of vulnerable customers is an in-depth approach. In addition, an appraisal on Retail customers whose solvency has deteriorated due to inflation was implemented at the end of 2022. It stresses the residual income of Retail customers, which makes it possible to estimate the proportion of Stage 1 outstandings that are likely to deteriorate and for which the coverage rate is then increased to the Stage 2 level.

The Mobilize Financial Services group continues to aim to maintain an overall credit risk at a level compatible with the expectations of the financial community and its profitability targets.

Profitability

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 2022.

All these investments are made with counterparties of superior credit quality previously authorized by the Finance Committee. 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), 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

Global economic activity contracted in the second quarter of 2022, primarily due to the war in Ukraine and lower activity in China due to restrictions from its zero COVID policy. Despite some favorable aspects related to the continued easing of supply chain tensions, downside risks to global growth persist.

In the United States, after the contraction in activity in the first half of the year, growth is expected to remain moderate over the coming quarters. The labor market remains robust with an unemployment rate that remains at low levels (3.5% at the end of December). Inflation remains very high but is starting to show its 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 4.25-4.50%.

The ECB increased its key rate by 250 bp in 2022, increasing the marginal deposit rate from -0.50% to 2.00%. It plans to raise interest rates further to ensure inflation rapidly returns to its medium-term target of 2%. The ECB also clarified that it will only start reducing its balance sheet from the beginning of March 2023 (the portfolio of the "APP" asset purchase program will be reduced by an average of €15 billion per month until the end of the second quarter of 2023, and then its pace will be adjusted 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 to bring it from 0.25% at the end of 2021 to 3.50%.

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 government bond rate rose above the 2% mark to 2.57%, compared to a level of -0.19% at the end of 2021.

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

4.3.5 Refinancing

The group took advantage of the favorable market environment in January and issued a 3.5 years bond for €750 million. This transaction attracted an order book of more than €4.5 billion from over 180 subscribers. The group also made returned to the Swiss market with the placement of a CHF 110 million 3 years bond. In June, the Bank successfully placed its first green bond issue for €500 million that will be settled. Proceeds will be used to finance Battery Electric Vehicles (BEVs) and charging infrastructures. This last transaction demonstrates the group's willingness to support the transition to electric mobility and tackle climate change. In September, in still volatile market conditions, a €650 million transaction was carried out with a maturity of six years. In November, in a particularly favorable market environment, a transaction of €750 million was carried out with a maturity of three years.

In the securitization market, the group sold approximately €700 million of notes backed by French auto loans and increased its private securitization in the UK for £100 million.

Against this backdrop of highly volatile markets, the retail savings activity proved to be particularly resilient and competitive in terms of funding cost compared with wholesale funding sources. Retail deposits increased by €2.1 billion since the beginning of the year to €24.4 billion.

These resources, together with €4.4 billion in undrawn confirmed bank lines, €4.6 billion in collateral eligible for Central Bank monetary policy operations, and €5.8 billion in highly liquid assets (HQLA), enable the Mobilize Financial Services group to maintain the financing granted to its customers for more than 11 months without access to external liquidity. At 31 December, 2022, the Mobilize Financial Services group's liquidity reserve (European scope) stood at €14.9 billion.

4.3.6 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 2022, the ratios calculated do not reveal any non-compliance with regulatory requirements.

4.3.7 Notes to the consolidated financial statements

NOTE 1 Segment information

1.1 Segmentation by market

In millions of euros	Customer	Dealer financing	Other	Total 12/2022
Average performing loan outstandings	36,936	6,443		43,379
Net banking income	1,586	215	244	2,045
Gross operating income	1,058	160	185	1,403
Operating income	842	181	185	1,208
Pre-tax income	687	181	182	1,050

In millions of euros	Customer	Dealer financing	Other	Total 12/2021
Average performing loan outstandings	36,254	7,146		43,400
Net banking income	1,516	181	131	1,828
Gross operating income	1,031	135	86	1,252
Operating income	932	172	86	1,190
Pre-tax income	937	171	86	1,194

A breakdown by market is provided for the main income statement as well as for average performing loan outstanding 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 outstanding 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 Loans outstandings at year-end(1)	of which Customers outstandings at year-end(1)	of which Dealers outstandings at year-end
EUROPE	**2022**	**45,125**	**35,387**	**9,738**
	2021	40,832	34,551	6,281
of which Germany	**2022**	**7,981**	**6,803**	**1,178**
	2021	7,809	6,828	981
of which Spain	**2022**	**3,883**	**3,204**	**679**
	2021	3,593	3,253	340
of which France	**2022**	**17,264**	**12,711**	**4,553**
	2021	15,319	12,359	2,960
of which Italy	**2022**	**5,752**	**4,942**	**810**
	2021	5,352	4,875	477
of which United-Kingdom	**2022**	**5,302**	**4,383**	**919**
	2021	4,371	3,936	435
of which other countries(2)	**2022**	**4,943**	**3,344**	**1,599**
	2021	4,388	3,300	1,088
AFRICA – MIDDLE EAST	**2022**	**505**	**369**	**136**
	2021	496	384	112
ASIA – PACIFIC	**2022**	**1,255**	**1,242**	**13**
	2021	1,414	1,409	5
of which South Korea	**2022**	**1,255**	**1,242**	**13**
	2021	1,414	1,409	5
AMERICA	**2022**	**2,607**	**2,065**	**542**
	2021	2,227	1,855	372
of which Argentina	**2022**	**213**	**101**	**112**
	2021	166	94	72
of which Brazil	**2022**	**1,694**	**1,324**	**370**
	2021	1,475	1,201	274
of which Colombia	**2022**	**700**	**640**	**60**
	2021	586	560	26
EURASIA	**2022**			
	2021	14	14	
TOTAL RCI BANQUE GROUP	**2022**	**49,492**	**39,063**	**10,429**
	2021	44,983	38,213	6,770

(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	12/2022	12/2021
CASH AND BALANCES AT CENTRAL BANKS	**5,836**	**6,729**
Cash and balances at Central Banks	5,836	6,729
TERM DEPOSITS AT CENTRAL BANKS	**38**	**16**
Accrued interest	38	16
TOTAL CASH AND BALANCES AT CENTRAL BANKS	**5,874**	**6,745**

NOTE 3 Derivatives

	12/2022		12/2021	
In millions of euros	Assets	Liabilities	Assets	Liabilities
FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES RECOGNIZED AS DERIVATIVES HELD FOR TRADING PURPOSES	**105**	**29**	**12**	**17**
Interest-rate derivatives	91	5	7	1
Currency derivatives	14	24	5	16
FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES RECOGNIZED AS DERIVATIVES USED FOR HEDGING	**329**	**322**	**135**	**27**
Interest-rate and currency derivatives: Fair value hedges		315	84	6
Interest-rate derivatives: Cash flow hedges	329	7	51	21
TOTAL DERIVATIVES	**434**	**351**	**147**	**44**

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.

Derivatives qualifying as cash flow hedges are backed by floating rate debt and, since the application of the third part of IFRS 9 from January 2020, by aggregated packages consisting of fixed rate debt and an amortizing floating interest rate swap.

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 positively impacted by a valuation effect of €79 million for these swaps due to the current increase in interest rates. It should be noted that this valuation impact is temporary and will tend towards a zero impact when these swaps mature.

The Mobilize Financial Services group has been required to hedge the impact of structural exchange rates since 2022. These hedging instruments are classified as "Hedges of net investments."

The transactions that give rise to entries under this heading are described in the accounting rules and methods in the following paragraphs: "Financial liabilities" and "Derivatives and hedge accounting".

Changes in the cash flow hedging instrument revaluation reserve

		Schedule for the transfer of the CFH reserve account to the income statement		
In millions of euros	Cash flow hedging	<1 year	1 to 5 years	+5 years
BALANCE AT 31 DECEMBER 2020	**(22)**	**(3)**	**(19)**	
Changes in fair value recognized in equity	27			
Transfer to income statement	11			
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**	

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 12/2022	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	

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2021	Related parties
HEDGING OF CURRENCY RISK					
Forward forex contracts					
Sales	922			922	
Purchases	912			912	
Currency swaps					
Loans	187	72		259	
Borrowings	195	73		268	
HEDGING OF INTEREST-RATE RISK					
Interest rate swaps					
Lender	13,410	9,303	750	23,463	
Borrower	13,410	9,303	750	23,463	

NOTE 4 Financial assets

In millions of euros	12/2022	12/2021
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME(**)	**521**	**837**
Government debt securities and similar	401	713
Bonds and other fixed income securities	119	123
Interests in companies controlled but not consolidated	1	1
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**119**	**137**
Variable income securities	36	30
Bonds and other fixed income securities	71	70
Interests in companies controlled but not consolidated	12	37
TOTAL FINANCIAL ASSETS(*)	**640**	**974**
(*) Of which related parties.	13	8
(**) Of which assets dedicated to insurance.	180	145

NOTE 5 Amounts receivable at amortised cost from credit institutions

In millions of euros	12/2022	12/2021
CREDIT BALANCES IN SIGHT ACCOUNTS AT CREDIT INSTITUTIONS	**1,638**	**1,236**
Ordinary accounts in debit	1,589	1,175
Overnight loans	49	61
TERM DEPOSITS AT CREDIT INSTITUTIONS	**52**	**58**
Term loans in bucket 1	27	58
Term loans in bucket 2	25	
TOTAL AMOUNTS RECEIVABLE FROM CREDIT INSTITUTIONS(*)	**1,690**	**1,294**
(*) Of which related parties.	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 – Securitisation Mutual Funds) contribute in part to the funds’ credit enhancement. They totaled €1169 million at year-end 2022 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	12/2022	12/2021
LOANS AND ADVANCES TO CUSTOMERS	**48,631**	**44,074**
Customer finance transactions	33,901	29,894
Finance lease transactions	14,730	14,180
OPERATING LEASE TRANSACTIONS	**1,383**	**1,344**
TOTAL CUSTOMER FINANCE TRANSACTIONS AND SIMILAR	**50,014**	**45,418**

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 €238 million at 31 December 2022, compared to €272 million at 31 December 2021. It was impaired in the amount of €78 million at 31 December 2022, compared with €80 million at 31 December, 2021.

6.1 Customer finance transactions

In millions of euros	12/2022	12/2021
LOANS AND ADVANCES TO CUSTOMERS	**34,046**	**29,985**
Healthy factoring	217	164
Factoring with a significant increase in credit risk since initial recognition	7	13
Other healthy commercial receivables	3	4
Other healthy customer credit	31,038	27,105
Other customer credit with a significant increase in credit risk since initial recognition	1,729	1,687
Healthy ordinary accounts in debit	375	339
Defaulted receivables	677	673
INTEREST RECEIVABLE ON CUSTOMER LOANS AND ADVANCES	**80**	**62**
Other non-defaulted customer credit	41	41
Non-defaulted ordinary accounts	36	17
Defaulted receivables	3	4
TOTAL OF ITEMS INCLUDED IN AMORTIZED COST – CUSTOMER LOANS AND ADVANCES	**560**	**594**
Staggered handling charges and sundry expenses – Received from customers	(59)	(67)
Staggered contributions to sales incentives by manufacturer or dealers	(265)	(307)
Staggered fees paid for referral of business	884	968
IMPAIRMENT ON LOANS AND ADVANCES TO CUSTOMERS	**(785)**	**(747)**
Impairment on healthy receivables	(151)	(134)
Impairment on receivables with a significant increase in credit risk since initial recognition	(110)	(98)
Impairment on defaulted receivables	(409)	(409)
Impairment on residual value	(115)	(106)
TOTAL CUSTOMER FINANCE TRANSACTIONS, NET	**33,901**	**29,894**

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.

The factoring receivables result from the acquisition by the group of the Renault-Nissan Alliance's commercial receivables. Impairment on residual value concerns credit (risk borne and not borne).

6.2 Finance lease transactions

In millions of euros	12/2022	12/2021
FINANCE LEASE TRANSACTIONS	**14,878**	**14,334**
Other healthy customer credit	13,029	12,384
Other customer credit with a significant increase in credit risk since initial recognition	1,512	1,584
Defaulted receivables	337	366
ACCRUED INTEREST ON FINANCE LEASE TRANSACTIONS	**8**	**7**
Other non-defaulted customer credit	7	6
Defaulted receivables	1	1
TOTAL OF ITEMS INCLUDED IN AMORTIZED COST – FINANCE LEASES	**162**	**116**
Staggered handling charges	28	49
Staggered contributions to sales incentives by manufacturer or dealers	(229)	(273)
Staggered fees paid for referral of business	363	340
IMPAIRMENT ON FINANCE LEASES	**(318)**	**(277)**
Impairment on healthy receivables	(79)	(51)
Impairment on receivables with a significant increase in credit risk since initial recognition	(75)	(72)
Impairment on defaulted receivables	(163)	(153)
Impairment on residual value	(1)	(1)
TOTAL FINANCE LEASE TRANSACTIONS, NET	**14,730**	**14,180**

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 12/2022
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

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2021
Finance leases – net investment	6,432	7,983	42	14,457
Finance leases – future interest receivable	400	374	2	776
FINANCE LEASES – GROSS INVESTMENT	**6,832**	**8,357**	**44**	**15,233**
Amount of residual value guaranteed to RCI Banque group	4,428	4,657	4	9,089
• Of which amount guaranteed by related parties	2,611	2,015		4,626
Minimum payments receivable under the lease (excluding amounts guaranteed by related parties, as required by IAS 17)	4,221	6,342	44	10,607

6.3 Operating lease transactions

In millions of euros	12/2022	12/2021
FIXED ASSET NET VALUE ON OPERATING LEASE TRANSACTIONS	**1,402**	**1,360**
Gross value of tangible assets	2,148	1,985
Depreciation of tangible assets	(746)	(625)
RECEIVABLES ON OPERATING LEASE TRANSACTIONS	**19**	**12**
Non-defaulted receivables	12	9
Defaulted receivables	13	9
Income and charges to be staggered	(6)	(6)
IMPAIRMENT ON OPERATING LEASES	**(38)**	**(28)**
Impairment on defaulted receivables	(9)	(7)
Impairment on residual value	(29)	(21)
TOTAL OPERATING LEASE TRANSACTIONS, NET(*)	**1,383**	**1,344**
(*) Of which related parties.	(1)	(1)

The amount of minimum future payments receivable under operating non-cancelable lease contracts is analyzedas follows

In millions of euros	12/2022	12/2021
0-1 year	79	87
1-5 years	255	157
+5 years	304	429
TOTAL	**638**	**673**

6.4 Maximum exposure to credit risk and indication concerning the quality of receivables deemed non impaired by the RCI Banque group

At 31 December 2022, the group's maximum aggregate exposure to credit risk stood at €63,461 million against €58,532 million at 31 December 2021. 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 23 Commitments received).

Amount of receivables due

In millions of euros	12/2022	of which non-defaulted(1)	12/2021	of which non-defaulted(1)
Between 0 and 90 days	611	362	570	324
Between 90 and 180 days	57		65	
Between 180 days and 1 year	59		59	
More than one year	48		52	
RECEIVABLES DUE	**775**	**362**	**746**	**324**

(1) Only includes sales financing receivables non classed in stage 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 2022, guarantees held on doubtful or delinquent receivables totaled €784 million, against €805 million at 31 December 2021.

6.5 Residual values of risk carried by the group Mobilize Financial Services

The total risk on residual values carried by the Mobilize Financial Services group amounted to €2,506 million at 31 December 2022 against €2,110 million at 31 December 2021. A provision was made in the amount of €56 million at 31 December 2022 against €47 million at 31 December 2021 for the provision 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	Customer	Dealer financing	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%*
NET VALUE(*)	**39,063**	**10,429**	**522**	**50,014**
(*) Of which: related parties (excluding participation in incentives and fees paid).	1	489	207	697

In millions of euros	Customer	Dealer financing	Other	Total 12/2021
GROSS VALUE	**39,188**	**6,845**	**437**	**46,470**
Healthy receivables	35,073	6,619	436	42,128
On % of total receivables	*89.5%*	*96.7%*	*99.8%*	*90.7%*
Receivables with a significant increase in credit risk since initial recognition	3,124	165		3,289
On % of total receivables	*8.0%*	*2.4%*		*7.1%*
Defaulted receivables	991	61	1	1,053
On % of total receivables	*2.5%*	*0.9%*	*0.2%*	*2.3%*
IMPAIRMENT ALLOWANCE	**(975)**	**(75)**	**(2)**	**(1,052)**
Impairment on healthy receivables	(274)	(37)	(2)	(313)
On % of total impairment	*28.1%*	*49.3%*	*100.0%*	*29.8%*
Impairment on receivables with a significant increase in credit risk since initial recognition	(161)	(9)		(170)
On % of total impairment	*16.5%*	*12.0%*		*16.2%*
Impairment on defaulted receivables	(540)	(29)		(569)
On % of total impairment	*55.4%*	*38.7%*		*54.1%*
Coverage rate	***2.5%***	***1.1%***	***0.5%***	***2.3%***
Healthy receivables	*0.8%*	*0.6%*	*0.5%*	*0.7%*
Receivables with a significant increase in credit risk since initial recognition	*5.2%*	*5.5%*		*5.2%*
Defaulted receivables	*54.5%*	*47.5%*		*54.0%*
NET VALUE(*)	**38,213**	**6,770**	**435**	**45,418**
(*) Of which: related parties (excluding participation in incentives and fees paid).	9	505	264	778

The "Other" category mainly includes buyer and ordinary accounts with dealers and the Renault Group.

In customer activity, the provisioning rate for bucket 2 deteriorated slightly from 5.2% to 5.8% due to the unfavorable effect of the forward-looking and the LGD parameter, partly offset by an improvement in the PD parameter, while the provisioning rate of bucket 3 went from 54.5% to 56.9% between the end of 2021 and the end of 2022, due to the effect of the forward-looking and the LGD parameter, specifically in France and Brazil. The provisioning rate for Bucket 1 increased from 0.8% to 1%.

7.1 Breakdown of customer transactions by buckets and geographical areas

In millions of euros	Gross value receivables			Impairment receivables			Total 12/2022
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	
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**

In millions of euros	Gross value receivables			Impairment receivables			Total 12/2021
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	
France	14,091	1,362	367	(63)	(61)	(187)	15,509
Germany	7,332	516	65	(13)	(13)	(32)	7,855
Italy	5,005	370	113	(19)	(20)	(73)	5,376
United Kingdom	4,154	342	44	(116)	(4)	(23)	4,397
Spain	3,487	153	94	(21)	(17)	(73)	3,623
Brazil	1,260	200	100	(17)	(23)	(44)	1,476
South Korea	1,351	67	35	(7)	(2)	(29)	1,415
Switzerland	685	66	10	(1)	(3)	(3)	754
Colombia	526	34	58	(13)	(3)	(16)	586
Poland	598	53	41	(4)	(3)	(15)	670
Netherlands	557	4	1	(2)		(1)	559
Portugal	526	22	4	(9)	(1)	(3)	539
Austria	570	11	7	(6)	(2)	(4)	576
Morocco	469	30	82	(13)	(8)	(53)	507
Other countries	1,517	59	32	(9)	(10)	(13)	1,576
TOTAL	**42,128**	**3,289**	**1,053**	**(313)**	**(170)**	**(569)**	**45,418**

7.2 Change of customer finance transactions

In millions of euros	12/2021	Increase(1)	Reclas.(2)	Repayment	Write off	12/2022
Healthy receivables	42,128	53,116	(1,418)	(46,960)		46,866
Receivables with a significant increase in credit risk since initial recognition	3,289		1,098	(1,129)		3,258
Defaulted receivables	1,053		320	(206)	(136)	1,031
CUSTOMER FINANCE TRANSACTIONS (GV)	**46,470**	**53,116**		**(48,295)**	**(136)**	**51,155**

(1) Increase = New production.
(2) Reclassification = Transfert beetwen buckets.

7.3 Change of impairments of customer finance transactions

In millions of euros	12/2021	Increase(1)	Decrease(2)	Reclas.(3)	Variations(4)	Other(5)	12/2022
Impairment on healthy receivables(*)	313	93	(67)	(152)	190	(2)	375
Impairment on receivables with a significant increase in credit risk since initial recognition	170	32	(24)	(3)	9	1	185
Impairment on defaulted receivables	569	65	(192)	154	(10)	(5)	581
IMPAIRMENTS OF CUSTOMER FINANCE TRANSACTIONS	**1,052**	**190**	**(283)**	**(1)**	**189**	**(6)**	**1,141**

(1) Increase = Allowance due to new production.
(2) Decrease = Reversal of allowance due to reimbursement, disposals or writte-off.
(3) Reclassification = Transfert beetwen buckets.
(4) Variations = Variation due to risk criteria adjustments (PD, LGD, ECL…).
(5) Other = Reclassification, currency translation effects, changes in scope of consolidation.
Note: increases (1), decreases (2), and reclassification(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 €144 million at 31 December 2022, compared to €129 million at 31 December 2021.

NOTE 8 Adjustment accounts & miscellaneous assets

In millions of euros	12/2022	12/2021
TAX RECEIVABLES	**386**	**312**
Current tax assets	41	21
Deferred tax assets	220	179
Tax receivables other than on current income tax	125	112
ADJUSTMENT ACCOUNTS AND OTHER ASSETS	**1,041**	**957**
Social Security and employee-related receivables	1	1
Other sundry debtors	537	476
Adjustment accounts – Assets	84	63
Other assets	3	2
Items received on collections	353	310
Reinsurer part in technical provisions	63	105
TOTAL ADJUSTMENT ACCOUNTS – ASSETS AND OTHER ASSETS(*)	**1,427**	**1,269**
(*) Of which related parties.	223	169

Deferred tax assets are analysed in Note 32.

NOTE 9 Investments in associates and joint ventures

In millions of euros	12/2022		12/2021	
	Share of net assets	Net income	Share of net assets	Net income
Orfin Finansman Anonim Sirketi (y compris R9879 – Ajustement pour Ofrin Finansman Anonim Sirketi)	15	2	16	4
RN SF B.V.		(110)	94	13
Nissan Renault Financial Services India Private Limited	37	3	36	2
Mobility Trader Holding Gmbh (RCI)	14	(16)		
R9879 – Ajustement pour R1033		(6)		
TOTAL INTERESTS IN ASSOCIATES	**66**	**(127)**	**146**	**19**

NOTE 10 Tangible and intangible non-current assets

In millions of euros	12/2022	12/2021
INTANGIBLE ASSETS: NET	**34**	**11**
Gross value	75	48
Accumulated amortization and impairment	(41)	(37)
PROPERTY, PLANT AND EQUIPMENT: NET	**22**	**28**
Gross value	127	126
Accumulated depreciation and impairment	(105)	(98)
AMORTIZATION RIGHT OF USE ON RENTED ASSET: NET	**67**	**55**
Gross value	121	92
Accumulated depreciation and impairment	(54)	(37)
TOTAL TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS	**123**	**94**

Property, plant and equipment includes real estate leases activated under IFRS 16 (see section 3.A “Changes in accounting policies”).

Entities of BIPI contributed an increase of €29 million for the net right of use, and €10 million in depreciation and impairment.

NOTE 11 Goodwill

In millions of euros	12/2022	12/2021
United Kingdom	35	37
Germany	12	12
Italy	9	9
South Korea	19	19
Czech Republic	3	4
Spain	59	68
TOTAL GOODWILL FROM ACQUISITIONS BY COUNTRY	**137**	**149**

Impairment tests were performed on all goodwill (using the methods and assumptions described in Note B). These tests did not reveal any material impairment risk at 31 December 2022.

The group has finalized the determination of the fair values of the assets acquired and liabilities assumed from Bipi Mobility SL and its subsidiaries, of which it acquired 100% in July 2021 at a price of €67 million. This company is developing its offering in flexible vehicle leasing. The main adjustments relate to the brand, recognized for €8 million, and the technology, recognized for €5 million. The final goodwill is calculated at €59 million.

NOTE 12 Liabilities to credit institutions and customers & debt securities

12.1 Central Banks

In millions of euros	12/2022	12/2021
Term borrowings	3,711	3,738
Accrued interest	4	
TOTAL CENTRAL BANKS	**3,715**	**3,738**

At 31 December 2022, the book value of the collateral presented to the Bank of France (3G) amounted to €8,907 million, that means €7,647 million in securities issued by securitization vehicles and €1,261 million in private accounts receivable.

The group was able to benefit from the TLTRO III program, and was able to make three drawdowns during 2020:

- €750 million maturing in June 2023;
- €500 million maturing in September 2023;
- €500 million maturing in December 2023.

Two new drawdowns were made in 2021:

- €750 million maturing in September 2024;
- €750 million maturing in December 2024.

The IFRS IC decision clarifying analysis and recognition of TLTRO III transactions became final in March 2022. The group has chosen to apply IFRS 9 to the drawdowns made on the TLTRO III program, considering that the ECB rate is a market rate. It applies in the same way to all banks benefiting from the program and the ECB can unilaterally change the MRO rate at any time.

The maximum interest rate applicable to TLTRO drawings is calculated based on the average deposit facility rate "DFR" of the European Central Bank (ECB). Rate reductions apply based on criteria of growth in loan grants.

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. On 10 June, the group received confirmation that the lending targets for the special additional reference period (October 2020 – December 2021) had been achieved and will therefore receive a subsidy over the corresponding special interest rate period (June 2021 – June 2022). In accordance with the current provisions of IFRS 9, this interest rate subsidy resulted in an adjustment of the value of the debt lines related to the TLTRO of €14 million.

TFSME program

The group was also able to avail itself of the TFSME program issued 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 (3.5% at 31 December 2022) 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.

12.2 Amounts payable to credit institutions

In millions of euros	12/2022	12/2021
SIGHT ACCOUNTS PAYABLE TO CREDIT INSTITUTIONS	**183**	**260**
Ordinary accounts	12	16
Other amounts owed	171	244
TERM ACCOUNTS PAYABLE TO CREDIT INSTITUTIONS	**1,829**	**1,737**
Term borrowings	1,734	1,669
Accrued interest	95	68
TOTAL LIABILITIES TO CREDIT INSTITUTIONS	**2,012**	**1,997**

Sight accounts are included in the "Cash and cash equivalents" line item in the cash flow statement.

12.3 Amounts payable to customers

In millions of euros	12/2022	12/2021
AMOUNTS PAYABLE TO CUSTOMERS	**25,367**	**21,928**
Ordinary accounts in credit	256	202
Term accounts in credit	701	723
Ordinary saving accounts	17,647	15,715
Term deposits (retail)	6,763	5,288
OTHER AMOUNTS PAYABLE TO CUSTOMERS AND ACCRUED INTEREST	**106**	**102**
Other amounts payable to customers	60	65
Accrued interest on ordinary accounts in credit	14	21
Accrued interest on term accounts in credit	1	
Accrued interest on ordinary saving accounts	14	8
Accrued interest on customers term accounts	17	8
TOTAL AMOUNTS PAYABLE TO CUSTOMERS(*)	**25,473**	**22,030**
(*) Of which related parties.	769	740

Term accounts in credit include a €700 million cash warrant agreement given to RCI Banque S.A. by the manufacturer Renault, covering, without any geographical exceptions, against the risks of the Renault Retail Group 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 initiated a partnership with a Raisin, a German fintech, to offer savings accounts in the Netherlands via the raisin.nl platform.

Deposit collection increased by €3,422 million (of which €1,938 million in sight deposits and €1,484 million in term deposits) in the year of 2022 to reach €24,441 million (of which €17,661 million in sight deposits and €6,780 million in term deposits) classified as other interest-bearing debt.

12.4 Debt securities

In millions of euros	12/2022	12/2021
NEGOTIABLE DEBT SECURITIES(1)	**1,221**	**1,063**
Certificates of deposit	1,013	1,050
Commercial paper and similar	175	
Accrued interest on negotiable debt securities	33	13
OTHER DEBT SECURITIES(2)	**3,319**	**3,097**
Other debt securities	3,317	3,095
Accrued interest on other debt securities	2	2
BONDS AND SIMILAR	**13,568**	**13,811**
Bonds	13,369	13,695
Accrued interest on bonds	199	116
TOTAL DEBT SECURITIES	**18,108**	**17,971**

(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 S.A.

(2) Other debt securities consists primarily of the securities issued by the vehicles created for the German (RCI Banque S.A. Niederlassung Deutschland), UK (RCI Financial Services Ltd), French (Diac S.A.) and Italian (RCI Banque Succursale Italiana) securitization offerings.

12.5 Breakdown of liabilities by valuation method

In millions of euros	12/2022	12/2021
LIABILITIES VALUED AT AMORTIZED COST – EXCLUDING FAIR VALUE HEDGE	**44,417**	**39,827**
Central Banks	3,715	3,738
Amounts payable to credit institutions	2,012	1,997
Amounts payable to customers	25,473	22,030
Debt securities	13,217	12,062
LIABILITIES VALUED AT AMORTIZED COST – FAIR VALUE HEDGE	**4,891**	**5,909**
Debt securities	4,891	5,909
TOTAL FINANCIAL DEBTS	**49,308**	**45,736**

12.6 Breakdown of financial liabilities by rate type before derivatives

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**

12.7 Breakdown of financial liabilities by remaining term to maturity

The breakdown of financial liabilities by maturity is shown in Note 18.

NOTE 13 Securitization

Securitization – Public issues

Country	France	France	France	France	France	Italy	Germany	Germany	Germany	Germany	Spain	United Kingdom
Originator	DIAC SA	DIAC SA	DIAC SA	DIAC SA	DIAC SA	RCI Banque Succursale Italiana	RCI Bank Nieder-lassung	RCI Bank Nieder-lassung	RCI Bank Nieder-lassung	RCI Bank Nieder-lassung	RCI Banque Sucursal en Espana	RCI Financial Services
Securitized collateral	Auto loans to customers	Receiva-bles indepen-dant dealers	Auto loans to customers	Auto Leasing (Rent)	Auto Leasing (Rent)	Auto loans to customers	Auto loans to customers	Auto loans to customers	Receiva-bles indepen-dant dealers	Auto loans to customers	Auto loans to customers	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 2020-1	CARS Alliance Auto Leases France Master	Cars Alliance Auto Loans Italy 2015 s.r.l.	CARS Alliance Auto Loans Germany Master	CARS Alliance Auto Loans Germany V 2021-1	Cars Alliance DFP Germany 2017	Cars Alliance Auto Loans Germany V 2019-1	Cars Alliance Auto Loans Spain 2022	CARS Alliance UK Master Plc
Closing date	May 2012	July 2013	May 2022	October 2020	October 2020	July 2015	March 2014	October 2021	July 2017	May 2019	November 2022	October 2021
Legal maturity date	August 2030	July 2028	November 2032	October 2036	October 2038	December 2031	March 2031	June 2034	August 2031	August 2031	October 2036	September 2032
Initial purchase of receivables	715 M€	1,020 M€	759 M€	1,057 M€	533 M€	1,234 M€	674 M€	1,009 M€	852 M€	1,107 M€	1,223 M€	1,249 M€
Credit enhance-ment as at the closing date	Cash reserve for 1% Over-collatera-lization of receiva-bles 13.3%	Cash reserve for 1% Over-collatera-lization of receiva-bles 12.5%	Cash reserve for 0.7% Over-collatera-lization of receiva-bles 13.7%	Cash reserve for 1% Over-collatera-lization of receiva-bles 9%	Cash reserve for 1% Over-collatera-lization of receiva-bles 11.05%	Cash reserve for 1% Over-collatera-lization of receiva-bles 14.9%	Cash reserve for 1% Over-collatera-lization of receiva-bles 8%	Cash reserve for 0.75% Over-collatera-lization of receiva-bles 7.5%	Cash reserve for 1.5% Over-collatera-lization of receiva-bles 20.75%	Cash reserve for 1% Over-collatera-lization of receiva-bles 7.5%	Cash reserve for 1% Over-collatera-lization of receiva-bles 8.8%	Cash reserve for 1% Over-collatera-lization of receiva-bles 28%
Receiva-bles purchased as of 31 December 2022	747 M€	1,267 M€	748 M€	770 M€	1,082 M€	1,780 M€	1,228 M€	1,018 M€	640 M€	276 M€	1,121 M€	1,348 M€
Notes in issue as at 31 December 2022 (including any units held by the RCI Banque group)	Class A Rating: AAA 667 M€ Classe B Non rated 102 M€	Class A Rating: AA 1,000 M€	Class A Rating: AAA 650 M€ Class B Rating: AA 52 M€ Class C Non rated 45 M€	Class A Rating: AAA 727 M€ Class B Rating: AA 42 M€ Class C Non rated 53 M€	Class A Rating: AAA 1,026 M€ Class B Non rated 128 M€	Class A Rating: AA 1,835 M€ Class J Non rated 296 M€	Class A Rating: AAA 1,097 M€ Class B Non rated 83 M€	Class A Rating: AAA 900M€ Class B Rating: AA 24 M€ Class C Non rated 49 M€	Class A Rating: AAA 540M€	Class A Rating: AAA 206 M€ Class B Rating: AA 26 M€ Class C Non rated 51 M€	Class A Rating: AA 1,120 M€ Class B Non rated 108 M€	Classe A Rating: AA 846 M€ Classe B Non rated 345M€
Period	Revolving	Revolving	Revolving	Amortizing	Revolving	Revolving	Revolving	Revolving	Revolving	Amortizing	Revolving	Revolving
Transac-tion's nature	Retained	Retained	Market	Market	Retained	Retained	Retained	Market	Retained	Market	Retained	Retained

In 2022, the RCI Banque group completed public securitization transactions in France and an operation of securitization retained in Spain 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 2022, the amount of financing obtained through securitization by conduit totaled €1,079 million. The amount of financing obtained through securitization transactions in public format placed on the markets totaled €2,626 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 2022, the amount of the sales financing receivables thus maintained on the balance sheet totaled €13,926 million (€12,590 million at 31 December 2021), as follows:

- securitization transactions placed on the market: €2,812 million;
- retained securitization transactions: €9,211 million;
- private securitization transactions: €1,903 million.

The fair value of these receivables is €13,534 million at 31 December 2022.

Liabilities of €3,319 million have been booked under "Other debt securities" corresponding to the securities issued during securitization transactions. The fair value of these liabilities is €3,377 million at 31 December 2022.

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 14 Adjustment accounts & miscellaneous liabilities

In millions of euros	12/2022	12/2021
TAXES PAYABLE	**951**	**827**
Current tax liabilities	108	136
Deferred tax liabilities	818	670
Taxes payable other than on current income tax	25	21
ADJUSTMENT ACCOUNTS AND OTHER AMOUNTS PAYABLE	**2,004**	**1,916**
Social security and employee-related liabilities	64	61
Other sundry creditors	952	857
Debt on rented asset	69	58
Adjustment accounts – liabilities	508	569
Accrued interest on other sundry creditors	400	366
Collection accounts	11	5
TOTAL ADJUSTMENT ACCOUNTS – LIABILITIES AND OTHER LIABILITIES(*)	**2,955**	**2,743**
(*) Of which related parties.	119	212

Deferred tax assets are analyzed in Note 32.

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 15 Provisions

			Reversals			
In millions of euros	12/2021	Charge	Used	Not Used	Other(*)	12/2022
PROVISIONS ON BANKING OPERATIONS	**476**	**320**	**(49)**	**(277)**		**470**
Provisions for signature commitments(**)	8	11		(8)		11
Provisions for litigation risks	6	4		(2)	1	9
Insurance technical provisions	436	299	(48)	(261)	(1)	425
Other provisions	26	6	(1)	(6)		25
PROVISIONS ON NON-BANKING OPERATIONS	**122**	**32**	**(16)**	**(4)**	**9**	**143**
Provisions for pensions liabilities and related	51	5	(3)		(16)	37
Provisions for restructuring	15	19	(10)	(2)		22
Provisions for tax and litigation risks	53	5	(1)	(1)	23	79
Other	3	3	(2)	(1)	2	5
TOTAL PROVISIONS	**598**	**352**	**(65)**	**(281)**	**9**	**613**

(*) Other = Reclassification, currency translation effects, changes in scope of consolidation.
(**) Provisions for signature commitments = Mainly 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.

The provisions on banking operations mainly consist of the insurance technical provision for captive insurance company commitments towards policy holders and beneficiaries. The insurance technical provision came to €425 million at end-December 2022.

The other changes in the provision for tax and litigation risks are mainly due to the statement of financial position reclassification of the Brazilian Pis & Cofin provision in 2022, originally classified as "Other sundry creditors."

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.

Insurance risk

The main risk to which the group is exposed in respect of insurance and re-insurance policies taken out is the risk that the actual total amount of claims and settlements and/or the rate of payment thereof may differ from estimations. The frequency of claims, their seriousness, the valuation of settlements paid out and the type of claims, some of whose development may be long term, all have an impact on the main risk to which the group is exposed. The group makes sure that its available reserves are sufficient to cover its commitments.

Exposure to risk is limited by diversifying the portfolio of insurance and re-insurance policies, and the geographical areas in which they are taken out. Fluctuations in the level of risk are also kept to a minimum through stringent policy selection, compliance with subscription guides and the use of re-insurance agreements.

The group makes use of re-insurance in order to limit risk. Policies are transferred under re-insurance agreements on a proportionate basis. Proportionate reinsurance treaties are signed in order to reduce the group's overall exposures for all businesses and in all countries. The amounts that may be recovered from re-insurers are determined in accordance with the claim reserves and with the reinsurance treaties. Re-insurance does not release the transferor from its commitments to policy holders and if for any reason the re-insurer is unable to meet its obligations, the group is exposed to a credit risk on the policies transferred. Re-insurance treaties are signed with A-rated counterparties and the group actively monitors each re-insurer's rating. The group has assessed the risks covered by reinsurance contracts and believes that no retrocession is required.

Key assumptions

The main assumption underlying estimations of liabilities is that the trend in future claims will follow exactly the same trend as in past claims.

The group has therefore factored in an ultimate loss rate in estimating the total cost of claims and of claim reserves (IBNR). Bearing in mind the reinsurance treaties that have been signed, any deterioration or improvement in this loss rate would have no significant impact on the year's results.

Provisions for pension and other post-employment benefits

In millions of euros	12/2022	12/2021
France	25	32
Rest of world	12	19
TOTAL PROVISIONS	**37**	**51**

Subsidiaries without a pension fund

	France	
Main actuarial assumptions	**12/2022**	**12/2021**
Retirement age	67 years	67 years
Salary increases	1.84%	1.82%
Financial discount rate	3.10%	0.92%
Starting rate	9.80%	7.24%

Subsidiaries with a pension fund

	United Kingdom		Switzerland		Netherlands	
Main actuarial assumptions	**12/2022**	**12/2021**	**12/2022**	**12/2021**	**12/2022**	**12/2021**
Average duration	17 years	20 years	18 years	20 years	21 years	21 years
Rate of wage indexation	4.90%	1.90%	1.00%	1.00%	1.00%	1.00%
Financial discount rate	-38.10%	9.30%	1.80%	0.50%	0.80%	0.80%
Actual return rate of hedge assets			1.00%	1.00%	0.80%	0.80%

Changes in provisions during the year

In millions of euros	Actuarial value of obligations (A)	Actuarial value of invested funds (B)	Obligations less invested funds (C)	Net liabilities of the defined-benefit pension plans (A)-(B)-(C)
OPENING BALANCE OF THE CURRENT PERIOD	**110**	**59**		**51**
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	(31)			(31)
Net return on fund asset (not included in net interest above)		(15)		15
Actuarial gains and losses on the obligation resulting from experience adjustments	19			19
EXPENSE (INCOME) RECORDED IN OTHER COMPONENTS OF COMPREHENSIVE INCOME	**(11)**	**(15)**		**4**
Employer's contributions to funds		1		(1)
Benefits paid	(4)	(1)		(3)
Effect of changes in exchange rates	(20)	(2)		(18)
BALANCE AT THE CLOSING DATE OF THE PERIOD	**81**	**43**		**38**

Nature of invested funds

	12/2022		12/2021	
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	11		18	
Bonds	26		35	
Others	6		6	
TOTAL	**43**		**59**	

NOTE 16 Impairments allowances to cover counterparty risk

In millions of euros	12/2021	Charge	Reversals Used	Reversals Not Used	Other(*)	12/2022
IMPAIRMENTS ON BANKING OPERATIONS	**1,052**	**423**	**(219)**	**(109)**	**(6)**	**1,141**
Customer finance transactions	1,052	423	(219)	(109)	(6)	1,141
• *Ow impairment on healthy receivables*	313	185	(64)	(57)	(2)	375
• *Ow impairment on receivables with a significant increase in credit risk since initial recognition*	170	94	(59)	(21)	1	185
• *Ow Impairment on defaulted receivables*	569	144	(96)	(31)	(5)	581
IMPAIRMENT ON NON-BANKING OPERATIONS	**3**	**1**	**(1)**	**(1)**		**2**
Impairment for signature commitments	3	1	(1)	(1)		2
IMPAIRMENT ON BANKING OPERATIONS	**14**	**15**		**(10)**	**1**	**20**
Provisions for signature commitments	8	11		(8)		11
Provisions for litigation risks	6	4		(2)	1	9
TOTAL PROVISIONS TO COVER COUNTERPARTY RISK	**1,069**	**439**	**(220)**	**(120)**	**(5)**	**1,163**

(*) 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 17 Subordinated debt – Liabilities

In millions of euros	12/2022	12/2021
LIABILITIES MEASURED AT AMORTIZED COST	**872**	**876**
Subordinated securities	856	856
Accrued interest on subordinated securities	16	20
HEDGED LIABILITIES MEASURED AT FAIR VALUE	**14**	**17**
Participating loan stocks	14	17
TOTAL SUBORDINATED LIABILITIES	**886**	**893**

The liabilities measured at amortized cost represent the subordinated securities issued by RCI Banque SA in November 2019 for €850 million and the subordinated securitiesn issued by RCI Finance Maroc SA in December 2020 for €6.3 million.

The hedged liabilities measured at fair value represent the participating initial loan stocks of 500,000,000 Francs were 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 18 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 12/2022
FINANCIAL ASSETS	**16,691**	**16,386**	**23,676**	**516**	**57,269**
Cash and balances at central banks	5,836	31	7		5,874
Derivatives	42	76	316		434
Financial assets	160	205	155	120	640
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	19	23	301	8	351
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

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2021
FINANCIAL ASSETS	**15,979**	**14,057**	**22,671**	**527**	**53,234**
Cash and balances at central banks	6,729	15	1		6,745
Derivatives	8	19	120		147
Financial assets	375	343	118	138	974
Amounts receivable from credit institutions	1,294				1,294
Loans and advances to customers	7,573	13,680	22,432	389	44,074
FINANCIAL LIABILITIES	**19,461**	**5,864**	**19,027**	**2,321**	**46,673**
Central Banks	1		3,737		3,738
Derivatives	14	19	8	3	44
Amounts payable to credit institutions	621	567	809		1,997
Amounts payable to customers	17,152	1,525	2,653	700	22,030
Debt securities	1,654	3,752	11,820	745	17,971
Subordinated debt	19	1		873	893

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 issued by the Bank of England in 2020.

NOTE 19 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 12/2022
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**

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2021
FINANCIAL LIABILITIES	**19,733**	**6,031**	**19,211**	**2,311**	**47,286**
Central Banks			3,737		3,737
Derivatives	22	11	5		38
Amounts payable to credit institutions	603	515	809		1,927
Amounts payable to customers	17,121	1,519	2,653	700	21,993
Debt securities	1,581	3,677	11,798	745	17,801
Subordinated debt	19			865	884
Future interest payable	387	309	209	1	906
FINANCING AND GUARANTEE COMMITMENTS	**3,329**	**44**		**2**	**3,375**
TOTAL BREAKDOWN OF FUTURE CONTRACTUAL CASH FLOWS BY MATURITY	**23,062**	**6,075**	**19,211**	**2,313**	**50,661**

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 2022.

NOTE 20 Fair value of assets and liabilities (in accordance with IFRS 7 & IFRS 13) and breakdown of assets and liabilities by fair value hierarchy

#1 #2 #3 #4 #5

31/12/2022 In millions of euros	Book Value	Fair 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	434		434		434	
Financial assets	640	627		13	640	
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	351		351		351	
Amounts payable to credit institutions	2,012		1,986		1,986	26
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.

31/12/2021 In millions of euros	Book Value	Fair Value Level 1	Level 2	Level 3	FV(*)	Gap(*)
FINANCIAL ASSETS	**53,234**	**936**	**8,186**	**43,823**	**52,945**	**(289)**
Cash and balances at central banks	6,745		6,745		6,745	
Derivatives	147		147		147	
Financial assets	974	936		38	974	
Amounts receivable from credit institutions	1,294		1,294		1,294	
Loans and advances to customers	44,074			43,785	43,785	(289)
FINANCIAL LIABILITIES	**46,673**	**17**	**46,734**		**46,751**	**(78)**
Central Banks	3,738		3,690		3,690	48
Derivatives	44		44		44	
Amounts payable to credit institutions	1,997		2,065		2,065	(68)
Amounts payable to customers	22,030		22,030		22,030	
Debt securities	17,971		18,140		18,140	(169)
Subordinated debt	893	17	765		782	111

(*) FV: Fair value – Difference: Unrealized gain or loss.

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 Mobilize Financial Services group at 31 December 2021 and at 31 December 2022 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 2021 and at 31 December 2022.

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 Mobilize Financial Services group at 31 December 2021 and 31 December 2022 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 21 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 currently only has a legally enforceable right to offset booked amounts in the event of default or a credit event.

Synthesis of financial assets and liabilities agreements

31/12/2022 In millions of euros	Gross book value before agreement	Netted gross amounts	Net amount in balance sheet	Non compensated amount Financial instruments on the liability	Guarantees on the liability	Off-balance sheet guarantees	Net Exposure
ASSETS	**1,346**		**1,346**	**334**	**720**		**292**
Derivatives	434		434	334			100
Network financing receivables[1]	912		912		720		192
LIABILITIES	**351**		**351**	**334**			**17**
Derivatives	351		351	334			17

(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 12.3), 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.

31/12/2021 In millions of euros	Gross book value before agreement	Netted gross amounts	Net amount in balance sheet	Non compensated amount Financial instruments on the liability	Guarantees on the liability	Off-balance sheet guarantees	Net Exposure
ASSETS	**878**		**878**	**26**	**586**		**266**
Derivatives	147		147	26			121
Network financing receivables[1]	731		731		586		145
LIABILITIES	**44**		**44**	**26**			**18**
Derivatives	44		44	26			18

(1) The gross book value of dealer financing receivables breaks down into €452 million for the Renault Retail Group, whose exposures are hedged for up to €452 million by a cash warrant agreement given by the Renault manufacturer (see Note 9.3), and €279 million for dealers financed by Banco RCI Brasil S.A., whose exposures are hedged for up to €134 million by pledge of letras de cambio (bills of exchange) subscribed by the dealers.

NOTE 22 Commitments given

In millions of euros	12/2022	12/2021
FINANCING COMMITMENTS	**4,209**	**3,400**
Commitments to customers	4,209	3,400
GUARANTEE COMMITMENTS	**305**	**29**
Commitments to credit institutions	140	27
Customer guarantees	165	2
OTHER COMMITMENTS GIVEN	**86**	**58**
Commitments given for equipment leases and real estate leases	86	58
TOTAL COMMITMENTS GIVEN(*)	**4,600**	**3,487**
(*) Of which related parties.	3	2

NOTE 23 Commitments received

In millions of euros	12/2022	12/2021
FINANCING COMMITMENTS	**4,714**	**4,608**
Commitments from credit institutions	4,714	4,608
GUARANTEE COMMITMENTS	**18,242**	**17,146**
Guarantees received from credit institutions	175	159
Guarantees from customers	6,511	6,150
Commitments to take back leased vehicles at the end of the contract	11,556	10,837
OTHER COMMITMENTS RECEIVED	**88**	**52**
Other commitments received	88	52
TOTAL COMMITMENTS RECEIVED(*)	**23,044**	**21,806**
(*) Of which related parties.	5,869	5,726

At 31 December 2022, Mobilize Financial Services group had €4,714 million in unused confirmed lines of credit, as well as broadly diversified short-term and medium-term issuance programs. It also held €4,562 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 24 Exposure to currency risk

	Balance sheet		Off balance sheet		Net position		
In millions of euros – **12/2022**	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**

In millions of euros – 12/2021	Balance sheet		Off balance sheet		Net position		
	Long position	Short position	Long position	Short position	Total	Of which monetary	Of which structural
Position GBP	620			(274)	346		346
Position CHF	164			(160)	4		4
Position CZK	43			(26)	17		17
Position ARS	5				5		5
Position BRL	111				111		111
Position PLN	438			(425)	13	1	12
Position HUF	5				5		5
Position RON			2		2	2	
Position KRW	159				159		159
Position MAD	28				28		28
Position DKK	41			(40)	1	1	
Position TRY	5				5		5
Position SEK	92			(93)	(1)	(1)	
Position RUB	15			(15)			
Position INR	25				25		25
Position COP	26				26		26
TOTAL EXPOSURE	**1,777**		**2**	**(1,033)**	**746**	**3**	**743**

The structural foreign exchange position corresponds to the history value of foreign currency equity securities held by RCI Banque S.A.

NOTE 25 Interest and similar income

In millions of euros	12/2022	12/2021
INTERESTS AND SIMILAR INCOMES	**2,965**	**2,604**
Transactions with credit institutions(**)	154	36
Customer finance transactions	1,950	1,811
Finance lease transactions	730	661
Accrued interest due and payable on hedging instruments	80	74
Accrued interest due and payable on Financial assets	51	22
STAGGERED FEES PAID FOR REFERRAL OF BUSINESS:	**(813)**	**(838)**
Customer Loans	(603)	(639)
Finance leases	(210)	(199)
TOTAL INTERESTS AND SIMILAR INCOME(*)	**2,152**	**1,766**
(*) Of which related parties.	546	575

(**) Of which €21 million at 31 December 2022 following the termination of swaps hedging the portfolio of sight deposits and recorded at their market value (see also Note 28).

The increase of interests and similar incomes is explained by the increase of market rate in 2022 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 26 Interest expenses and similar charges

In millions of euros	12/2022	12/2021
Transactions with credit institutions	(240)	(194)
Customer finance transactions	(158)	(94)
Finance lease transactions	(8)	(8)
Accrued interest due and payable on hedging instruments	(31)	(43)
Expenses on debt securities	(429)	(248)
Other interest and similar expenses	(17)	(12)
TOTAL INTEREST AND SIMILAR EXPENSES(*)	**(883)**	**(599)**
(*) Of which related parties.	(3)	

The increase of interest and similar expenses mainly explained by the increase of market rate in 2022.

NOTE 27 Fees and commissions

In millions of euros	12/2022	12/2021
FEES AND COMMISSIONS INCOME	**679**	**639**
Commissions	20	20
Fees	17	16
Commissions from service activities	126	111
Insurance brokerage commission	61	54
Incidental insurance commissions from finance contracts	244	236
Incidental maintenance commissions from finance contracts	150	138
Other incidental commissions from finance contracts	61	64
FEES AND COMMISSIONS EXPENSES	**(311)**	**(282)**
Commissions	(31)	(29)
Commissions on service activities	(98)	(83)
Incidental insurance commissions from finance contracts	(47)	(35)
Incidental maintenance commissions from finance contracts	(108)	(98)
Other incidental commissions from finance contracts	(27)	(37)
TOTAL NET COMMISSIONS(*)	**368**	**357**
(*) Of which related parties.	9	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 28 Net gains (losses) on financial instruments at fair value through profit or loss

In millions of euros	12/2022	12/2021
NET GAINS (LOSSES) ON DERIVATIVES CLASSIFIED AS TRANSACTIONS IN TRADING SECURITIES	**75**	**4**
Net gains/losses on forex transactions	(20)	12
Net gains/losses on derivatives classified in trading securities	82	(1)
Net gains and losses on equity securities at fair value	2	(3)
Fair value hedges: change in value of hedging instruments	(372)	(128)
Fair value hedges: change in value of hedged items	383	124
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**(6)**	**4**
Dividends from non-consolidated holdings	1	8
Gains and losses on assets at fair value through profit and loss	(7)	(4)
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE(*)	**69**	**8**
(*) Of which related parties.	1	8

The majority of the net income on financial instruments recognized at fair value for €80 million comes from interest rate swaps hedging the sight deposit portfolio, whose interest rate is adjusted periodically but not indexed to a market rate. These transactions are not eligible to be documented as hedges and are therefore recorded at their market value. The increase in rates led to a capital gain on these instruments in 2022 while the increase in the cost of deposits will gradually impact cost-to-income over time. The net income of interest rate swaps recognized at market value that were terminated before their contractual maturity is recorded under "Transactions with credit institutions" in Note 25.

NOTE 29 Net income or expense of other activities

In millions of euros	12/2022	12/2021
OTHER INCOME FROM BANKING OPERATIONS	**995**	**1,072**
Income from insurance activities	422	415
Income related to non-doubtful lease contracts	258	363
• of which reversal of impairment on residual values	49	106
Income from operating lease transactions	295	267
Other income from banking operations	20	27
• of which reversal of charge to reserve for banking risks	7	12
OTHER EXPENSES OF BANKING OPERATIONS	**(669)**	**(776)**
Cost of insurance activities	(114)	(113)
Expenses related to non-doubtful lease contracts	(229)	(317)
• of which allowance for impairment on residual values	(67)	(114)
Distribution costs not treatable as interest expense	(85)	(98)
Expenses related to operating lease transactions	(213)	(201)
Other expenses of banking operations	(28)	(47)
• of which charge to reserve for banking risks	(8)	(10)
OTHER OPERATING INCOME AND EXPENSES	**13**	
Other operating income	28	19
Other operating expenses	(15)	(19)
TOTAL NET INCOME (EXPENSE) OF OTHER ACTIVITIES(*)	**339**	**296**
(*) Of which related parties.	2	(3)

Income and expenses of service activities include the income and expenses booked for insurance policies issued by the group's captive insurance companies.

Net income of own risk insurance activities

In millions of euros	12/2022	12/2021
Gross premiums issued	388	360
Net charge of provisions for technical provisions	10	26
Claims paid	(48)	(44)
Others contract charges including commissions paid	(2)	
Claims recovered from reinsurers	12	12
Others reinsurance charges and incomes	(48)	(50)
TOTAL NET INCOME OF INSURANCE ACTIVITIES	**312**	**304**

NOTE 30 General operating expenses and personnal costs

In millions of euros	12/2022	12/2021
PERSONNEL COSTS	**(362)**	**(305)**
Employee pay	(233)	(206)
Expenses of post-retirement benefits – Defined-contribution pension plan	(22)	(19)
Expenses of post-retirement benefits – Defined-benefit pension plan	(1)	6
Other employee-related expenses	(77)	(72)
Other personnel expenses	(29)	(14)
OTHER ADMINISTRATIVE EXPENSES	**(260)**	**(251)**
Taxes other than current income tax	(54)	(48)
Rental charges	(7)	(9)
Other administrative expenses	(199)	(194)
TOTAL GENERAL OPERATING EXPENSES(*)	**(622)**	**(556)**
(*) Of which related parties.	11	(1)

Auditors' fees are analyzed in part 5.1.4 – "Fees of auditors and their network", in the "General Information" section.

In addition, non-audit services that KPMG S.A. and Mazars provided during the financial year to RCI and entities that it controls mainly concern (i) comfort letters in connection with bond issues (ii) attest engagements, and (iii) agreed procedures carried out mainly for local regulatory reasons.

Other personnel expenses include amounts charged to and reversed from provisions for restructuring and for personnel related risks totaling -€19 million as at 31 December, 2022 compared to -€6 million as at 31 December, 2021.

Average number of employees	12/2022	12/2021
Sales financing operations and services in France	1,801	1,750
Sales financing operations and services in other countries	2,286	2,099
TOTAL RCI BANQUE GROUP	**4,087**	**3,849**

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NOTE 31 Cost of risk by customer category

In millions of euros	12/2022	12/2021
COST OF RISK ON CUSTOMER FINANCING	**(210)**	**(98)**
Impairment allowances	(331)	(448)
Reversal of impairment	221	465
Losses on receivables written off	(128)	(145)
Amounts recovered on loans written off	28	30
COST OF RISK ON DEALER FINANCING	**21**	**37**
Impairment allowances	(25)	(28)
Reversal of impairment	54	67
Losses on receivables written off	(8)	(2)
OTHER COST OF RISK	**(6)**	**(1)**
Change in allowance for impairment of other receivables	(3)	
Other valuation adjustments	(3)	(1)
TOTAL COST OF RISK	**(195)**	**(62)**

This item includes the net increase (decrease) in impairment allowances, losses on receivables written off, and amounts recovered on receivables written off.

The cost of risk on customer financing increased by €112 million mainly due to the update of IFRS 9 Loss Given Default (LGD) parameters for the France and Brazil entities, as well as the implementation of the Inflation and Vulnerable Customers provisions in many countries and the non-repetition of the reversals of provisions recorded in 2021 after significant allowances related to Covid-19 in 2020.

With respect to customer activity, the transactions that took place in year of 2022 were:

- a €27 million increase in the provision for non-performing outstandings;
- a €83 million increase in the provision for performing outstandings.

Regarding the Dealer network activity (dealer financing), the cost of risk breaks down into:

- €22 million on performing outstandings: mainly related to the reversal of forward-looking provisions;
- €7 million for non-performing outstandings related to the decrease in doubtful portfolios in Spain, Poland and Italy;
- €8 million loss on receivables mainly in Spain.

NOTE 32 Income tax

In millions of euros	12/2022	12/2021
CURRENT TAX EXPENSE	**(288)**	**(266)**
Current tax expense	(288)	(266)
DEFERRED TAXES	**(42)**	**(62)**
Income (expense) of deferred taxes, gross	(42)	(62)
TOTAL INCOME TAX	**(330)**	**(328)**

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) includes in current income tax is -€4.3 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 2022, takes into account tax income of €53 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 2021 (i.e. 6/7 of €62 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	12/2022	12/2021
Provisions	24	54
Provisions and other charges deductible when paid	5	(6)
Tax loss carryforwards	92	108
Other assets and liabilities	(9)	61
Lease transactions	(708)	(702)
Non-current assets	7	3
Impairment allowance on deferred tax assets	(9)	(9)
TOTAL NET DEFERRED TAX ASSET (LIABILITY)	**(598)**	**(491)**

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

	2022 change in equity			2021 change in equity		
In millions of euros	Before tax	Tax	Net	Before tax	Tax	Net
Unrealised P&L on cash flow hedge instruments	265	(66)	199	70	(23)	47
Unrealised P&L on financial assets	(12)	4	(8)	(4)	1	(3)
Actuarial differences	15	(4)	11	10	(2)	8
Exchange differences	(1)		(1)	53		53
Other unrealised or deferred P&L				(0)		(0)

NOTE 33 Events after the end of the reporting period

There were no events after the reporting period.

4.3.8 Group subsidiaries and branches

4.3.8.1 List of consolidated companies and foreign branches

	Country	Direct interest of RCI	Indirect interest of RCI		% interest	
			%	Held by	2022	2021
PARENT COMPANY: RCI BANQUE S.A.						
Branches of RCI Banque:						
RCI Banque S.A. Niederlassung Deutschland	Germany					
RCI Banque Sucursal Argentina	Argentina					
RCI Banque SA Niederlassung Osterreich	Austria					
RCI Banque S.A. Sucursal en Espana	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
Rombo Compania Financiera S.A.	Argentina	60			60	60
Courtage S.A.	Argentina	95			95	95
RCI Financial Services SA	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(*)	Croatia	100			100	0
RCI Financial Services Korea Co, Ltd	South Korea	100			100	100
RCI Insurance Service Korea Co.Ltd(*)	South Korea	100			100	0
Overlease S.A.	Spain	100			100	100
Bipi Mobility SL(**)	Spain	100			100	100
Diac S.A.	France	100			100	100
Diac Location S.A.	France	-	100	Diac S.A.	100	100
Bipi Mobility France(**)	France	-	100	Bipi Mobility SL	100	100
RCI ZRT	Hungary	100			100	100
ES Mobility SRL	Italy	100			100	100
Bipi Mobility Italy S.R.L(**)	Italy		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 Morocco	Morocco	100			100	100
RDFM	Morocco	-	100	RCI Finance Morocco	100	100
RCI Financial Services B.V.	Netherlands	100			100	100
Bipi Mobility Netherlands B.V.(*)	Netherlands	-	100	Bipi Mobility SL	100	0
RCI Leasing Polska	Poland	100			100	100
RCI COM S.A.	Portugal	100			100	100

	Country	Direct interest of RCI	Indirect interest of RCI		% interest	
			%	Held by	2022	2021
RCI GEST SEGUROS – Mediadores de Seguros, Lda	Portugal	-	100	RCI COM S.A.	100	100
RCI Finance CZ s.r.o.	Czech Republic	100			100	100
RCI Financial Services s.r.o.	Czech Republic	50			50	50
RCI Broker De Asigurare S.R.L.	Roumania	-	100	RCI Finantare Romania	100	100
RCI Finantare Romania	Roumania	100			100	100
RCI Leasing Romania IFN S.A.	Roumania	100			100	100
RCI Financial Services Ltd	United-Kingdom	-	100	RCI Bank UK Ltd	100	100
RCI Bank UK Ltd	United-Kingdom	100			100	100
Bipi Mobility UK Limited(*)	United-Kingdom	-	100	Bipi Mobility SL	100	0
RNL Leasing	Russia	100			100	100
RCI Finance SK S.r.O(*)	Slovakia	100			100	0
RCI Lizing d.o.o(*)	Slovenia	100			100	0
RCI Finance S.A.	Switzerland	100			100	100
SPV						
CARS Alliance Auto Loans Germany Master	Germany		(cf Note 13)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Leases Germany	Germany			RCI Banque Niederlassung Deutschland		
Cars Alliance DFP Germany 2017	Germany		(cf Note 13)	RCI Banque Niederlassung Deutschland		
Cars Alliance Auto Loans Germany V 2019-1	Germany		(cf Note 13)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Loans Germany V 2021-1(**)	Germany		(cf Note 13)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Loans Spain 2022(*)	Spain		(cf Note 13)	RCI Banque Sucursal en Espana		
FCT Cars Alliance DFP France	France		(cf Note 13)	Diac S.A.		
CARS Alliance Auto Loans France FCT Master	France		(cf Note 13)	Diac S.A.		
CARS Alliance Auto Leases France V 2020-1	France		(cf Note 13)	Diac S.A.		
CARS Alliance Auto Leases France Master	France		(cf Note 13)	Diac S.A.		
Diac RV Master(**)	France			Diac S.A.		
CARS Alliance Auto Loans France V 2022-1(*)	France		(cf Note 13)	Diac S.A.		
Cars Alliance Auto Loans Italy 2015 SRL	Italy		(cf Note 13)	RCI Banque Succursale Italiana		
CARS Alliance UK Master Plc(**)	United-Kingdom		(cf Note 13)	RCI Financial Services Ltd		
Cars Alliance Auto UK 2015 Limited	United-Kingdom			RCI Financial Services Ltd		
EQUITY ACCOUNTED COMPANIES:						
RN SF B.V.	Netherlands	50			50	50
BARN B.V.	Netherlands	-	60	RN SF B.V.	30	30
RN Bank	Russia	-	100	BARN B.V.	30	30
Orfin Finansman Anonim Sirketi	Turkey	50			50	50
Renault Crédit Car	Belgium	-	50.10	AUTOFIN	50.10	50.10
Nissan Renault Financial Services India Private Ltd	India	30			30	30
Mobility Trader Holding Gmbh(*)	Germany	4.97				

(*) Entities added to the scope in 2022.
(**) Entities added to the scope in 2021.

4.3.8.2 Subsidiaries in which non-controlling interests are significant

31/12/2022 – before intra-group elimination In millions of euros	**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 (minority shareholders)	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.

In December 2022, the Mobilize Financial Services Group updated the method used to calculate the value in use for these four entities. The impact of this discount compared to June 2022 is a reversal of € 10 million.

The amount of debt for puts on minority interests for the Brazilian entity, Banco RCI Brasil S.A. is included under "Other liabilities" for €117 million at 31 December 2022, against €102 million at 31 December 2021.

The amount of debt for puts on minority interests for ROMBO Compania Financiera is included under "Other liabilities" for €4 million at 31 December 2022, against €4 million at 31 December 2021.

The amount of debt for puts on minority interests for RCI Colombia S.A. is included under "Other liabilities" for €49 million at 31 December 2022, against 63 at 31 December 2021.

The amount of debt for puts on minority interests for RCI Financial services S.r.o. is included under "Other liabilities" for €16 million at 31 December 2022.

31/12/2021 – before intra-group elimination In millions of euros	**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	50.00%	40.00%	39.89%	49.00%
Share in associates by non controlling interests	50.00%	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	3		10	8
Equity: Investments in associates and joint ventures	13	(1)	(1)	
Dividends paid to non controlling interests (minority shareholders)	2		16	2
Cash, due from banks	3	21	88	20
Net outstandings customers loans and lease financings	112	94	1,442	585
Other assets	5	2	111	7
TOTAL ASSETS	**120**	**117**	**1,641**	**612**
Due to banks, customer deposits and debt securities issued	90	101	1,330	523
Other liabilities	4	9	99	10
Net Equity	26	7	212	79
TOTAL LIABILITIES	**120**	**117**	**1,641**	**612**
NET BANKING INCOME	**9**	**6**	**86**	**41**
Income tax	(1)	(1)	(16)	(7)
Net income	5	1	26	16
Other components of comprehensive income			15	(1)
TOTAL COMPREHENSIVE INCOME	**5**	**1**	**41**	**15**
Net cash generated by operating activities	(4)	25	100	16
Net cash generated by financing activities	(9)		(68)	(6)
Net cash generated by investing activities			(1)	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(13)**	**25**	**31**	**10**

4.3.8.3 Significant associates and joint ventures

31/12/2022 – before intra-group elimination In millions of euros	**RN Bank**	**ORFIN Finansman Anonim Sirketi**	**Nissan Renault Financial Services India Private Ltd**	**Mobility Trader Holding Gmbh**
Country of location	Russia	Turkey	India	Germany
Percentage of capital held	30.00%	50.00%	30.00%	4.97%
Nature	Associate	Joint venture	Associate	Associate
Consolidation method	Equity method	Equity method	Equity method	Equity method
Share in net income of associates and joint ventures	(110)	(3)	2	(16)
Investments in associates and joint ventures		15	37	14
Dividends received from associates and joint ventures				
Cash, due from banks	206	78	19	59
Net outstandings customers loans and lease financings	845	294	426	
Other assets	28	5	10	287
TOTAL ASSETS	**1,079**	**377**	**455**	**346**
Due to banks, customer deposits and debt securities issued	678	339	196	
Other liabilities	30	8	137	60
Net Equity	371	30	122	286
TOTAL LIABILITIES	**1,079**	**377**	**455**	**346**
NET BANKING INCOME	**88**	**11**	**20**	**(318)**
Income tax	(8)	(1)	(3)	
Net income	31	5	9	(318)
Other components of comprehensive income				
TOTAL COMPREHENSIVE INCOME	**31**	**5**	**9**	**(318)**
Net cash generated by operating activities	113	70	2	59
Net cash generated by financing activities				
Net cash generated by investing activities				
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**113**	**70**	**2**	**59**

RN Bank were subject to a provision for their full value at 31 December 2022.

31/12/2021 – before intra-group elimination In millions of euros	**RN Bank**	**ORFIN Finansman Anonim Sirketi**	**Nissan Renault Financial Services India Private Ltd**
Country of location	Russia	Turkey	India
Percentage of capital held	30.00%	50.00%	30.00%
Nature	Associate	Joint venture	Associate
Consolidation method	Equity method	Equity method	Equity method
Share in net income of associates and joint ventures	13	4	2
Investments in associates and joint ventures	94	16	36
Dividends received from associates and joint ventures			
Cash, due from banks	83	11	23
Net outstandings customers loans and lease financings	1,181	274	388
Other assets	33	5	9
TOTAL ASSETS	**1,297**	**290**	**420**
Due to banks, customer deposits and debt securities issued	959	249	151
Other liabilities	30	9	150
Net Equity	308	32	119
TOTAL LIABILITIES	**1,297**	**290**	**420**
NET BANKING INCOME	**79**	**17**	**20**
Income tax	(10)	(2)	(3)
Net income	40	9	8
Other components of comprehensive income			
TOTAL COMPREHENSIVE INCOME	**40**	**9**	**8**
Net cash generated by operating activities	(6)	2	(70)
Net cash generated by financing activities	(1)		
Net cash generated by investing activities			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(7)**	**2**	**(70)**

4.3.8.4 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.

4.4 Appendix 1: Information about locations and operations

31/12/2022 In millions of euros

Geographical location	Company name	Nature of activities	Number of employees	Net banking income	Profit or loss before tax	Current tax expense	Deferred taxes	Public subsidies received
France	RCI Banque S.A.	Holding	425	244.0	196.0	(10.4)	(58.7)	
Germany	RCI Banque S.A. Niederlassung Deutschland	Financing	369	216.2	97.4	(31.4)	(4.7)	
	RCI Versicherungs – Service GmbH	Services						
	Mobility Trader Holding GmbH	Services						
Argentina	RCI Banque Sucurs al Argentina	Financing	64	58.5	15.7	(5.3)	1.1	
	Rombo Compania Financiera S.A.	Financing						
	Courtage S.A.	Services						
Austria	RCI Banque S.A. Niederlassung Österreich	Financing	53	26.8	14.3	(2.6)	(0.7)	
Belgium	RCI Financial Services S.A.	Financing	31	15.4	10.0	(1.9)		
	Auto fin S.A.	Financing						
	Renault Crédit Car S.A.	Financing						
Brazil	Administradora de Consórcio RCI Brasil Ltda	Financing	171	109.1	50.9	(27.1)	13.6	
	Banco RCI Brasil S.A.	Financing						
	RCI Brasil Serviços e Participações Ltda	Services						
	Corretora de Seguros RCI Brasil S.A.	Services						
Colombia	RCI Colombia S.A. Compania de Financiamiento	Financing	96	52.2	26.2	(11.7)	1.5	
	RCI Servicio s Colombia S.A.	Financing						
South Korea	RCI Financial Services Korea Co. Ltd	Financing	117	53.9	29.6	(7.2)		
	RCI Insurance Service Korea Co. Ltd	Services						
Croatia	RCI Usluge d.o.o	Financing	8	1.8	1.4	(0.1)		
Spain	RCI Banque S.A. Sucursal En España	Financing	403	129.1	66.5	(26.6)	6.4	
	Overlease S.A.	Financing						
	Bipi Mobility SL	Services						
France	Diac S.A.	Financing	1.136	437.0	169.8	(64.8)	(17.4)	
	Diac Location S.A.	Financing						
	Bipi Mobility France	Services						
Hungary	RCI Zrt	Financing	4	1.6	0.9			
India	Nissan Renault Financial Services India Private Limited	Financing	131		2.6			
Ireland	RCI Banque, Branch Ireland	Financing	30	13.6	7.2	(0.9)		

31/12/2022 In millions of euros

Geographical location	Company name	Nature of activities	Number of employees	Net banking income	Profit or loss before tax	Current tax expense	Deferred taxes	Public subsidies received
Italy	RCI Banque S.A. Succursale Italiana	Financing	230	154.1	93.6	(29.6)	(2.0)	
	ES Mobility S.R.L.	Financing						
	Bipi Mobility Italy S.R.L	Services						
Malta	RCI Services Ltd	Holding	31	177.3	169.2	(10.9)	4.5	
	RCI Insurance Ltd	Services						
	RCI Life Ltd	Services						
Morocco	RCI Finance Maroc S.A.	Financing	46	29.9	13.6	(6.9)	0.1	
	RDFM S.A.R.L	Services						
Netherlands	RCI Financial Services B.V.	Financing	47	19.0	9.6	(2.7)	0.3	
	Bipi Mobility Netherlands B.V	Services						
Poland	RCI Banque Spólka Akcyjna Oddzial w Polsce	Financing	63	24.0	13.0	(6.0)	8.9	
	RCI Leasing Polska Sp. z o .o .	Financing						
Portugal	RCI Banque S.A. Sucurs al Portugal	Financing	41	14.2	6.3	(1.7)	0.2	
	RCI COM SA	Financing						
	RCI Gest Seguro s – Mediadores de Seguro s Lda	Services						
Czech Rep	RCI Finance C.Z., S.r.o .	Financing	22	10.4	11.1	(1.6)		
	RCI Financial Services, S.r.o .	Financing						
Romania	RCI Finantare Romania S.r.l.	Financing	68	19.8	14.2	(2.6)	(0.1)	
	RCI Broker de asigurare S.R.L.	Services						
	RCI Leasing Romania IFN S.A.	Financing						
United Kingdom	RCI Financial Services Ltd	Financing	313	176.9	112.4	(29.3)	4.7	
	RCI Bank Uk Limited	Financing						
	Bipi Mobility UK Limited	Services						
Russia	RNL Leasing	Financing	200	1.4	(114.5)	(0.2)	0.4	
	Sub group RNSF BV, BARN BV and RN Bank	Financing						
Slovenia	RCI Banque S.A. Bančna podružnica Ljubljana	Financing	39	12.1	8.0	(1.5)		
	RCI Lizing d.o .o .	Financing						
Slovakia	RCI Finance SK S.r.o .	Financing	3	7.6	7.0	(0.3)		
Sweden	Renault Finance Nordic Bankfilial till RCI Banque S.A., Frankrike	Financing	19	8.3	4.9	(1.1)	(0.1)	
Switzerland	RCI Finance S.A.	Financing	49	30.8	16.3	(3.6)		
Turkey	ORFIN Finansman Anonim Sirketi	Financing	55		(3.2)			
TOTAL			**4.264**	**2.045**	**1.050**	**(288)**	**(42)**	

4.5 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.

4.5.1 Organization of market risk management

The specific market risk management system is part of the group Mobilize Financial Services's overall internal control system and operates to standards approved by the Board of Directors. Mobilize Financial Services'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 in the consolidated group Mobilize Financial Services 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 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.

4.5.2 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	€25.15 million
Not assigned	€12.85 million
Total sensitivity limit in €m granted by Renault to RCI Banque	€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 modelling 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 Bank Regulations 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 of 31 December 2022, Mobilize Financial Services's overall sensitivity to interest rate risk remained below the group's limit (€70 million).

At 31 December 2022, a parallel increase in rates would have an impact on the net interest margin (NII) of the Mobilize Financial Services Group of €5.7 million in absolute currency value. The contribution by currency is as follows:

Currency	K€	Currency	K€	Currency	K€	Currency	K€
ARS	122	CZK	320	HUF	164	SEK	15
BRL	-256	EUR	-1,593	KRW	-40	RON	244
CHF	-294	DKK	-9	MAD	1,107	RUB	-288
COP	171	GBP	1,013	PLN	109		

The sum of the absolute values of the sensitivities to a parallel interest rate shock [1] in each currency amounts to €7.0 million.

4.5.3 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 office

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 guidelines of the regulator (IRRBB Guidelines of 2018), the magnitude of interest rate shocks depends on the currency. As of 31 December 2022, 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 BRL; +500 bps 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.

4.5.4 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 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 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.

4.5.5 Foreign exchange risk

The foreign exchange position is decomposed into:

- the structural foreign exchange position, which result investment into long term of group in the equity of foreign subsidiaries;
- the transactional exchange position, which ensue the cash flow named in a currency other than their 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 €10 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 to 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.

In 2022, the Mobilize Financial Services Group launched the financing of an importing activity that generates an additional foreign exchange risk. The manufacturer (Renault/Nissan) invoices the importer in EUR, whereas financing by Mobilize Financial Services can only be carried out in local currency.

An overnight foreign exchange risk position is created because the invoice is converted using the D+0 exchange rate whereas the conversion will be based on the market exchange rate of D+1.

The risk is relatively limited because the exposure is only overnight. However, the consumption of the transactional exchange limit can be significant in terms of amount.

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 therefore been increased to €55 million, an increase of €20 million compared to 2021.

At 31 December 2022, Mobilize Financial Services Group's consolidated transactional foreign exchange position is €12.7 million.

4.5.6 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 Renault Group 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 doesn't exist.

Fixed-rate method

Mobilize Financial Services reviewed its market risk valuation method in March 2022.

The increasing use of the clearing house mechanism in the management of derivatives (clearing house or collateral exchange with the contreparty 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.

The coefficient applied depends on the period during which Mobilize Financial Services is exposed to potential adverse changes in the value of the derivative instruments it holds, which would require it to post additional cash or collateral.

These changes in value depend on changes in interest 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 is in a permanent position.

#1 #2 #3 #4 #5

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:

Interest rate contract

		Non-cleared interest SWAPS	
Cleared SWAPS	Bilateral interest-rate swap	Residual duration	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 €237 million at 31 December 2022, compared to €201 million at 31 December 2021. According to the "positive mark to market + add-on" method, the equivalent counterparty risk was €43 million at 31 December 2022, compared with €27 million at 31 December 2021. These figures only relate to credit institutions. They were determined without taking into account netting agreements, in accordance with the methodology described.

#5

GENERAL INFORMATION

5.1 General information about the company

5.1.1 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 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: 070 237 04, 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.

5.1.2 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 and 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.

5.1.3 General information about the share capital

5.1.3.1 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.

5.1.3.2 Current share capital ownership and voting rights

Shareholders

At 31 December 2022, 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 the 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.

5.1.3.3 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.

5.1.3.4 Employee profit sharing scheme

In accordance with Articles L.442-1 and 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.

	2022	2021	2020	2019	2018	2017	2016
Profit-sharing (in millions of euros)	12.6	10.9	2.8	10.3	9.5	9.1	8.4
Beneficiaries	2,065	1,957	1,866	1,814	1,707	1,601	1,499

5.1.4 Fees paid to statutory auditors and their network

	MAZARS statutory auditors				KPMG				Other statutory auditors			
	2022		2021		2022		2021		2022		2021	
	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%
Legal audit in the strict sense	1,897	100%	1,403	99%	1,300	99%	1,464	99%	139	85%	47	100%
Services necessarily rendered due to local regulations	5	0%	18	1%	9	1%	18	1%	22	14%		
Services usually provided by the auditors	4	0%	1	0%			3	0%	2	1%		
LEGAL AUDIT AND RELATED SERVICES	1,906		1,422		1,309		1,485		163		47	
Tax, legal & social consulting			15	22.39%			9	69%				
Organization consulting												
Other consulting	30	100%	52	78%	28	100%	4	31%				
AUTHORIZED SERVICES EXCLUDING LEGAL AUDITS REQUIRING APPROVAL	30		67		28		13					
TOTAL FEES	1,936		1,489		1,337		1,498		163		47	

5.1.5 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 2022 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: two years

Term expires: accounting year 2021

Represented at 31 December 2022 by Anne Veaute

5.2 History

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 all of the Groupe Renault 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.

5.2.1 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.

5.2.2 Investment policy advice

Main investments and disposals over the last five financial years.

	Disposals - dissolutions - mergers	Acquisitions	Creations
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.	
2018	**France:** intragroup transfer of CLASS&CO SOFTWARE S.A.S (Yuso) to the subsidiary FLIT TECHNOLOGIES LTD. (Karhoo)	**Canada:** acquisition of iCabbi Canada, Inc. **United States:** acquisition of iCabbi USA, Inc. **Ireland:** acquisition of 78.06% of Coolnagour Ltd. t/a iCabbi **United Kingdom:** acquisition of Coolnagour UK Ltd. and SCT Systems Ltd.	**United Kingdom:** creation of RCI Services UK Ltd.

5.3 Statement by the person responsible for the annual financial report

I certify, to the best of my knowledge, that the accounts are compiled in accordance with the accounting standards applicable and give a true picture of the assets, financial position and results of the company and of all companies included in the consolidation. The attached management report gives an accurate picture of changes in the business, results and financial position of the company and of all companies included in the consolidation as well as a description of the main risks and uncertainties with which they are faced.

10 February 2023

Chairman of the Board of Directors

Gianluca DE FICCHY.

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:

RCI Banque
Direction Financement et Trésorerie
FR UZS 000 015
15 rue d'Uzès 75002 Paris - France

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