MOBILIZE
FINANCIAL SERVICES

2023 FINANCIAL ANNUAL REPORT

At 31 December

A commercial brand operated by

RCI Banque S.A.

CONTENT

2023 FINANCIAL ANNUAL REPORT

At 31 December

This annual financial report is a translation in English of the official version of the annual financial report filed with the AMF and available on the website www.mobilize-fs.com.

Statement by the responsible natural person of the Annual Financial Report as of December 31, 2023

I hereby certify that, to the best of my knowledge, the financial statements were prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position and results of the company and of all the companies included in the scope of consolidation. The attached management report presents a true and fair view of the evolution of the business, results and financial position of the company and of all the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties they face.

February 9, 2024
The Chairman of the Board of Directors
Gianluca De Ficchy

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CONSOLIDATED FINANCIAL STATEMENTS

CONTENT

1.1 Statutory auditors' report on the consolidated financial statements

Statutory auditors' report on the consolidated financial statements

For the year ended 31 december 2023

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of RCI Banque S.A.,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of RCI Banque S.A. for the year ended December 31, 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 december 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 1st January 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Audit highlight

Without calling into question the opinion expressed above, we draw your attention to the following matter set out in note "1.3.3 Accounting rules and methods" in the appendix to the consolidated accounts regarding the change of method in connection with the first application of IFRS 17.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Assessment of credit risk and evaluation of impairment

Risk identified	RCI Banque S.A. recognizes impairment losses to cover the risk of non-recovery of loans granted to its customers. In compliance with IFRS 9 "Financial Instruments", RCI Banque S.A. calculates impairment allowances on expected credit losses on assets without signs of credit impairment (bucket 1), on assets whose risk has deteriorated since the initial recognition (bucket 2) and on defaulting assets (bucket 3), such as described in Note 3. E) to the consolidated financial statements. We consider the credit loss provisioning is a key audit matter due to the significant amount of receivables on retail customers and car dealers in the asset section of the balance sheet, the use of numerous parameters and assumptions in the calculation models and the use of judgment made by management in estimating expected credit losses. These impairment allowances have been estimated taking into account the contrasting macroeconomic environement which is reflected in particular by the slowdown in inflation and the rise in rates. This is described in note 1.3.4 "economic and financial environment". The expected credit losses set in accordance with IFRS 9 are presented in the Note 7 to the consolidated financial statements and amount to €1,168M with a gross amount of receivables of €56,583M as of 31 December 2023.
Our audit response	With the support of our credit risk experts and IT specialists, our work involved: • assessing the methodologies applied to determine the parameters used in the impairment model and their correct operational insertion in the information systems; • evaluating the key controls around validating of changes in key parameters and assumptions that support the calculation of impairment allowances for expected credit losses; • assessing the impairment adjustments relying on expertises and inspecting the documentation underlying the additional impairment allowances; • assessing the assumptions used in determining the Forward-Looking models, notably the weighting of different scenarios and the governance underlying the choice of weightings; • performing controls on RCI Banque's IT system, including a review of general IT controls, interfaces and automatic controls involved in the preparation of IFRS9 financial information;
	• assessing the soundness of the bucketting process (i.e. classifying assets by IFRS 9 category); • carrying out substantive analytical procedures on the evolution of outstanding loans to customers and the dealer network, and impairment allowances for credit risk from one financial year to the next; • examining the compliance of the information published in the notes to the annual accounts with the applicable accounting rules.

Specific Verifications

We have also proceeded, in accordance with the professional practice standards applicable in France, to the specific verifications provided for by legal and regulatory texts of information relating to the group, data in the management report of the board of directors.

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

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the Annual Financial Report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the General Director, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. When it comes to the consolidated accounts, our procedures include verifying the compliance of tagging in the format defined by the aforementioned regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent in the macro-tagging of consolidated accounts according to the European Single Electronic Format (ESEF), it is possible that the content of certain tags of the notes from the annual financial report is not reproduced in an identical manner to the consolidated accounts and notes attached to this report.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of RCI Banque S.A by the annual general meeting held on 22nd may 2014 for KPMG S.A and on 29th April 2020 for Mazars.

As at 31st December 2023, KPMG S.A. and Mazars were respectively in the 10th year and 4th year of total uninterrupted engagement.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (code de commerce) and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The statutory auditors

Paris La Défense, 8 March 2024

KPMG SA	**MAZARS**
Ulrich SARFATI	Anne VEAUTE
Partner	Partner

1.2 Consolidated financial statements

1.2.1 Consolidated balance sheet

ASSETS

In millions of euros	Notes	12/2023	12/2022 Restated*	01/01/2022 Restated*
Cash and balances at Central Banks	2	4,733	5,874	6,745
Derivatives	3	225	329	135
Financial assets at fair value through other comprehensive income	4	483	521	837
Financial assets at fair value through profit or loss	4	143	224	149
Amounts receivable at amortized cost from credit institutions	5	1,539	1,690	1,294
Loans and advances at amortized cost to customers	6 and 7	53,851	48,631	44,074
Current tax assets	8	88	41	21
Deferred tax assets	8	249	220	179
Tax receivables other than on current income tax	8	322	125	112
Reinsurance contracts assets	8	33	36	59
Adjustment accounts and other assets	8	1,583	978	852
Non-current assets held for sale		-	19	-
Investments in associates and joint ventures	9	97	66	146
Expenses related to operating lease transactions	6 and 7	1,564	1,383	1,344
Tangible and intangible non-current assets	10	150	123	94
Goodwill	11	136	137	149
TOTAL ASSETS		**65,196**	**60,397**	**56,190**

(*) The 2022 financial statements were restated pursuant to IFRS 17 for insurance contracts (see Accounting rules and methods) Including the impact of the swap reclassification recognized at fair value through profit and loss (see note 4 Financial assets)

LIABILITIES AND EQUITY

In millions of euros	Notes	12/2023	12/2022 Restated*	01/01/2022 Restated*
Central banks	13.1	2,375	3,715	3,738
Derivatives	3	289	322	27
Financial liabilities at fair value through profit or loss	12	62	29	17
Amounts payable to credit institutions	13.2	2,275	2,012	1,997
Amounts payable to customers	13.3	29,312	25,473	22,030
Debt securities	13.4	20,316	18,108	17,971
Current tax liabilities	15	135	108	227
Deferred tax liabilities	15	772	899	670
Taxes payable other than on current income tax	15	54	25	21
Adjustment accounts and other amounts payable	15	1,880	2,004	1,916
Non-current liabilities held for sale		-	1	-
Liabilities on insurance contracts issued	16	182	166	132
Provisions	17	151	188	162
Subordinated debt	19	893	886	893
Equity		6,500	6,461	6,389
• Of which equity – owners of the parent		6,499	6,460	6,375
Share capital and attributable reserves		*814*	*814*	*814*
Consolidated reserves and other		*5,256*	*5,160*	*5,117*
Unrealized or deferred gains and losses		*(358)*	*(198)*	*(402)*
Net income for the year		*787*	*684*	*846*
• Of which equity – non-controlling interests		1	1	14
TOTAL LIABILITIES		**65,196**	**60,397**	**56,190**

(*) The 2022 financial statements were restated pursuant to IFRS 17 for insurance contracts (see Accounting rules and methods) Including the impact of the swap reclassification recognized at faire value through profit and loss (see note 4 Financial assets)

1.2.2 Consolidated income statement

In millions of euros	Notes	12/2023	12/2022 Restated*
Interests and similar incomes	27	3,397	2,152
Interest expenses and similar charges	28	(2,109)	(883)
Fees and commission income	28	765	679
Fees and commission expenses	29	(383)	(311)
Net gains (losses) on financial instruments at fair value through profit or loss	30	(109)	69
Income from insurance contracts issued	16	387	359
Expenses related to insurance contracts issued	16	(25)	(65)
Income and expenses related to reinsurance contracts held	16	-	1
Financial income and expenses from insurance contracts issued	16	(16)	(10)
Income of other activities	31	813	601
Expense of other activities	31	(759)	(576)
NET BANKING INCOME		**1,961**	**2,016**
General operating expenses	32	(693)	(618)
Depreciation and impairment losses on tangible and intangible assets		(19)	(20)
GROSS OPERATING INCOME		**1,249**	**1,378**
Cost of risk	33	(153)	(195)
OPERATING INCOME		**1,096**	**1,183**
Share in net (income) loss of associates and joint ventures (2)	9	(12)	(127)
Gains less losses on non-current assets		(1)	-
Income exposed to inflation (3)		(49)	(31)
PRE-TAX INCOME		**1,034**	**1,025**
Income tax	34	(234)	(321)
NET INCOME		**800**	**704**
Of which Comprehensive income attributable to non-controlling interests		13	20
Of which owners of the parent		787	684
Number of shares		1,000,000	1,000,000
Net income per share (1) and in euros		787.00	684.12
Diluted earnings per share in euros		787.00	684.12

(*) The 2022 financial statements were restated in application of IFRS 17 for insurance contracts (see Accounting rules and methods)

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

(2) The sale of RN Bank had a positive impact on the equity-accounted result of €9 million for the period. The impairment of Mobility Trader Holding GmbH (Heycar) had a negative impact on the result of the equity-accounted result of -€20 million

(3) Argentina hyperinflation.

1.2.3 Consolidated statement of comprehensive income

In millions of euros	12/2023	12/2022 Restated*
NET INCOME	**800**	**704**
Actuarial differences on post-employment benefits	(4)	11
Revaluation of insurance contracts	(3)	-
Total of items that will not be reclassified subsequently to profit or loss	*(7)*	*11*
Unrealized P&L on cash flow hedge instruments	(173)	199
Unrealized P&L on financial assets	4	(8)
Exchange differences	16	(1)
Total of items that will be reclassified subsequently to profit or loss	*(153)*	*190*
Other components of comprehensive income	**(160)**	**201**
TOTAL COMPREHENSIVE INCOME	**640**	**905**
Of which Comprehensive income attributable to non-controlling interests	13	17
Of which Comprehensive income attributable to owners of the parent	627	888

(*) The 2022 financial statements were restated in application of IFRS 17 for insurance contracts (see Accounting rules and methods)

1.2.4 Consolidated statement of changes in equity

In millions of euros	Capital [1]	Attribut. reserves [2]	Consolid. reserves	Translation adjust. [3]	Unrealized or deferred P&L [4]	Net income (Shareholders of the parent company)	Equity (Shareholders of the parent company)	Equity (Non-controlling interests)	Total Consolidated equity
Equity at 31 December 2021*	**100**	**714**	**4,950**	**(399)**	**(3)**	**846**	**6,208**	**14**	**6,222**
Restatement of IFRS 17 opening equity			167				167		167
Equity at 1 January 2022*	**100**	**714**	**5,117**	**(399)**	**(3)**	**846**	**6,375**	**14**	**6,389**
Change in value of financial instruments recognized in equity					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)						684	684	20	704
Total comprehensive income for the period				**(1)**	**205**	**684**	**888**	**17**	**905**
Appropriation of net income of previous year			846			(846)	-		
Effect of changes in scope, stock options and others			(11)				(11)	-	(11)
Dividend for the year			(800)				(800)	(12)	(812)
Repurchase commitment of non-controlling interests			8				8	(18)	(10)
Equity at 31 December 2022*	**100**	**714**	**5,160**	**(400)**	**202**	**684**	**6,460**	**1**	**6,461**
Restatement of opening equity [5]							-		-
Equity at 1 January 2023	**100**	**714**	**5,160**	**(400)**	**202**	**684**	**6,460**	**1**	**6,461**
Change in value of financial instruments recognized in equity					(161)		(161)	(8)	(169)
Actuarial differences on post-employment benefits.					(4)		(4)		(4)
Revaluation of insurance contracts					(3)		(3)		(3)
Exchange differences				8			8	8	16
Net income for the year (before appropriation)						787	787	13	800
Total comprehensive income for the period				**8**	**(168)**	**787**	**627**	**13**	**640**
Appropriation of net income of previous year			684			(684)	-		-
Effect of changes in scope, stock options and others			16				16	-	16
Effect of changes in capital			(18)				(18)		(18)
Dividend for the year [5]			(600)				(600)	(31)	(631)
Repurchase commitment of non-controlling interests			14				14	18	32
EQUITY AT 31 DECEMBER 2023	**100**	**714**	**5,256**	**(392)**	**34**	**787**	**6,499**	**1**	**6,500**

(1) The share capital of RCI Banque S.A. of 100 million euros is composed of 1,000,000 ordinary shares of 100 euros fully paid up 999,999 ordinary shares being held by Renault s.a.s.
(2) Attributable reserves include the share premium account of the parent company.
(3) The change in translation differences at 31 December 2023 mainly concerns Argentina, South Korea, the Netherlands, the United Kingdom, Colombia, Brazil and Turkey. At 31 December 2022, it covered Argentina, Brazil, Colombia, India, Morocco, Poland, Russia, Switzerland, Turkey and the United Kingdom.
(4) Includes in particular the fair value of derivative financial instruments used as cash flow hedges and debt instruments for €46 million and IAS 19 actuarial gains and losses for -€5million at the end of December 2023.
(5) Distribution to the shareholder Renault of a dividend on the 2022 result for €(631) million.

1.2.5 Consolidated cash flow statement

In millions of euros	12/2023	12/2022 Restated*
NET INCOME	**800**	**704**
Depreciation and amortization of tangible and intangible non-current assets	18	19
Net allowance for impairment and provisions	(20)	137
Share in net (income) loss of associates and joint ventures	12	127
Deferred tax (income)/expense	(78)	33
Net loss/gain from investing activities	1	(11)
Other (gains/losses on derivatives at fair value through profit and loss)	157	(80)
CASH FLOW	**890**	**929**
Other movements (accrued receivables and payables)	49	173
Total non-monetary items included in net income and other adjustments	**(139)**	**(398)**
Cash flows on transactions with credit institutions	(1,351)	107
• Inflows/outflows in amounts receivable from credit institutions	(100)	5
• Inflows/outflows in amounts payable to credit institutions	(1,251)	102
Cash flows on transactions with customers	(1,474)	(1,258)
• Inflows/outflows in amounts receivable from customers	(5,179)	(4,953)
• Inflows/outflows in amounts payable to customers	3,705	3,695
Cash flows on other transactions affecting financial assets and liabilities	1,197	557
• Inflows/outflows related to AFS securities and similar	39	285
• Inflows/outflows related to debt securities	1,827	397
• Inflows/outflows related to collections	(669)	(125)
Cash flows on other transactions affecting non-financial assets and liabilities	(88)	11
NET CHANGE IN ASSETS AND LIABILITIES RESULTING FROM OPERATING ACTIVITIES	**(1,716)**	**(583)**
NET CASH GENERATED BY OPERATING ACTIVITIES (A)	**(777)**	**519**
Flows related to financial assets and investments	(13)	(15)
Flows related to tangible and intangible non-current assets	(72)	(53)
NET CASH FROM/(USED BY) INVESTING ACTIVITIES (B)	**(85)**	**(68)**
Net cash from/(to) shareholders	(643)	(819)
• Repayment of equity instruments and subordinated loans	9	-
• Dividends paid	(631)	(812)
• Inflows/outflows related to non-controlling interests	21	(7)
NET CASH FROM/(USED BY) FINANCING ACTIVITIES (C)	**(643)**	**(819)**
EFFECT OF CHANGES IN EXCHANGE RATES AND SCOPE OF CONSOLIDATION ON CASH AND EQUIVALENTS (D)	**73**	**(46)**
CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(1,432)**	**(414)**
Opening cash and cash equivalents:	7,291	7,705
• Cash and balances (assets and liabilities)(assets and liabilities) at central banks	5,836	6,729
• Balances (assets and liabilities) in sight accounts at credit institutions	1,455	976
Cash and cash equivalents at end of year:	5,859	7,291
• Cash and balances (assets and liabilities) at central banks	4,729	5,836
• Balances (assets and liabilities) in sight accounts at credit institutions	1,130	1,455
CHANGE IN NET CASH [1]	**(1,432)**	**(414)**

(*) The 2022 financial statements were restated in application of IFRS 17 for insurance contracts (see Accounting rules and methods)
(1) The rules for determining treasury and treasury equivalent cash flows are presented in the "Accounting rules and methods" section.

1.3 Notes to the consolidated financial statements

RCI Banque S.A, the Group's parent company, is a limited company with a Board of Directors and fully paid-up capital of €100,000,000, subject to all legal and regulatory provisions applicable to regulations governing credit institutions, and registered with the Paris Registre du Commerce et des Sociétés de Paris under SIREN N°. 306 523 358.

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

RCI Banque S.A.'s main business is to provide financing for the Renault Group, Nissan et Mitsubishi brands.

The consolidated financial statements of the Mobilize Financial Services group as at 31 December relate to the company and its subsidiaries, and to the Group's interests in associates and jointly-controlled entities.

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

1.3.1 Approval of financial statements – Distributions

The consolidated financial statements of the Mobilize Financial Services group at 31 December 2023, were approved by the Board of Directors' meeting on 9 February 2024, and will be submitted for approval at the annual general meeting of 20 May 2024.

2022 dividend payout

The Mobilize Financial Services group's consolidated financial statements for the year 2022 were established by the Board of Directors on 10 February 2023 and approved at the combined general meeting on 19 May 2023. It was decided to pay shareholders a dividend of €600 million on the 2022 result, ie a dividend per share of €600

Dividends for 2023

On the Ordinary General Meeting on 9 February 2024, the Board of Directors called to approve the financial statements for the year ended 31 December 2023 decided to pay a dividend of €600 million, ie a dividend per share of €600.

1.3.2 Key highlights

War in Ukraine

The conflict in Ukraine and the economic and trade sanctions progressively levied against Russia, as well as the counter-sanctions levied by Russia impacted the Group's business. The areas in question mainly include employee security, the risk of a shortage of financing in Russia, the risk of cyberattacks, and information systems failure.

RCI Banque S.A.'s net investment in Ukraine is limited to the share of capital held in its local subsidiary for an amount of €0.3 million, which has been fully provisioned for in 2022.

In Russia, RN Bank was sold on 20 June 2023 for 7 billion Russian rubles (€76.4 million). The Group held a 30% economic interest in this company through the holding company RN SF B.V., which is accounted for by the equity method. RN SF B.V. shares were fully written down in 2022. This sale changed the participations in associated companies of +€24.4 million, of which +€8.6 million were recognized in the income statement and +€15.8 million in foreign exchange reserves.

On 3 August 2023, Insight Investment Group LLC entered into an agreement to acquire 100% of RNL Leasing LLC (and its subsidiary RNL Finance LLC) from RCI Banque S.A.. RNL Leasing LLC and its subsidiary RNL Finance LLC were sold for 675 million Russian rubles after tax (6.6 million euros). The Group owned 100% of RNL Leasing, which was fully consolidated. In application of IFRS 5, the assets and liabilities of RNL Leasing LLC were reclassified under "non-current assets/liabilities held for sale" in the Mobilize Financial Services group's consolidated financial statements at 31 December 2022. This sale of shares generated a loss of €11 million in the income statement, and represents the final stage in the withdrawal of RCI Banque S.A. from the Russian Federation, in accordance with the decision taken by Renault Group in 2022.

New issued securitization funds issued

In March, Mobilize Financial Services placed a transaction for approximately €719 million backed by car loans granted by its German branch (including €700 million in senior securities and approximately €19 million in subordinated securities).

The French subsidiary set up a new securitization program of lease-to-purchase plan (LOA) outstandings originated by DIAC. As part of this program, a public offering ("Cars Alliance Auto Lease France V 2023-1" compartment) for around €737 million backed by lease receivables was issued (including €700 million in senior securities [€100 million self-subscribed] and around €37 million in subordinated securities).

Scope entry

In 2023, five new entities joined the full consolidation scope

Bipi Mobility Germany GmbH, Mobilize Lease&Co SAS, Mobilize Lease&Co UK Ltd and Mobilize Insurance SAS have been fully consolidated.

In addition, the Mobilize Financial Services group acquired 36.6% of Select Vehicle Group Holdings Ltd via the subsidiary RCI Bank UK Ltd, which is now consolidated by equity method.

1.3.3 Accounting rules and methods

Pursuant to European regulations, the Mobilize Financial Services group's consolidated financial statements for the 2023 fiscal year were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) at 31 December 2023, as adopted by the European Union at the reporting date.

1.3.3.1 Changes in accounting policies

The Mobilize Financial Services group applies the standards and amendments published in the Official Journal of the European Union, application of which has been mandatory since 1 January 2023.

New regulations that must be applied in 2023

IFRS 17 and amendments	Insurance policies
Amendment IAS 12	Deferred tax on assets and liabilities arising from the same transaction International tax reform (Pillar 2)
Amendments IAS 1	Disclosure of material accounting policies
Amendments IAS 8	Definition of accounting estimates

The application of the IAS 12, IAS 1 and IAS 8 amendments from 1 January 2023 has no significant effect on the Group's financial statements. The impacts of applying IFRS 17 are presented in the dedicated paragraph below.

New texts not applied in advance by the Group

New IFRS standards and amendments not adopted early by the Group		Application date according to the IASB
Amendments IFRS 16	Lease liabilities under sale-leaseback agreements	1 January 2024
Amendments IAS 1	Classification of liabilities as current or non-current liabilities. Non-current liabilities with covenants	1 January 2024

At this stage, the Group does not foresee any material impact on the consolidated financial statements as a result of adopting these amendments.

Other standards and amendments not yet adopted by the European Union

In addition, the IASB has published new standards and amendments that are not yet adopted by the European Union.

New IFRS amendments and standards not yet adopted by the European Union		Application date according to the IASB
Amendment IAS 7	Supplier financing agreements	1 January 2024
Amendment IAS 21	Effect of changes in foreign exchange rates (non-convertibility)	1 January 2025

The Group does not foresee any material impact on the consolidated financial statements as a result of adopting these amendments.

1.3.3.2 Application of IFRS 17

IFRS 17 "Insurance contracts," published on 18 May 2017 and amended by the amendments of 25 June 2020, sets out the principles of recognition, measurement, presentation, and disclosures for insurance contracts. It replaces IFRS 4 "Insurance Contracts," and is applicable as of 1 January 2023. The Mobilize Financial Services group did not adopt the proposed exemption from applying IFRS 9 and had already been applying it since 1 January 2018. The introduction of IFRS 17 leads to the end of the overlay approach previously applied. In accordance with recommendation No. 2022-01, the Group has chosen option 2 for presenting insurance financial investments on the balance sheet, i.e. a breakdown of insurance financial investments in the accounting categories for banking activities on the assets side of the balance sheet.

Methodology for calculating insurance liabilities and assets, and treatment of acquisition cash flows

IFRS 17 mainly applies within the Group to insurance contracts issued and reinsurance treaties issued and/or held by the Group's insurance companies.

Given the nature of our insurance and reinsurance portfolios — contracts with a term of over one year and a non-linear risk profile — their technical provisions are valued using the general model (known as the "building blocks approach"), comprising: (1) estimates of discounted future cash flows weighted by their probability of occurrence, (2) an adjustment for non-financial risk, and (3) the contractual service margin.

There are no participatory contracts in the portfolio justifying the application of the Variable Fee Approach (VFA) model. No contracts are valued using the Premium Allocation Approach (PAA).

The insurance business holds some proportional reinsurance coverage. The components of existing reinsurance contracts are valued separately, but their accounting date corresponds to the date of the underlying contracts hedged, as the reinsurance is related to the generations of contracts.

The contractual service margin will be recognized in the income statement according to the coverage units provided during the period. A hedging unit is used to reflect the allocation of the contractual service margin as services are rendered.

Contract aggregation level

In accordance with the standard, technical provisions are valued by homogeneous groups of contracts using the following aggregation rules:

- By portfolios with similar risks and that are managed together,
- By annual cohorts
- By profitability groups, with a separate group for onerous contracts at the time of recognition.

Cash flow (BE – Best Estimate)

The BE of insurance and reinsurance portfolios corresponds to the projected future cash flows (in particular premiums, benefits, attributable expenses) of the contracts included in the contract boundary. These projections are based on models that reflect the way insurance and reinsurance contracts operate, and are carried out according to the levels of aggregation defined above. These projection models are based on the same foundations as those used for Solvency calculations. They were subject to an external review in 2023.

The contract boundary corresponds to the date on which the contract takes effect and the date on which it expires.

Acquisition costs

Acquisition costs correspond to distribution commissions paid to the network dealer. These costs are incurred on the effective date of the contract and are amortized according to the same profile as the Contractual Service Margin (CSM).

Attributable/non-attributable expenses

All overheads recognized in 2023 are entirely classified as expenses attributable to the insurance business and are therefore fully reflected in the projected expense flows.

Risk adjustment (RA) for non-financial risk

The adjustment for non-financial risk is intended to compensate for the uncertainty inherent in the amounts and timing of projected cash flows. It is based on the observed distribution of the frequency of claims, representing the main risk factor of the insurance portfolio, and is calibrated with a confidence threshold of 90%, consistent with that used in the risk appetite rules. The risk adjustment is amortized according to the claims cash flow profile.

Contractual Service Margin (CSM)

The contractual service margin represents the portion of profits earned on underwritten insurance contracts that will be deferred and gradually brought into income over the estimated life of the insurance contracts. It is defined when the contracts subscription and evolves during the life of the contracts depending on experience and assumptions that differ from the original expectations.

Hedging units

Hedging units are used to measure risk coverage periods for income recognition purposes (contractual service margin). These hedging units are based on the risk profile of the annual cohorts of contracts, taking into account the profile of the sums at risk.

Discount rate

Discount rates are defined using the bottom-up method, to which an illiquidity premium is added. The risk-free yield curve is as defined by EIOPA.

EIOPA Risk-Free rate as at 31 December 2023:

EIOPA - RFR (FY2023)	1	2	3	4	5	6	7	8	9	10
Forward rates (yearly)	3.73%	2.68%	2.46%	2.51%	2.62%	2.72%	2.81%	2.88%	2.96%	3.05%

The illiquidity premium adjustment is derived from the market price curve using the Merton structural credit risk model and the CoC (Cost Of Captial) adjustment to remove the “expected” probability of default and credit risk premiums for (un)expected losses, adjusted according to the bond portfolio held.

OCI options

The Mobilize Financial Services group decided to use the option to allocate financial income and expenses for the period between income statement and other comprehensive income.

Treatment of internal margins

The treatment of internal margins corresponds solely to the restatement of distribution fees paid by the Group’s insurance companies to the Group’s subsidiaries.

Relevant accounting estimates

All of the underlying technical assumptions used to calculate future cash flows from insurance portfolios are defined on the basis of statistical studies on portfolio data and represent the best estimate of these elements at the calculation date.

- Frequency of claims
- Claims acceptance rate
- Indemnity periods for hedging the monthly payments of the underlying financing
- Early buyout contract rates
- Unit costs

Financial assumptions are based on data supplied by the regulator and market data used by the Group.

Impacts of the transition

Since IFRS 17 is being retrospectively applied as of 1 January 2022, the Group considered that it was not possible to obtain all the historical data that would be required to estimate the contracts in the portfolio at the transition date using the full retrospective approach without incurring excessive costs and efforts. Accordingly, the modified retrospective approach was adopted and applied to the entire scope concerned, in order to account for the impact of the transition on the financial statements at 1 January 2022.

The impact of the transition generated a positive impact on equity of €167 million in the opening balance sheet at 1 January 2022.

This positive effect on equity is due to a quicker recognition of profits under IFRS 17 linked to the profile of hedging units that reflect the decline in sums at risk corresponding to the change in the underlying financial outstandings. Under IFRS 4, insurance premiums are earned on a straight-line basis.

As required by IFRS 17, the comparative financial statements were restated to take into account the application of the standard as at 1 January 2022. The IFRS 17 technical provisions at 31 December 2022 were defined by applying the general model to the portfolio on the basis of the opening balance sheet resulting from the transition at 1 January 2022.

Technical provisions measuring the value of insurance contracts are presented on a dedicated line "Liabilities on insurance contracts issued" in the statement of financial positiox^2n. They represent an amount of €436 million at 31 December 2021, €132 million at 1 January 2022 after application of IFRS 17 and €166 million at 31 December 2022.

In millions of euros	31/12/2021	31/12/2021 Restated	Adjustment	31/12/2022	31/12/2022 restated	Adjustment
Active insurance and reinsurance contracts	105	59	(46)	63	36	(27)
Liabilities — insurance contracts issued	(436)	(132)	304	(425)	(166)	259
Current tax liabilities			(91)			(81)
Net equity restatement			167			151

The transition on 1 January 2022 led to new accounting breakdowns within the balance sheet aggregate "Liabilities — insurance contracts issued by securitization vehicles set." The liabilities of -€132 million at 31 December 2021 presented in the above table break down as follows:

- Best Estimate (BE) of future cash flows: €155 million
- contractual service margin (CSM): -€274 million
- risk adjustment (RA): -€13 million

Net income from insurance activities is presented on a dedicated line in Mobilize Financial Services group's income statement. It representes an impact of €44 million in the income statement for the first half of 2022 and €95 million over 2022.

In millions of euros	31/12/2022	31/12/2022 restated	Adjustment
Insurance result	314	285	(29)
NBI	314	285	(29)
Profit or loss before tax	310	285	(25)
Net income	202	185	(16)

1.3.3.3 Consolidation principles

Scope and methods of consolidation

The consolidated financial statements incorporate the accounts of companies over which the Group directly or indirectly (subsidiaries and branches) exercises control, within the meaning of IFRS 10 (Associate companies or joint control – joint ventures).

The securitized assets of Diac SA, RCI FS Ltd and the Italian, Spanish and German branches for which Mobilize Financial Services group has retained the majority of the risks and rewards remain on the asset side of the balance sheet. Under IFRS 10, the Group retains control of the securitization fund-FCT vehicles that it creates as part of its securitization program because it retains the most risky shares. These are what determine who has power in the securitization fund-FCT vehicle. Thus, because it has control, the Group can consolidate and eliminate reciprocal transactions while retaining the assigned receivables. The assigned receivables as well as the accrued interest and impaired allowances continue to appear on the asset side of the Group's balance sheet. At the same time, the bonds issued by the Fund are included in the liabilities of the Group's balance sheet and the related expenses in the profit and loss statement.

Thus, during the securitization process, the Group does not derecognize the securitized receivables because the vehicle (securitization fund-FCT), which manages the securitization, remains under the control of the Mobilize Financial Services group. The non-recognition of receivables assigned under the securitization programs is supported by paragraph 3.2.4 IFRS 9.

It should be noted that under the "collection" business model, as part of the Group's accounting and threshold policy, assignments of receivables via securitization are infrequent but significant. These sales of receivables through securitization do not call into question the "collection" business model applied to these portfolios.

Associate companies and joint ventures are accounted for under the equity method (IFRS 11).

Significant transactions between consolidated companies are eliminated.

For the most part, the companies included in the Mobilize Financial Services group scope of consolidation are the Renault, Nissan, Dacia, Samsung and Datsun vehicle sales finance companies and the associated service companies.

Acquisition cost of shares and goodwill

Goodwills are measured at the acquisition date, as the difference of:

- the total amount transferred, measured at fair value, and any participation amount which does not give controlling interest in the acquired company; and
- the net carrying amounts of acquired identifiable assets and liabilities.

The costs related to the acquisition such as broker's commissions, advisory fees, legal, accounting, valuation and other professional and consulting fees, are recorded as expenses for the periods when costs are incurred and services received.

Debt issuance or equity costs are accounted for under IAS 32 and IFRS 9.

If the business combination generates negative goodwill, the relevant amount is immediately recognized in profit or loss.

An impairment test is performed at least annually and whenever there is an indication of a loss in value by comparing the book value of the assets with their recoverable amount, the latter being the highest value between the fair market value (after deducting the cost of disposal) and the going concern value. The value-in-use is based on a market approach and determined by using multiples for each group of cash-generating units, which comprise legal entities or groups thereof in the same country. A single discounting value is used for all cash-generating units thus tested, which is the risk-free 10-year forward rate augmented by the average risk premium for the sector in which they operate.

One-year data projections about profit or loss are used for most of the cash-generating units except for BIPI which is 8. The discount rate used is the BIPI WACC.

Goodwill is therefore measured at its cost less any accrued impairment losses. If impairment is found, the impairment loss is recognized in the income statement.

Transactions with non-controlling interests (purchases/sales) are booked as capital transactions. The difference between the amount received or paid and the book value of the non-controlling interests sold or bought is recognized directly in equity.

Non-controlling interests

The Group has granted buy-out commitments on the interests held by minority shareholders in fully consolidated subsidiaries. For the Group, these buy-out commitments represent contractual obligations arising from the sales of put options. The exercise price for these options is determined by estimating the price the Mobilize Financial Services group would have to pay out to the non-controlling interests if the options were exercised, taking into account future returns on the financing portfolio existing at the closing date and the provisions set out in the cooperation agreements concerning the subsidiaries.

In accordance with the provisions set out in IAS 32, the Group has recognized a liability arising from put options sold to non-controlling interests of exclusively controlled entities in a total amount of €157 million at 31 December 2023, compared with €186 million at 31 December 2022. This liability is initially measured at the present value of the estimated exercise price of the put options.

The counterpart entries for this liability are booked as decreases in the non-controlling interests underlying the options and, for the balance, a decrease in equity attributable to the owners of the parent company. The obligation to recognize a liability even though the put options have not been exercised means that, in order to be consistent, the Group has initially applied the same accounting treatment as that applied to increases in its interests in controlled entities.

If the options have not been exercised when this commitment expires, the previous entries are reversed. If the options are exercised and the buyout is made, the amount recognized as a liability is extinguished by the cash outlay associated with the buy-out of the non-controlling interests.

The detail of subsidiaries in which non-controlling interests are significant can be found in the note 1.3.8.2

1.3.3.4 Presentation of the financial statements

The summary statements are presented in the format recommended by the Autorité des Normes Comptables (French Accounting Standards Authority) in its Recommendation n° 2017-02 of 14 June 2017 on the format of consolidated financial statements for banking sector institutions applying international accounting standards.

Operating income includes all income and expense directly associated with Group operations, whether these items are recurring or result from one-off decisions or transactions, such as restructuring costs.

1.3.3.5 Estimates and judgments

To establish its financial statements, Mobilize Financial Services group has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain Notes. The Mobilize Financial Services group regularly reviews its estimates and assessments to take account of past experience and other factors deemed relevant in view of economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in future financial statements could differ from current estimates. The main items in the financial statements that depend on estimates and assumptions are the recoverable value of loans and advances to customers and allowances for impairment and provisions.

These estimates are taken into account in each of the relevant Notes.

Significant assumptions for IFRS 9 expected loss calculations:

These are close to those used for the 2022 financial year, to which is added the forecast adverse effect on the amount of provisions for the application of the new definition of default for the scope treated under the advanced method.

Forward-looking

The forward-looking provision is composed of a statistical provision and a sectoral expertise provision.

Sectoral approach

The forward-looking provision includes an industry provision to hedge the risk of certain specific business industries (including companies operating in these industries and individuals working in these companies).

At the end of December 2023, the sectors identified as risky, in particular due to rising commodity and energy prices and interest rates, were hotels, restaurants, textiles, clothing distribution and construction, added during the last review performed in October 2023.

The passenger transport sector is no longer considered a risky sector due to the post-COVID return to normality and the recovery in tourism, in particular the reopening of China, as well as the impact of public policies, such as those implemented in Germany.

The average provisioning rate for these segments was increased by applying the average of the B1 (bucket 1) provisioning rate and the B2 outstandings applied to B1 exposures. The methodology was revised because a study of the transitions from B1 to B2 showed that the payment behavior of companies and employees isn't adjusted anymore with previous provisioning rate.

The impact on 2023 amounted to €17 million, primarily attributable to a €24 million provision related to the inclusion of the construction sector. Additionally, there were reversals of €29 million due to the change in provisioning methodology, €8.5 million following the withdrawal of the transportation sector, and finally, €3 million for the expertise of the specific Individual and SME (small and medium entities) sectors in France.

The sectorial expertise provision amounts to €29.4 million at the end of December 2023, compared and €46.9 million at the end of December 2022.

Statistical approach

The statistical provision is based on three scenarios:

- "Stability": Providing for the next three years of stability of the expected credit loss provision parameters (ECL: Expected Credit Losses), based on the latest available risk parameters;
- "Baseline": Use of stress parameters from internal models. The projections are based on macroeconomic data used as part of the institution's ICAAP (Internal Capital Adequacy Assessment Process), dated September 2023. This enables the PD and LGD, and therefore the ECL, to be stressed on portfolios with models;
- "Adverse": Similar approach to the "Baseline" scenario but with the use of deteriorated macroeconomic data used in the ICAAP leading to higher ECLs.

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

At the end of September 2023, the ECB's outlook for available income growth was positive at a time when overall inflation was lower than the previous year and when labor markets remained solid. Economic growth remained moderate until the end of 2023.

The global economy is expected to perform better in 2024, as inflation slows down and labor market strengthens, with a growth of interest rates impacting already GDP growth.

Growth could be higher than expected if the labor market remains resilient and if the increase in real incomes has a positive impact on consumer and business morale.

Given that internal models are employed in calculating forward-looking statistical data, and considering the gradual normalization of the macroeconomic situation, the Baseline scenario aligns most closely with the OECD's macroeconomic projections (as at June 2023). Consequently, it remains the scenario deemed most probable.

Given the high volatility observed in 2020 and 2022 (COVID-19 crisis, lockdowns, war in Ukraine, semiconductor crisis) and the macroeconomic changes observed (accelerating inflation), the probability that the Stability scenario would occur was considered to be relatively low.

Given the gradual stabilization of the economic environment in 2023 and the announced end of monetary tightening cycles, the Stability scenario is now considered more likely. Its weighting was therefore revised upwards.

By contrast, the weighting of the Adverse scenario has been revised downward, reflecting a tendency toward macroeconomic stabilization and a convergence of OECD forecasts with those of the Baseline scenario.

As the new macroeconomic indicator projections between the OECD and the Adverse scenario are less correlated, the scenario is considered less likely than in December 2022.

	FL Weight Scenario – December 2022			FL Weight Scenario - December 2023			Variance		
Customers	Stability	Baseline	Adverse	Stability	Baseline	Adverse	Stability	Baseline	Adverse
France	0.10	0.65	0.25	0.35	0.55	0.10	0.25	(0.10)	(0.15)
Germany	0.10	0.60	0.30	0.35	0.55	0.10	0.25	(0.05)	(0.20)
Italy	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)
UK	0.10	0.65	0.25	0.35	0.50	0.15	0.25	(0.15)	(0.10)
Brazil	0.55	0.10	0.35	0.30	0.45	0.25	(0.25)	0.35	(0.10)
Spain	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)
Korea	0.10	0.65	0.25	0.35	0.50	0.15	0.25	(0.15)	(0.10)
Non-G7 (ECLAT)	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)

	FL Weight Scenario – December 2022			FL Weight Scenario - December 2023			Variance		
Dealer network	Stability	Baseline	Adverse	Stability	Baseline	Adverse	Stability	Baseline	Adverse
France	0.10	0.65	0.25	0.35	0.55	0.10	0.25	(0.10)	(0.15)
Germany	0.10	0.60	0.30	0.35	0.55	0.10	0.25	(0.05)	(0.20)
Italy	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)
UK	0.10	0.65	0.25	0.35	0.50	0.15	0.25	(0.15)	(0.10)
Brazil	0.55	0.05	0.40	0.30	0.45	0.25	(0.25)	0.40	(0.15)
Spain	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)
Korea							0.00	0.00	0.00
Non-G7 (ECLAT)	0.10	0.65	0.25	0.35	0.45	0.20	0.25	(0.20)	(0.05)

Changes in the parameters used to calculate the statistical forward-looking provision at 31 December 2023:

In 2022, Mobilize Financial Services developed internal models (for portfolios where this was possible, i.e. with sufficient volume and data quality) and has been using these models to calculate the statistical forward-looking provisions since 2022.

Proxies were set up for portfolios without internal models (example of proxies used: average of results for portfolios with internal models for portfolios without internal models).

Customer financing activity

Following the changes in the way various scenarios are weighted, the statistical forward-looking provision for Customers stood at €100.2 million at the end of December 2023, compared with €99.6 million at the end of December 2022.

The France statistical Customer forward-looking provision stood at €27.8 million at the end of December 2023, compared with €33.7 million at the end of December 2022.

The OECD projects improvements in the French and German economies compared to 2022. The weighting of the Adverse scenario was reduced to 10% and that of the Stability scenario increased to 35%, justified by lower inflation and higher GDP.

In the United Kingdom and Korea, inflation has continued to fall since peaking at the end of 2022. There is a slight downward trend in GDP and unemployment rate, and it is very close to the Baseline scenario. Based on these factors, the Forward-Looking Committee decided to assign a weighting of 15% to the Adverse scenario, compared with 25% in December 2022.

For Italy and Spain, the Committee assigned a weighting of 20% to the Adverse scenario, compared with 30% in December 2022. Despite forecasts of a slowdown in GDP, unemployment and inflation rates should continue to improve in 2023 and 2024. The committee considered the Baseline scenario to be the most likely, with a weighting of 45%.

Smaller countries have historically tended to be slower to react to economic downturns. As a result, the Forward-Looking Committee decided to allocate a 20% weighting to the Adverse scenario and a 45% weighting to the Baseline scenario.

Brazil's GDP and unemployment rates have remained highly volatile in recent years. The Brazilian economy is expected to slow to 0.8% in 2023, after growing 2.9% in 2022, before recovering to 2.0% in 2024. Factors such as slower employment growth and tighter lending conditions are expected to limit consumer spending and investment. Given Brazil's historical economic uncertainty, a conservative weighting of 25% was assigned to the Adverse scenario and 30% to the Stability scenario.

Network financing activity:

The weighting of each scenario was aligned with the weightings observed on the customer financing activity.

As a result of these weighting changes, the statistical forward-looking provision for Dealer networks stood at €1.6 million at end-December 2023, compared with €1.4 million at December 2022.

The France statistical forward-looking provision for Dealer networks amounted to €0.03 million compared with €1.0 million in December 2022.

Forward-looking statistical sensitivity versus December 2022:

Applying a 100% weighting to the Stability scenario would reduce the statistical impairment by €101.3 million.

Applying a 100% weighting to the Baseline scenario would reduce the statistical impairment by €9.8 million.

Applying a 100% weighting to the Adverse scenario would increase this impairment by €224.8 million.

Total forward-looking: Customer and Dealer financing activity:

Statistical approach: €101.8 million at the end of December 2023, compared with €101.0 million at the end of December 2022.

Industry approach: €29.4 million at the end of December 2023, compared with €46.9 million at the end of December 2022.

The statistical and industry provisions stood at €131.2 million compared with €147.9 million in December 2022.

	Customers			Dealer network			Global
In millions of euros	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	12/2023
France	22	13	3				38
Spain	10	4	1	1			16
Germany	7	8	2				17
Italy	5	6					11
United Kingdom	5	4	1				10
South Korea	4	3					7
Colombia	2	5	1				8
Brazil	2	3	2				7
Morocco	4	2	1				7
Poland	1	1					2
Portugal	2						2
Austria	1						1
Other	2	1	1				4
GLOBAL	**67**	**50**	**12**	**1**			**130**

	Customers			Dealer network			Global
In millions of euros	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	12/2022
France	29	17	1	1			48
Spain	11	6	2				19
Italy	8	9	1				18
Germany	7	6	1				14
United Kingdom	10	3					13
Morocco	6	2	1				9
Colombia	2	4					6
Brazil	1	2	2				5
Austria	3	1					4
Poland	2	1					3
Portugal	2	1					3
South Korea	1	1					2
Other	1	2	1				4
GLOBAL	**83**	**55**	**9**	**1**			**148**

Provisions for appraisals (additional non-model adjustments)

Provisions based on expert opinion are recorded to reinforce the statistical depreciations made on performing and non-performing loans. In 2023, 5 categories of expert opinion provisions are established to cover a specific risk: credit risk related to customers identified as fragile, risk related to inflation, individual risk on corporate counterparties, risk of non-adequate statistical model on a type of counterparty or customer sub-portfolio, a risk of classification not adapted to the IFRS9 risk stage. At 31 December 2023, the total amount of provisions according to expert opinion was €23.8m.

Vulnerable customers

In 2022, the MFS group has put in place a system designed to preventively identify customers who may have financial difficulties in meeting their credit repayment obligations. This system makes it possible to assess the severity of the financial difficulty according to 3 grades. Of the two grades considered as the highest severity; a provision is booked: €10.9m at the end of December 2023.

Inflation risk

On the Retail portfolios, an adjustment linked to a deterioration in the solvency of customers whose cost of living is impacted by inflation has been generalized at the end of 2022. The methodology used to calibrate this adjustment consists of estimating what proportion of the portfolio in Bucket 1 would be likely to switch to Bucket 2 by stressing cost-of-living factors and covering this part of the portfolio in Bucket 1 on the basis of the Bucket 2 provisioning rate. At end-December 2023, the inflation expertise represented a provision of €27.3m, compared with €42.7m at end-2022. This provision has been revised downwards due to the structural fall in inflation and energy costs during 2023.

Individual risk on corporate counterparties

For corporate counterparties with a downgraded risk rating and exposure above a minimum threshold, an individual review is carried out. The purpose of this review is to assess the credit risk and to adjust any impairment on the exposure of the counterparty under individual review, by recording an allowance. At end-December 2023, total provisions for individual corporate counterparty risk amounted to €8.2m, compared with €14.6m at end-December 2022.

Risk of non-adequate statistical model

In certain circumstances and on an ad hoc basis, internal models based on a statistical approach incorrectly estimate expected losses. Consequently, to compensate this temporary weakness, provisions are recorded. In 2023, the main adjustment was made on the impairment of doubtful debts in the portfolio of the subsidiary Mobilize Financial Services Colombia. The amount of the expertise is a reduction of 30.4 million euros in Expected Credit Losses. At end-December 2023, the amount of provisions is a negative allowance of 19.7 million euros compared with an allowance of 19.6 million euros at end-December 2022.

Classification risk

In certain circumstances, the classification of corporate loans in stage 3 (non-performing loans) incorrectly reflects the level of expected losses. This issue arises mainly in the case of so-called technical defaults.

1.3.3.6 Loans and advances to customers and finance lease contracts

Measurement (excluding impairment) and presentation of loans and advances to customers

Sales financing receivables from end customers and dealer financing receivables come under the category of "Loans and advances issued by the company." As such, they are initially recorded at fair value and carried at amortized cost calculated according to the effective interest rate method.

The effective interest rate (EIR) is the internal rate of return to maturity or, for adjustable-rate loans, to the nearest rate adjustment date. The discounted amount of amortization on any difference between the initial loan amount and the amount payable at maturity is calculated using the EIR.

In addition to the contractual component of the receivable, the amortized cost of sales financing receivables includes interest subsidies received from the car maker or dealer as part of promotional campaigns, handling fees paid by customers, and commissions paid for referral of business. These items, which are all factors in the return on the loan, are either deducted from or added to the amount receivable. They are recognized in the income statement as a pro-rated portion discounted at the effective interest rate for the receivables to which they apply.

Finance lease contracts, as identified by the rules described in section 1.3.3.7, "Operating leases," are in substance booked as sales financing receivables.

It should be noted that when commissions are attached to a loan or finance lease, the commissions are valued on an actuarial basis according to the contract's EIR. These commissions are spread over the life of the contract. Indeed, these fees are directly linked to the establishment of the contract and are therefore treated as incremental costs under IFRS 9.

When commissions are "stand-alone," they are not attached to a financing contract. These fees are recognized in accordance with IFRS 15. They are recognized in the income statement when the performance obligation is fulfilled, i.e. either at a specific point in time or on a percentage-of-completion basis (see Note 29).

Income from the resale of vehicles at the end of finance lease contracts is included under "Net income/(expense) of other activities."

As a result, gains and losses on the resale of vehicles coming off performing lease agreements, amounts charged to or recovered from allowances for risks on residual values and gains or losses resulting from damage to vehicles less any corresponding insurance settlements are recorded under "Other income related to banking operations" and "Other expenses related to banking operations."

Significant deterioration in risk (definition of bucketing)

Each loan or receivable, at the reporting date, is classified in a risk category depending on whether or not it has suffered significant deterioration in credit risk since its initial recognition. This classification depends on the level of the provision for expected impairment to be recognized for each instrument:

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

This segmentation of outstandings by risk level, required under IFRS 9, is integrated into the credit risk monitoring and management processes of the Group's entities and implemented in the operating systems.

The origination date is defined at the level of each loan or receivable and not at the level of the counterparty (e.g. date of entry into relationship).

The origination date is defined as follows:

- for irrevocable financing commitments, the origination date is the date of signature of the commitment or, for Dealer network financing commitments, the date of the last review of the limits;

- for outstandings on conventional loans, finance or operating leases, the date of origination is the date of the transition to management, i.e. the date on which the treatment of the financing commitment changes, and the receivable is recorded on the balance sheet.
- for Dealer network "single account" loan outstandings, the origination date will correspond to the date of the last transfer to the debit balance;
- for securities, the origination date corresponds to the purchase date.

Credit risk identification and analysis

The Mobilize Financial Services group currently uses a number of different internal rating systems:

- A Group-wide rating for borrowers in the "Dealer" segment, which is used during the various phases of the relationship with the borrower (initial approval, risk monitoring, provisioning);
- A Group-wide rating for bank counterparties, which is established on the basis of external ratings and each counterparty's level of capital;
- For the "Customer" borrowers, different acceptance scoring systems are used; these vary by affiliate and by type of financing.

As a result, the significant deterioration in credit risk is assessed at the transaction level, i.e. at the level of the financing contract (Retail and Corporate customers financing activity) or the financing line (Dealer financing activity). For portfolios with an IRB-A rating, which are the largest majority in the Group, a downgrade from Bucket 1 to Bucket 2 is made depending on the downgrading of the transaction's rating by in relation to origination.

Example: if the rating of a transaction is downgraded by x notches on the reporting date vs. the origination date, we downgrade the transaction from Bucket 1 to Bucket 2.

The number of notches "x" is determined depending on the portfolio in question.

The credit rating is not projected over the life of the transaction, nor over 12 months.

Restructured (forborne) contracts are either downgraded to Bucket 2 (performing, "viable forbearance measure") or Bucket 3 (non-performing, „distressed forbearance measure").

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

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

The score variables are specific to each country and each segment:

- Qualitative criteria: legal form of the company, age of the company, type of new vehicle/used vehicle, percentage of cash contribution, marital status, type of residence, occupation, etc.;
- Quantitative criteria: duration of outstanding arrears, period elapsed since the last deferred payment, exposure, initial financing period, usual balance sheet ratios.

Forborne exposures

The Mobilize Financial Services group uses the definition given by the European Banking Authority (EBA) in its ITS (Implementing Technical Standards) 2013/03 rev1 of 24/07/2014 to identify its forborne exposures (restructured loans).

Forbearance (loan restructuring) consists of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments.

It thus refers to cases where there is:

- a modification of the terms and conditions of a contract in order to give the customer in financial difficulties the chance to meet their commitments (such as a change to the number of repayments, extension of term, change to instalment amount, change to customer interest rate);
- a total or partial refinancing of a troubled debt contract (instead of terminating it) which would not have been granted had the customer not been in financial difficulties.

The classification of contracts as forborne exposures is separate from provisioning (for example, a contract that is forborne and returns to being considered as performing will not be provisioned and yet will be classified as a forborne exposure throughout the probation period).

Receivables whose characteristics have been commercially renegotiated with counterparties not in financial difficulties are not identified as forborne exposures.

The definition of forborne exposure is applied at the level of the individual contract ("facility") that is forborne, and not at the level of the third party (no contagion principle).

Financial difficulties however, are assessed at the debtor level.

The forbearance classification of a contract is discontinued when all of the following conditions are met:

- The contract is considered as performing and analysis of the financial condition of the debtor shows that they have recovered their creditworthiness and debt service ability;
- A minimum 2-year probation period has passed from the date the forborne exposure returned to being considered as performing;
- Regular and significant payments have been made by the debtor during at least half of the probation period;
- None of the exposures to the debtor is more than 30 days past-due at the end of the probation period.

If a contract currently considered as performing but previously classified as forborne again benefits from forbearance measures (such as an extension of term) or if any of the exposures to the debtor is more than 30 days past-due, it must be re-classified as a forborne exposure.

Impairment for credit risk

Under IFRS 9, it is no longer necessary for an operative event to occur to recognize depreciation as was the case under IAS 39 ("Incurred loss"). So any financial instruments coming within the scope of the standard are allocated depreciation for expected losses from the outset (except for ones originating or acquired if there is an event of default):

- originally, the instrument is allocated a loss in value representing the expected loss at 12 months (Bucket 1);
- in the case of significant deterioration in credit risk from the outset, the instrument is then allocated a loss in value representing expected credit losses for the full term.

Definition of Expected Credit Loss

IFRS 9 defines the ECL as the expectation of updated credit loss (in principal and interest). The expectation will form the amount of the provision allocated to a facility or portfolio.

To calculate the ECL, the standard requires the use of relevant (verified) and reasonably available internal and external information in order to make estimates of expected/forward-looking loses, including past events, current conditions and forecasts of future events and economic conditions.

Generic ECL formula:

On the basis of the above components, the ECL calculation formula used by the Mobilize Financial Services group can be given in generic form as follows:

$$\mathbf{ECL}_{\text{Maturité}} = \sum_{i=1\,\text{mois}}^{M\,\text{mois}} EAD_i * PD_i^9 * ELBE_0^9 * \frac{1}{(1+t)^{i/12}}$$

With:

- **M** = maturity
- $\mathbf{EAD_i}$ = expected exposure at the time of the start of default for the year in question (taking into account any early repayments)
- $\mathbf{PD^9{}_i}$ = probability of default during the year in question
- $\mathbf{ELBE^9{}_0}$ = 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 deducted from the above formula restricted to measuring parameters over the next 12 months.

So it would appear that, for contracts with a maturity of under 12 months, the provision is the same whether the transaction of classified as Bucket 1 or Bucket 2. For the Mobilize Financial Services group, it has in particular an impact on the Dealer scope as it mainly concerns short term finance.

Probability of default – PD:

The Mobilize Financial Services group capitalizes on the Basel provisions to calculate its IFRS 9 parameters.

Best estimate of loss in the event of default – ELBE IFRS 9:

IFRS 9 does not include any specific mention of the period for monitoring and collecting historic data used for calculating LGD parameters. Consequently, it is possible, for the countries concerned, to use estimates of the LGD as determined in the prudential environment in the IRB approach as starting point (adjustments are made if necessary).

Update:

The standard states that expected losses must be updated on the date of the report at the actual interest rate (AIR) for the asset (or an approximate estimate of the rate determined at initial recognition).

Because of the option allowed by the standard and bearing in mind the generic structure of the Mobilize Financial Services group's agreements, the AIR can be approximated as the rate for the agreement.

Forward-looking perspective:

IFRS 9 introduces into the credit risk-related expected loss (ECL) calculation the notion of forward looking. Through this notion, new requirements in terms of monitoring and measuring credit risk are introduced with the use of forward-looking data, in particular of macroeconomic type.

The incorporation of forward-looking data is not intended to determine a prudential margin on the amount of provisions. It mainly concerns taking account of the fact that past observations do not necessarily reflect future expectations and consequently adjustments are necessary to the amount of the provision determined on the basis of parameters calibrated exclusively on a historic basis. Such adjustments of the amount of the provision can be made either upwards or downwards and must be duly documented.

The Mobilize Financial Services group method is based on a multi-scenario (three scenarios) approach. PDs and LGDs are determined for each scenario in order to calculate the expected losses for each of them.

Macroeconomic indicators (such as GDP and long-term rates) and sector-based data are used to attach a probability of occurrence to each scenario and thus get the final forward-looking amount. Macroeconomic projections are used for all contracts in the portfolio, regardless of the product (lending, finance lease, operating lease).

In the Group, the forward-looking provision covers two components:

- The statistical provision, which takes into account macro-economic scenarios and is applied to all Customer and Dealer Network outstandings;
- The sectoral provision for Corporate Customers, whose purpose is to cover sectors identified as vulnerable (particularly the macroeconomic changes observed - accelerating inflation).

Definition of default used at Mobilize Financial Services group

Criteria for defaulting in the retail sector:

- Quantitative criterion: the absolute threshold and the relative threshold have been exceeded for more than 90 consecutive days; or
- Qualitative criterion: Unlikeliness To Pay (UTP): signs of a probable lack of payment. Namely:
  - there is one or more arrears for at least three months (in accordance with the new definition of default rules for counting arrears);
  - or the deterioration in the counterparty's financial circumstances translates into a risk of non-collection. In particular in the event of over-indebtedness/insolvency procedures, receivership, bankruptcy, compulsory liquidation, personal bankruptcy or liquidation of assets, or in the event of summons to appear before an international court;
  - or there are litigation proceedings between the establishment and its counterparty.

The quantitative criteria for default are:

a) absolute materiality threshold (SA)

- The value of the absolute threshold was set by the regulator at €500 for non-retail arrears.

The value of the absolute threshold is to be compared with all non-technical arrears of the customer (single obligor) on the day of the calculation.

The threshold is considered to be reached if ∑ (the customer's non-technical arrears on day D) > SA.

This calculation of all non-technical customer arrears must be performed on a daily basis.

Threshold value in non-euro currencies:

For countries outside the Euro zone, the absolute threshold must correspond to the equivalent of €100 and €500 in national currency.

The exchange rates applied in the Mobilize Financial Services group are always those used by Renault.

b) The value of the relative threshold was set by the ECB at 1%.

The value of the relative threshold of 1% is to be compared with the ratio sum of all of the customer's arrears on day D/Total value of the customer's balance sheet outstandings (including arrears) on day D.

This calculation must be carried out on a daily basis for arrears as well as for balance sheet outstandings.

The threshold is considered to be met if:

(∑ (Arrears day D)/∑ (Balance sheet outstandings day D)) > SR

Customer Customer

The customer's balance sheet outstandings will be calculated as follows:

OUTSTANDINGS =

+ Outstanding amounts due

– Credit balances

- Balance of security deposit

+ ICNE

+ Balance due recognized at invoicing (principal)

+ Balance due recognized at invoicing (collection costs)

+ Balance due recognized at invoicing (IR)

+ Balance not due (principal)

The definition of default for dealers is based on the presence of at least one of the following default criteria, common to the entire RCI scope:

Default:

(1) Counting of late days

(2) Inability to pay:
- one abstention
- legal and litigation proceedings
- Inventory audit anomalies
- fraud
- other indications of improbability of payment (see details below)
- contagion
- end of financial contract

(3) Judicial liquidation

(4) Forfeiture of term

For the Customers and Dealer sectors, defaulted receivables are excluded:

- disputed receivables: receivables where the customer refuses to make payment further to a dispute over interpretation of the clauses in the contract (if the customer's financial situation does not seem to be compromised);
- customers with negotiable payment terms if, and only if, there is no doubt that the debt will be collected;
- receivables that are affected by a country risk only: a receivable should not be considered as doubtful just because a country risk exists.

Overnight loan transactions with the Central Bank are included in "Cash and balances at central banks".

Rules for writing off loans

The rules on write-offs are detailed in IFRS 9 § 5.4.4: the gross book value of a financial asset is reduced when there is no reasonable expectation of the outstanding amount being repaid. Mobilize Financial Services group subsidiaries must remove from the financial statements the amount due from the counterparty on an account in loss and resume the associated depreciation when the unrecoverable nature of receivables is confirmed and so at the latest when its rights as creditor are extinguished.

In particular, receivables become irrecoverable and thus removed from the accounts if they:

- have been abandoned through negotiation with the customer in particular as part of an insolvency plan;
- are time-barred;
- have been the subject of an unfavorable court ruling (negative result of legal proceedings or litigation);
- concern a customer that has disappeared.

Transfer of bucket (complementary information)

In addition to the information already provided in the "Identification and analysis of credit risk" section, the conditions under which transactions previously classified in Bucket 2 are returned to Bucket 1 are as follows:

- retail and wholesale portfolios rated in IRB-A are returned to Bucket 1 when the rating of the transaction has improved;

- non-rated Retail portfolios under the standardized approach are returned to Bucket 1 twelve months after the date of settlement of the last unpaid rent;
- Wholesale portfolios under the standardized approach are returned to Bucket 1 when the risk status of the third party improves.

In addition, instruments classified in Bucket 3 are returned to Bucket 2 when the customer has repaid all of its outstandings and no longer meets the default criterion.

For the Retail activity, transactions can return from Bucket 3 to Bucket 2 when the customer settles its arrears.

For the Wholesale activity, any financing lines originated when the customer was in default (POCI) remain in Bucket 3. If there is a return to a healthy status, new exposures come into line with this status.

Impairment of residual values

The Mobilize Financial Services group regularly monitors the resale value of used vehicles across the board so as to optimize the pricing of its financing products.

In most cases, tables of quoted prices showing typical residual values based on vehicle age and mileage are used to determine the residual value of vehicles at the end of the contract term.

However, for contracts under which the trade-in value of the vehicle at the end of the contract term is not guaranteed by a third party outside the group, an impairment allowance is determined by comparing:

a) the economic value of the contract, meaning the sum of future cash flows under the contract plus the re-estimated residual value at market conditions on the measurement date, all discounted at the contract interest rate;

b) the carrying value on the balance sheet at the time of the measurement.

The projected resale value is estimated by considering known recent trends on the used vehicle market, which may be influenced by external factors such as economic conditions and taxation, and internal factors such as changes in the model range or a decrease in the car maker's prices.

The impairment charge is not offset by any profit on resale.

1.3.3.7 Operating leases (IFRS 16) as lessor

In accordance with IFRS 16, Mobilize Financial Services group makes a distinction between finance leases and operating leases as lessor.

The general principle that leads Mobilize Financial Services to classify its leases as "operating leases3 is always that of "non-transfer" of the risks and rewards inherent in ownership. Thus, leases under which the leased vehicle will be bought back by a Mobilize Financial Services group entity at the end of the lease are classified as operating leases since most of the risks and rewards are not transferred to a third party outside the group. The classification as operating leases of lease contracts that contain a buy-back commitment from Mobilize Financial Services group also takes into account the estimated term of such leases. This lease term is far shorter than the economic life of the vehicles, which is put by the Renault Group at an estimated seven or eight years, depending on the type of vehicle. Consequently, all leases with this buy-back clause are treated as operating leases.

The classification of battery leases for electric vehicles as operating leases is justified by the fact that Mobilize Financial Services group retains the risks and rewards incidental to ownership throughout the automobile life of the batteries, which is put at between eight and ten years, and so is much longer than the lease agreements.

Operating leases are recognized as non-current assets leased out and are carried on the balance sheet at the gross value of the assets less depreciation, plus lease payments receivable and transaction costs still to be staggered. Lease payments and impairment are recognized separately in the income statement in "Net income (expense) of other activities". Depreciation does not take into account residual values and is taken into the income statement on a straight-line basis, as are transaction costs. Classification as an operating lease does not affect the assessments of counterparty risk and residual value risk.

Income from the resale of vehicles at the end of operating lease contracts is included in "Net income (or expense) of other activities".

1.3.3.8 Operating leases (IFRS 16), lessee side

Pursuant to IFRS 16, all leases are recognized in the balance sheet through the recognition of an asset representing the right of use of the leased asset, in exchange for a lease liability, corresponding to the present value of the leased assets rents to be paid over the reasonably certain term of the lease. The lease term is the non-cancellable period during which the lessee has the right to use the asset leased, to which are added the renewal options that the group is reasonably certain to exercise.

The right of use generates depreciation expenses while the existence of a debt generates financial expenses.

The group has also opted for the exemption of low-value, short-term contracts. Indeed, the Mobilize Financial Services group applies IFRS 16 only to its leases deemed material. These contracts are mainly represented by material real estate leases in certain subsidiaries and vehicle leases held solely by its subsidiary Bipi.

In fact, in the course of 2021, the group acquired Bipi, a platform offering car subscription packages; "Car subscription". Bipi, through partnerships with long-term rental companies, chooses vehicles to put in its own window. This entity leases vehicles from these lessors for a minimum period of 24 months and a maximum of 36 months (Bipi therefore pays a monthly rent to the lessors, including services) without any residual value commitment and returns the vehicles to the lessors at the end of the contractual term.

Subsequently, Bipi sub-leases these vehicles (through its platform) to end customers with a mark-up that depends on the duration of the contract and therefore on the flexibility left to the customers (i.e. 3 month up to a maximum of 36 months) and takes care of the letting arrangements.

In view of this significant new activity, the Mobilize Financial Services group has activated its movable property contracts under IFRS 16.

1.3.3.9 Transactions between Mobilize Financial Services and Renault Group and the Nissan and Mitsubishi brands

Transactions between related parties are conducted following terms equivalent to those prevailing in the case of transactions subject to conditions of normal competition if these terms can be substantiated.

The Mobilize Financial Services group helps to win customers and build loyalty to Renault Group brands, and Nissan and Mitsubishi brands, by offering financing and providing services as an integral part of their sales policy.

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

Sales support

At 31 December 2023, the Mobilize Financial Services group had provided €21,187 million in new financing (including cards) compared with €18,232 million at 31 December 2022.

Relations with the dealer network

The Mobilize Financial Services group acts as a financial partner to maintain and ensure the sound financial health of the Groupe Renault, and Nissan and Mitsubishi brands distribution networks.

At 31 December 2023, dealer financing net of impairment allowances amounted to €11,641 million, compared with €10,429 million at 31 December 2022.

At 31 December 2023, €276 million was finance directly granted to subsidiaries or branches of Renault Group compared with €489 million at 31 December 2022.

At 31 December 2023, the dealer network had received, as business introducers, remuneration of €804 million compared with €764 million at 31 December 2022.

Relations with the car makers

The Mobilize Financial Services group pays the car maker for vehicles delivered to dealers for which it provides financing. Conversely, at the end of the contract, the Renault Group pays the Mobilize Financial Services group for vehicles taken back under financial guarantees made by the car maker. These transactions generate substantial cash flows between the two groups.

Under their trade policies and as part of promotional campaigns, the manufacturers help to subsidize financings granted to customers by the Mobilize Financial Services group. At 31 December 2023, this contribution amounted to €747 million against €357 million at 31 December 2022.

1.3.3.10 Recognition and measurement of the securities portfolio

RCI Banque S.A.'s portfolio of securities is classified according to the financial asset categories specified in IFRS 9.

Securities measured at fair value through P&L (FV P&L)

UCITSs and FCPs (units in funds) are deemed non SPPI and so will be valued at fair value by result.

Shares in companies neither controlled nor under significant influence also come into this category and are valued by result.

The fair value of financial assets is determined as a priority by reference to the market price, or, which failing, on the basis of valuation methods not based on market data.

Securities measured at fair value through OCI (FV OCI)

This category includes securities that are managed under a collect-and-sell business model and pass the SPPI tests at Mobilize Financial Services group. It concerns debt instruments.

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

1.3.3.11 Fixed assets (IAS 16/IAS 36)

Non-current assets are recognized and depreciated using the component approach. The components of an asset item, especially a complex asset, are treated as separate assets if their characteristics or useful lives are different, or if they generate economic benefits at different rates.

Property, plant and equipment is measured at historical acquisition cost less accumulated depreciation and impairment losses, if any.

Non-current assets other than land are generally depreciated on a straight-line basis over the following estimated useful lives:

Buildings	15 to 30 years
Other tangible non-current assets	4 to 8 years

Intangible assets are mainly software, amortized on a straight-line basis over three years.

1.3.3.12 Income taxes (IAS 12)

The restatements of the annual financial statements of companies included in the scope of consolidation, made to bring them into line with IAS standards for financial reporting purposes, and the tax deferrals allowed in the statutory statements filed for tax purposes, give rise to timing differences in the recognition of income for tax and financial reporting purposes. A timing difference is also recognized whenever the book value of an asset or liability differs from its value for tax purposes.

These differences give rise to the recognition of deferred taxes in the consolidated financial statements. Under the liability method used by Mobilize Financial Services group, deferred tax expense is calculated by applying the last tax rate in effect at the closing date and applicable to the period in which the timing differences will be reversed. Within a given taxable entity (company, establishment, or tax consolidation group), deferred tax assets and liabilities are presented on a net basis whenever the entity is entitled to offset its tax receivables against its tax payables. Deferred tax assets are written down whenever their utilization is unlikely.

For fully consolidated companies, a deferred tax liability is recognized for taxes payable on advance dividend distributions by the group.

1.3.3.13 Pension and other post-employment benefits (IAS 19)

The plans give rise to the recognition of provisions and concern: France, Switzerland, the United Kingdom, South Korea, Italy and Austria.

Overview of plans

The Mobilize Financial Services group uses different types of pension and post-employment benefit plans:

Defined benefit plans:

Charges are booked to provisions for these plans to cover:

- indemnities payable upon retirement (France);
- supplementary pensions: the main countries using this type of plan are the United Kingdom and Switzerland;
- mandated savings plans: this type of plan is used in Italy.

Defined-benefit plans are in some cases covered by funds. Such funds are subject to periodic actuarial valuation by independent actuaries. The value of such funds, if any, is deducted from the corresponding liability.

The Mobilize Financial Services group affiliates that use external pension funds are RCI Financial Services Ltd and RCI Finance SA.

Defined contribution plans:

In accordance with the laws and practices of each country, the group makes salary-based contributions to national or private institutions responsible for pension plans and provident schemes.

Such plans and schemes release the group from any later obligations, as the national or private institution is responsible for paying employees the amounts owed to them. Payments by the group are booked as expenses for the period to which they refer.

Valuation of liabilities for defined benefit plans

With respect to defined-benefit plans, the costs of post-employment benefits are estimated using the projected unit credit method. Under this method, benefit rights are allocated to periods of service according to the plan's vesting formula, taking into account a linearizing effect when rights are not vested uniformly over subsequent periods of service.

The amounts of future benefits payable to employees are measured on the basis of assumptions about salary increases, retirement age and mortality, and then discounted to their present value at a rate based on interest rates on the long-term bonds of top-grade issuers and on the estimated average term of the plan measured.

Actuarial gains or losses resulting from revision of the assumptions used in the calculation and experience-related adjustments are recognized as items of other comprehensive income.

The net expense of the period, corresponding to the sum of the cost of services rendered plus any past service costs, and to the cost of accretion of provisions less the return on plan assets is recognized in the income statement under personnel expenses.

Details by country are given in the notes to the balance sheet.

1.3.3.14 Translation of financial statements of foreign companies

The presentation currency used by the group is the euro.

As a general rule, the functional currency used by foreign companies is their local currency. In cases where the majority of transactions are conducted in a currency other than the local currency, that currency is used.

The financial statements of the group's foreign companies are drawn up in their functional currency, and then translated into the group's presentation currency as follows:

- balance sheet items other than equity, which are held at the historic exchange rate, are translated at closing exchange rates;
- income statement items are translated at the average rate for the period, said rate being used as an approximation applied to underlying transactions, except in the event of significant fluctuations;
- translation adjustments are included as a separate component of consolidated equity and do not affect income.

Goodwill and measurement differences realized when combining with a foreign company are treated as assets and liabilities of the acquired entity.

When a foreign company is disposed of, the translation differences in its assets and liabilities, previously recognized in equity, are recognized in the income statement.

To determine whether a country is in hyperinflation, the group refers to the list published by the AICPA (American Institute of Certified Public Accountants) International Task Force. Argentina and Turkey, where Mobilize Financial Services group has significant business, are on the list. The IFRS, IAS 29 "Financial information in hyperinflationist economies", requires revaluation of financial assets for the financial year in which hyperinflation appears. This requires restatements in individual accounts for the companies concerned so that uniform information is published. These individual restated financial statements are then incorporated into the group's consolidated accounts. As the currency is suffering from hyperinflation, the conversion rate is devaluing; restatements made in local accounts partially neutralize, in the consolidated accounts, the impacts of such devaluation. For Argentine companies, a revaluation has been made in the profit and loss account in accordance with the IPC indicator. The counterparty for revaluation restatement due to hyperinflation is given in the result as inflation exposure. The effect of the Turkish entity on the contribution to the financial statements of the Mobilize Financial Services group is presented in the share in net income of associates and joint ventures.

1.3.3.15 Translation of foreign currency transactions

Transactions made by an entity in a currency other than its functional currency are translated and booked in the functional currency at the rate in effect on the date such transactions are made.

On the statement closing date, cash assets and liabilities in currencies other than the entity's functional currency are translated at the exchange rate in effect on that date. Gains or losses from such foreign currency translation are recorded in the income statement.

1.3.3.16 Financial liabilities

The Mobilize Financial Services group recognizes financial liabilities consisting of bonds and similar obligations, negotiable debt securities, securities issued as part of securitization transactions, amounts owed to credit institutions and savings deposits from customers.

Any issuance costs and premiums on financial liabilities are amortized on an actuarial basis over the term of the issue according to the effective interest rate method.

When first recognized, financial liabilities are measured at fair value net of transaction costs directly attributable to their issuance.

At each closing, financial liabilities are measured at amortized cost using the effective interest rate method, except when specific hedge accounting procedures are applicable. The financial expenses calculated in this way include issuance costs and issue or redemption premiums.

Financial liabilities covered by a fair value hedge are accounted for as described in: Derivatives and hedge accounting.

The group's medium-term and long-term issuance programs do not feature any clauses that might lead to acceleration of maturity of the debt.

1.3.3.17 Structured products and embedded derivatives

The group engages in a small number of structured transactions. These issues are hedged by derivatives so as to neutralize the embedded derivative and thereby obtain a synthetic adjustable-rate liability.

The only embedded derivatives identified within the Mobilize Financial Services group correspond to indexing clauses contained in structured bond issues. When embedded derivatives are not closely related to the host contract, they are measured and recognized separately at fair value. Changes in fair value are then recognized in the income statement. The structured issue with the embedded derivative extracted, i.e. the host contract, is measured and recognized at amortized cost.

Structured issues are associated with swaps of assets, whose characteristics are strictly identical to those of the embedded derivative, thereby providing an effective economic hedge. However, embedded derivatives that are separated from the host contract and swaps associated with structured issues are accounted for as if held for trading purposes.

1.3.3.18 Derivatives and hedge accounting

Risks

The Mobilize Financial Services group's management of financial risks (interest-rate risk, currency risk, counterparty risk and liquidity risk) is described in the "Financial risks" appendix of this document.

The Mobilize Financial Services group enters derivative contracts as part of its currency and interest-rate risk management policy. Whether or not these financial instruments are then accounted for as hedging instruments depends on their eligibility for hedge accounting.

The financial instruments used by the Mobilize Financial Services group can be classified as fair value hedges or cash flow hedges. A fair value hedge protects against changes in the fair value of the assets and liabilities hedged. A cash flow hedge protects against changes in the value of cash flows associated with existing or future assets or liabilities. The Mobilize Financial Services group applies the IFRS 9 provisions to designate and monitor its hedging relationships.

Measurement

Derivatives are measured at fair value when first recognized. Subsequently, fair value is re-estimated at each closing date.

In accordance with IFRS 13 "Fair Value Measurement", fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At initial recognition in the accounts, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability (exit price).

- The fair value of forward currency agreements and currency swaps is determined by discounting cash flows at market interest rates and exchange rates at the closing date. It also incorporates the measurement of interest rate and currency swap "base" effects.
- The fair value of interest-rate derivatives represents what the group would receive (or would pay) to unwind the running contracts at the closing date, taking into account unrealized gains or losses as determined by current interest rates at the closing date.

Credit adjustment

An adjustment is booked on the valuation of OTC derivative portfolios, excluding those cleared by a CCP, for counterparty credit risk (or CVA, Credit Valuation Adjustment) and own credit risk (or DVA, Debt Valuation Adjustment).

Exposure (EAD – Exposure at Default) is approximated by the mark-to-market (MTM) plus or minus an add-on, representing potential future risk and taking into account netting agreements with each counterparty. This potential future risk is estimated using the standard method recommended by French banking regulations (Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, Article 274 on capital adequacy requirements applicable to credit institutions and investment companies).

Loss Given Default (LGD) is estimated by default at 60%.

Probability of default (PD) is the probability of default associated with each counterparty's CDS (Credit Default Swaps). In certain countries, if this information is unavailable, the approximated probability of default is that of the counterparty's country.

Fair value hedge

The Mobilize Financial Services group has elected to apply fair value hedge accounting for hedging interest-rate risk on fixed rate liabilities using a receive fixed/pay variable swap or cross currency swap.

Fair value hedge accounting is applied on the basis of documentation of the hedging relation at the date of implementation and of the results of fair value hedge effectiveness tests, which are performed at each balance sheet date.

Changes in the value of fair value hedging derivatives are recognized in the income statement.

For financial liabilities covered by a fair value hedge, only the hedged component is measured and recognized at fair value. Changes in the value of the hedged component are recognized in the income statement. The unhedged component of these financial liabilities is measured and recognized at amortized cost.

If the hedging relationship is terminated before the end of its term, the hedging derivative is classified as an asset or liability measured at fair value through profit or loss, and the hedged item is recognized at amortized cost in an amount equal to its last fair value measurement.

Cash flow hedge

The Mobilize Financial Services group has elected to apply cash flow hedge accounting in the following cases:

- hedging interest-rate risk on variable rate liabilities using a receive variable/pay fixed swap, enabling them to be backed by fixed rate assets;
- hedging interest-rate risk on fixed rate liabilities and pay variable/pay fixed swap by using a pay-fixed/receive-variable swap;
- hedging future or probable cash flows in foreign currency.

Cash flow hedge effectiveness tests are performed at each balance sheet date to ensure that the relevant transactions are eligible for hedge accounting. The group calculates a hedging ratio to ensure that the nominal amount of the hedges does not exceed the nominal amount hedged. For the second type of hedging, the test performed entails ascertaining that interest-rate exposure on the cash flows from reinvestment of non-derivative financial assets is indeed reduced by the cash flows from the derivatives used for hedging.

Changes in the value of the effective part of cash flow hedging derivatives are recognized in equity, in a special revaluation reserve account.

Derivatives at fair value through profit or loss

This line item includes transactions not eligible for hedge accounting and currency hedging transactions to which the Mobilize Financial Services group has preferred not to apply hedge accounting.

Changes in the value of these derivatives are recognized in the income statement.

1.3.3.19 Operating segments (IFRS 8)

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

The Mobilize Financial Services group is tasked with offering a comprehensive range of financing products and services to its two core markets: end Customers (Retail and Corporate) and the Renault Group brands and Nissan and Mitsubishi brands Dealer network. These two segments have different expectations, needs and demands, and so each require a specific approach in terms of marketing, management processes, IT resources, sales methods and communication. The group’s organization has been fine-tuned to perfectly match these two customer bases, to strengthen its steering and support role.

In accordance with IFRS 8, segmentation by market has therefore been adopted as the operating segmentation method. This is in line with the strategic focus developed by the company. The information presented is based on internal reports sent to the group Executive Committee, identified as the “chief operating decision maker” under IFRS 8.

A breakdown by market is thus provided for the main income statement as well as for average performing loan outstandings in the corresponding periods.

Since 1 January 2009, as decided by the Executive Committee, the formerly separate Retail and Corporate segments have been consolidated into the single “Customer” segment. The breakdown of operating segments as required by IFRS 8 has followed the same segmentation.

The Dealer network covers financing granted to the Renault Group and Nissan and Mitsubishi brand dealer networks. The Customer segment covers all financing and related services for all customers other than Dealers. Results are presented separately for each of these two market segments. Refinancing and holding activities are grouped together under “Other activities”.

Renault, Nissan, Dacia, Samsung and Datsun sales financing activities have been combined.

Business	Customers	Dealer network
Lending	√	√
Finance Lease	√	NA
Operating Lease	√	NA
Services	√	NA

1.3.3.20 Insurance

Since 1 January 2023, the accounting policies and measurement rules specific to assets and liabilities generated by insurance contracts issued by consolidated insurance companies have been established in accordance with IRRBB1.

Other assets held and liabilities issued by insurance companies follow the rules common to all of the group’s assets and liabilities and are presented in the same balance sheet and consolidated income statement items.

Assets dedicated to insurance:

The primary objective of the group’s investment strategy is to protect and preserve its assets, with all investment decisions to be made in accordance with the “prudent person” principle, while seeking an adequate return to ensure that investments are made in the best interests of policyholders.

In this respect, the insurance business investment portfolio can be considered conservatively managed as it is largely composed of corporate, sovereign and supranational bonds, term loans as well as demand deposits. The group continued to diversify its holdings in investment-grade corporate bonds, favoring issuers with an ESG rating meeting the Carbon Disclosure Project (CDP) criteria (see Note 4 Financial assets).

It should be noted that bonds and term loans are held to maturity in accordance with the group's business model policy of "inflows".

Technical liabilities on insurance contracts:

Please see section 1.3.3.2 regarding IFRS 17.

Income statement:

The income and expenses recognized for the insurance contracts issued by the group appear in the income statement in "Net income of other activities" and "Net expense of other activities".

Risk management:

The group's insurance risk appetite related to the insurance business is "Moderate". Although insurance is not the core business of Mobilize Financial Services, it does make a significant contribution to the group's net income.

The group adopts a "prudent approach" to its management of the risks to which it could be exposed through its insurance activities. The main risks associated with this activity are as follows:

Underwriting risks (technical risks)

Technical risks include potential losses related to:

- poor product design and definition of guarantees,
- inadequate pricing,
- non-compliance with underwriting rules
- an unfavorable policyholder risk profile (age structure, etc.),
- a drift in the underlying claims frequency,
- an increase in contract cancellations and surrenders,
- inadequate reinsurance coverage.

The risks underwritten (death, disability/incapacity, unemployment, total loss of the financed vehicle) exhibit low volatility and are insured for short periods aligning with the financing terms. In addition, portfolio diversification by geographic area reduces risk. The risk profile is therefore moderate. Moreover, insurance products and their distribution are subject to periodic reviews in accordance with regulatory oversight and product governance requirements. Technical indicators are in place to monitor the structure of the insured portfolio, claims frequency and surrender rates, thereby identifying any potential deviations.

Liquidity risk

Insurance company don't have financial debt. The company's main financial liabilities are short-term debt. Most exposure to liquidity risk comes from the need to settle future obligations relating to insurance technical provisions (these commitments to clients are more than one year) and other liabilities such as income tax and other amounts due. To fulfill these obligations, the group has established stringent criteria for analyzing its liquidity, relying on an asset-liability analysis in a run-off scenario of the insurance portfolios. This analysis is updated every quarter. In addition, the Group only invests in highly liquid assets, reinforcing its security profile.

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

Counterparty risk

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

Interest rate risk

With the implementation of IFRS 17, the insurance companies' entire balance sheets are now subject to interest rate risk. Financial assets are assessed at "market value" (IFRS 9), while technical provisions for insurance liabilities are appraised at "fair value" (IFRS 17). Changes in the yield curve therefore lead to volatility in the financial statements. However, this volatility is contained and has a limited economic impact. Indeed, the financial assets are at fixed rates and held to maturity, the insurance commitments in the portfolio of outstanding contracts have a short average maturity of around 24 months and the investment policy is based on assets-liabilities. The insurance portfolios do not include contracts with policyholder bonuses.

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

All these risks are monitored in detail in insurance companies' ORSA (Own Risk & Solvency Assessment) reports. This involves measuring their potential impact on insurance company solvency, as part of stress-testing.

1.3.3.21 Cash flow statement

The cash flow statement is presented on the basis of the indirect method model. The operating activities are representative of the Mobilize Financial Services group's income-generating activities. Tax flows are presented with operating activities in full.

Investing activities represent cash flows for the acquisition and disposal of interests in consolidated and non-consolidated companies, and non-current tangible and intangible assets.

Financing activities result from changes related to transactions bearing on the financial structure of equity and long-term borrowings.

Net cash includes cash, receivables and debts with central banks, as well as accounts (assets and liabilities) and sight loans with credit institutions.

1.3.4 Adapting to the economic and financial environment

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

Liquidity

The Mobilize Financial Services group pays great attention to diversifying its sources of access to liquidity. Since the start of the financial crisis, the company has largely diversified its sources of funding. In addition to its traditional bond investor base in euros, new investment areas have also been successfully worked.

By extending the maximum maturities of its issues in Euros to eight years, new investors looking for longer-term assets have been reached. In addition, the group has access to the bond markets in multiple currencies, whether to finance European assets or to support its development outside Europe.

Recourse to funding through securitization transactions in private and public format also helps to expand the investor base.

Lastly, the deposit collection activity, launched in February 2012, completes this diversification and strengthens the long-term structural liquidity ratio (NSFR).

Oversight of the Mobilize Financial Services group's liquidity risk takes into account EBA recommendations on the Internal Liquidity Adequacy Assessment Process (ILAAP) and is based on the following components:

- **risk appetite:** This component is determined by the Board of Directors' Risk Committee;
- **refinancing:** The funding plan is constructed with a view to diversifying access to liquidity by product, by currency and by maturity. Funding requirements are regularly reviewed and clarified so that the funding plan can be adjusted accordingly;
- **liquidity reserve:** The company's aim is to have available at all times a liquidity reserve consistent with its appetite for liquidity risk. The liquidity reserve consists of confirmed lines of credit, assets eligible as collateral in European Central Bank monetary policy transactions, High Quality Liquid Assets (HQLA), and financial assets. It is reviewed every month by the Finance Committee;
- **transfer prices:** Refinancing for the group's European entities is mainly delivered by the group Finance and Treasury division, which centralizes liquidity management and pools costs. Internal liquidity costs are reviewed at regular intervals by the Finance Committee and are used by sales subsidiaries to construct their pricing;
- **stress scenarios:** Every month, the Finance Committee is informed of the length of time for which the company would be able to maintain its business activity using its liquidity reserve in various stress scenarios. The stress scenarios used include assumptions about runs on deposits, loss of access to new funding, partial unavailability of certain components of the liquidity reserve, and forecasts of new gross lending. Assumptions about runs on deposits under stress are very conservative and are regularly back-tested;
- **emergency plan:** An established emergency plan identifies the steps to be taken in the event of stress on the liquidity position.

Credit business risk

The economic environment in 2023 in the main countries where Mobilize Financial Services Group operates was stable, except for Colombia, where high inflation severely affected households' ability to repay their debts. As a result, write-downs on loans to Colombian households have risen sharply for the banking sector. For Mobilize Financial Services Group, this situation explains the deterioration in 2023 in the ratio of non-performing loans (outstanding loans in default), which stood at 2.52% at the end of December 2023, compared with 2.44% at the end of December 2022.

The MFS Group's appetite for credit risk remains moderate and is aimed at maintaining the quality of customer loans in line with the Group's profitability.

Profitability

The Mobilize Financial Services group regularly reviews the costs of internal liquidity used to price customer transactions, thereby maintaining a margin on new lending in line with budget targets. Similarly, the pricing of financing granted to dealers is indexed on an internal base rate reflecting the cost of borrowed resources and liquidity cushions needed for business continuity.

Governance

Liquidity indicators are the subject of particular scrutiny at each monthly Financial Committee meeting.

The Country Management Committees also monitor risk and instant projected margin indicators more systematically, thereby supplementing the routine assessments of subsidiary profitability.

Exposure to non-commercial credit risk

Financial counterparty risk arises from the investment of cash surpluses, invested in the form of short-term bank deposits with leading banks, investments in money market funds, the purchase of bonds issued by governments, supranational issuers, government agencies, and corporate bonds with an average duration of less than one year at 31 December 2023.

All these investments are made with counterparties of superior credit quality previously authorized by the Finance Committee. The Mobilize Financial Services group pays close attention to diversifying its counterparties.

Furthermore, to meet regulatory requirements resulting from implementation of the 30-day liquidity coverage ratio (LCR), the Mobilize Financial Services group invests in liquid assets as defined in the European Commission's Delegated Act. These liquid assets mainly consist of deposits with the European Central Bank and securities issued by governments or supranational issuers held directly. The average duration of the securities portfolio was less than one year.

In addition, RCI Banque S.A. has also invested in a fund whose assets consist of debt securities issued by European agencies and sovereigns and by supranational issuers. Targeted average exposure to credit risk is six years with a limit at nine years. The fund is aiming for zero exposure to the interest rate risk with a maximum of two years.

In addition, interest rate or foreign exchange hedging transactions using derivatives may expose the company to counterparty risk. In Europe, where the group is subject to EMIR regulations, derivatives are subject to counterparty risk mitigation techniques through bilateral collateral exchange or registration in a clearing house. Outside Europe, the group pays close attention to the credit quality of the bank counterparties it uses for derivatives.

Macroeconomic environment

To combat inflation, Central Banks continued their monetary tightening policies in the first half of 2023. This period was also characterized by a resurgence of volatility in financial markets, featuring episodes of risk aversion, particularly in response to challenges faced by certain US regional banks and during budget discussions on US deficits. In the second half of 2023, as inflation eased and economies demonstrated increased resilience, Central Banks ended the rate hike cycle. The movement was initiated by the FED when it maintained its key rates in July. Subsequently, the ECB became the last central bank to raise rates in September. The ECB's objective is to reach a level deemed sufficiently high to curb inflation, while preserving an economy showing signs of slowdown. By the end of 2023, the monetary policy cycle entered a new phase, characterized by a diminishing risk of recession alongside escalating geopolitical and fiscal risks.

In the United States, despite ongoing inflationary pressures and a resilient labor market, key rate hikes continued into July, after pausing in June (+100 bps since December 2022, +525 bps since January 2022).

In the middle of the first half-year, financial markets went through a phase of volatility and risk aversion. After a period of rising interest rates, some banks, possessing significant bond portfolios with unrealized capital losses, had a weakened balance sheet. The US authorities have put in place rescue measures to protect the depositors of these institutions. At the end of May, the improvement in economic statistics (lower inflation and producer prices, less pressure on the job market) led the FED to hold its key rates steady at its June meeting.

The second half of the year saw a notable acceleration in US economic expansion (GDP was up +4.9% in the third quarter and +2.9% year-on-year) and mounting awareness of the scale of government deficits (new debt ceiling crisis and country rating downgrades). Between July and October, the increase in long-term rates prompted the FED to keep its key rates unchanged, considering that they had an effect equivalent to a monetary tightening. The robustness of the US economy is confirmed by year-end data, allowing the FED to confirm the suspension of rate hikes at its December meeting. Inflationary pressures are easing (3.1% in November), while the job market is normalizing. Unemployment rose to 3.9% in November, compared with 3.6% at the end of June and the annual average. Job creation fell significantly to 150,000 in the third quarter compared to an average of 240,000 in 2023). Markets reacted strongly to this new monetary policy stance. At the end of December, they expected a reduction of 150 bps over the coming 12 months, with the first cut in March 2024.

In Europe, the ECB raised its key rate at every Governing Council meeting from February to September 2023 (+200 bps between December 2022 and September 2023, +450 bps since the start of the tightening cycle initiated in July 2022) and started to reduce its balance sheet from early March 2023, as announced in December 2022. The "APP" asset purchase program portfolio was thus reduced by an average of €15 billion per month. As in the United States, European markets experienced significant volatility in the middle of the half-year.

Striking a balance between price stability and financial stability has been the ECB's priority in its monetary policy decisions. From September onwards, the ECB indicated its preference for keeping rates high for an extended period, aiming to combat inflation and mitigate economic risks. Economic indicators for the second half of the year were mixed. While inflation seems to be under control and is falling sharply (+2.4% in November, +5.5% in June vs. +8.6% in January), the economy is exhibiting signs of weakness (GDP: +0.1% at the end of September vs. +1.8% at the end of 2022). At its final meeting of the year, the ECB resolved to reduce PEPP reinvestments from the second half of 2024 (monthly average of -€7.5 billion) and to cease all reinvestments from 1 January 2025. At the end of December, the markets expected rates to remain at existing levels until Q2 2024 and a decrease of 160 bps by the end of 2024.

The Bank of England (BoE), one of the first central banks to initiate the monetary tightening cycle, raised its key rate by 175 bps between January and August 2023, bringing it to 5.25%, i.e., a total increase of 515 bps since the start of the monetary tightening cycle in December 2021. Inflation, while still high, exhibited significant improvement towards year-end (3.9% in November, 8.9% in September, compared with 13.4% in January), and the UK economy remains delicate (GDP at -0.1% for the quarter, -0.4% in private consumption). At the end of December, the market expected the continuation of current rates until H2 2024 and a 150-bp reduction within a year.

Following a divergence in short-term rates during the first half of the year, sovereign rates on long maturities exhibited a significant spread in October, only to revert to their early-September levels by year-end. German 2-year bond yields increased by 51 bps in H1 and decreased by -28 bps since the beginning of the year (2.39% at the end of 2023 compared with 2.67% at the beginning of 2023). In the meantime, German 10-year government bond yields were at 2.02% at the end of December 2023, having peaked at 3% in mid-October (2.39% at the end of June, and 2.44% at the beginning of 2023). Yields on US bonds have risen by 53 bps over the 2 year period and 14 bps over the 10 year period since the beginning of 2023, reaching 4.25% and 3.88% respectively at the end of December 2023 (compared with 4.38% and 3.7% at the beginning of 2023).

Despite a few periods of sharp decline (March and October 2023), equity markets continued their recovery that began in the fourth quarter of 2022. The Eurostoxx 50 and the S&P 500 are up +19% and +24.2% respectively year-to-date. After an episode of volatility in the middle of the half-year, during which the IBOXX Corporate Bond Euro index reached a high of 115.6 bps, the index stood at 91 bps at the end of December 2023, a level very close to that observed at the end of 2022.

1.3.5 Refinancing

In this context, the Group issued the equivalent of €3.9 billion on the bond market in 2023. In particular, it launched its second green bond issue for €750 million. The success of this operation shows that the Group's ESG strategy is appreciated by the market and confirms Mobilize Financial Service's commitment to the fight against climate change. The group also issued 200 million Swiss francs with a five-year maturity and five tranches of €750 million, with maturities of 3, 3.5, 4, 5 and 6 years, respectively.

In the securitization market, the group placed two public transactions in 2023. The first transaction placed €719 million worth of securities backed by car loans granted by its German branch. The second transaction issued for €737 million (including 100 million euros senior retained notes) worth of securities backed by automotive lease-to-purchase plans (LOA) outstandings backed by DIAC in France. The revolving period for private securitizations of car loans in the United Kingdom, leasing in Germany, and the residual value component of lease-to-purchase plans (LOA) in France extended for an additional year. Their amounts increased to £600 million in the United Kingdom, €400 million in Germany and €400 million in France.

The retail savings activity proved to be very dynamic and competitive in terms of resources collected. Deposits mitigated the impact of the rising costs of market funding, thus demonstrating the relevance of the financing diversification strategy initiated over 10 years ago. Savings deposits received increased by €3.8 billion since the beginning of the year, to stand at €28.2 billion.

These resources, together with €4.4 billion in undrawn confirmed bank lines, €5.4 billion in collateral eligible for Central Bank monetary policy operations, and €4.6 billion in highly liquid assets (HQLA), enable the Mobilize Financial Services group to maintain the financing granted to its customers for more than 12 months without access to external liquidity. As at 31 December 2023, the Mobilize Financial Services group's liquidity reserve (European scope) stood at €14.6 billion.

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

As at 31 December 2023, a parallel rise in rates (1) would have an impact on the group's net interest income (NII) of -€4.5 million, with the following contribution by currency:

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

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

Groupe RCI Banque's consolidated transactional foreign exchange position (2) was €17.9 million at the end of December.

1.3.6 Regulatory requirements

In accordance with the prudential banking regulations transposing EU Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV) and EU Regulation 575/2013 into French law, the Mobilize Financial Services group is subject to compliance with the solvency ratio and liquidity ratios, Risk division ratio and balance sheet balancing (leverage ratio). At 31 December 2023, the ratios calculated did not reveal any non-compliance with regulatory requirements.

1) Since 2021 and in accordance with the guidelines of the regulator (IRRBB Guidelines of 2018), the magnitude of interest rate shocks depends on the currency. As of 30 June 2023, interest rate shocks applied for each currency were: +100 bps for EUR, CHF, DKK and MAD; +150 bps for SEK and GBP; +200 bps for CZK; 250 bps for HUF; + 300 bps for RON, COP, PLN and BRL; +350 bps for BRL; +500 bps for ARS and RUB.
2) Foreign exchange position excluding holdings in the share capital of subsidiaries.

1.3.7 Notes to the consolidated financial statements

NOTE 1 Segment information

1.1 Segmentation by market

In millions of euros	Customers	Dealer network	Other	Total 12/2023
Average performing loan outstandings	39,195	10,488		49,683
Average performing asset	40,684	10,488		51,172
Net Banking Income	1,543	342	76	1,961
Gross operating income	999	278	(28)	1,249
Operating income	838	287	(29)	1,096
Pre-tax income	778	286	(30)	1,034

In millions of euros	Customers	Dealer network	Other	Total 12/2022
Average performing loan outstandings	36,936	6,443		43,379
Average performing asset	38,283	6,443		44,726
Net Banking Income	1,557	215	244	2,016
Gross operating income	1,033	160	185	1,378
Operating income	817	181	185	1,183
Pre-tax income	662	181	182	1,025

A breakdown by market is provided for the main income statement as well as for average performing loan outstandings in the corresponding periods.

At the Net Banking Income level, given that most of the Mobilize Financial Services group's segment income comes from interest, the latter are shown net of interest expenses.

The earnings of each business segment are determined on the basis of internal or fiscal analytical conventions for intercompany billing and valuation of funds allocated. The equity allocated to each business segment is the capital effectively made available to the affiliates and branches and then divided among them according to internal analytical rules.

Average performing loan outstandings is the operating indicator used to monitor outstandings. As this indicator is the arithmetic mean of outstandings, its value therefore differs from the outstandings featuring in the Mobilize Financial Services group's assets, as presented in Notes 6 and 7: Customer finance transactions and similar/Customer finance transactions by business segment.

Average Performing Assets (APA) is another indicator used to monitor outstandings. It is equal to average performing outstandings plus assets arising from operating lease operations.

For Retail customers, it means the average of performing assets at end-period. For Dealers, it means the average of daily performing assets.

1.2 Segmentation by geographic region

In millions of euros	Year	Net Loan outstandings at year-end (1)	of which Customer outstandings at year-end (1)	of which Dealer outstandings at year-end
Europe	**2023**	**50,466**	**39,588**	**10,878**
	2022	45,125	35,387	9,738
of which Germany	**2023**	**8,676**	**7,362**	**1,315**
	2022	7,981	6,803	1,178
of which Spain	**2023**	**4,421**	**3,574**	**847**
	2022	3,883	3,204	679
of which France	**2023**	**18,282**	**14,000**	**4,282**
	2022	17,264	12,711	4,553
of which Italy	**2023**	**6,863**	**5,649**	**1,215**
	2022	5,752	4,942	810
of which United Kingdom	**2023**	**6,325**	**5,287**	**1,038**
	2022	5,302	4,383	919
of which Other countries (2)	**2023**	**5,899**	**3,716**	**2,183**
	2022	4,943	3,344	1,599
Africa – Middle East	**2023**	**527**	**377**	**151**
	2022	505	369	136
Asia – Pacific	**2023**	**834**	**823**	**11**
	2022	1,255	1,242	13
of which South Korea	**2023**	**834**	**823**	**11**
	2022	1,255	1,242	13
America	**2023**	**2,868**	**2,267**	**601**
	2022	2,607	2,065	542
of which Argentina	**2023**	**100**	**34**	**66**
	2022	213	101	112
of which Brazil	**2023**	**1,935**	**1,450**	**485**
	2022	1,694	1,324	370
of which Colombia	**2023**	**833**	**783**	**50**
	2022	700	640	60
TOTAL RCI BANQUE GROUP	**2023**	**54,695**	**43,054**	**11,641**
	2022	49,492	39,063	10,429

(1) Including operating leases.
(2) Belgium, Netherlands, Switzerland, Austria, Sweden, Hungary, Malta, Poland, Czech Republic, Slovenia, Slovakia, Croatia, Ireland, Portugal, Romania.

Income from external customers is allocated to the different countries according to the home country of each of the entities. Each entity actually only books income from customers residing in the same country as that entity.

NOTE 2 Cash and balances at Central Banks

In millions of euros	12/2023	12/2022
CASH AND BALANCES AT CENTRAL BANKS	**4,729**	**5,836**
Cash and balances at Central Banks	4,728	5,836
Accrued interest	1	
TERM DEPOSITS AT CENTRAL BANKS	**4**	**38**
Accrued interest	4	38
TOTAL CASH AND BALANCES AT CENTRAL BANKS	**4,733**	**5,874**

NOTE 3 Derivatives

	12/2023		12/2022	
In millions of euros	Assets	Liabilities and equity	Assets	Liabilities and equity
Interest-rate and currency derivatives: Fair value hedges	44	196		315
Interest-rate derivatives: Cash flow hedges	181	93	329	7
TOTAL DERIVATIVES	**225**	**289**	**329**	**322**

Derivatives not designated as hedging instruments have been reclassified as financial assets at fair value through profit or loss

These line items mainly include OTC derivatives contracted by the Mobilize Financial Services group as part of its currency and interest-rate risk hedging policy.

The impact of changes in the fair value of derivatives used as cash flow hedges was -€166 million in 2023. This impact, explained by the amortization of the swaps carried out in 2022 partially offset by the increases in interest rates recorded in 2023, is included in the item Cash flow hedges in the consolidated statement of comprehensive income.

Derivative instruments qualifying as cash flow hedges are backed by floating-rate debt and aggregate sets consisting of a fixed-rate debt and a floating interest rate swap

Changes in the cash flow hedging instrument revaluation reserve

		Schedule for the transfer of the CFH reserve account to the income statement		
In millions of euros	Cash flow hedge	<1 year	1 year to 5 years	+5 years
Balance at 31 December 2021	**16**	**1**	**15**	
Changes in fair value recognized in equity	198			
Transfer to income statement	4			
Balance at 31 December 2022	**218**	**15**	**203**	
Changes in fair value recognized in equity	(46)			
Transfer to income statement	(119)			
BALANCE AT 31 DECEMBER 2023	**53**	**28**	**25**	

With respect to cash flow hedging, the above table shows the periods during which RCI Banque S.A. expects cash flows to intervene and affect the income statement.

Changes in the cash flow hedging reserve result from changes in the fair value of the hedging instruments carried in equity, and from the transfer of the period to the income statement at the same rate as the item hedged.

Nominal values of derivative instruments by maturity and management intent

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2023	Of which related parties
HEDGING OF CURRENCY RISK					
Forward forex contracts					
Sales	1,619			1,619	
Purchases	1,561			1,561	
Spot forex transactions					
Loans	1			1	
Borrowings	1			1	
Currency swaps					
Loans	82	93		175	
Borrowings	84	91		175	
HEDGING OF INTEREST-RATE RISK					
Interest rate swaps					
Lender	9,407	11,451	500	21,358	
Borrower	9,407	11,451	500	21,358	

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2022	Of which related parties
HEDGING OF CURRENCY RISK					
Forward forex contracts					
Sales	1,489			1,489	
Purchases	1,451			1,451	
Spot forex transactions					
Loans	1			1	
Borrowings	1			1	
Currency swaps					
Loans	122	136		258	
Borrowings	122	137		259	
HEDGING OF INTEREST-RATE RISK					
Interest rate swaps					
Lender	11,172	12,628	250	24,050	
Borrower	11,172	12,628	250	24,050	

NOTE 4 Financial assets

In millions of euros	12/2023	12/2022
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (**)	**483**	**521**
Government debt securities and similar	322	401
Bonds and other fixed income securities	161	119
Interests in companies controlled but not consolidated		1
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**143**	**224**
Variable income securities	41	36
Bonds and other fixed income securities	72	71
Interests in companies controlled but not consolidated	3	12
Interest-rate derivatives	23	91
Currency derivatives	4	14
TOTAL FINANCIAL ASSETS (*)	**626**	**745**
(*) Of which related parties	3	13
(**) Of which financial assets dedicated to insurance	202	180

As part of the hedging of variable-rate sight deposits (Deposits and TLTROs), the Mobilize Financial Services group has set up interest rate derivatives that do not qualify as hedging derivatives for accounting purposes according to the provisions of IFRS . These derivatives were classified as financial assets or financial liabilities at fair value through profit or loss. Net banking income was impacted by a valuation effect of these swaps of -€84 million. This impact is explained by the amortization of the swaps carried out in 2022, which had then benefited from the increase in interest rates.

NOTE 5 Amounts receivable at amortized cost from credit institutions

In millions of euros	12/2023	12/2022
CREDIT BALANCES IN SIGHT ACCOUNTS AT CREDIT INSTITUTIONS	**1,390**	**1,638**
Ordinary accounts in debit	1,359	1,589
Overnight loans	31	49
TERM DEPOSITS AT CREDIT INSTITUTIONS	**149**	**52**
Term loans in Bucket 1	143	27
Term loans in Bucket 2	6	25
TOTAL AMOUNTS RECEIVABLE FROM CREDIT INSTITUTIONS (*)	**1,539**	**1,690**
(*) Of which related parties	3	2

Credit balances in sight accounts are included in the “Cash and cash equivalents” line item in the cash flow statement.

Current bank accounts held by the FCTs (Fonds Commun de Titrisation – Securitization Mutual Funds) contribute in part to the funds’ credit enhancement. They totaled €888 million at December 2023 and are included in “Ordinary Accounts in debit.”

Overnight loan transactions with the Central Bank are included in “Cash and balances at Central Banks.”

NOTE 6 Customer finance transactions and similar

In millions of euros	12/2023	12/2022
LOANS AND ADVANCES TO CUSTOMERS	**53,851**	**48,631**
Customer loans	36,919	33,901
Finance leases	16,932	14,730
EXPENSES RELATED TO OPERATING LEASE TRANSACTIONS	**1,564**	**1,383**
TOTAL CUSTOMER FINANCE TRANSACTIONS AND SIMILAR	**55,415**	**50,014**

The gross value of restructured outstandings (including non-performing), following all measures and concessions to borrowing customers who encounter (or are likely in future to encounter) financial difficulties, amounts to €225 million at 31 December 2023, compared with €238 million at 31 December 2022. It was impaired in the amount of €64 million at 31 December 2023, compared with €78 million at 31 December 2022.

6.1 Customer financial transactions

In millions of euros	12/2023	12/2022
LOANS AND ADVANCES TO CUSTOMERS	**37,203**	**34,046**
Healthy factoring	347	217
Factoring with a significant increase in credit risk since initial recognition	4	7
Other healthy commercial receivables	6	3
Other healthy customer credit	33,664	31,038
Other customer credit with a significant increase in credit risk since initial recognition	1,838	1,729
Healthy ordinary accounts in debit	577	375
Defaulted receivables	767	677
INTEREST RECEIVABLE ON CUSTOMER LOANS AND ADVANCES	**114**	**80**
Other non-defaulted customer credit	46	41
Non-defaulted ordinary accounts	65	36
Defaulted receivables	3	3
TOTAL OF ITEMS INCLUDED IN AMORTIZED COST – CUSTOMER LOANS AND ADVANCES	**393**	**560**
Staggered handling charges	(30)	(59)
Staggered contributions to sales incentives by manufacturer or dealers	(414)	(265)
Staggered fees paid for referral of business	837	884
IMPAIRMENT ON LOANS AND ADVANCES TO CUSTOMERS	**(791)**	**(785)**
Impairment on healthy receivables	(137)	(151)
Impairment on receivables with a significant increase in credit risk since initial recognition	(113)	(110)
Impairment on defaulted receivables	(450)	(409)
Impairment on residual value	(91)	(115)
TOTAL CUSTOMER FINANCE TRANSACTIONS, NET	**36,919**	**33,901**

The securitization transactions were not intended to result in derecognition of the receivables assigned. The assigned receivables as well as the accrued interest and impaired allowances continue to appear on the asset side of the Group's balance sheet.

Factoring receivables result from the acquisition by the Group of trade receivables sold by the Groupe Renault and the Nissan and Mitsubishi brands. Impairment on residual value concerns credit (risk borne and not borne).

6.2 Finance lease transactions

In millions of euros	12/2023	12/2022
FINANCE LEASE TRANSACTIONS	**17,206**	**14,878**
Other healthy customer credit	15,065	13,029
Other customer credit with a significant increase in credit risk since initial recognition	1,722	1,512
Defaulted receivables	419	337
ACCRUED INTEREST ON FINANCE LEASE TRANSACTIONS	**8**	**8**
Other non-defaulted customer credit	7	7
Defaulted receivables	1	1
TOTAL OF ITEMS INCLUDED IN AMORTIZED COST – FINANCE LEASES	**47**	**162**
Staggered handling charges	6	28
Staggered contributions to sales incentives by manufacturer or dealers	(379)	(229)
Staggered fees paid for referral of business	420	363
IMPAIRMENT ON FINANCE LEASES	**(329)**	**(318)**
Impairment on healthy receivables	(66)	(79)
Impairment on receivables with a significant increase in credit risk since initial recognition	(73)	(75)
Impairment on defaulted receivables	(189)	(163)
Impairment on residual value	(1)	(1)
TOTAL FINANCE LEASE TRANSACTIONS, NET	**16,932**	**14,730**

Reconciliation between gross investment in finance lease contracts at the closing date and present value of minimum payments receivable

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2023
Finance leases – net investment	6,641	10,577	43	17,261
Finance leases – future interest receivable	677	767	7	1,451
FINANCE LEASES – GROSS INVESTMENT	**7,318**	**11,344**	**50**	**18,712**
Amount of residual value guaranteed to RCI Banque Group	4,417	7,310	1	11,728
• Of which amount guaranteed by related parties	2,118	2,451		4,569
Minimum payments receivable under the lease (excluding amounts guaranteed by related parties, as required by IAS 17)	5,200	8,893	50	14,143

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2022
Finance leases – net investment	6,504	8,505	39	15,048
Finance leases – future interest receivable	489	487	15	991
FINANCE LEASES – GROSS INVESTMENT	**6,993**	**8,992**	**54**	**16,039**
Amount of residual value guaranteed to RCI Banque Group	4,950	5,054	1	10,005
• Of which amount guaranteed by related parties	2,823	2,069		4,892
Minimum payments receivable under the lease (excluding amounts guaranteed by related parties, as required by IAS 17)	4,170	6,923	54	11,147

6.3 Operating lease transactions

In millions of euros	12/2023	12/2022
FIXED ASSET NET VALUE ON OPERATING LEASE TRANSACTIONS	**1,595**	**1,402**
Gross value of tangible assets	2,433	2,148
Depreciation of tangible assets	(838)	(746)
RECEIVABLES ON OPERATING LEASE TRANSACTIONS	**17**	**19**
Non-defaulted receivables	13	12
Defaulted receivables	13	13
Income and charges to be staggered	(9)	(6)
IMPAIRMENT ON OPERATING LEASES	**(48)**	**(38)**
Impairment on defaulted receivables	(8)	(9)
Impairment on residual value	(40)	(29)
TOTAL OPERATING LEASE TRANSACTIONS, NET (*)	**1,564**	**1,383**
(*) Of which related parties.	(3)	(1)

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

In millions of euros	12/2023	12/2022
0-1 year	109	79
1-5 years	428	255
+5 years	100	304
TOTAL	**637**	**638**

6.4 Maximum exposure to credit risk on performing loans

At 31 December 2023, the Group's maximum aggregate exposure to credit risk stood at €67,102 million, compared with €63,350 million at 31 December 2022. This exposure chiefly includes net loans outstanding from sales financing, sundry debtors, asset derivatives and irrevocable financing commitments on the Mobilize Financial Services group's off-balance sheet (see Note 25 Commitments received).

Amount of receivables due

In millions of euros	12/2023	of which non-defaulted (1)	12/2022	of which non-defaulted (1)
Between 0 and 3 months	680	461	611	362
Between 3 and 6 months	71		57	
Between 6 months and 1 year	74		59	
More than one year	54		48	
RECEIVABLES DUE	**879**	**461**	**775**	**362**

(1) Only includes sales financing receivables non classed in Bucket 3.

The risks on the quality of customer loans are assessed (using a score system) and monitored per type of business (Customer and Dealer). At the statement closing date, no component affected the credit quality of non-due and non-impaired sales financing receivables.

There is no significant concentration of risks within the sales financing customer base in line with regulatory requirements.

As at 31 December 2023, guarantees held on doubtful or delinquent receivables totaled €916 million, compared with €784 million at 31 December 2022.

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

Total exposure to residual value risk borne by the Mobilize Financial Services group (excluding exposure to batteries and early termination risk) amounted to €3,356 million at 31 December 2023, compared with €2,506 million at 31 December 2022. A provision was made in the amount of €74 million at 31 December 2023 compared with €56 million at 31 December 2022 for the residual values of risk carried without battery risk and without Voluntary Termination risk (mainly concerns the United Kingdom). The provision for residual value risk borne is a provision that covers the loss of value borne by the Mobilize Financial Services group on the resale of a vehicle.

NOTE 7 Customer finance transactions by business segment

In millions of euros	Customers	Dealer network	Other	Total 12/2023
GROSS VALUE	**44,182**	**11,679**	**722**	**56,583**
Healthy receivables	39,651	11,430	720	51,801
In % of total receivables	*89.7%*	*97.9%*	*99.7%*	*91.5%*
Receivables with a significant increase in credit risk since initial recognition	3,394	185		3,579
In % of total receivables	*7.7%*	*1.6%*		*6.3%*
Defaulted receivables	1,137	64	2	1,203
In % of total receivables	*2.6%*	*0.5%*	*0.3%*	*2.1%*
IMPAIRMENT ALLOWANCE	**(1,128)**	**(38)**	**(2)**	**(1,168)**
Impairment on healthy receivables	(316)	(18)	(1)	(335)
In % of total impairment	*28.0%*	*47.4%*	*50.0%*	*28.7%*
Impairment on receivables with a significant increase in credit risk since initial recognition	(183)	(3)		(186)
In % of total impairment	*16.2%*	*7.9%*		*15.9%*
Impairment on defaulted receivables	(629)	(17)	(1)	(647)
In % of total impairment	*55.8%*	*44.7%*	*50.0%*	*55.4%*
Coverage rate	2.6%	0.3%	0.3%	2.1%
Healthy receivables	*0.8%*	*0.2%*	*0.1%*	*0.6%*
Receivables with a significant increase in credit risk since initial recognition	*5.4%*	*1.6%*		*5.2%*
Defaulted receivables	*55.3%*	*26.6%*	*50.0%*	*53.8%*
TOTAL NET VALUE (*)	**43,054**	**11,641**	**720**	**55,415**
(*) Of which: related parties (excluding participation in incentives and fees paid)	(2)	276	379	653

The "Other" classification mainly includes buyers accounts and ordinary accounts with dealers and with the Renault Group and the Nissan and Mitsubishi brands.

In millions of euros	Customers	Dealer network	Other	Total 12/2022
GROSS VALUE	**40,154**	**10,477**	**524**	**51,155**
Healthy receivables	36,083	10,261	522	46,866
On % of total receivables	*89.9%*	*97.9%*	*99.6%*	*91.6%*
Receivables with a significant increase in credit risk since initial recognition	3,091	167		3,258
On % of total receivables	*7.7%*	*1.6%*		*6.4%*
Defaulted receivables	980	49	2	1,031
On % of total receivables	*2.4%*	*0.5%*	*0.4%*	*2.0%*
IMPAIRMENT ALLOWANCE	**(1,091)**	**(48)**	**(2)**	**(1,141)**
Impairment on healthy receivables	(354)	(20)	(1)	(375)
On % of total impairment	*32.4%*	*41.7%*	*50.0%*	*32.9%*
Impairment on receivables with a significant increase in credit risk since initial recognition	(179)	(6)		(185)
On % of total impairment	*16.4%*	*12.5%*		*16.2%*
Impairment on defaulted receivables	(558)	(22)	(1)	(581)
On % of total impairment	*51.1%*	*45.8%*	*50.0%*	*50.9%*
Coverage rate	2.7%	0.5%	0.4%	2.2%
Healthy receivables	*1.0%*	*0.2%*	*0.2%*	*0.8%*
Receivables with a significant increase in credit risk since initial recognition	*5.8%*	*3.6%*		*5.7%*
Defaulted receivables	*56.9%*	*44.9%*	*50.0%*	*56.4%*
TOTAL NET VALUE (*)	**39,063**	**10,429**	**522**	**50,014**
(*) Of which: related parties (excluding participation in incentives and fees paid)	1	489	207	697

As the economic context remains uncertain, the prudent approach adopted at the end of 2022 is maintained.

Concerning the provisioning rate for Bucket 1, it decreased from 1% to 0.8% due to the release of the sectoral forward looking (€17 million) and the decline in inflation expertise (€15 million) and risk parameters expertise (€10 million).

At 31 December 2023, provisions booked are €1,166 million including : provisioning tool (statistical) for €852 million, expertise provision (additional ajustments excluding model) for €20 million, Forward-looking provision for €131 million, provision on vehicle residual value for €116 million

In Customer activity, the provisioning rate for Bucket 2 decreased from 5.8% to 5.4% due to the improvement in the PD Lifetime parameter in Brazil and Spain.

In Customer activity, in 2023, the LGD decreases in Brazil and Italy and NPL sales in Italy and Korea, respectively, of €16.8 million at a coverage rate of 77.3% and €4 million at a coverage rate of 90% largely explain the B3 decrease in the provisioning rate of 55.9% against to 56.9% at the end of December 2022.

In the Dealers business, the coverage rate for Bucket 1 (healthy receivables) is stable, while the coverage rate for Bucket 2 (receivables with a significant increase in credit risk since initial recognition) is 1.6% at end-December 2023 vs. 3.6% at end-December 2022, an improvement mainly thanks to the positive trend in the distribution of outstandings by risk class and the updating of PD/LGD parameters. In Bucket 3, the coverage rate was 26.6% vs. 44.9% at end-December 2022, a trend explained in particular by a lower LGD (maturity effect in default and mix effect by status with a lower weighting in Default-Compromised) and by a lower coverage rate in Brazil with the entry into default over the period of four counterparties with outstandings largely covered by guarantees.

- on the criteria for reclassifying certain receivables to Bucket 2 (receivables downgraded since origination).

These are non-model adjustments, mainly concerning a) corporate exposures outside the network on which an individual review is carried out on a regular basis, and b) customers under expired forborne moratoria.

The in-depth analysis of situations through external data and/or more substantial hindsight is now making it possible to assess the behavior of outstandings with longer moratoria, leads to a downgrade of €12 million in Italy (forbearance) and €2 million in Morocco.

- In the provisioning of the same receivables; these are non-model adjustments (mainly on expired moratoria when signs of a possible deterioration are identified).

Concerning the adjustments on Corporate exposures subject to individual reviews, a significant reversal was made in France for €10.9 million due to a decrease in the estimated risk on these counterparties.

In addition, in the same way as at 31 December 2022, the estimate of the forward-looking provision was revised in June 2023 and December 2023, maintaining the customer segments considered particularly impacted by inflation. In the absence of any actual late payments, the segments concerned were retained in their original bucket. These are all Corporate exposures to clients operating in business sectors particularly affected by the crisis (inflation and energy) but for which an individual analysis was not possible. The outstandings concerned amounted to €1,978 million. The adjustment carried out consisted in bringing the provisioning rate to an average rate between Bucket 1 and Bucket 2. For the Retail customers portfolio, which operates in these business sectors, the outstandings concerned in France and the UK are hedged and amount to €211 million.

7.1 Breakdown of customer transactions by Buckets and geographical areas

In millions of euros	Gross value receivables			Impairment receivables			Total 12/2023
	Bucket 1	Bucket 2	Bucket 3	Bucket 1	Bucket 2	Bucket 3	
France	17,002	1,478	419	(68)	(64)	(222)	18,546
Germany	8,170	559	75	(21)	(25)	(36)	8,722
Italy	6,598	397	86	(14)	(12)	(59)	6,996
United Kingdom	6,153	323	43	(128)	(9)	(23)	6,359
Spain	4,252	228	88	(27)	(13)	(68)	4,460
Brazil	1,745	187	105	(16)	(15)	(43)	1,963
South Korea	802	43	30	(11)	(5)	(25)	834
Switzerland	869	81	28	(1)	(3)	(4)	970
Colombia	697	89	160	(17)	(24)	(71)	834
Poland	977	76	46	(3)	(4)	(18)	1,074
Netherlands	789	7	3	(2)	-	(1)	795
Portugal	652	8	7	(7)	(1)	(4)	655
Austria	628	10	3	(5)	(2)	(1)	634
Morocco	495	33	88	(8)	(7)	(66)	534
Other countries	1,975	62	22	(8)	(2)	(9)	2,041
TOTAL	**51,801**	**3,579**	**1,203**	**(335)**	**(186)**	**(647)**	**55,415**

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**

7.2 Change in customer finance transactions

In millions of euros	12/2022	Increase [1]	Transfer [2]	Repayment	Write off	12/2023
Healthy receivables	46,866	67,779	(2,035)	(60,809)		51,801
Receivables with a significant increase in credit risk since initial recognition	3,258		1,499	(1,178)		3,579
Defaulted receivables	1,031		536	(194)	(170)	1,203
CUSTOMER FINANCE TRANSACTIONS (GV)	**51,155**	**67,779**		**(62,181)**	**(170)**	**56,583**

(1) Increase = New production.
(2) Transfer = Change of classification.

7.3 Change in impairments of customer finance transactions

In millions of euros	12/2022	Increase [1]	Decrease [2]	Transfer [3]	Changes [4]	Others [5]	12/2023
Impairment on healthy receivables [*]	375	109	(80)	(203)	131	3	335
Impairment on receivables with a significant increase in credit risk since initial recognition	185	33	(29)	(7)	1	3	186
Impairment on defaulted receivables	581	84	(258)	210	21	9	647
IMPAIRMENTS OF CUSTOMER FINANCE TRANSACTIONS	**1,141**	**226**	**(367)**	**-**	**153**	**15**	**1,168**

(1) Increase = Allowance due to new production.
(2) Decrease = Reversal of allowance due to reimbursement, disposals or write-off.
(3) Transfer = Change of classification.
(4) Variations = Variation due to risk criteria adjustments (PD, LGD, ECL…).
(5) Others = Reclassification, currency translation effects, changes in scope of consolidation.
Note: increases (1), decreases (2), and reclassifications (3) are accounted for in the income statement under Net banking income or cost of risk.
Other movements [4] and [5] are balance sheet changes only.
(*) Impairment on performing receivables includes impairments on residual values (vehicles and batteries) for an amount of €118 million at 31 December 2023, compared with €144 million at 31 December 2022.

NOTE 8 Adjustment accounts and miscellaneous assets

In millions of euros	12/2023	12/2022
TAX RECEIVABLES	**659**	**386**
Current tax assets	88	41
Deferred tax assets	249	220
Tax receivables other than on current income tax	322	125
ADJUSTMENT ACCOUNTS AND OTHER ASSETS	**1,583**	**978**
Social Security and employee-related receivables	1	1
Other sundry debtors	912	537
Adjustment accounts – Assets	110	84
Other assets	5	3
Items received on collections	555	353
ACTIVE INSURANCE AND REINSURANCE CONTRACTS	**33**	**36**
Reinsurance contracts held	33	36
TOTAL ADJUSTMENT ACCOUNTS AND OTHER ASSETS [*]	**2,275**	**1,400**
(*) Of which related parties	390	223

Deferred tax assets are analyzed in Note 34.

RCI Banque S.A. has opted to recognize part of its annual contributions to the Single Resolution Fund in the balance sheet, the additional part is recorded in the income statement as taxes.

Thus, miscellaneous debtors include, for 31 December 2023, a cumulative amount of security deposit according to the SRF of €19.6 million and a cumulative amount of €13 million at 31 December 2022.

In return, an irrevocable off-balance sheet payment commitment of an identical amount is recorded in financing commitments (Note 24).

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03.

NOTE 9 Investments in associates and joint ventures

In millions of euros	12/2023		12/2022	
	EAC balance sheet value	Net income	EAC balance sheet value	Net income
Orfin Finansman Anonim Sirketi	13	(2)	15	(3)
RN SF B.V.	25	8		(110)
Nissan Renault Financial Services India Private Limited	37	2	37	2
Mobility Trader Holding Gmbh (RCI)	4	(20)	14	(16)
Select Vehicle Group Holdings Limited	18			
TOTAL INTERESTS IN ASSOCIATES	**97**	**(12)**	**66**	**(127)**

NOTE 10 Tangible and intangible non-current assets

In millions of euros	12/2023	12/2022
INTANGIBLE ASSETS, NET	**42**	**34**
Gross value	87	75
Accumulated depreciation and impairment	(45)	(41)
PROPERTY, PLANT AND EQUIPMENT, NET	**25**	**22**
Gross value	133	127
Accumulated depreciation and impairment	(108)	(105)
AMORTIZATION RIGHT OF USE ON RENTED ASSET, NET	**83**	**67**
Gross value	177	121
Accumulated depreciation and impairment	(94)	(54)
TOTAL TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS	**150**	**123**

Property, plant and equipment includes real estate leases activated under IFRS 16 (see section 1.3.3. – Accounting rules and methods).

Entities of Bipi contributed an increase of €51 million for the net right of use, and €28 million in depreciation and impairment.

NOTE 11 Goodwill

In millions of euros	12/2023	12/2022
United Kingdom	36	35
Germany	12	12
Italy	9	9
South Korea	18	19
Czech Republic	2	3
Spain	59	59
TOTAL GOODWILL FROM ACQUISITIONS BY COUNTRY	**136**	**137**

All of this goodwill was tested for impairment (using the methods and assumptions described in Section 1.3.3.3 - Consolidation principle). These tests did not reveal any material impairment risk at 31 December 2023.

NOTE 12 Financial liabilities at fair value through profit or loss

In millions of euros	12/2023	12/2022
Interest-rate derivatives	15	5
Currency derivatives	47	24
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**62**	**29**

NOTE 13 Liabilities to credit institutions and customers & debt securities

13.1 Central banks

In millions of euros	12/2023	12/2022
Term borrowings	2,321	3,711
Accrued interest	54	4
TOTAL CENTRAL BANKS	**2,375**	**3,715**

At 31 December 2023, the book value of the collateral presented to the Bank of France (3G) amounted to €7,702 million, meaning €6,968 million in securities issued by securitization vehicles and €735 million in private accounts receivable.

The Group was able to benefit from the TLTRO III program issued by the ECB. Three redemptions were made for a total nominal amount of €1,750 million in 2023. Two drawdowns are still due as of December 31, 2023

Two new drawdowns were made in 2021;

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

The Group has chosen to apply IFRS 9 to the drawdowns made under the TLTRO III program, considering that the ECB rate is a market rate. The initial effective interest rate of the drawdowns takes into account the Group's achievement of the lending targets set for the reference period ending in March 2021. The ECB confirmed achievement of these objectives in September 2021. In view of its initial expectations, the Group had not included in its estimates the achievement of the targets for granting credit over the special additional reference period. As a result and in accordance with the current provisions of IFRS 9, the achievement of the lending targets for the special additional reference period (October 2020 - December 2021) resulted in an adjustment of the value of the credit lines. TLTRO-related debt of €14 million in June 2022.

The interest rate applicable to this financing is now calculated based on the average Deposit Facility Rate (DFR) of the European Central Bank (ECB).

TFSME program

The Group was also able to avail itself of the TFSME program announced by the Bank of England in 2020 and draw down £409.3 million in 2021 with a maturity in September and October 2025.

The interest rate applicable to this financing is calculated on the basis of the Bank of England base rate (5.25% at 31 December 2023) plus a 0.25% spread.

The Group applied IFRS 9 to its financing, considering this rate to be adjustable like a market rate applicable to all banks benefiting from the TFSME program.

13.2 Amounts payable to credit institutions

In millions of euros	12/2023	12/2022
SIGHT ACCOUNTS PAYABLE TO CREDIT INSTITUTIONS	**260**	**183**
Ordinary accounts in credit	15	12
Other amounts owed	245	171
TERM ACCOUNTS PAYABLE TO CREDIT INSTITUTIONS	**2,015**	**1,829**
Term borrowings	1,920	1,734
Accrued interest	95	95
TOTAL LIABILITIES TO CREDIT INSTITUTIONS	**2,275**	**2,012**

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

13.3 Amounts payable to customers

In millions of euros	12/2023	12/2022
AMOUNTS PAYABLE TO CUSTOMERS	**29,061**	**25,367**
Ordinary accounts in credit	341	256
Term accounts in credit	608	701
Ordinary saving accounts (**)	18,224	17,647
Customer term accounts (**)	9,888	6,763
OTHER AMOUNTS PAYABLE TO CUSTOMERS AND ACCRUED INTEREST	**251**	**106**
Other amounts payable to customers	171	60
Accrued interest on ordinary accounts in credit	15	14
Accrued interest on term accounts in credit	1	1
Accrued interest on ordinary saving accounts	31	14
Accrued interest on customers term accounts	33	17
TOTAL AMOUNTS PAYABLE TO CUSTOMERS (*)	**29,312**	**25,473**
(*) Of which related parties.	635	769
(**) Of which covered by a deposit guarantee scheme	25,072	21,764
In percentages	89.2%	89.2%

In millions of euros	12/2023			12/2022		
	Savings account	Term deposit	Total	Savings account	Term deposit	Total
Germany	10,838	6,025	16,863	11,412	4,070	15,482
United Kingdom	2,695	2,822	5,517	2,642	2,027	4,669
Austria	1,334	419	1,753	1,353	285	1,638
France	1,424	24	1,448	1,114	117	1,231
Spain	1,087	463	1,550	570	251	821
Netherlands	877	143	1,020	570		570
Brazil		25	25		30	30
TOTAL CUSTOMER DEPOSITS	**18,255**	**9,921**	**28,176**	**17,661**	**6,780**	**24,441**

Term accounts in credit include a €600 million cash warrant agreement given to RCI Banque S.A. by the manufacturer Renault, covering, without any geographical exceptions, against the risks of Groupe Renault defaulting.

The Mobilize Financial Services group launched its savings business in France in February 2012, in Germany in February 2013, in Austria in April 2014, in the United Kingdom in June 2015 and in Brazil in March 2019 and Spain in November 2020, marketing both savings accounts and term deposits accounts. In July 2021, the Group rolled out its savings collection business in the Netherlands through fintech Raisin.

Deposit collection increased by €3,735 million (of which €594 million in sight deposits and €3,141 million in term deposits) in 2023 to reach €28,176 million (of which €18,255 million in sight deposits and €9,921 million in term deposits) classified as other interest-bearing liabilities. 89.2% of these deposits were covered by a deposit guarantee scheme at the end of December 2023 as at the end of 2022.

13.4 Debt securities

In millions of euros	12/2023	12/2022
NEGOTIABLE DEBT SECURITIES (1)	**1,808**	**1,221**
Certificates of deposit	1,570	1,013
Commercial paper and similar	184	175
Accrued interest on negotiable debt securities	54	33
OTHER DEBT SECURITIES (2)	**4,324**	**3,319**
Other debt securities	4,317	3,317
Accrued interest on other debt securities	7	2
BONDS AND SIMILAR	**14,184**	**13,568**
Bonds	13,857	13,369
Accrued interest on bonds	327	199
TOTAL DEBT SECURITIES	**20,316**	**18,108**

(1) Certificates of deposit, commercial paper and French MTNs are issued by RCI Banque S.A., Banco RCI Brasil S.A., RCI Colombia S.A. Compania De Financiamiento and Diac SA

(2) Other debt securities mainly correspond to securities issued by securitization vehicles set up for the purposes of German securitization operations (RCI Banque S.A. Niederlassung Deutschland), British (RCI Financial Services Ltd) and French (Diac SA).

13.5 Breakdown of liabilities by valuation method

In millions of euros	12/2023	12/2022
LIABILITIES VALUED AT AMORTIZED COST – EXCLUDING FAIR VALUE HEDGE	**48,411**	**44,417**
Central Banks	2,375	3,715
Amounts payable to credit institutions	2,275	2,012
Amounts payable to customers	29,312	25,473
Debt securities	14,449	13,217
LIABILITIES VALUED AT AMORTIZED COST – FAIR VALUE HEDGE	**5,867**	**4,891**
Debt securities	5,867	4,891
TOTAL FINANCIAL DEBTS	**54,278**	**49,308**

13.6 Breakdown of financial liabilities by rate type before derivatives

In millions of euros	Variable	Fixed	12/2023
Central Banks	2,025	350	2,375
Amounts payable to credit institutions	1,224	1,051	2,275
Amounts payable to customers	15,655	13,657	29,312
Negotiable debt securities	532	1,276	1,808
Other debt securities	4,317	7	4,324
Bonds	2,126	12,058	14,184
TOTAL FINANCIAL LIABILITIES BY RATE	**25,879**	**28,399**	**54,278**

In millions of euros	Variable	Fixed	12/2022
Central Banks	3,715		3,715
Amounts payable to credit institutions	760	1,252	2,012
Amounts payable to customers	17,483	7,990	25,473
Negotiable debt securities	855	366	1,221
Other debt securities	3,311	8	3,319
Bonds	2,708	10,860	13,568
TOTAL FINANCIAL LIABILITIES BY RATE	**28,832**	**20,476**	**49,308**

13.7 Breakdown of financial liabilities by remaining term to maturity

The breakdown of financial liabilities by maturity is shown in Note 20.

NOTE 14 Securitization

Securitization – Public issues

Country	France	France	France	France	France	France	Italy
Originator	DIAC SA	DIAC SA	DIAC SA	DIAC SA	DIAC SA	DIAC SA	RCI Banque Succursale Italiana
Securitized collateral	Auto loans to customers	Receivables independent dealers	Auto loans to customers	Auto Leasing (Rent)	Auto Leasing (Rent)	Auto Leasing (Rent)	Auto loans to customers
Issuer	CARS Alliance Auto Loans France FCT Master	FCT Cars Alliance DFP France	CARS Alliance Auto Loans France V 2022-1	Cars Alliance Auto Leases France V 2023-1	CARS Alliance Auto Leases France V 2020-1	CARS Alliance Auto Leases France Master	Cars Alliance Auto Loans Italy 2015 s.r.l.
Commencement date	May 2012	July 2013	May 2022	October 2023	October 2020	October 2020	July 2015
Legal maturity date	August 2034	July 2028	November 2032	October 2038	October 2036	October 2038	December 2031
Initial purchase of receivables	715	1,020	759	769	1,057	533	1,234
Credit enhancement as at the closing date	Cash reserve for 1% Over -collateralization in receivables of 13.3%	Cash reserve for 1% Over -collateralization of receivables of 12.5%	Cash reserve for 0.7% Over -collateralization in receivables of 13.7%	Cash reserve for 1.25% Over -collateralization in receivables of 9%	Cash reserve for 1% Over -collateralization in receivables of 9%	Cash reserve for 1% Over -collateralization of receivables of 11.1%	Cash reserve for 1% Over -collateralization of receivables of 14.9%
Receivables purchased as at 31 December 2023	770	1,261	717	713	354	731	2,073
Securities issued as at 31 December 2023 (including shares possibly subscribed by RCI Banque Group)	Class A	Class A	Class A	Class A	Class A	Class A	Class A
	Rating: AAA	Rating: AA	Rating: AAA	Rating: AAA	Rating: AAA	Rating: AAA	Rating: AA
	657	1,000	619	700	300	722	1,835
			Class B	Class B	Class B		
			Rating: AA-	Rating: AA	Rating: AA		
			52	37	42		
	Class B		Class C	Class C	Class C	Class B	Class J
	Non rated		Non rated	Non rated	Non rated	Non rated	Non rated
	104		45	32	53	91	296
Period	Revolving	Revolving	Amortizing	Revolving	Amortizing	Revolving	Revolving
Nature of transaction	retained	Retained	Market	Market	Market	Retained	Retained

Country	Spain	Germany	Germany	Germany	Germany	Germany	United Kingdom
Originator	RCI Banque Sucursal en Espana	RCI Bank Niederlassung	RCI Bank Niederlassung	RCI Bank Niederlassung	RCI Bank Niederlassung	RCI Bank Niederlassung	RCI Financial Services
Securitized collateral	Auto loans to customers	Auto loans to customers	Auto loans to customers	Auto loans to customers	Receivables independent dealers	Auto loans to customers	Auto loans to customers
Issuer	Cars Alliance Auto Loans Spain 2022	CARS Alliance Auto Loans Germany Master	Cars Alliance Auto Loans Germany V 2019-1	CARS Alliance Auto Loans Germany V 2021-1	Cars Alliance DFP Germany 2017	Cars Alliance Auto Loans Germany V 2023-1	CARS Alliance UK Master Plc
Commencement date	November 2022	March 2014	May 2019	October 2021	July 2017	March 2023	October 2021
Legal maturity date	October 2036	March 2031	August 2031	June 2034	August 2031	March 2035	September 2032
Initial purchase of receivables	1,223	674	1,107	1,009	852	757	1,249
Credit enhancement as at the closing date	Cash reserve for 1.1% Over -collateralization of receivables of 8.8%	Cash reserve for 1% Over -collateralization in receivables of 8%	Cash reserve for 1% Over -collateralization of receivables o f 7.5%	Cash reserve for 0.75% Over -collateralization in receivables of 7.5%	Cash reserve for 1.5% Over -collateralization in receivables of 20.8%	Cash reserve for 1.25% Over -collateralization of receivables of 7.5%	Cash reserve for 1% Over -collateralization of receivables of 28%
Receivables purchased as at 31 December 2023	1,121	983	105	703	649	813	1,212
Securities issued as at 31 December 2023 (including shares possibly subscribed by RCI Banque Group)	Class A	Class A	Class A	Class A	Class A	Class A	Classe A
	Rating: AA	Rating: AAA	Rating: AAA	Rating: AAA	Rating: AAA	Rating: AAA	Rating: AA
	1,120	891	34	612	540	700	861
			Class B	Class B		Class B	
			Rating: AAA	Rating: AA		Rating: AA	
			26	24		19	
	Class B	Class B	Class C	Class C		Class C	Class B
	Non rated	Non rated	Non rated	Non rated		Non rated	Non rated
	108	67	51	49		38	334
Period	Revolving	Revolving	Amortizing	Amortizing	Revolving	Revolving	Revolving
Nature of transaction	Retained	Retained	Market	Market	Retained	Market	Retained

In 2023, the Mobilize Financial Services group completed a public securitization transaction in Germany and a public securitization transaction in France by means of special purpose vehicles.

In addition, and as part of its efforts to diversify its refinancing, operations were secured by banks or conduits. As these issues are private, their terms and conditions are not disclosed in the above table.

At 31 December 2023, the amount of financing obtained through securitization by conduit totaled €1,489 million. The amount of financing obtained through securitization transactions in public format placed on the markets totaled €3,165 million.

The securitization transactions carried out by the Group all meet the requirement under Article 405 of European Directive No. 575/2013 for a net economic interest of not less than 5% to be retained. These transactions were not intended to result in derecognition of the receivables transferred, and at 31 December 2023, the amount of the sales financing receivables thus maintained on the balance sheet totaled €14,822 million (€13,926 million at 31 December 2022), as follows:

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

The fair value of these receivables was €14,945 million at 31 December 2023.

Liabilities of €4,324 million have been booked under "Other debt securities" corresponding to the securities issued during securitization transactions. The fair value of these liabilities is €4,364 million as at 31 December 2023.

The difference between the amount of receivables transferred and the amount of the aforementioned liabilities corresponds to the credit enhancement needed for these transactions and to the share of securities retained by the Mobilize Financial Services group serving as a liquidity reserve.

NOTE 15 Adjustment accounts & miscellaneous liabilities

In millions of euros	12/2023	12/2022
TAXES PAYABLE	**961**	**1,032**
Current tax liabilities	135	108
Deferred tax liabilities	772	899
Taxes payable other than on current income tax	54	25
ADJUSTMENT ACCOUNTS AND OTHER AMOUNTS PAYABLE	**1,880**	**2,004**
Social security and employee-related liabilities	68	64
Other sundry creditors	887	952
Debt on rented asset	85	69
Adjustment accounts – liabilities	513	508
Accrued interest on other sundry creditors	318	400
Collection accounts	9	11
TOTAL ADJUSTMENT ACCOUNTS AND OTHER AMOUNTS PAYABLE (*)	**2,841**	**3,036**
(*) Of which related parties.	64	119

Deferred tax liabilities are analyzed in Note 34.

In addition, other sundry creditors and accruals on sundry creditors mainly concern accrued invoices, provisions for commissions payable for referral of business, insurance commissions payable by the Maltese entities and the valuation of put options on minority interests.

NOTE 16 Liabilities on issued insurance contracts

Insurance technical reserves by component

In millions of euros	Discounted cash flow	Adj. for non-financial risk	Contract service margin.	Total
Insurance and reinsurance assets	32	3	1	36
Liabilities on insurance and reinsurance contracts	186	(19)	(333)	(166)
OPENING NET BALANCE AT 01/01/2023	**218**	**(16)**	**(332)**	**(130)**
Changes related to current services	**2**	**2**	**180**	**184**
CSM recognized for services rendered			180	180
Change in risk adjustment		2		2
Experience adjustments	2			2
Changes related to future services	**318**	**(5)**	**(159)**	**154**
Contracts initially recognized over the period	348	(5)	(188)	155
Changes in estimates that adjust the CSM	(29)		29	
Changes in loss estimates on onerous contracts	(1)			(1)
Changes in past service	**20**	**4**		**24**
Changes in liabilities for claims incurred	24	2		26
Experience adjustments on claims and other expenses	(4)	2		(2)
INSURANCE SERVICE RESULT	**340**	**1**	**21**	**362**
Financial income and expenses from insurance contracts issued	**(10)**		**(6)**	**(16)**
Other movements	(10)		(6)	(16)
Other components of comprehensive income	**(5)**			**(5)**
TOTAL CHANGES IN THE INCOME STATEMENT AND OCI	**325**	**1**	**15**	**341**
Cash flow	**(353)**	**(1)**	**(6)**	**(360)**
Premiums and taxes on premiums received	(591)			(591)
Claims and other insurance service expenses paid	54			54
Cash flow from insurance acquisitions	184	(1)	(6)	177
CLOSING NET BALANCE AT 31/12/2023	**190**	**(16)**	**(323)**	**(149)**
Insurance and reinsurance assets	28	2	3	33
Liabilities on insurance and reinsurance contracts	162	(18)	(326)	(182)

In millions of euros	Discounted cash flow	Adj. for non-financial risk	Contract service margin.	Total
Insurance and reinsurance assets	56	3		59
Liabilities on insurance and reinsurance contracts	155	(13)	(274)	(132)
OPENING NET BALANCE AT 01/01/2022	**211**	**(10)**	**(274)**	**(73)**
Changes related to current services	**(14)**	**(1)**	**170**	**155**
CSM recognized for services rendered			170	170
Change in risk adjustment		(1)		(1)
Experience adjustments	(14)			(14)
Changes related to future services	**374**	**(6)**	**(230)**	**138**
Contracts initially recognized over the period	317	(6)	(174)	137
Changes in estimates that adjust the CSM	57		(56)	1
Changes in past service	**1**			**1**
Changes in liabilities for claims incurred	2	(2)		
Experience adjustments on claims and other expenses	(1)	2		1
INSURANCE SERVICE RESULT	**361**	**(7)**	**(60)**	**294**
Income and expenses from reinsurance contracts			**1**	**1**
Financial income and expenses from insurance contracts issued	**(12)**	**1**	**1**	**(10)**
Other movements	(12)	1	1	(10)
TOTAL CHANGES IN THE INCOME STATEMENT AND OCI	**349**	**(6)**	**(58)**	**285**
Cash flows	**(342)**			**(342)**
Premiums and taxes on premiums received	(397)			(397)
Claims and other insurance service expenses paid	51			51
Cash flow from insurance acquisitions	4			4
CLOSING NET BALANCE AT 31/12/2022	**218**	**(16)**	**(332)**	**(130)**
Insurance and reinsurance assets	32	3	1	36
Liabilities on insurance and reinsurance contracts	186	(19)	(333)	(166)

Insurance technical reserves by coverage

In millions of euros	Liability for remaining coverage Excluding loss	Liability for remaining coverage Loss	Liabilities for claims incurred	Total
Insurance and reinsurance assets	21	(1)	16	36
Liabilities on insurance and reinsurance contracts	(99)		(67)	(166)
OPENING NET BALANCE AT 01/01/2023	**(78)**	**(1)**	**(51)**	**(130)**
Total insurance revenues	**387**			**387**
Margin recognized for services provided	180			180
Change in non-financial risk adjustment on expired risk	5			5
Expenses incurred for insurance services - Claims	49			49
Expenses incurred for insurance services - Expenses	14			14
Recovery of cash flows from insurance acquisitions	139			139
Total insurance service expenses	**16**	**1**	**(42)**	**(25)**
Expenses incurred on insurance services - Claims		1	(61)	(60)
Expenses incurred on insurance services - Expenses		1	(4)	(3)
Expenses incurred on insurance services - Other movements			1	1
Amortization of insurance acquisition cash flows	16			16
Changes in past services			22	22
Losses and reversals of losses on onerous contracts		(1)		(1)
INSURANCE SERVICE RESULT	**403**	**1**	**(42)**	**362**
Financial income and expenses from insurance contracts issued	**(16)**			**(16)**
Other movements	(16)			(16)
Other components of comprehensive income	**(4)**		**(1)**	**(5)**
TOTAL CHANGES IN THE INCOME STATEMENT AND OCI	**383**	**1**	**(43)**	**341**
Cash flows	**(414)**		**54**	**(360)**
Premiums and taxes on premiums received	(591)			(591)
Claims and other insurance service expenses paid			54	54
Cash flow from insurance acquisitions	177			177
CLOSING NET BALANCE AT 31/12/2023	**(109)**		**(40)**	**(149)**
Insurance and reinsurance assets	27		6	33
Liabilities on insurance and reinsurance contracts	(136)		(46)	(182)

In millions of euros	Liability for remaining coverage Excluding loss	Liability for remaining coverage Loss	Liabilities for claims incurred	Total
Insurance and reinsurance assets	37		22	59
Liabilities on insurance and reinsurance contracts	(71)		(61)	(132)
OPENING NET BALANCE AT 01/01/2022	**(34)**		**(39)**	**(73)**
Total insurance revenues	**359**			**359**
Margin recognized for services provided	170			170
Change in non-financial risk adjustment on expired risk	4			4
Expenses incurred for insurance services - Claims	33			33
Expenses incurred for insurance services - Expenses	15			15
Recovery of cash flows from insurance acquisitions	137			137
Total insurance service expenses		**(1)**	**(64)**	**(65)**
Expenses incurred on insurance services - Claims			(54)	(54)
Expenses incurred on insurance services - Expenses			(16)	(16)
Expenses incurred on insurance services - Other movements			4	4
Changes in past services			2	2
Losses and reversals of losses on onerous contracts		(1)		(1)
INSURANCE SERVICE RESULT	**359**	**(1)**	**(64)**	**294**
Income and expenses from reinsurance contracts	**1**			**1**
Financial income and expenses from insurance contracts issued	**(12)**		**2**	**(10)**
Other movements	(12)		2	(10)
TOTAL CHANGES IN THE INCOME STATEMENT AND OCI	**348**	**(1)**	**(62)**	**285**
Cash flows	**(393)**		**51**	**(342)**
Premiums and taxes on premiums received	(397)			(397)
Claims and other insurance service expenses paid			51	51
Cash flow from insurance acquisitions	4			4
CLOSING NET BALANCE AT 31/12/2022	**(79)**	**(1)**	**(50)**	**(130)**
Insurance and reinsurance assets	21	(1)	16	36
Liabilities on insurance and reinsurance contracts	(100)		(66)	(166)

Breakdown by maturity of discounted cash flow

In millions of euros	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total 12/2023
Insurance and reinsurance assets	12	9	6	1			28
Liabilities on insurance and reinsurance contracts	(56)	(56)	(33)	(13)	(4)		(162)

In millions of euros	< 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	> 5 years	Total 12/2023
Insurance and reinsurance assets	15	14	2	1			32
Liabilities on insurance and reinsurance contracts	(90)	(34)	(39)	(17)	(5)	(1)	(186)

Sensitivity tests

	Central amount after Audit adjustment	Interest rate shock: +100bp in discount rate curve	Insurance risk shock: Permanent increase of the claim frequency (+20% to + 40% according to coverage)	Regulatory shock: decrease of the New Production 2023 by 15%
In millions of euros	12/2023	Sensitivity 1	Sensitivity 2	Sensitivity 3
Pre-tax income	203	203	189	207
Variations	0	0	-14	4
Other Comprehensive income	-5	-7	-4	-5
Variations	0	-2	1	0

NOTE 17 Provisions

In millions of euros	12/2022	Charge	Reversals		Other (*)	12/2023
			Used	Not Used		
IMPAIRMENT ON BANKING OPERATIONS	**45**	**27**	**(2)**	**(28)**		**42**
Provisions for signature commitments (**)	11	17		(21)	1	7
Provisions for litigation risks	9				(6)	3
Other provisions	25	10	(1)	(7)	5	32
IMPAIRMENT ON NON-BANKING OPERATIONS	**143**	**30**	**(70)**	**(2)**	**8**	**109**
Provisions for pensions liabilities and related	37	6	(10)		5	38
Provisions for restructuring	22	6	(13)	(1)		14
Provisions for tax and litigation risks	79	14	(47)	(1)	3	48
Other provisions	5	4				9
TOTAL PROVISIONS	**188**	**57**	**(72)**	**(30)**	**8**	**151**

(*) Other = Reclassification, currency translation effects, changes in scope of consolidation
(**) Provisions on signature commitments = mainly related to financing commitments

Each of the known disputes in which RCI Banque S.A. or the Group's companies are involved was reviewed at the closing date. On the advice of legal counsel, provisions were established when deemed necessary to cover estimated risks.

Every so often, the Group's companies are subject to tax audits in the countries where they are based. Uncontested deficiency notices are booked by means of tax provisions. Contested deficiency notices are recognized case by case on the basis of estimates taking into account the merit of the claims against the company concerned and the risk that it may not prevail in its case.

Provisions for restructuring are for the work exemption plan, a career development scheme funded by the company.

Provisions for litigation risks on banking operations relate to administration/processing fees billed to business customers. The allocation of provisions for tax risks and litigation in 2023 is linked to the VAT adjustment of the Italian branch (settled in the second half of the year) The reversal of the provision for tax risks and litigation in 2023 is linked to the payment of a CSLL provision for Brézil.

In 2021, the FCA banned certain commissioning models for automotive financing, which had encouraged intermediaries to increase costs for consumers. Several customer complaints were filed regarding commission charged agreements put in place before this ban. The financial mediation service examined certain complaints rejected by the companies. It ruled in favor of the plaintiffs in two recent decisions. This will likely lead to a significant increase in consumer complaints to companies and the financial ombudsman. On 11 January 2024, the Financial Conduct Authority (FCA) announced that it would review the automotive financing sales and commissions agreements of several financial institutions. It also announced that it would ensure that consumers receive appropriate compensation if it finds evidence of widespread misconduct. As the FCA's review has not yet been completed, Mobilize Financial Services is not in a position to determine whether the proceedings initiated are likely to have a material adverse impact on its financial statements.

Provisions for pension and other post-employment benefits

In millions of euros	12/2023	12/2022
France	26	25
Rest of world	12	12
TOTAL PROVISIONS FOR PENSION LIABILITIES	**38**	**37**

Subsidiaries without a pension fund

Main actuarial assumptions	France	
	12/2023	12/2022
Retirement age	67 years old	67 years old
Salary increases	2.44%	1.84%
Financial discount rate	3.12%	3.10%
Starting rate	10.33%	9.80%

Subsidiaries with a pension fund

	United Kingdom		Swiss		Netherlands	
Main actuarial assumptions	12/2023	12/2022	12/2023	12/2022	12/2023	12/2022
Average duration	15 years	17 years	23 years	18 years		21 years
Rate of wage indexation			1.00%	1.00%		1.00%
Financial discount rate	4.40%	4.90%	1.40%	1.80%		0.80%
Actual return rate of hedge assets	7.50%	-38.10%	1.00%	1.00%		0.80%

Changes in provisions during the year

In millions of euros	Actuarial value of obligations (A)	Fair value of invested funds (B)	Obligations less invested funds (C)	Net liability (asset) of the defined-benefit pension plans (A)-(B)-(C)
OPENING BALANCE OF THE CURRENT PERIOD	**81**	**43**		**38**
Current service cost	4			4
Net interest on the net liability (asset)	2	1		1
EXPENSE (INCOME) RECORDED IN THE INCOME STATEMENT	**6**	**1**		**5**
Actuarial gains and losses on the obligation resulting from changes in demographic assumptions	1			1
Actuarial gains and losses on the obligation resulting from changes in financial assumptions	5			5
Actuarial gains and losses on the obligation resulting from experience adjustments	(2)			(2)
EXPENSE (INCOME) RECORDED IN OTHER COMPONENTS OF COMPREHENSIVE INCOME	**4**			**4**
Employer's contributions to funds		4		(4)
Benefits paid	(6)	(2)		(4)
Effect of changes in exchange rates	(13)	(12)		(1)
BALANCE AT THE CLOSING DATE OF THE PERIOD	**72**	**34**		**38**

Nature of invested funds

	12/2023		12/2022	
In millions of euros	Quoted on an active market	Not quoted on an active market	Quoted on an active market	Not quoted on an active market
Shares	13		11	
Bonds	14		26	
Other	7		6	
TOTAL	**34**		**43**	

NOTE 18 Impairment allowances to cover counterparty risk

In millions of euros	12/2022	Charge	Reversals Used	Reversals Not Used	Other (*) changes	12/2023
IMPAIRMENTS ON BANKING OPERATIONS	**1,141**	**677**	**(464)**	**(201)**	**15**	**1,168**
Customer Loans	1,141	677	(464)	(201)	15	1,168
• *O/w impairment on healthy receivables*	*375*	*294*	*(196)*	*(141)*	*3*	*335*
• *O/w impairment on receivables with a significant increase in credit*	*185*	*157*	*(125)*	*(34)*	*3*	*186*
• *O/w impairment on defaulted receivables*	*581*	*226*	*(143)*	*(26)*	*9*	*647*
IMPAIRMENT ON NON-BANKING OPERATIONS	**2**	**2**	**(1)**		**(1)**	**2**
Other provisions to cover counterparty risk	2	2	(1)		(1)	2
IMPAIRMENT ON BANKING OPERATIONS	**20**	**17**	**(1)**	**(21)**	**(5)**	**10**
Provisions for signature commitments	11	17	(1)	(21)	1	7
Provisions for litigation risks	9				(6)	3
TOTAL PROVISIONS TO COVER COUNTERPARTY RISK	**1,163**	**696**	**(466)**	**(222)**	**9**	**1,180**

(*) Other = Reclassification, currency translation effects, changes in scope of consolidation.

A breakdown by market segment of allowances for impairment of assets in connection with customer finance operations is provided in Note 7.

NOTE 19 Subordinated debt - Liabilities

In millions of euros	12/2023	12/2022
LIABILITIES MEASURED AT AMORTIZED COST	**882**	**872**
Subordinated securities	865	856
Accrued interest on subordinated securities	17	16
HEDGED LIABILITIES MEASURED AT FAIR VALUE	**11**	**14**
Participating loan	11	14
TOTAL SUBORDINATED LIABILITIES	**893**	**886**

The liabilities measured at amortized cost represent the subordinated securities issued by RCI Banque S.A. in November 2019 for €850 million and the subordinated securities issued by RCI Finance Maroc S.A. in December 2020 for €6.2 million. RCI Finance Maroc issued a subordinated security for an amount of €9.2 million.

The hedged liabilities measured at fair value represent the participating initial loan stocks of 500,000,000 francs issued in 1985 by Diac SA.

The remuneration system includes:

- a fixed portion equal to 60% of the Annual Monetary Rate (AMR);
- a variable portion obtained by applying the rate of increase in consolidated net income for the last financial year over that of the previous financial year to 40% of the AMR.

Annual remuneration is between 100% and 130% of the AMR, with a floor rate of 6.5%. The loan is perpetual.

NOTE 20 Financial assets and liabilities by remaining term to maturity

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2023
FINANCIAL ASSETS	**16,429**	**16,849**	**27,182**	**514**	**60,974**
Cash and balances at Central Banks	4,729	4			4,733
Derivatives	21	57	124	23	225
Financial assets	209	108	193	116	626
Amounts receivable from credit institutions	1,539				1,539
Loans and advances to customers	9,931	16,680	26,865	375	53,851
FINANCIAL LIABILITIES	**23,095**	**10,488**	**19,691**	**2,248**	**55,522**
Central Banks	357	1,547	471		2,375
Derivatives	15	17	257		289
Amounts payable to credit institutions	35	15	12		62
Financial liabilities	605	677	993		2,275
Amounts payable to customers	19,872	4,327	4,513	600	29,312
Debt securities	2,192	3,905	13,445	774	20,316
Subordinated debt	19			874	893

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2022
FINANCIAL ASSETS	**16,691**	**16,386**	**23,676**	**516**	**57,269**
Cash and balances at Central Banks	5,836	31	7		5,874
Derivatives	11	24	294		329
Financial assets	191	257	177	120	745
Amounts receivable from credit institutions	1,690				1,690
Loans and advances to customers	8,963	16,074	23,198	396	48,631
FINANCIAL LIABILITIES	**21,752**	**9,059**	**17,515**	**2,219**	**50,545**
Central Banks	4	1,750	1,961		3,715
Derivatives	6	12	296	8	322
Financial liabilities	13	11	5		29
Amounts payable to credit institutions	446	594	972		2,012
Amounts payable to customers	18,907	2,573	3,293	700	25,473
Debt securities	2,361	4,119	10,988	640	18,108
Subordinated debt	15			871	886

Central Bank borrowings correspond to the longer-term refinancing operations (TLTRO) introduced at the end of 2014 and gradually being used by RCI Banque S.A. The Mobilize Financial Services group was also able to benefit from the TFSME program announced by the Bank of England in 2020.

NOTE 21 Breakdown of future contractual cash flows by maturity

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2023
FINANCIAL LIABILITIES	**23,327**	**11,036**	**21,097**	**2,330**	**57,790**
Central Banks	350	1,500	471		2,321
Derivatives	10	95	204		309
Amounts payable to credit institutions	595	591	993		2,179
Amounts payable to customers	19,820	4,299	4,513	600	29,232
Debt securities	2,289	3,672	13,355	774	20,090
Subordinated debt	19			872	891
Future interest payable	244	879	1,561	84	2,768
FINANCING AND GUARANTEE COMMITMENTS	**3,001**	**148**		**1**	**3,150**
TOTAL BREAKDOWN OF FUTURE CONTRACTUAL CASH FLOWS BY MATURITY	**26,328**	**11,184**	**21,097**	**2,331**	**60,940**

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2022
FINANCIAL LIABILITIES	**22,166**	**9,611**	**18,622**	**2,327**	**52,726**
Central Banks		1,750	1,961		3,711
Derivatives	5	82	252	2	341
Amounts payable to credit institutions	423	523	972		1,918
Amounts payable to customers	18,873	2,561	3,293	700	25,427
Debt securities	2,664	4,003	10,923	640	18,230
Subordinated debt	15			866	881
Future interest payable	186	692	1,221	119	2,218
FINANCING AND GUARANTEE COMMITMENTS	**4,199**	**25**		**1**	**4,225**
TOTAL BREAKDOWN OF FUTURE CONTRACTUAL CASH FLOWS BY MATURITY	**26,365**	**9,636**	**18,622**	**2,328**	**56,951**

The sum of the future contractual cash flows is not equal to the values in the balance sheet. This is because future contractual interest and non-discounted coupon payments on swaps are taken into account.

For liability derivatives, the contractual cash flows correspond to the amounts payable.

For the other non-derivative financial liabilities, the contractual cash flows correspond to the repayment of the value and the payment of interest.

Interest for variable rate financial instruments has been estimated on the basis of the interest rate in effect at 31 December 2023.

NOTE 22 Fair value of assets and liabilities (in accordance with IFRS 7 & IFRS 13) and breakdown of assets and liabilities by fair value hierarchy

In millions of euros – **31/12/2023**	Book Value	Fair Value				Gap (*)
		Level 1	Level 2	Level 3	FV (*)	
FINANCIAL ASSETS	**60,974**	**596**	**6,524**	**52,925**	**60,045**	**(929)**
Cash and balances at Central Banks	4,733		4,733		4,733	
Derivatives	225		225		225	
Financial assets	626	596		3	626	
Amounts receivable from credit institutions	1,539		1,539		1,539	
Loans and advances to customers	53,851			52,922	52,922	(929)
FINANCIAL LIABILITIES	**55,522**	**11**	**55,720**		**55,731**	**(209)**
Central Banks	2,375		2,378		2,378	(3)
Derivatives	289		289		289	
Financial liabilities	62		62		62	
Amounts payable to credit institutions	2,275		2,305		2,305	(30)
Amounts payable to customers	29,312		29,312		29,312	
Debt securities	20,316		20,564		20,564	(248)
Subordinated debt	893	11	810		821	72

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

In millions of euros – **31/12/2022**	Book Value	Fair Value				Gap (*)
		Level 1	Level 2	Level 3	FV (*)	
FINANCIAL ASSETS	**57,269**	**627**	**7,998**	**48,317**	**56,942**	**(327)**
Cash and balances at Central Banks	5,874		5,874		5,874	
Derivatives	329		329		329	
Financial assets	745	627		13	745	
Amounts receivable from credit institutions	1,690		1,690		1,690	
Loans and advances to customers	48,631			48,304	48,304	(327)
FINANCIAL LIABILITIES	**50,545**	**15**	**50,414**		**50,429**	**116**
Central Banks	3,715		3,760		3,760	(45)
Derivatives	322		322		322	
Financial liabilities	29		29		29	
Amounts payable to credit institutions	2,012		1,986		1,986	
Amounts payable to customers	25,473		25,473		25,473	
Debt securities	18,108		18,085		18,085	23
Subordinated debt	886	15	759		774	112

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

Financial assets classified as Level 3 are holdings in non-consolidated companies.

Customer loans and receivables, classified in Level 3, are measured at amortized cost in the balance sheet. Fair value calculations are provided for information purposes only and should be interpreted as estimates only. In most cases, the values provided are not intended to be realized and generally could not be realized in practice. These values are not indicators used for the purpose of managing the bank's activities, for which the management model is collection of expected cash flows.

The assumptions used to measure the fair value of the instruments at amortized cost are presented below.

Assumptions and methods used

The three-level hierarchy for financial instruments recognized on the balance sheet at fair value, as required by IFRS 7, is as follows:

- level 1: measurements based on quoted prices on active markets for identical financial instruments;
- level 2: measurements based on quoted prices on active markets for similar financial instruments or measurements for which all significant data are based on observable market data;
- level 3: measurement techniques for which significant data are not based on observable market data.

Estimated fair values have been determined using available market information and appropriate valuation methods for each type of instrument.

However, the methods and assumptions used are by nature theoretical, and a substantial amount of judgment comes into play in interpreting market data. Using different assumptions and/or different valuation methods could have a significant effect on the estimated values.

Fair values have been determined on the basis of information available at the closing date of each period, and thus do not reflect later changes.

As a general rule, whenever a financial instrument is traded on an active, liquid market, its most recent quoted price is used to calculate market value. For instruments without a quoted price, market value is determined by applying recognized valuation models that use observable market parameters. If Mobilize Financial Services group does not have the necessary valuation tools, including for complex products, valuations are obtained from leading financial institutions.

The main assumptions and valuation methods used are the following:

Financial assets

Fixed-rate loans have been estimated by discounting future cash flows at the interest rates offered by the Mobilize Financial Services group at 31 December 2022 and at 31 December 2023 for loans with similar conditions and maturities.

Level 3 securities are non-consolidated holdings for which there is no quoted price.

Loans and advances to customers

Sales financing receivables have been estimated by discounting future cash flows at the interest rate that would have applied to similar loans (conditions, maturity and borrower quality) at 31 December 2022 and at 31 December 2023.

Customer receivables with a term of less than one year are not discounted, as their fair value is not significantly different from their net book value.

Financial liabilities

Fair value of financial liabilities has been estimated by discounting future cash flows at the interest rates offered to the Mobilize Financial Services group at 31 December 2022 and 31 December 2023 for borrowings with similar conditions and maturities. Projected cash flows are therefore discounted according to the zero-coupon yield curve, augmented by the spread specific to RCI Banque S.A. for issues on the secondary market against 3 months.

NOTE 23 Netting agreements and other similar commitments

Master Agreement relating to transactions on forward financial instruments and similar agreements

The Mobilize Financial Services group negotiates its forward derivative agreements under International Swaps and Derivatives Association (ISDA) and FBF (Fédération Bancaire Française) Master Agreements.

The occurrence of an event of default entitles the non-defaulting party to suspend performance of its payment obligations and to payment or receipt of a settlement amount for all terminated transactions.

ISDA and FBF Master Agreements do not meet the criteria for offsetting in the financial statements. The Mobilize Financial Services group does not currently have a legally enforceable right to offset booked amounts in the event of default or a credit event.

Synthesis of financial assets and liabilities agreements

In millions of euros – 31/12/2023	Gross book value before agreement	Netted gross amounts	Net amount in balance sheet	Non compensated amount: Financial instruments on the liability	Non compensated amount: Guarantees on the liability	Non compensated amount: Off-balance sheet guarantees	Net Exposure
ASSETS	**1,212**		**1,212**	**234**	**703**		**275**
Derivatives	225		225	234			(9)
Dealer financing receivables [1]	987		987		703		284
LIABILITIES	**289**		**289**	**234**			**55**
Derivatives	289		289	234			55

(1) The gross book value of dealer financing receivables breaks down into €498 million for the Renault Retail Group, whose exposures are hedged for up to €495 million by a cash warrant agreement given by the Renault manufacturer (see Note 12.3), and €489 million for dealers financed by Banco RCI Brasil S.A., whose exposures are hedged for up to €208 million by pledge of letras de cambio (bills of exchange) subscribed by the dealers.

In millions of euros – 31/12/2022	Gross book value before agreement	Netted gross amounts	Net amount in balance sheet	Non compensated amount: Financial instruments on the liability	Non compensated amount: Guarantees on the liability	Non compensated amount: Off-balance sheet guarantees	Net Exposure
ASSETS	**1,241**		**1,241**	**334**	**720**		**187**
Derivatives	329		329	334			(5)
Dealer financing receivables [1]	912		912		720		192
LIABILITIES	**322**		**322**	**334**			**(12)**
Derivatives	322		322	334			(12)

(1) The gross book value of dealer financing receivables breaks down into €538 million for the Renault Retail Group, whose exposures are hedged for up to €531 million by a cash warrant agreement given by the Renault manufacturer (see Note 9.3), and €374 million for dealers financed by Banco RCI Brasil S.A., whose exposures are hedged for up to €189 million by pledge of letras de cambio (bills of exchange) subscribed by the dealers.

NOTE 24 Commitments given

In millions of euros	12/2023	12/2022
FINANCING COMMITMENTS	**3,092**	**4,209**
Commitments to customers	3,092	4,209
GUARANTEE COMMITMENTS	**279**	**305**
Commitments to credit institutions	200	140
Customer guarantees	79	165
OTHER COMMITMENTS GIVEN	**66**	**86**
Commitments given for equipment leases and real estate leases	66	86
TOTAL COMMITMENTS GIVEN [*]	**3,437**	**4,600**
(*) Of which related parties.	1	3

NOTE 25 Commitments received

In millions of euros	12/2023	12/2022
FINANCING COMMITMENTS	**4,631**	**4,714**
Guarantees received from credit institutions	4,631	4,714
GUARANTEE COMMITMENTS	**21,603**	**18,242**
Guarantees received from credit institutions	206	175
Guarantees from customers	6,745	6,511
Commitments to take back leased vehicles at the end of the contract	14,652	11,556
OTHER COMMITMENTS RECEIVED	**64**	**88**
Other commitments received	64	88
TOTAL COMMITMENTS RECEIVED (*)	**26,298**	**23,044**
(*) Of which related parties	5,624	5,869

At 31 December 2023, the Mobilize Financial Services group had €4,631 million in unused confirmed lines of credit, as well as broadly diversified short-term and medium-term issuance programs. It also held €5,182 million of assets eligible and mobilizable with the European Central Bank (after haircuts and excluding securities and receivables already in use at year-end).

Most of the commitments received from related parties concern the commitments to take back vehicles agreed with manufactures as part of finance leases.

Guarantees and collateral

Guarantees or collateral offer partial or total protection against the risk of losses due to debtor insolvency (mortgages, pledges, comfort letters, bank guarantees on first demand for the granting of loans to dealers and private customers in certain cases). Guarantors are the subject of internal or external rating updated at least annually.

With a view to reducing its risk-taking, the Mobilize Financial Services group thus actively and rigorously manages its sureties, among other things by diversifying them: credit insurance, personal and other guarantees.

NOTE 26 Exposure to currency risk

	Balance sheet		Off balance sheet		Net position		
In millions of euros – **12/2023**	Long osition	Short position	Long position	Short position	Total	Of which monetary	Of which structural
Position GBP	608			(273)	335	1	334
Position JPY	2				2	2	
Position CHF	299			(294)	5	1	4
Position CZK	68			(51)	17		17
Position ARS	1				1		1
Position BRL	130				130		130
Position PLN	839			(826)	13		13
Position HUF	5				5		5
Position RON	41			(41)			
Position KRW	149				149		149
Position MAD	27				27		27
Position DKK	44			(44)			
Position TRY	2				2		2
Position SEK	104			(104)			
Position INR	23				23		23
Position COP	28				28		28
TOTAL EXPOSURE	**2,370**			**(1,633)**	**737**	4	**733**

In millions of euros – **12/2022**	Balance sheet Long position	Balance sheet Short position	Off balance sheet Long position	Off balance sheet Short position	Net position Total	Net position Of which monetary	Net position Of which structural
Position GBP	802			(474)	328	1	327
Position JPY	1				1	1	
Position CHF	302			(298)	4		4
Position CZK	72			(54)	18		18
Position ARS	3				3		3
Position BRL	124				124		124
Position PLN	563			(551)	12		12
Position HUF	5				5		5
Position RON	30			(30)			
Position KRW	159				159		159
Position MAD	26				26		26
Position DKK	35			(35)			
Position TRY	4				4		4
Position SEK	93			(93)			
Position RUB	16			(17)	(1)	(1)	
Position INR	24				24		24
Position COP	23				23		23
TOTAL EXPOSURE	**2,282**			**(1,552)**	**730**	**1**	**729**

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

NOTE 27 Interest and similar income

In millions of euros	12/2023	12/2022
INTEREST AND SIMILAR INCOMES	**4,195**	**2,965**
Transactions with credit institutions	439	154
Customer Loans	2,626	1,950
Finance leases	879	730
Accrued interest due and payable on hedging instruments	187	80
Accrued interest due and payable on Financial assets	64	51
STAGGERED FEES PAID FOR REFERRAL OF BUSINESS	**(798)**	**(813)**
Customer Loans	(546)	(603)
Finance leases	(252)	(210)
TOTAL INTEREST AND SIMILAR INCOME (*)	**3,397**	**2,152**
(*) Of which related parties	672	546

The increase of interest and similar incomes is explained by the increase of market rate in 2023 which result an increase of rate invoiced to clients in order to protect our financial margin.

As the receivables assigned under the securitization transactions have not been derecognized, interest on those receivables continues to appear under interest and similar income in customer finance transactions.

NOTE 28 Interest expenses and similar charges

In millions of euros	12/2023	12/2022
Transactions with credit institutions	(431)	(240)
Customer Loans	(684)	(158)
Finance leases	(3)	(8)
Accrued interest due and payable on hedging instruments	(166)	(31)
Expenses on debt securities	(807)	(429)
Other interest and similar expenses	(18)	(17)
TOTAL INTEREST AND SIMILAR EXPENSES (*)	**(2,109)**	**(883)**
(*) Of which related parties	(25)	(3)

The increase of interest and similar expenses mainly explained by the increase of market rate in 2023.

NOTE 29 Fees and commissions

In millions of euros	12/2023	12/2022
FEES AND COMMISSION INCOME	**765**	**679**
Commissions	31	20
Fees	21	17
Commissions from service activities	158	126
Insurance brokerage commission	63	61
Incidental insurance commissions from finance contracts	266	244
Incidental maintenance commissions from finance contracts	166	150
Other incidental commissions from finance contracts	60	61
FEES AND COMMISSION EXPENSES	**(383)**	**(311)**
Commissions	(50)	(31)
Commissions on service activities	(118)	(98)
Incidental insurance commissions from finance contracts	(52)	(47)
Incidental maintenance commissions from finance contracts	(134)	(108)
Other incidental commissions from finance contracts	(29)	(27)
TOTAL NET COMMISSIONS (*)	**382**	**368**
(*) Of which related parties	17	9

Incidental income from and expenses of services related to finance contracts as well as income and expenses of service activities primarily concern insurance and maintenance contracts.

NOTE 30 Net gains (losses) on financial instruments at fair value through profit or loss

In millions of euros	12/2023	12/2022
NET GAINS (LOSSES) ON DERIVATIVES CLASSIFIED AS TRANSACTIONS IN TRADING SECURITIES	**(102)**	**75**
Net gains/losses on forex transactions	26	(20)
Net gains and losses on derivatives classified at fair value through profit or loss	(118)	82
Net gains and losses on equity securities at fair value	4	2
Fair value hedges: change in value of hedging instruments	185	(372)
Fair value hedges: change in value of hedged items	(202)	383
Net gains and losses on securities measured at fair value through profit and loss	3	
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**(7)**	**(6)**
Dividends from non-consolidated holdings		1
Gains and losses on assets at fair value through profit and loss	(7)	(7)
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE (*)	**(109)**	**69**
(*) Of which related parties	(7)	1

As part of the hedging of certain variable-rate liabilities (Deposits and TLTROs), the Mobilize Financial Services group has set up interest rate derivatives that do not qualify as hedging derivatives for accounting purposes according to the provisions of IFRS 9. Net banking income was negatively impacted by a negative effect of the valuation of interest rate swaps and, to a lesser extent, by foreign exchange swaps for a total of -€118 million mainly due to the amortization of the portfolio that generated €82 million in profit in 2022.

NOTE 31 Net income or expense of other activities

In millions of euros	12/2023	12/2022
OTHER INCOME FROM BANKING OPERATIONS	**785**	**573**
Income related to non-doubtful lease contracts	406	258
• of which reversal of impairment on residual values	203	49
Expenses related to operating lease transactions	340	295
Other income from banking operations	39	20
• of which reversal of charge to reserve for banking risks	9	7
OTHER BANKING OPERATION EXPENSES	**(739)**	**(561)**
Expenses related to non-doubtful lease contracts	(381)	(229)
• of which allowance for impairment on residual values	(190)	(67)
Distribution costs not treatable as interest expense	(81)	(85)
Expenses related to operating lease transactions	(239)	(213)
Other banking operation expenses	(38)	(34)
• of which charge to reserve for banking risks	(10)	(8)
OTHER OPERATING INCOME AND EXPENSES	**8**	**13**
Other operating income	28	28
Other operating expenses	(20)	(15)
TOTAL NET INCOME (EXPENSE) OF OTHER ACTIVITIES (*)	**54**	**25**
(*) Of which related parties	10	2

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

NOTE 32 General operating expenses and personal costs

In millions of euros	12/2023	12/2022
PERSONNEL COSTS	**(372)**	**(360)**
Employee pay	(255)	(231)
Expenses of post-retirement benefits – Defined-contribution pension plan	(27)	(22)
Expenses of post-retirement benefits – Defined-benefit pension plan	4	(1)
Other employee-related expenses	(81)	(77)
Other personnel expenses	(13)	(29)
OTHER ADMINISTRATIVE EXPENSES	**(321)**	**(258)**
Taxes other than current income tax	(58)	(54)
Rental charges	(7)	(7)
Other administrative expenses	(256)	(197)
TOTAL GENERAL OPERATING EXPENSES (*)	**(693)**	**(618)**
(*) Of which related parties	(1)	11

Auditors' fees are analyzed in Appendix 3 "Fees paid to the Statutory Auditors and their network."

In addition, the services other than the certification of the financial statements provided by KPMG SA and Mazars during the financial year to RCI and the entities it controls mainly concern (i) customer experience assessments, (ii) preparation of the tax declaration and (ii) certificates following new regulations.

Other personnel expenses include amounts charged to and reversed from provisions for restructuring and for personnel related risks totaling -€4 million as at 31 December 2023 compared with -€19 million as at 31 December 2022.

Average number of employees	12/2023	12/2022
Sales financing operations and services in France	1,852	1,801
Sales financing operations and services in other countries	2,420	2,286
TOTAL RCI BANQUE GROUP	**4,272**	**4,087**

NOTE 33 Cost of risk by customer category

In millions of euros	12/2023	12/2022
COST OF RISK ON CUSTOMER FINANCING	**(154)**	**(210)**
Impairment allowances	(447)	(331)
Reversal of impairment	421	221
Losses on receivables written off	(160)	(128)
Amounts recovered on loans written off	32	28
COST OF RISK ON DEALER FINANCING	**9**	**21**
Impairment allowances	(43)	(25)
Reversal of impairment	54	54
Losses on receivables written off	(2)	(8)
OTHER COST OF RISK	**(8)**	**(6)**
Change in allowance for impairment of other receivables		(3)
Other valuation adjustments	(8)	(3)
TOTAL COST OF RISK	**(153)**	**(195)**

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

At the end of December 2023, the total cost of risk was a net provision of €153 million, of which €154 million in customer financing (i.e. 0.38% of average earning assets) and a reversal of €9 million euros (i.e. -0.09% of Average Productive Assets) on dealer financing.

The main changes in customer activity in 2023 were:

- a net increase in provisions of €55 million for non-performing outstandings, which is explained by an increase in exposures offset by a decrease in the coverage ratio;
- a net decrease in provisions of 29M€ on performing loans or impaired since origination, explained by the following factors :
  - an allowance of 10M€ for changes in the bucket mix and risk parameters
  - an allowance regarding an increase in outstanding of 38M€;
  - a release of expertise on risk parameters of 21M€
  - a reversal regarding forward-looking of €20 million
  - a release inflation risk expertise of 15M€
  - an allowance related to fragile customers of 6M€
  - a release for individual risks of 14M€

Regarding the Dealer activity (dealer financing), the cost of risk (reversal of €9 million) breaks down as follows:

- €5 million reversal of provision on non-performing outstandings explained by an improvement in the portfolio mix in B3 with less exposure to long-maturity counterparties in the default and entry into default of counterparties in Brazil, a significant amount of which is covered by a guarantee;
- €5 million of provision reversal on performing loans, partly explained by the improvement in the mix by risk class and by the update of PD/LGD parameters.

In other activities, the cost of risk is mainly related to the impairment of RNL Leasing shareholder loans (-€6 million).

NOTE 34 Income tax

In millions of euros	12/2023	12/2022
CURRENT TAX EXPENSE	**(312)**	**(288)**
Current income tax	(312)	(288)
DEFERRED TAXES	**78**	**(33)**
Deferred taxes	77	(33)
Change in impairment of deferred tax assets	1	
TOTAL INCOME TAX	**(234)**	**(321)**

The amount of the French CVAE tax (Cotisation sur la Valeur Ajoutée des Entreprises, a tax computed on the added value generated by the company) included in current income tax was -€5 million.

Current tax expense is equal to the amount of income tax due and payable to tax authorities for the year, under the rules and tax rates applicable in each country.

The tax expense at 31 December 2023 takes into account tax income of €54.5 million. This tax income corresponds to the reimbursement by the Maltese state of a tax credit equivalent to 6/7 of the tax expense for 2022 (i.e. 6/7 of €63.7 million).

Certain differences between companies' income for tax purposes and their income for consolidated financial reporting purposes give rise to the recognition of deferred taxes. These differences result mainly from rules for accounting for lease-purchase and long-term rental transactions and for recognizing impairment on doubtful receivables.

Breakdown of net deferred taxes by major category

In millions of euros	12/2023	12/2022
Provisions	31	24
Provisions and other charges deductible when paid	(39)	5
Tax loss carryforwards	93	92
Other assets and liabilities	107	(90)
Lease transactions	(721)	(708)
Non-current assets	14	7
Impairment allowance on deferred tax assets	(8)	(9)
TOTAL NET DEFERRED TAX ASSET (LIABILITY)	**(523)**	**(679)**

The interest rate differential for French entities is mainly due to a less advantageous mechanism for capping deductions for financial expenses, the "rabot" effect (French proportional interest deduction restriction).

Deferred tax expense recognized in the other comprehensive income

	2023 change in equity			2022 change in equity		
In millions of euros	Before tax	Tax	Net	Before tax	Tax	Net
Unrealized P&L on cash flow hedge instruments	(236)	63	(173)	265	(66)	199
Unrealized P&L on financial assets	6		4	(12)	4	(8)
Actuarial differences	(6)	2	(4)	15	(4)	11
Exchange differences	16		16	(1)		(1)
Change in insurance contracts	(5)	2	(3)			

NOTE 35 Events after the end of the reporting period

The acquisition of Mobility Concept and MeinAuto, divisions of the MeinAuto Group, a major player in the German automotive leasing market, was completed on January 2, 2024 by Mobilize Lease&Co, a subsidiary of RCI Bank SA.. This transaction aims to accelerate the growth and development of long-term rental offers in Germany.

This synergy will allow Mobilize Lease&Co to deploy package offers, subscription services and flexible multi-brand leasing formulas.

This acquisition represents a structuring development opportunity thanks to its €1.5 billion fleet assets composed of 60,000 vehicles and 350 employees. The fair value of the net assets acquired amounts to €167 million. Acquisition goodwill is estimated at €81 million. The purchase price allocation is in progress.

No other post-closing event is to be noted.

1.3.8 Group subsidiaries and branches

1.3.8.1 List of consolidated companies and foreign branches

	Country	Direct interest of RCI	Indirect interest of RCI		% interest	
			%	Held by	2023	2022
PARENT COMPANY						
RCI Banque S.A.						
BRANCHES OF RCI BANQUE						
RCI Banque S.A. Niederlassung Deutschland	Germany					
RCI Banque Sucursal Argentina	Argentina					
RCI Banque S.A. Niederlassung Osterreich	Austria					
RCI Banque S.A. España branch	Spain					
RCI Banque Sucursal Portugal	Portugal					
RCI Banque S.A. Bancna Podruznica Ljubljana	Slovenia					
RCI Banque Succursale Italiana	Italy					
RCI Banque Branch Ireland	Ireland					
Renault Finance Nordic, Bankfilial till RCI Banque S.A. Frankrike	Sweden					
RCI Banque Spółka Akcyjna Oddział w Polsce	Poland					
FULLY CONSOLIDATED COMPANIES						
RCI Versicherungs Service GmbH	Germany	100			100	100
Bipi Mobility Germany GmbH (1)	Germany	-	100	Bipi Mobility SL	100	0
Rombo Compania Financiera S.A.	Argentina	60			60	60
Courtage S.A.	Argentina	95			95	95
RCI Financial Services S.A.	Belgium	100			100	100
AUTOFIN	Belgium	100			100	100
Administradora De Consorcio RCI Brasil Ltda.	Brazil	99.92			99.92	99.92
Banco RCI Brasil S.A. (ex Companhia de Arrendamento Mercantil RCIBrasil)	Brazil	60.11			60.11	60.11
Corretora de Seguros RCI Brasil S.A.	Brazil	100			100	100
RCI Brasil Serviços e Participações Ltda	Brazil	100			100	100
RCI Colombia S.A. Compania De Financiamiento	Colombia	51			51	51
RCI Servicios Colombia S.A.	Colombia	100			100	100
RCI Usluge d.o.o (2)	Croatia	100			100	100
RCI Financial Services Korea Co, Ltd	South Korea	100			100	100
RCI Insurance Service Korea Co, Ltd (2)	South Korea	100			100	100
Overlease S.A.	Spain	100			100	100
Bipi Mobility SL	Spain	100			100	100
Diac SA	France	100			100	100
Diac Location S.A.	France	-	100	Diac SA	100	100
Bipi Mobility France	France	-	100	Bipi Mobility SL	100	100
Mobilize Insurance SAS (1)	France	100			100	0
Mobilize Lease&Co SAS (1)	France	100			100	0
RCI ZRT	Hungary	100			100	100
ES Mobility SRL	Itay	100			100	100
Bipi Mobility Italy S.R.L	Itay	-	100	Bipi Mobility SL	100	100
RCI Services Ltd	Malta	100			100	100
RCI Insurance Ltd	Malta	-	100	RCI Services Ltd	100	100
RCI Life Ltd	Malta	-	100	RCI Services Ltd	100	100
RCI Finance Maroc S.A.	Morocco	100			100	100
RDFM S.A.R.L	Morocco	-	100	RCI Finance Maroc S.A.	100	100
RCI Financial Services B.V.	Netherlands	100			100	100

		Direct	Indirect interest of RCI		% interest	
	Country	interest of RCI	%	Held by	2023	2022
Bipi Mobility Netherlands B.V. (2)	Netherlands	-	100	Bipi Mobility SL	100	100
RCI Leasing Polska Sp. z.o.o	Poland	100			100	100
RCI COM SA	Portugal	100			100	100
RCI GEST SEGUROS – Mediadores de Seguros, Lda	Portugal	-	100	RCI COM SA	100	100
RCI Finance CZ s.r.o.	Czech R.	100			100	100
RCI Financial Services s.r.o.	Czech R.	50			50	50
RCI Broker De Asigurare S.R.L.	Romania	-	100	RCI Finantare Romania	100	100
RCI Finantare Romania	Romania	100			100	100
RCI Leasing Romania IFN S.A.	Romania	100			100	100
RCI Financial Services Ltd	United Kingdom	-	100	RCI Bank UK Ltd	100	100
RCI Bank UK Ltd	United Kingdom	100				
Bipi Mobility UK Limited (2)	United Kingdom	-	100	Bipi Mobility SL	100	100
Mobilize Lease&Co UK Ltd (1)	United Kingdom	-	85	RCI Bank UK Ltd	85	0
RNL Leasing (3)	Russia	0			0	100
RCI Finance S.A.	Swiss	100			100	100
RCI Finance SK S.r.O (2)	Slovakia	100			100	100
RCI Lizing d.o.o (2)	Slovenia	100			100	100
SPV						
CARS Alliance Auto Loans Germany Master	Germany		(see Note 14)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Leases Germany	Germany			RCI Banque Niederlassung Deutschland		
Cars Alliance DFP Germany 2017	Germany		(see Note 14)	RCI Banque Niederlassung Deutschland		
Cars Alliance Auto Loans Germany V 2019-1	Germany		(see Note 14)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Loans Germany V 2021-1	Germany		(see Note 14)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Loans Germany V2023-1 (1)	Germany		(see Note 14)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Loans Spain 2022 (2)	Spain		(see Note 14)	RCI Banque Sucursal en Espana		
FCT Cars Alliance DFP France	France		(see Note 14)	Diac SA		
CARS Alliance Auto Loans France FCT Master	France		(see Note 14)	Diac SA		
CARS Alliance Auto Leases France V 2020-1	France		(see Note 14)	Diac SA		
CARS Alliance Auto Leases France Master	France		(see Note 14)	Diac SA		
CARS Alliance Auto Loans France V 2022-1 (2)	France		(see Note 14)	Diac SA		
Diac RV Master	France			Diac SA		
CARS Alliance Auto Leases France V 2023-1 (1)	France		(see Note 14)	Diac SA		
Cars Alliance Auto Loans Italy 2015 SRL	Itay		(see Note 14)	RCI Banque Succursale Italiana		
CARS Alliance UK Master Plc	United Kingdom		(see Note 14)	RCI Financial Services Ltd		
Cars Alliance Auto UK 2015 Limited	United Kingdom			RCI Financial Services Ltd		

	Country	Direct interest of RCI	Indirect interest of RCI %	Indirect interest of RCI Held by	% interest 2023	% interest 2022
ASSOCIATES						
RN SF B.V.	Netherlands	50			50	50
BARN B.V.	Netherlands	-	60	RN SF B.V.	30	30
RN Bank (3)	Russia	-	0			30
Orfin Finansman Anonim Sirketi	Turkey	50			50	50
Renault Crédit Car	Belgium	-	50.1	AUTOFIN	50.1	50.10
Nissan Renault Financial Services India Private Ltd	India	30			30	30
Mobility Trader Holding Gmbh (3)	Germany	7.4			7.4	4.97
Select Vehicle Group Holdings Ltd	United Kingdom		36.6	RCI Bank UK Ltd	36.6	

(1) Entities added to the scope in 2023.
(2) Entities added to the scope in 2022.
(3) Entities sold and removed from the scope of consolidation in 2023

1.3.8.2 Subsidiaries in which non-controlling interests are significant

In millions of euros – **12/2023** **Before intra-group elimination**	RCI Financial Services, S.r.o	Rombo Compania Financiera S.A.	Banco RCI Brasil S.A	RCI Colombia S.A
Country of location	Czech Republic	Argentina	Brazil	Colombia
Percentage of capital held by non controlling interests	49.90%	40.00%	39.89%	49.00%
Share in associates by non controlling interests	49.90%	40.00%	39.89%	49.00%
Nature	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Consolidation method	Fully consolidated	Fully consolidated	Fully consolidated	Fully consolidated
Net Income: Share in net income (loss) of associates and joint ventures	2	3	18	(7)
Equity: Investments in associates and joint ventures				
Dividends paid to non controlling interests	2		24	4
Cash due from banks	4	4	89	83
Net outstandings customers loans and lease financings	106	34	1,856	834
Other assets	4		151	41
TOTAL ASSETS	**114**	**38**	**2,096**	**958**
Due to banks, customer deposits and debt securities issued	86	28	1,794	886
Other liabilities	3	2	73	9
Net Equity	25	8	229	63
TOTAL LIABILITIES	**114**	**38**	**2,096**	**958**
NET BANKING INCOME	**7**	**9**	**96**	**45**
Income tax	(1)		(12)	7
Net income	4	7	44	(13)
Other components of comprehensive income			(10)	(1)
TOTAL COMPREHENSIVE INCOME	**4**	**7**	**34**	**(14)**
Net cash generated by operating activities	14	1	106	86
Net cash generated by financing activities	(9)		(101)	(15)
Net cash generated by investing activities				(1)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**5**	**1**	**4**	**70**

In millions of euros – **12/2022** **Before intra-group elimination**	**RCI Financial Services, S.r.o**	**Rombo Compania Financiera S.A.**	**Banco RCI Brasil S.A**	**RCI Colombia S.A**
Country of location	Czech Republic	Argentina	Brazil	Colombia
Percentage of capital held by non controlling interests	49.90%	40.00%	39.89%	49.00%
Share in associates by non controlling interests	49.90%	40.00%	39.89%	49.00%
Nature	Subsidiary	Subsidiary	Subsidiary	Subsidiary
Consolidation method	Fully consolidated	Fully consolidated	Fully consolidated	Fully consolidated
Net Income: Share in net income (loss) of associates and joint ventures	2	1	12	8
Equity: Investments in associates and joint ventures				1
Dividends paid to non controlling interests	3		2	7
Cash due from banks	2	19	120	36
Net outstandings customers loans and lease financings	105	100	1,618	701
Other assets	4	3	176	11
TOTAL ASSETS	**111**	**122**	**1,914**	**748**
Due to banks, customer deposits and debt securities issued	81	108	1,544	661
Other liabilities	4	8	116	15
Net Equity	26	6	254	72
TOTAL LIABILITIES	**111**	**122**	**1,914**	**748**
NET BANKING INCOME	**8**	**5**	**93**	**52**
Income tax	(1)	1	(9)	(10)
Net income	5	1	29	16
Other components of comprehensive income			11	(1)
TOTAL COMPREHENSIVE INCOME	**5**	**1**	**40**	**15**
Net cash generated by operating activities	3	5	(5)	70
Net cash generated by financing activities	(10)		(9)	(28)
Net cash generated by investing activities				(1)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(7)**	**5**	**(14)**	**41**

Percentages of voting rights are identical.

The amount of debt for puts on minority interests for the Brazilian entity, Banco RCI Brasil S.A. is included under "Other liabilities" for €109 million at 31 December 2023, compared with €117 million at 31 December 2022.

The amount of debt for puts on minority interests for ROMBO Compania Financiera is included under "Other liabilities" for €10 million at 31 December 2023, compared with €4 million at 31 December 2022.

The amount of debt for puts on minority interests for RCI Colombia S.A. is included under "Other liabilities" for €24 million at 31 December 2023, compared with €49 million at 31 December 2022.

The amount of debt for puts on minority interests for RCI Financial Services S.r.o. is included under "Other liabilities" for €15 million at 31 December 2023, compared with €16 million euros at 31 December 2022.

1.3.8.3 Significant associates and joint ventures

In millions of euros – **12/2023** **Before intra-group elimination**	**ORFIN Finansman Anonim Sirketi**	**Nissan Renault Financial Services India Private Ltd**	**Mobility Trader Holding Gmbh**	**Select Vehicle Group Holdings Limited**
Country of location	Turkey	India	Germany	United Kingdom
Percentage of capital held	50.00%	30.00%	4.97%	36,60%
Nature	Joint venture	Associate	Associate	Associate
Consolidation method	Equity method	Equity method	Equity method	Equity method
Share in net income of associates and joint ventures	(2)	2	(20)	
Investments in associates and joint ventures	13	37	4	18
Dividends received from associates and joint ventures				
Cash due from banks	71	4	26	4
Net outstandings customers loans and lease financings	251	396	184	10
Other assets	4	13	38	7
TOTAL ASSETS	**326**	**413**	**248**	**21**
Due to banks, customer deposits and debt securities issued	295	157		10
Other liabilities	6	132	96	6
Net Equity	25	124	152	5
TOTAL LIABILITIES	**326**	**413**	**248**	**21**
NET BANKING INCOME	**15**	**19**		**2**
Income tax	(3)	(2)		
Net income	7	7	(269)	
Other components of comprehensive income				
TOTAL COMPREHENSIVE INCOME	**7**	**7**	**(269)**	
Net cash generated by operating activities	23	(15)	(168)	(1)
Net cash generated by financing activities			135	
Net cash generated by investing activities				
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**23**	**(15)**	**(33)**	**(1)**

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

1.3.8.4 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.

1.4 Appendix 1: Information about locations and operations

In millions of euros – **12/2023**

Country	Company name	Nature of activities	Number of employees (end of period)	Net Banking Income	Profit or loss before tax	Current tax expense	Deferred taxes	Public subsidies received
France	RCI Banque S.A.	Holding	480	75	(5)	(67)	55	
Germany	RCI Banque S.A. Niederlassung Deutschland	Financing	377	260	132	(44)	(9)	
	Bipi Mobility Germany GmbH	Services						
	RCI Versicherungs – Service GmbH	Services						
	Mobility Trader Holding GmbH	Services						
Argentina	RCI Banque Sucursal Argentina	Financing	59	73	16		-	
	Rombo Compania Financiera S.A.	Financing						
	Courtage S.A.	Services						
Austria	RCI Banque S.A. Niederlassung Österreich	Financing	57	32	22	(4)	(2)	
Belgium	RCI Financia Services S.A	Financing	31	18	12	(3)		
	Autofin S.A.	Financing						
	Renault Crédit Car S.A.	Financing						
Brazil	Administradora de Consórcio RCI Brasil Ltda	Financing	171	120	76	(9)	(9)	
	Banco RC Brasil S.A	Financing						
	RCI Brasil Serviços e Participações Ltda	Services						
	Corretora de Seguros RCI Brasil S.A	Services						
Colombia	RCI Colombia S.A Compañía De Financiamiento	Financing	109	46	(21)	(5)	12	
	RCI Servicios Colombia S.A.	Financing						
South Korea	RCI Financial Services Korea Co. Ltd	Financing	98	42	10	(5)	2	
	RCI Insurance Service Korea Co. Ltd	Services						
Croatia	RCI Usluge d.o.o	Financing	7	2	1	-		
Spain	Rci Banque S.A. España branch	Financing	442	144	87	(16)	(10)	
	Overlease S.A.	Financing						
	Bipi Mobility SL	Services						
France	Diac S.A	Financing	1,162	402	167	(43)	26	
	Diac Location S.A	Financing						
	Mobilize Insurance SAS	Services						
	Mobilize Lease&Co SAS	Services						
	Bipi Mobility France	Services						

In millions of euros – **12/2023**

Country	Company name	Nature of activities	Number of employees (end of period)	Net Banking Income	Profit or loss before tax	Current tax expense	Deferred taxes	Public subsidies received
Hungary	RCI Zrt	Financing	7	-	(1)			
India	Nissan Renault Financial Services India Private Limited	Financing	136		2			
Ireland	RCI Banque, Branch Ireland	Financing	32	14	9	(1)		
Itay	RCI Banque S.A. Italiana branch	Financing	235	159	97	(38)	(1)	
	ES Mobility S.R.L.	Financing						
	Bipi Mobility Italy S.R.L	Services						
Malta	RCI Services Ltd	Holding	35	208	203	(15)	(1)	
	RCI Insurance Ltd	Services						
	RCI Life Ltd	Services						
Morocco	RCI Finance Maroc S.A	Financing	48	33	19	(6)	(1)	
	RDFM S.A.R.L	Services						
Netherlands	RCI Financial Services B.V.	Financing	54	19	15	(2)	1	
	Bipi Mobility Netherlands B.V.	Services						
	RN SF BV	Services						
Poland	RCI Banque Spólka Akcyjna Oddzial w Polsce	Financing	66	29	17	(12)	8	
	RCI Leasing Polska Sp. z o .o	Financing						
Portugal	RCI Banque S.A. Portugal branch	Financing	40	16	8	(3)	-	
	RCI COM SA	Financing						
	RCI Gest Seguros - Mediadores de Seguros Lda	Services						
Czech Republic	RCI Finance C.Z., S.r.o	Financing	22	10	7	(1)		
	RCI Financial Services, S.r.o	Financing						
Romania	RCI Finantare Romania S.r.l.	Financing	64	17	10	(2)		
	RCI Broker de asigurare S.R.L.	Services						
	RCI Leasing Romania IFN S.A	Financing						
United Kingdom	RCI Financial Services Ltd	Financing	348	191	121	(29)	7	
	RCI Bank Uk Limited	Financing						
	Mobilize Lease & Co UK Ltd	Services						
	Select Vehicle Group Holdings	Services						
	Bipi Mobility UK Limited	Services						
Slovenia	RCI BANQUE S.A. Bančna podružnica Ljubljana	Financing	39	9	5	(1)		
	RCI Lizing d.o .o	Financing						
Slovakia	RCI Finance SK S.r.o	Financing	3	2	3	-		
Sweden	Renault Finance Nordic Bankfilial till RCI Banque S.A., Frankrike	Financing	19	7	4	(2)	1	
Switzerland	RCI Finance S.A.	Financing	46	33	19	(4)		
Turkey	ORFIN Finansman Anonim Sirketi	Financing	50		(3)			
TOTAL			**4,237**	**1,961**	**1,034**	**(312)**	**78**	

1.5 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.

1.5.1 Organization of market risk management

The specific market risk management system is part of the Mobilize Financial Services group's overall internal control system and operates to standards approved by the Board of Directors. The Mobilize Financial Services group's Finance and Cash department is responsible for managing market risks (interest rate, liquidity and foreign exchange risks) and for verifying compliance with allowable limits for the consolidated Mobilize Financial Services group scope. The rules and ceilings are approved by the shareholder and are periodically updated.

The Financial Risks Team, attached to the Risk and Banking Regulation department (Risk Management Division), issues a daily report and monitors the Group's exposure to financial risks.

Foreign exchange instruments, interest rate instruments and currencies approved for use in managing market risks are specified on a list of authorized products validated by Mobilize Financial Services's Chief Executive Officer.

1.5.2 Managing aggregate interest-rate, foreign exchange, counterparty and liquidity risks

Interest rate risk

The overall interest rate risk represents the impact of fluctuating rates on the future gross financial margin.

The Mobilize Financial Services group's aim is to mitigate this risk as far as possible.

Two monitoring indicators are used internally for rate risk:

- Discounted sensitivity (Economic Value – EV) consists of measuring at a given point in time (t) the impact of a change in interest rates on the market price of an entity's balance sheet flows. The market price is determined by the discounting of future cash flows at the market rates at point t. This measurement is used to set the limits that apply to the Group's management entities.
- The net interest income which consists of measuring a gain or loss, according to an income statement vision. It is presented as the future interest income difference over a set time-frame. The particular feature adopting an NII vision, compared with the actuarial vision of sensitivity, is the linearization of the impact of new operations.

In order to take account of the difficulty of precisely adjusting the structure of borrowings to that of loans, limited flexibility is accepted in interest rate hedging by each subsidiary.

This flexibility consists in a sensitivity limit being assigned to each subsidiary as approved by the Finance Committee, in an individual adaptation of part of the overall limit determined by Mobilize Financial Services's Board of Directors.

Central refinancing limit	€32 million
Limit for sales financing subsidiaries	€25.1 million
Not assigned	€4.8 million
Total sensitivity limit in millions of euros granted by the Board of Directors on the recommendation of RCI Banque's Risk Committee:	€70.0 million

In accordance with regulatory changes (EBA/GL/2018/12), Mobilize Financial Services also measures the sensitivity of the net interest margin (NIM) and the sensitivity of the economic value of equity (EVE).

Calculations are based on average monthly asset and liability gaps which incorporate fixed-rate transactions and floating rate transactions until their next review date.

Maturities of in-force business are determined by taking into account the contractual characteristics of transactions and the results of the modeling of historical customer behavior patterns (early repayment, etc.), supplemented by assumptions about certain aggregates (owners' equity, etc.).

Sensitivity is calculated daily per currency and per management entity (central refinancing office, French and foreign sales financing subsidiaries) and enables overall management of interest rate risk across the consolidated scope of the Mobilize Financial Services group. Monitoring is performed by the Financial Risk Team attached to the Risk and Banking Regulation department (Risk Management department).

The situation of each entity with regard to its limit is checked daily, and immediate hedging directives are issued to the subsidiaries if circumstances so dictate.

The results of controls are the subject of monthly reporting to the Finance Committee, which checks that positions are in line with the Group's financial strategy and with prevailing procedural memoranda.

As at 31 December 2023, Mobilize Financial Services' overall sensitivity to interest-rate risk remained below the limit set by the Group (€70 million).

At 31 December 2023, a parallel rise in rates [1] would have an impact on the Mobilize Financial Services group's net interest margin (NIM) of €9.9 million in absolute currency terms. The contribution by currency is as follows:

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

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

1.5.3 Analysis of the structural rate highlights the following points

Sales financing subsidiaries

Virtually all loans to customers by sales financing subsidiaries are granted at a fixed rate for terms of one to seventy-two months.

These loans are hedged by fixed-rate resources having the same structure. They are backed by macro-hedging and only generate a residual interest rate risk.

In subsidiaries where the resource is at a floating rate, interest rate risk is hedged by macro-hedging interest rate swaps.

Central refinancing

RCI Holding's main activity is to refinance the Group's commercial subsidiaries.

The in-force business of the sales financing subsidiaries is backed by fixed-rate resources, some of which are micro-hedged by interest rate swaps and by variable rate resources.

Macro-hedging transactions in the form of interest rate swaps keep the sensitivity of the holding company below the limit set by the Group (€32 million).

1) In accordance with the regulator's guidelines (IRRBB Guidelines of 2018), MFS has set up an internal model for determining interest rate shocks whose magnitude depends on the currency.
As of December 31, 2023, the interest rate shocks applied for each currency were: +100bps for EUR, CHF, DKK and MAD; +150bps for SEK and GBP; +200bps for CZK; 250bps for HUF; +300bps for RON, COP and PLN; +350bps for BRL; +500bps for ARS and RUB.

These swaps and the securities available for sale are measured at fair value by reserves in accordance with IFRS 9. These macro-hedging transactions cover variable-rate resources and/or fixed-rate resources that are variable through micro-hedging of swaps.

Monthly tests are carried out to ascertain:

- the effectiveness of the hedging of fixed-rate resources by the interest rate swaps assigned to micro-hedge them;
- the relevance of macro-hedging transactions, by setting them against variable rate resources/ fixed variable rate resources.

These data are calculated on the basis of simplified scenarios, working on the assumption that all positions run to maturity and that they are not readjusted to factor in new market conditions.

The sensitivity of reserves to a change in interest rates as presented above would in no way be representative of an impact on future results.

1.5.4 Liquidity risk

Mobilize Financial Services pays great attention to diversifying its sources of access to liquidity. To that end, the Group imposes stringent internal standards on itself.

Mobilize Financial Services's oversight of liquidity risk is based on the following:

Static liquidity

This indicator measures the difference (gap) between existing liabilities and assets at a given date without any assumptions as to the renewal of liabilities or assets. It gives a point-in-time snapshot of the liquidity position, or static liquidity gap. The Group's policy is to refinance its assets by means of liabilities with a longer maturity, thus maintaining positive static liquidity gaps across all areas of the balance sheet.

Liquidity reserve

The liquidity reserve is a source of emergency liquidity that can be used by Mobilize Financial Services in the event of necessity. It consists of High Quality Liquid Assets (HQLA) as defined by the Basel Committee for calculating the liquidity coverage ratio (LCR), financial assets not recognized as HQLA by the Basel Committee, confirmed bilateral lines of credit and assets eligible as collateral in European Central Bank (ECB) transactions not already counted as HQLA or financial assets. Minimum and adequate liquidity reserve levels are determined every six months by the Finance Committee within the centralized refinancing scope and for physical entities whose refinancing is local.

Stress scenarios

Every month, the Finance Committee is informed of the length of time for which the company would be able to maintain its business activity using its liquidity reserve in various stress scenarios. The stress scenarios used include assumptions about runs on deposits, loss of access to new funding, partial unavailability of certain components of the liquidity reserve, and forecasts of new gross lending. Assumptions about runs on deposits under stress are very conservative and are regularly back-tested.

1.5.5 Foreign exchange risk

The foreign exchange position is decomposed into:

- the structural foreign exchange position, resulting from the Group's long-term investments in the equity of foreign subsidiaries;
- the transactional exchange position, which arises from the cash flow denominated in a currency other than the domestic currency.

Since 2022, Mobilize Financial Services has had a capital allocation covering its exposure to structural foreign exchange risk.

The Group benefits from an ECB exemption for the five most significant currencies (GBP, BRL, KRW, CHF and MAD), allowing it to take into account only the excess capital over the average Group CET1.

Structural foreign exchange risk is included in Mobilize Financial Services' risk appetite framework. The Group's position in all currencies is checked monthly during the Capital and Liquidity Committee and communicated quarterly to the Supervisor.

The transactional foreign exchange position is framed by limits.

Central refinancing

The forex position of RCI Banque S.A., the central refinancing unit, which historically is very low, stayed under €13 million throughout the year.

No position is accepted within the framework of refinancing management. In this respect, the trading room secures the systematic hedging of all flows concerned.

Residual and temporary positions in currencies, related to cash flow timing differences inherent in multi-currency cash management, may, however, remain. Any such positions are monitored daily and are subject to the same hedging concern.

Any other forex transactions (in particular for the anticipated hedging of projected dividends) may only be initiated further at the decision of the head of the Finance and Cash department.

Sales financing subsidiaries

Sales financing subsidiaries are required to refinance themselves in their own currency and thus are not exposed.

By way of exception, limits are allocated to subsidiaries whose sales financing operations or refinancing are multi-currency, and to those that are authorized to invest some of their cash surpluses in a currency other than their domestic currency.

The overall limit for Mobilize Financial Services group granted by the Chairman of the Board of Directors on the advice of the Chairman of the Board's Risk Committee has been set at €40 million, down €15 million compared with 2022.

At 31 December 2023, the Mobilize Financial Services group's consolidated transactional foreign exchange position was €17.9 million.

This decrease is due to a change in the operational management of the importing activity. This activity generated a foreign exchange position due to the temporary delay between the issuance of the invoice (D + 0) and the conversion (D + 1). Following a change in tool, invoices and conversions are now made on the same day, which immediately neutralizes the foreign exchange position generated.

1.5.6 Counterparty risk

Mobilize Financial Services's exposure to bank counterparty risk arises from various market transactions made by the Group's entities as part of their everyday business (investment of cash surpluses, interest rate or forex hedging, investments in liquid assets, etc.).

Transactions are made with first-class banks and counterparty risk on market transactions is managed with a system of limits set by Mobilize Financial Services and then approved by Renault as part of the Group-wide consolidation of counterparty risks.

Limits are set using an internal rating method based on capital adequacy, long-term ratings by credit agencies and a qualitative appraisal of the counterparty.

Compliance with these limits is monitored daily. All the results of controls are communicated monthly to the Mobilize Financial Services Finance Committee and integrated into the consolidated monitoring of Groupe Renault counterparty risk.

In addition to meet regulatory requirements resulting from implementation of the 30-day liquidity coverage ratio (LCR), Mobilize Financial Services has a portfolio of investments in liquid assets. Limits on the amount and maturity of the latter are set for each issuer.

Mobilize Financial Services has also invested in money market funds, corporate bonds and a fund whose assets consist of debt securities issued by European agencies, sovereigns and by supranational issuers. Each of these investments is subject to a specific limit approved by the Finance Committee and reviewed at least once a year.

Occasional authorization is also granted to sales refinancing subsidiaries so that they can invest in treasury bills or Central Bank notes in their home countries.

These limits are also monitored daily and are reported monthly to the Mobilize Financial Services Finance Committee.

In the case of finance entities, risk takes into account cash exposure (deposits and accrued interest) and exposure on derivatives calculated using the internal fixed-rate method presented hereafter when the system of risk mitigation by collateral exchange does not exist.

Fixed-rate method

Mobilize Financial Services reviewed its market risk valuation method in March 2023.

The increasing use of the clearing house mechanism in the management of derivatives (clearing house or collateral exchange with the counterparty of bilateral base) has prompted Mobilize Financial Services to review its valuation method for market risk.

Mobilize Financial Services has made the distinction in its inventory between clearing house, bilateral and non-cleared derivatives and allocated a risk coefficient to each situation. A risk equivalent coefficient is assigned to each type of transaction.

The coefficient applied depends on the length of time Mobilize Financial Services is exposed to potential adverse changes in the value of the derivatives that it holds.

These changes in value depend on changes in interest rates or exchange rates:

- for clearing house derivatives, Mobilize Financial Services is in the one-day position;
- for non-cleared derivatives with bilaterally cleared derivatives, Mobilize Financial Services is in the seven-day position;
- for non-cleared derivatives without collateral exchange, Mobilize Financial Services holds a position until the transaction matures.

Following the various yield curve analyses, Mobilize Financial Services has opted for the risk coefficient in the following table.

To ensure that this method is conservative, exposure on derivatives is recalculated at regular intervals using the regulatory "positive mark to market + add-on" method presented below:

Interest rate contract

		Non-cleared interest SWAPS	
Cleared SWAPS	**Bilateral interest-rate SWAPS**	**Residual term**	**Rate coefficient**
0%	2%	Between 0 and 1 year	2%
		Between 1 and 2 years	5%
		Between 2 and 3 years	8%
		Between 3 and 4 years	11%
		Between 4 and 5 years	14%
		Between 5 and 6 years	17%
		Between 6 and 7 years	20%
		Between 7 and 8 years	23%
		Between 8 and 9 years	26%
		Between 9 and 10 years	29%

Exchange rate contract

	Non-cleared exchange swaps	
Bilateral exchange swaps	**Initial duration**	**Exchange rate coefficient**
6%	Between 0 and 1 year	6%
	Between 1 and 2 years	18%
	Between 2 and 3 years	22%
	Between 3 and 4 years	26%
	Between 4 and 5 years	30%
	Between 5 and 6 years	34%
	Between 6 and 7 years	38%
	Between 7 and 8 years	42%
	Between 8 and 9 years	46%
	Between 9 and 10 years	50%

"Positive mark to market + add-on" method

This method is based on the so-called "major risks" regulatory method. Exposure for derivatives (rate and foreign exchange) is calculated as the sum of potential losses, calculated on the basis of the replacement value of the contracts with the counterparty without netting with potential gains, plus an "add-on" representing the potential future risk. This potential future risk is determined by French banking regulations (Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, Article 274) as follows:

Residual term	**Interest rate options** (as a % of the nominal)	**Foreign currency and gold options** (as a % nominal)
<= 1 year	0%	1%
1 year < term <= 5 years	0.50%	5%
> 5 years	1.50%	7.50%

According to the flat-rate method, it amounted to €188 million at 31 December 2023, compared with €237 million at 31 December 2022. According to the "positive mark to market + add-on" method, the equivalent counterparty risk was €26.3 million at 31 December 2023, compared with €43 million at 31 December 2022. These figures only relate to credit institutions. They were determined without taking into account netting agreements, in accordance with the methodology described.

1.6 Appendix 3: Statutory Auditors' fees

	MAZARS				KPMG				Other statutory auditors			
	2023		2022		2023		2022		2023		2022	
	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%	Amount excl. tax	%
Legal audit	2,078	95%	1,897	98%	1,302	93%	1,300	97%	92	81%	139	85%
Services necessarily rendered due to local regulations	30	1%	5	0%	21	1%	9	1%	21	19%	22	13%
Services usually provided by the auditors	67	3%	4	0%							2	1%
Legal audit and related services	**2,176**	**100%**	**1,906**	**98%**	**1,323**	**94%**	**1,309**	**98%**	**113**	**100%**	**163**	**100%**
Tax, legal & social advisory	4	0%										
Organization advisory												
Other advisory			30	2%	78	6%	28	2%				
Authorized non-audit services requiring approval	**4**	**0%**	**30**	**2%**	**78**	**6%**	**28**	**2%**				
TOTAL FEES	**2,180**	**100%**	**1,936**	**100%**	**1,401**	**100%**	**1,337**	**100%**	**113**	**100%**	**163**	**100%**

02.

ANNUAL FINANCIAL STATEMENTS

CONTENT

2.1 Balance sheet and income statement

Balance sheet

ASSETS

In thousands of euros	Notes	12/2023	12/2022
Cash and balances, Central Banks and CCP	1	3,611,597	4,558,618
Government debt securities and similar	2		19,999
Receivables on credit institutions	3	13,821,430	12,790,982
Transactions with customers	4	17,774,073	15,115,757
Bonds and other fixed income securities	5	7,897,761	8,284,844
Equities and other variable-income securities	6	110,989	106,733
Other long-term securities	7	4,001	4,001
Investments and shares in related companies	8	2,459,427	2,188,623
Finance leases and leases with a purchase option	9	2,944,032	2,478,638
Operating leases	10	210,860	260,091
Intangible assets	11	18,024	12,760
Property, plant and equipment	12	6,130	6,403
Other assets	13	772,780	522,332
Adjustment accounts	14	464,165	245,120
TOTAL ASSETS		**50,095,269**	**46,594,901**

LIABILITIES AND EQUITY

In thousands of euros	Notes	12/2023	12/2022
Amounts payable to credit institutions	15	6 ,571,475	7,646,977
Transactions with customers	16	24,318,815	21,045,499
Debt securities	17	13,340,543	12,456,548
Other liabilities	18	612,566	534,701
Adjustment accounts	19	544,891	397,582
Provisions	20	158,425	137,782
Subordinated debt	21	869,378	869,378
EQUITY		**3,679,176**	**3,506,434**
Subscribed capital	22	100,000	100,000
Share and merger premiums	22	258,807	258,807
Reserves	22	319,614	319,614
Revaluation differences	22	76	76
Retained earnings	22	2,227,938	2,243,393
Net income for the year	22	772,741	584,544
TOTAL LIABILITIES		**50,095,269**	**46,594,901**

Income statement

In thousands of euros	Notes	12/2023	12/2022
Interest and similar incomes	29	2,219,294	1,244,402
Interest expenses and similar charges	30	(1,755,610)	(835,607)
Income from finance lease and related transactions	31	825,487	769,405
Expenses on finance lease and related transactions	31	(698,408)	(679,333)
Income from operating lease transactions	32	56,042	61,750
Expenses from operating lease transactions	32	(43,333)	(47,337)
Income from variable-income securities	33	490,917	534,871
Commission income	34	67,808	52,078
Commission expenses	34	(65,832)	(28,202)
Gains or losses on trading book transactions	35	(9,394)	(2,880)
Gains or losses on investment portfolios related similar transactions	35	132,498	(135,487)
Other operating income	36	188,773	226,064
Other operating expenses	37	(36,219)	(18,975)
NET BANKING INCOME		**1,372,023**	**1,140,749**
General operating expenses	38	(340,334)	(281,534)
Depreciation, amortization and impairment losses on intangible assets and property, plant and equipment		(2,012)	(2,054)
GROSS OPERATING INCOME		**1,029,677**	**857,161**
Cost of risk	39	(70,347)	(88,623)
OPERATING INCOME		**959,330**	**768,538**
Net gains or losses on non-current assets	40	(9,598)	(82,204)
PRE-TAX INCOME		**949,732**	**686,334**
Income tax	41	(176,991)	(101,790)
NET INCOME		**772,741**	**584,544**

Off-balance sheet commitments

In thousands of euros	Notes	12/2023	12/2022
Commitments given	**25**	**9,637,885**	**10,594,975**
Financing commitments		1,526,784	1,864,545
Guarantee commitments		1,034,283	1,080,820
Other commitments given		7,076,818	7,649,610
Commitments received	**26**	**16,657,191**	**14,187,160**
Financing commitments		9,401,627	8,757,145
Guarantee commitments		7,255,564	5,430,015

2.2 Notes to the annual financial statements

2.2.1 Significant events during the financial year

War in Ukraine

The conflict in Ukraine and the economic and trade sanctions progressively levied against Russia, as well as the counter-sanctions levied by Russia, impacted the Group's business. The areas in question mainly include employee security, the risk of a shortage of financing in Russia, the risk of cyberattacks and information systems failure.

RCI Banque S.A.'s net investment in Ukraine is limited to the share of capital held in its local subsidiary for an amount of €0.3 million, which has been fully provisioned for in 2022.

In Russia, RN Bank was sold on 20 June 2023 for 7 billion Russian rubles (€76.4 million). The Group held 30% of the economic interests of this company through the holding company RN SF B.V.

RN SF B.V. shares were fully written down in 2022.

On 3 August 2023, Insight Investment Group LLC entered into an agreement to acquire 100% of RNL Leasing LLC (and its subsidiary RNL Finance LLC) from RCI Banque S.A., which held 100% of RNL Leasing.

RNL Leasing LLC and its subsidiary RNL Finance LLC were sold for the symbolic amount of 1 ruble. This disposal generated a capital loss of €1.03 million. The Group also granted RNL Leasing LLC a global operating loan for a net carrying amount of 1,458.8 million rubles at the date of the sale of the shares. RCI Banque S.A. received in repayment of this receivable the sum of 675 million rubles after the effects of taxes (€6.6 million), generating an irrecoverable loss on receivable of 708.8 million rubles (€7.6 million). This sale of shares represents the last step in the withdrawal of RCI Banque S.A. from the Russian Federation, in accordance with the decision taken by Groupe Renault in 2022 .

New issued securitization funds issued

In March, RCI Banque S.A. placed a transaction for approximately €719 million backed by car loans granted by its German branch (including €700 million in senior securities and approximately €19 million in subordinated securities).

RCI Banque S.A. set up a new securitization program for lease-to-own (LOA) outstandings originated with DIAC. As part of this program, a public offering ("Cars Alliance Auto Lease France V 2023-1" compartment) for around €737 million backed by lease receivables was issued (including €700 million in senior securities [€100 million self-subscribed] and around €37 million in subordinated securities).

Acquisition costs

In 2023, RCI Banque S.A. took part in the capital increases of various entities, of which the main ones are as follows: Mobilize Lease & CO S.A.S. for €250 million, Mobilize Insurance for €23.9 million and BIPICAR Mobility SL for €19 million (see Note 8 – Changes in shares in related companies and other equity investments).

2.2.2 Accounting rules and policies

The annual financial statements were prepared in accordance with ANC Regulation No. 2014-07 of 26 November 2014 (amended by ANC Regulation No. 2020-10 of 22 December 2020) on the preparation and publication of the individual annual financial statements of companies in the banking sector. They include the financial statements of foreign branches.

RCI Banque S.A. has 10 branches located abroad:

- in Germany, the branch finances the sales of the Renault and Nissan dealer networks;
- in Italy, the branch is dedicated to customer financing and the Renault and Nissan brand dealer networks;
- in Argentina, the branch's activity concerns dealer network financing;
- in Portugal, the branch provides financing to customers and dealer networks, as well as leasing;
- in Slovenia, the branch finances the inventories of new vehicles and spare parts for Renault dealers in the country and provides a Retail Credit and Leasing activity;
- in Spain, the branch provides financing to customers and dealer networks of the Renault and Nissan brands;
- in Sweden, the entity provides financing to Renault dealers and end customers in Sweden, Denmark, Finland and Norway;
- in Austria, the branch provides financing to customers and dealer networks;
- in Ireland, the branch provides financing to dealer networks;
- in Poland, the branch provides financing to customers and dealer networks.

2.2.2.1 Changes in accounting principles relating to the valuation and presentation of the financial statements

There were no significant changes in terms of the valuation or presentation of the annual financial statements during the year.

2.2.2.2 Loans and advances to customers

Principle of measurement and presentation of loans and advances to customers

Sales financing receivables from end customers and dealer financing receivables come under the category of "Loans and advances issued by the Company." As such, they are initially recorded at fair value and carried at amortized cost calculated according to the effective interest rate method.

The effective interest rate (EIR) is the internal rate of return to maturity or, for adjustable-rate loans, to the nearest rate adjustment date. The discounted amount of amortization on any difference between the initial loan amount and the amount payable at maturity is calculated using the EIR.

In addition to the contractual component of the receivable, the amortized cost of sales financing receivables includes interest premiums received from the car maker or dealer network, 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 EIR for the receivables to which they apply.

In accordance with ANC Regulation 2014-07 of 26 November 2014, commissions paid for referral of business, as well as premiums received, handling fees and other expenses or deferred income are presented in the balance sheet, with the outstanding loan concerned (transactions with customers).

In the income statement, these same items are presented in net banking income.

Credit risk identification and analysis

RCI Banque S.A. currently uses 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, impairment);
- a Group-wide rating for bank counterparties, which is established on the basis of external ratings and each counterparty's level of equity;
- for the "Customer" borrowers, different acceptance scoring systems are used; these vary by affiliate and by type of financing.

Any receivable presenting a proven risk of partial or total non-recovery is classified in one of the following two categories:

- doubtful outstandings: doubtful outstandings are classified as non-performing at the latest when a payment has been unpaid for more than three months. If a receivable is classified as doubtful, all outstanding loans to the customer concerned are transferred to non-performing;
- compromised outstandings: the identification of compromised outstandings takes place when the forfeiture of the term (loan) or the termination of the contract (lease) is declared due to the deteriorated financial position of the counterparty. In the absence of forfeiture of the term or of termination, it takes place no later than one year after classification as doubtful.

Given the impact of differentiated local management practices, forfeiture or termination do not occur at the same period in the various countries where RCI Banque S.A.'s business is carried out. However, there is a certain convergence of practices by major geographical areas:

- Northern Europe: forfeiture or termination generally takes place within three to four months of the first case of non-payment;
- Southern Europe: forfeiture or termination generally takes place within six to eight months of the first case of non-payment;
- South America: forfeiture or termination generally occurs within six to eight months of the first case of non-payment.

Termination fees and late payment interest on doubtful and compromised receivables are recognized and impaired in full until they are collected.

The return of doubtful outstandings to performing outstandings occurs after a probationary period of three months from the date of settlement of arrears, a probationary period which is extended to two years for restructured loans.

Risk-reduction factors

RCI Banque S.A. has a limited and localized practice of assigning doubtful receivables

Impairment for credit risk

Impairment is recorded for proven credit risk to cover the risk of non-recovery of receivables. These impairments are determined on an individual basis (as the case may be, either individually or on the basis of a statistical approach to risks) or on a collective basis and classified in the balance sheet as a deduction from the asset items to which they relate.

Customer business

The statistical approach on an individual basis is applied to the Customer business. It aims to estimate the final loss on doubtful outstandings, compromised outstandings and outstandings with a payment incident. "Customer" receivables are written down by risk group representative of the types of financing and assets financed.

The projected flows used for statistical impairment are determined by applying to the amount of receivables at the time of default a periodic recovery rate based on the period elapsed following the transfer to doubtful. Recovery flows are projected over a period of several years, at the end of which the last flow represents a fixed amount of recoveries beyond this period. The recovery rates used are based on actual recoveries, spread over a 12-month period.

Impairment on doubtful outstandings is calculated by comparing the estimated recoverable amount, consisting of discounted projected recovery flows, with the carrying amount of the receivables concerned. Given the statistical nature of the method used to measure the projected recovery flows, the calculation of the estimated recoverable amount is carried out not individually for each receivable, but collectively by generation of contracts.

Non-doubtful incident-flagged outstandings are impaired taking into account the probability of transition to doubtful and on the basis of a recovery rate at the time of transition to doubtful. This is an incurred loss, the proven fact being constituted by a payment default of less than three months.

In the event that the statistical approach on an individual basis is not relevant, incident-flagged and doubtful receivables are monitored on a unit basis; the impairment is then determined according to a classification of companies and recovery phases or of proceedings initiated.

As soon as a financial asset or a group of similar financial assets has been impaired as a result of an impairment loss, subsequent interest income is recognized at the interest rate used to discount the future cash flows with a view to assessing the loss of value.

Dealer Network business

Impairment for credit risks in the dealer network business is calculated according to three types of receivables: incident-flagged, doubtful and compromised, for which the operative events and calculation principle are described below.

The estimate of the losses to be provisioned on incident-flagged receivables is based exclusively on statistical methods. Classification in the incident-flagged receivables category is always generated by events such as: deterioration of the financial structure, loss of profitability, payment irregularities, anomaly in inventory controls.

The impairment of doubtful receivables is determined on a unit basis and individually according to the outstanding amounts produced (new vehicle, used vehicle, spare parts, cash, etc.) and according to a classification of counterparties under pre-alert status or alert status and after a continuous and critical deterioration of the indicators mentioned above by RCI Banque S.A.'s operational staff.

Non-doubtful and non-incident-flagged outstandings that are thus classified as sound are not subject to impairment.

Rules for writing off loans

When a receivable presents a proven risk for three years and there is no evidence of recovery, the amount of the impairment is reversed and the gross amount is written off as losses on irrecoverable receivables.

Impairment of residual values

RCI Banque S.A. systematically and regularly monitors the resale values of used vehicles in order to optimize the pricing of financing transactions.

In most cases, tables of quoted prices showing typical residual values for each vehicle category based on age and mileage are used to determine the residual value of vehicles at the end of the contract term.

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:

- 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;
- the carrying amount 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.

2.2.2.3 Finance lease and operating lease transactions

Non-current assets falling under finance leases, leases with a purchase option or long-term leases are recognized on the assets side of the balance sheet at their acquisition cost, less any depreciation and amortization. The acquisition cost includes all ancillary acquisition costs included in the amount of the refinancing granted and used as a basis for the determination of rents.

Depreciation and amortization is calculated on a straight-line basis over the normal useful life of the assets concerned.

In accordance with ANC Regulation No. 2014-07 of 26 November 2014, commissions paid for referral of business are spread over the effective life of the contract using an actuarial or straight-line method. Commissions paid for referral of business, as well as premiums received, handling fees and other expenses or deferred income are presented in the balance sheet, with the related account of the non-current asset concerned (finance lease and related transactions).

In the income statement, these same items are presented in net banking income.

2.2.2.4 Operating lease transactions

Non-current assets falling under operating leases are recognized on the assets side of the balance sheet at their acquisition cost, less any depreciation and amortization. The acquisition cost includes all ancillary acquisition costs included in the amount of the refinancing granted and used as a basis for the determination of rents.

Depreciation and amortization is determined on the basis of the normal useful life of the assets concerned.

Electric vehicle battery leases are classified as operating leases. The battery life has been set at eight to ten years depending on the type of electric vehicle.

2.2.2.5 Equity investments, shares in related companies and other long-term securities

Equity investments and shares in related companies

This category includes securities whose long-term possession is deemed useful to the Company's business, notably because it enables it to exercise influence over the company issuing the securities, or to ensure control thereof.

"Shares in related companies" are considered to be shares in companies that are likely to be fully consolidated into a single entity that may be consolidated. Other securities belonging to this category but which are not likely to be fully consolidated in this same group are classified as "Equity investments."

Other long-term securities

This category includes investments made in the form of securities with a view to fostering the development of long-term professional relationships by creating a special link with the issuing company, but without influence over the management of the companies whose securities are held because of the low percentage of voting rights they represent.

Valuation and impairment principle

Equity investments, shares in related companies and other long-term securities are recorded in the balance sheet at their acquisition cost or their remeasured value as at 31 December 1976 (legal revaluation).

Impairment is recognized when the value in use is lower than this acquisition cost. This is generally determined on the basis of the share of net assets held, calculated according to the accounting principles used to prepare the consolidated financial statements.

The corresponding dividends are recognized in the year in which they are paid.

2.2.2.6 Government debt and equivalent securities, bonds, equities and fixed or variable income securities

In accordance with French banking regulations, these items include securities, interbank market instruments, treasury bills and other negotiable debt securities.

These instruments are part of a market activity, as RCI Banque S.A. is not involved in intermediation.

The securities are classified into three categories:

Trading securities

These are securities held for sale in the short term. This portfolio is measured at market value, including accrued coupons, and valuation differences are recognized in the income statement.

Short-term investment securities

Short-term investment securities include securities acquired with a view to being held for a period of more than six months.

These securities are recorded in the balance sheet at their acquisition cost, excluding accrued interest for bonds. For fixed-income securities, the positive or negative differences between the acquisition cost and the redemption value (discount or premium) are spread over the remaining life of the securities. This spread is recognized in the income statement.

Impairment is recorded when the market value of a line of securities at the closing date is lower than the acquisition cost or the carrying amount adjusted for the spreading of discounts and premiums.

Investment securities

Investment securities include exclusively fixed-income securities acquired with a view to being held over the long term, in principle until maturity.

These securities are either hedged by interest rate instruments to protect them against interest rate risk on a long-term basis, or backed by long-term financing enabling them to be effectively held until maturity.

Any discounts or premiums are spread over the remaining life of the securities.

Impairment is only recognized when there is a high probability of default by the issuer of the securities. Unrealized capital losses are only recognized if there is a high probability that RCI Banque S.A. will hold these securities until maturity.

2.2.2.7 Property, plant and equipment and intangible assets

Non-current assets are recognized and depreciated using the component approach. The components of an asset item, especially a complex asset, are treated as separate assets if their characteristics or useful lives are different, or if they generate economic benefits at different rates.

Property, plant and equipment are valued at their historical acquisition cost.

Property, plant and equipment other than land are generally depreciated on a straight-line basis over the following estimated useful lives:

• Buildings	15 to 40 years;
• Other property, plant and equipment	4 to 8 years;
• Computer software acquired	1-3 years.

2.2.2.8 Borrowings

Premiums and issuance costs for securities or bonds

Issue premiums and expenses are amortized over the life of the borrowings and appear in the adjustment accounts.

Complex transactions

Structured transactions are small in number. They are generally backed by resources in the form of deposits or securities issues and include swaps with one or more specific option clauses.

Under these arrangements, market risks (interest rates, exchange rates) are strictly neutralized.

The results of these transactions are recognized in the income statement on a pro rata basis.

2.2.2.9 Provisions

Pension and other post-employment benefits

With respect to defined-benefit plans for post-employment benefits, the provision costs 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.

When the calculation assumptions are revised, an adjustment is made to the provision.

The net expense for the year, corresponding to the sum of the cost of services rendered, of the cost of discounting less the expected return on plan assets, and of spreading the cost of past services, is recognized in full under "Employee benefits expense."

Country risk provisions

Provisions for country risks relate to receivables granted to certain subsidiaries and investment securities held by the head office in these subsidiaries, and allow a percentage of these outstandings to be deducted from taxable income. The percentage applied, as well as the countries on the basis of which the provision is calculated, are listed in the letter from the Tax Legislation Department of 24 July 2004.

The subsidiaries on the basis of which RCI Banque S.A. calculates this provision are located in countries:

- which are classified as Tier I, with a 5% tax deduction: Slovenia, Hungary, Korea, Czech Republic and Poland;
- which are classified as Tier II, with a 10% tax deduction: Morocco, Romania, Slovakia, India and Croatia;
- which are classified as Tier III, with a 30% tax deduction: Argentina and Brazil.

2.2.2.10 Translation of foreign currency items

Translation of the financial statements of foreign branches

Foreign branches are managed as independent institutions. Consequently, it was considered more relevant to translate the financial statements of foreign branches as well as those of subsidiaries, namely:

- balance sheet items are translated at the closing rate;
- income statement items are translated at the average rate for the financial year, said rate being used as an approximation applied to underlying transactions, except in the event of significant fluctuations;
- off-balance sheet translation differences are included in the accrual accounts, in the currency adjustment account.

Transactions in foreign currencies

When the financial statements are closed, monetary balances expressed in foreign currencies are translated at the closing rate. The resulting exchange differences are recognized in the income statement.

Differences resulting from the translation of equity investments and subsidiaries denominated in foreign currencies and financed in euros are recorded in the translation adjustment accounts; these are grouped together in the balance sheet items with the securities accounts to which they relate.

Foreign exchange losses are only provisioned if a sale or repayment of the securities is planned during the following financial year. Similarly, this exchange rate difference is only recognized in the income statement in the event of a sale or repayment of the portion of the amounts relating to the securities sold or redeemed.

2.2.2.11 Foreign exchange and interest rate financial instruments

Unsettled forward financial instrument transactions are included in off-balance sheet commitments.

These instruments are part of a market activity, as RCI Banque is not involved in intermediation.

Interest rate financial instruments traded on over-the-counter markets

These are mainly interest rate swaps as part of overall interest rate risk management. Income and expenses relating to these interest rate swaps are recognized in the income statement on a pro rata basis. In addition, gains and losses on other interest rate forward financial instruments, such as Forward Rate Agreements (F.R.A.), caps, floors and collars, are recognized in the income statement over the life of the items covered.

When the Group has to take isolated positions, the instruments concerned, traded on over-the-counter markets, are valued according to the following method: certain future flows are discounted using a zero coupon yield curve for the corresponding instrument class. Interest rate and currency curve quotes are automatically extracted on a daily basis. Only capital losses relating to homogeneous sets of contracts are provisioned.

Foreign exchange instruments

The main purpose of foreign exchange instruments is to hedge currency risk. Income from these transactions is recognized symmetrically over the life of the hedged items.

2.2.2.12 Information on counterparty risk on derivatives

Exposure to counterparty risk is monitored using two methods.

The individualized monitoring of counterparty risk is based on an internal fixed-rate method. It also takes into account the delivery risk and is based on an internal rating method (determined jointly with the shareholder Renault) which makes it possible to link the limit allocated to each counterparty to a rating taking into account several weighted risk factors: level of equity, financial solvency ratio, long-term and short-term ratings by rating agencies, qualitative assessment of the counterparty.

The flat-rate method is also used to measure the overall counterparty risk incurred on all derivatives contracted by RCI Banque S.A. It is based on weighting coefficients.

These weighting coefficients are linked to the type of instrument (3% per year for transactions denominated in a single currency, and 12% per year for the first two years of the initial maturity, and then 4% for subsequent years for transactions involving two currencies) and the duration of the transaction. These coefficients are deliberately higher than those provided for by the capital adequacy regulations, which corresponds to a deliberately prudent and conservative approach under current market conditions. Risks related to positions that neutralize each other with the same counterparty are not offset.

Global monitoring using the “positive mark to market + add-on” method is also carried out.

This method is based on the so-called "major risks" regulatory method. For current account deposits and cash surpluses, exposure is recognized on the basis of the nominal amount. For derivatives (rate and foreign exchange), it 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 (Order of 20 February 2007 on capital requirements applicable to credit institutions and investment firms, Article 267-3) as follows:

Residual term	Interest rate options (as a % of the nominal)	Interest rate options (as a % of the nominal)
≤ 1 year	0%	1.00%
1 year < term ≤ 5 years	0.50%	5.00%
> 5 years	1.50%	7.50%

2.2.2.13 Operating segments

RCI Banque S.A.'s mission is to provide a complete range of financing and services to its two reference markets: end users (Retail and Corporate) and the Dealer Network of the Renault, Nissan, Dacia, Renault Samsung Motors and Mitsubishi brands.

These two customer bases have different expectations, so each requires a specific approach in terms of marketing, management processes, IT resources, sales methods and communication. The Group's organization has been fine-tuned to perfectly match these two customer bases, to strengthen its steering and support role, as well as to increase integration with Renault and Nissan, notably in terms of marketing and sales.

The breakdown by market was therefore adopted as operational segmentation. This is in line with the strategic focus developed by the Company. The information presented is based on internal reports sent to the Group's Executive Committee, identified as the "chief operational decision maker."

- The Dealer Network covers financing granted to the Dealer Networks of the Renault, Nissan and Mitsubishi groups.
- The Customer segment covers all financing and related services for all customers other than Dealer Network.
- Refinancing and holding activities are grouped together under "Other activities."

2.2.2.14 Establishment by geographical area

A breakdown by geographical area of operation is presented in the notes to the financial statements for the balance sheet and income statement items deemed to be the most relevant (in accordance with Article 1124-51 of ANC Regulation 2014-07).

2.2.2.15 Related companies

When the amount is significant, the share of transactions between the Company and related companies is presented in the notes to the Balance Sheet and the Income Statement. The vast majority of related companies are subsidiaries of RCI Banque S.A. These transactions are concluded under normal market conditions.

2.2.2.16 Consolidation

Since 2005, the Group has prepared its consolidated financial statements in accordance with IFRS as approved by the European Union at the date of preparation of its financial statements, in accordance with the option provided in France for groups publishing consolidated financial statements.

RCI Banque S.A., the Group's parent company, is a société anonyme (public limited company) with a Board of Directors and fully paid-up capital of €100,000,000. It is subject to all the laws and regulations governing credit institutions, and is registered in the Paris Trade and Companies Register under SIREN No. 306 523 358.

The registered office of RCI Banque S.A. is located at 15, rue d'Uzès 75002 PARIS.

RCI Banque S.A.'s main activity is financing the brands of the Renault, Nissan and Mitsubishi groups.

The Group's consolidated financial statements as at 31 December relate to the Company and its subsidiaries, and to the Group's interests in associates and jointly-controlled entities.

RCI Banque S.A. is fully consolidated within the Mobilize Financial Services group, which is itself fully consolidated in the Groupe Renault financial statements.

2.2.3 Events after the reporting period

On 2 January 2024, Mobilize Lease&Co, wholly owned by RCI Banque S.A., acquired the German entities Mobility Concept and MeinAuto. These entities are divisions of the MeinAuto Group, a leading player in the German car leasing market. This is a structuring development opportunity thanks to the contribution of a fleet asset worth €1.5 billion and composed of 60,000 vehicles and 350 employees. The net assets acquired are valued at €167 million, with an estimated positive goodwill of €81 million. The purchase price allocation is in progress.

This acquisition aims to accelerate the growth and development of long-term rental offers in Germany. The synergies generated will allow Mobilize Lease&Co to deploy package offers, subscription services and flexible multi-brand leasing formulas.

There are no other notable post-closing events.

2.2.4 Adapting to the economic and financial environment

In a mixed economic environment, RCI Banque S.A. maintained a prudent financial policy and strengthened its liquidity management and control system.

2.2.4.1 Liquidity

RCI Banque S.A. pays great attention to diversifying its sources of access to liquidity. Since the start of the financial crisis, the Company has largely diversified its sources of funding. In addition to its traditional bond investor base in euros, new investment areas have also been successfully worked.

By extending the maximum maturities of its issues in euros to eight years, new investors looking for longer-term assets have been reached. In addition, the Group has access to the bond markets in multiple currencies, whether to finance European assets or to support its development outside Europe.

Recourse to funding through securitization transactions in private and public format also helps to expand the investor base.

Lastly, the deposit collection activity, launched in February 2012, completes this diversification and strengthens the long-term structural liquidity ratio (NSFR).

Oversight of RCI Banque S.A.'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 undrawn confirmed lines of credit, assets eligible as collateral in European Central Bank or Bank of England 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's 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.

2.2.4.2 Credit business risk

The quality of the Customer portfolio was broadly stable in 2023 with a slight increase in non-performing exposures compared to 2022.

Lastly, non-model adjustments were used. Some adjustments cover exposures that benefited from sensitive moratorium periods in 2020-2021, and other adjustments of clients identified as fragile. The approach aimed at systematizing the identification and treatment of vulnerable customers is an in-depth approach. In addition, an appraisal of Retail customers whose solvency has deteriorated due to inflation was implemented at the end of 2022 and updated in June 2023. It consists of assessing the discretionary funds of Retail customers, which makes it possible to estimate the proportion of performing loans that are likely to deteriorate and to adjust the coverage rate accordingly.

The 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.

2.2.4.3 Profitability

RCI Banque 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.

2.2.4.4 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.

2.2.4.5 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 companies) with an average duration of less than one year at 31 December 2023.

All these investments are made with counterparties of superior credit quality previously authorized by the Finance Committee. RCI Banque S.A. also pays particular attention to the diversification of counterparties.

Furthermore, to meet regulatory requirements resulting from implementation of the 30-day Liquidity Coverage Ratio (LCR), RCI Banque S.A. in 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. 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, governments and 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.

2.2.4.6 Macroeconomic environment

To combat inflation, Central Banks continued their monetary tightening policies in the first half of 2023. This period was also characterized by a resurgence of volatility in financial markets, featuring episodes of risk aversion, particularly in response to challenges faced by certain US regional banks and during budget discussions on US deficits. In the second half of 2023, as inflation eased and economies demonstrated increased resilience, Central Banks ended the rate hike cycle. The movement was initiated by the FED when it maintained its key rates in July. Subsequently, the ECB became the last central bank to raise rates in September. The ECB's objective is to reach a level deemed sufficiently high to curb inflation, while preserving an economy showing signs of slowdown. By the end of 2023, the monetary policy cycle entered a new phase, characterized by a diminishing risk of recession alongside escalating geopolitical and fiscal risks.

In the United States, despite ongoing inflationary pressures and a resilient labor market, key rate hikes continued into July after pausing in June (+100 bps increase since December 2022, +525 bps since January 2022).

In the middle of the first half-year, financial markets went through a phase of volatility and risk aversion. After a period of rising interest rates, some banks, possessing significant bond portfolios with unrealized capital losses, had a weakened balance sheet. The US authorities have put in place rescue measures to protect the depositors of these institutions. At the end of May, the improvement in economic statistics (lower inflation and producer prices, less pressure on the job market) led the FED to hold its key rates steady at its June meeting.

The second half of the year is characterized by accelerating growth of the U.S. economy (+4.9% GDP in Q3, +2.9% year-on-year) and a growing awareness of the scale of federal government deficits (new crisis over the debt ceiling and downgrading of the country's credit). Between July and October, the increase in long-term rates prompted the FED to keep its key rates unchanged, considering that they had an effect equivalent to a monetary tightening. The robustness of the US economy is confirmed by year-end data, allowing the FED to confirm the suspension of rate hikes at its December meeting. Inflationary pressures are easing (3.1% in November), while the job market is normalizing. Unemployment rose to 3.9% in November, compared with 3.6% at the end of June and the annual average. Job creation fell significantly to 150k in Q3 from an average of 240k in 2023. Markets reacted strongly to this new monetary policy stance. At the end of December, they expected a reduction of 150 bps over the coming 12 months, with the first cut in March 2024.

In Europe, the ECB raised its key rate at every Governing Council meeting from February to September 2023 (+200 bps between December 2022 and September 2023, +450 bps since the start of the tightening cycle initiated in July 2022) and started to reduce its balance sheet from early March 2023, as announced in December 2022. The "APP" asset purchase program portfolio was thus reduced by an average of €15 billion per month. As in the United States, European markets experienced significant volatility in the middle of the half year.

Striking a balance between price stability and financial stability has been the ECB's priority in its monetary policy decisions. From September onwards, the ECB indicated that it would prefer to keep its rates high for a long time to come, in order to continue to fight inflation and reduce economic risks. Economic indicators for the second half of the year were mixed. While inflation seems to be under control and is falling sharply (+2.4% in November, +5.5% in June vs. +8.6% in January), the economy is exhibiting signs of weakness (GDP: +0.1% at the end of September vs. +1.8% at the end of 2022). At its final meeting of the year, the ECB resolved to reduce PEPP reinvestments from the second half of 2024 (monthly average of -€7.5 billion) and to cease all reinvestments from 1 January 2025. At the end of December, the markets expected rates to remain at existing levels until Q2 2024 and a decrease of 160 bps by the end of 2024.

The Bank of England (BoE), one of the first central banks to initiate the monetary tightening cycle, raised its key rate by 175 bps between January and August 2023, bringing it to 5.25%, i.e. a total increase of 515 bps since the start of the monetary tightening cycle in December 2021. Inflation, while still high, exhibited significant improvement towards year-end (3.9% in November, 8.9% in September, compared with 13.4% in January), and the UK economy remains delicate (GDP at -0.1% in Q3, -0.4% in private consumption). At the end of December, the market expected the continuation of current rates until H2 2024 and a 150-bp reduction within a year.

Following a divergence in short-term rates during the first half of the year, sovereign rates on long maturities exhibited a significant spread in October, only to revert to their early-September levels by year-end. German 2-year bond yields increased by 51 bps in H1 and decreased by -28 bps since the beginning of the year (2.39% at the end of 2023 compared with 2.67% at the beginning of 2023). At the same time, German 10-year government bond yields were 2.02% at the end of December 2023, having peaked at 3% in mid-October (2.39% at the end of June and 2.44% at the beginning of 2023). Yields on US bonds have risen by 53 bps over the two-year period and 14 bps over the 10-year period since the beginning of 2023, reaching 4.25% and 3.88% respectively at the end of December 2023 (compared with 4.38% and 3.7% at the beginning of 2023).

Despite a few periods of sharp decline (March and October 2023), equity markets continued their recovery that began in the fourth quarter of 2022. The Eurostoxx 50 and the S&P 500 are up +19% and +24.2% respectively year-to-date. After an episode of volatility in the middle of the half-year, during which the IBOXX Corporate Bond Euro index reached a high of 115.6 bps, the index stood at 91 bps at the end of December 2023, a level very close to that observed at the end of 2022.

2.2.4.7 Refinancing

In this context, the Group issued the equivalent of €3.9 billion on the bond market in 2023. In particular, it launched its second green bond issue for €750 million. The success of this operation shows that the Group's ESG strategy is appreciated by the market and confirms MFS's commitment to the fight against climate change. The Group also issued 200 million Swiss francs with a five-year maturity and five tranches of €750 million, with maturities of 3, 3.5, 4, 5 and 6 years, respectively.

In the securitization market, the Group placed two public transactions in 2023. The first transaction placed €719 million worth of securities backed by car loans granted by its German branch. The second transaction involved the issue of €737 million in securities (of which €100 million were auto-subscribed) backed by automotive lease-to-purchase plans (LOA) outstandings granted by DIAC in France. The revolving period for private securitizations of car loans in the United Kingdom, leasing in Germany and the residual value component of lease-to-own (LOA) contracts in France has been extended for an additional year. These were increased to £600 million in the United Kingdom, €400 million in Germany and €400 million in France.

The retail savings activity proved to be very dynamic and competitive in terms of resources collected. Deposits mitigated the impact of the rising costs of market funding, thus demonstrating the relevance of the financing diversification strategy initiated over 10 years ago. Savings deposits received increased by €3.8 billion since the beginning of the year, to stand at €28.2 billion.

These resources, together with, for the Europe scope, €4.4 billion in undrawn confirmed bank lines, €5.4 billion in collateral eligible for Central Bank monetary policy operations and €4.6 billion in highly liquid assets (HQLA), enable RCI Banque S.A. to maintain the financing granted to its customers for more than 12 months without access to external liquidity. At 31 December 2023, RCI Banque S.A.'s liquidity reserve (Europe scope) was €14.6 billion.

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

2.2.5 Notes to the annual financial statements

NOTE 1 Cash and balances, Central Banks and CCP

In thousands of euros	12/2023	12/2022
Cash and balances	14	28
Central banks and CCP	3,610,456	4,558,105
Related receivables	1,127	485
TOTAL CASH AND BALANCES, CENTRAL BANKS AND CCP	**3,611,597**	**4,558,618**

NOTE 2 Government debt securities and similar

In thousands of euros	12/2023	12/2022
Fixed-income securities		19,999
GOVERNMENT DEBT SECURITIES AND RELATED ASSETS		**19,999**

RCI Banques S.A. no longer held treasury bills at the end of 2023.

NOTE 3 Receivables on credit institutions

In thousands of euros	12/2023	12/2022
CREDIT BALANCES IN SIGHT ACCOUNTS AT CREDIT INSTITUTIONS	**491,192**	**258,941**
Ordinary accounts in debit	437,196	203,482
Overnight loans	53,520	53,925
Related receivables	476	1,534
TERM DEPOSITS AT CREDIT INSTITUTIONS	**13,330,238**	**12,532,041**
Participating or subordinated loans	115,068	112,748
Term borrowings	13,047,947	12,303,330
Related receivables	167,223	115,963
TOTAL LOANS AND RECEIVABLES ON CREDIT INSTITUTIONS(*)	**13,821,430**	**12,790,982**
(*) Of which related parties:	13,612,531	12,649,891

Related companies mainly correspond to the refinancing operations of subsidiaries.

Receivables vis-à-vis credit institutions are not eligible for refinancing by the European Central Bank.

NOTE 4 Transactions with customers

In thousands of euros	12/2023	12/2022
NON-DOUBTFUL LOANS TO CUSTOMERS	**11,581,507**	**9,723,039**
Loan outstandings allocated and not securitized	7,586,581	6,830,390
Dealer network financing outstandings	4,012,643	2,920,873
Related receivables on non-doubtful contracts	11,466	10,208
Impairment of unpaid receivables	(29,183)	(38,432)
DOUBTFUL LOANS TO CUSTOMERS	**66,253**	**65,824**
Related receivables on doubtful contracts	1,192	929
Receivables on doubtful contracts	94,577	98,370
Impairment of doubtful contracts	(41,197)	(48,936)
Receivables on compromised doubtful contracts	91,920	95,343
Impairment of compromised doubtful contracts	(80,239)	(79,882)
MISCELLANEOUS LOANS	**5,383,363**	**4,691,174**
Trade receivables	141,467	63,865
Loans to financial customers	194,936	226,242
Other customer loans	4,935,065	4,319,540
Participating or subordinated loans on non-financial customers	14,000	14,450
Unallocated amounts	9,152	33,315
Receivables related to miscellaneous loans	88,326	36,043
Doubtful receivables on miscellaneous loans	417	417
Impairment of miscellaneous loans		(2,698)
ORDINARY ACCOUNTS	**532,031**	**292,207**
Healthy ordinary accounts	484,587	267,156
Related receivables on non-doubtful ordinary accounts	47,444	25,051
SPREADS	**210,919**	**343,513**
Spreading of premiums received	(182,585)	(42,035)
Spreading of processing fees received	(80,151)	(66,192)
Spreading of commissions paid	379,320	408,016
Spreading of other expenses paid	94,335	43,724
TOTAL CUSTOMER FINANCE TRANSACTIONS, NET(*)	**17,774,073**	**15,115,757**
(*) Of which related parties:	5,207,348	4,563,353

Receivables vis-à-vis customers, excluding related companies, could potentially be eligible.

But no test was carried out. They are therefore all deemed not to be eligible for ECB funding in 2023.

Breakdown by business segment	12/2023	12/2022
CUSTOMER FINANCING	**7,849,333**	**7,204,648**
Gross value of outstandings	7,973,915	7,343,034
• *of which Non-Doubtful Contracts*	*7,809,359*	*7,184,163*
• *of which Doubtful Contracts*	*75,524*	*67,085*
• *of which Compromised Doubtful Contracts*	*89,032*	*91,786*
Impairment of outstandings	(124,582)	(138,386)
• *of which Non-Doubtful Contracts*	*(13,108)*	*(20,227)*
• *of which Doubtful Contracts*	*(34,053)*	*(39,406)*
• *of which Compromised Doubtful Contracts*	*(77,421)*	*(78,753)*
DEALER NETWORK FINANCING	**4,009,347**	**2,927,727**
Gross value of outstandings	4,035,384	2,956,591
• *of which Non-Doubtful Contracts*	*4,012,251*	*2,920,820*
• *of which Doubtful Contracts*	*20,245*	*32,214*
• *of which Compromised Doubtful Contracts*	*2,888*	*3,557*
Impairment of outstandings	(26,037)	(28,864)
• *of which Non-Doubtful Contracts*	*(16,074)*	*(18,205)*
• *of which Doubtful Contracts*	*(7,145)*	*(9,530)*
• *of which Compromised Doubtful Contracts*	*(2,818)*	*(1,129)*
OTHER ACTIVITIES	**5,915,393**	**4,983,382**
Gross value of outstandings	5,915,393	4,986,080
• *of which Non-Doubtful Contracts*	*5,915,393*	*4,986,080*
• *of which Doubtful Contracts*		
• *of which Compromised Doubtful Contracts*		
Impairment of outstandings		(2,698)
• *of which Non-Doubtful Contracts*	*(1)*	*(2,698)*
• *of which Doubtful Contracts*	*1*	
• *of which Compromised Doubtful Contracts*		
TOTAL CUSTOMER FINANCE TRANSACTIONS, NET	**17,774,073**	**15,115,757**

NOTE 5 Bonds and other fixed income securities

In thousands of euros	12/2023	12/2022
SHORT-TERM INVESTMENT SECURITIES	**7,897,761**	**8,284,844**
Fixed-income securities	7,866,487	8,396,761
Related receivables on fixed-income investment securities	35,182	24,489
Impairment of fixed income securities	(3,908)	(136,406)
TOTAL BONDS AND OTHER FIXED INCOME SECURITIES(*)	**7,897,761**	**8,284,844**
(*) Of which related parties:	1	
(*) Of which listed securities:	7,073,362	7,647,136

The market value of fixed-income investment securities was €7,972.03 million at the end of December 2023, compared with €8,273.67 million at the end of December 2022.

The unrealized capital gain amounted to €108.52 million in 2023 (after taking into account the discount) compared to an unrealized capital loss of -€122.43 million in 2022.

Bonds and other fixed income securities are issued with all types of issuers.

Details of available-for-sale securities acquired as part of securitization transactions

Originator	DIAC SA	DIAC SA	DIAC SA	DIAC SA	DIAC SA	Italian branch	German branch	German branch	German branch	German branch	German branch	German branch	Spanish branch
Commen-cement date	May 2012	July 2013	October 2020	October 2020	October 2023	July 2015	March 2014	July 2017	October 2021	May 2019	October 2021	March 2023	November 2022
Issuing vehicle	Cars Alliance Auto Loans France FCT Master	FCT Cars Alliance DFP France	Cars Alliance Auto Leases France Master	Cars Alliance Auto Leases France V2020-1	Cars Alliance Auto Leases France V 2023-1	Cars Alliance Auto Loans Italy 2015 s.r.l.	Cars Alliance Auto Loans Germany Master	Cars Alliance DFP Germany 2017	Cars Alliance Auto Loans Germany V2021-1	Cars Alliance Auto Loans Germany V2019-1	Cars Alliance Auto Loans Germany V2021-1	Cars Alliance Auto Loans Germany V 2023-1	Cars Alliance Auto Loans Spain 2022
Type of receivables sold	Auto loans to customers	Receivables from independent dealers	Auto leasing loans to customers (Rents)	Auto loans to customers	Auto leasing (Rent)	Auto loans to customers	Auto loans to customers	Receivables from independent dealers	Auto loans to customers	Auto loans to customers	Auto loans to customers	Auto loans to customers	Auto loans to customers
Amount of shares subscribed at 31/12/2023 (in thousands of euros)	Class A Rating: AAA 656,700	Class A Rating: AA 1,000,000	Class A Rating: AAA 722,200	Class A Rating: AAA 63 152	Class A Rating: AAA 100,000	Class A Rating: AA 1,834,800	Class A Rating: AAA 891,100	Class A Rating: AAA 540,000			Class A Rating: AAA 136,011		Class A Rating: AA 1,120,000
				Class B Rating: AA 9 400			Class B Non rated 66,600		Class B Rating: A 24,300				
Amount of shares subscribed at 31/12/2023 (in thousands of euros)						Class J Non rated 295,600			Class C Non rated 48,700				
										Class C Non rated 51,360		Class C Non rated 37,840	Class B Non rated 107,700

NOTE 6 Equities and other variable-income securities

In thousands of euros	12/2023	12/2022
Variable-income securities	110,989	106,733
TOTAL SHARES AND OTHER VARIABLE-INCOME SECURITIES (*)	**110,989**	**106,733**
(*) Of which listed securities:	70,352	70,351

The market value of variable-income investment securities was €112.07 million at the end of December 2023 compared to €105.80 million at the end of December 2022.

The unrealized capital gain amounted to €1.08 million in 2023 (after taking into account the discount) compared to an unrealized capital loss of -€0.94 million in 2022.

NOTE 7 Other long-term securities

In thousands of euros	12/2023	12/2022
GROSS VALUE OF SECURITIES	**4,212**	**4,212**
Other long-term securities	4,212	4,212
IMPAIRMENT OF SECURITIES	**(211)**	**(211)**
Impairment of other long-term securities	(211)	(211)
TOTAL EQUITY INVESTMENTS AND OTHER LONG-TERM SECURITIES (*)	**4,001**	**4,001**

(*) Including listed securities.

NOTE 8 Investments and shares in related companies

In thousands of euros	12/2023	12/2022
Shares in related companies	2,570,051	2,258,662
Equity investments	23,271	27,484
Impairment of equity investments	(11,300)	(7,000)
Impairment of shares in related companies	(122,595)	(90,523)
TOTAL SHARES IN RELATED COMPANIES (*)	**2,459,427**	**2,188,623**

(*) Including listed securities.

Change in shares in related companies and other investments

In thousands of euros	Base	Impairment allowance
OPENING BALANCE	**2,286,146**	**(97,523)**
KADENSIS		(2,200)
Trader Mobility Holding GmbH	10,000	(29,930)
Mobilize Pay	1,300	(4,300)
Mobilize Lease & CO S.A.S.	250,000	
Mobilize Insurance	23,942	58
RCI Servicios Colombia	3,390	
RN Finance RUS LLC – Sale for symbolic 1 RUB	(1,029)	
BIPICAR MOBILITY SL	19,000	
RCI CO SEGUROS PERSONAS SAU	573	
CLOSING BALANCE	**2,593,322**	**(133,895)**

NOTE 9 Finance leasing and leasing with a purchase option

In thousands of euros	12/2023	12/2022
Gross non-current assets	4,517,411	4,076,781
Depreciation and amortization	(1,527,666)	(1,580,836)
Expired rents	17,259	17,970
Impairment of unpaid receivables	(2,738)	(3,880)
Related receivables	457	796
Doubtful rents	14,035	(13,177)
Impairment of doubtful rents	7,782	7,016
Compromised doubtful rents	5,591	4,424
Impairment of compromised doubtful rents	(4,616)	(3,592)
Spreading of premiums received	(108,939)	(82,599)
Spreading of processing fees received	(10,701)	(10,164)
Spreading of commissions paid	45,074	48,823
Spreading of other expenses paid	6,647	4,754
TOTAL FINANCE LEASE AND LEASE WITH A PURCHASE OPTION TRANSACTIONS (*)	**2,944,032**	**2,478,638**
(*) Of which related parties:	(87,899)	(72,877)

NOTE 10 Operating leases

In thousands of euros	12/2023	12/2022
Gross non-current assets	379,908	408,571
Depreciation and amortization	(167,458)	(146,840)
Expired rents	654	1,316
Impairment of unpaid receivables and residual values	(2,467)	(3,190)
Doubtful rents	441	399
Impairment of doubtful rents	(323)	(307)
Spreading of premiums received	(1)	
Spreading of commissions paid	106	142
TOTAL OPERATING LEASE TRANSACTIONS (*)	**210,860**	**260,091**
(*) Of which related parties:	200,018	249,772

NOTE 11 Intangible assets

In thousands of euros	12/2023	12/2022
GROSS VALUE OF INTANGIBLE ASSETS	**25,738**	**20,041**
Concessions, patents and similar rights	25,126	19,432
Other intangible assets	612	609
AMORTIZATION OF INTANGIBLE ASSETS	**(7,714)**	**(7,281)**
Amortization of concessions, patents and similar rights	(7,333)	(6,957)
Amortization of other intangible assets	(381)	(324)
TOTAL INTANGIBLE ASSETS	**18,024**	**12,760**

NOTE 12 Property, plant and equipment

In thousands of euros	12/2023	12/2022
GROSS VALUE OF PROPERTY, PLANT AND EQUIPMENT	**30,839**	**33,040**
Buildings	357	331
Transport equipment	2,936	2,429
Office equipment and furniture	5,353	6,477
IT equipment and furniture	9,294	10,279
Other property, plant and equipment	12,899	13,524
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	**(24,709)**	**(26,637)**
Depreciation of buildings	(328)	(298)
Depreciation of transport equipment	(414)	(506)
Depreciation of office equipment and furniture	(4,263)	(4,944)
Depreciation of IT equipment and furniture	(8,583)	(9,580)
Depreciation of other property, plant and equipment	(11,121)	(11,309)
TOTAL PROPERTY, PLANT AND EQUIPMENT(*)	**6,130**	**6,403**
(*) Of which related parties:	8	8

NOTE 13 Other assets

In thousands of euros	12/2023	12/2022
State	184,224	41,019
Receivables relating to securities transactions		105
Social Security and employee-related receivables	141	301
Miscellaneous debtors	571,559	460,725
Related receivables from miscellaneous debtors	16,856	20,182
TOTAL OTHER ASSETS	**772,780**	**522,332**

RCI Banque S.A. opted to recognize part of its annual contributions to the Single Resolution Fund in the balance sheet. For its part, the additional part is recorded in the income statement as taxes and duties.

Thus, miscellaneous debtors include, as at 31 December 2023, a cumulative amount of security deposit in respect of the SRF of €16,116 thousand and a cumulative amount of €13,008 thousand as at 31 December 2022.

In return, an irrevocable off-balance sheet payment commitment of an identical amount is recorded in financing commitments (Note 25).

NOTE 14 Adjustment account

In thousands of euros	12/2023	12/2022
Deferred expenses and premiums on debt securities	43,398	35,443
Prepaid expenses	19,503	21,018
Income receivable on swaps or FFIs	61,318	39,461
Other receivables	128,806	39,928
Currency adjustment accounts	1	4,780
Items received on collections	211,139	104,490
TOTAL ADJUSTMENT ACCOUNTS	**464,165**	**245,120**

The offsetting entry for income and expenses arising from the translation of spot and forward foreign exchange transactions recorded off-balance sheet is recorded in the balance sheet under "Currency adjustment account." The conversion is made at the closing price.

NOTE 15 Amounts payable to credit institutions

In thousands of euros	12/2023	12/2022
SIGHT ACCOUNTS PAYABLE TO CREDIT INSTITUTIONS	**93,964**	**85,743**
Ordinary accounts in credit	93,964	85,212
Overnight loans		529
Related liabilities		2
TERM DEPOSITS AT CREDIT INSTITUTIONS	**6,477,511**	**7,561,234**
Term borrowings	6,422,753	7,557,322
Related liabilities	54,758	3,912
TOTAL LIABILITIES TO CREDIT INSTITUTIONS(*)	**6,571,475**	**7,646,977**
(*) Of which related parties:	4,441,051	4,235,098

The balance of the financing granted by the Banque de France in exchange for the loans and securities mobilized was €1,892.25 million at the end of December 2023 compared to €3,210.39 million at the end of December 2022.

NOTE 16 Transactions with customers

In thousands of euros	12/2023	12/2022
SIGHT ACCOUNTS ON TRANSACTIONS WITH CUSTOMERS	**16,443,502**	**15,433,169**
Ordinary accounts in credit	845,701	387,130
Passbook saving accounts	15,560,585	15,018,738
Advance payments and other amounts due	28,460	21,862
Debts vis-à-vis financial customers	322	19
Related liabilities	8,434	5,420
TERM DEBT ON TRANSACTIONS WITH CUSTOMERS	**7,875,313**	**5,612,330**
Ordinary term accounts in credit	7,869,373	5,608,138
Related liabilities	5,940	4,192
TOTAL TRANSACTIONS WITH CUSTOMERS(*)	**24,318,815**	**21,045,499**
(*) Of which related parties:	1,343,837	1,078,134

NOTE 17 Debt securities

In thousands of euros	12/2023	12/2022
DEBT SECURITIES	**13,179,647**	**12,366,692**
Bonds	12,150,756	11,741,759
Negotiable debt securities	1,028,891	624,933
RELATED LIABILITIES ON DEBT SECURITIES	**160,896**	**89,856**
Bonds	160,896	88,256
Negotiable debt securities		1,600
TOTAL DEBT SECURITIES	**13,340,543**	**12,456,548**

NOTE 18 Other liabilities

In thousands of euros	12/2023	12/2022
State	68,948	30,480
Social security and employee-related liabilities	11,189	10,657
Miscellaneous creditors	329,396	331,684
Related liabilities on other sundry creditors	186,208	153,481
Guarantee deposits received on lease and related transactions	16,825	8,399
TOTAL OTHER LIABILITIES	**612,566**	**534,701**

NOTE 19 Adjustment accounts

In thousands of euros	12/2023	12/2022
Income to be allocated on issue premiums of borrowings	9,588	12,213
Prepaid income on lease and related transactions	59,013	49,533
Prepaid income on transactions with customers	235,954	172,828
Other prepaid income	4,966	7,929
Currency adjustment accounts	31,822	
Accrued expenses on swaps or FFIs	101,067	48,879
Adjustment accounts – liabilities	102,481	106,200
TOTAL ADJUSTMENT ACCOUNTS	**544,891**	**397,582**

NOTE 20 Provisions

			Reversals			
In thousands of euros	12/2022	Charge	Used	Not used	Other changes(*)	12/2023
IMPAIRMENT OF BANKING TRANSACTIONS	**90,592**	**32,622**		**(9,605)**		**113,609**
Disputes with customers	2,182	186				2,368
Country risks	88,410	32,436		(9,605)		111,241
IMPAIRMENT OF NON-BANKING TRANSACTIONS	**47,190**	**19,530**	**(18,769)**	**(3,134)**	**(1)**	**44,816**
Pension commitments	1,950	32	(75)	(311)		1,596
Subsidiary risks	340	64	(287)			117
Social and restructuring plans	8,021	3,634	(3,634)	(1,305)		6,716
Other risks and expenses	36,879	15,800	(14,773)	(1,518)	(1)	36,387
TOTAL PROVISIONS	**137,782**	**52,152**	**(18,769)**	**(12,739)**	**(1)**	**158,425**

(*) Other changes = Reclassification and currency translation effects.

None of the known disputes in which the Company is involved is expected to result in significant losses that have not been provisioned.

20.1 Provisions for pension and other post-employment benefits

In thousands of euros	Actuarial value of commitments	Actuarial value of invested funds	Commitments net of invested funds	Actuarial differences	Provisions in the balance sheet
BALANCE AT 31 DECEMBER 2021	**2,116**		**2,116**	**(220)**	**1,896**
Net expense for the 2022 financial year	383		383		383
Benefits and contributions paid	(329)		(329)		(329)
Actuarial differences	(130)		(130)	130	
BALANCE AT 31 DECEMBER 2022	**2,040**		**2,040**	**(90)**	**1,950**
Net expense for the 2023 financial year	(123)		(123)		(123)
Benefits and contributions paid	(231)		(231)		(231)
Actuarial differences	4		4	(4)	
BALANCE AT 31 DECEMBER 2023	**1,690**		**1,690**	**(94)**	**1,596**

Main actuarial assumptions	12/2023	12/2022
Retirement age	67 years	67 years
Salary increases	1.50%	1.50%
Financial discount rate	0.30%	0.30%
Departure rate of company employees	3.00%	3.00%

Pension commitments only concern the Italian branch.

20.2 Provisions made to cover counterparty risk

In thousands of euros	12/2022	Charge	Reversals	Other changes[(*)]	12/2023
IMPAIRMENT RECOGNIZED AS AN ASSET	**422,073**	**162,548**	**(278,628)**	**566**	**306,559**
Transactions with customers	187,933	45,558	(65,512)	566	168,545
Securities transactions	234,140	116,990	(213,116)		138,014
IMPAIRMENT OF BANKING TRANSACTIONS	**90,592**	**32,622**	**(9,605)**		**113,609**
Disputes with customers	2,182	186			2,368
Country risks	88,410	32,436	(9,605)		111,241
TOTAL	**512,665**	**195,170**	**(288,233)**	**566**	**420,168**

(*) Other changes = Reclassification and currency translation effects.

NOTE 21 Subordinated debt

In thousands of euros	12/2023	12/2022
Subordinated securities	850,000	850,000
Related liabilities on subordinated securities	19,378	19,378
TOTAL SUBORDINATED LIABILITIES	**869,378**	**869,378**

NOTE 22 Equity

In thousands of euros	12/2022	Allocation of 2022 earnings	Change 2023	12/2023
Subscribed capital	100,000			100,000
Share and merger premiums	258,807			258,807
Legal reserve	10,000			10,000
Other reserves	309,614			309,614
Revaluation differences	76			76
Retained earnings	2,243,393	(15,456)	1	2,227,938
Net income for the year	584,544	(584,544)	772,741	772,741
TOTAL EQUITY	**3,506,434**	**(600,000)**	**772,742**	**3,679,176**

The Company's share capital consists of 1,000,000 shares, of which 999,994 are held by Renault s.a.s.

Earnings per share and diluted earnings per share amounted to €772.74 at 31 December 2023, compared with €584.54 in 2022.

As RCI Banque has not issued any dilutive instruments such as convertible bonds, diluted earnings per share are identical to earnings per share.

It therefore corresponds to income for the year divided by the total number of shares.

Proposed allocation of 2023 income	
Retained earnings after allocation of 2022 income	2,227,938
Net income for the year	772,741
AVAILABLE BALANCE	**3,000,679**
Dividends	600,000
RETAINED EARNINGS AFTER ALLOCATION OF INCOME	**2,400,679**

In respect of the 2022 financial year, there was a dividend distribution in the amount of €600,000,000, i.e. €600 per share.

NOTE 23 Breakdown of financial assets and liabilities by remaining term to maturity

In thousands of euros	Less than 3 months	From 3 to 12 months	From 1 to 5 years	+5 years	Total 12/23
FINANCIAL ASSETS	**15,220,016**	**8,322,276**	**19,234,487**	**328,082**	**43,104,861**
Cash and balances, Central Banks and CCP	3,611,597				3,611,597
Receivables on credit institutions	4,631,698	2,284,429	6,790,235	115,068	13,821,430
Transactions with customers	4,894,485	5,621,487	7,045,087	213,014	17,774,073
Bonds and other fixed income securities	2,082,236	416,360	5,399,165		7,897,761
FINANCIAL LIABILITIES	**20,003,029**	**4,860,905**	**15,307,585**	**4,928,692**	**45,100,211**
Amounts payable to credit institutions	1,696,254	1,732,775	3,142,446		6,571,475
Transactions with customers	16,900,231	1,217,642	2,872,250	3,328,692	24,318,815
Debt securities	1,387,166	1,910,488	9,292,889	750,000	13,340,543
Subordinated debt	19,378			850,000	869,378

In thousands of euros	Less than 3 months	From 3 to 12 months	From 1 to 5 years	+5 years	Total 12/22
FINANCIAL ASSETS	**13,954,983**	**11,320,225**	**14,193,721**	**1,301,271**	**40,770,200**
Cash and balances, Central Banks and CCP	4,558,618				4,558,618
Government debt securities and similar	19,999				19,999
Receivables on credit institutions	3,946,807	3,910,970	4,933,205		12,790,982
Transactions with customers	3,717,583	5,207,155	6,009,748	181,271	15,115,757
Bonds and other fixed income securities	1,711,976	2,202,100	3,250,768	1,120,000	8,284,844
FINANCIAL LIABILITIES	**19,325,645**	**7,472,738**	**13,020,019**	**2,200,000**	**42,018,402**
Amounts payable to credit institutions	1,263,831	3,333,292	3,049,854		7,646,977
Transactions with customers	16,337,768	1,560,498	2,447,233	700,000	21,045,499
Debt securities	1,704,668	2,578,948	7,522,932	650,000	12,456,548
Subordinated debt	19,378			850,000	869,378

NOTE 24 Breakdown of assets and liabilities by geographical area of operation

In thousands of euros	France	European Union (excluding France)	Rest of the world	Total 12/23
FINANCIAL ASSETS	**34,239,971**	**26,483,190**	**155,773**	**60,878,934**
Cash and balances, Central Banks and CCP	3,421,676	187,912	2,009	3,611,597
Receivables on credit institutions	13,624,178	186,370	10,882	13,821,430
Transactions with customers	5,057,750	12,644,882	71,441	17,774,073
• *of which Non-Doubtful Contracts*	*5,057,750*	*12,578,629*	*71,441*	*17,707,820*
• *of which Doubtful Contracts*		*54,572*		*54,572*
• *of which Compromised Doubtful Contracts*		*11,681*		*11,681*
Bonds and other fixed income securities	7,078,617	819,144		7,897,761
FINANCIAL LIABILITIES	**24,419,769**	**20,627,105**	**53,337**	**45,100,211**
Amounts payable to credit institutions	6,438,627	106,045	26,803	6,571,475
Transactions with customers	3,771,221	20,521,060	26,534	24,318,815
Debt securities	13,340,543			13,340,543
Subordinated debt	869,378			869,378

In thousands of euros	France	European Union (excluding France)	Rest of the world	Total 12/22
FINANCIAL ASSETS	**33,379,106**	**22,269,776**	**237,075**	**55,885,957**
Cash and balances, Central Banks and CCP	4,389,310	168,504	804	4,558,618
Government debt securities and similar	19,999			19,999
Receivables on credit institutions	12,697,833	92,072	1,077	12,790,982
Transactions with customers	4,376,766	10,621,394	117,597	15,115,757
• *of which Non-Doubtful Contracts*	*4,376,766*	*10,555,575*	*117,592*	*15,049,933*
• *of which Doubtful Contracts*		*50,358*	*5*	*50,363*
• *of which Compromised Doubtful Contracts*		*15,461*		*15,461*
Bonds and other fixed income securities	7,518,432	766,412		8,284,844
FINANCIAL LIABILITIES	**23,633,647**	**18,309,276**	**75,479**	**42,018,402**
Amounts payable to credit institutions	7,484,880	111,274	50,823	7,646,977
Transactions with customers	2,822,841	18,198,002	24,656	21,045,499
Debt securities	12,456,548			12,456,548
Subordinated debt	869,378			869,378

NOTE 25 Commitments given

In thousands of euros		12/2023	12/2022
FINANCING COMMITMENTS		**1,526,784**	**1,864,545**
Start of confirmed loans granted to credit institutions		475,232	240,154
Start of confirmed loans granted to customers		1,036,552	1,494,391
Other commitments made to customer institutions		15,000	130,000
GUARANTEE COMMITMENTS		**1,034,283**	**1,080,820**
Sureties, endorsements and other guarantees issued by credit institutions		956,453	917,055
Sureties, endorsements and other customer guarantees		77,830	163,765
OTHER COMMITMENTS GIVEN		**7,076,818**	**7,649,610**
Securities pledged as collateral		7,076,818	7,649,610
TOTAL COMMITMENTS GIVEN(*)		**9,637,885**	**10,594,975**
(*) Of which related parties:	Guarantee commitments	756,319	777,148
	Financing commitments	496,299	380,167

Other commitments made correspond mainly to receivables and securities provided as collateral to the Central Bank to obtain the loan related to the mobilization.

NOTE 26 Commitments received

In thousands of euros		12/2023	12/2022
FINANCING COMMITMENTS		**9,401,627**	**8,757,145**
Start of confirmed loans received from credit institutions		9,401,627	8,757,145
GUARANTEE COMMITMENTS		**7,255,564**	**5,430,015**
Sureties, endorsements and other guarantees received from credit institutions		123,830	91,567
Sureties, endorsements and other guarantees received from customers		1,116,318	1,135,816
Pledges and other collateral received from customers		919,932	895,713
Commitment to take back leased vehicles		5,095,484	3,306,919
TOTAL COMMITMENTS RECEIVED(*)		**16,657,191**	**14,187,160**
(*) Of which related parties:	Guarantee commitments	935,397	1,160,136

A financing commitment received from the European Central Bank was recorded at 31 December 2023 for an amount of €7,074 million, compared to €7,723 million in 2022.

NOTE 27 Forward and spot foreign exchange financial instruments

In thousands of euros	Less than 1 year	From 1 to 5 years	More than 5 years	Net carrying amount 12/23	Fair value 12/23
HEDGING OF CURRENCY RISK					
Currency swaps					
Purchases (borrowings) of currency swaps	46,645	34,066		80,711	1,735
Sales (loans) of cross-currency swaps	46,901	34,401		81,302	54,804
Forward forex transactions					
Forward forex purchases	1,559,841			1,559,841	1,674,804
Forward forex sales	1,605,207			1,605,207	1,574,371
Spot forex transactions					
Spot forex purchases	2,295			2,295	2,295
Spot forex sales	15,362			15,362	15,362
HEDGING OF INTEREST-RATE RISK					
Interest rate swaps					
Interest rate swap purchases (borrowings)	11,187,088	12,194,740	500,000	23,881,828	22,420,125
Sales (loans) of interest rate swaps	11,187,087	12,194,741	500,000	23,881,828	22,334,241

The fair value corresponds to the nominal value of the financial instruments adjusted to their market value.

In thousands of euros	Less than 1 year	From 1 to 5 years	More than 5 years	Net carrying amount 12/22	Fair value 12/22
HEDGING OF CURRENCY RISK					
Currency swaps					
Purchases (borrowings) of currency swaps	94,020	36,097		130,117	66,662
Sales (loans) of cross-currency swaps	93,025	35,942		128,967	104,998
Forward forex transactions					
Forward forex purchases	1,449,624			1,449,624	1,513,097
Forward forex sales	1,466,236			1,466,236	1,476,306
Spot forex transactions					
Spot forex purchases	1,997			1,997	1,997
Spot forex sales	24,547			24,547	24,547
Transactions in foreign currencies					
Currencies loaned but not yet delivered	16,877			16,877	16,877
HEDGING OF INTEREST-RATE RISK					
Interest rate swaps					
Interest rate swap purchases (borrowings)	12,726,744	13,206,123	250,000	26,182,867	25,061,602
Sales (loans) of interest rate swaps	12,726,744	13,206,123	250,000	26,182,867	25,098,237

The fair value corresponds to the nominal value of the financial instruments adjusted to their market value.

NOTE 28 Foreign currency assets and liabilities

In thousands of euros	12/2023	12/2022
Equivalent value in euros of foreign currency assets	2,372,998	2,456,732
Equivalent value in euros of foreign currency liabilities	836,205	698,275

NOTE 29 Interest and similar income

In thousands of euros	12/2023	12/2022
Interest and income on transactions with credit institutions	924,412	305,861
Interest and income on transactions with customers	995,422	734,705
Interest and income on bonds and other fixed-income securities	296,389	200,023
Interest and income on other transactions	3,071	3,813
TOTAL INTEREST AND SIMILAR INCOME(*)	**2,219,294**	**1,244,402**
(*) Of which related parties:	863,638	404,167

NOTE 30 Interest and similar expenses

In thousands of euros	12/2023	12/2022
Interest and expenses on transactions with credit institutions	(312,861)	(137,878)
Interest and expenses on transactions with customers	(914,178)	(518,967)
Interest and expense on bonds and other fixed-income securities	(506,258)	(156,447)
Interest and expenses on subordinated debt	(22,313)	(22,313)
Interest and expenses on other transactions		(2)
TOTAL INTEREST AND SIMILAR EXPENSES(*)	**(1,755,610)**	**(835,607)**
(*) Of which related parties:	(247,799)	(85,078)

NOTE 31 Net income on lease and related transactions

In thousands of euros	12/2023	12/2022
INCOME FROM FINANCE LEASE AND RELATED TRANSACTIONS	**825,487**	**769,405**
Rental charges	783,403	719,233
Interest on arrears	2,590	2,319
Capital gains on disposal of non-current assets	39,490	47,971
Loss on receivables written off (interest portion)	(257)	(200)
Reversals of provisions	1,910	1,248
Provisions	(1,649)	(1,166)
EXPENSES ON FINANCE LEASE AND RELATED TRANSACTIONS	**(698,408)**	**(679,333)**
Depreciation and amortization	(612,373)	(587,260)
Spreading of commissions and other expenses paid	(48,945)	(52,070)
Capital losses on disposals of non-current assets	(32,768)	(36,969)
Other expenses	(4,322)	(3,034)
TOTAL ON LEASE AND RELATED TRANSACTIONS	**127,079**	**90,072**

NOTE 32 Operating lease transactions

In thousands of euros	12/2023	12/2022
INCOME FROM OPERATING LEASE TRANSACTIONS	**56,042**	**61,750**
Rental charges	49,168	54,983
Interest on arrears	24	18
Capital gains on disposal of non-current assets	6,850	6,749
EXPENSES FROM OPERATING LEASE TRANSACTIONS	**(43,333)**	**(47,337)**
Depreciation and amortization	(36,206)	(39,813)
Spreading of commissions and other expenses paid	(36)	(47)
Capital losses on disposals of non-current assets	(7,091)	(7,301)
Other expenses		(176)
TOTAL OPERATING LEASE TRANSACTIONS	**12,709**	**14,413**

NOTE 33 Income from variable-income securities

In thousands of euros	12/2023	12/2022
Investment portfolio income	124,814	113,079
Income from shares in related companies and equity investments	366,103	421,792
TOTAL INCOME FROM VARIABLE-INCOME SECURITIES	**490,917**	**534,871**

NOTE 34 Commissions

In thousands of euros	12/2023	12/2022
COMMISSION INCOME	**67,808**	**52,078**
Customer commissions	11,124	7,960
Securities commissions	3	3
Other commissions	56,681	44,115
COMMISSION EXPENSES	**(65,832)**	**(28,202)**
Credit institution commissions	(404)	(665)
Customer commissions	(319)	(93)
Securities commissions	(12,391)	(383)
Other commissions	(52,718)	(27,061)
TOTAL COMMISSIONS(*)	**1,976**	**23,876**
(*) Of which related parties:	7,631	5,278

NOTE 35 Gains or losses on trading book or investment portfolios

In thousands of euros	12/2023	12/2022
GAINS OR LOSSES ON TRADING BOOK TRANSACTIONS	**(9,394)**	**(2,880)**
Foreign exchange transactions	(9,395)	(2,881)
Interest rate swap transactions	1	1
GAINS OR LOSSES ON INVESTMENT PORTFOLIOS RELATED SIMILAR TRANSACTIONS	**132,498**	**(135,487)**
Provisions	(79,039)	(135,713)
Reversals of provisions	211,537	226
TOTAL GAINS OR LOSSES ON FINANCIAL TRANSACTIONS	**123,104**	**(138,367)**

NOTE 36 Other operating income

In thousands of euros	12/2023	12/2022
OTHER INCOME FROM BANKING OPERATIONS	**169,118**	**202,573**
Transfers of expenses (inc. comp. insurance received from vehicle claims)	8,454	6,278
Joint transactions	7,067	8,100
Other income from banking operations	153,597	188,195
OTHER OPERATING INCOME	**19,655**	**23,491**
Income from service activities	18,044	18,700
Other operating income	1,611	4,791
TOTAL OTHER OPERATING INCOME	**188,773**	**226,064**

NOTE 37 Other operating expenses

In thousands of euros	12/2023	12/2022
OTHER BANKING OPERATING EXPENSES	**(27,398)**	**(8,757)**
Joint transactions		(72)
Other banking operating expenses	(27,732)	(5,344)
Change in provisions for banking operating risks and expenses	334	(3,341)
OTHER OPERATING EXPENSES	**(8,821)**	**(10,218)**
Expenses for service activities	(8,182)	(7,424)
Other operating expenses	(636)	(1,012)
Change in provisions for other operating risks and expenses	(3)	(1,782)
TOTAL OTHER OPERATING EXPENSES	**(36,219)**	**(18,975)**

NOTE 38 General operating expenses

In thousands of euros	12/2023	12/2022
EMPLOYEE BENEFITS EXPENSE	**(163,406)**	**(146,119)**
Wages and salaries	(71,260)	(66,570)
Employee-related expenses on pensions	(6,726)	(3,604)
Other employee-related expenses	(16,350)	(15,089)
Reinvoicing of employee benefits expense	(68,880)	(57,733)
Other employee benefits expenses	(190)	(3,123)
OTHER ADMINISTRATIVE EXPENSES	**(176,928)**	**(135,415)**
Taxes and duties	(39,898)	(35,257)
External works, supplies and services	(125 606)	(95,454)
Non-spreadable expenses paid to third parties	(37,289)	(25,859)
Change in impairment of other administrative expenses	160	(15)
Re-invoicing of administrative expenses	25,705	21,170
TOTAL GENERAL OPERATING EXPENSES(*)	**(340,334)**	**(281,534)**
(*) Including Statutory Audit fees:	(508)	(483)

The administrative and management bodies do not receive remuneration in respect of their terms of office.

Regarding the Statutory Auditors' fees, the services other than the certification of the financial statements provided by KPMG S.A. during the financial year to RCI and the entities it controls mainly concern (i) comfort letters in the context of issues (ii) certification assignments relating in particular to CSR information and (iii) agreed procedures carried out mainly for local regulatory reasons. The services other than the certification of the financial statements provided during the financial year by Mazars Audit to RCI and the entities it controls concern (i) comfort letters in the context of bond issues, (ii) agreed procedures carried out mainly for local regulatory reasons.

Average workforce	12/2023	12/2022
France		
European Union (excluding France)	1,011	992
• *of which Registered Workforce*	*999*	*976*
• *of which Seconded Employees*	*12*	*16*
Rest of the world	19	18
• *of which Registered Workforce*	*19*	*18*
GLOBAL	**1,030**	**1,010**

NOTE 39 Cost of risk by customer category

In thousands of euros	12/2023	12/2022
COST OF RISK ON LEASE TRANSACTIONS	**36**	**2,923**
Provisions	(9,871)	(7,476)
Reversals of provisions	9,671	9,719
Write-offs	(333)	(357)
Amounts recovered on loans written off	569	1,037
COST OF RISK ON CREDIT TRANSACTIONS	**(49,378)**	**(70,778)**
Provisions	(37,275)	(39,743)
Reversals of provisions	54,676	45,216
Write-offs	(71,919)	(81,277)
Amounts recovered on loans written off	5,140	5,026
COST OF RISK ON OTHER TRANSACTIONS WITH CUSTOMERS	**2,012**	**(4,996)**
Provisions		(2,698)
Reversals of provisions	2,698	
Write-offs	(686)	(2,298)
COST OF RISK ON OTHER TRANSACTIONS	**(23,017)**	**(15,772)**
Provisions	(32,622)	(23,648)
Reversals of provisions	9,605	7,876
TOTAL COST OF RISK(*)	**(70,347)**	**(88,623)**
(*) Of which related parties:	2,012	(2,698)

NOTE 40 Net gains or losses on non-current assets

In thousands of euros	12/2023	12/2022
Gains or losses on financial assets	(9,582)	(82,204)
Gains or losses on property, plant and equipment	(16)	
TOTAL GAINS OR LOSSES ON NON-CURRENT ASSETS	**(9,598)**	**(82,204)**

NOTE 41 Income tax

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.

Branches are taxed in each of the countries in which they operate.

For its French activities, RCI Banque is included in the tax consolidation scope of Renault s.a.s. As such, its taxable income is integrated with that of its parent company, to which it pays the corresponding corporate tax. The principle adopted is that RCI Banque's tax expense is identical to that which the Company would have incurred if it had not been a member of the Group.

NOTE 42 Results by business segment

In thousands of euros	France	EU (excluding France)	Rest of the world	Total 12/23
CUSTOMER FINANCING				
Net Banking Income		509,265		509,265
Gross operating income		270,671		270,671
Operating income		230,566		230,566
Pre-tax income		254,290		254,290
DEALER NETWORK FINANCING				
Net Banking Income		159,749	20,187	179,936
Gross operating income		138,795	17,302	156,097
Operating income		129,371	17,302	146,673
Pre-tax income		133,227	17,302	150,529
REFINANCING ACTIVITIES				
Net Banking Income	682,822			682,822
Gross operating income	602,909			602,909
Operating income	582,091			582,091
Pre-tax income	544,913			544,913
ALL ACTIVITIES				
Net Banking Income	682,822	669,014	20,187	1,372,023
Gross operating income	602,909	409,466	17,302	1,029,677
Operating income	582,091	359,937	17,302	959,330
Pre-tax income	544,913	387,517	17,302	949,732

In thousands of euros	France	EU (excluding France)	Rest of the world	Total 12/22
CUSTOMER FINANCING				
Net Banking Income		570,770		570,770
Gross operating income		373,040		373,040
Operating income		293,384		293,384
Pre-tax income		295,858		295,858
DEALER NETWORK FINANCING				
Net Banking Income		71,205	30,845	102,050
Gross operating income		49,627	26,607	76,234
Operating income		59,561	26,607	86,168
Pre-tax income		59,764	26,607	86,371
REFINANCING ACTIVITIES				
Net Banking Income	467,929			467,929
Gross operating income	407,887			407,887
Operating income	388,986			388,986
Pre-tax income	304,105			304,105
ALL ACTIVITIES				
Net Banking Income	467,929	641,975	30,845	1,140,749
Gross operating income	407,887	422,667	26,607	857,161
Operating income	388,986	352,945	26,607	768,538
Pre-tax income	304,105	355,622	26,607	686,334

2.3 Subsidiaries and equity investments

Breakdown of investments whose value exceeds 1% of the Company's capital (in thousands of euros under IFRS)	Country	Share capital	Equity (excluding share capital)	% ownership	Net income for the last financial year
SUBSIDIARIES WHICH ARE MORE THAN 50%-OWNED					
Mobilize Pay	France	11,300	(6,331)	100.00%	(4,969)
Mobilize Lease & CO S.A.S	France	255,000		100.00%	404
Mobilize Insurance	France	24,000	(742)	100.00%	(4,720)
OVERLEASE (FORMERLY RLT SERVICE)	Spain	6,000	2,764	100.00%	(499)
SL RCI financial services BV	Netherlands	1,500	17,128	100.00%	5,425
RCI FINANCE SA	Switzerland	4,320	67,809	100.00%	16,079
COURTAGE SA	Argentina		4,932	95.00%	10,576
SL RCI Leasing Romania s.r.l.	Romania	3,332	19,589	100.00%	2,333
Renault Crédit Zrt	Hungary	261	2,756	100.00%	(436)
RCI Finance Maroc	Morocco	26,546	43,093	100.00%	12,687
RCI Servicios Colombia	Colombia	4		100.00%	
SL RCI Finance CR Sro	Czech R.	6,148	5,508	100.00%	2,193
SL RCI Korea	South Korea	52,662	185,180	100.00%	7,441
BANCO RCI BRASIL S.A.	Brazil	183,749	424	60.11%	44,512
ROMBO COMPANIA FINANCIERA	Argentina	67	1,122	60.00%	6,526
DIAC	France	415,101	1,403,106	100.00%	102,163
RENAULT AUTOFIN SA (FORMERLY RENAUL	Belgium	800	19,802	100.00%	8,276
SL RCI FINANCIAL SERVICIES	Belgium	1,100	6,193	100.00%	903
SL RENAULT CREDIT POLSKA	Poland	16,016	14,570	100.00%	6,927
SL RENAULT LEASING CZ	Czech R.	2,831	18,483	50.00%	3,569
CONSORCIO RENAULT DO BRASIL	Brazil	1,356	3,514	99.92%	2,771
RCI SERVICES LTD	Malta	10,000	(93,342)	100.00%	172,643
SOC DE PART RCI BRASIL LTDA	Brazil	18,652	3,290	100.00%	6,211
RCI Usluge d.o.o	Croatia	1,566	581	100.00%	1,102
RN SF B.V.	Netherlands	142,742	(112,738)	50.00%	17,565
RCI Colombia SA Comp.de financ	Colombia	54,828	23,086	51.00%	(14,475)
RCI Bank UK Ltd	GB	334,158	227,453	100.00%	117,686
BIPICAR MOBILITY SL	Spain	7,274	21,878	100.00%	(4,284)
EQUITY INVESTMENTS HELD BETWEEN 10% AND 50%					
KADENSIS	France	32,450	(10,079)	12.33%	(7,821)
ORFIN Finasman Anonim Sirketi	Turkey	4,747	13,507	50.00%	6,918
NRSFI India Private Limited	India	77,254	39,571	30.00%	6,928

Global information on all subsidiaries and equity investments	Subsidiaries		Equity investments		Other companies	
	French	Foreign	French	Foreign	French	Foreign
Gross carrying amount of securities held	1,460,248	954,601		138,683	4,000	40,000
Net carrying amount of securities held	1,448,948	941,287		67,101	1,800	4,290
Loans and advances granted by the Company	12,517,371	3,213,303				
Sureties and endorsements given by the Company	58	756,106				
Dividends received by the Company	72,401	291,309		2,390		3

2.4 Statutory Auditors' report on the annual financial statements

For the year ended 31 December 2023

To the General Meeting of RCI Banque S.A.,

Opinion

In compliance with the engagement entrusted to us by your General Meeting, we audited the accompanying annual financial statements of RCI Banque S.A. for the financial year ended 31 December 2023.

We certify that the annual financial statements were, in accordance with French accounting rules and principles, prepared in due form and give a true and fair view of the results of operations over the past financial year, as well as of the Company's financial position and its assets and liabilities at the end of this financial year.

The audit opinion expressed above is consistent with our report to the Accounts and 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 annual financial statements" section of this 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 1 January 2023 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

Pursuant to the provisions of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we draw your attention to the key audit matters relating to the risks of material misstatement that, in our professional judgment, were of most significance for our audit of the annual financial statements for the financial year, as well as how we addressed those risks.

These assessments were made in the context of the audit of the annual financial statements taken as a whole and of the formation of our opinion expressed above. We do not express an opinion on the items of these annual financial statements taken in isolation.

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. As indicated in Note 2.2.2 to the annual financial statements, impairment losses for credit risk are recorded to cover the risk of non-recovery of receivables. They are determined on an individual or collective basis. We considered that the impairment losses for credit risk are a key audit matter given the importance of the amount of the loans to end customers and the dealer network on the assets side of the balance sheet, the use of numerous parameters and assumptions in the calculation of statistically determined impairments, and the significant exercise of judgment involved in their determination. These impairment losses were estimated in view of the mixed macroeconomic context, which is reflected notably in the deceleration of inflation and the rise in interest rates. Impairment losses for credit risk are presented in Note 4 to the financial statements, and amounted to €150.6 million at 31 December 2023, representing gross outstandings of €17.8 billion.
Our audit response	With the support of our credit risk experts and IT specialists, our work involved: • assessing the methodologies applied to determine the parameters used in the impairment model and their due operational inclusion in the information systems; • assessing the impairment adjustments relying on expert assessments and inspecting the documentation underlying the additional impairment allowances; • performing controls on RCI Banque's IT system, including a review of general IT controls, interfaces and automatic controls involved in the preparation of financial information; • carrying out substantive analytical procedures on the evolution of outstanding loans to customers and the dealer network, and impairment allowances for credit risk from one financial year to the next; • examining the compliance of the information published in the notes to the annual financial statements with the applicable accounting rules.

Specific Verifications

In accordance with professional standards applicable in France, we also performed the specific verifications required by law and regulations.

The fair presentation and consistency with the annual financial statements of the information relating to the payment periods mentioned in Article D.441-6 of the French Commercial Code call for the following observation: as indicated in the management report, this information does not include banking and related transactions, as your company considers that they do not fall within the scope of the information to be produced.

Information provided in the management report and in the other documents on the financial position and the annual financial statements sent to the shareholders

We have no matters to report as to the fair presentation and consistency with the annual financial statements of the information provided in the management report of the Board of Directors and in the other documents on the financial position and the annual financial statements sent to the shareholders.

In accordance with the law, we inform you that, contrary to the provisions of Article D.441-6 of the French Commercial Code, the Board of Directors' management report does not set out payment periods. Consequently, we cannot attest to their fair presentation and their consistency with the annual financial statements.

Report on corporate Governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L.225374 and L.221010 of the French Commercial Code.

Report on Other Legal and Regulatory Requirements

Format of presentation of the annual financial statements intended to be included in the annual financial report

In accordance with the professional standards applicable in France on the due diligence of Statutory Auditors in relation to the annual and consolidated financial statements presented per the European Single Electronic Format, we also verified that the annual financial statements included in the annual financial report referred to in I of Article L.451-1-2 of the French Monetary and Financial Code, prepared under the responsibility of the Chief Executive Officer, comply with this format as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the annual financial statements intended to be included in the annual financial report complies, in all material respects, with the European Single Electronic Format.

It is not our responsibility to verify that the annual financial statements that will ultimately be included by your company in the annual financial report filed with the French Financial Markets Authority (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 General Meeting held 22 May 2014, in the case of KPMG S.A., and on 29 April 2020, in the case of Mazars.

As at 31 December 2023, KPMG S.A. and Mazars were respectively in the 10th year and 4th year of total uninterrupted engagement.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for preparing annual financial statements that present a true and fair view in accordance with French accounting rules and standards and for implementing the internal control that it deems necessary to prepare annual financial statements that are free from material misstatement, whether due to fraud or error.

When preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, for disclosing in these statements, where appropriate, the necessary information relating to going concern, and for applying the going concern accounting policy, unless the Company is to be wound up or cease its 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 annual financial statements were approved by the Board of Directors.

Statutory Auditors' responsibilities for the audit of the annual financial statements

Objectives and audit approach

Our role is to issue a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual 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 may arise from fraud or error, and are considered material when it is reasonable to expect that they could, individually or in the aggregate, influence the economic decisions made by users of the financial statements on the basis of said statements.

As specified in Article L.821-55 of the French Commercial Code, 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. In addition, the Statutory Auditor:

- identifies and assesses the risks of material misstatement of the annual 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 their 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 annual financial statements;
- assesses the appropriateness of management's implementation of the going concern accounting policy and, based on the information gathered, the existence or otherwise of any material uncertainties related to events or circumstances that may call into question the Company's ability to continue as a going concern. This assessment is based on information gathered up to the date of the Board's report, bearing in mind that subsequent events or circumstances could call into question the Company's ability 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 annual financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the annual financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 to the Board of Directors on any material weaknesses in the internal control procedures relating to the preparation and processing of financial and accounting information.

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 annual financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code 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 safeguards implemented to address them.

The Statutory Auditors

Paris La Défense, 11 March 2024

KPMG S.A.
Ulrich SARFATI
Partner

MAZARS
Anne VEAUTE
Partner

03.

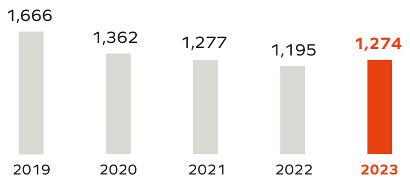
MANAGEMENT REPORT

as of 31 December 2023

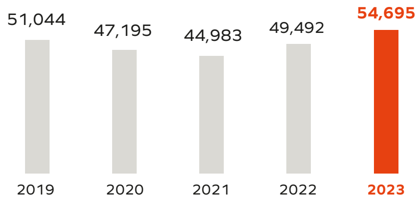
CONTENT

3.1 Key figures of the Mobilize F.S. group

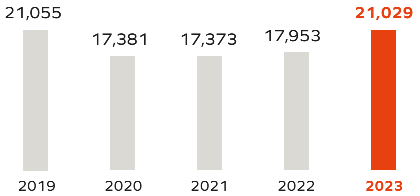
/ TOTAL NUMBER OF VEHICLE CONTRACTS
(in thousands)



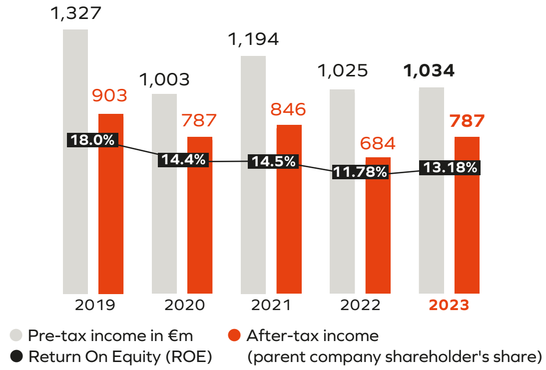
/ NET ASSETS AT END OF PERIOD [1]
(in millions of euros)



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



/ INCOME
(in millions of euros)



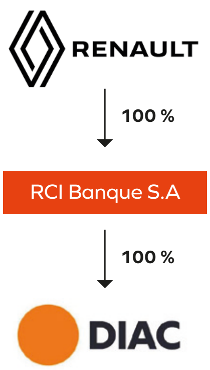
1) Net assets at year-end = Net total outstanding + Operating lease transactions net of depreciation and impairment

3.2 Presentation of the activities of the Mobilize Financial Services group

3.2.1 General presentation of RCI Banque

Presentation of the organization

In accordance with Article L.233-13 of the French Commercial Code, we hereby inform you that, at the reporting date of this financial year, the Company's share capital was 99.99%-owned by Renault s.a.s. and that RCI Banque holds directly, in France, 99.99% of the capital of DIAC S.A., a credit and insurance intermediary, with capital amounting to €415,100,500, registered in the Bobigny Trade and Companies Register under number 702 002 221



Mobilize Financial Services is a brand owned and operated by RCI Banque.

Our purpose

By decision of the Board of Directors of 6 January 2022, the Company adopted a purpose ("raison d'être") defined as follows:

English version:

"AS A PARTNER WHO CARES

FOR ALL ITS CUSTOMERS

WE BUILD INNOVATIVE FINANCIAL SERVICES

TO CREATE SUSTAINABLE MOBILITY FOR ALL"

French version:

"À L'ÉCOUTE DE TOUS NOS CLIENTS

NOUS CRÉONS DES SERVICES FINANCIERS INNOVANTS

POUR CONSTRUIRE UNE MOBILITÉ DURABLE POUR TOUS"

The purpose is not included in the Company's Articles of Association.

3.2.2 Presentation of the Products and Services offering

In May 2022, RCI Banque reached a new milestone and adopted a new commercial identity, becoming Mobilize Financial Services, the brand reference for all car-related usage-based mobility needs. As a partner who cares about all its customers, Mobilize Financial Services creates innovative financing services to build sustainable mobility for all.

As the automotive industry undergoes major changes, the strengthening of links between Mobilize and Mobilize Financial Services allows Renault Group's strategy to go beyond the automotive industry, based on a mobility services value chain model. To support Mobilize's development, Mobilize Financial Services leverages on its 100 years of expertise, its commercial and financial performance, and its regular contacts with more than 4 million customers, whose satisfaction is constantly increasing. Mobilize Financial Services offers innovative services and digital experiences which allow customers to reduce their usage cost while accessing a greener mobility.

Tailor-made offers for each type of customer

For Retail customers, we offer financing solutions and services tailored to their projects and usage, aiming to facilitate, support and enhance their experience throughout their automotive mobility journey. Our solutions and services apply to both new and used vehicles.

For Professional customers, we provide a wide range of mobility solutions to free them from the constraints associated with managing their vehicle fleet, allowing them to focus on their core business.

For the Renault Group and Nissan and Mitsubishi brand Dealer Networks, we provide active support by financing inventories (of new vehicles, used vehicles and spare parts), as well as short-term cash requirements.

The savings banking business, a pillar of the Company's refinancing

Launched in 2012, the savings business activity is present in seven markets: France, Germany, Austria, the United Kingdom, Brazil, Spain and the Netherlands. Deposits collection serves as a lever to diversify the refinancing sources for the Group's operations. The amounts collected totaled €28.1 billion, i.e. around 51% of the net assets at the end of December 2023.

Almost 4,000 employees are fully committed to create sustainable mobility for all

Mobilize Financial Services focuses on three key priorities:

- Developing car leasing and subscription offers. Mobilize Financial Services anticipates benefiting from the operating lease market's growth and aims to deploy subscription offers leveraging the expertise of Bipi, a company acquired in 2021.
- Expanding the used vehicle segment with optimized financing across the lifecycle. Mobilize Financial Services will accelerate its used vehicle financing activity by focusing on the entire lifecycle and providing an integrated journey, including maintenance, recycling and remarketing.
- To achieve these objectives, Mobilize Financial Services is developing new, more collaborative working methods that leverage collective intelligence.

Leveraging nearly 100 years of expertise in automotive financing, we aim to expand financing for used vehicles as well as subscription and operational leasing offers. These initiatives will eventually provide us with a fleet of used vehicles, facilitating the growth of our financing and subscription activities in this niche. In this context, the exposure to residual value risk is expected to increase.

3.3 Business activity

Due to the end of semiconductor shortages and vehicle price increases, Mobilize Financial Services saw its new financing increase by 17.1% compared to 2022.

3.3.1 Changes in the Renault Group automotive/manufacturers context and the Nissan and Mitsubishi brands in the scope operated by RCI Banque

In an automotive market up 12.8%, the volumes of the Renault Group, Nissan and Mitsubishi brands reached 2.17 million vehicles in 2023, a 14% increase.

3.3.2 Commercial performance

The penetration rate stands at 43.4%, a decrease of 1.4 points compared to 2022. The penetration rate of electric vehicles stood at 48.1% in 2023, +5.2 points compared to the penetration rate of other types of motorization.

Mobilize Financial Services financed 1,274,199 contracts in 2023, up 6.6% on 2022.

The Used Vehicle Financing activity shows a decline of 3.3% compared to 2022, with 330,352 financed cases.

New financing (excluding credit cards and personal loans) amounted to €21 billion, up 17.1% as a result of the 9.9% increase in the average amount financed.

Average performing assets (APA) related to the Retail Activity amounted to €40.7 billion over 2023. They were up 6.3%, driven by the growth in new financing.

Average performing assets related to the Dealer Network business increased by 62.8% to €10.5 billion, thanks to a return to a normal level of vehicle inventories at dealerships due to the end of the semiconductor shortage. Overall, the average performing assets amounted to €51.2 billion, a 14.4% increase compared to 2022.

Mobilize Financial Services sold 3.9 million service and insurance contracts in 2023, a 1.5% increase compared to 2022.

The Europe Region remains the heart of Mobilize Financial Services' business, with new financing (excluding credit cards and personal loans) totaling €19.3 billion, a 22% increase from 2022, representing 92% of the Group's new financing. Growth is mainly concentrated in France, Italy and Germany.

The Americas Region faced difficulties in 2023 (Colombian automotive market down compared to 2022 and negative impact of exchange rates in Argentina). New financing decreased by 6% compared to 2022, to stand at €1.3 billion.

New financing in the Africa - Middle East - India and Pacific Region amounted to €0.4 billion, a 42% decrease compared to 2022. This decrease is mainly due to the decline of Renault Group registrations in Korea.

3.4 Analysis of economic performance – consolidated financial statements

3.4.1 General information

Net banking income (NBI) amounted to €1,961 million, a 2.7% decrease compared to 2022. This decrease is mainly due to the impact of interest rate swaps covering sight deposits that are accounted for at market value. It should be noted that the impact of the valuation of swaps is a non-recurring effect. The contribution to NBI from Service activities represents 36.8%, up by 5.1 points compared to 2022.

Operating expenses totaled €712 million, up €74 million compared to the end of 2022. They represent 1.39% of average performing assets (hereinafter "APA"), i.e. an improvement of 3 basis points compared to 2022.

The total cost of risk stood at 0.30% of APA, compared to 0.44% at the end of December 2022, i.e. an expense of €153 million in 2023 compared to €195 million in 2022.

Pre-tax income amounted to €1,034 million, compared to €1,025 million at the end of December 2022. It was positively impacted by the normalization of the customer risk cost and the margin on services. The share of income from associates increased by +€115 million. It should be recalled that a €119 million impairment on equity securities in the Russian joint venture was recorded in 2022, impacting the income.

Consolidated net income - parent company shareholders' share - amounted to €787 million for 2023, compared to €684 million in 2022.

3.4.2 Analysis of the consolidated financial statements

3.4.2.1 Balance sheet

Consolidated balance sheet

Assets (in millions of euros)	12/2023	12/2022 Restated(*)
Cash and balances at Central Banks	4,733	5,874
Derivatives	225	329
Financial assets at fair value through equity	483	521
Financial assets at fair value through profit or loss	143	224
Amounts receivable at amortized cost from credit institutions	1,539	1,690
Loans and advances at amortized cost to customers	53,851	48,631
Current tax assets	88	41
Deferred tax assets	249	220
Tax receivables other than on current income tax	322	125
Reinsurance contracts assets	33	36
Adjustment accounts and other assets	1,583	978
Non-current assets held for sale	-	19
Investments in associates and joint ventures	97	66
Operating lease transactions	1,564	1,383
Tangible and intangible non-current assets	150	123
Goodwill	136	137
TOTAL ASSETS	**65,196**	**60,397**

(*) Restatement of IFRS 17 impact.

Liabilities (in millions of euros)	12/2023	12/2022 Restated(*)
Central Banks	2,375	3,715
Derivatives	289	322
Financial liabilities at fair value through profit or loss	62	29
Amounts payable to credit institutions	2,275	2,012
Amounts payable to customers	29,312	25,473
Debt securities	20,316	18,108
Current tax liabilities	135	108
Deferred tax liabilities	772	899
Taxes payable other than on current income tax	54	25
Adjustment accounts and other amounts payable	1,880	2,004
Non-current liabilities held for sale	-	1
Liabilities on insurance contracts issued	182	166
Provisions	151	188
Subordinated debt	893	886
Equity	6,500	6,461
• of which equity – owners of the parent	6,499	6,460
Share capital and attributable reserves	*814*	*814*
Consolidated reserves and other	*5,256*	*5,160*
Unrealized or deferred gains and losses	*(358)*	*(198)*
Net income for the year	*787*	*684*
• of which equity – non-controlling interests	1	1
TOTAL LIABILITIES	**65,196**	**60,397**

(*) Restatement of IFRS 17 impact.

Off-consolidated statement of financial position

In millions of euros	12/2023	12/2022 Restated(*)
Commitments given	**3,437**	**4,600**
Financing commitments	3,092	4,209
Guarantee commitments	279	305
Other commitments given	66	86
Commitments received	**26,298**	**23,044**
Financing commitments	4,631	4,714
Guarantee commitments	21,603	18,242
Other commitments received	64	88

(*) Restatement of IFRS 17 impact.

3.4.2.2 Consolidated income statement

In millions of euros	12/2023	12/2022 Restated(1)
Interest and similar incomes	3,397	2,152
Interest expenses and similar charges	(2,109)	(883)
Commission income	765	679
Commission expenses	(383)	(311)
Net gains (losses) on financial instruments at fair value through profit or loss	(109)	69
Income from insurance contracts issued	387	359
Expenses related to insurance contracts issued	(25)	(65)
Income and expenses related to reinsurance contracts held	-	1
Financial income and expenses from insurance contracts issued	(16)	(10)
Income of other activities	813	601
Expense of other activities	(759)	(576)
NET BANKING INCOME	**1,961**	**2,016**
General operating expenses	(693)	(618)
Depreciation and impairment losses on tangible and intangible assets	(19)	(20)
GROSS OPERATING INCOME	**1,249**	**1,378**
Cost of risk	(153)	(195)
OPERATING INCOME	**1,096**	**1,183**
Share of income of associates and joint ventures(3)	(12)	(127)
Gains less losses on non-current assets	(1)	-
Income exposed to inflation(4)	(49)	(31)
PRE-TAX INCOME	**1,034**	**1,025**
Income tax	(234)	(321)
NET INCOME	**800**	**704**
Of which Comprehensive income attributable to non-controlling interests	13	20
Of which owners of the parent	787	684
Number of shares	1,000,000	1,000,000
Earnings per share(2) and in euros	787.00	684.12
Diluted earnings per share in euros	787.00	684.12

(1) Restatement of IFRS 17 impact.
(2) Net income – Owners of the parent compared to the number of shares.
(3) The equity-accounted value of RN SF B.V. was fully impaired as of 31 December 2022 due to the uncertainties regarding the recoverability of this asset, representing a negative impact on the share of income of associates and joint ventures of €119 million. period. Also included is the impact of Turkish hyperinflation for an amount of €(6) million.
(4) Argentina hyperinflation.

3.4.3 Macroeconomic context and financial policy (refinancing and security)

To combat inflation, Central Banks continued their monetary tightening policies in the first half of 2023. In the second half of 2023, as inflation eased and economies demonstrated increased resilience, Central Banks ended the rate hike cycle. At the end of 2023, the monetary policy cycle entered a new phase with the receding risk of recession, accompanied by the rise of geopolitical and budgetary risks.

In the United States, despite ongoing inflationary pressures and a resilient labor market, key rate hikes continued into July, after pausing in June (+100 bps since December 2022, +525 bps since January 2022).

In the middle of the first half-year, financial markets went through a phase of volatility and risk aversion. After a period of rising interest rates, some banks, possessing significant bond portfolios with unrealized capital losses, had a weakened balance sheet. The US authorities have put in place rescue measures to protect the depositors of these institutions. At the end of May, the improvement in economic statistics (lower inflation and producer prices, less pressure on the job market) led the FED to hold its key rates steady at its June meeting.

The second half of the year was characterized by accelerating growth of the U.S. economy (+4.9% GDP in Q3, +2.9% year-on-year), and a growing awareness of the scale of federal government deficits (new crisis over the debt ceiling and downgrading of the country's credit). Between July and October, the rise in long-term rates prompted the Fed to keep its benchmark rates unchanged, considering that they were producing equivalent effects to monetary tightening. The strength of the U.S. economy was confirmed by year-end data, allowing the Fed to confirm the halt in rate rises at its December meeting. Inflationary pressures eased (3.1% in November) while the job market normalized. Unemployment increased to 3.9% in November compared to 3.6% at the end of June and the annual average. Job creations fell significantly to 150k in Q3 from an average of 240k in 2023. Markets reacted strongly to this new monetary policy stance. At the end of December, they expected a reduction of 150 bps over the coming 12 months, with the first cut in March 2024.

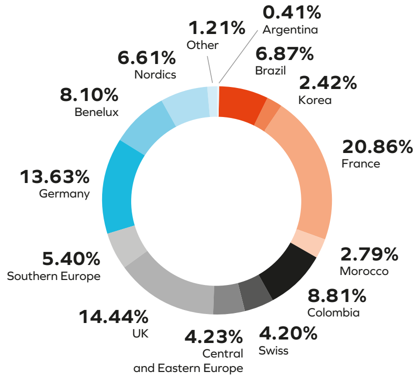
In Europe, the ECB raised its key rate at each governor's meeting from February to September 2023 (+200 bps between December 2022 and September 2023, +450 bps since the start of the tightening cycle in July 2022) and reduced its balance sheet from the beginning of March 2023, as announced in December 2022. The "APP" asset purchase program portfolio was thus reduced by an average of €15 billion per month. As in the United States, European markets experienced significant volatility in the middle of the half year.

Striking a balance between price stability and financial stability has been the ECB's priority in its monetary policy decisions. From September onwards, the ECB indicated that it would prefer to keep its rates high for a long time to come, in order to continue to fight inflation and reduce economic risks. Economic indicators for the second half of the year were mixed. Inflation seemed to be under control and decreased sharply (+2.4% in November, +5.5% in June vs. +8.6% in January), but the economy shows signs of weakness (GDP: +0.1% at the end of September vs +1.8% at the end of 2022).

At the end of December, markets were expecting rates to remain at current level until Q2 2024 and to fall by 160 bps by the end of 2024.

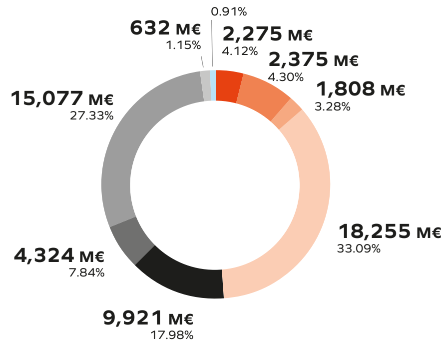
/ GEOGRAPHICAL DISTRIBUTION OF NEW RESOURCES AT 1 YEAR AND OVER

(excluding deposits and TLTRO) (as of 31 December 2023)



/ STRUCTURE OF TOTAL DEBT

(as of 31 December 2023)



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

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

Following a divergence in short-term rates during the first half of the year, sovereign rates on long maturities exhibited a significant spread in October, only to revert to their early-September levels by year-end. German 2-year bond yields increased by 51 bps in H1 and decreased by -28 bps since the beginning of the year (2.39% at the end of 2023 compared with 2.67% at the beginning of 2023). In the meantime, German 10-year government bond yields were at 2.02% at the end of December 2023, having peaked at 3% in mid-October (2.39% at the end of June, and 2.44% at the beginning of 2023). Yields on US bonds have risen by 53 bps over the two-year period and 14 bps over the 10-year period since the beginning of 2023, reaching 4.25% and 3.88% respectively at the end of December 2023 (compared with 4.38% and 3.7% at the beginning of 2023).

Despite a few periods of sharp decline (March and October 2023), equity markets continued their recovery that began in the fourth quarter of 2022. The Eurostoxx 50 and the S&P 500 are up +19% and +24.2% respectively year-to-date. After an episode of volatility in the middle of the half-year, during which the IBOXX Corporate Bond Euro index reached a high of 115.6 bps, the index stood at 91 bps at the end of December 2023, a level very close to that observed at the end of 2022.

In this context, the Group issued the equivalent of €3.9 billion on the bond market in 2023 and saw its credit rating upgraded by Moody's during the month of August. In particular, it launched its second green bond issue for €750 million. The success achieved through this operation demonstrates that the Group's ESG strategy is well-received by the market and confirms Mobilize F.S.'s commitment to the fight against climate change. The Group also issued 200 million Swiss francs with a five-year maturity and five tranches of €750 million, with maturities of 3, 3 1/2, 4, 5 and 6 years, respectively.

In the securitization market, the Group placed two public transactions in 2023. The first transaction placed €719 million worth of securities backed by car loans granted by its German branch. The second transaction involved the issue of €737 million in securities (of which €100 million were auto-subscribed) backed by automotive lease-to-purchase plans (LOA) outstandings granted by its French subsidiary. The revolving period for private securitizations of car loans in the United Kingdom, leasing in Germany, and the residual value component of lease-to-own (LOA) contracts in France has been extended for an additional year. Their amount was increased to £600 million in the UK, €400 million in Germany and €400 million in France.

The retail savings activity proved to be very dynamic and competitive in terms of resources collected. Deposits mitigated the impact of the rising costs of market funding, thus demonstrating the relevance of the financing diversification strategy initiated over 10 years ago. Savings deposits received increased by €3.8 billion since the beginning of the year, to stand at €28.2 billion.

These resources, together with, for the Europe scope, €4.4 billion in undrawn confirmed bank lines, €5.4 billion in collateral eligible for Central Bank monetary policy operations and €4.6 billion in highly liquid assets (HQLA), enable the Mobilize Financial Services group to maintain the financing granted to its customers for more than 12 months without access to external liquidity. As at December 2023, the Mobilize Financial Services group's liquidity reserve (Europe scope) stood at €14.6 billion.

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

As at 31 December 2023, a parallel rise in rates [1] would have an impact on the Group's net interest income (NII) of -€4.5 million, with the following contribution by currency:

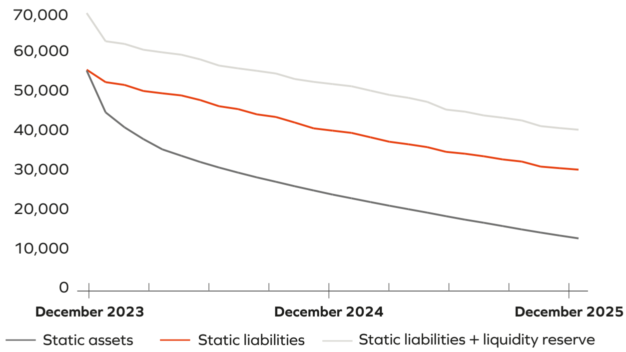
- -€5.4 million in EUR;
- -€1.3 million in GBP;
- +0.2 million in CHF;
- -€0.6 million in PLN;
- +€0.7 million in MAD;
- +€0.2 million in CZK

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

Groupe RCI Banque's consolidated transactional foreign exchange position [2] was €17.9 million at the end of December.

/ STATIC LIQUIDITY POSITION [3]

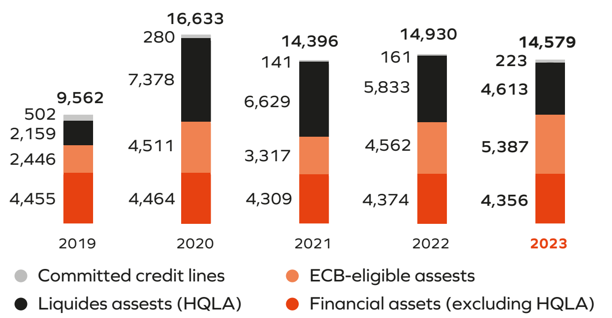
(in millions of euros)



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

/ LIQUIDITY RESERVE [3]

(in millions of euros)



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

Mobilize F.S. group issues and programs

The Group's consolidated issues are made by seven issuers: RCI Banque, Diac, Rombo Compañía Financiera (Argentina), RCI Financial Services Korea Co, Ltd (South Korea), Banco RCI Brasil (Brazil), RCI Finance Maroc (Morocco) and RCI Colombia S.A. 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: **Baa1** (Stable).

3.4.4 Ongoing litigation

To date, there is no ongoing litigation that could have a material impact on the financial statements for the year ended 31 December 2023.

3.4.5 Events after the reporting period

The acquisition of Mobility Concept and MeinAuto, divisions of the MeinAuto Group, a major player in the German automotive leasing market, was completed on 2 January 2024 by Mobilize Lease&Co, a subsidiary of RCI Banque S.A. This transaction aims to accelerate the growth and development of long-term rental offers in Germany.

This synergy will allow Mobilize Lease&Co to deploy package offers, subscription services and flexible multi-brand leasing formulas.

This acquisition represents a structuring development opportunity thanks to its €1.5 billion fleet assets composed of 60,000 vehicles and 350 employees. The fair value of the net assets acquired amounts to €167 million. Acquisition goodwill is estimated at €81 million. The purchase price allocation is in progress.

There are no other notable post-closing events.

3.4.6 Outlook for 2024

After a period initially impacted by shortages of semiconductors followed by logistical difficulties, the brands financed by the Mobilize F.S. group anticipate a normalization of the automotive market. This normalization, coupled with a rich year regarding commercial launches, is expected to lead to a robust sales level and sustained growth in new vehicle and outstanding financings.

In 2024, the Mobilize Financial Services group aims to confirm the resilience of its financial performance in a context of gradually decreasing interest rates, which are expected to remain higher than the levels before the significant increase observed over the last two years.

Considering the Company's cautious provisioning policy, the cost of risk in 2024 is expected to align with historical average levels.

The volume of residual values taken at risk by Mobilize F.S. is expected to increase, in particular due to the acquisition of the MeinAuto group entities finalized in January 2024.

The review announced by the FCA in the United Kingdom among automotive financing players illustrates the particular attention of national regulators to consumer protection. The applicable rules on business conduct should be reinforced. Mobilize F.S. will continue to put customers' protection and satisfaction at the center of its strategy.

3.5 Risk factors

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

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

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

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

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

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

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

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

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

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

Risk related to geopolitical instability

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

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

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

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

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

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

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

- physical risks: linked to the impacts of climate change and environmental degradation through extreme events (floods, heat waves, etc.) or long-term developments (temperature variability, loss of biodiversity, etc.);
- 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 risk categories (credit risk, residual value risk, strategic risk, liquidity risk, operational and compliance risk, insurance risk).

The Group could be exposed to physical climate risk impacting its ability to maintain its services in geographical areas impacted by extreme events (floods, droughts, etc.), as well as by the negative impact of extreme weather events on its customers' business or even directly on the Group's business through insurance products (CPI, ALM). Moreover, the Group could be exposed to transition risks through its credit portfolio, for certain business sectors or with the introduction of regulations, for example in the automotive sector to limit the use of vehicles or encourage the transition to electric alternatives.

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

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, particularly in terms of vehicle emissions, while facing an infrastructure environment under construction and the entry of new players. 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 with a high transition risk and, as far as physical risk is concerned, the location of Mobilize F.S. group's customer base is not overly concentrated geographically.

3.5.2 Financial risk

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 that end, the Group imposes stringent internal standards on itself. The Group finances its activities through long-term debt issues, bank loans, negotiable debt security 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 average short-term liquidity coverage ratio (LCR) over 12 months was 448% as of 31 December 2023. Liquidity reserves amounted to €14.6 billion as of 31 December 2023.

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

Interest rate risk in the banking book (IRRBB) refers to the 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 Mobilize F.S. group's customer loans are generally issued at fixed interest rates, for terms of one to seventy-two months, while dealer loans are issued at fixed rates for terms of less than twelve months. Mobilize F.S. group's exposure to interest rates is assessed daily by measuring sensitivity for each currency, management entity and asset portfolio, and cash flow hedging is systematic, using swaps to convert floating-rate liabilities into fixed-rate liabilities.

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 the Mobilize F.S. group monitors its interest rate risk using a Group-wide methodology, the hedging of the risk is not always perfect, reflecting the difficulty of adjusting the borrowing structure to match the structure of customer loans.

Changes in interest rates cannot always be predicted or hedged and, if they are not predicted or hedged appropriately, they could have an adverse effect on the Mobilize F.S. group's business, financial position and operating results. The overall sensitivity of the Mobilize F.S. group to interest rate risk remained below the limit set at €70 million.

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The consolidated sensitivity to interest-rate risk of NII based on the internal scope, calculated as the sum of the absolute values of the sensitivities to currency-adjusted shocks in all currencies, amounted to €9.9 million at the end of December 2023, compared with €5.7 million at the end of 2022.

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, Groupe Renault. RCI Banque S.A. is, at the date of this publication, rated Baa1 (stable outlook) by Moody's France SAS and BBB- (stable outlook) by S&P Global Ratings Europe Limited.

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

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

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

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

Foreign exchange risk

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

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

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

At 31 December 2023, the consolidated transactional foreign exchange position of the Mobilize F.S. group amounted to €17.9 million, and to €12.7 million at 31 December 2022.

3.5.3 Product risks

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

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

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

The Mobilize 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.

An 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.

The total cost of risk as of 31 December 2023 was 0.30% of average performing assets, and as of 31 December 2022 it was 0.44%.

As of 31 December 2023, customer net assets amounted to €43.1 billion and those of dealers to €11.6 billion.

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

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

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

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

At the end of 2023, the direct risk borne by MFS was €3,356 million (i.e. +€849 million vs. 2022), mainly in the United Kingdom.

3.5.4 Operational risks

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

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

The risk related to information and communication technologies (ICT) therefore covers, among other things, the risk of disclosure of information (confidentiality) or of alteration of information (integrity) due to unauthorized access to ICT systems and data from inside or outside the institution (e.g. cyberattacks), the risk of system disruption (availability) due to an inability to restore the services of the institution in a timely manner or to 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 in ICT systems in a timely and controlled manner.

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

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

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

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

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

3.5.5 Legal, regulatory and tax risks

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

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

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

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

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

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

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

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

The Mobilize F.S. group uses its own internal models to calculate risk-weighted assets and thus capital requirements. In previous years, the Mobilize F.S. group has received remarks and comments on some of the models audited by the ECB for which it has been requested to revise certain parameters or to introduce temporary additions to its calculations. The bank addresses most of these recommendations and the new EBA guidance on estimating PDs, estimating LGDs and dealing with defaulted assets by submitting packages (new models and methodologies) to the supervisor (ECB).

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

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

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

3.5.6 Internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The Mobilize F.S. group has a comprehensive internal control system that aims to identify, analyze, manage and control the main identifiable risks with regard to the Company's objectives (see the "Risks" section of the RCI annual report). The Group Internal Control Committee approved the general framework of this system, which is described in the internal control charter applicable to all French and foreign companies over which RCI Banque has effective control.

This charter defines the system applicable to the entire Group and notably specifies:

- the general internal control management system;
- the local systems of subsidiaries, branches and joint ventures;
- the specific systems of the various functional areas.

Each year, the Risk Management Director and the Internal Control Director present the results of ongoing controls, notably accounting controls and anti-corruption accounting controls, and changes in related systems to the Audit and Accounts Committee of RCI Banque's Board of Directors, which assesses the internal control system and, where necessary, requests action for improvement.

The Mobilize F.S. group prepares consolidated financial statements using a single consolidation tool, structured according to a plan of consolidation headings common to all entities. The consolidation tool produces accounting and management reports through a single data entry, guaranteeing the consistency of the information contained in the financial statements and in the various internal dashboards.

RCI Banque prepares individual financial statements by compiling the accounts of the head office and its branches. To do so, it uses the elements included in the common consolidation tool and transforms them into French accounting standards.

3.5.6.1 Principles used to prepare the financial statements

The consolidating company RCI Banque defines, coordinates and supervises the preparation of financial and accounting information. The responsibility for the preparation of the separate financial statements and the restated financial statements for consolidation lies with the administrative and financial directors of the subsidiaries, under the authority of the Chairmen and Chief Executive Officers of these same subsidiaries.

At all levels of the Group, the main principles that prevail and which are used to prepare the financial statements are as follows:

- processing of the comprehensiveness of transactions;
- compliance with the accounting principles applicable to the Group. Thus, a set of reference documents defines the Group's common presentation and valuation standards and accounting methods. These documents, made available to all entities, contribute to the consistency of the financial information reported;
- the periodic review of assets, liabilities and off-balance sheet commitments (receivables, borrowings, derivatives, cash and cash equivalents, etc.) through procedures for reconciling accounting with operational systems, proof of accounts and inventories. Furthermore, the Group's organization for assessing the internal control and operational risk management system described above applies to the process of preparing financial and accounting information.

An accounting harmonization process has been put in place. A guide to good accounting practices and seven framework accounting procedures have been drawn up for subsidiaries and branches; the procedures were transposed locally (Accounting orders, Reporting, Manual entries, Control of automatic accounting inputs, New accounting schemes, Archiving, Verification of the performance of the first level controls of the chief accountant).

The due coordination of financial reporting with the Group's operational systems is the cornerstone of the preparation of financial and accounting information. The volume of information to be processed, the quality required for the data processed and the reporting time (D + 4) require the use of efficient and controlled information systems.

3.5.6.2 Information systems used for risk management and organizational purposes

3.5.6.2.1 Use of integrated software

The RCI Banque group has chosen to implement an integrated accounting tool (Enterprise Resource Planning or ERP) recognized on the market. The use of such a highly structured integrated software package makes it possible to operate its own internal control logic and ensure the consistency and reliability of the information processed. Notably, the definition and monitoring of user profiles contributes to compliance with the rules of segregation of duties.

This software package, associated with a Group accounting interpreter, was designed to integrate the specificities of the Group's activities through the use of its various modules.

The reliability of accounting and financial information is mainly promoted by the control and standardization of elementary transactions processed by operational systems according to Group standards. These elementary transactions feed, via interfaces, the Group accounting interpreter, which itself transmits the accounting translation of management events or inventory data to the ERP.

Centralized maintenance of the accounting system (accounting interpreter and ERP) within a team of functional and technical experts makes it possible to strengthen the control of accounting production.

3.5.6.2.2 Transaction and control systems

The first control actions are carried out at the level of the major operating systems for financing, service and refinancing transactions, under the responsibility of the major business lines (acceptance, collections/litigation, services, refinancing).

Thus, the acceptance, financing and service contract management, customer and supplier relationship management, refinancing administration, purchase order tracking and workforce management tools all have their own control logic. They are part of operational procedures that contribute to the control of physical and financial transactions, in compliance with the authorization and delegation procedures in force within the Group.

The accounting teams pay particular attention to the control of transaction transfers of among non-integrated operational systems and accounting systems.

For example, at Group level:

- in conjunction with the financing, services, accounts receivable and refinancing management systems, equality is checked by comparing flows and accounting balances with the changes and inventories of management transactions. Any discrepancies identified are analyzed and monitored;
- in conjunction with the purchasing and investment monitoring systems, purchase invoices are checked against orders and fixed asset accounting is carried out.

The accounts are kept according to Group standards with a single operational chart of accounts (Group chart of accounts enhanced according to the specific needs of the countries). However, accounting according to local standards is allowed and makes it possible to produce both Group and local accounting standards at the same time.

All of the financial information required to prepare the RCI Banque group's consolidated financial statements is collected and managed by a single tool. The control process integrated into this tool and its maintenance by a dedicated unit ensure the accuracy and consistency of the subsidiaries' data.

3.5.6.2.3 The role of the accounting and management teams

The accounting teams of the subsidiaries, assisted by the central functions, analyze the financial statements and explain the changes in financial data from one period to another. This analysis is carried out in conjunction with that of local and central management controllers, who analyze performance by comparison with budget data and forecasts. If the analysis of differences or any other verification process reveals a weakness in the quality of the information from the related operational or accounting systems, action plans are implemented with the active participation of operational staff and the finance function to eliminate the causes of these anomalies.

3.5.6.2.4 The role of accounting and central internal control

In addition to the existing system (internal control, RCI Banque audit, etc.) and with a view to a permanent process of improving the reliability of financial information, the accounting and central internal control department, which reports to the Internal Control Department, carries out missions to assess the quality of accounting internal control. The purpose of the department is to regularly audit the accounting of the consolidated subsidiaries. This system thus makes it possible to improve the knowledge and application of Group accounting principles within the subsidiaries.

3.5.6.2.5 Coordination of the accounting function

A department dedicated to coordinating the accounting function ensures the conditions for preparing and substantiating the financial statements by reporting indicators to more specifically monitor the main critical accounting points. These indicators are reported by the finance manager of each subsidiary four times a year.

In addition, each year, the Finance Departments of the various entities assess their accounting and financial risk management systems in relation to the Group's management policy. This assessment is part of the RCI Banque group's overall risk assessment approach.

All of this information from the subsidiaries is analyzed and checked centrally.

In addition, the progress of the action plans (related to accounting control missions) and the shortcomings observed in the accounting risk management systems are monitored.

3.5.6.2.6 Publication of the financial statements

The Group publishes half-yearly information as at 30 June and annual information as at 31 December. These closings are anticipated by pre-closing twice a year: on 31 May for the June closing and on 31 October for the December closing.

Summary meetings are organized among the Group's management (mainly with the Finance Department) and the Statutory Auditors.

The RCI Banque group prepares its consolidated financial statements in accordance with the IFRS standards published by the International Accounting Standards Board (IASB), the adoption of which was published in the Official Journal of the European Union on the reporting date of financial statements.

3.6 Non-financial performance statement

In accordance with Article L.225-102-1 of the French Commercial Code, information relating to the social and environmental consequences of the Company's activities is presented in a consolidated non-financial performance statement at the level of Renault S.A., the Group's parent company.

3.7 Corporate social responsibility

3.7.1 The Company's research and development activities

The Company does not carry out any research and development activities.

3.7.2 Sustainable development

3.7.2.1 Our purpose

Through our purpose ("raison d'être"), all managers and employees are committed to taking concrete action to transform the Company towards a financial business model based on sustainable development in order to create shared value for all its stakeholders.

3.7.2.2 Our ESG strategy, built on three pillars and eight SDGs (UN Sustainable Development Goals)

- **Climate & Environment – FOR a green future:** as a leading player in the automotive industry, we fully recognize our responsibility in the global ecological transition. We have made strong commitments to mitigate our impact on the environment and play a driving role in promoting sustainable mobility. Aware of the challenges of climate change, we are committed to significantly reducing our carbon footprint throughout our value chain.
- **Health & Safety – For well-being:** we recognize that the well-being of our employees is key to our collective success. By fostering a fulfilling environment, we want to not only meet, but anticipate the needs of our employees. In the same way, we consider the satisfaction and safety of our customers to be major issues. Understanding their needs, exceeding their expectations and ensuring the quality of our products and services are fundamental priorities.
- **Diversity & Inclusion – Opportunities FOR all:** we believe the diversity of our employees must reflect the diversity of our customers. Diversity issues are central to our business, and we recognize that every voice contributes to our ability to innovate and better serve our customers. We devote significant efforts to promoting diversity in all its forms, whether it be gender diversity, the inclusion of people with disabilities or the representation of all communities within our workforce.

3.7.2.3 Environmental component

Our goal: carbon neutrality

In line with Renault Group's strategy, we are committed to achieving carbon neutrality by 2040 in Europe, and by 2050 in the rest of the world. We have set ourselves SBTi (Science Based Target initiative) targets by scope as a guideline for achieving these ambitious goals; we aim to reduce our upstream Scopes 1, 2 and 3 [(1)] by 35% by 2030 compared with 2019 (base year), when our carbon footprint was 57 $ktCO_2$.

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

Our monitoring indicator and level of progress

Upstream Scopes 1, 2 and reduction*
25%

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

Resources deployed

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

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

3.7.2.4 Social component

Our goals

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

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

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

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

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

Our monitoring indicators and level of progress

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

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

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

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

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

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

Resources deployed

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

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

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

3.7.2.5 Governance component

Our goals

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

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

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

Our monitoring indicator and level of progress

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

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

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

Resources deployed

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

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

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

3.7.2.6 Taxonomy

A significant part of the Mobilize F.S. group efforts in terms of sustainable development is now highlighted by the European regulation 2020/852 of 18 June 2020, completed by the regulation 2023/2486 of 27 June 2023 establishing a framework aimed at promoting sustainable investments within the European Union, known as the "Taxonomy."

For 2023, Mobilize F.S. group considers that, among its various activities, the following activities are eligible for the taxonomy, as a contribution to the objective of mitigating climate change:

- **transport by motorcycles, passenger cars and utility vehicles** (taxonomic code 6.5), including activities such as purchasing, financing, rental, leasing and operation of passenger and light utility vehicles.

These eligible activities concern both electric and internal combustion engine vehicles; the Group thus complies with the document "Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets" (2022/C 385/01), published on 6 October 2022.

Within this perimeter, activities that **make a substantial contribution to the objective in question, do not cause significant harm ("Do Not Significantly Harm or DNSH")** to other environmental objectives, and **respect minimum guarantees** are considered aligned.

Activity 6.5 aligned only involve vehicles emitting less than 50g of CO_2e per kilometer, also known as "low emissions vehicles" in this section. These are all electric (EV) and plug-in hybrid (PHEV) ranges of all brands financed by the Mobilize F.S. group. The procedures carried out for the detailed verification of the DNSH criteria and minimum guarantees are described in the methodological note that monitors the key performance indicators.

The Mobilize F.S. group is part of the Renault Group, and as such includes the KPIs of the aligned activities presented by the Renault Group.

On a voluntary basis, the Mobilize F.S. group presents in this report the Green Asset Ratio (stock) KPI specific to financial institutions as at the end of December 2023 and the end of December 2022.

Key performance indicators (KPIs) of aligned activities

The summary of the Green Asset Ratio (stock) KPI values for 2023 and 2022 is presented below, with the same set of DNSH criteria.

Assets included in the GAR calculation

As of 31 December 2023

	In millions of euros	a	b	c	d	e	f
			As of 31 December 2023				
			Climate Change Mitigation (CCM)				
			Of which towards sectors relevant to the taxonomy (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)			
		Total (gross) carrying amount			Of which use of proceeds	Of which adaptation	Of which enabling
GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	43,560	33,057	3,147	3,147	210	0
2	**Financial corporations**	**265**	**150**	**27**	**27**	**2**	**0**
3	Credit institutions	150	150	27	27	2	0
4	Loans and advances	150	150	27	27	2	0
5	Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
6	Equity instruments	1	0	0		0	0
7	Other financial corporations	114	0	0	0	0	0
8	*of which investment firms*	*114*	*0*	*0*	*0*	*0*	*0*
9	Loans and advances	0	0	0	0	0	0
10	Debt securities, including specific use of proceeds (UoP)	74	0	0	0	0	0
11	Equity instruments	41	0	0		0	0
12	*of which management companies*	*0*	*0*	*0*	*0*	*0*	*0*
13	Loans and advances	0	0	0	0	0	0
14	Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0
16	*of which insurance undertakings*	*0*	*0*	*0*	*0*	*0*	*0*
17	Loans and advances	0	0	0	0	0	0
18	Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**11,162**	**11,160**	**856**	**856**	**43**	**0**
21	Loans and advances	11,160	11,160	856	856	43	0
22	Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
23	Equity instruments	2	0	0		0	0
24	**Households**	**32,133**	**21,747**	**2,264**	**2,264**	**165**	**0**
25	*of which loans backed by residential real estate*	*0*	*0*	*0*	*0*	*0*	*0*
26	*of which building renovation loans*	*0*	*0*	*0*	*0*	*0*	*0*
27	*of which motor vehicle loans*	*32,133*	*21,747*	*2,264*	*2 264*	*165*	*0*
28	**Local government financing**	**0**	**0**	**0**	**0**	**0**	**0**
29	Housing financing	0	0	0	0	0	0
30	Other local governments financing	0	0	0	0	0	0

ab	ac	ad	ae	af
As of December 31, 2023				
TOTAL (CCM + CCA)				
Of which towards taxonomy relevant sectors (taxonomy-eligible)				
	Of which environmentally sustainable (taxonomy-aligned)			
		Of which use of proceeds	Of which adaptation	Of which enabling
43,560	33,057	3,147	3,147	210
265	**150**	**27**	**27**	**2**
150	150	27	27	2
150	150	27	27	2
0	0	0	0	0
1	0	0	0	0
114	0	0	0	0
114	*0*	*0*	*0*	*0*
0	0	0	0	0
74	0	0	0	0
41	0	0	0	0
0	*0*	*0*	*0*	*0*
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	*0*	*0*	*0*	*0*
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
11,162	**11,160**	**856**	**856**	**43**
11,160	11,160	856	856	43
0	0	0	0	0
2	0	0	0	0
32,133	**21,747**	**2,264**	**2,264**	**165**
0	*0*	*0*	*0*	*0*
0	*0*	*0*	*0*	*0*
32,133	*21,747*	*2,264*	*2,264*	*165*
0	**0**	**0**	**0**	**0**
0	0	0	0	0
0	0	0	0	0

	a	b	c	d	e	f
		As of 31 December 2023				
		Climate Change Mitigation (CCM)				
		Of which towards sectors relevant to the taxonomy (taxonomy-eligible)				
			Of which environmentally sustainable (taxonomy-aligned)			
In millions of euros	Total (gross) carrying amount			Of which use of proceeds	Of which adaptation	Of which enabling
31 Sureties obtained by foreclosure: residential and commercial real estate	**0**	**0**	**0**	**0**	**0**	**0**
32 ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)	**16,638**	**0**	**0**	**0**	**0**	**0**
33 Financial and non-financial companies	**10,600**					
34 SMEs and non-financial companies (other than SMEs) not subject to NFRD publication requirements	7,508					
35 Loans and advances	7,508					
36 *of which loans backed by commercial real estate*	*0*					
37 *of which building renovation loans*	*0*					
38 Debt securities	0					
39 Equity instruments	0					
40 Third-country counterparties not subject to NFRD publication requirements	3,092					
41 Loans and advances	3,092					
42 Debt securities	0					
43 Equity instruments	0					
44 Derivatives	**225**					
45 On demand interbank loans	**1,413**					
46 Cash and cash-related assets	**0**					
47 Other asset categories (e.g. goodwill, commodities, etc.)	**4,400**					
48 TOTAL GAR ASSETS	**60,198**	**33,057**	**3,147**	**3,147**	**210**	**0**
49 ASSETS NOT INCLUDED IN THE GAR CALCULATION	**5,146**					
50 Central governments and supranational issuers	**281**					
51 Central banks exposure	**4,838**					
52 Trading book	**27**					
53 TOTAL GAR ASSETS	**65,344**	**33,057**	**3,147**	**3,147**	**210**	**0**
OFF-BALANCE SHEET EXPOSURES – COMPANIES SUBJECT TO NFRD DISCLOSURE REQUIREMENTS						
54 Financial guarantees	279	0	0	0	0	0
55 Assets under management	0	0	0	0	0	0
56 *Of which debt securities*	*0*	*0*	*0*	*0*	*0*	*0*
57 *Of which equity instruments*	*0*	*0*	*0*	*0*	*0*	*0*

ab	ac	ad	ae	af
As of December 31, 2023				
TOTAL (CCM + CCA)				
Of which towards taxonomy relevant sectors (taxonomy-eligible)				
		Of which environmentally sustainable (taxonomy-aligned)		
		Of which use of proceeds	Of which adaptation	Of which enabling
0	0	0	0	0
16,638	0	0	0	0

	KPI			
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	% coverage (in relation to total assets)(*)
GAR outstandings	5.2%		5.2%	50.6%

(*) % of assets covered by the KPI, in relation to the bank's total banking assets.

As of December 31, 2022

		a	b	c	d	e	f
			As of December 31, 2022				
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)			
	In millions of euros	Total (gross) carrying amount			Of which use of proceeds	Of which adaptation	Of which enabling
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	39 ,43	21,919	2,284	2,284	214	0
2	**Financial corporations**	**159**	**52**	**8**	**8**	**1**	**0**
3	Credit institutions	121	52	8	8	1	0
4	Loans and advances	52	52	8	8	1	0
5	Debt securities, including specific use of proceeds (UoP)	69	0	0	0	0	0
6	Equity instruments	0	0	0		0	0
7	Other financial corporations	38	0	0	0	0	0
8	*of which investment firms*	*38*	*0*	*0*	*0*	*0*	*0*
9	Loans and advances	0	0	0	0	0	0
10	Debt securities, including specific use of proceeds (UoP)	1	0	0	0	0	0
11	Equity instruments	36	0	0		0	0
12	*of which management companies*	*0*	*0*	*0*	*0*	*0*	*0*
13	Loans and advances	0	0	0	0	0	0
14	Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0
16	*of which insurance undertakings*	*0*	*0*	*0*	*0*	*0*	*0*
17	Loans and advances	0	0	0	0	0	0
18	Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**9,981**	**9,968**	**1,087**	**1,087**	**79**	**0**
21	Loans and advances	9,968	9,968	1,087	1,087	79	0
22	Debt securities, including specific use of proceeds (UoP)	0	0	0	0	0	0
23	Equity instruments	13	0	0		0	0
24	**Households**	**29,604**	**11,899**	**1,189**	**1,189**	**134**	**0**
25	*of which loans backed by residential real estate*	*0*	*0*	*0*	*0*	*0*	*0*
26	*of which building renovation loans*	*0*	*0*	*0*	*0*	*0*	*0*
27	*of which motor vehicle loans*	*29,604*	*11,899*	*1,189*	*1,189*	*134*	*0*
28	**Local government financing**	**0**	**0**	**0**	**0**	**0**	**0**
29	Housing financing	0	0	0	0	0	0
30	Other local governments financing	0	0	0	0	0	0

ab	ac	ad	ae	af
As of December 31, 2022				
TOTAL (CCM + CCA)				
Of which towards taxonomy relevant sectors (taxonomy-eligible)				
	Of which environmentally sustainable (taxonomy-aligned)			
		Of which use of proceeds	Of which adaptation	Of which enabling
39,743	21,919	2,284	2,284	214
159	**52**	**8**	**8**	**1**
121	52	8	8	1
52	52	8	8	1
69	0	0	0	0
0	0	0	0	0
38	0	0	0	0
38	*0*	*0*	*0*	*0*
0	0	0	0	0
1	0	0	0	0
36	0	0	0	0
0	*0*	*0*	*0*	*0*
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	*0*	*0*	*0*	*0*
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
9,981	**9,968**	**1,087**	**1,087**	**79**
9,968	9,968	1,087	1,087	79
0	0	0	0	0
13	0	0	0	0
29,604	**11,899**	**1,189**	**1,189**	**134**
0	*0*	*0*	*0*	*0*
0	*0*	*0*	*0*	*0*
29,604	*11,899*	*1,189*	*1,189*	*134*
0	**0**	**0**	**0**	**0**
0	0	0	0	0
0	0	0	0	0

		a	b	c	d	e	f
			As of December 31, 2022				
			Climate Change Mitigation (CCM)				
			Of which towards taxonomy relevant sectors (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)			
	In millions of euros	Total (gross) carrying amount			Of which use of proceeds	Of which adaptation	Of which enabling
31	**Sureties obtained by foreclosure: residential and commercial real estate**	**0**	**0**	**0**	**0**	**0**	**0**
32	**ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)**	**14,213**	**0**	**0**	**0**	**0**	**0**
33	**Financial and non-financial companies**	**9,121**					
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD publication requirements	6,501					
35	Loans and advances	6,501					
36	*of which loans backed by commercial real estate*	*0*					
37	*of which building renovation loans*	*0*					
38	Debt securities	0					
39	Equity instruments	0					
40	Third-country counterparties not subject to NFRD publication requirements	2,620					
41	Loans and advances	2,620					
42	Debt securities	0					
43	Equity instruments	0					
44	**Derivatives**	**329**					
45	**On demand interbank loans**	**1,654**					
46	**Cash and cash-related assets**	**0**					
47	**Other asset categories (e.g. goodwill, commodities, etc.)**	**3,110**					
48	**TOTAL GAR ASSETS**	**53,957**	**21,919**	**2,284**	**2,284**	**214**	**0**
49	**ASSETS NOT INCLUDED IN THE GAR CALCULATION**	**6,413**					
50	**Central governments and supranational issuers**	**338**					
51	**Central banks exposure**	**5,970**					
52	**Trading book**	**105**					
53	**TOTAL GAR ASSETS**	**60,370**	**21,919**	**2,284**	**2,284**	**214**	**0**
	OFF-BALANCE SHEET EXPOSURES – COMPANIES SUBJECT TO NFRD DISCLOSURE REQUIREMENTS						
54	Financial guarantees	305	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0
56	*Of which debt securities*	*0*	*0*	*0*	*0*	*0*	*0*
57	*Of which equity instruments*	*0*	*0*	*0*	*0*	*0*	*0*

ab	ac	ad	ae	af
As of December 31, 2022				
TOTAL (CCM + CCA)				
Of which towards taxonomy relevant sectors (taxonomy-eligible)				
	Of which environmentally sustainable (taxonomy-aligned)			
		Of which use of proceeds	Of which adaptation	Of which enabling
0	0	0	0	0
14,213	0	0	0	0

	KPI			
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	% coverage (in relation tototal assets)(*)
GAR outstandings	4.2%		4.2%	36.3%
GAR flow				

(*) % of assets covered by the KPI, in relation to the bank's total banking assets.

Method applied to define the scope of the substantial contributing activities

To define the substantial contributing activities eligible related to the vehicle, we conducted analysis on the loans and advances to financial companies, non-financial companies, households and local administrations based on the vehicle model and the group motopropulsor technology. The other types of assets were not assessed.

In accordance with Note 4, table 1. Assets included in the GAR calculation, Annex VI – Model for KPIs of credit institutions of delegated Regulation (EU) 2023/2486 of 27 June 2023, motor vehicle loans to households created before the date of entry into force of the publication obligation are excluded. Only financing contracts to households started after 1 January 2022 are declared eligible and are subject to a study on their alignment.

Climate change adaptation

As part of the TCFD, Renault Group has conducted an assessment of climate risk and vulnerability in order to identify the sites that are susceptible to physical climate risks. The physical climate risks identified were evaluated based on the useful life of the asset concerned and are essentially of three types (extreme heat, water stress and flooding) covered by appropriate action plans.

Mobilize F.S. group carried out a review of its sites, including those of IT service providers, in terms of exposure to several extreme weather events (floods, heat waves, water stress, etc.). This assessment was carried out with the assistance of a specialized firm and demonstrated that Mobilize F.S. group sites are not concentrated in areas highly exposed to physical climate risks. For sites identified as vulnerable, this should lead to consideration in business continuity plans.

Transition towards a circular economy

Renault Group eco-design standards applied to the vehicles and batteries allow for frugal use of rare materials, integration of recycled materials, preparation of the vehicles for dismantling and end-of-life recycling. Since 2007, 95% of the mass of vehicles Renault Group sold worldwide is recyclable or recoverable. The low emissions vehicles that Mobilize F.S. group rents or operates have been in circulation after that date.

At the end of the life of the electric vehicles sold by Groupe Renault, their batteries are collected and directed towards a second life or recycled after a diagnosis of their health status.

Regarding waste management, Renault Group and Renault Group's European factories producing low-emission vehicles prioritize recycling while trying to minimize any landfilling.

Prevention and pollution control

The low emission vehicles that Mobilize F.S. finances, rents or operates are all equipped with tires in classes of external rolling noise and rolling resistance coefficient that comply with the European requirements set by Regulation EC 661/2009. The requirements of the Taxonomy going beyond regulatory compliance on this criterion, additional analysis was conducted and demonstrated that most of the tire references originally equipping a low-emission vehicle meet this criterion. However, in spite of all the efforts, it has not been possible to verify this point for the entirety of the financed vehicles, because the information regarding their actual tire fitment is not available. To date, this criteria is considered non-operable. This position will be reassessed in the future depending on the availability of the necessary data.

With a homologated noise level greatly lower than 68 dBA, Renault brand electric vehicles have been respected the limits of external noise levels that will be applicable from 2024 since 2021, thus contributing to the reduction of ambient noise and to the quality of life in urban areas. All the commercialized Renault vehicles in Europe are, therefore, compliant with European regulation 540/2014/EC applicable to vehicles approved since July 2016, which require a maximum of 72 dBA (cf. 2.2.2.3.3).

Verification of the minimum safeguards

In line with the Renault Group Vigilance Plan, the Mobilize F.S. group continuously ensures that the necessary due diligence and remediation procedures are carried out to confirm alignment with the following texts:

- United Nations Guiding Principles on Business and Human Rights;
- Fundamental Conventions of the International Labor Organization (ILO);
- OECD Guidelines for Multinational Enterprises; and
- fundamental rights at work and the International Bill of Human Rights.

The management of these issues is monitored on a monthly basis by the Renault Group Vigilance Plan Steering Committee.

The Mobilize F.S. Compliance Department, under the supervision of the Ethics and Compliance Committee, deploys a structured approach aimed at analyzing and ensuring the robustness of its regulatory compliance in a long-term and proactive manner, on a scope of major regulated areas notably including "competition" and "corruption."

The Mobilize F.S group Tax Department ensures compliance, in all countries where it is established, with the tax rules applicable to its activity, in accordance with international conventions and local laws, thanks to an appropriate management system.

To the best of our knowledge, the Mobilize F.S group was not convicted for corruption, tax evasion or human rights violations in 2023, or, by a competition authority, for anti-competitive practices.

3.7.2.7 Country ESG initiatives

Climate Fresk for all employees in Morocco

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

On 13 January 2023, Mobilize F.S. Morocco decided to use this tool as part of a team-building exercice for all the employees of the structure. Nearly four hours of workshops were led by two facilitators approved by Climate Fresk.

The benefits of the initiative have been manifold: on the one hand, for the organization, which has strengthened its sustainable development strategy and commitment, and on the other, for the employees, who have put their collective intelligence and creativity to good use. As highlighted by the CEO of Mobilize F.S. Morocco, Vincent Hauville: “We cannot sell mobility without having a shared reflection on the environment.”

Brazil Financial Education Booklet

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

Mobilize F.S. Brazil published its Financial Education Booklet in the summer of 2023. Customers will find extensive advice and detailed instructions on various topics: credit, financing, investments, loans, budgets, income and much more.

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

Women in Tech in the UK

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

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

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

3.8 Separate financial statements

3.8.1 Context – Assets – Liabilities

RCI Banque's balance sheet totaled €50.10 billion at the end of 2023, compared with €46.59 billion at the end of 2022, i.e. an 8% increase.

On the assets side of the balance sheet, there was a significant increase in customer transactions (+€3.074 billion) and a decrease in bonds and fixed-income securities (-€0.387 billion).

On the liabilities side of the balance sheet, there was a +€3.35 billion increase. This increase was mainly due to transactions with customers (+€3.273 billion) and debt represented by securities (+€0.884 billion).

RCI Banque's net position stood at €3,679 billion at the end of 2023, compared with €3,506 billion at the end of 2022.

3.8.2 Income statement

Net income for the year amounted to €773 billion at the end of 2023, compared with €585 billion at the end of 2022, i.e. a 32% increase. It is worth noting an increase in Net Banking Income (+€231.3 million) and an increase in general operating expenses (+€58.8 million), as well as a decrease in the cost of risk (-€18.3 million).

3.8.3 Appropriation of net income

We suggest allocating earnings as follows:

Net income for the 2023 financial year	**€772,741,821.90**
Previous retained earnings	€2,227,938,275.11
Available balance	€3,000,680,097.01
Dividends to be distributed	**€600,000,000.00**
Balance of the 2023 retained earnings account	€2,400,680,097.01

The General Meeting is therefore asked to set the dividend at **€600,000,000** in respect of the 2023 financial year, i.e. €600 per share.

This dividend:

- entitles them to a 40% allowance when the beneficiaries are individuals subject to income tax in France, in accordance with Article 158-3-2° of the French General Tax Code; and
- does not entitle the holder to this allowance in other cases.

Dividends paid in respect of the three previous financial years were as follows:

- In respect of the 2022 financial year, there was a dividend distribution in the amount of €600,000,000, i.e. €600 per share.
- In respect of the 2021 financial year, there was a dividend distribution in the amount of €800,000,000, i.e. €800 per share.
- In respect of the 2020 financial year, there was a dividend distribution in the amount of €69,400,000, i.e. €69.4 per share, supplemented by an exceptional distribution on retained earnings of €930,600,000 by decision of the General Meeting of 30 September 2021. The total distribution in respect of the 2020 financial year amounts to €1,000,000,000, or €1,000 per share.

3.8.4 Profit-sharing

As the employment contracts of our company's employees are entered into with the subsidiary DIAC, our company is not covered by Article L.225-102 of the French Commercial Code relating to employee profit-sharing.

3.8.5 Sumptuary fees

In accordance with the provisions of Articles 223 quater and 223 quinquies of the French General Tax Code, we hereby inform you that the financial statements for the past financial year do not include expenses not deductible from taxable income.

3.8.6 Maturity of trade payables

In accordance with Article D.441-6 of the French Commercial Code, the table below presents the breakdown, as of 31 December 2023, of the number and total amount excluding tax of supplier invoices outstanding. Information on invoices issued and customer payment terms is not relevant to RCI Banque's banking activity, which is not based on payment terms of 90 days or more.

	Suppliers					
	Article D.441 I. 1°: invoices received and unpaid whose term has expired at the reporting date of the financial year					
31/12/2023 (in euros)	**0 days (indicative)**	**1 to 30 days**	**31 to 60 days**	**61 to 90 days**	**91 days and more**	**Total (1 day and more)**
(A) Late payment tranches						
Number of invoices concerned	283					584
Total amount of invoices concerned incl. tax	35,882,942	4,044	2,884	4,714	255,579	267,221
Percentage of the total amount of purchases for the financial year excl. tax	12%	0%	0%	0%	0%	0%
Percentage of revenue for the financial year Specify excl. tax						
(B) Invoices excluded from (A) relating to disputed or unrecognized payables and receivables						
Number of invoices excluded						0
Total amount of invoices excluded inc. tax						0
(C) Reference payment terms used (contractual or legal term – Article L.441-6 or Article L.443-1 of the French Commercial Code)						
Payment terms used to calculate late payments						Legal deadlines: 30 days

Customers					
Article D. 441 I. 2°: invoices issued and unpaid at the reporting date of the financial year whose term has expired					
0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
168					50
24,820,698	210,426	3,324,926	11,351	988,863	4,535,567
18%	0%	2%	0%	1%	3%
					0
					0
					Legal deadlines: 30 days

3.8.7 Results of the last five financial years

Year	2019	2020	2021	2022	2023
Share capital at the end of the year (in thousands of euros)					
Share capital	100,000	100,000	100,000	100,000	100,000
Number of ordinary shares issued	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Transactions and results for the year (in thousands of euros)					
Net Banking Income	1,134,305	1,136,264	1,212,312	1,140,749	1,372,023
Profit before tax, depreciation, amortization and provisions	1,270,826	1,351,899	1,463,664	1,551,962	1,505,452
Income tax	(194,280)	(132,890)	(131,071)	(101,790)	(176,991)
Profit after tax, depreciation, amortization and provisions	525,043	606,430	758,581	584,544	772,741
Distributed earnings	750,000	1,000,000	800,000	600,000	600,000
Earnings per share (in euros)					
Profit after tax but before depreciation, amortization and provisions	1,076.55	1,219.01	1,332.59	1,450.17	1,328.46
Profit after tax, depreciation, amortization and provisions	525.04	606.43	758.58	584.54	772.74
Earnings per share distributed	750.00	1,000.00	800.00	600.00	600.00
Staff					
Average workforce for the year	991	999	1,002	1,010	1,030
Payroll for the year	59,339	61,155	61,990	66,570	71,260
Employee benefits for the year	26,300	20,532	19,941	21,816	23,266

3.9 RCI Banque S.A. General Meeting of 20 May 2024

3.9.1 Agenda

Ordinary resolutions

- Approval of the annual financial statements for the year ended 31 December 2023
- Approval of the consolidated financial statements for the year ended 31 December 2023
- Appropriation of earnings and setting of dividends
- Approval of the regulated agreements and commitments referred to in Articles L.225-38 et seq. of the French Commercial Code
- Discharge of directors for their management in respect of the past financial year
- Ratification of the appointment of Ms. Céleste Thomasson by co-option as a director
- Renewal of the term of office of Ms. Isabelle Landrot as director
- Renewal of the term of office of Ms. Isabelle Maury as director
- Renewal of the term of office of Mr. Patrick Claude as director
- Remuneration grid for directors in respect of the 2024 financial year
- Power to carry out formalities

3.9.2 Text of resolutions

Ordinary resolutions

First resolution
(Approval of the annual financial statements)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the reports of the Board of Directors and report of the Statutory Auditors on the annual financial statements, hereby approves, as they were presented, the annual financial statements for the year ended 31 December 2023, including the balance sheet, income statement and notes, and showing a net profit of **€772,741,821.90**.

Second resolution
(Approval of the consolidated financial statements)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, having reviewed the reports of the Board of Directors and the report of the Statutory Auditors on the consolidated financial statements, hereby approves, as they were presented, the consolidated financial statements for the year ended 31 December 2023, including the balance sheet, income statement and notes, prepared in accordance with the provisions of Articles L.233-16 et seq. of the French Commercial Code, and showing a net profit attributable to the owners of the parent of **€786,999,000**.

Third resolution
(Allocation of earnings and setting of the dividend)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, resolves to allocate the earnings for the financial year as follows:

Net income for the 2023 financial year	**€772,741,821.90**
Previous retained earnings	€2,227,938,275.11
Available balance	€3,000,680,097.01
Dividends to be distributed	**€600,000,000**
Balance of the 2023 retained earnings account	€2,400,680,097.01

The General Meeting accordingly sets the dividend at **€600,000,000** for the 2023 financial year, i.e. €600 per share.

This dividend paid in respect of 2021:

- entitles them to a 40% allowance when the beneficiaries are individuals subject to income tax in France, in accordance with Article 158-3-2° of the French General Tax Code; and
- does not entitle the holder to this allowance in other cases.

Dividends paid in respect of the three previous financial years were as follows:

In respect of the 2022 financial year, there was a dividend distribution in the amount of €600,000,000, i.e. €600 per share.

In respect of the 2021 financial year, there was a dividend distribution in the amount of €800,000,000, i.e. €800 per share.

In respect of the 2020 financial year, there was a dividend distribution in the amount of €69,400,000, i.e. €69.4 per share, supplemented by an exceptional distribution on retained earnings of €930,600,000 by decision of the General Meeting of 30 September 2021. The total distribution in respect of the 2020 financial year amounts to €1,000,000,000, or €1,000 per share.

Fourth resolution (Absence of regulated agreements)

The General Meeting, having heard the Statutory Auditor's special report on the absence during the year of any agreements of the kind referred to in Article L.225-38 et seq. of the French Commercial Code, duly notes that no such agreements have been entered into.

Fifth resolution (Discharge of directors)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, grants discharge to the directors for their management for the 2023 financial year.

Sixth resolution (Ratification of the appointment by co-option of Ms. Céleste Thomasson as a director)

The General Meeting, ruling under the quorum and majority conditions required for Ordinary General Meetings, ratifies the appointment by the Board of Directors on 8 December 2023 of Ms. Céleste Thomasson as director to replace Ms. Fedra Ribeiro, and does so for the remainder of her term of office, i.e. until the General Meeting called in 2025 to approve the financial statements for the year ending 31 December 2024.

Seventh resolution (Renewal of the term of office of Ms. Isabelle Landrot as director)

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, on the proposal of the Board of Directors, renews the term of office of Ms. Isabelle Landrot as director, for a period of three years expiring at the end of the General Meeting called to approve the financial statements for the 2026 financial year.

Eighth resolution (Renewal of the term of office of Ms. Isabelle Maury as director)

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, on the proposal of the Board of Directors, renews the term of office of Ms. Isabelle Maury as director, for a period of three years expiring at the end of the General Meeting called to approve the financial statements for the 2026 financial year.

Ninth resolution (Renewal of the term of office of Mr. Patrick Claude as director)

The General Meeting, voting under the quorum and majority conditions required for Ordinary General Meetings, on the proposal of the Board of Directors, renews the term of office of Mr. Patrick Claude as director, for a period of three years expiring at the end of the General Meeting called to approve the financial statements for the 2026 financial year.

Tenth resolution (Powers)

The General Meeting grants full powers to the bearer of an original, a copy or an extract of the minutes of this meeting to carry out all necessary filings, formalities and publications.

Additional information

3.9.3 Statutory Auditors

KPMG S.A.

Tour Eqho, 2 avenue Gambetta

92066 Paris La Défense CEDEX

Société Anonyme (limited company under French law) listed in the Nanterre Register of Companies under No. 775 726 417

Statutory auditor, Member, Compagnie Régionale de Versailles

Term of office: six years

Term expires: accounting year 2025

Represented at 31 December 2023 by Mr. Ulrich Sarfat

Mazars

Tour Exaltis, 61, rue Henri-Regnault

92075 Paris La Défense CEDEX

Société Anonyme (limited company under French law) listed in the Nanterre Register of Companies under No. 784 824 153

Statutory auditor, Member, Compagnie Régionale de Versailles

Term of office: six years

Term expires: accounting year 2027

Represented at 31 December 2023 by Ms. Anne Veaute

3.9.4 Main investments during the past financial year

	Disposals – Dissolutions – Mergers	Acquisitions	Creations
2023	**Russia:** Sale of RN Bank Sale of RNL Finance Sale of RN Finance	**Germany:** Acquisition of Mobility Concept GmbH Acquisition of DFD Deutscher Fahrzeugdienst GmbH Acquisition of MS Mobility Solutions GmbH Acquisition of MeinAuto GmbH (finalized on 02/01/2024) **United Kingdom:** Acquisition of Select Vehicle Group Ltd	**Germany:** Constitution of BIPI Mobility Germany GmbH **United Kingdom:** Constitution of Mobilize Lease&Co UK Ltd

3.9.5 Branches of RCI Banque

Branch	Country
RCI Banque S.A. Niederlassung Deutschland	Germany
RCI Banque Sucursal Argentina	Argentina
RCI Banque S.A. Niederlassung Osterreich	Austria
RCI Banque S.A. Sucursal en España	Spain
RCI Banque Branch Ireland	Ireland
RCI Banque Succursale Italiana	Italy
RCI Banque Spółka Akcyjna Oddział w Polsce	Poland
RCI Banque Sucursal Portugal	Portugal
RCI Banque S.A. Bancna Podruznica Ljubljana	Slovenia
Renault Finance Nordic, Bankfilial till RCI Banque S.A. Frankrike	Sweden

3.9.6 Legal information

Corporate name and registered office

RCI Banque S.A.

Commercial name: Mobilize Financial Services

Nationality: French

Registered office: 15, rue d'Uzès 75002 Paris

Tel. : + 33 1 49 32 80 00

Legal form

Société Anonyme à Conseil d'administration (a limited company with a Board of Directors under French law)

Governing law

The Company is governed by the provisions of the 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 French Monetary and Financial Code.

The entity does not comply with any specific code issued by the representative organizations of the companies.

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 all research into the design and improvement of management, organization and financing systems; carrying out the projects resulting from the aforementioned studies or contributing to their completion by any appropriate means, including by acquiring equity interests in any existing or future companies;
- financing companies, in particular in the form of participation in their capital, subscription to loans, using resources from the Company's own funds or loans contracted by the Company; providing investment services within the meaning of the Law on the Modernization of Financial Activities, No. 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.

Access to legal documents

Legal documents pertaining to the issuer may be consulted at the Company's registered office.

Registration and identification number

The Company is registered with the Paris Register of Companies under SIREN number: 306 523 358, SIRET number: 306 523 358 00076, ORIAS number: 07023704, and APE code 6419Z (business activity code).

Financial year

The Company's financial year starts on 1 January and ends on 31 December of each calendar year.

3.9.7 Glossary

	Acronym	Definition
1	APA	Average performing assets: APA are the average capital owed by customers and/or the network to which are added the assets related to operational leasing activities.
2	FTE	Full-time equivalent workforce.
3	ROE (Return On Equity)	Net income for the period divided by average shareholders' equity (excluding net income for the period).
4	Structural interest rate and foreign exchange risk	Risk of loss or impairment of the Group's assets in the event of changes in interest and exchange rates. Structural interest rate and foreign exchange risks are related to commercial activities and proprietary operations.
5	RWA – Risk Weighted Assets	Risk-weighted assets or risk-weighted outstandings: value of the exposure multiplied by its risk weighting ratio.
6	Gross rate of doubtful outstandings	Ratio between doubtful outstandings and gross outstanding loans (loans and receivables on customers, loans and receivables on credit institutions, finance leases and operating leases).
7	Penetration rate	Ratio between the number of new vehicle financing applications (excluding "other brands" vehicles) and registrations for the period.
8	New financing	Amounts actually financed by the subsidiary, after deduction of down payments, security deposits and first rent received in advance. New financing must therefore only be reported by entities that carry the associated assets in their balance sheet. The following are therefore excluded: • files related to activities under a commercial agreement with a partner; • files related to virtual JVs with a partner (unless approved by the DCPG at the subsidiary's request).
9	Performing assets	Sum of performing assets (loans and finance leases) and the net carrying amount of assets under operating leases (batteries and vehicles) and generating interest or rents.
10	Retail average performing assets	Average of outstandings at the beginning and at the end of the period for Retail and Corporate customers.
11	Dealer average performing assets	Average of daily performing loans for the network.
12	Cost of risk	This aggregate includes expenses for the period directly related to the risk of non-recovery (excluding the financing of services, which is not included in the calculation of the cost of risk). It reflects the risk relating to payment default.
13	RCI Banque S.A. Mobilize Financial Services Mobilize F.S. Mobilize F.S. group	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 corporate name is unchanged and remains 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 the "Mobilize F.S. group." Mobilize Financial Services supports the Renault Group brands (Renault, Dacia, Alpine, Renault Korea Motors).

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 Tresorerie
FR UZS 000 015
15 rue d'Uzes 75002 Paris - France

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