

BNP PARIBAS PERSONAL FINANCE SOUTH AFRICA LTD “RCS”

06 JULY 2021



INTRODUCING THE TEAM



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BNP PARIBAS CIB - JBG Branch



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BNP PARIBAS PERSONAL FINANCE



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Regional Head of ALMT
BNP PARIBAS PERSONAL FINANCE

BNP PARIBAS AT A GLANCE



KEY INDICATORS – 31 DECEMBER 2020

€44.3bn Revenues	€2,488bn Total Assets	12.8% CET1 ⁽¹⁾ Ratio	€432bn Liquidity reserve	136% Liquidity coverage ratio
€53.9bn Market cap	€5.31 Earnings per share ⁽¹⁾	193,319 Employees	68 Countries & locations	€7.1bn Net Income group Share

RANKINGS & AWARDS

Corporate banking

- Top bank in Europe in the Diversified Banks category in the V.E 2020 rankings
- ABS Bank of the Year Corporate Securitization and Financing House of the Year 2020
- 2020 Secondary ABS/RMBS Trading House of the Year and ABS Issuer of the Year (BNP Paribas Personal Finance)
- European Alternative Administrator of 2020

Global markets

- N°1 EMEA Syndicated Loans Bookrunner by volume and number of deals (Dealogic, Year to date)
- N°1 European Corporate Investment Grade DCM by volume and number of deals (Dealogic, Year to date)
- N°1 in European Large Corporate Banking and N°1 in European Large Corporate Cash Management (Greenwich Share Leaders, January 2020)
- Top 5 Asian Large Corporate Banking and Cash Management for the first time (Greenwich Share Leaders, 2020)

Securities services

- “Best Global Custodian in Asia Pacific” (Asia Asset Management Awards, January 2020)



LONG-TERM & SHORT-TERM RATINGS

A+/A-1

Standard & Poor's
Negative outlook 23 April 2020

AA-/F1+

Fitch
Rating Watch Negative 30 March 2020

Aa3/ Prime-1

Moody's
Stable outlook 9 December 2019

AA (LOW)/ R-1 (MIDDLE)

DBRS
Stable outlook 12 July 2019

STOCK INFORMATION

LOCATION

EURONEXT PARIS

MARKET

EURONEXT PARIS

ISIN CODE

FR000131104

(1) Based on the average number of shares outstanding during the fiscal year.

BNP PARIBAS - SOLID Q1 RESULTS

KEY INDICATORS – 31 MARCH 2021

€11.829m

Revenues (+8.6% vs Q1 20)

€896m

COR (-37.2% vs Q1 20)

12.8%

CET1⁽¹⁾ Ratio

€454bn

Liquidity reserve

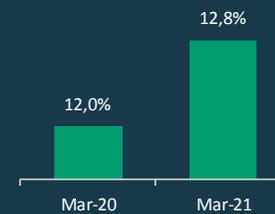
136%

Liquidity coverage ratio

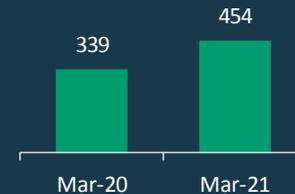
- BNP Paribas well positioned to enter a new phase of growth: integrated and diversified model leading to recurrent income generation and low risk profile
- Strong growth in revenues amidst a gradual recovery
- Positive Jaw effect in all operating divisions
- Very solid capital & liquidity position
- Ambitious policy of engaging with society: Group CSR policy aligned with UN's Sustainable Development Goals (SDGs)

A strong model and long-term capacity to create value in changing economic, technological, environmental regulatory and societal environments

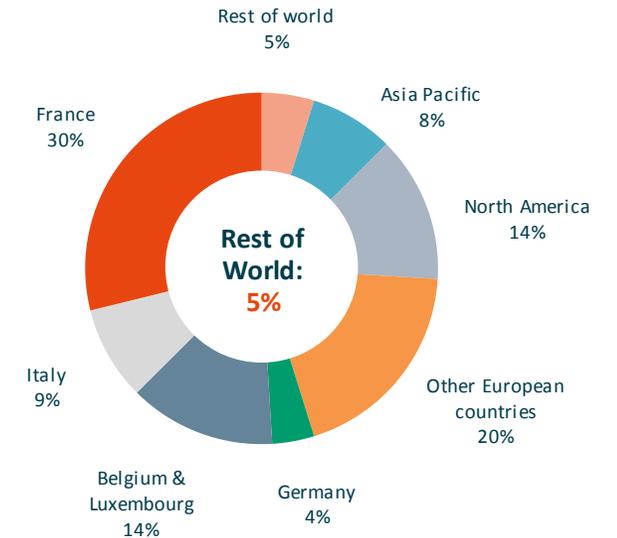
CET 1 RATIO



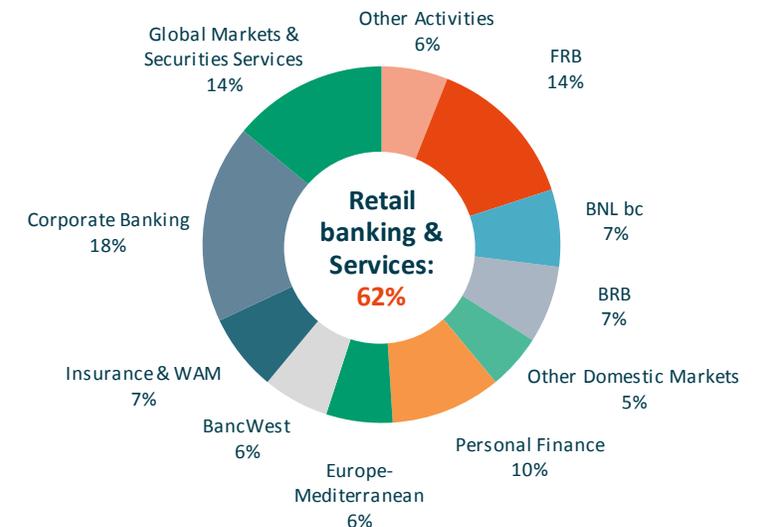
LIQUIDITY RESERVE (€BN)



GROSS COMMITMENTS⁽²⁾ BY REGION – 31 MARCH 2021



BASEL 3⁽³⁾ RISK-WEIGHTED ASSETS BY BUSINESS – Q1 2021



Source : BNP Paribas Group Q1 2021 results, (1) Common Equity Tier 1. Solvency ratio. Capital requirements directive (CRD4), (2) Total gross commitments on and off balance sheet unweighted of €1.776bn as at 30 June 2020; (3) CRD4; (4) Including Luxembourg

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GROUP STRUCTURE AND SUPPORT TO RCS



BNP PARIBAS S.A.

- Strong shareholder support from the ultimate parent through strong equity levels and the guarantee provided on the R10bn DMTN Programme.
- BNPP provides a 2nd level guarantee (conditional and irrevocable) where Noteholders are entitled to claim against the guarantee after two business days without payment from the 1st guarantor (RCS Cards).
- BNP Paribas is given 8 business days in which to pay Noteholders.

BNP PARIBAS PERSONAL FINANCE S.A.

MARCH 2021 RESULTS: Strong improvement in results, driven by a lower cost of risk.

Resilience in business activity with easing of public health measures

Improved risk profile through strong performance against delinquencies and high efficiencies in collection

Proactive payment solution support to customers through COVID-19 Crisis

€1,332M

Revenues (-9.7% vs Q1 2020)

€763m

Opex (-3.1% vs Q1 2020)

€321m

CoR (-44.9% vs Q1 2020)

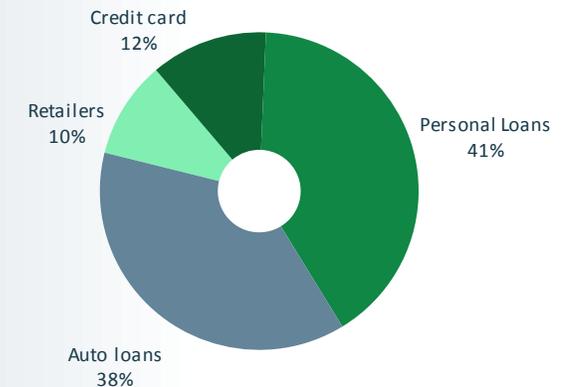
€264m

Pre-tax income (+133.6% vs Q1 2020)

BNP PARIBAS PERSONAL FINANCE SOUTH AFRICA LTD "RCS"



PERSONAL FINANCE: PRODUCT MIX - 31 DECEMBER 2020



RCS AT A GLANCE

PARTNERSHIP & NETWORK

#1

LARGEST
Network in SA
(outside of VISA
and MasterCard)

Store Cards



>26

THOUSAND
Total stores

Insurance



20

PARTNERSHIPS
covering retail,
insurance, banking
& e-commerce

Banking



E-Commerce

mobicred



Store card



Credit card



Cash loan



Retail loan

E-commerce
facility

OUR PEOPLE

- Awarded Top Employer for last 3 years
- WFH transition and mass re-skilling
- 89% Sustainable Engagement
- Grow diversity and nurture talent
- Employee experience and holistic wellness a top priority



OUR ASSETS



Partnerships with
largest retailers on the
African continent



>2.4 m
Active customers



Diversified partners
across various
industry sectors



RONE > 50%



1474
Employees
of which 76% female



10 m
Database

OUR COMMUNITIES



Investment to grow
and support small
business



Community
development
and support
through sport



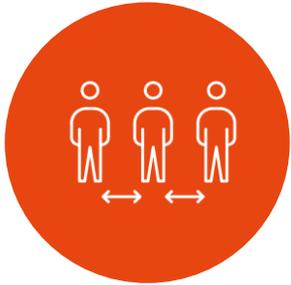
Supporting Peace and
Development within
communities



Supporting grass
root Tennis
development



RCS RESPONSE TO COVID 19



Protect Our People

- WFH increased for Level 4
- Full employee wellness support continues
- Vaccine preparation:
 - Education rolled out to staff to enable an informed decision
 - Engagement with medical aid and primary healthcare providers
 - Preparation of onsite clinics completed – nurses and HR trained to administer vaccine (depends on guidelines from Department of Health)

Over 500 employees upskilled to accompany changes to the business

Rapid migration of Edcon book – 12 weeks

Positive 2020 PBT with adequate COR provisions raised



Protect Our Asset

- Enterprise pandemic monitoring remains in place.
- Wider payment channels continue to be available:
 - Easypay and digital payment channels fully enabled
 - Edgars/Jet payment in TFG
- Edgars shopping being enabled at FMCG
- Commercial activities review, including focus on eCommerce.
- Close monitoring of granting risk.



STRONG BALANCE SHEET STRUCTURE

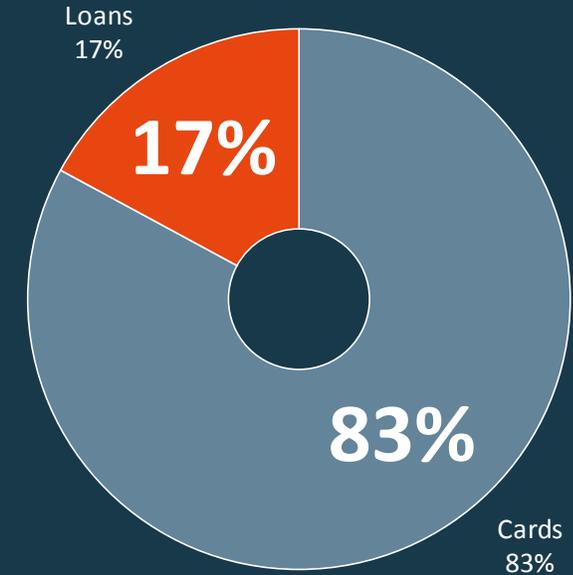
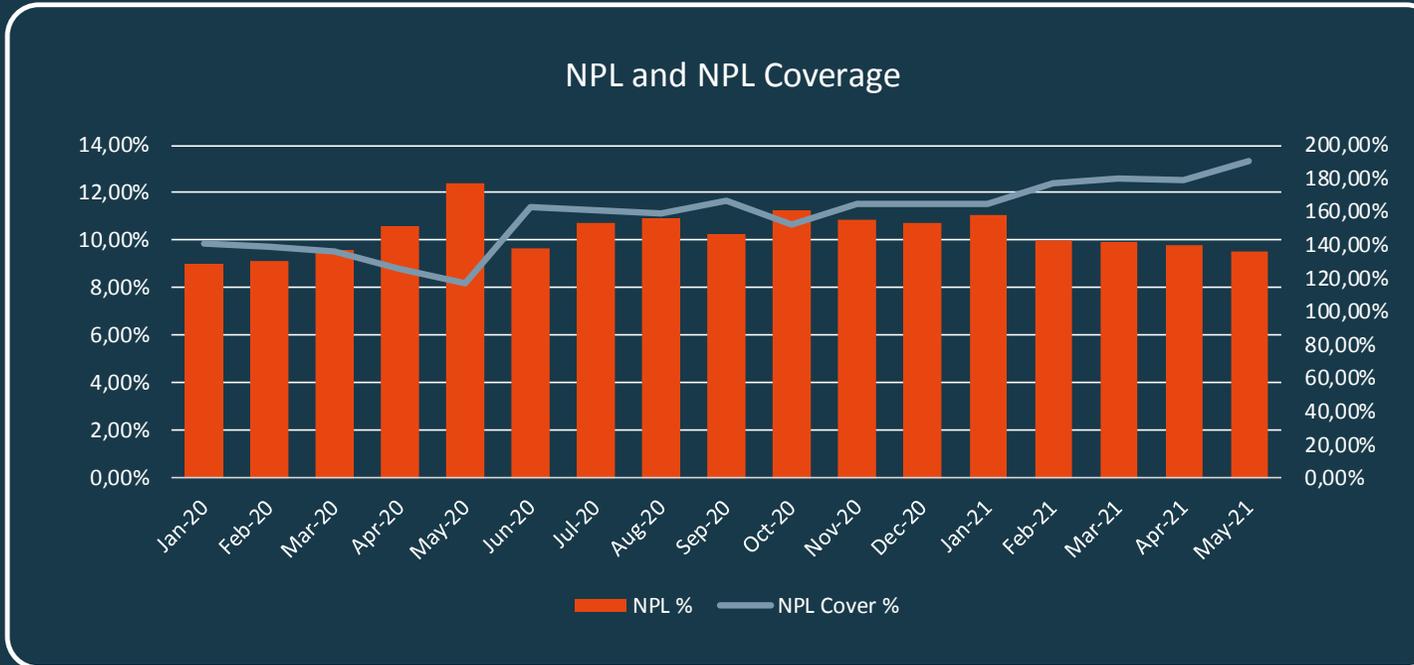
	RCS Group March results	March 2021 Rm	March 2020 Rm	% change	
INCOME STATEMENT	Net banking income (NBI)	766.25	897.10	(14.6)	Decline driven by a slowdown in activity in response to Covid-19 (protecting the balance sheet and cost of risk)
	Operating costs	(297.03)	(327.71)	(9.4)	Reduction driven by a slowdown in activity (variable cost saving) and cost saving initiatives
	Cost of risk	(293.30)	(548.40)	(46.5)	Decrease in COR driven by strong provisioning levels carried in 2020 in response to Covid-19 (specific and FLI provisioning raised) and positive collection trends in 2021
BALANCE SHEET	Cash	1 465 .4	504.2	190.6	Strengthened cash buffer to safeguard the current liquidity capacity and cover any potential stress on future cash flows. Increase generated from the business and existing liquidity sources
	Gross outstanding	12 269.7	15 952.8	(23.1)	Reduction driven by actions taken in response to Covid-19 during 2020
	Provision allowance	(1 908.4)	(1 947.2)	(2.0)	Provisioning levels remaining stable with and increased coverage ratio to cater for unseen events during 2021 and will be re-assed closer to year end
	Equity	3 906.5	3 738.8	4.5	Strong equity position as result of the declining outstanding and shareholder capital injection as part of the Edcon transaction during 2020

CAPITAL ADEQUACY LEVEL AT March 2021:

32.41%

No equity injection required from shareholder to maintain levels in excess of 20%

COST OF RISK – IMPROVING TRENDS SINCE LAST YEAR



- Gradual and consistent improvement of NPL in % vs 2020
- Increase of NPL cover in % to maintain a conservative approach

COVID-19 PROVISION

Specific COVID-19 provision for “fragile customers” involved increasing the overall provision during the COVID period introducing new COVID 19 provision strata during the crisis.

FORWARD LOOKING PROVISION

Specific forward looking provision overlay, a prudential provision held partly at BNPPF group and partly at local level.

BALANCED LIQUIDITY POSITION

STRONG SHAREHOLDER SUPPORT THROUGH BNPP GUARANTEE

- **R1.5bn** committed standby **liquidity facility** provided by BNP Paribas (France)
- **R2.1bn funding line** provided by BNP Paribas (Johannesburg)
- **100%** of RCS SA funding is **guaranteed** and/provided by BNP
- **S&P** programme rating: **zaAAA / zaA-1+**

Strong and active issuer on local DCM Market (latest issuance of **R566m** in 2020)

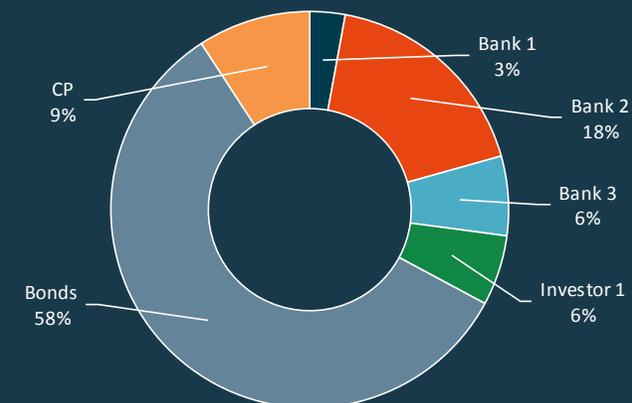
WELL DIVERSIFIED FUNDING BASE – OVER 25 FUNDERS

DRAWN FUNDING MATURITIES AT 31 MAY 2021

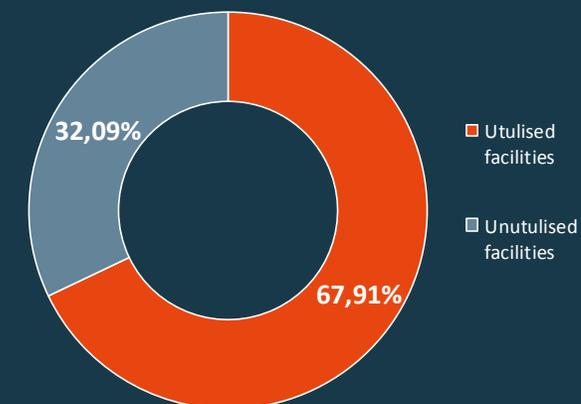
Excluding non drawn facilities such as back-up facility (BNPP France)



DRAWN FUNDING DIVERSIFICATION AT 31 MAY 2021



CASH BUFFER HELD AT c.R1.2bn



RCS IMPULSE 2025 STRATEGIC FOCUS



OUR PURPOSE

To unlock possibilities with the common goal of growing and enriching lives.



OUR AMBITION

2020
B2B retail-specialist credit provider trusted by leading SA retailers to deliver business value for over 20 years.

2025
An agile multi-channel purchase ecosystem, adding sustainable economic and social value to all our stakeholders.



OUR FOCUS

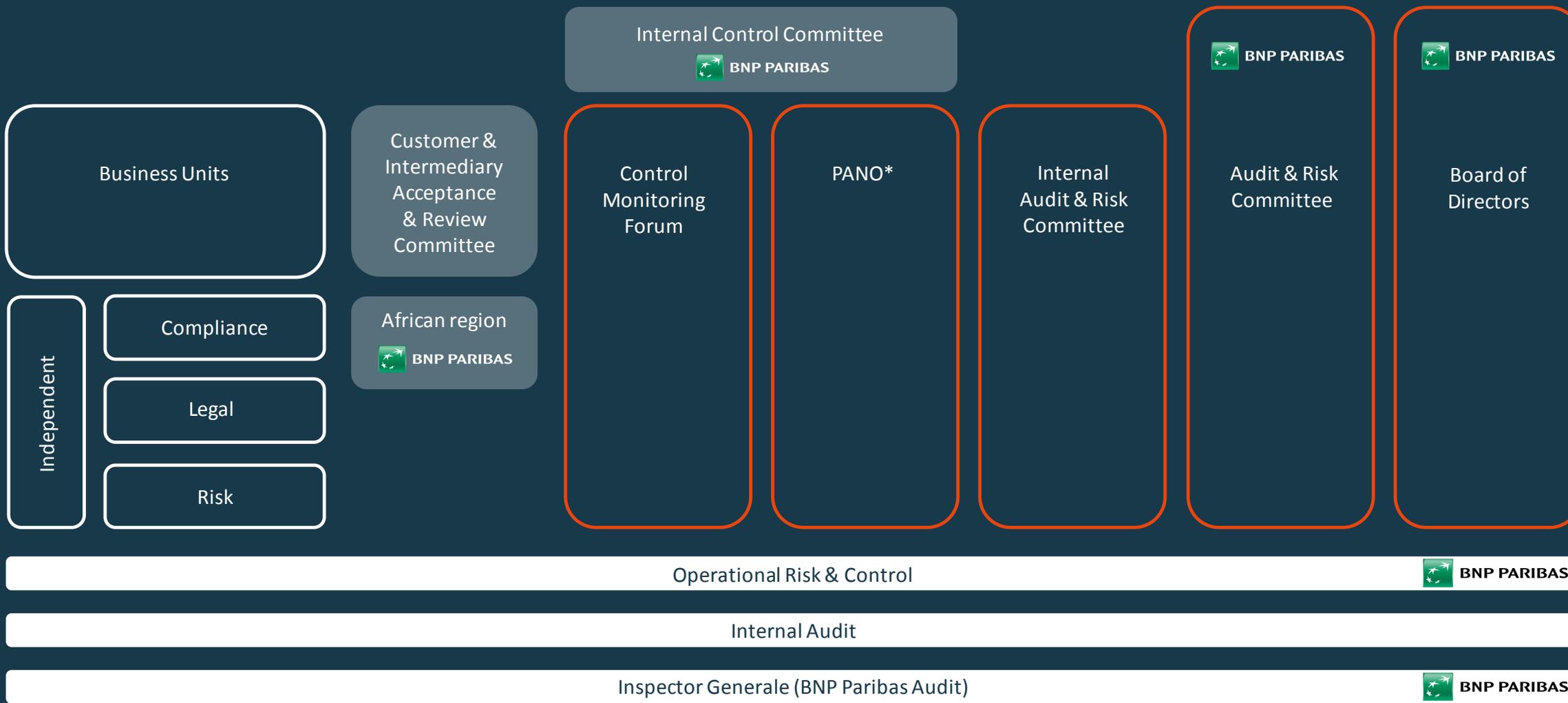
Today
A card in your hand
We bring together our partners and their customers through retail credit solutions.

Tomorrow
A purchase platform at your fingertips.
We enable a market place (value exchange) through a partner-customer network and smart payment channels.



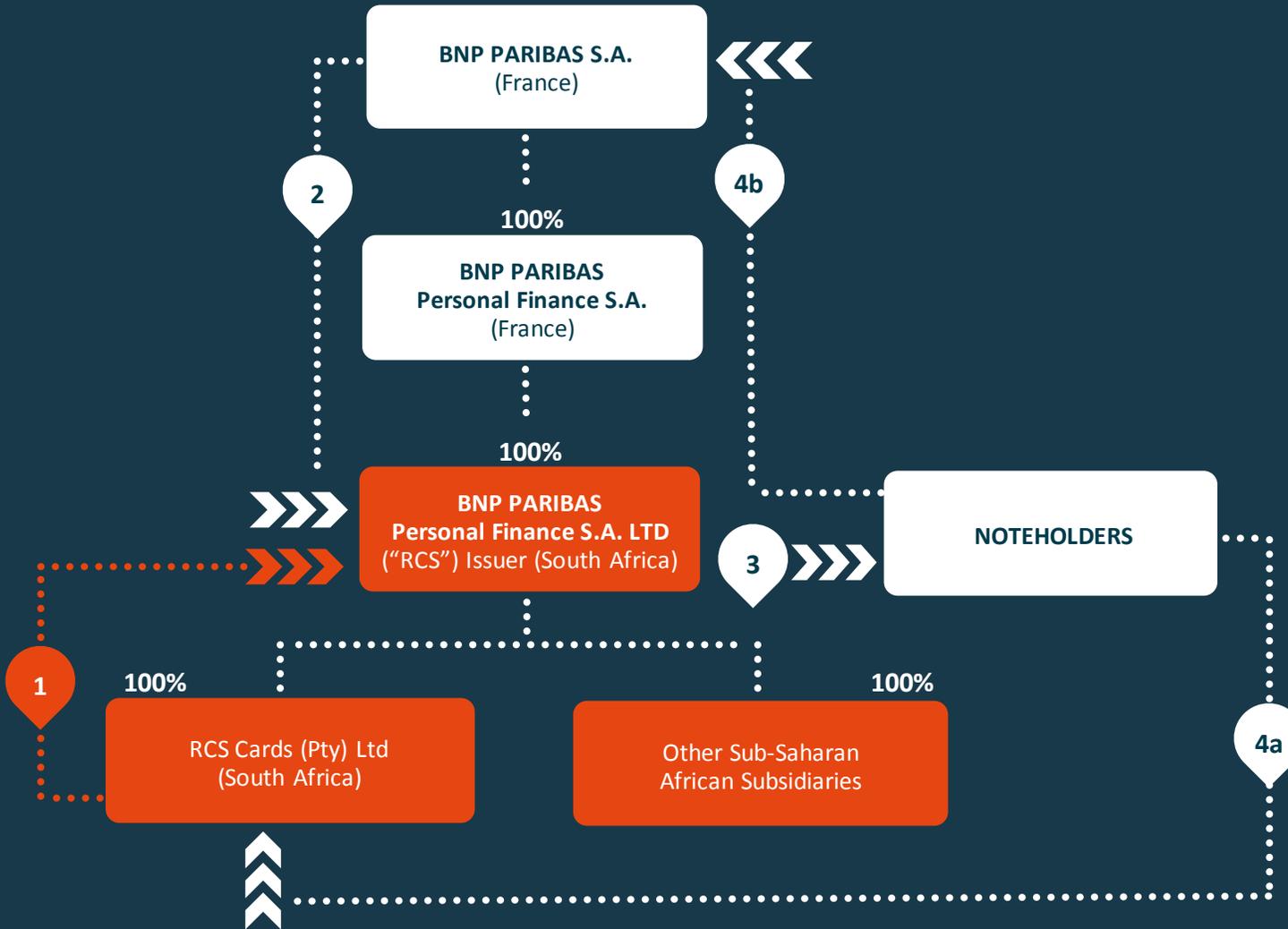
APPENDICES

STRONG GOVERNANCE STRUCTURE



*Product Activity New Origination – validation process for new products, activities, organisations, exceptional transactions and essential suppliers.

DMTN PROGRAMME MECHANICS



Step 1:

RCS Cards provides an unconditional and irrevocable guarantee to the Noteholders for the due and punctual fulfilment of all payment obligations by the Issuer of all amounts owing by

Step 2:

BNP Paribas provides a conditional and irrevocable guarantee for the due and punctual fulfilment of all payment obligations by the Issuer of all amounts owing by the Issuer in respect of the Notes issued.

Step 3:

The Issuer will issue notes from time to time under the Programme.

Step 4:

Where an Event Of Default occurs, Noteholders are entitled to claim against

- **4a** RCS Cards (after 3 business days without payment); and then
- **4b** BNP Paribas (after 2 business days without payment from RCS Cards under the guarantee)
- BNP Paribas is given 8 business days to pay Noteholders following valid receipt of a duly executed payment demand.

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