



BNP PARIBAS
PERSONAL FINANCE
SOUTH AFRICA LTD
“RCS”

18 AUGUST 2020



BNP PARIBAS

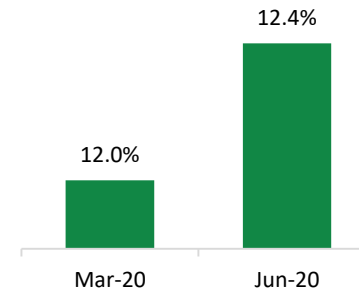
KEY INDICATORS – 30 JUNE 2020

| | | | | |
|---|---|---|------------------------------------|---|
| €11.675m Revenues (+4% vs Q219) | €1.447m Cost of risk (x2.3 vs 2019) | 12.4% CET1 ⁽¹⁾ Ratio | €425bn Liquidity reserve | 133% Liquidity coverage ratio |
|---|---|---|------------------------------------|---|

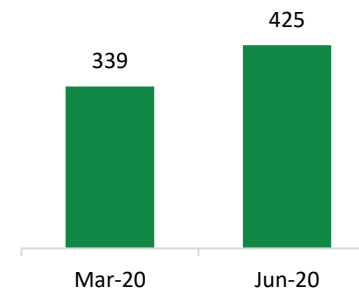
- BNP Paribas entered the Covid-19 crisis, benefiting from a diversified and resilient business model
- Structural diversification of revenues & risks leading to recurrent income generation and low risk profile
- Good level of result in a context marked by the health crisis
- Solid capital & liquidity position
- Ability to mobilise its strengths and resources in challenging times

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

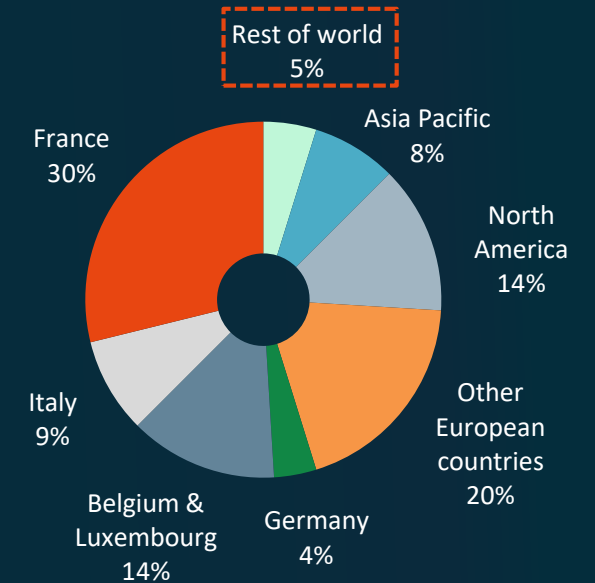
CET 1 RATIO



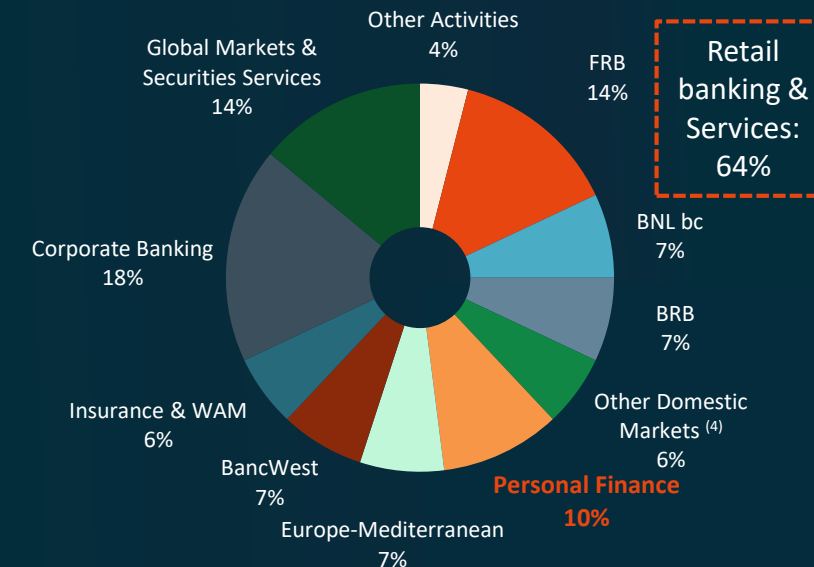
LIQUIDITY RESERVE (€BN)



GROSS COMMITMENTS⁽²⁾ BY REGION – 30 JUNE 2020



BASEL 3⁽³⁾ RISK-WEIGHTED ASSETS BY BUSINESS – 30 JUNE 2020



Source : BNP Paribas Group Q2 2020 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

BNP PARIBAS PERSONAL FINANCE & RCS

BNP PARIBAS S.A.



- Strong shareholder support from the ultimate parent, through the BNP guarantee on the R10bn DMTN Programme.
- BNP 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.



JUNE 2020 RESULTS: REBOUND IN ACTIVITY, STRENGTHENED RISK PROFILE IN COPING WITH THE CRISIS

Business impact of public health measures - gradual recovery

Risk profile benefitting from its product and geographical mix

Proactive support for customers

€1,302M

Revenues (-9.6% vs Q2 2019)

€641m

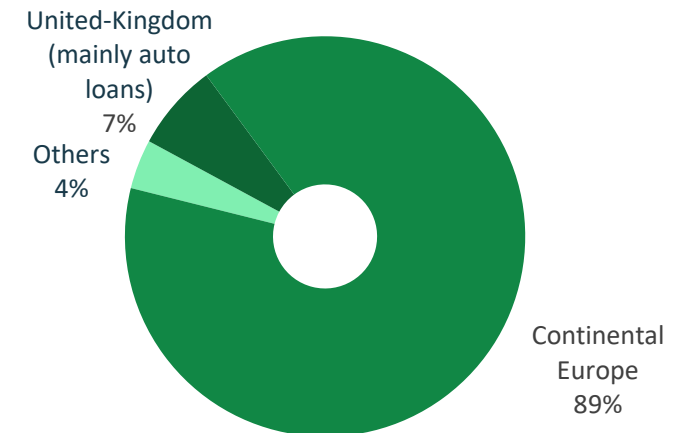
Opex (-8.6% vs Q2 2019)

€210m

Pre-tax income (-53.7% vs Q2 2019)

BNP PARIBAS PERSONAL FINANCE SOUTH AFRICA LTD "RCS"

BREAKDOWN IN AVERAGE OUTSTANDINGS – 30 JUNE 2020





RCS OVERVIEW

>2.9m

Active customers

R15.4bn

Gross debtors book

>28k

Total stores

- Consumer finance business offering a range of financial products under its brand name and in association with a number of leading retail and commercial partners
- Independent, JSE-debt listed and highly regulated financial services company
- Strong shareholder support from ultimate, listed shareholder, BNP Paribas (France), through:
 - R1.5bn committed standby liquidity facility
 - Guarantee on RCS funding
- Product offering includes:
 - The RCS Card & various partner-branded cards provide convenient retail credit facilities to customers
 - The RCS credit card and various partner-branded credit cards
 - RCS Loans provide customers with cash, auto and retail loan offerings
 - RCS insurance include customer protection insurance and accidental death cover, as well as funeral cover and personal accident cover

RCS RESPONSE TO COVID-19

INITIATIVES LAUNCHED BY RCS

1

ENTERPRISE PANDEMIC
MONITORING IN PLACE

2

ENABLING OUR OPERATIONS

3

MONITOR & CONTROL OUR
COSTS

4

REVIEW OUR COMMERCIAL
ACTIVITIES

PROTECT
OUR
PEOPLE &
ASSETS

5

SAFEGUARD OUR COST OF
RISK

6

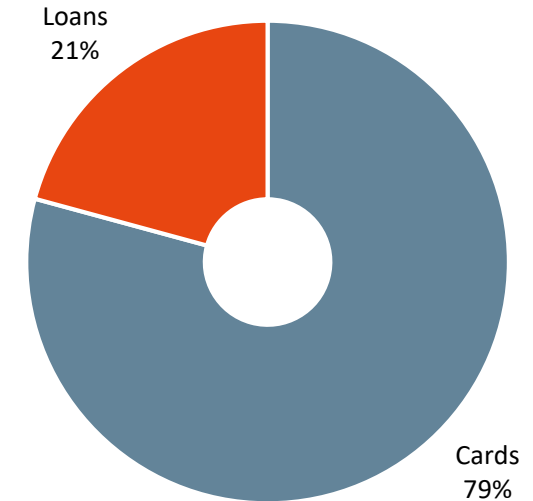
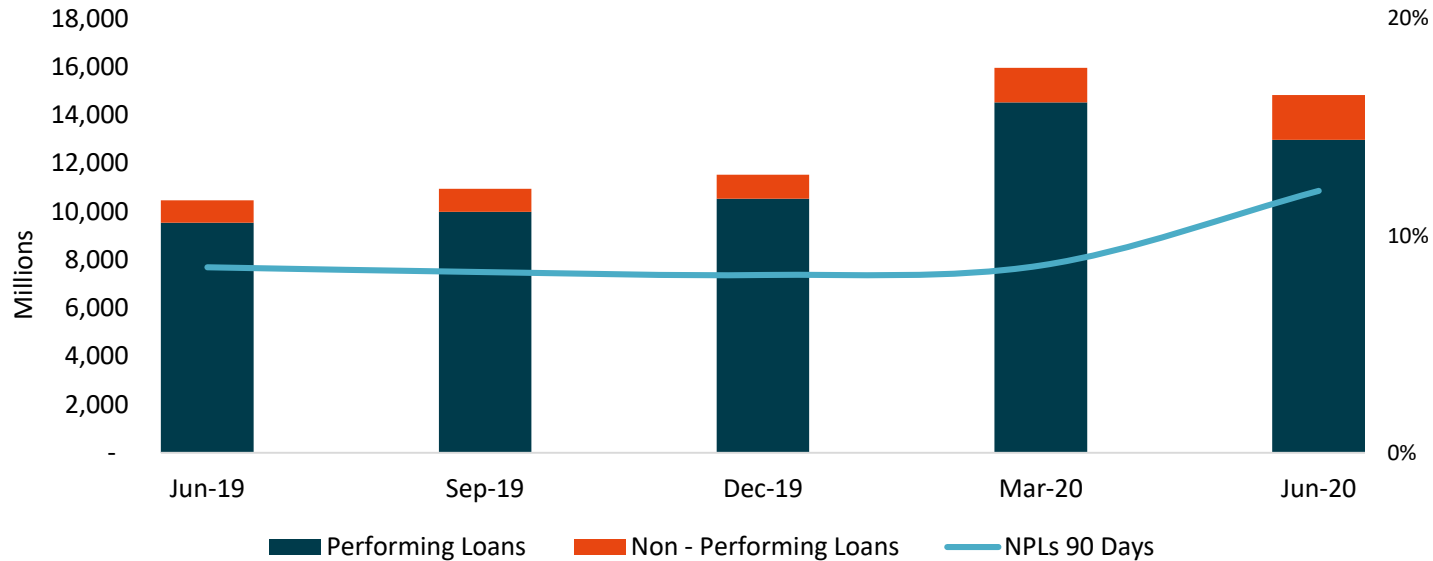
PROTECTING THE BALANCE
SHEET

7

SUPPLIER & STAKEHOLDER
COMMUNICATION



SAFEGUARDING COST OF RISK



LIMITING CREDIT EXPOSURE

Pre-COVID 19 reported pressure on consumer credit index. New credit granting was stopped on 27 March 2020. Existing portfolio risk capped by stopping credit line increases & cash advances, and reducing limits of risky accounts.

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

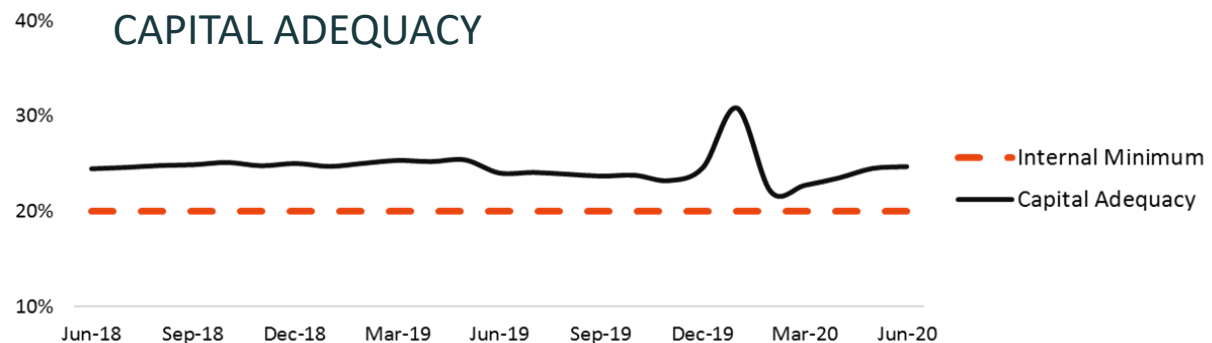
Specific forward looking provision overlay, a prudential provision held partly at BNPPF group and partly at local level.

PROTECTING THE BALANCE SHEET

INCOME STATEMENT

BALANCE SHEET

| RCS Group June results | June 2020 Rm | June 2019 Rm | % change | |
|-------------------------------|-----------------|-----------------|-------------|--|
| Net banking income (NBI) | 1 802.0 | 1 202.2 | 49.9% | Strong growth due to BAU & incorporation of Edcon. |
| Operating costs | (682.5) | (483.5) | 41.2% | Growth in NBI exceeding operating costs, generating a positive jaw effect. |
| Cost of risk | (1 073.7) | (418.4) | 156.6% | Increase in cost of risk impacted by Covid-19. In line with IFRS 9 methodology & BNP Group guidelines, management have followed a prudent approach and have applied a specific Covid-19 provision, which considers a forward looking view. |
| Covid-19 management provision | (87.2) | 0 | 100% | |
| Cash | 2 341.3 | 621.5 | 276.7% | 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 | 14 834.8 | 10 227.8 | 45.0% | Strong growth in gross outstanding due to the Edcon store card acquisition. |
| Provision allowance | (2 190.0) | (1 254.9) | 74.5% | Increase in provision allowance to protect the business against potential exposure. |
| Equity | 3 708.0 | 2 649.6 | 39.9% | Increase in equity due to equity injection from parent in light of Edcon acquisition. |



**ANTICIPATED CAPITAL ADEQUACY LEVEL
AT Dec 2020:
26.2%**

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



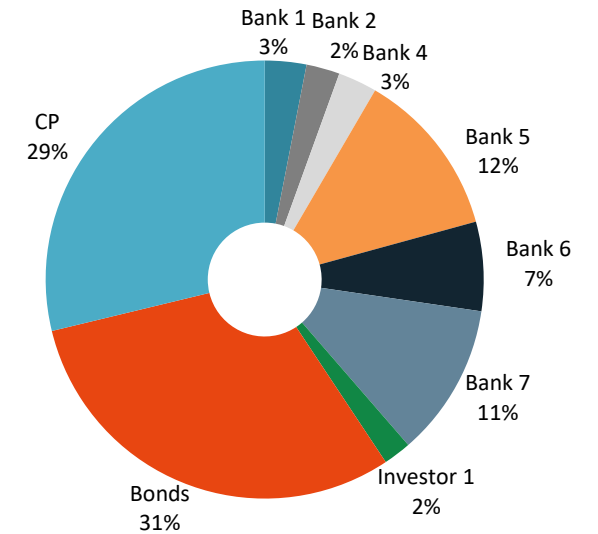
FUNDING OVERVIEW

- **R1.5bn** committed standby **liquidity facility** provided by BNP Paribas (France)
- **R2.1bn funding line** provided by BNP Paribas (Johannesburg) [2019: R1.5bn]
- **100%** of RCS SA funding is **guaranteed** and/provided by BNP
- **S&P** programme rating: **zaAAA / zaA-1+**

Covid-19 liquidity strategy

- Draw on available external **committed** lines
- **Increase** BNP Paribas (Johannesburg) facility
- Weekly monitoring of **cash flow trends** using the latest production levels, customer payments & available liquidity sources
- **Stress scenarios** performed to monitor RCS capacity to meet external debt maturities

DRAWN FUNDING DIVERSIFICATION AT 31 JULY 2020

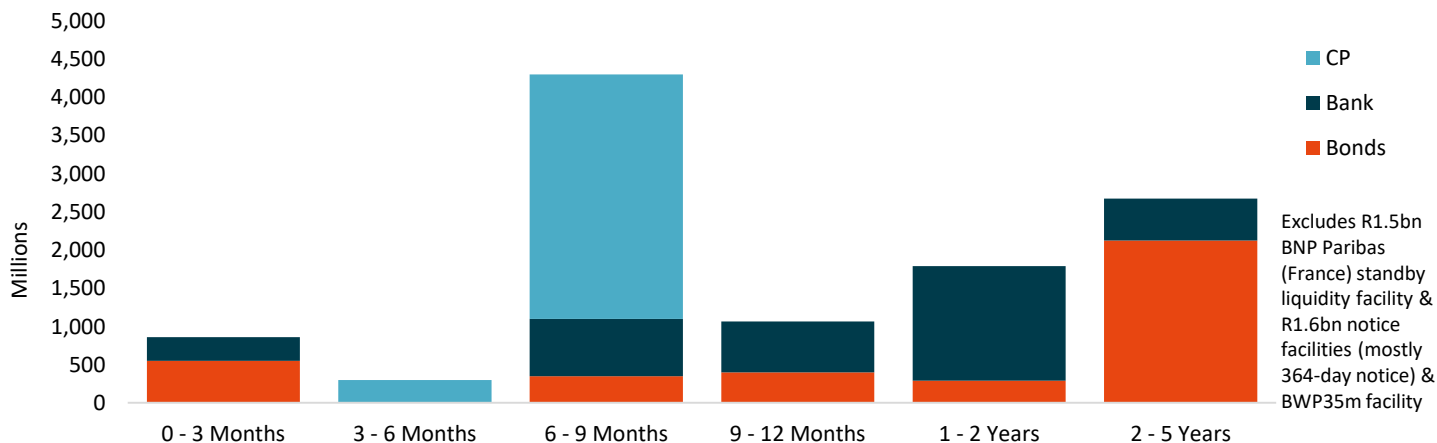


STRENGTHENED CASH BUFFER TO R3.9BN
Includes available portion of BNPP Johannesburg funding line

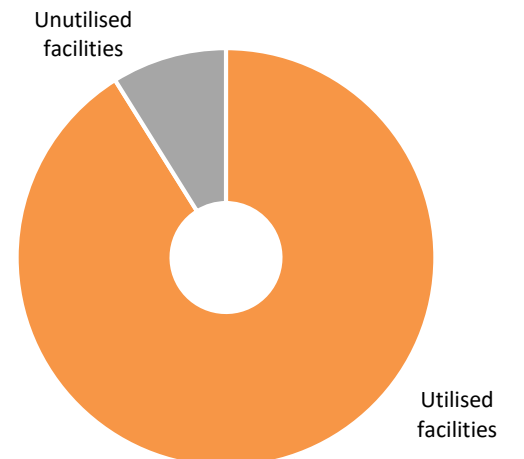
STRONG SHAREHOLDER SUPPORT THROUGH BNPP GUARANTEE

WELL DIVERSIFIED FUNDING BASE – OVER 25 FUNDERS

DRAWN FUNDING MATURITIES AT 31 JULY 2020



Successfully issued a total of **R840m ZAR DCM notes** in July & August



EDCON UPDATE

1

RCS acquired the Absa owned portion of the Edcon Store Card portfolio with an effective date of 3 February 2020

2

RCS acquired a portion of the Edcon owned book

3

Edcon business rescue commenced in April 2020

4

Positive outcome of Edcon business rescue:

- The Foschini Group to acquire a minimum of 371 Jet stores
- Retailability to acquire profitable Edgars stores

5

RCS has strong existing relationships with both Retailability & The Foschini Group

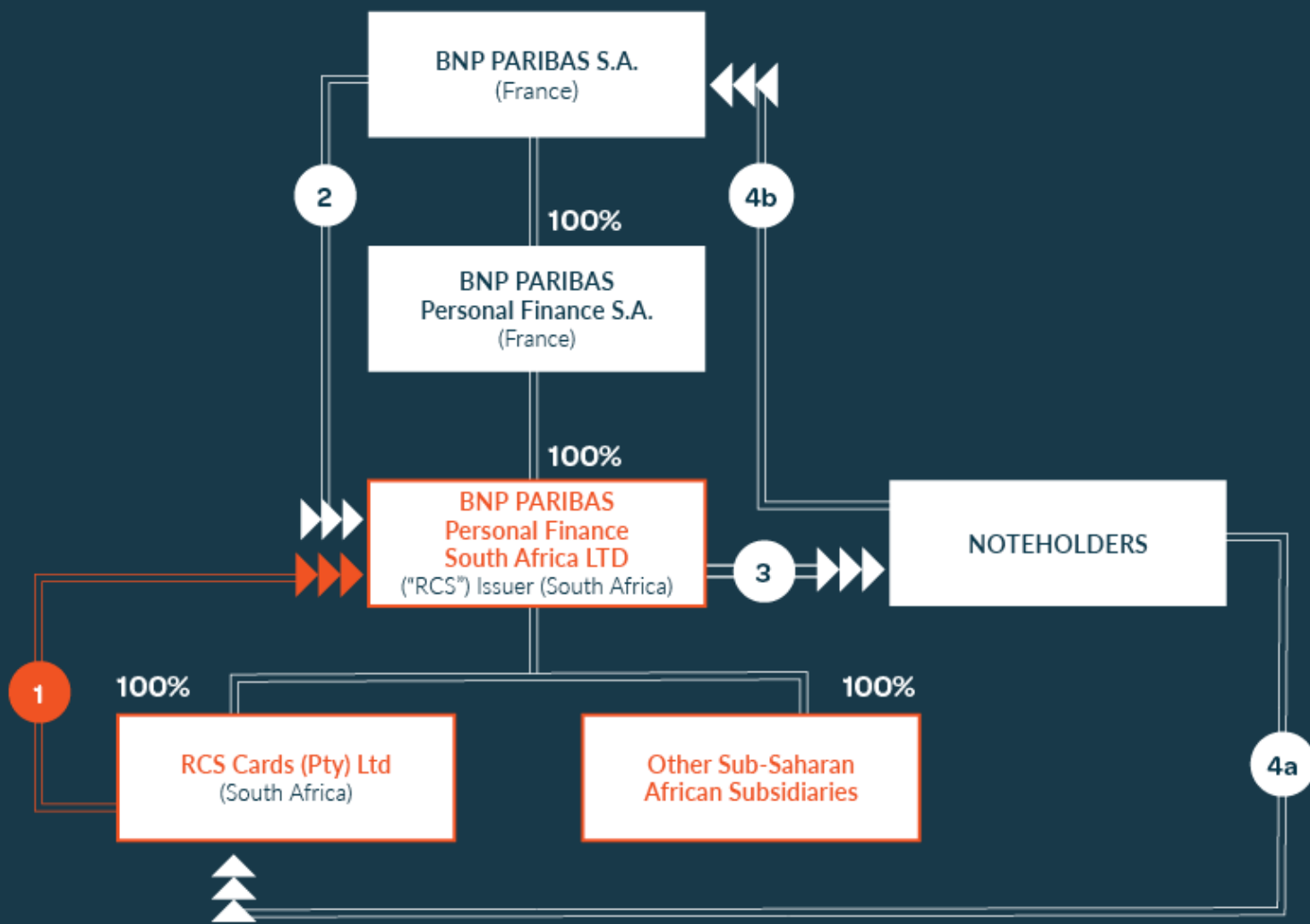
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Successful migration of operations to RCS systems and wider RCS network



APPENDICES

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 the Issuer in respect of the Notes issued

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:

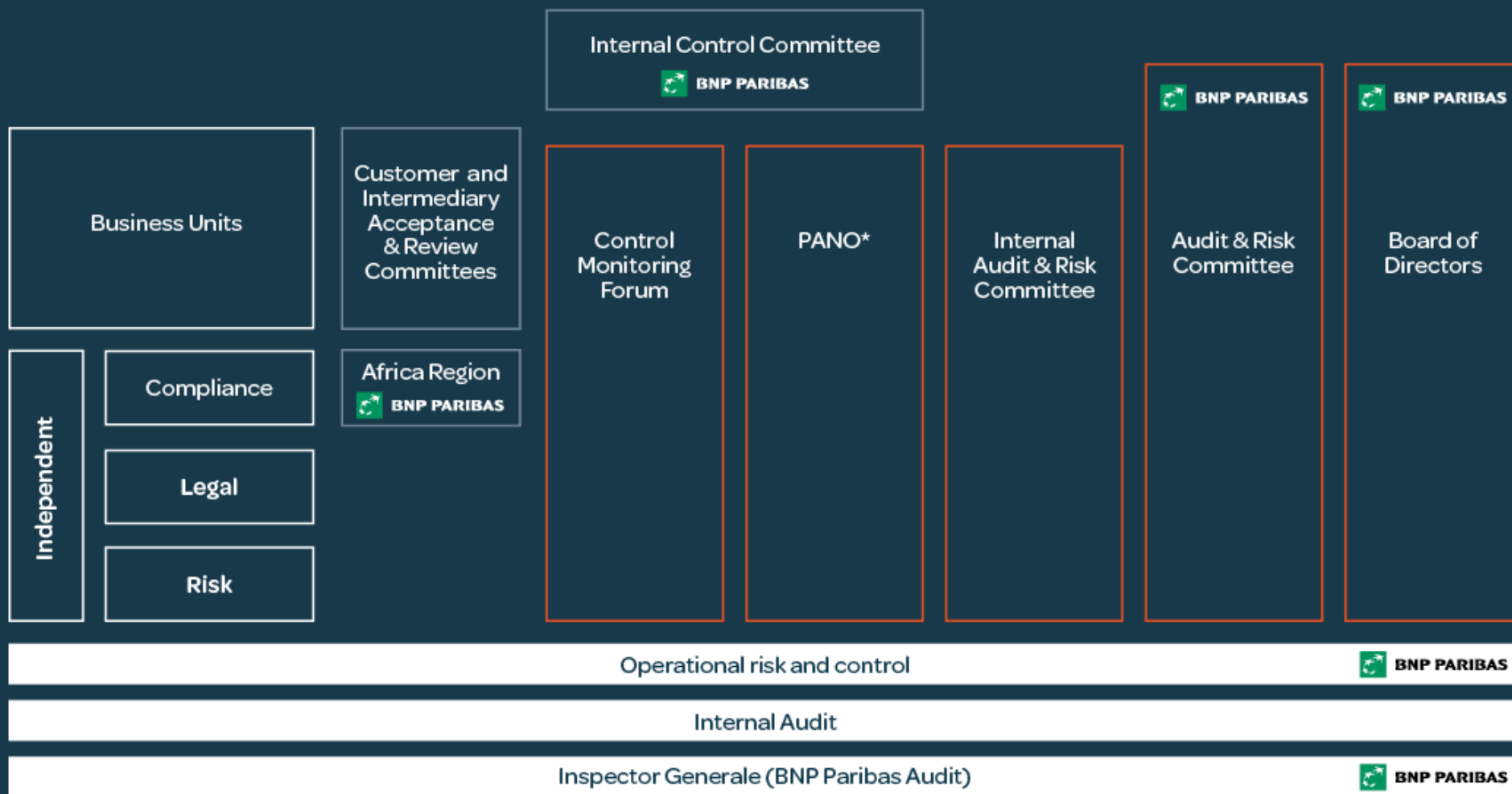
The Issuer will issue notes from time to time under the Programme

Step 4:

Where an Event Of Default occurs, Noteholders are entitled to claim against the Guarantors in the following order:

- 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

STRONG GOVERNANCE STRUCTURE



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

Bnp Paribas at a glance



KEY INDICATORS – 31 DECEMBER 2019

| | | | | |
|---------------------|--|------------------------------------|-----------------------------|----------------------------------|
| €44.6bn Revenues | €2,165bn Total Assets | 12.1% CET1 ⁽¹⁾ Ratio | €309bn Liquidity reserve | 125% Liquidity coverage ratio |
| €66bn Market cap | €6.21 Earnings per share ⁽¹⁾ | 198,816 Employees | 71 Countries & locations | €8.2bn Net Income group Share |

RANKINGS & AWARDS

Corporate banking

- N°1 All Bonds in Euros by volume and number of deal (Dealogic, Year to date¹)
- N°1 All Global Green Bonds in Euros and n°2 European FIC DCM by volume (Dealogic, Year to date)
- “Lead Manager of the Year for Corporate Green Bonds” (Environmental Finance Awards 2020)
- “ABS Bank of the Year” and “Corporate Securitization and Financing House of the Year” (Global Capital, March 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

FR0000131104



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



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THANK YOU

