Renault Group

CONSOLIDATED FINANCIAL STATEMENTS 2021

Consolidated financial statements

1. Consolidated income statement

(€ million)	*Notes*	2021	2020
Revenues	***4***	**46,213**	**43,474**
Cost of goods and services sold		(37,526)	(36,257)
Research and development expenses	*10-A*	(2,365)	(2,569)
Selling, general and administrative expenses		(4,659)	(4,985)
Other operating income and expenses	*6*	(265)	(1,662)
Other operating income	*6*	*728*	*181*
Other operating expenses	*6*	*(993)*	*(1,843)*
Operating income (loss)		**1,398**	**(1,999)**
Cost of net financial indebtedness	*7*	(308)	(337)
Cost of gross financial indebtedness	*7*	*(381)*	*(355)*
Income on cash and financial assets	*7*	*73*	*18*
Other financial income and expenses	*7*	(42)	(145)
Financial income (expenses)	***7***	**(350)**	**(482)**
Share in net income (loss) of associates and joint ventures		**515**	**(5,145)**
Nissan	*12*	*380*	*(4,970)*
Other associates and joint ventures	*13*	*135*	*(175)*
Pre-tax income		**1,563**	**(7,626)**
Current and deferred taxes	*8*	(596)	(420)
NET INCOME		**967**	**(8,046)**
Net income – parent-company shareholders' share		888	(8,008)
Net income - non-controlling interests' share		79	(38)
Basic earnings per share (1) in €		3.26	(29.51)
Diluted earnings per share (1) in €		3.24	(29.51)
Number of shares outstanding (thousands)			
for basic earnings per share	*9*	*272,102*	*271,349*
for diluted earnings per share	*9*	*273,868*	*271,349*

(1) Net income – parent-company shareholders' share divided by the number of shares stated.

2. Consolidated comprehensive income

(€ million)	2021 Gross	2021 Tax effect	2021 Net	2020 Gross	2020 Tax effect	2020 Net
Net income	**1,563**	**(596)**	**967**	**(7,626)**	**(420)**	**(8,046)**
Other components of comprehensive income from parent company and subsidiaries						
Items that will not be reclassified subsequently to profit or loss	**327**	**(23)**	**304**	**76**	**(66)**	**10**
Actuarial gains and losses on defined-benefit pension plans	*134*	*(35)*	*99*	*(62)*	*(62)*	*(124)*
Equity instruments at fair value through equity	*193*	*12*	*205*	*138*	*(4)*	*134*
Items that have been or will be reclassified to profit or loss in subsequent periods	**181**	**(27)**	**154**	**(665)**	**(1)**	**(666)**
Translation adjustments on foreign activities	*96*	-	*96*	*(652)*	-	*(652)*
Translation adjustments on foreign activities in hyperinflationary economies	*21*	-	*21*	*(21)*	-	*(21)*
Partial hedge of the investment in Nissan	*4*	-	*4*	-	-	-
Fair value adjustments on cash flow hedging instruments (1)	*65*	*(28)*	*37*	*8*	*(1)*	*7*
Debt instruments at fair value through equity (1)	*(5)*	*1*	*(4)*	-	-	-
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES (A)	**508**	**(50)**	**458**	**(589)**	**(67)**	**(656)**
Share of associates and joint ventures in other components of comprehensive income						
Items that will not be reclassified to profit or loss in subsequent periods	**571**	**-**	**571**	**146**	**-**	**146**
Actuarial gains and losses on defined-benefit pension plans	*421*	-	*421*	*94*	-	*94*
Other	*150*	-	*150*	*52*	-	*52*
Items that have been or will be reclassified to profit or loss in subsequent periods	**634**	**-**	**634**	**(1,268)**	**-**	**(1,268)**
Translation adjustments on foreign activities	*580*	-	*580*	*(1,228)*	-	*(1,228)*
Other	*54*	-	*54*	*(40)*	-	*(40)*
TOTAL SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)	**1,205**	**-**	**1,205**	**(1,122)**	**-**	**(1,122)**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**1,713**	**(50)**	**1,663**	**(1,711)**	**(67)**	**(1,778)**
COMPREHENSIVE INCOME	**3,276**	**(646)**	**2,630**	**(9,337)**	**(487)**	**(9,824)**
Parent company shareholders' share			*2,539*			*(9,760)*
Non-controlling interests' share			*91*			*(64)*

(1) *The figures reclassified to profit and loss in 2021 are presented in Note 18-F.*

3. Consolidated financial position

ASSETS (€ million)	Notes	December 31, 2021	December 31, 2020
Non-current assets			
Intangible assets and goodwill	*10-A*	6,398	6,347
Property, plant and equipment	*10-B*	16,167	17,135
Investments in associates and joint ventures		16,955	15,120
Nissan	*12*	*16,234*	*14,618*
Other associates and joint ventures	*13*	*721*	*502*
Non-current financial assets	*22*	373	1,253
Deferred tax assets	*8*	550	651
Other non-current assets	*17*	966	956
TOTAL NON-CURRENT ASSETS		**41,409**	**41,462**
Current assets			
Inventories	*14*	4,792	5,640
Sales Financing receivables	*15*	39,498	40,820
Automotive receivables	*16*	788	910
Current financial assets	*22*	1,380	1,181
Current tax assets	*17*	128	153
Other current assets	*17*	3,688	3,874
Cash and cash equivalents	*22*	21,928	21,697
Assets held for sale	*3*	129	-
TOTAL CURRENT ASSETS		**72,331**	**74,275**
TOTAL ASSETS		**113,740**	**115,737**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Notes	December 31, 2021	December 31, 2020
Shareholders' equity			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(237)	(284)
Revaluation of financial instruments		5	384
Translation adjustment		(3,407)	(4,108)
Reserves		25,159	31,876
Net income – parent company shareholders' share		888	(8,008)
Shareholders' equity – parent company shareholders' share		**27,320**	**24,772**
Shareholders' equity – non-controlling interests' share		574	566
TOTAL SHAREHOLDERS' EQUITY	***18***	**27,894**	**25,338**
Non-current liabilities			
Deferred tax liabilities	*8*	1,009	922
Provisions for pension and other long-term employee benefit obligations – long-term	*19*	1,355	1,544
Other provisions – long-term	*20*	1,291	1,356
Non-current financial liabilities	*23*	13,232	13,423
Provisions for uncertain tax liabilities – long-term	*21*	217	179
Other non-current liabilities	*21*	1,457	1,685
TOTAL NON-CURRENT LIABILITIES		**18,561**	**19,109**
Current liabilities			
Provisions for pension and other long-term employee benefit obligations – short-term	*19*	85	103
Other provisions – short-term	*20*	1,550	1,570
Current financial liabilities	*23*	3,605	3,924
Sales Financing debts	*23*	45,123	47,547
Trade payables		7,975	8,277
Current tax liabilities	*21*	266	221
Provisions for uncertain tax liabilities – short-term	*21*	6	6
Other current liabilities	*21*	8,493	9,642
Liabilities related to assets held for sale	*3*	182	-
TOTAL CURRENT LIABILITIES		**67,285**	**71,290**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**113,740**	**115,737**

4. Changes in consolidated shareholders’ equity

(€ million)	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent – company shareholders’ share)	Shareholders’ equity (parent –company shareholders’ share)	Shareholders’ equity (non-controlling interests’ share)	Total shareholders’ equity
BALANCE AT DECEMBER 31, 2019	**295,722**	**1,127**	**3,785**	**(344)**	**232**	**(2,235)**	**32,140**	**(141)**	**34,564**	**767**	**35,331**
2020 net income								(8,008)	(8,008)	(38)	(8,046)
Other components of comprehensive income					152	(1,873)	(31)		(1,752)	(26)	(1,778)
2020 COMPREHENSIVE INCOME					**152**	**(1,873)**	**(31)**	**(8,008)**	**(9,760)**	**(64)**	**(9,824)**
Allocation of 2019 net income							(141)	141			
Dividends										(21)	(21)
(Acquisitions) / disposals of treasury shares and impact of capital increases				60					60		60
Changes in ownership interests							(23)		(23)	(119)	(142)
Cost of share-based payments and other							(69)		(69)	3	(66)
BALANCE AT DECEMBER 31, 2020	**295,722**	**1,127**	**3,785**	**(284)**	**384**	**(4,108)**	**31,876**	**(8,008)**	**24,772**	**566**	**25,338**
2021 net income								888	888	79	967
Other components of comprehensive income (1)					432	701	518		1,651	12	1,663
2021 COMPREHENSIVE INCOME					**432**	**701**	**518**	**888**	**2,539**	**91**	**2,630**
Allocation of 2020 net income							(8,008)	8,008			
Dividends										(81)	(81)
(Acquisitions) / disposals of treasury shares and impact of capital increases				47					47		47
Changes in ownership interests										(2)	(2)
Cost of share-based payments and other (2)					(811)		773		(38)		(38)
BALANCE AT DECEMBER 31, 2021	**295,722**	**1,127**	**3,785**	**(237)**	**5**	**(3,407)**	**25,159**	**888**	**27,320**	**574**	**27,894**

(1) Changes in the revaluation reserve correspond to the gain on sale of the Daimler shares in 2021 until the date of the sale (Note 22-B); changes in reserves mainly correspond to actuarial gains on defined-benefit pension plans recognized during the period.

(2) Including Renault’s €554 million gain on sale of the Daimler shares, reclassified in reserves (Note 22-B) and Nissan’s €252 million gain on sale of its Daimler shares, reclassified in reserves (Note 12-D).

Details of changes in consolidated shareholders’ equity in 2021 are given in Note 18.

5. Consolidated cash flows

(€ million)	Notes	2021	2020
Net income		**967**	**(8,046)**
Cancellation of dividends received from unconsolidated listed investments		-	(11)
Cancellation of income and expenses with no impact on cash			
Depreciation, amortization and impairment		4,043	4,750
Share in net (income) loss of associates and joint ventures		(515)	5,145
Other income and expenses with no impact on cash before interest and tax	*26-A*	298	1,513
Dividends received from unlisted associates and joint ventures		29	5
Cash flows before interest and tax (1)		**4,822**	**3,356**
Dividends received from listed companies (2)		**-**	**11**
Net change in financing for final customers		47	287
Net change in renewable dealer financing		1,534	2,820
Decrease (increase) in Sales Financing receivables		**1,581**	**3,107**
Bond issuance by the Sales Financing segment	*23-C*	686	1,598
Bond redemption by the Sales Financing segment	*23-C*	(4,342)	(2,621)
Net change in other debts of the Sales Financing segment		1,073	2,195
Net change in other securities and loans of the Sales Financing segment		(219)	884
Net change in financial assets and debts of the Sales Financing segment		**(2,802)**	**2,056**
Change in capitalized leased assets		**(413)**	**(929)**
Change in working capital before tax	***26-B***	**(154)**	**(1,192)**
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX		**3,034**	**6,409**
Interest received		72	71
Interest paid		(342)	(352)
Current taxes (paid) / received		(355)	(375)
CASH FLOWS FROM OPERATING ACTIVITIES		**2,409**	**5,753**
Property, plant and equipment and intangible investments	*26-C*	(3,001)	(4,208)
Disposals of property, plant and equipment and intangible assets		574	187
Acquisitions of investments involving gain of control, net of cash acquired		(103)	-
Acquisitions of other investments		(126)	(129)
Disposals of investments involving loss of control, net of cash transferred		-	-
Disposals of other investments (3)		1,186	(146)
Net decrease (increase) in other securities and loans of the Automotive segments		(146)	57
CASH FLOWS FROM INVESTING ACTIVITIES		**(1,616)**	**(4,239)**
Dividends paid to parent-company shareholders	*18-D*	-	-
Transactions with non-controlling interests		(4)	10
Dividends paid to non-controlling interests	*18-H*	(81)	(21)
(Acquisitions) sales of treasury shares		(36)	(44)
Cash flows with shareholders		**(121)**	**(55)**
Bond issuance by the Automotive segments	*23-C*	2,241	1,000
Bond redemption by the Automotive segments	*23-C*	(829)	(590)
Net increase (decrease) in other financial liabilities of the Automotive segments		(1,922)	5,250
Net change in financial liabilities of the Automotive segments	***23-B***	**(510)**	**5,660**
CASH FLOWS FROM FINANCING ACTIVITIES		**(631)**	**5,605**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**162**	**7,119**

(1) Cash flows before interest and tax do not include dividends received from listed companies.
(2) In 2020, dividends received from Daimler (€11 million).
(3) Disposals of other investments include €1,138 million relating to the sale of the Daimler shares.

(€ million)	2021	2020
Cash and cash equivalents: opening balance	**21,697**	**14,982**
Increase (decrease) in cash and cash equivalents	162	7,119
Effect of changes in exchange rate and other changes	88	(404)
Cash generated by assets held for sale	(19)	-
Cash and cash equivalents: closing balance (1)	**21,928**	**21,697**

(1) Cash subject to restrictions on use is described in Note 22-D.

6. Notes to the condensed consolidated financial statements

6.1. Information on operating segments and Regions

The operating segments defined by Renault Group are the following:

- The **“Automotive”** segments, which in practice consist of two segments:
  - The “Automotive excluding AVTOVAZ” segment, consisting of the Group’s automotive activities as they existed before Renault acquired control of the AVTOVAZ group under IFRS 10. This segment comprises the production, sales, and distribution subsidiaries for passenger cars and light commercial vehicles, automotive service subsidiaries for the Renault, Dacia, Samsung and Alpine brands, and the subsidiaries in charge of the segment’s cash management. It also includes investments in automotive-sector associates and joint ventures, principally Nissan.
  - The “AVTOVAZ” segment, consisting of the Russian automotive group AVTOVAZ and its parent company Lada Auto Holding OOO (previously Alliance Rostec Auto b.v., see Note 3). This segment was formed at the end of 2016, after Renault acquired control, as defined by IFRS 10, over these entities in December 2016.
- The **“Sales Financing”** segment, which the Group considers as an operating activity in its own right, carried out for the distribution network and final customers by RCI Banque, its subsidiaries and its investments in associates and joint ventures.
- The **“Mobility Services”** segment consisting of services for new mobilities brought together in the holding company Renault M.A.I. (Mobility As an Industry).

The segment result regularly reviewed by the Board of Management (which replaces the Group Executive Committee from 2021), identified as the “Chief Operating Decision-Maker”, is the operating margin. The definition of this indicator is unchanged from previous years and is detailed in Note 2-D Presentation of the consolidated financial statements.

The operating margin excludes restructuring costs.

The new brand-based organization announced by Luca de Meo, effective from 2021, did not affect the operating segments defined above. The presentation of business results by segment to the Board of Management continues to use the same segments as at December 31, 2020.

A. Information by operating segment

A1. Consolidated income statement by operating segment

(€ million)	Automotive (excluding AVTOVAZ) [1]	AVTOVAZ [1]	Intra-Automotive transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility services	Intersegment transactions	CONSOLIDATED TOTAL
2021								
External sales	**40,404**	**2,850**	**-**	**43,254**	**2,935**	**24**	**-**	**46,213**
Intersegment sales	102	715	(715)	102	18	2	(122)	-
Sales by segment	**40,506**	**3,565**	**(715)**	**43,356**	**2,953**	**26**	**(122)**	**46,213**
Operating margin [2] [3]	**258**	**249**	**(2)**	**505**	**1,185**	**(29)**	**2**	**1,663**
Operating income	**36**	**237**	**(2)**	**271**	**1,179**	**(54)**	**2**	**1,398**
Financial income (expenses) [4]	**716**	**(51)**	**-**	**665**	**(14)**	**(1)**	**(1,000)**	**(350)**
Share in net income (loss) of associates and joint ventures	**501**	**-**	**-**	**501**	**19**	**(5)**	**-**	**515**
Pre-tax income	**1,253**	**186**	**(2)**	**1,437**	**1,184**	**(60)**	**(998)**	**1,563**
Current and deferred taxes	(248)	(20)	-	(268)	(327)	(1)	-	(596)
NET INCOME	**1,005**	**166**	**(2)**	**1,169**	**857**	**(61)**	**(998)**	**967**

(1) External sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €280 million for 2021, and these sales are thus included in the AVTOVAZ segment's intersegment transactions.

(2) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.

(3) The Automotive (excluding AVTOVAZ) segment's contribution to the operating margin after elimination of intersegment transactions amounts to €260 million in 2021.

(4) Dividends paid by the Sales Financing segment to the Automotive segments are included in the Automotive segments' financial income and eliminated in the intersegment transactions. A dividend of €1,000 million was paid in 2021.

(€ million)	Automotive (excluding AVTOVAZ) [1]	AVTOVAZ [1]	Intra-Automotive transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility services	Intersegment transactions	CONSOLIDATED TOTAL
2020								
External sales	**37,736**	**2,581**	**-**	**40,317**	**3,138**	**19**	**-**	**43,474**
Intersegment sales	95	651	(651)	95	21	1	(117)	-
Sales by segment	**37,831**	**3,232**	**(651)**	**40,412**	**3,159**	**20**	**(117)**	**43,474**
Operating margin [2] [3]	**(1,452)**	**140**	**1**	**(1,311)**	**1,007**	**(35)**	**2**	**(337)**
Operating income	**(3,061)**	**129**	**1**	**(2,931)**	**990**	**(60)**	**2**	**(1,999)**
Financial income (expenses) [4]	**(414)**	**(52)**	**-**	**(466)**	**(15)**	**(1)**	**-**	**(482)**
Share in net income (loss) of associates and joint ventures	**(5,161)**	**-**	**-**	**(5,161)**	**19**	**(3)**	**-**	**(5,145)**
Pre-tax income	**(8,636)**	**77**	**1**	**(8,558)**	**994**	**(64)**	**2**	**(7,626)**
Current and deferred taxes	55	(273)	-	(218)	(205)	1	2	(420)
NET INCOME	**(8,581)**	**(196)**	**1**	**(8,776)**	**789**	**(63)**	**4**	**(8,046)**

(1) External sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €218 million in 2020, and these sales are thus included in the AVTOVAZ segment's intersegment transactions.

(2) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.

(3) The Automotive (excluding AVTOVAZ) segment's contribution to the operating margin after elimination of intersegment transactions amounts to -€1,450 million in 2020.

(4) Dividends paid by the Sales Financing segment to the Automotive segments are included in the Automotive segments' financial income and eliminated in the intersegment transactions. No dividend was paid in 2020.

A2. Consolidated financial position by operating segment

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility services	Intersegment transactions	CONSOLIDATED TOTAL
December 31, 2021								
ASSETS								
Non-current assets								
Property, plant and equipment and intangible assets	20,127	1,816	-	21,943	581	40	1	22,565
Investments in associates and joint ventures	16,763	11	-	16,774	176	5	-	16,955
Non-current financial assets – equity investments	7,051	-	(836)	6,215	11	1	(6,155)	72
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	306	-	-	306	-	-	(5)	301
Deferred tax assets	351	10	-	361	189	-	-	550
Other non-current assets	875	17	(77)	815	151	-	-	966
TOTAL NON-CURRENT ASSETS	**45,473**	**1,854**	**(913)**	**46,414**	**1,108**	**46**	**(6,159)**	**41,409**
Current assets								
Inventories	4,395	373	-	4,768	24	-	-	4,792
Customer receivables	934	118	(136)	916	40,020	4	(654)	40,286
Current financial assets	1,052	-	(1)	1,051	1,187	-	(858)	1,380
Current tax assets and other current assets	2,642	233	(4)	2,871	5,733	5	(4,664)	3,945
Cash and cash equivalents	13,478	535	(136)	13,877	8,040	14	(3)	21,928
TOTAL CURRENT ASSETS	**22,501**	**1,259**	**(277)**	**23,483**	**55,004**	**23**	**(6,179)**	**72,331**
TOTAL ASSETS	**67,974**	**3,113**	**(1,190)**	**69,897**	**56,112**	**69**	**(12,338)**	**113,740**
SHAREHOLDERS' EQUITY AND LIABILITIES								
Shareholders' equity	**27,851**	**901**	**(839)**	**27,913**	**6,134**	**8**	**(6,161)**	**27,894**
Non-current liabilities								
Long-term provisions	2,277	21	-	2,298	565	-	-	2,863
Non-current financial liabilities	11,235	1,098	-	12,333	893	11	(5)	13,232
Deferred tax liabilities	344	24	-	368	640	1	-	1,009
Other non-current liabilities	1,181	77	(77)	1,181	276	-	-	1,457
TOTAL NON-CURRENT LIABILITIES	**15,037**	**1,220**	**(77)**	**16,180**	**2,374**	**12**	**(5)**	**18,561**
Current liabilities								
Short-term provisions	1,564	42	-	1,606	35	-	-	1,641
Current financial liabilities	4,337	34	(137)	4,234	-	35	(664)	3,605
Trade payables and Sales Financing debts	7,604	619	(129)	8,094	45,843	5	(844)	53,098
Current tax liabilities and other current liabilities	11,581	297	(8)	11,870	1,726	9	(4,664)	8,941
TOTAL CURRENT LIABILITIES	**25,086**	**992**	**(274)**	**25,804**	**47,604**	**49**	**(6,172)**	**67,285**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**67,974**	**3,113**	**(1,190)**	**69,897**	**56,112**	**69**	**(12,338)**	**113,740**

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility services	Intersegment transactions	CONSOLIDATED TOTAL
December 31, 2020								
ASSETS								
Non-current assets								
Property, plant and equipment and intangible assets	21,432	1,569	-	23,001	415	66	-	23,482
Investments in associates and joint ventures	14,981	2	-	14,983	129	7	1	15,120
Non-current financial assets – equity investments	7,908	-	(670)	7,238	3	-	(6,244)	997
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	257	-	-	257	-	-	(1)	256
Deferred tax assets	416	21	-	437	214	-	-	651
Other non-current assets	795	5	(32)	768	188	-	-	956
TOTAL NON-CURRENT ASSETS	**45,789**	**1,597**	**(702)**	**46,684**	**949**	**73**	**(6,244)**	**41,462**
Current assets								
Inventories	5,337	262	-	5,599	41	-	-	5,640
Customer receivables	1,053	130	(113)	1,070	41,983	2	(1,325)	41,729
Current financial assets	1,065	-	(4)	1,061	943	-	(823)	1,181
Current tax assets and other current assets	2,667	274	(2)	2,939	6,122	5	(5,039)	4,027
Cash and cash equivalents	12,524	558	(133)	12,949	8,738	15	(5)	21,697
TOTAL CURRENT ASSETS	**22,646**	**1,224**	**(252)**	**23,618**	**57,827**	**22**	**(7,192)**	**74,274**
TOTAL ASSETS	**68,435**	**2,821**	**(954)**	**70,302**	**58,776**	**95**	**(13,436)**	**115,737**
SHAREHOLDERS' EQUITY AND LIABILITIES								
Shareholders' equity	**25,346**	**678**	**(671)**	**25,353**	**6,195**	**48**	**(6,258)**	**25,338**
Non-current liabilities								
Long-term provisions	2,454	21	-	2,475	604	-	-	3,079
Non-current financial liabilities	11,489	1,030	-	12,519	890	15	(1)	13,423
Deferred tax liabilities	314	34	(1)	347	573	2	-	922
Other non-current liabilities	1,408	37	(32)	1,413	270	2	-	1,685
TOTAL NON-CURRENT LIABILITIES	**15,665**	**1,122**	**(33)**	**16,754**	**2,337**	**19**	**(1)**	**19,109**
Current liabilities								
Short-term provisions	1,575	56	-	1,631	49	-	(1)	1,679
Current financial liabilities	5,145	139	(137)	5,147	(1)	18	(1,240)	3,924
Trade payables and Sales Financing debts	8,025	452	(108)	8,369	48,298	2	(845)	55,824
Current tax liabilities and other current liabilities	12,679	374	(5)	13,048	1,898	8	(5,091)	9,863
TOTAL CURRENT LIABILITIES	**27,424**	**1,021**	**(250)**	**28,195**	**50,244**	**28**	**(7,177)**	**71,290**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**68,435**	**2,821**	**(954)**	**70,302**	**58,776**	**95**	**(13,436)**	**115,737**

A3. Consolidated cash flows by operating segment

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility services	Intersegment transactions	CONSOLIDATED TOTAL
2021								
Net income [1]	**1,005**	**166**	**(2)**	**1,169**	**857**	**(61)**	**(998)**	**967**
Cancellation of dividends received from unconsolidated listed investments	-	-	-	-	-	-	-	-
Cancellation of income and expenses with no impact on cash								
Depreciation, amortization and impairment	3,764	94	1	3,859	150	34	-	4,043
Share in net (income) loss of associates and joint ventures	(502)	-	-	(502)	(18)	5	-	(515)
Other income and expenses with no impact on cash, before interest and tax	9	47	-	56	257	1	(16)	298
Dividends received from unlisted associates and joint ventures	28	1	-	29	-	-	-	29
Cash flows before interest and tax	**4,304**	**308**	**(1)**	**4,611**	**1,246**	**(21)**	**(1,014)**	**4,822**
Dividends received from listed companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Decrease (increase) in Sales Financing receivables	-	-	-	-	2,228	-	(647)	1,581
Net change in financial assets and Sales Financing debts	-	-	-	-	(2,852)	-	50	(2,802)
Change in capitalized leased assets	(218)	-	-	(218)	(195)	-	-	(413)
Change in working capital before tax	(370)	34	6	(330)	181	(3)	(2)	(154)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	**3,716**	**342**	**5**	**4,063**	**608**	**(24)**	**(1,613)**	**3,034**
Interest received	46	32	(6)	72	-	-	-	72
Interest paid	(276)	(87)	6	(357)	-	-	15	(342)
Current taxes (paid)/received	(77)	(14)	-	(91)	(263)	(1)	-	(355)
CASH FLOWS FROM OPERATING ACTIVITIES	**3,409**	**273**	**5**	**3,687**	**345**	**(25)**	**(1,598)**	**2,409**
Purchases of intangible assets	(1,102)	(64)	-	(1,166)	(6)	(5)	-	(1,177)
Purchases of property, plant and equipment	(1,651)	(167)	(5)	(1,823)	(1)	-	-	(1,824)
Disposals of property, plant and equipment and intangibles [2]	567	7	-	574	-	-	-	574
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	(6)	-	-	(6)	(97)	-	-	(103)
Acquisitions and disposals of other investments and other [3]	1,042	8	-	1,050	(4)	(3)	17	1,060
Net decrease (increase) in other securities and loans of the Automotive segments	(162)	-	(4)	(166)	-	5	15	(146)
CASH FLOWS FROM INVESTING ACTIVITIES	**(1,312)**	**(216)**	**(9)**	**(1,537)**	**(108)**	**(3)**	**32**	**(1,616)**
Cash flows with shareholders	(93)	(7)	-	(100)	(1,019)	15	983	(121)
Net change in financial liabilities of the Automotive segments	(1,005)	(108)	10	(1,103)	-	9	584	(510)
CASH FLOWS FROM FINANCING ACTIVITIES	**(1,098)**	**(115)**	**10**	**(1,203)**	**(1,019)**	**24**	**1,567**	**(631)**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**999**	**(58)**	**6**	**947**	**(782)**	**(4)**	**1**	**162**
Cash and cash equivalents: opening balance	**12,524**	**558**	**(133)**	**12,949**	**8,738**	**15**	**(5)**	**21,697**
Increase (decrease) in cash and cash equivalents	999	(58)	6	947	(782)	(4)	1	162
Effect of changes in exchange rate and other changes	(45)	35	(9)	(19)	84	3	1	69
Cash and cash equivalents: closing balance	**13,478**	**535**	**(136)**	**13,877**	**8,040**	**14**	**(3)**	**21,928**

(1) Dividends paid by the Sales Financing segment to the Automotive segments are included in the net income of the Automotive (excluding Avtovaz) segment. They amount to €1,000 million in 2021 (no dividend was paid in 2020).

(2) The principal gains on disposals of property, plant and equipment and intangibles (€574 million at December 31, 2021) are presented in Note 6-C.

(3) Disposals of other investments include €1,138 million relating to the sale of the Daimler shares.

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility services	Intersegment transactions	CONSOLIDATED TOTAL
2020								
Net income (1)	**(8,581)**	**(196)**	**1**	**(8,776)**	**789**	**(63)**	**4**	**(8,046)**
Cancellation of dividends received from unconsolidated listed investments	(11)	-	-	(11)	-	-	-	(11)
Cancellation of income and expenses with no impact on cash								
Depreciation, amortization and impairment	4,571	80	-	4,651	83	16	-	4,750
Share in net (income) loss of associates and joint ventures	5,160	-	-	5,160	(19)	4	-	5,145
Other income and expenses with no impact on cash, before interest and tax	754	317	-	1,071	452	14	(24)	1,513
Dividends received from unlisted associates and joint ventures	3	2	-	5	-	-	-	5
Cash flows before interest and tax (2)	**1,896**	**203**	**1**	**2,100**	**1,305**	**(29)**	**(20)**	**3,356**
Dividends received from listed companies (3)	**11**	**-**	**-**	**11**	**-**	**-**	**-**	**11**
Decrease (increase) in Sales Financing receivables	-	-	-	-	2,837	-	270	3,107
Net change in financial assets and Sales Financing debts	-	-	-	-	2,154	-	(98)	2,056
Change in capitalized leased assets	(839)	-	-	(839)	(90)	-	-	(929)
Change in working capital before tax	(1,527)	233	(78)	(1,372)	180	2	(2)	(1,192)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	**(459)**	**436**	**(77)**	**(100)**	**6,386**	**(27)**	**150**	**6,409**
Interest received	51	22	(4)	69	-	2	-	71
Interest paid	(297)	(81)	4	(374)	-	-	22	(352)
Current taxes (paid)/received	(127)	(8)	-	(135)	(240)	-	-	(375)
CASH FLOWS FROM OPERATING ACTIVITIES	**(832)**	**369**	**(77)**	**(540)**	**6,146**	**(25)**	**172**	**5,753**
Purchases of intangible assets	(1,412)	(74)	-	(1,486)	(3)	(11)	-	(1,500)
Purchases of property, plant and equipment	(2,602)	(182)	83	(2,701)	(7)	-	-	(2,708)
Disposals of property, plant and equipment and intangibles	187	6	(6)	187	-	-	-	187
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	-	-	-	-	-	-	-	-
Acquisitions and disposals of other investments and other	(281)	-	-	(281)	-	(23)	29	(275)
Net decrease (increase) in other securities and loans of the Automotive segments	42	2	(2)	42	-	(2)	17	57
CASH FLOWS FROM INVESTING ACTIVITIES	**(4,066)**	**(248)**	**75**	**(4,239)**	**(10)**	**(36)**	**46**	**(4,239)**
Cash flows with shareholders	(44)	-	-	(44)	(11)	29	(29)	(55)
Net change in financial liabilities of the Automotive segments	5,476	437	(143)	5,770	-	23	(133)	5,660
CASH FLOWS FROM FINANCING ACTIVITIES	**5,432**	**437**	**(143)**	**5,726**	**(11)**	**52**	**(162)**	**5,605**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**534**	**558**	**(145)**	**947**	**6,125**	**(9)**	**56**	**7,119**
Cash and cash equivalents: opening balance	**12,231**	**70**	**(3)**	**12,298**	**2,762**	**0**	**(78)**	**14,982**
Increase (decrease) in cash and cash equivalents	534	558	(145)	947	6,125	(9)	56	7,119
Effect of changes in exchange rate and other changes	(241)	(70)	15	(296)	(149)	24	17	(404)
Cash and cash equivalents: closing balance	**12,524**	**558**	**(133)**	**12,949**	**8,738**	**15**	**(5)**	**21,697**

(1) Dividends paid by the Sales Financing segment to the Automotive segments are included in the net income of the Automotive (excluding AVTOVAZ) segment. No dividend was paid in 2020.

(2) Cash flows before interest and tax do not include dividends received from listed companies.

(3) Dividends received from Daimler (€11 million).

A4. Other information for the Automotive segments: net cash position (net financial indebtedness), Operational free cash flow and ROCE

The net cash position or net financial indebtedness, operational free cash flow and ROCE are only presented for the Automotive segments.

The net cash position or net financial indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans.

Net cash position (net financial indebtedness)

	December 31, 2021			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	TOTAL AUTOMOTIVE
Non-current financial liabilities	(11,235)	(1,098)	-	(12,333)
Current financial liabilities	(4,337)	(34)	137	(4,234)
Non-current financial assets – other securities, loans and derivatives on financing operations	90	-	-	90
Current financial assets	979	-	(1)	978
Cash and cash equivalents	13,478	535	(136)	13,877
Net cash position (net financial indebtedness) of the Automotive segments	**(1,025)**	**(597)**	**-**	**(1,622)**

	December 31, 2020			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	TOTAL AUTOMOTIVE
Non-current financial liabilities	(11,489)	(1,030)	-	(12,519)
Current financial liabilities	(5,145)	(139)	137	(5,147)
Non-current financial assets – other securities, loans and derivatives on financing operations	118	-	-	118
Current financial assets	1,024	-	(4)	1,020
Cash and cash equivalents	12,524	558	(133)	12,949
Net cash position (net financial indebtedness) of the Automotive segments	**(2,968)**	**(611)**	**-**	**(3,579)**

Operational free cash flow

	2021			
(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	TOTAL AUTOMOTIVE
Cash flows (excluding dividends from listed companies) before interest and tax	4,304	308	(1)	4,611
Changes in working capital before tax [(1)]	(370)	34	6	(330)
Interest received by the Automotive segments	46	32	(6)	72
Interest paid by the Automotive segments	(276)	(87)	6	(357)
Current taxes (paid) / received	(77)	(14)	-	(91)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(2,186)	(224)	(5)	(2,415)
Capitalized leased vehicles and batteries	(218)	-	-	(218)
Operational free cash flow of the Automotive segments	**1,223**	**49**	**-**	**1,272**
Payments for restructuring expenses	*(593)*	*(9)*	-	*(602)*
Operational free cash flow of the Automotive segments excluding restructuring [(2)]	**1,816**	**58**	**-**	**1,874**

(1) *Settlements of supplier payables covered by a reverse factoring program that are analysed as financing operations are not included in the change in working capital, but in cash flows from financing activities (see Note 2-P). No cash flow from financing activities in 2021, (€173 million in 2020, classified in the change in working capital).*

(2) *The amounts included in Restructuring Costs are presented in Note 6-A.*

(€ million)	2020 Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra-Automotive transactions	TOTAL AUTOMOTIVE
Cash flows (excluding dividends from listed companies) before interest and tax	1,896	203	1	2,100
Changes in working capital before tax (1)	(1,527)	233	(78)	(1,372)
Interest received by the Automotive segments	51	22	(4)	69
Interest paid by the Automotive segments	(297)	(81)	4	(374)
Current taxes (paid) / received	(127)	(8)	-	(135)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(3,827)	(250)	77	(4,000)
Capitalized leased vehicles and batteries	(839)	-	-	(839)
Operational free cash flow of the Automotive segments	**(4,670)**	**119**	**-**	**(4,551)**
Payments for restructuring expenses	*(325)*	*(14)*	-	*(339)*
Operational free cash flow of the Automotive segments excluding restructuring (2)	**(4,345)**	**133**	**-**	**(4,212)**

(1) *Settlements of supplier payables covered by a reverse factoring program that are analysed as financing operations are not included in the change in working capital, but in cash flows from financing activities. In 2020, such payments gave rise to an amount of €173 million.*

(2) *The amounts included in Restructuring Costs are presented in Note 6-A.*

ROCE

ROCE (Return On Capital Employed) is an indicator that measures the profitability of capital invested. It is reported for the Automotive segments. The shares in Sales Financing and Mobility Services entities, Nissan, and Daimler (which was sold in 2021, see Note 22-B) are not included in the definition of capital employed by the Automotive segments.

(€ million)	December 31, 2021	December 31, 2020
Operating margin	507	(1,311)
Normative tax rate	28%	28%
Operating margin after tax (A) (1)	**365**	**(944)**
Property, plant and equipment, intangible assets and goodwill	21,943	23,001
Investments in associates and joint ventures excluding Nissan	540	365
Non-current financial assets – equity investments excluding RCI Banque SA, Renault M.A.I and Daimler	60	43
Working capital	(11,775)	(12,454)
Capital employed (B)	**10,768**	**10,955**
Return on capital employed (ROCE = A/B)	**3.4%**	**-8.6%**

(1) *The approach used to determine ROCE includes a theoretical tax effect based on a normative tax rate of 28%.*

Working capital is determined from the following segment reporting items:

(€ million)	December 31, 2021	December 31, 2020
Other non-current assets	815	768
Inventories	4,768	5,599
Customer receivables	916	1,070
Current tax assets and other current assets	2,871	2,939
Other non-current liabilities	(1,181)	(1,413)
Trade payables	(8,094)	(8,369)
Current tax liabilities and other current liabilities	(11,870)	(13,048)
Working capital	**(11,775)**	**(12,454)**

B. Information by Region

Consolidated revenues are presented by location of customers.

Property, plant and equipment and intangibles are presented by location of subsidiaries and joint operations.

(€ million)	Europe [1]	Americas	Asia Pacific	Africa & Middle East	Eurasia	Consolidated total
2021						
Revenues	31,975	3,432	2,688	1,573	6,545	**46,213**
- AVTOVAZ	*3*	*4*	*-*	*20*	*3,103*	***3,130***
Property, plant and equipment and intangible assets	17,806	561	660	770	2,768	**22,565**
- AVTOVAZ	*1*	*-*	*-*	*-*	*1,815*	***1,816***
2020						
Revenues	30,427	2,486	3,185	1,314	6,062	**43,474**
- AVTOVAZ	*2*	*2*	*1*	*10*	*2,784*	***2,799***
Property, plant and equipment and intangible assets	18,782	600	705	821	2,574	**23,482**
- AVTOVAZ	*1*	*-*	*-*	*-*	*1,568*	***1,569***

[1] France:

(€ million)	2021	2020
Revenues	**13,139**	**12,019**
Property, plant and equipment and intangible assets	**12,857**	**13,869**

In 2021 the Group modified its international organization. The Africa - Middle East - India - Asia Pacific region has been split into two new regions:

- Africa & Middle East;
- Asia Pacific.

The China region as presented at December 31, 2020 is now included in the Asia Pacific region.

Romania, Bulgaria and French overseas territories are now included in the Europe region.

The figures for 2020 correspond to the regions adopted in 2021.

6.2. Accounting policies and scope of consolidation

Note 1 - Approval of the financial statements

Renault Group's consolidated financial statements for 2021 were examined at the Board of Directors' meeting of February 17, 2022 and will be submitted for approval by the shareholders at the General Shareholders' Meeting.

Note 2 - Accounting policies

In application of European regulations, the Renault Group's consolidated financial statements for 2021 are prepared under IFRS (International Financial Reporting Standards) as issued by the IASB (International Accounting Standards Board) at December 31, 2021 and adopted by the European Union at the year-end.

2-A. Changes in accounting policies

2-A1. Changes in accounting policies in 2021

Renault Group applies the accounting standards and amendments that have been published in the Official Journal of the European Union and are mandatory from January 1, 2021.

New amendments that became mandatory on January 1, 2021	
Amendments to IFRS 9, IAS 39 and IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform – Phase 2
Amendments to IFRS 4	Extension of the provisional exemption to applying IFRS 9 until financial years beginning before January 1, 2023

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 concerning Phase 2 of the interest rate benchmark reform and financial instruments were applied early by the Group in its financial statements at December 31, 2020. In 2020, the Automotive segments (through the intermediary of Renault Finance) adhered to the ISDA 2018 Benchmarks Supplement Protocol. The Sales Financing segment adhered to the ISDA 2020 IBOR Fallbacks Protocol in 2020, and the ISDA 2018 Benchmarks Supplement Protocol in 2021.

During the second half of 2021, the Sales Financing segment terminated interest rate swaps included in hedging relationships and involving benchmarks concerned by the reform.

At December 31, 2021, the Group has no interest rate hedging relationship, as defined by IFRS 9, that involves an interest rate benchmark concerned by the reform, and it considers there is no uncertainty regarding the future of the EURIBOR rate since its validation by the European Banking Authority as benchmark regulation-compliant.

Application of the other amendments from January 1, 2021 has no material impact on the Group's financial statements.

New amendment effective from April 1, 2021

In March 2021 the IASB published an amendment to IFRS 16 entitled "Covid-19-Related rent concessions beyond June 30, 2021", with an effective date of April 1, 2021, extending the application period for the 2020 amendment "Covid-19-Related rent concessions". In line with the position taken for 2020, the Group has not applied this amendment in the financial statements at December 31, 2021. As in 2020, the concessions from which the Group benefited in 2021 have no significant impact.

New standards and amendments not applied early by the Group

New IFRS standards and amendments not yet applied early by the Group		Mandatory application date set by the IASB
Amendments to IAS 16	Proceeds before Intended Use	January 1, 2022
Amendments to IFRS 3	Updating a Reference to the Conceptual Framework	January 1, 2022
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract	January 1, 2022
IFRS 17 and amendments	Insurance contracts	January 1, 2023
Annual improvements (2018-2020 cycle)	Annual improvements process	January 1, 2022

The Group is currently analysing the potential impacts, but does not at this stage anticipate that application of these documents will have any significant impact on the consolidated financial statements.

Other standards and amendments not yet adopted by the European Union

The IASB has also published the following new standards and amendments that have not yet been adopted by the European Union.

New IFRS standards and amendments not yet adopted by the European Union		Application date set by the IASB
Amendment to IAS 1	Classification of Liabilities as Current or Non-current	January 1, 2023
Amendment to IAS 1	Disclosure of accounting policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Definition of Accounting Estimates	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendment to IFRS 17	Initial Application of IFRS 17 and IFRS - Comparative Information	January 1, 2023

The Group is currently analysing the potential impacts, but does not at this stage anticipate that application of these amendments will have any significant impact on the consolidated financial statements.

2-A2. IFRS IC Agenda Decision on attributing benefit to periods of service (IAS 19)

In May 2021 the IFRS IC published an Agenda Decision to clarify the periods of service to which an entity should allocate a retirement indemnity under a plan in which:

- the indemnity is payable to all employees still employed by the company when they retire;
- the amount of the indemnity depends on the number of years the employee has worked for the company, capped at a certain number of months' salary).

The decision clarifies that for such a plan, in application of IAS 19, the cost of the retirement indemnity must be attributed to the final years of service that earn the entitlement to the benefit (not spread over the employee's entire career).

The provision for vested benefits has been modified in the 2021 financial statements in accordance with this interpretation. The amount involved is not material.

2-A3. IFRS IC interpretation concerning configuration and customization costs in a Software as a Service (SaaS) arrangement (IAS 38)

Regarding the interpretation issued by the IFRS IC in April 2021 on recognition of configuration and customisation costs in a Software as a Service (SaaS) arrangement, no significant impact on disclosed financial statements has been identified.

2-A4. IFRS IC interpretation concerning recognition of Targeted Long Term Refinancing Operations (TLTRO) (IFRS 9 and IAS 20)

The IFRS IC decision clarifying analysis and recognition of TLTRO III transactions, which was due to be finalized in December 2021, has been deferred to February 2022. This decision applies to drawings of TLTRO III financing by the Sales Financing segment, to which the Group has opted to apply IFRS 9. More details of these transactions are provided in Note 23-C.

2-B. Estimates and judgments

Specific context of 2020 and 2021

In the context of the Covid-19 pandemic that appeared in the first quarter of 2020 and continued throughout the year 2020, the global automotive market suffered a year-on-year downturn of 14.4% between 2019 and 2020. To protect its employees, and in compliance with the measures introduced by national governments, the Group suspended its commercial and production activities in most countries during March 2020. During the lockdown periods, practically all employees not working in production and sales worked from home, and furlough measures were put in place in 2020. Production and sales resumed mainly from May 2020, respecting the end-of-lockdown measures imposed by the governments of the countries where the Group has operations. A second lockdown and curfews were imposed in several countries, including France, during the second half of 2020; all these measures also had negative effects on the Group's business activity in 2020. In addition to the effects of the Covid-19 pandemic, which were less serious but continued in 2021, business also began to be affected during the first half-year of 2021 by disruption to supplies of electronic components in the worldwide automotive sector. This disruption grew during the second half-year, with the principal consequence of losses of production output. As a result, after a fall of more than 20% between 2019 and 2020, sales volumes for 2021 were 4.5 % lower than in 2020, at 2,696,401 units.

To maintain a sufficient level of liquidity for its operations, in 2020 the Group arranged a €5 billion credit line guaranteed by the French government, on which it made three drawings totalling €4 billion. The €1 billion undrawn at December 31, 2021 ceased to be available at that date, and €1 billion of the August 2020 €2 billion drawing was repaid in August 2021 (Note 23-C). The Group also issued a new bond in November 2020 with nominal value of €1 billion (Note 23-C), and several bonds in 2021 (a €600 million bond in April 2021, a €1.2 billion Samurai bond in July 2021 and a €500 million bond in December 2021). The Group also generated a significant positive free cash flow in 2021 (Note 6.1.A4). At the date of publication of these consolidated financial statements, the Group has sufficient cash and sources of financing to ensure continuity of operations for the next twelve months and has demonstrated its capacity to issue debt (Note 23-C).

Expenses and income recognized that are identified as resulting wholly or partly from the Covid-19 pandemic or the components supply crisis are not considered as "Other operating income and expenses", except for expenses which due to their nature are always included in that category, such as impairment of tangible and intangible assets.

Payroll costs net of state aid received, additional logistics costs, the costs of introducing new health protocols, and depreciation on assets unused or only partially-used during the period, mainly as a result of national lockdown rules or production halts due to disrupted electronic component supplies, are allocated to the relevant functions (cost of goods and services sold, research and development expenses, and selling, general and administrative expenses). The amounts concerned are not reported because it is impossible to reliably identify the amounts attributable solely to the Covid-19 pandemic or the components supply crisis.

The 2020 consolidated financial statements included restatements of some assets and liabilities undertaken in the context of this pandemic, and the update of the "Renaulution" medium-term business plan (2021-2025). The principal impacts were €762 million of impairment in respect of certain tangible and intangible assets (Note 6), €248 million resulting from discontinuation of recognition of deferred tax assets (Note 8), and a €216 million increase in impairment for expected credit losses on Sales Financing receivables (Note 15). Estimation of the impacts of the Covid-19 pandemic on the 2020 financial statements, described in this paragraph, was particularly complex and involved the use of judgments explained in the Notes where relevant. No comparable significant accounting adjustments were made in 2021 due to the Covid-19 pandemic or disruption to supplies of electronic components.

In France, on November 20, 2020 the Group signed an agreement with its social partners on the transformation of technical and service skills in preparation for future developments in the automotive world. This agreement defined the conditions for a new outplacement policy, and included a voluntary work-exemption plan for relevant personnel in 2021, and a Collective Contractual Separation plan for a maximum 1,900 employee departures. In the foreign subsidiaries, the Group has rolled out restructuring actions in line with the 3-year fixed cost reduction plan announced in May 2020. Restructuring and workforce adjustment provisions were recognized in 2020 for these plans, most of which were completed at December 31, 2021.

A new agreement including a Collective Contractual Separation plan in France for a maximum 1,153 employee departures in 2022 was signed on December 14, 2021 as part of the 3-year trade union agreement "Re-Nouveau France 2025". Through this key agreement Renault Group is making France the strategic and industrial centre of its promising future businesses, to strengthen the Group in its home country, contribute to its transformation and carry all its French businesses towards the automotive industry's new value chain (Notes 6-A and 20).

RBJAC is in financial distress, and its ability to continue as a going concern for the next 12 months has been considered uncertain since June 30, 2021. On January 12, 2022 RBJAC was placed in receivership (Note 13).

In the context of the Covid-19 pandemic, new workforce reduction plans, the announcement in early 2021 of the new medium-term business plan "Renaulution" (2021-2025), and the electronic components supply crisis, the main items in the Group's consolidated financial statements that are dependent on estimates and judgements and have been paid particular attention in 2020 and 2021 are:

- potential impairment of fixed assets, particularly impairment on specific assets linked to vehicles and goodwill (Note 11);
- the recoverable value of leased vehicles classified as property, plant and equipment or inventories;

- investments in associates, notably Nissan and RBJAC (Notes 12 and 13);
- impairment for expected credit losses concerning Sales Financing receivables (Note 15);
- revenue recognition;
- determination of restructuring provisions (Notes 6-A and 20);
- determination of risks associated with distressed suppliers;
- the potential impact of the European CAFE (Corporate Average Fuel Economy) regulation from 2020: under this regulation, automakers will be fined if the average CO_2 emissions target for all vehicles registered in Europe each calendar year is exceeded (Note 28).
- determination of compliance with the requirements of IFRS 5 for reclassification of assets or groups of assets and liabilities held for sale and reporting them on specific lines in the balance sheet in the current assets and current liabilities (Note 3-E).

This list is not exhaustive due to the constantly evolving Covid-19 situation and its effects on the financial health of the world's economies, and it remains very difficult to predict the magnitude and duration of the pandemic's economic impacts on our business. The same applies to the worldwide crisis electronic components supplies for the automotive industry.

Other important estimates and judgments

Renault Group often has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expenses, and disclosures made in certain notes to the financial statements. In preparing its financial statements, Renault Group regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. It takes into consideration forthcoming regulations (notably new European Union regulations on air pollution and CO_2 emissions), the foreseeable effects of commitments made in response to environmental issues, forecast technological and market developments (commodity costs, changing customer demand, etc) and any other developments that could have a significant impact on the consolidated financial statements in application of IFRS rules. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault Group's future consolidated financial statements could differ from the estimates established at the time these financial statements were finalized. The main items in the Group's consolidated financial statements at December 31, 2021 that are dependent on estimates and judgments are the following:

- capitalization of research and development expenses and their amortization period (Note 10-A),
- the depreciation and amortization periods for fixed assets other than capitalized development expenses (Note 10),
- recognition of deferred tax assets on tax loss carryforwards (Note 8),
- provisions, particularly warranty provisions on vehicles and batteries sold (Note 20), provisions for pensions and other long-term employee benefit obligations (Note 19), provisions for workforce adjustment measures (Note 6-A), provisions for legal risks and tax risks (other than income tax risks and provisions for uncertain tax liabilities),
- valuation of lease liabilities, particularly the incremental borrowing rates and the value of renewal and termination options that are reasonably certain to be exercised (Note 23).

2-C. Consolidation principles

The consolidated financial statements include the financial statements of all companies controlled exclusively by the Group either directly or indirectly (subsidiaries). Jointly controlled companies are accounted for under the equity method when they are classified as joint ventures and consolidated on the basis of the percentage share specific to each balance sheet and income statement item when they are classified as joint operations.

Companies in which the Group exercises significant influence (associates) are included in the financial statements on an equity basis.

Significant intercompany transactions and unrealized internal profits are eliminated.

Investments in non-significant companies that are controlled exclusively by the Group but not consolidated, even though they fulfil the above criteria, are recorded as other non-current assets.

Consolidation of all these companies would have a negligible impact on the consolidated financial statements, since their losses, if any, are recognized via impairment. Also, they are financed by the Group and acquire almost all their purchases, or carry out almost all their sales, with Group companies.

Put options on non-controlling interests are carried in the consolidated financial position at fair value, and classified in other financial liabilities in the Automotive segments and in other non-current liabilities in the Sales Financing segment, with a corresponding adjustment to equity.

Outstanding price supplements payable to shareholders who have sold shares to the Group are recorded in the financial position, in financial liabilities (Automotive and Mobilities segments) or in other liabilities (Sales Financing segment) to give a better estimation of the obligation. The liability is initially recognized via an adjustment to goodwill (or unconsolidated investments) and subsequently via profit and loss (other financial income and expenses, or the share in net income of associates and joint ventures, depending on the nature of the investment).

2-D. Presentation of the consolidated financial statements

Valuation basis

The consolidated financial statements are established under the historical cost convention, except for certain categories of assets and liabilities, in compliance with IFRS rules. The categories concerned are detailed in the following notes.

Operating income and operating margin

Operating income includes all revenues and costs directly related to the Group's activities, whether recurrent or resulting from non-recurring decisions or operations, such as restructuring costs.

The operating margin, which corresponds to the operating income of an individual segment as defined in IFRS 8, Operating Segments, corresponds to the operating income before other operating income and expenses, which are by nature unusual or significant and could affect comparability of the margin. Other operating income and expenses cover:

- restructuring and workforce adjustment costs, and significant costs relating to discontinued activities. Restructuring costs are defined as follows in the definition given in IAS 37 - Provisions, Contingent Liabilities and Contingent Assets: "A restructuring is a programme that is planned and controlled by management, and materially changes either: a) the scope of a business undertaken by the entity; or b) the manner in which that business is conducted."
- gains or losses on partial or total disposal of businesses or operating entities, gains or losses on total or partial disposals of investments in associates and joint ventures, other gains and losses relating to changes in the scope of consolidation such as acquisitions of control, as defined by IFRS 10, over entities previously accounted for under the equity method, and direct acquisition costs for entities that are fully consolidated or consolidated on a line-by-line percentage of interest basis;
- gains or losses on disposal of property, plant and equipment or intangible assets (except leased assets sales);
- impairment on property, plant and equipment or intangible assets and goodwill (excluding goodwill of associates or joint ventures);
- unusual items, i.e. income and charges that are unusual in their frequency, nature or amount, relating to significant litigation or impairment of operating receivables.

With the exception of the tax charge, the share in net income of associates and joint ventures, and financial interest on pension and other long-term employee benefit obligations, all income and expenses resulting from the Sales Financing activity are included in operating income and expenses.

Equity method consolidation of associates and joint ventures

The share in net income of associates and joint ventures reported in the Group's consolidated income statement comprises the share in these entities' profits or losses, impairment and recoveries of impairment relating to these entities (Note 2-M). The impairment booked is limited to the net book value of the investment, unless an additional commitment has been made.

The gain or loss resulting from the sale or loss of significant influence or joint control over associates and joint ventures accounted for under the equity method, and the gain or loss on acquisition of control, as defined by IFRS 10, over companies that were already consolidated but not controlled, is reported in other operating income and expenses in the Group's consolidated income statement. This includes transfers of accumulated translation adjustments during the period the entity was accounted for under the equity method.

The Group recognizes a deferred tax liability on dividend distributions for all differences between the book and tax values of its investments in associates and joint ventures (Note 2-I). This tax is included in current and deferred taxes in the Group's income statement.

Goodwill relating to associates and joint ventures is included in the value of the relevant entities as stated in the assets in the consolidated statement of financial position. In the event of impairment, an impairment loss is booked and included in the consolidated income statement via the share in net income (loss) of associates and joint ventures (Note 2-J).

Acquisition expenses related to investments in associates and joint ventures are included in the initial acquisition cost for these investments.

Cross-investments between a consolidated entity and an associate are neutralized in measuring the investment in the associate as stated in the assets of the statement of financial position. Nissan's 15% stake in Renault is therefore neutralized in valuing the investment in Nissan shown in the assets of the consolidated statement of financial position (Note 12).

Dividends received from unlisted associates and joint ventures are included in the Automotive operational free cash flow, while dividends received from listed associates and joint ventures, i.e. Nissan, are excluded from Automotive operational free cash flow

Reporting by operating segment

The information by operating segment is based on internal reporting to the Board of Management, identified as the "Chief Operating Decision-Maker". This information is prepared under the IFRSs applicable to the consolidated financial statements. All Group financial data are assigned to the operating segments. The "Intersegment transactions" and "Intra-Automotive" columns are reserved for transactions between the segments, which are carried out on near-market terms. Dividend payments by the Sales Financing segment are included in that segment's net financial income and expenses.

The indicator used to evaluate segment performance is the operating margin.

The effects of the French consolidated taxation system are included in the tax expense of the Automotive (excluding AVTOVAZ) segment.

Assets and liabilities are specific to each segment. Receivables assigned by the Automotive segments to the Sales Financing companies are treated as operating assets by the assignee when the risks and benefits are substantially transferred. These receivables are mostly receivables on the dealership network.

Vehicles and batteries for which the Automotive segment has a repurchase commitment are included in the segment's assets. When these assets are financed by the Sales Financing segment, the Sales Financing segment recognizes a receivable on the Automotive segment.

Current and non-current assets and liabilities

Sales Financing receivables, other securities, derivatives, loans and financial liabilities of the Sales Financing segment (other than redeemable shares and subordinated loans) are considered as current assets and liabilities, because they are used in this operating segment's normal business cycle.

For the Automotive segments, in addition to items directly related to the business cycle, all assets and liabilities maturing within one year are classified as current.

2-E. Translation of the financial statements of foreign companies

The Group's presentation currency is the euro.

For foreign companies, the functional currency is generally the local currency. In cases where most transactions are carried out in a different currency, that is adopted as the functional currency.

Foreign companies' accounts are established in their functional currency, and subsequently translated into the Group's presentation currency as follows:

- financial position items other than components of shareholders' equity, which are stated at historical value, are translated at the closing exchange rate;
- income statement items are translated at the average exchange rate for the period;
- the translation adjustment is one of the other components of comprehensive income, and therefore has no impact on net income.

Goodwill generated by a business combination with a foreign company is treated as an asset or liability of the entity acquired, as appropriate. It is therefore expressed in the relevant entity's functional currency, and translated into euros at the closing rate.

When a foreign company is sold, the accumulated translation adjustments on its assets and liabilities are transferred to other operating income and expenses in the income statement.

In an exception to the above principles, the financial statements of entities in hyperinflationary economies are translated in accordance with IAS 29 "Financial reporting in hyperinflationary economies". Non-monetary balance sheet items, income statement items, comprehensive income items and cash flow statement items are adjusted for inflation in their original local currency, then all the financial statements are translated at the closing exchange rate for the period. This hyperinflationary accounting leads to recognition of a gain or loss resulting from exposure to hyperinflation, which is classified as other financial income and expenses and thus included in reserves the following year.

The effects of index-based restatement and translation of the equity of subsidiaries in Argentina are all included in the translation adjustment in other components of comprehensive income, since restatement based on price indexes is correlated with movements in the exchange rate between the Argentinian peso and the euro, and mitigates the effect of the peso's devaluation.

To determine whether a country is in hyperinflation, the Group refers to the list published by the International Practices Task Force (IPTF) of the Center for Audit Quality. The financial statements of the Group's subsidiaries in Argentina are consolidated in accordance with the principles of IAS 29, which have been applied since January 1, 2018. As operations in Iran are no longer consolidated, the Group has no other subsidiary in countries on the IPTF list.

2-F. Translation of foreign currency transactions

Transactions undertaken in a currency other than the functional currency of the entity concerned are initially translated to and recorded in the functional currency, using the rate applicable at the transaction date.

For financial reporting purposes, monetary assets and liabilities in currencies other than the functional currency are translated at the closing rate. All resulting foreign exchange differences are recognized in the income statement, except for foreign exchange gains and losses on financial instruments designated as hedges of a net investment in a foreign entity (Note 2-X).

The following impacts are therefore recorded in net income:

- translation adjustments related to financial operations by the Automotive segments are included in the net financial income;
- other translation adjustments are included in the operating income (operating margin in the information by operating segment).

Derivatives are measured and recorded as described in Note 2-X.

2-G. Revenues and margin

Revenues comprise all proceeds from sales of the Group's automotive goods, services related to these sales, and the various Sales Financing products marketed by the Group's companies to their customers.

Sales of goods and services

Sales and margin recognition

Sales of automotive goods are recognized at the date control is transferred. The transfer of control over automotive goods takes place when the goods are made available to the distribution network in the case of non-Group dealers (at the time they are added to or removed from stock, depending on the contractual arrangements) or upon delivery to the end-user in the case of direct sales.

However, there is no transfer of control in the case of goods sold under an operating lease by a Group finance company, or in the case of goods sold with a buy-back commitment if it is highly likely that they will be returned. In such transactions, the revenues are recognized progressively over the lease period, and a used vehicle sale is recorded when control of the used vehicle is transferred.

The difference between the price paid by the customer and the buy-back price is treated as rental income, and spread over the period the automotive item is at the customer's disposal. The production cost for the new automotive item concerned is recorded in inventories for contracts of less than one year, or included in property, plant and equipment under fixed assets leased to customers when the contracts exceed one year. The forecast resale value takes account of recent known developments on the second-hand automotive market but also future anticipated developments over the period in which the automotive goods will be sold, which may be influenced by factors both external (economic situation, taxation) and internal (changes in the range or the manufacturer's pricing strategy). As soon as a loss is expected on the resale, a provision (if the automotive item is in inventories) or additional depreciation (if the automotive item is included in property, plant and equipment) is recognized to cover the loss.

Sales incentive programs

Sales incentive programs based on the volumes or prices of products sold are deducted from sales when the sales operations concerned are recorded. Any provisions are based on estimates of the most probable amount.

The Group undertakes certain promotional campaigns offering reduced-interest customer credit or discounts on services. Because these are sales incentives, the cost of these operations is recognized as a reduction in sales by the Automotive segments when the vehicle sale takes place, and is not spread over the duration of the financing or the services concerned.

Warranty

The Group makes a distinction between insurance-type warranties and service-type warranties. Provisions are established for insurance-type warranties, while service-type warranties give rise to revenue that is spread over the duration of the warranty extension.

The estimated or incurred costs relating to manufacturer's product or part warranties classified as insurance-type warranties are charged to expenses when the sales are recorded. Provisions for costs still to be borne are valued on the basis of observed data for each model and engine regarding the level of costs, and their distribution over the periods covered by the manufacturer's warranty. In the event of product recalls following incidents that come to light after the vehicle has been put on the market, provisions are established to cover the costs involved as soon as the decision to undertake the recall campaign has been made. Amounts claimed from suppliers are deducted from the warranty expense when it is considered practically certain they will be recovered.

Services related to sales of automotive products

Revenues from service contracts sold by the Group are recognized on a percentage-of-completion basis. These contracts may be for warranty extensions, maintenance or insurance.

Such service contracts may be sold separately to the final customer or included free of charge in a sale package covering a vehicle and related services. In either case, the Group considers service contracts as a separate service obligation from delivery of the vehicle, and allocates a portion of revenue to the service contract.

When the customer makes regular payments for the service contract, the revenue is recognized on a straight-line basis. When the contract is prepaid (for example, when it is paid for by the customer at the time of the vehicle purchase), the amounts received are recorded as deferred income, and spread over the duration of the contract, on a straight-line basis for warranty extensions and following an experience curve for maintenance contracts.

Impairment of customer receivables

Impairment is booked in respect of the Automotive segment's customer receivables to reflect the prospective assessment of the credit risk at the inception of the receivable and any deterioration of that risk over time. When there is an incurred credit loss, impairment is recorded individually for each receivable.

Sales Financing revenues

Sales Financing revenues

Sales Financing revenues are generated by financing operations for sales of vehicles to dealers and end-users. These financing operations take the form of loans from the Sales Financing segment companies, and are carried in the balance sheet at amortized cost under the effective interest rate method, less any impairment. Income on these contracts is calculated so as to give a constant interest rate over the period, and is included in sales revenues.

Sales Financing costs

Sales financing costs are considered as operating expenses and included in the operating income (operating margin in the information by operating segment). They mainly comprise interest incurred by sales financing companies to refinance their customer loan transactions, other costs and revenues directly related to administration of this type of refinancing (temporary investments, hedging and management of exchange and interest rate risks), and the cost of risks related to receivables. Refinancing comes from diversified sources: public and private bond issues, public and private securitization backed by Automotive segment loans, negotiable debt instruments, savings collected and financing from credit institutions and assimilate or the European Central Bank.

Commissions payable to business intermediaries

Commissions are treated as external distribution costs, and therefore deferred as contract acquisition costs, so as to give a constant interest rate over the term of the financing contracts.

Classification and impairment of receivables

The impairment method for financial receivables depends on the category concerned. For healthy receivables (stage 1), impairment is equivalent to the 12-month expected credit loss; for receivables on which the credit risk has significantly deteriorated since initial recognition or which received extensions during the lockdown (stage 2), impairment is equivalent to the lifetime expected losses; and for receivables in default (stage 3), impairment is equivalent to the incurred credit loss.

The Sales Financing segment uses an internal scoring system or external ratings to identify any significant deterioration in the credit risk. In addition, this segment has decided to use the assumptions set out in the standard and thus downgrades any receivable outstanding after 30 days to stage 2, and any receivable still outstanding after 90 days to stage 3. Receivables in default (stage 3) are identified by the Sales Financing segment in compliance with the European Banking Authority's EBA/GL/2016/07 guidelines. The Sales Financing segment has opted for the "one step" approach, which consists of applying the new definition of default and adjusting its internal models concurrently for the Dealer portfolio and Customer portfolio.

The Sales Financing segment refers to the current recommendations of the Basel Committee to generate the parameters needed to calculate the probability of default and the loss rates in the event of default on loans and financing, finance lease receivables, irrevocable financing commitments, and financial guarantees given to customers and dealers in its principal countries of business (Germany, Brazil, Spain, France, Italy and the United Kingdom for customer and dealer financing, Korea for customer financing only). For other assets, a standard approach based on a simplified methodology is applied.

As the assumptions used are essentially based on observable market data, the calculation of impairment for expected credit losses in the Sales Financing segment also incorporates forward-looking macro-economic data (GDP, long-term rates, etc) to reflect changes in indicators and sector-specific information.

Write-off rules

The gross book value of a financial asset is written off when there are no reasonable expectations of recovery. The asset is derecognized via a loss account, and the associated impairment is reversed when the non-recoverability of receivables is confirmed, or at the latest when the Sales Financing segment's rights as creditor are extinguished. Examples of receivables that become non-recoverable and are derecognized are waivers negotiated with customers (notably as part of a recovery plan), time-barred receivables, receivables concerned by an unfavourable legal judgement (when the outcome of a lawsuit or litigation is negative), and receivables owed by a customer that no longer exists.

2-H. Financial income (expenses)

The cost of net financial indebtedness comprises the cost of gross financial indebtedness less income associated with cash, cash equivalents and financial assets of the Automotive segments. The cost of gross financial indebtedness consists of income and expenses generated by the Automotive segments' financial indebtedness during the period, including the impact of the effective portion of the related interest rate hedges.

Other financial income and expenses mainly include foreign exchange gains and losses on financial items and related hedges, the gain or loss caused by exposure to hyperinflation (Note 2-E), the net interest on provisions for pensions, and dividends and impairment of companies that are neither controlled nor under significant influence by the Group.

2-I. Income tax

The Group recognizes deferred taxes for all temporary differences between the tax and book values of assets and liabilities in the consolidated statement of financial position. Deferred taxes are calculated at the latest tax rate enacted at the closing date applicable to the period when temporary differences are reversed. Each individual fiscal entity (legal entity, establishment or group of entities that pays tax to the tax administration) that is authorized to offset its current tax assets and liabilities reports deferred tax assets and liabilities net. Recognition of deferred tax assets depends on the probability of future recovery.

For associates and joint ventures, a deferred tax liability on dividend distributions is booked for differences between the book value and tax value of shares held.

Tax credits that can only be used against a taxable profit are recorded as a deduction from the income tax payable. Tax credits that are recoverable regardless of whether the company makes a taxable profit are set against the relevant nature of expense.

To determine the provisions for uncertain tax liabilities, the Group uses a case-by-case method based on the most probable value. In view of their qualitative characteristics these provisions are reported on specific lines in the consolidated financial position.

2-J. Goodwill

Non-controlling interests (formerly called "minority interests") are carried at fair value (the full goodwill method) or at their share in the fair value of assets acquired and liabilities transferred (the partial goodwill method). To date Renault has only recognized goodwill valued under the partial goodwill method. The choice of which method to use is made for each individual case.

Goodwill is not amortized, but impairment tests are carried out at least annually or whenever there is evidence of loss of value. After initial recognition, goodwill is stated at cost less any accumulated impairment.

Goodwill relating to associates and joint ventures is included in the value of the entities concerned as reported in the assets in the statement of financial position. In the event of impairment, an impairment loss is booked and included in the consolidated income statement via the share in net income (loss) of associates and joint ventures.

Acquisitions of additional investments concerning non-controlling interests in companies controlled by the Group are treated as equity transactions. The positive or negative difference between the cost of acquiring shares and the book value of the non-controlling interests acquired is recorded in shareholders' equity.

2-K. Research and development expenses and other intangible assets

Research and development expenses

Development expenses incurred between the decision to begin development and implement production facilities for a new vehicle or component (e.g. engine or gearbox) and the subsequent approval of the design for mass production are capitalized as intangible assets. They are amortized on a straight-line basis from the date of approval for production, over the expected market life of the vehicle or part, which is initially no longer than seven years. Market lives are regularly reviewed and subsequently adjusted if there is a significant difference from the initial estimate. Capitalized development expenses mainly comprise the cost of prototypes, the cost of studies invoiced by external firms, the cost of personnel assigned to the project and a share of overheads dedicated exclusively to development activities.

Borrowing costs directly attributable to the development of a project requiring at least 12 months of preparation before commissioning are included in the gross value of the asset, which is a "qualifying asset". The capitalization rate for borrowing costs is limited such that capitalized borrowing costs do not exceed the total borrowing costs borne during the year. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Expenses incurred before the decision to begin product development are recorded as costs in the period they are incurred, in the same way as research expenses. Expenses incurred after the start of mass production are treated as production costs.

Other intangible assets

Other intangible assets comprise patents, leasehold rights, intangible business assets, licences, software, brands and similar rights purchased by the Group. When they have a finite useful life, patents, leasehold rights, licences, brands and similar rights purchased are amortized on a straight-line basis over the period of protection stipulated by the contact or the law, or over the useful life if shorter. Intangible business assets and softwares are amortized over their useful life. The useful life of intangible assets is generally between 3 and 5 years. Intangible assets with an indefinite useful life, such as the Lada brand (Note 11-C), are subjected to an impairment test at least once a year and when there is any indication of impairment.

2-L. Property, plant and equipment and right-of-use assets

The gross value of property, plant and equipment corresponds to historical acquisition or production cost.

Design and preparation expenses are included in the asset's production cost.

The production cost for property, plant and equipment also includes financing costs borne during the construction phase, under the same method as for intangible assets. When a project is financed through a specific borrowing, the capitalization rate is equal to the interest rate on the borrowing.

Investment subsidies received are, where relevant, presented as a deduction from the gross value of the assets concerned.

Subsequent expenses for property, plant and equipment, except those incurred to increase productivity or prolong the life of an asset, are charged to expenses as incurred.

Assets leased to customers include vehicles leased for more than one year from a Group finance company with a buy-back commitment by the Group, and vehicles sold under an agreement including a clause for buy-back after a minimum one year of use. Assets leased to customers also include vehicles covered by operating leases longer than one year from Group finance companies, and batteries leased to electric vehicle users by Group finance companies (Note 2-G).

Right-of-use assets

The Group is a party to leases of real estate property (land, concessions, warehouses, offices, etc) and movable property (IT and operating equipment, transport equipment).

A contract contains a lease if it gives the lessee the right to use an identified asset for a specified period of time in exchange for payment.

At the contract's commencement date, a lessee recognizes an asset related to the right of use, and a financial liability that represents the lease obligation. The right-of-use asset is amortized over the term of the lease. The lease liability is initially recognized at the present value of lease payments over the expected term of the lease. The discount is unwound using the implicit interest rate of the lease agreement if it can be readily determined, or at the incremental borrowing rate otherwise. As lessee, the Group uses the incremental borrowing rate, calculated for each monetary zone as the risk-free rate applicable in the zone, plus the Group's risk premium for the local currency. In the income statement, amortization of the right-of-use asset is recorded in the operating income (operating margin in the information by operating segment) and a financial expense corresponding to the interest on the lease liability is recorded in financial income and expenses. The tax impact of this consolidation adjustment is recognized via deferred taxes. In the cash flow statement, cash flows from operating activities are impacted by interest expenses paid, and cash flows from financing activities are impacted by the reimbursed lease liability.

Lease payments on short-term leases (12 months or less) and leases of low-value assets are treated as operating expenses.

The term of the lease is the non-cancellable period of a lease contract during which the lessee has the right to use the leased asset, extended by any renewal options the Group is reasonably certain to exercise. For French commercial leases, the lease term is generally 9 years. Lease term estimation and consideration of extension and termination options is conducted with the help of the real estate department, considering the types of site and their development plans.

To reduce its real estate footprint for a better fit to actual needs, the Group renegotiates property leases (entailing a lease modification) or applies early termination clauses contained in its lease agreements (lease reassessment under IFRS 16).

When a lease is renegotiated to shorten the term or reduce the space leased, the Group recognizes the reassessment of the lease obligation by discounting the revised lease payments using a revised discount rate, and reduces the book value of the right-of-use asset in the statement of financial position to reflect the partial termination of the lease. The gain or loss resulting from partial termination is recognized in the operating income (other operating income and expenses).

When the term of a lease is revised, the lease obligation is reassessed by discounting the revised lease payments using a revised discount rate, and the right-of-use asset is adjusted by the same amount in the group's statement of financial position.

Improvements to leased buildings are depreciated over a duration that is equal to or shorter than the lease term used to estimate the lease liability (if the lessee has neither the intention nor the ability to use them for a longer period).

When a lease contract contains a purchase option the Group is reasonably certain to exercise, it is in substance a purchase rather than a lease. The corresponding liability is considered as a financial liability under IFRS 9, and the asset as a tangible asset in compliance with IAS 16.

Provisions for repairs required contractually by lessors are recognized at the start of the lease, with a corresponding tangible asset.

Impairment tests of right-of-use assets are applied at the level of the cash-generating unit, in accordance with the principles presented in Note 2-M.

Sale and leaseback operations

In application of IFRS 16, for a sale and leaseback operation, reference is made to the requirements of IFRS 15 to determine whether the transfer of the asset should be treated as a sale or a financing operation.

If the transfer of an asset does not qualify under IFRS 15 for recognition as a sale, the asset transferred remains in the assets reported in the statement of financial position, and a financial liability equal to the proceeds of the transfer is recognized.

If the transfer of an asset is recognized as a sale and the Group then leases back part or all of the asset sold, only the amount of the gain or loss on the rights transferred to the buyer-lessor is recognized, and the right-of-use asset is adjusted in proportion to the interest retained in the net book value of the asset transferred.

Depreciation

In the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment, depreciation is calculated on a straight-line basis over the following estimated useful lives:

Buildings [1]	15 to 30 years
Specific tools	2 to 7 years
Machinery and other tools (other than press lines)	5 to 15 years
Press lines, stamping and painting installations	20 to 30 years
Other tangible assets [2]	4 to 6 years

(1) Buildings in use before 1987 are depreciated over a period of up to 40 years.
(2) Except for leased batteries, which are depreciated over periods of 8 to 10 years depending on the models.

Useful lives are regularly reviewed, and accelerated depreciation is recorded when an asset's useful life becomes shorter than the initially expected period of use, particularly when it is decided to withdraw a vehicle or component from the market.

Depreciation for the AVTOVAZ segment is calculated on a straight-line basis over useful lives that may be longer than those used in other Renault Group companies.

2-M. Impairment

Impairment of fixed assets

Fixed assets are subjected to impairment tests as soon as there is any indication of a loss of value, such as significant adverse changes in the market in which the company operates, or changes affecting the circumstances and manner of use of the assets.

For the **Automotive (excluding AVTOVAZ) segment**, impairment tests are carried out at two levels:

At the level of vehicle-specific assets (including components)

Vehicle-specific assets (including components) consist of capitalized development expenses and tools. Impairment tests are carried out by comparing the net book value of the assets with the recoverable value, calculated based on discounted future cash flows related to the vehicle and its components. These assets may be specific to the model and/or the country of destination.

At the level of cash-generating units

A cash-generating unit is defined as a coherent subset that generates largely independent cash flows. Cash-generating units may represent an economic entity (plant or subsidiary) or the whole Automotive (excluding AVTOVAZ) segment. Net fixed assets related to cash-generating units notably include goodwill, specific assets and capacity assets, and components of working capital.

For each of the two levels, impairment tests are carried out by comparing the net book value with the recoverable value. Recoverable value is defined as the higher of value in use or fair value less selling costs.

Value in use is the present value of estimated future cash flows expected to arise from the use of an asset. Future cash flows derive from the business plan drawn up and validated by the Management, plus a terminal value based on discounted normative cash flows after application of a growth rate to infinity. They also include a bonus (“excess earnings”) paid to the Automotive segments for business referrals to the Sales Financing segment. The assumptions underlying the business plan include estimates of market developments in countries in which the Group operates and its share of those markets, changes in the sale price of products and the prices of purchased components and commodities. The pre-tax discount rate used is the weighted average cost of capital as determined by the company.

When the recoverable value is lower than the net book value, impairment equivalent to the difference is recorded against the assets concerned.

For the **Sales Financing segment**, an impairment test is carried out at least once a year or whenever there is an indication of loss of value, by comparing the book value and recoverable value of assets. Recoverable value is defined as the higher of fair value (less selling costs) and value in use. The value in use is based on a market approach, determined by using multiples for each group of cash-generating units made up of legal entities or groups of legal entities in the same country.

For **AVTOVAZ**, impairment tests are also carried out at several levels (specific assets, and the Group as a whole). The AVTOVAZ Group as a whole is considered as one cash-generating unit, and no tests are conducted for individual factories or economic entities.

Impairment of investments in associates and joint ventures

Impairment tests of the value of investments in associates and joint ventures are carried out as soon as there is any indication of a loss of value, essentially significant adverse changes in the markets in which the company operates, or a major or long-term decline in stock market value.

Impairment tests are carried out in compliance with IAS 28 and IAS 36, by comparing the book value of the investment in the associate or joint venture with the recoverable value, which is the higher of value in use and fair value, less selling costs. The value in use is equal to the share of the present value of future estimated cash flows expected by the associate or joint venture. If the associate or joint venture is listed, the fair value is its stock market value.

When the recoverable value is lower than the book value, impairment equivalent to the difference is recorded against the relevant investment in an associate or joint venture, and included in the Group’s income statement via the share in net income (loss) of associates and joint ventures.

2-N. Non-current assets or groups of assets and liabilities held for sale

Assets and liabilities held for sale are non-current assets or groups of assets and liabilities that are available for immediate sale, and are highly likely to be sold within twelve months due to advanced discussions with a known buyer.

Assets or groups of assets and liabilities considered to be held for sale are measured and recorded at the lower of net book value or fair value less selling costs. No further depreciation or amortization is recorded on non-current assets that are classified as held for sale (or included in a group of assets and liabilities held for sale). These assets and liabilities are reported on specific lines in the statement of consolidated financial position.

2-O. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost corresponds to acquisition cost or production cost, which includes direct and indirect production expenses and a share of manufacturing overheads, based on a forecast level of activity, and the results of any related hedges. The level of activity is forecast site by site, in order to determine the share of fixed costs to be excluded if the actual level of activity is lower.

Inventories of the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment are valued under the FIFO (First In First Out) method. Inventories of AVTOVAZ are valued at weighted average cost.

When the net realizable value is lower than the financial position value, impairment equal to the difference is recorded.

2-P. Assignment of receivables and reverse factoring

Receivables assigned to third parties (through securitization, discounting, or factoring) are removed from Group assets when the associated risks and benefits are also substantially transferred to the third parties in question. Risk analysis principally concerns the credit risk, the risk of late payment and the country risk. The same rule applies in the Automotive (excluding AVTOVAZ) segment and the Sales Financing segment.

The Automotive segments sometimes uses reverse-factoring programs. These programs can be used to support a supplier, or to benefit the Group by extending payment deadlines. In the first case, the liability continues to be considered as part of the operating cycle and the amounts concerned remain in trade payables in the financial position. In the second case, if the reverse factoring contract includes an unconditional commitment by the Group to pay the amount initially due to the supplier to the financial institution that is a party to the contract, the liability is no longer considered as part of the operating cycle and the amounts concerned are reclassified as financial liabilities (this has no impact on the cash flow statement at the reclassification date). If the contract is considered as a financial liability and covers a financing requirement for the group subsidiary involved, the repayments to financial institutions impact cash flows from financing activities in the cash flow statement; otherwise, they are included in cash flows from operating activities.

2-Q. Treasury shares

Treasury shares are shares held for the purposes of stock option plans, performance share plans and other share-based payment arrangements awarded to Group managers and executives.

They are recorded at acquisition cost and deducted from Group shareholders' equity until the date of sale.

When these shares are sold, the sale price is directly included in consolidated shareholders' equity. Consequently, no gain or loss on treasury shares is included in the net income for the period.

2-R. Performance share plans attribution plans and other share-based payment agreements

The Group awards performance shares and other share-based payments made in Renault shares. The grant date is the date at which beneficiaries are informed of the decision to award performance shares, and the terms of the performance share plan. For plans subject to performance conditions, an estimate of achievement of the conditions is taken into account in determining the number of shares awarded. This estimate is reviewed annually based on changes in the probability of performance condition achievement. The final fair value of services rendered in return for performance shares is measured by reference to the fair value of those shares at their grant date. Entitlements to performance shares are valued based on the share value at the grant date less dividends expected during the vesting period. The share price volatility factor applied is implicit volatility at the grant date. The expected dividend is determined by reference to the dividend payout schedule announced at the time each plan is valued.

The total fair value calculated in this way is spread on a straight-line basis over the entire vesting period. This expense is included in personnel expenses, with a corresponding adjustment to consolidated reserves. When the performance shares vest, the cash amount received by the Group in settlement of the exercise price is booked in cash and cash equivalents, with a corresponding adjustment to consolidated reserves.

2-S. Pensions and other long-term employee benefit obligations

The Group's payments for defined-contribution benefit plans are recorded as expenses for the relevant period.

For defined-benefit plans concerning post-employment benefits, the Group uses the Projected Unit Credit Method to determine the present value of its obligations. Under this method, benefits are attributed to periods of service according to the plan's benefit formula, principally on a straight-line basis over the years of service that earn benefit entitlements.

The future payments for employee benefits are measured on the basis of future salary increases, retirement age, mortality and length of employment with the company, and are discounted at a rate determined by reference to yields on long-term high quality corporate bonds of a duration corresponding to the estimated average duration of the benefit plan concerned.

The actuarial gains and losses resulting from revisions of the underlying assumptions and experience-based adjustments are included in other components of comprehensive income.

The net expense for the year, corresponding to the current period service cost plus the past service cost where relevant, is charged to the operating income (operating margin in the information by operating segment). The interest expense on the net defined-benefit liability (asset) is recorded in the net financial income and expenses

2-T. Workforce adjustment measures

The estimated cost of workforce adjustment measures, which for accounting purposes is treated as an employee benefit, is covered by a provision over the estimated residual employment period of the employees concerned.

The cost of termination indemnities is recognized as soon as a detailed plan has either been announced or is in progress. The amount recorded is net of existing provisions for pensions.

2-U. Financial assets

The Group recognizes a financial asset when it becomes a party to the contractual provisions of a financial instrument.

Financial assets comprise investments in non-controlled companies in which Renault does not exercise significant influence, marketable securities, negotiable debt instruments, loans, and derivative assets related to financial transactions (Note 2-X).

These instruments are presented as non-current assets, apart from those maturing within 12 months of the closing date, which are classified as current assets.

Investments in non-controlled companies in which Renault does not have significant influence

Investments in non-controlled companies in which Renault does not have significant influence are classified as equity instruments at fair value through profit and loss. The fair values of such financial assets are determined in priority by reference to the market price. If this is not possible, the Group uses a valuation method that is not based on market data.

In an exception to this rule, by virtue of an irrevocable option the Daimler shares were presented at fair value in other components of comprehensive income until their disposal in 2021.

Marketable securities and negotiable debt instruments

Short-term investments in the form of marketable securities and negotiable debt instruments are undertaken for the management of cash surpluses, but do not meet the requirements to qualify as cash equivalents. These are debt instruments carried at fair value through other components of comprehensive income, except for shares in investment funds (UCITS) which are carried at fair value through profit and loss.

Impairment equivalent to expected credit losses is booked upon initial recognition of debt instruments carried at fair value through other components of comprehensive income.

Loans

Loans essentially include loans for investment of cash surpluses and loans to associates.

Loans are carried at amortized cost. Impairment equivalent to expected credit losses is recognized upon initial recognition of the financial asset, and when there is objective evidence of loss of value caused by an event arising after the initial recognition.

2-V. Cash and cash equivalents

Cash includes cash on hand, current accounts and other demand deposits, with the exception of bank overdrafts, which are included in financial liabilities.

Cash equivalents are investments held for the purpose of meeting short-term cash commitments. For an investment to qualify as a cash equivalent, it must be considered as liquid, be readily convertible for a known amount of cash and be subject to an insignificant risk of change in value.

These instruments are stated at amortized cost except for shares in investment funds (UCITS) which are carried at fair value through profit and loss.

Bank accounts subject to restrictions due to sector-specific regulations (for example, banking or insurance regulations) or bank accounts allocated to increasing credit on securitized receivables are included in cash and cash equivalents.

2-W. Financial liabilities of the Automotive segments and Sales Financing debts

The Group recognizes a financial liability (for the Automotive segments) or a Sales Financing debt when it becomes a party to the contractual provisions of a financial instrument.

Financial liabilities and Sales Financing debts comprise redeemable shares, subordinated debt, bonds, other debts represented by a certificate, borrowings from credit institutions, lease liabilities in application of IFRS 16 (Notes 2-L), other interest-bearing borrowings and derivative liabilities related to financial transactions (Note 2-X).

Redeemable shares of the Automotive segments are listed subordinated debt instruments that earn a variable return indexed on consolidated revenues. They are carried at amortized cost, determined by discounting forecast coupons using the effective interest rate on borrowings. The estimated effective interest rate takes account of indexation, and the amortized cost recorded in financial result is re-estimated when there is a significant change in future sales prospects, particularly when medium-term business plans are released.

Financial liabilities not concerned by specific hedge accounting methods (Note 2-X) are generally recorded at amortized cost using the effective interest rate method. financial expense calculated in this way includes issuance expenses and issuance or redemption premiums, together with the impact of debt renegotiations when the old and new terms are not substantially different.

2-X. Derivatives and hedge accounting

Measurement and presentation

Derivatives are initially stated at fair value. This fair value is subsequently reviewed at each closing date.

- The fair value of forward exchange contracts and currency swaps is determined by discounting future cash flows, using closing-date market rates (exchange and interest rates).
- The fair value of interest rate derivatives is the amount the Group would receive (or pay) to settle outstanding contracts at the closing date, taking into account interest rates forward curves and the quality of the counterparty to each contract at the closing date. This fair value includes accrued interest.
- The fair value of commodity derivatives is based on market conditions.

The Automotive segments' derivatives are reported in the financial position as current if they mature within 12 months and non-current otherwise. All Sales Financing segment derivatives are reported in the financial position as current.

Hedge accounting

The treatment of derivatives designated as hedging instruments depends on the type of hedging relationship:

- fair value hedge;
- cash flow hedge;
- hedge of a net investment in a foreign operation.

The Group identifies the hedging instrument and the hedged item as soon as the hedge is set up, and documents the hedging relationship, stating the hedging strategy, the risk hedged and the method used to assess the hedge's effectiveness. The Sales Financing segment documents hedging relationships concerning one or more homogeneous items to cover its risks. This documentation is subsequently updated such that the effectiveness of the designated hedge can be demonstrated.

Hedge accounting uses specific measurement and recognition methods for each category of hedge.

- Fair value hedges: the hedged item is adjusted to fair value up to the risk hedged and the hedging instrument is recorded at fair value. As changes in these items are recorded in the income statement simultaneously, only the ineffective portion of the hedge has an impact on net income. It is recorded in the same income statement item as changes in the fair value of the hedged item and the hedging instrument.
- Cash flow hedges: no adjustment is made to the value of the hedged item; only the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to the income statement when the hedged item has an impact on net income.
- Hedge of a net investment in a foreign operation: the hedging instrument is adjusted to fair value. Following this adjustment, the effective portion of the change in fair value attributable to the hedged exchange risk is recorded, net of taxes, in other components of comprehensive income, while the ineffective portion is included in net income. The cumulative amount included in shareholders' equity is transferred to net income at the date of liquidation or sale of the investment. The interest rate component of borrowings in yen used to hedge the investment in Nissan is considered as the ineffective portion, and is therefore recorded directly in financial income and expenses.

Derivatives not designated as hedges

Changes in the fair value of derivatives not designated as hedges are recognized directly in financial income, except in the case of derivatives entered into exclusively for reasons closely related to business operations. In this case, changes in the fair value of derivatives are included in the operating income (operating margin in the information by operating segment).

Note 3 - Changes in the scope of consolidation and assets and liabilities held for sale

	Automotive (excluding AVTOVAZ)	AVTOVAZ	Sales Financing	Mobility services	Total
Number of companies consolidated at December 31, 2020	**126**	**51**	**42**	**6**	**225**
Newly consolidated companies (acquisitions, formations, etc.)	5	2	3	13	23
Deconsolidated companies (disposals, mergers, liquidations, etc.)	4	7	-	-	11
Number of companies consolidated at December 31, 2021	**127**	**46**	**45**	**19**	**237**

The principal changes concerning the scope of consolidation in 2021 were the following.

3-A. Automotive (excluding AVTOVAZ) segment

- In May 2021 the Group set up a joint venture Hyvia, owned in equal shares with the partner Plug Power Inc. This joint venture provides a full ecosystem of turnkey solutions comprising fuel cell-powered light commercial vehicles, hydrogen charging stations, supplies of carbon-free hydrogen, and fleet maintenance and management. It is valued at €4 million, and accounted for under the equity method.

- In July 2021, the Group acquired a minority stake of 23.64% in French start-up Verkor for the purchase price of €25 million, with a view to co-developing a high-performance battery. The partnership will also involve development of a pilot production line for battery cell and module prototyping in France starting in 2022. In a second phase, Verkor aims to construct France's first gigafactory for high-performance batteries in France from 2026, with an initial capacity of 10 GWh for Renault Group, potentially rising to 20 GWh by 2030. The Group holds derivative instruments that will entitle it to subscribe to future capital increases by Verkor while remaining a minority shareholder, subject to conditions concerning development of the high-performance battery. As an entity subject to significant influence, Verkor is accounted for under the equity method. The provisional goodwill on this operation is €9 million.

- In September 2021, the Group acquired a 21.28% investment and joint control of French start-up Whylot for the purchase price of €10 million. Whylot is developing an innovative axial-flux electric motor. Renault Group is the beneficiary of a unilateral promise of sale that will enable it to acquire 70% of Whylot and take control of the company, provided Renault places an order by September 1, 2023. The purchase price is to be determined by expert assessment and capped at a maximum enterprise value of €80 million. Whylot, as a joint venture, is accounted for under the equity method. The provisional goodwill on this operation is €9 million.

- On December 31, 2021, the Group grouped its three factories in the north of France at Douai, Ruitz and Maubeuge to form Renault ElectriCity, by partial business transfers from the entities SNC Renault Douai, Société de Transmissions Automatiques (STA) and Maubeuge Construction Automobile (MCA), which have all retained their land assets. Renault ElectriCity will begin operations on January 1, 2022.

- In April 2021, the Group ceased all commercial operations by its Australian subsidiary Vehicle Distributors Australia and transferred its assets to an importer that now takes charge of selling Renault and Dacia brand vehicles in Australia. Vehicle Distributors Australia is now in liquidation.

- In April 2021, the Group sold its 40% minority shareholding in Renault South Africa, an entity accounted for under the equity method, to the majority shareholder Motus Corporation Proprietary Ltd for the price of €15 million.

- In November 2021, the Group sold its distribution subsidiary Renault Nissan Wien to a private dealer for the price of €6 million (excluding real estate assets).

- In December 2021, Renault s.a.s. disposed of its 98% investment in Carizy through an exchange for 3.25% of Mobility Trader Holding GmbH. RCI Banque concurrently made a €30 million investment in the same entity, thus acquiring 4.97% of its capital (Note 3-C) for the purposes of the Heycar used vehicle platform project. As the Group has a seat on the Board of Directors, Mobility Trader Holding GmbH is subject to significant influence and is thus accounted for under the equity method at the value of €50 million at December 31, 2021.

- The joint ventures Alliance Mobility Company France and Alliance Mobility Company Japan, set up with Nissan in June 2019 to conduct research into driverless cars, no longer have any activity and are currently in liquidation. Their projects are now handled by Renault s.a.s..

3-B. AVTOVAZ

- Following a capital increase by capitalization of receivables, Renault Group's percentage ownership in the Netherlands-based holding company Alliance Rostec Auto b.v. increased from 67.61% to 67.69% during the second half of 2021. In December 2021, Alliance Rostec Auto b.v. transferred all its shares in AVTOVAZ to LADA Auto Holding OOO, a Russian-based company set up in September 2021. This transfer has no consequences for the consolidated financial statements. Renault's percentage ownership in LADA Auto Holding OOO and AVTOVAZ was 67.69% at December 31, 2021, the same as the percentage ownership in Alliance Rostec Auto b.v. and AVTOVAZ prior to the transfer of the AVTOVAZ shares to LADA Auto Holding OOO. Alliance Rostec Auto b.v. was in the process of liquidation at December 31, 2021.

- In December 2021, AVTOVAZ acquired a 40% investment in its components supplier JSC OAT and its subsidiaries, for the purchase price of 847 million roubles (€10 million). AVTOVAZ has joint control and accounts for JSC OAT and its subsidiaries under the equity method. The shareholder agreements include an exit option after two years and successful implementation of a business recovery plan. If the plan succeeds, the resale price is set at 1 billion roubles. If it fails, AVTOVAZ will receive 100% of the shares in three subsidiaries of JSC OAT in exchange for its 40% stake in JSC OAT. The provisional negative goodwill on this operation is 184 million roubles (€2 million).

- In December 2021, LADA ZAPAD (formerly GM AVTO), purchased from the General Motors group in 2019, was merged with PAO AVTOVAZ.

- During the second half-year of 2021, AVTOVAZ sold three distribution subsidiaries operating in Russia, AO Saransk-Lada, AO Oka-Lada and OA Sarov-Lada, for the price of €4 million.

3-C. Sales Financing

- In July 2021, RCI Banque acquired all the shares in the Spanish company BI-PI Mobility SL and its subsidiaries, which specialize in flexible vehicle rentals, for the purchase price of €67 million. The provisional goodwill on this operation is €68 million.
- In December 2021, RCI Banque made a €30 million investment to acquire 4.97% of Mobility Trader Holding GmbH, concurrently with Renault s.a.s.' exchange of its Carizy shares (Note 3-A). Mobility Trader Holding GmbH manages the online used car platform Heycar. This investment is accounted for under the equity method.

3-D. Mobility Services

- The Group is rolling out its knowhow in recharging infrastructures and solutions across Europe, through subsidiaries and joint ventures owned jointly with Elto Holding, operating under the Mobilize Power Solutions brand. Elto Holding is a French-based subsidiary of Renault s.a.s. that holds the following European entities, which have all been fully consolidated since their formation during the first half-year of 2021: Elto BeLux and Elto DACH GmbH owned 51%, Elto Iberia s.l. Unipersonal owned 60%, Elto UK and Elto Italy S.r.l. owned 100%. Elto France, a joint venture owned 40%, is accounted for under the equity method.
- In December 2021, the Group exercised its option to buy minority interests in Coolnagour Ltd (iCabbi), and now owns all the shares of that entity and its subsidiaries, as opposed to 78% previously.

3-E. Non-current assets held for sale

In application of its strategic plan "Renaulution", the Group has started to sell certain real estate assets (land, industrial sites), branches (in France) and vehicle distribution subsidiaries (outside France).

At December 31, 2021, the group of assets held for sale consists of €129 million of assets and €182 million of debts and other liabilities. The difference between these amounts at December 31, 2021 and the amounts reported in the financial statements at June 30, 2021, i.e. a €265 million decrease in assets held for sale, is mainly explained by sales that took place during the second half of 2021, including €214 million concerning property, plant and equipment, intangible assets and goodwill (see Note 6-C).

The reclassification of these assets held for sale and the associated liabilities is reflected in other changes in the relevant notes.

(€ million)	December 31, 2021
Intangible assets and goodwill	8
Tangible assets	42
Inventories	21
Cash and cash equivalents	15
Other	43
Total assets held for sale	**129**
Total liabilities associated with assets held for sale	**(182)**

6.3. Consolidated income statement

Note 4 - Revenues

4-A. Breakdown of revenues

(€ million)	2021	2020
Sales of goods - Automotive segments	**37,029**	**34,723**
Sales to partners of the Automotive segments (1)	**3,604**	**3,651**
Rental income on leased assets (2)	1,198	660
Sales of other services	1,423	1,283
Sales of services - Automotive segments	**2,621**	**1,943**
Sales of goods - Sales Financing segment	**39**	**38**
Rental income on leased assets (2)	113	108
Interest income on Sales Financing receivables	1,757	1,982
Sales of other services (3)	1,026	1,010
Sales of services - Sales Financing segment	**2,896**	**3,100**
Sales of services - Mobility Services segment	**24**	**19**
Total Revenues	**46,213**	**43,474**

(1) Most partners are automakers. The Automotive segments' main partners are Nissan and Daimler. Sales to partners include sales of parts, components, and vehicles to be sold under the partners' own brands, and other services such as engineering developments.

(2) Rental income recorded by the Group on vehicle sales with a buy-back commitment or fixed asset rentals.

(3) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.

4-B. 2020 revenues applying 2021 scope and methods

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Sales Financing	Mobility services	Total
2020 revenues	**37,736**	**2,581**	**3,138**	**19**	**43,474**
Changes in scope of consolidation	(2)	(2)	9	2	7
2020 revenues applying 2021 scope and methods	**37,734**	**2,579**	**3,147**	**21**	**43,481**
2021 revenues	**40,404**	**2,850**	**2,935**	**24**	**46,213**

Note 5 - Other income and expenses included in the operating margin, by nature

5-A. Personnel expenses

Personnel expenses amount to €5,959 million in 2021 (€6,157 million in 2020).

The average workforce during the year for consolidated entities is presented in section 2.3- Human Capital of the 2021 Universal Registration Document.

Details of pensions and other long-term employee benefit expenses are presented in Note 19.

Share-based payments concern performance share plans and other share-based payment arrangements awarded to personnel. They amounted to a personnel expense of €31 million for 2021 (€46 million in 2020).

The plan valuation method is presented in Note 18-G.

5-B. Foreign exchange gains/losses

In 2021, the operating income includes a net foreign exchange expense of €68 million, mainly related to movements in the Argentinian peso, Brazilian real and Turkish lira (compared to a net foreign exchange expense of €125 million in 2020 mainly related to movements in the Argentinian peso, Brazilian real and Turkish lira).

5-C. Lease payments

At December 31, 2021, lease payments in the statement of financial position that are not restated under IFRS 16 because they relate to non-material or short-term leases:

(€ million)	December 31, 2021	December 31, 2020
Lease payments for short-term leases	(13)	(15)
Lease payments for leases of low-value assets	(26)	(25)
Other lease payments including variable lease payments	(56)	(51)

Note 6 - Other operating income and expenses

(€ million)	2021	2020
Restructuring and workforce adjustment costs	(430)	(600)
Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation	35	(183)
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)	452	96
Impairment of property, plant and equipment, intangible assets and goodwill (excluding goodwill of associates and joint ventures)	(149)	(762)
Other unusual items	(173)	(213)
Total	**(265)**	**(1,662)**

As stated in Note 2-B, expenses and income recognized for 2021 that are identified as resulting wholly or partly from the Covid-19 pandemic are not considered as “Other operating income and expenses”, except for expenses which due to their nature are always included in that category, such as impairment of tangible and intangible assets.

6-A. Restructuring and workforce adjustment costs

In 2021, these costs included €(65) million for a work exemption plan in France which eligible employees can join between February 1, 2022 and January 1, 2023, and provisions of €(120) million relating to a new Collective Contractual Separation plan for a maximum 1,153 employee departures in 2022. These plans are part of the 3-year trade union agreement “Re-Nouveau France 2025” signed on December 14, 2021. Through this key agreement Renault Group is making France the strategic and industrial centre of its promising future businesses, to strengthen the Group in its home country, contribute to its transformation and carry all its French businesses towards the automotive industry’s new value chain.

Restructuring and workforce adjustment costs in 2021 also concern restructuring plans outside France (principally in South Korea, Spain and Romania) undertaken as part of the plan to reduce fixed costs announced on May 29, 2020.

In 2020, restructuring and workforce adjustment costs included €(115) million for a work exemption plan in France which eligible employees could join between April 1, 2020 and January 1, 2021, and provisions relating to the agreement to transform technical and service skills in preparation for future developments in the automotive world, signed in France in November 2020. This agreement was part of the plan to reduce fixed costs by more than €2 billion over 3 years, including a workforce reduction by 4,600 employees in France and 10,000 employees worldwide, announced in May 2020. It defined the conditions for a new outplacement policy, a new voluntary work-exemption plan in 2021, open from February 1, 2021 to January 1, 2022, and a Collective Contractual Separation plan for a maximum 1,900 employee departures. Restructuring provisions were recorded at December 31, 2020 amounting to €(70) million for the new voluntary work-exemption plan, and €(197) million for the Collective Contractual Separation plan.

6-B. Gains and losses on disposal of businesses or operating entities

In April 2021, the Group sold its 40% minority shareholding in Renault South Africa to the majority shareholder Motus Corporation Proprietary Ltd for the price of €15 million. As the investment was accounted for under the equity method at nil value, this operation generated a gain of €15 million.

In December 2021, Renault s.a.s. disposed of its 98% investment in Carizy through an exchange for 3.25% of Mobility Trader Holding GmbH. This operation generated a gain of €18 million.

In 2020, costs associated with the sale of Renault’s share in the joint venture DRAC and the takeover of the after-sales activity were recognized in the total amount of €(172) million.

6-C. Gains and losses on disposal of property, plant and equipment and intangible assets

The Group undertook real estate operations in 2021 that generated a total gain of €452 million. The principal operations were:

- Sale of a property in Luxembourg in April 2021, generating a gain of €115 million.
- Sale of a storage warehouse at Cergy in the Paris region in November 2021, generating a gain of €59 million, and of various real estate complexes belonging to the RRG distribution network during the second half of 2021, generating a gain of €124 million.
- Sale of a property owned by RRG in Germany during the second half of 2021, with a net impact of €52 million on net income.

6-D. Impairment of fixed assets and goodwill (excluding goodwill of associates and joint ventures)

Impairment amounting to €(149) million net of reversals was recorded in 2021 (€(762) million in 2020). The new impairment was principally recognized as a result of (i) impairment tests on vehicles given the downturn in sales volumes in 2021, (ii) jointly-owned assets following the decision to terminate real estate leases, and (iii) assets associated with vehicles and components the Group has decided to stop producing.

No reversal of impairment was recorded in 2021 or 2020.

In 2021, €(80) million of new impairment concerns intangible assets (€(565) million in 2020) and €(69) million concerns property, plant and equipment (€(197) million in 2020) (Notes 10 and 11).

6-E. Other unusual items

Provisions for clean-up and demolition costs amounting to €(54) million were recognized during 2021 in respect of sites that are being sold, in compliance with environmental regulations.

Provisions amounting to €(65) million for costs resulting from decisions to discontinue businesses, production or developments were recognized in 2021. In 2020, impairment tests on vehicles led to recognition of unusual expenses corresponding to advance and future payments to partners and suppliers in connection with those vehicles, amounting to €(75) million.

Business activity in Algeria was halted in early 2020 following decisions by the Algerian government, but resumed during 2021. Consequently, during 2021 Renault recovered €15 million of the €(99) million impairment recognized in 2020 on assets associated with its Algerian business (receivables, inventories, etc.).

Provisions and write-offs of receivables amounting to €(25) million were recognized during 2021 in connection with business in China, particularly Renault Brillance Jinbei Automotive Company (RBJAC), which was placed in receivership on January 12, 2022.

Note 7 - Financial income (expenses)

(€ million)	2021	2020
Cost of gross financial indebtedness	(381)	(355)
Income on cash and financial assets	73	18
Cost of net financial indebtedness	**(308)**	**(337)**
Dividends received from companies that are neither controlled nor under significant influence	4	16
Foreign exchange gains and losses on financial operations	46	41
Gain/Loss on exposure to hyperinflation	(69)	(40)
Net interest expenses on the defined-benefit liabilities and assets corresponding to pension and other long-term employee benefit obligations	(11)	(16)
Other (1)	(12)	(146)
Other financial income and expenses	**(42)**	**(145)**
Financial income (expense)	**(350)**	**(482)**

(1) Other items mainly comprise expenses on assignment of receivables, changes in fair value (the investments in FAA and Partech Growth), bank commissions, discounts and late payment interest
At December 31, 2021, other items also included the effects of adjustment to amortized cost of the State-guaranteed credit facility (€23 million in 2021 and €(69) million in 2020, Note 23-C).

The net cash position (or net financial indebtedness) of the Automotive segments is presented in the information by operating segment (see section 6.1.A4).

Note 8 - Current and deferred taxes

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this is the regime applicable to the Group in which Renault SA is taxed in France.

The Groupe Renault also applies other optional tax consolidation systems in Germany, Italy, Spain, Romania, the Netherlands and the UK.

8-A. Current and deferred taxes

(€ million)	2021	2020
Current income taxes	(463)	(306)
Deferred tax income (charge)	(133)	(114)
Current and deferred taxes	**(596)**	**(420)**

In 2021, €(371) million of the current income tax charge comes from foreign entities including AVTOVAZ (€(263) million in 2020). This charge increased in 2021, due to the better taxable income achieved in a more favourable economic context.

The current income tax charge for entities included in the French tax consolidation group amount to €(92) million in 2021 (€(43) million in 2020).

The deferred tax charge is slightly higher in 2021 than 2020, due mainly to the utilization of tax credits in Turkey, together with other changes.

The deferred tax charge for 2020 reflected the fact that recognition of deferred tax assets on AVTOVAZ tax loss carryforwards had been discontinued (with an effect of €(248) million or (20,510) million roubles), due to the substantial downturn in prospects on the Russian market, largely attributable to the Covid-19 pandemic.

8-B. Breakdown of the tax charge

(€ million)	2021	2020
Income before taxes and share in net income of associates and joint ventures	**1,048**	**(2,481)**
Statutory income tax rate in France	28.41%	32.02%
Theoretical tax income (charge)	**(298)**	**795**
Effect of differences between local tax rates and the French rate (1)	69	72
Tax credits	(37)	12
Distribution taxes	(29)	39
Change in unrecognized deferred tax assets (2)	122	(721)
Other impacts (3)	(377)	(571)
Current and deferred tax income (charge) excluding taxes based on interim taxable profits	**(550)**	**(374)**
Taxes based on interim taxable profits	(46)	(46)
Current and deferred tax income (charge)	**(596)**	**(420)**

(1) The main contributors to the tax rate differential are Russia, Romania, United Kingdom and Brazil
(2) The deferred tax charge for 2020 includes the effect of discontinued recognition of deferred tax assets on AVTOVAZ tax loss carryforwards (see Note 8-A).
(3) In 2021, other impacts concern mainly the effects on deferred taxes of the lower income tax rates applicable to entities in the French tax consolidation group.

French tax consolidation group

For the French tax consolidation group, the current tax charge amounts to €(92) million, principally consisting of the business tax *Cotisation sur la valeur ajoutée des entreprises* (CVAE) and provisions for tax risks. The deferred tax charge amounts to €(2) million.

Entities not in the French tax consolidation group

The effective tax rate for non-French entities other than AVTOVAZ was 24% in 2021 (35% for 2020) due to the higher taxable income achieved in a more favourable economic context, and the non-recognition of deferred taxes on tax losses.

For the Russian AVTOVAZ entities, the effective tax rate was 11% in 2021 (not relevant for 2020), and benefits from the reversal of unused deferred tax positions.

8-C. Changes in current tax liabilities, current tax receivables and provisions for uncertain tax liabilities

(€ million)	December 31, 2020	Current taxes in the income statement	Net taxes paid	Translation adjustment and other	December 31, 2021
Current taxes excluding uncertain tax positions		(425)	425		
Provisions for uncertain tax liabilities – short- term	(6)	-	-	-	(6)
Provisions for uncertain tax liabilities – long-term	(179)	(38)	1	(1)	(217)
Tax receivables – short-term	153		(22)	(3)	128
Tax receivables – long-term	18		2	(1)	19
Current tax liabilities – short-term	(221)		(51)	6	(266)
Current tax liabilities – long-term	-		-	-	-
TOTAL	**(235)**	**(463)**	**355**	**1**	**(342)**

8-D. Breakdown of net deferred taxes

8-D1. Change in deferred tax assets and liabilities

(€ million)	December 31, 2020	Income statement	Other components of comprehensive income	Translation adjustments	Other	December 31, 2021
Deferred tax assets	651	27	(31)	4	(101)	550
Deferred tax liabilities	(922)	(160)	(19)	(7)	99	(1,009)
Net deferred taxes	**(271)**	**(133)**	**(50)**	**(3)**	**(2)**	**(459)**
French tax consolidation group	*(701)*	*(2)*	*(20)*	*(0)*	-	*(723)*
AVTOVAZ	*(12)*	-	-	-	*(1)*	*(13)*
Other entities	*442*	*(131)*	*(30)*	*(3)*	*(1)*	*277*

8-D2. Breakdown of net deferred tax assets (liabilities) by nature

(€ million)	2021	2020
Deferred taxes on:		
Investments in associates and joint ventures excluding AVTOVAZ (1)	(121)	(109)
Fixed assets excluding AVTOVAZ	(2,066)	(2,127)
Provisions and other expenses or valuation allowances deductible upon utilization excluding AVTOVAZ	689	798
Loss carryforwards excluding AVTOVAZ (2)	4,972	5,080
Other items excluding AVTOVAZ	435	605
Net deferred tax assets (liabilities) excluding AVTOVAZ	**3,909**	**4,247**
Fixed assets of AVTOVAZ	(37)	(18)
Provisions and other expenses or valuation allowances deductible upon utilization of AVTOVAZ	40	54
Loss carryforwards of AVTOVAZ	259	252
Non-interest bearing financial liabilities in roubles of AVTOVAZ	-	(33)
Other items of AVTOVAZ	(16)	(15)
Net deferred tax assets (liabilities) of AVTOVAZ	**246**	**240**
Unrecognized deferred tax assets related to tax losses (Note 8-D3)	(4,476)	(4,596)
Other unrecognized deferred tax assets	(138)	(162)
NET DEFERRED TAX ASSETS (LIABILITIES) REPORTED	**(459)**	**(271)**

(1) Including tax on future dividend distributions.

(2) Including €4,464million for the French tax consolidation group entities and €508 million for other entities at December 31, 2021 (€4,546million and €534 million respectively at December 31, 2020).

The residual unrecognized deferred tax assets of entities included in the French tax consolidation group amounted to €3,741 million (€3,845 million at December 31, 2020). They comprise tax losses that can be carried forward indefinitely to set against future taxable income up to a limit of 50% of that income. €321 million of these unrecognized assets were generated by items booked through shareholders' equity (effects of the partial hedge of the investment in Nissan), and €3,420 million were generated by items affecting the income statement (respectively €372 million and €3,473 million at December 31, 2020).

For entities not in the French tax consolidation group, unrecognized deferred tax assets totalled €873 million at December 31, 2021 (€913 million at December 31, 2020), including €259 million for AVTOVAZ (€252 million at December 31, 2020) and €614 million for the Group excluding AVTOVAZ (€661 million at December 31, 2020) and principally comprising tax loss carryforwards generated by the Group in Brazil and India.

8-D3. Breakdown of deferred taxes on tax losses by expiry date

Unrecognized loss carryforwards represent a potential tax saving of €4,476 million at December 31, 2021.

(€ million)	December 31, 2021			December 31, 2020		
Deferred taxes on:	Recognized	Unrecognized	Total	Recognized	Unrecognized	Total
Tax losses that can be carried forward indefinitely (1)	740	4,110	4,850	724	4,196	4,920
Tax losses expiring in more than 5 years	-	49	49	3	78	81
Tax losses expiring in between 1 and 5 years	14	54	68	7	67	74
Tax losses expiring within 1 year	1	4	5	2	3	5
Total deferred taxes on tax losses (excluding AVTOVAZ)	**755**	**4,217**	**4,972**	**736**	**4,344**	**5,080**
Total deferred taxes on tax losses of AVTOVAZ	**-**	**259**	**259**	**-**	**252**	**252**
TOTAL DEFERRED TAXES ON TAX LOSSES OF THE GROUP	**755**	**4,476**	**5,231**	**736**	**4,596**	**5,332**

(1) Including recognized and unrecognized deferred taxes corresponding to tax loss carryforwards of entities included in the French tax consolidation group which amount to €723 million and €3,741 million respectively at December 31, 2021 (€701 million and €3,845million respectively at December 31, 2020) (Note 8-D2).

The decrease in deferred taxes on tax losses in France is mainly explained by the lower income tax rate in 2022, which led to a decrease in deferred taxes on tax losses that can be carried forward indefinitely at December 31, 2021.

The tax losses presented above do not reflect the consequences of ongoing tax litigation not booked. Contingent liabilities resulting from notified tax reassessments are presented in Note 28-A.

Note 9 - Basic and diluted earnings per share

(thousands of shares)	2021	2020
Shares in circulation	295,722	295,722
Treasury shares	(4,241)	(4,990)
Shares held by Nissan x Renault's share in Nissan	(19,379)	(19,383)
Number of shares used to calculate basic earnings per share	**272,102**	**271,349**

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.

(thousands of shares)	2021	2020
Number of shares used to calculate basic earnings per share	272,102	271,349
Dilutive effect of stock options, performance share rights and other share-based payments	1,766	-
Number of shares used to calculate diluted earnings per share	**273,868**	**271,349**

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, i.e. the number of shares used to calculate the basic earnings per share plus the number of rights to performance shares awarded under plans that have a potential dilutive effect which fulfil the performance conditions at the reporting date when issuance is conditional (Note 18-G).

6.4. Operating assets and liabilities, shareholders' equity

Note 10 - Intangible assets and property, plant and equipment

10-A. Intangible assets and goodwill

10-A1. Changes in intangible assets and goodwill

Changes in 2021 in intangible assets were as follows:

(€ million)	December 31, 2020	Acquisitions / (amortization and impairment)	(Disposals) / reversals	Translation adjustment	Change in scope of consolidation and other	December 31, 2021
Capitalized development expenses	12,976	1,084	-	19	13	14,092
Goodwill	946	-	-	51	54	1,051
Other intangible assets	1,230	93	(15)	16	(34)	1,290
Intangible assets, gross	**15,152**	**1,177**	**(15)**	**86**	**33**	**16,433**
Capitalized development expenses	(7,861)	(1,165)	-	(4)	(5)	(9,035)
Goodwill	(30)	-	-	-	-	(30)
Other intangible assets	(914)	(88)	6	(3)	29	(970)
Amortization and impairment	**(8,805)**	**(1,253)**	**6**	**(7)**	**24**	**(10,035)**
Capitalized development expenses	5,115	(81)	-	15	8	5,057
Goodwill	916	-	-	51	54	1,021
Other intangible assets	316	5	(9)	13	(5)	320
Intangible assets, net	**6,347**	**(76)**	**(9)**	**79**	**57**	**6,398**

Most goodwill is located in Europe and Eurasia.

Acquisitions of intangible assets in 2021 include €1,084 million of self-produced assets and €93 million of purchased assets (respectively €1,390 million and €110 million in 2020).

In 2021, amortization and impairment of intangible assets include €80 million of impairment concerning vehicles (including components), compared to €565 million of impairment in 2020 (Note 6-D).

Changes in 2020 in intangible assets were as follows:

(€ million)	Gross value	Amortization and impairment	Net value
Value at December 31, 2019	**13,924**	**(6,975)**	**6,949**
Acquisitions / (amortization and impairment) (1)	1,500	(1,880)	(380)
(Disposals) / reversals	(23)	23	-
Translation adjustment	(333)	35	(298)
Change in scope of consolidation and other	84	(8)	76
Value at December 31, 2020	**15,152**	**(8,805)**	**6,347**

(1) Including impairment of €(565) million concerning intangible assets.

10-A2. Research and development expenses included in income

(€ million)	2021	2020
Research and development expenses	(2,361)	(2,749)
Capitalized development expenses	1,084	1,390
Amortization of capitalized development expenses	(1,088)	(1,210)
Total included in income	**(2,365)**	**(2,569)**

Research and development expenses are reported net of research tax credits for the vehicle development activity.

The decrease in research and development expenses over 2021 is explained by the end of an initial cycle of upgrades to the product range, the lower level of business, and actions to reduce fixed costs, which focused particularly on subcontracting and purchases of prototypes.

This decrease was accentuated by the Covid-19 pandemic, although it did not significantly affect the level of capitalized development expenses under the rules set out in IAS 38.

Amortization of capitalized development expenses was lower than in 2020, but as the decrease in amortization was smaller than the decrease in capitalized development expenses, it is thus slightly higher than the amount of capitalized development expenses reported for 2021.

10-B. Property, plant and equipment

Changes in 2021 in property, plant and equipment were as follows:

(€ million)	December 31, 2020	Acquisitions / (depreciation and impairment)	(Disposals) / reversals	Translation adjustment	Change in scope of consolidation and other	December 31, 2021
Land	624	3	(39)	9	(10)	587
Buildings	6,717	186	(295)	12	66	6,686
Specific tools	18,127	1,303	(441)	1	35	19,025
Machinery and other tools	13,817	826	(282)	(3)	160	14,518
Fixed assets leased to customers	5,289	1,505	(1,459)	25	-	5,360
Other tangibles	953	13	(78)	2	23	913
Right-of-use assets	865	191	(157)	6	(11)	894
- *Land*	*12*	-	-	-	*(1)*	*11*
- *Buildings*	*816*	*169*	*(156)*	*5*	*(9)*	*825*
- *Other assets*	*37*	*22*	*(1)*	*1*	*(1)*	*58*
Construction in progress (1)	2,927	(982)	(1)	32	(112)	1,864
Gross value	**49,319**	**3,045**	**(2,752)**	**84**	**151**	**49,847**
Land						
Buildings	(4,607)	(216)	248	-	(35)	(4,610)
Specific tools	(15,413)	(1,058)	436	-	(84)	(16,119)
Machinery and other tools	(9,837)	(687)	252	9	(38)	(10,301)
Fixed assets leased to customers	(1,199)	(617)	367	(6)	(21)	(1,476)
Other tangibles	(886)	(61)	78	9	14	(846)
Right-of-use assets	(241)	(153)	62	(2)	2	(332)
- *Land*	*(2)*	*(2)*	-	-	*1*	*(3)*
- *Buildings*	*(217)*	*(140)*	*62*	*(1)*	*1*	*(295)*
- *Other assets*	*(22)*	*(11)*	-	*(1)*	-	*(34)*
Construction in progress	(1)	-	-	-	5	4
Depreciation and impairment (2)	**(32,184)**	**(2,792)**	**1,443**	**10**	**(157)**	**(33,680)**
Land	624	3	(39)	9	(10)	587
Buildings	2,110	(30)	(47)	12	31	2,076
Specific tools	2,714	245	(5)	1	(49)	2,906
Machinery and other tools	3,980	139	(30)	6	122	4,217
Fixed assets leased to customers	4,090	888	(1,092)	19	(21)	3,884
Other tangible	67	(48)	-	11	37	67
Right-of-use assets	624	38	(95)	4	(9)	562
- *Land*	*10*	*(2)*	-	-	-	*8*
- *Buildings*	*599*	*29*	*(94)*	*4*	*(8)*	*530*
- *Other assets*	*15*	*11*	*(1)*	-	*(1)*	*24*
Construction in progress (1)	2,926	(982)	(1)	32	(107)	1,868
Net value	**17,135**	**253**	**(1,309)**	**94**	**(6)**	**16,167**

(1) Items classified as "construction in progress" are transferred to completed asset categories via "acquisitions / (depreciation and impairment)".
(2) Depreciation and impairment in 2021 include impairment of €69 million, mainly concerning vehicles (including components) (see Note 6-D).

Changes in property, plant and equipment in 2020 were as follows:

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2019	**47,998**	**(31,098)**	**16,900**
Acquisitions / (depreciation and impairment) (1)	4,567	(2,869)	1,698
(Disposals) / reversals	(2,107)	1,111	(996)
Translation adjustments	(1,282)	736	(546)
Change in scope of consolidation and other	143	(64)	79
Value at December 31, 2020	**49,319**	**(32,184)**	**17,135**

(1) Including €(197) million of impairment on property, plant and equipment.

Note 11 - Impairment tests on fixed assets

The Group carried out impairment tests on its fixed assets under the approach described in the section on accounting policies (Note 2-M).

11-A. Impairment tests on vehicle-specific assets (including components) and the assets of certain entities

Following impairment tests of specific assets dedicated to vehicles (including components) and assets belonging to certain entities, impairment of €(78) million was booked during 2021 (€(762) million in 2020), comprising €(48) million for intangible assets (€(565) million in 2020), and €(30) million for property, plant and equipment (€(197) million in 2020). This impairment was allocated in priority to capitalized development expenses.

A further €(71) million of impairment was also recognized in 2021, notably after decisions to discontinue production or terminate leases. This impairment did not result from impairment testing.

The impairment recognized in 2020 principally concerned petrol and diesel engine vehicles (including components) in view of the lower sales volumes in 2020, the downward revision of business prospects due to the COVID-19 pandemic, and the assumptions used in the medium-term plan for the period 2021-2025 presented in January 2021.

11-B. Impairment tests of country-specific assets or cash-generating units of the Automotive (excluding AVTOVAZ) segment

Automotive (excluding AVTOVAZ) segment

The recoverable value used for the purpose of impairment tests for the Automotive (excluding AVTOVAZ) segment is the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

	December 31, 2021	December 31, 2020
Growth rate to infinity	1.0 %	1.2 %
After-tax discount rate	8.9 %	9.2 %

The assumptions used for impairment testing at December 31, 2021 are derived from the medium-term plan for the period 2021-2025, which was presented in January 2021 and updated in late 2021. They include volume assumptions based on unfavourable market trends, mostly caused by the Covid-19 pandemic, and expect a return to pre-pandemic volume levels in 2024-2025 for the European market, and starting from the second half-year of 2022 in other regions of the world were the Group does business (the 2020 tests assumed that the situation on these markets would return to normal in 2021). The negative effects of the components supply crisis for 2022 were also factored into the 2021 impairment tests.

The growth rates to infinity used in the tests at December 31, 2021 and 2020 include the impacts of commitments made by the States that are signatories to the Paris Agreement on climate change.

In 2020, no impairment was recognized on assets of the Automotive (excluding AVTOVAZ) segment as a result of the impairment test, and it was considered that a reasonably possible change in the main assumptions used should not result in a recoverable value lower than the book value of the assets tested.

At December 31, 2021, no reasonably possible change in the main assumptions used should result in a recoverable value lower than the book value of the assets tested. The recoverable value of the assets tested would remain higher than the book value in the event of the following changes in those assumptions:

A growth rate to infinity of 0%.

An after-tax discount rate of 10%.

11-C. Impairment tests on the AVTOVAZ cash-generating unit

AVTOVAZ was delisted from the Moscow stock exchange in May 2019, and consequently reference is no longer made to its market capitalization to assess the recoverable value of its net assets, including goodwill which amounts to €727 million (62,004 million rubles) and a depreciable brand amounting to €108 million (9,248 million rubles) at December 31, 2021 (respectively €678 million and €101 million at December 31, 2020).

In application of the approach presented in the note on accounting policies (Note 2-M), the annual impairment test of AVTOVAZ was conducted at December 31, 2021. The assets tested included goodwill and the Lada brand which were both recognized when Renault Group took control of AVTOVAZ.

The value in use was calculated using an after-tax discount rate of 15.2%, an assumption that volumes would return to their pre-Covid 19 pandemic levels in 2022, and a growth rate to infinity (including the effect of inflation) of 3.2%.

The test results did not lead to recognition of any impairment at December 31, 2021 and no reasonably possible change in the main assumptions used should lead to a recoverable value below the book value of the assets tested.

Note 12 - Investment in Nissan

Renault Group's investment in Nissan in the income statement and financial position:

(€ million)	2021	2020
Consolidated income statement		
Share in net income (loss) of associates accounted for by the equity method	380	(4,970)
Consolidated financial position		
Investments in associates accounted for by the equity method	16,234	14,618

12-A. Nissan consolidation method

Renault Group and the Japanese automakers Nissan and Mitsubishi have developed an alliance between their three distinct companies with common interests, uniting forces to achieve optimum performance. The Alliance is organized so as to preserve individual brand identities and respect each company's corporate culture.

Consequently:

- Renault Group is not assured of holding the majority of voting rights in Nissan's Shareholders' Meeting.
- The terms of the Renault Group-Nissan agreements do not entitle Renault Group to appoint the majority of Nissan directors, nor to hold the majority of voting rights at meetings of Nissan's Board of Directors; Renault Group cannot unilaterally appoint the CEO of Nissan.
- In March 2019, Renault Group, Nissan and Mitsubishi announced the creation of the new Alliance Operating Board (AOB) which oversees Alliance operations and governance. The Alliance Operating Board consists of the Chairman of the Board of Renault Group, the Chief Executive Officer of Renault Group, the Chief Executive Officer of Nissan and the Chief Executive Officer of Mitsubishi Motors. Orientations are taken by consensus. In November 2019, the AOB appointed an Alliance Secretary General, who reports to the AOB and the CEOs of the three alliance companies.
- At December 31, 2021, Renault Group occupied two seats on Nissan's Board of Directors and was represented by Jean-Dominique Senard, Chairman of the Renault Group Board and Pierre Fleuriot, Lead Director in Renault Group.
- Renault Group can neither use nor influence the use of Nissan's assets in the same way as its own assets.
- Renault Group provides no guarantees in respect of Nissan's debt.

In view of this situation, Renault Group is considered to exercise significant influence over Nissan, and therefore uses the equity method to include its investment in Nissan in the consolidation.

12-B. Nissan consolidated financial statements included under the equity method in the Renault Group consolidation

The Nissan accounts included under the equity method in Renault Group's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo Stock Exchange), after adjustments for the requirements of the Renault Group consolidation.

Nissan publishes consolidated financial statements quarterly, and annually at March 31. For the purposes of the Renault Group consolidation, Nissan results are included in line with the Renault Group calendar (the results for the period January to December are consolidated in Renault Group's annual financial statements).

Nissan held 0.6% of its own treasury shares at December 31, 2021 (0.7% at December 31, 2020). Consequently, Renault SA's percentage interest in Nissan is 43.7% (43.7% at December 31, 2020). Renault SA holds 43.7% of voting rights in Nissan at September 30, 2021 (43.7% at September 30, 2020).

12-C. Changes in the investment in Nissan as shown in Renault Group's statement of financial position

	Share in net assets				
(€ million)	Before neutralization	Neutralization proportional to Nissan's investment in Renault [1]	Net	Goodwill	Total
At December 31, 2020	**14,860**	**(974)**	**13,886**	**732**	**14,618**
2021 net income [3]	380	-	380	-	380
Dividend distributed	-	-	-	-	-
Translation adjustment	616	-	616	(22)	594
Other changes [2]	642	-	642	-	642
At December 31, 2021	**16,498**	**(974)**	**15,524**	**710**	**16,234**

(1) Nissan has held 44,358 thousand Renault SA shares since 2002, an ownership interest of about 15%. The neutralization is based on Renault SA's percentage holding in Nissan.

(2) Other changes include the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the change in Nissan treasury shares.

(3) The 2021 net income includes an amount of €(130) million in relation to the September 29, 2021 judgment of the Dubaï Court of First Instance related to a vehicle distribution agreement against NML and its consolidated subsidiary, Nissan Middle East FZE. Nissan has filed an appeal against this court judgment.

12-D. Changes in Nissan equity restated for the purposes of the Renault Group consolidation

(¥ billion)	December 31, 2020	2021 net income	Dividends	Translation adjustment	Other changes [(1)]	December 31, 2021
Shareholders' equity – Parent-company shareholders' share under Japanese GAAP	**3,674**	**120**	**-**	**319**	**158**	**4,271**
Restatements for compliance with IFRS:						
Provision for pension and other long-term employee benefit obligations	105	(30)	-	-	(67)	8
Sale of Daimler shares [(2)]	-	(76)	-	-	76	-
Capitalization of development expenses	456	65	-	1	13	535
Deferred taxes and other restatements	(143)	32	-	16	18	(77)
Net assets restated for compliance with IFRS	**4,092**	**111**	**-**	**336**	**198**	**4,737**
Restatements for Renault Group requirements [(3)]	210	3	-	(19)	(6)	188
Net assets restated for Renault Group requirements	**4,302**	**114**	**-**	**317**	**192**	**4,925**
(€ million)						
Net assets restated for Renault Group requirements	**34,008**	**870**	**-**	**1,410**	**1,480**	**37,768**
Renault SA's percentage interest	43,7 %					43,7%
Renault Group's share (before neutralization effect described below)	14,860	380	-	616	642	16,498
Neutralization of Nissan's investment in Renault Group [(4)]	(974)					(974)
Renault Group's share in the net assets of Nissan	**13,886**	**380**	**-**	**616**	**642**	**15,524**

(1) Other changes include the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the change in Nissan treasury shares.

(2) The sale of the Daimler shares held by Nissan has been reclassified in other comprehensive income under IFRS (the same accounting treatment is applied to the sale of the Daimler shares held by Renault SA (see Note 22-B)).

(3) Restatements for Renault Group requirements essentially correspond to revaluation of fixed assets by Renault Group for the acquisitions undertaken between 1999 and 2002, and elimination of Nissan's investment in Renault Group accounted for under the equity method.

(4) Nissan has held 44,358 thousand shares in Renault SA since 2002, an ownership interest of about 15%. The neutralization is based on Renault SA's percentage holding in Nissan.

12-E. Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the 2021 Renault Group consolidation is the sum of Nissan's net income for the final quarter of its 2020 financial year and the first three quarters of its 2021 financial year.

	January to March 2021		April to June 2021		July to September 2021		October to December 2021		January to December 2021	
	Fourth quarter of Nissan's 2020 financial year		First quarter of Nissan's 2021 financial year		Second quarter of Nissan's 2021 financial year		Third quarter of Nissan's 2021 financial year		Reference period for Renault's consolidated financial statements	
	(¥ billion)	*(€ million)*	*(¥ billion)*	*(€ million)*	*(¥ billion)*	*(€ million)*	*(¥ billion)*	*(€ million)*	*(¥ billion)*	*(€ million)*
Net income –Parent-company shareholders' share	(81)	(633)	115	868	54	417	33	251	120	903

12-F. Nissan financial information under IFRS

The table below presents Nissan financial information, restated under IFRS for the purposes of the Renault Group consolidation, for the twelve-month period from January 1 to December 31 of each year. The restatements do not include the fair value adjustments of assets and liabilities applied by Renault Group at the time of the acquisitions in 1999 and 2002, or the elimination of Nissan's investment in Renault Group accounted for under the equity method.

	2021		2020	
	(¥ billion)	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (2)
Revenues	8,937	68,820	7,378	60,590
Net income				
Parent-company shareholders' share	134	1,032	(1,395)	(11,458)
Non-controlling interests' share	(22)	(169)	5	40
Other components of comprehensive income				
Parent-company shareholders' share	411	3,165	(142)	(1,167)
Non-controlling interests' share	70	539	(10)	(79)
Comprehensive income				
Parent-company shareholders' share	545	4,197	(1,537)	(12,624)
Non-controlling interests' share	48	370	(5)	(39)
Dividends received from Nissan	-	-	-	-

	December 31, 2021		December 31, 2020	
	(¥ billion)	*(€ million)* (1)	*(¥ billion)*	*(€ million)* (2)
Non-current assets	6,564	50,345	6,336	50,093
Current assets	10,159	77,918	10,432	82,475
TOTAL ASSETS	**16,723**	**128,264**	**16,769**	**132,568**
Shareholders' equity				
Parent-company shareholders' share	4,756	36,478	4,115	32,535
Non-controlling interests' share	414	3,175	357	2,823
Non-current liabilities	5,430	41,647	5,702	45,080
Current liabilities	6,123	46,963	6,594	52,130
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**16,723**	**128,264**	**16,769**	**132,568**

(1) Converted at the average exchange rate for 2021 i.e.129.86 JPY = 1 EUR for income statement items, and at the December 31, 2021 rate i.e. 130.38 JPY = 1 EUR for financial position items.

(2) Converted at the average exchange rate for 2020 i.e.121.78 JPY = 1 EUR for income statement items, and at the December 31, 2020 rate i.e. 126.49 JPY = 1 EUR for financial position items.

12-G. Hedging of the investment in Nissan

The Group has partially hedged the yen/euro exchange risk on its investment in Nissan since 1999. Details of this hedge are given in Note 25-B2.

At December 31, 2021, the corresponding hedging operations totaled ¥18.3 billion (€140 million) of private placements in bonds issued directly in yen on the Japanese Samurai bond market.

In 2021 foreign exchange differences generated a favourable effect of €4 million (foreign exchange gains and losses offset each other in 2020).

12-H. Valuation of Renault Group's investment in Nissan at stock market prices

Based on the quoted price at December 31, 2021 of ¥556 per share, Renault Group's investment in Nissan is valued at €7,812 million (€8,110 million at December 31, 2020 based on the price of ¥560 per share).

12-I. Impairment test of the investment in Nissan

At December 31, 2021, the stock market value of the investment was 51.9% lower than the value of Nissan in Renault Group's statement of financial position (44.5% at December 31, 2020).

In application of the approach presented in the Note on accounting policies, an impairment test was carried out at December 31, 2021. An after-tax discount rate of 6.53% and a growth rate to infinity (including the effect of inflation) of 1.47% were used to calculate value in use. The terminal value was calculated under profitability assumptions consistent with Nissan's past data and conservative medium and long-term prospects, incorporating new medium-term forecasts for volumes and exchange rates.

The test result did not lead to recognition of any impairment on the investment in Nissan at December 31, 2021 and it is considered that a reasonably possible change in the main assumptions used should not result in a recoverable value lower than the book value of the investment in Nissan.

The same conclusion was reached following the impairment test performed at December 31, 2020 applying an after-tax discount rate of 6.21% and a growth rate to infinity (including the effect of inflation) of 1.71%.

12-J. Operations between Renault Group and the Nissan Group

12-J1. Automotive (excluding AVTOVAZ) and Sales Financing

Renault Group and Nissan follow joint strategies for vehicle and component development, purchasing, production and distribution resources. This cooperation is reflected in synergies that reduce costs.

The Automotive (excluding AVTOVAZ) segment is involved in operations with Nissan on two levels:

- Industrial production: cross-over production of vehicles and components in the Alliance's manufacturing plants:
  - Sales by Renault Group to the Nissan group in 2021 totalled approximately €1,763 million (€1,785 million in 2020), comprising around €1,065 million for vehicles (€1,017 million in 2020), €579 million for components (€669 million in 2020), and €119 million for services (€99 million in 2020).
  - Purchases by Renault Group from the Nissan group in 2021 totalled approximately €1,559 million (€1,361 million in2020), comprising

around €1,206 million of vehicles (€1,000 million in 2020), €226 million of components (€277 million in 2020), and €127 million of services (€84 million in 2020),

- The balance of Renault Group receivables on the Nissan group is €424 million at December 31, 2021 (€463 million at December 31, 2020) and the balance of Renault Group liabilities to the Nissan group is €607 million at December 31, 2021 (€664 million at December 31, 2020).

- Finance: In addition to its activity for Renault Group, Renault Finance acts as the Nissan group's counterparty in financial instrument trading to hedge foreign exchange and interest rate risks. Renault Finance undertook approximately €12.4 billion of forex transactions on the foreign exchange market for Nissan in 2021 (€9.9 billion in 2020). Operations undertaken with Nissan on foreign exchange and interest rate derivatives are recorded at market price and included in the positions managed by Renault Finance. In the balance sheet, the derivative assets on the Nissan group amount to €11 million at December 31, 2021 (€36 million at December 31, 2020) and derivative liabilities amount to €34 million at December 31, 2021 (€35 million at December 31, 2020).

Renault Group's Sales Financing segment helps to attract customers and build loyalty to Nissan brands through a range of financing products and services incorporated into the sales policy, principally in Europe. In 2021, RCI Banque recorded €75 million of service revenues in the form of commission and interest received from Nissan (€91 million in 2020). The balance of sales financing receivables on the Nissan group is €32 million at December 31, 2021 (€68 million at December 31, 2020) and the balance of liabilities is €121 million at December 31, 2021 (€156 million at December 31, 2020).

The Alliance partners also hold investments in associates and joint ventures that manage their cooperation. Details of these entities' activity and location, and Renault Group's influence over them, are given in Note 13.

12-J2. AVTOVAZ

In 2021, total sales by AVTOVAZ to Nissan and purchases by AVTOVAZ from Nissan amounted to an estimated €3 million and €23 million (respectively €56 million and €15 million in 2020).

In the AVTOVAZ financial position at December 31, 2021, the balances of transactions between AVTOVAZ and the Nissan Group consist mainly of operating payables amounting to €12 million (€14 million at December 31, 2020).

Note 13 - Investments in other associates and joint ventures

Details of investments in other associates and joint ventures are as follows in the Group's financial statements:

(€ million)	**2021**	2020
Consolidated income statement		
Share in net income (loss) of other associates and joint ventures	**135**	**(175)**
Associates accounted for under the equity method (1)	93	(24)
Joint ventures accounted for under the equity method (2)	42	(151)
Consolidated financial position		
Investments in other associates and joint ventures	**721**	**502**
Associates accounted for under the equity method	512	380
Joint ventures accounted for under the equity method	209	122

(1) Including an impairment on production assets of Renault Nissan Automotive India Private Limited (RNAIPL) (€73 million at December 31, 2020)

(2) As Renault Brillance Jinbei Automotive Company (RBJAC) is in financial distress, its ability to continue as a going concern for the next 12 months has been considered uncertain since June 30, 2021. RBJAC was placed in receivership on January 12, 2022. This has no impact on the value of the investment accounted for under the equity method, which was already nil at December 31, 2020, but led to recognition of impairment of €25 million in respect of receivables on RBJAC (Note 6-E). The losses booked on joint ventures accounted for under the equity method in 2020 mainly concerned RBJAC and Renault Algérie Production (Note 13-C).

13-A. Information on the principal other associates and joint ventures accounted for under the equity method

Name	Country of location	Main activity	Percentage ownership and voting rights held by the Group December 31, 2021	December 31, 2020	Investments in other associates and joint ventures at December 31, 2021	Investments in other associates and joint ventures at December 31, 2020
Associates						
Automotive (excluding AVTOVAZ)						
Motorlu Araclar Imal ve Satis A.S (MAIS)	Turkey	Automotive sales	49%	49%	64	76
Renault Nissan Automotive India Private Limited (RNAIPL)	India	Vehicle manufacturing	30%	30%	135	115
Boone Comenor	France	Waste management	33%	33%	80	64
EGT	China	Vehicle manufacturing	25%	25%	6	
Verkor	France	Electric vehicles	24%		25	
Mobility Trader Holding (1)	Germany	Automotive sales	3%		20	
Sales Financing						
Mobility Trader Holding (1)	Germany	Automotive sales	5%		30	
RN Bank	Russia	Financing	30%	30%	94	76
Nissan Renault Financial Services India Private Limited	India	Financing	30%	30%	36	31
Joint ventures						
Automotive (excluding AVTOVAZ)						
Renault Algeria Production	Algeria	Vehicle manufacturing	49%	49%		
Renault Brilliance Jinbei Automotive Company	China	Vehicle manufacturing	49%	49%		
Alliance Ventures b.v.	Netherlands	Finance for new technology start-ups	40%	40%	159	89
Whylot	France	Electric vehicles	21%		10	
Hyvia	France	Hydrogen vehicles	50%		4	
AVTOVAZ						
JSC OAT	Russia	Vehicle manufacturing	40%		10	
Sales Financing						
ORFIN Finansman Anonim Sirketi	Turkey	Financing	50%	50%	16	22
Mobility Services						
Car Sharing Mobility Services SL	Spain	Mobility services	50%	50%	5	7
Other non-significant associates and joint ventures					27	22
TOTAL					**721**	**502**

(1) The investment in Mobility Trader Holding is jointly held by the Automotive and Sales Financing segments (see Note 3).

The tables below show the total amount of sales and purchases made between Renault Group and the principal other associates and joint ventures accounted for under the equity method, as well as Renault Group's balance sheet positions with those entities.

(€ million)	2021		2020	
In the consolidated income statement	Sales to other associates and joint-ventures	Purchases	Sales to other associates and joint-ventures	Purchases
Motorlu Araclar Imal ve Satis A.S (MAIS)	1,354	(2)	1,589	(4)
Renault Nissan Automotive India Private Limited (RNAIPL)	7	(461)	5	(336)
RN Bank	-	(5)	-	(5)
Boone Comenor	18	(1)	17	-
EGT	7	(208)	6	3
Renault Algérie Production	-	(89)	3	(10)

(€ million)	December 31, 2021				
In the consolidated financial position	Financial assets	Automotive receivables	Other assets	Trade payables	Other liabilities
Motorlu Araclar Imal ve Satis A.S (MAIS)	-	17	-	2	-
Renault Nissan Automotive India Private Limited (RNAIPL)	-	25	200	59	-
RN Bank	-	-	-	-	1
Boone Comenor	-	11	-	-	7
EGT	27	2	1	57	-
Renault Algérie Production	-	4	-	-	-

(€ million)	December 31, 2020				
In the consolidated financial position	**Financial assets**	**Automotive receivables**	**Other assets**	**Trade payables**	**Other liabilities**
Motorlu Araclar Imal ve Satis A.S (MAIS)	-	-	-	7	2
Renault Nissan Automotive India Private Limited (RNAIPL)	-	32	192	53	-
RN Bank	60	-	1	-	1
Boone Comenor	-	12	-	-	14
EGT	24	3	-	-	-
Renault Algérie Production	-	-	-	1	-

13-B. Cumulative financial information on other associates accounted for under the equity method

(€ million)	December 31, 2021	December 31, 2020
Investments in associates	512	380
Share in income (loss) of associates	93	(24)
Share of associates in other components of comprehensive income	(218)	(203)
Share of associates in comprehensive income	(125)	(227)

13-C. Cumulative financial information on joint ventures accounted for under the equity method

(€ million)	December 31, 2021	December 31, 2020
Investments in joint ventures	209	122
Share in income (loss) of joint ventures	42	(151)
Share of joint ventures in other components of comprehensive income	(38)	(37)
Share of joint ventures in comprehensive income	4	(188)

Renault-Nissan B.V., which is jointly owned with Nissan, is not consolidated as it is not significant.

Note 14 - Inventories

	December 31, 2021			December 31, 2020		
(€ million)	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	1,811	(268)	1,543	1,665	(276)	1,389
Work in progress	360	(3)	357	310	(2)	308
Used vehicles	1,065	(114)	951	1,376	(162)	1,214
Finished products and spare parts	2,080	(139)	1,941	2,882	(153)	2,729
TOTAL	**5,316**	**(524)**	**4,792**	**6,233**	**(593)**	**5,640**

Note 15 - Sales Financing receivables

15-A. Sales financing receivables by nature

(€ million)	December 31, 2021	December 31, 2020
Dealership receivables	6,343	7,862
Financing for end-customers	23,159	23,383
Leasing and similar operations	11,024	10,639
Gross value	**40,526**	**41,884**
Impairment	(1,028)	(1,064)
Net value	**39,498**	**40,820**

Details of fair value are given in Note 24-A.

15-B. Assignment of Sale financing receivables

	December 31, 2021		December 31, 2020	
(€ million)	**Balance sheet value**	**Fair value**	**Balance sheet value**	**Fair value**
Assigned receivables carried in the balance sheet	12,589	12,541	11,790	11,743
Associated liabilities	3,098	3,113	3,259	2,916

The Sales Financing segment has undertaken several public securitization operations (in Germany, France, Italy and the United Kingdom) and several conduit financing operations (France, the United Kingdom and Germany) involving loans to final customers and receivables on the dealership network. Both types of operation are conducted through special purpose vehicles. Some public operations were subscribed by RCI Banque, which makes it possible to have securities eligible as collateral for the European Central Bank.

In 2021, the Sales Financing segment placed a public automotive loan-backed securitization in Germany, and issued €900 million of senior instruments (of which €200 million were self-subscribed).

The receivables assigned through such operations are not derecognized, as all risks are retained by the Group. The associated liabilities correspond to securities resulting from the securitization operations, and are recognized in other debts represented by a certificate.

The difference between the receivables assigned and the amount of the associated liabilities corresponds to the higher credit necessary for these operations, and the share of securities retained by RCI Banque to form a liquidity reserve.

Securitized assets can no longer be assigned or pledged. Subscribers to debt securities only have claims on the assets assigned.

Assets pledged as guarantees for management of the liquidity reserve are presented in Note 28-A.4.

15-C. Sales financing receivables by maturity

(€ million)	December 31, 2021	December 31, 2020
- 1 year	18,499	20,727
1 to 5 years	20,644	19,675
+ 5 years	355	418
TOTAL SALES FINANCING RECEIVABLES – NET VALUE	**39,498**	**40,820**

15-D. Breakdown of sales financing receivables by level of risk

The Sales Financing segment launched its compliance programme for the new definition of default in 2018, opting for the “One Step” approach, which consists of adjusting its internal models concurrently for the Dealer portfolio and Customer portfolio.

For countries whose solvency ratio is calculated by the advanced approach (France, Italy, Spain, Germany, the United Kingdom and South Korea), the ECB’s work on new default calibration was finalized in December 2020, leading to a non-significant increase in provisions.

For countries whose solvency ratio is calculated by the standard approach (Brazil and non-G7 countries), the new definition of default has been applied to the Customer and Dealer portfolios since January 1, 2021. This has led to an increase in impaired receivables in Brazil (and consequently a decrease in the provisioning rate of those receivables) but had no impact on non-G7 countries.

(€ million)	Financing for final customers	Dealer financing	December 31, 2021
Gross value	**34,183**	**6,343**	**40,526**
Healthy receivables	30,067	6,118	36,185
Receivables showing higher credit risk since initial recognition	3,126	165	3,291
Receivables in default	990	60	1,050
% of total receivables in default	2.9%	0.9%	2.6%
Impairment	**(953)**	**(75)**	**(1,028)**
Impairment in respect of healthy receivables	(254)	(37)	(291)
Impairment in respect of receivables showing higher credit risk since initial recognition	(161)	(9)	(170)
Impairment in respect of receivables in default	(538)	(29)	(567)
Total net value (*)	**33,230**	**6,268**	**39,498**

(€ million)	Financing for final customers	Dealer financing	December 31, 2020
Gross value	**34,022**	**7,862**	**41,884**
Healthy receivables	29,148	7,514	36,662
Receivables showing higher credit risk since initial recognition	4,170	284	4,454
Receivables in default	704	64	768
% of total receivables in default	2.1%	0.8%	1.8%
Impairment	**(951)**	**(113)**	**(1,064)**
Impairment in respect of healthy receivables	(226)	(63)	(289)
Impairment in respect of receivables showing higher credit risk since initial recognition	(252)	(17)	(269)
Impairment in respect of receivables in default	(473)	(33)	(506)
Total net value (*)	**33,071**	**7,749**	**40,820**

15-E. Exposure of sales financing to credit risk

The maximum exposure to credit risk for the Sales Financing activity is represented by the net book value of sales financing receivables plus the amount of irrevocable financing commitments for customers reported under off-balance sheet commitments given (Note 28-A). This risk is reduced by guarantees provided by customers, as reported in off-balance sheet commitments received (Note 28-B). In particular, guarantees held in connection with overdue or impaired sales financing receivables amounted to €805 million at December 31, 2021 (€866 million at December 31, 2020).

Customer credit risk is assessed (using a scoring system) and monitored by type of activity (customers and dealers). There is no indication at the year-end that the quality of sales financing receivables not yet due or unimpaired has been adversely affected, nor is there any significant concentration of risks within the sales financing customer base as defined by the regulations.

Note 16 - Receivables

Net value of receivables

(€ million)	December 31, 2021	December 31, 2020

Gross value	1,593	1,808
Impairment for incurred credit losses (1)	(797)	(889)
Impairment for expected credit losses	(8)	(9)
Net VALUE	**788**	**910**

(1) Including €678 million related to Iran at December 31, 2021.

These receivables do not include accounts receivable assigned to the Group's sales financing companies or other non-Group entities when substantially all the risks and benefits associated with ownership of the receivables are transferred. The risk of dilution (essentially the risks of non-settlement after a commercial dispute) is retained by the Group, but is considered negligible. Receivables assigned in this way to Group sales financing companies are included in sales financing receivables, principally dealership receivables.

Furthermore, there is no significant concentration of risks within the customer base of the Automotive (excluding AVTOVAZ), AVTOVAZ, and Mobility Services segments, and no single external customer accounts for more than 10% of the total revenues of those segments.

The management policy for credit risk is described in Note 25-B6.

The maximum exposure to credit risk for receivables is represented by the net book value of those receivables.

The impairment model for Automotive receivables is presented in Notes and 2-G.

Details of fair value are given in Note 24-A.

Note 17 - Other current and non-current assets

	December 31, 2021			December 31, 2020		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Prepaid expenses	133	351	**484**	133	315	**448**
Tax receivables (excluding current taxes due)	230	1,387	**1,617**	213	1,567	**1,780**
Tax receivables (on current taxes due)	19	128	**147**	18	153	**171**
Other receivables	488	1,753	**2,241**	501	1,731	**2,232**
Investments and capitalizable advances in controlled unconsolidated entities (1)	96	-	**96**	91	-	**91**
Derivatives on operating transactions of the Automotive segments	-	50	**50**	-	31	**31**
Derivatives on financing transactions of the Sales Financing segment	-	147	**147**	-	230	**230**
Assets held for sale	-	129	**129**	-	-	**-**
Total	**966**	**3,945**	**4,911**	**956**	**4,027**	**4,983**
Gross value	*1,080*	*4,075*	***5,155***	*1,092*	*4,106*	***5,198***
Impairment	*(114)*	*(130)*	***(244)***	*(136)*	*(79)*	***(215)***

(1) Investments of over €10 million in controlled unconsolidated entities concern Renault Nissan BV and Kadensis.

Note 18 - Shareholders' equity

18-A. Share capital

The total number of ordinary shares issued and fully paid at December 31, 2021 is 295,722 thousand, with par value of €3.81 per share (unchanged since December 31, 2020).

Treasury shares do not bear dividends. They account for 1.55% of Renault SA's share capital at December 31, 2021 (1.53% at December 31, 2020).

The Nissan Group holds approximately 15% of Renault SA through its wholly-owned subsidiary Nissan Finance Co. Ltd (no voting rights are attached to these shares).

18-B. Capital management

In managing its capital, the Group's objective is to guarantee continuity of business in order to provide returns for shareholders and benefits for other stakeholders, and to maintain optimum capital structure in order to optimize its cost. The Group may adjust dividend payments to shareholders, redeem some of the capital or issue new shares.

The Group's objectives are monitored in different ways in the different operating segments.

The Sales Financing segment must comply with regulatory ratios specific to banking operations. The minimum solvency ratio (shareholders' equity including subordinated loans to total weighted risks) is 8%. RCI Banque's Core Tier 1 solvency ratio is 14.76% at December 31, 2021 (17.34% at December 31, 2020).

The Group also partially hedges its investment in Nissan (Notes 12-G and 25-B2).

18-C. Renault treasury shares

In accordance with decisions approved at General Shareholders' Meetings, the Board of Directors decided to allocate all Renault treasury shares to current stock option and performance share plans and other share-based payment agreements awarded to Group managers and executives.

	December 31, 2021	December 31, 2020
Total value of treasury plans (€ million)	237	284
Total number of treasury shares	4,582,464	4,538,199

18-D. Distributions

At the General and Extraordinary Shareholders' Meeting of April 23, 2021, it was decided not to distribute dividends (no change compared to 2020).

18-E. Translation adjustment

The change in translation adjustment over the year is analyzed as follows:

(€ million)	2021	2020
Change in translation adjustment on the value of the investment in Nissan	594	(1,131)
Impact, net of tax, of partial hedging of the investment in Nissan (Note 12-G)	4	-
Total change in translation adjustment related to Nissan	**598**	**(1,131)**
Changes related to hyperinflationary economies	21	(21)
Other changes in translation adjustment	82	(749)
TOTAL CHANGE IN TRANSLATION ADJUSTMENT	**701**	**(1,901)**

Changes related to hyperinflationary economies consist of changes in the translation adjustment attributable to the Argentinian subsidiaries since January 1, 2018. In 2020, the effects of the partial hedge of the net investment in Nissan offset each other. Other changes in the translation adjustment mostly result from movements in the Russian ruble and the Brazilian real.

18-F. Financial instrument revaluation reserve

18-F1. Change in the financial instrument revaluation reserve

The figures below are reported net of tax effects.

(€ million)	Cash flow hedges	Equity instruments at fair value [2]	Debt instruments at fair value	Total	Total parent–company shareholders' share
At December 31, 2020	**(119)**	**496 [2]**	**4**	**381**	**384**
Changes in fair value recorded in shareholders' equity	83	355	(3)	435	425
Transfer from shareholders' equity to profit and loss [1]	9	-	(2)	7	7
Transfer from shareholders' equity to reserves [3]	-	(811)	-	(811)	(811)
At December 31, 2021	**(27)**	**40**	**(1)**	**12**	**5**

(1) For a breakdown of the amounts related to cash flow hedges transferred from shareholders' equity to profit and loss, see Note F2 below, and for the schedule of amounts related to cash flow hedges transferred from shareholder's equity to the income statement, see Note F3 below.
(2) The revaluation reserve for equity instruments at fair value mainly relates to the Daimler shares (Note 22-B).
(3) Including Renault's €554 million gain on sale of its Daimler shares, reclassified in reserves (Note 22-B) and Nissan's €252 million gain on sale of its Daimler shares, reclassified in reserves (Note 12-D).

18-F2. Breakdown of the amounts related to cash flow hedges transferred from the financial instrument revaluation reserve to the income statement

(€ million)	2021	2020
Operating margin	15	9
Other operating income and expenses	(1)	-
Current and deferred taxes	(5)	(2)
Total transferred to the income statement for cash flow hedges	**9**	**7**

18-F3. Schedule of amounts related to cash flow hedges transferred from the financial instruments revaluation reserve to the income statement

(€ million)	December 31, 2021	December 31, 2020
Within one year	-	2
After one year	21	(20)
Revaluation reserve for cash flow hedges excluding associates and joint ventures	**21**	**(18)**
Revaluation reserve for cash flow hedges – associates and joint ventures	(48)	(101)
Total revaluation reserve for cash flow hedges	**(27)**	**(119)**

This schedule is based on the contractual maturities of hedged cash flows.

18-G. Performance share plans and other share-based payments arrangements

The Board of Directors periodically awards performance shares to Group executives and managers, with vesting and minimum holding periods specific to each plan. All plans include performance conditions which determine the number of performance shares granted to beneficiaries. Loss of the benefit of performance shares follows the applicable regulations: all rights are forfeited in the event of resignation or termination and a decision is made for each individual case when an employee leaves at the Company's instigation.

Performance share plan 28 was introduced in 2021, concerning 1,605 thousand shares with initial total value of €40 million. The vesting period for rights to shares is 3 years, and there is no minimum holding period.

Share-based payments have been valued by the methods described in the accounting policies (Note 2-R). The main details are as follows:

Plan	Initial value (thousands of €)	Unit fair value	Expense for 2021 (€million)	Expense for 2020 (€million)	Share price at grant date	Volatility	Interest rate	Exercise price (€)	Duration of option	Dividend per share (€)
Plan 23 [1]	19,929	65.72	-	(2)	76.16	N/A	(0.48)%	N/A	4 years	2.40 - 2.88
Plan 24 [1]	53,646	66.18	-	(3)	82.79	N/A	(0.56)%	N/A	3-4 years	3.15 - 3.34
	22,167	66.16	(1)	(5)		N/A	(0.57)%	N/A	4 years	3.15 - 3.34
Plan 25 [1]	63,533	73.37	2	(13)	90.64	N/A	(0.57)%	N/A	3-4 years	3.55 - 4.25
	23,096	69.73	(3)	(3)	88.93	N/A	(0.57)%	N/A	4 years	3.55 - 4.25
Plan 26	49,618	42.50	(15)	(17)	54.99	N/A	-	N/A	3 years	3.55 - 3.50
Plan 27 [1]	11,062	10.31	(4)	(3)	14.55	N/A	(0.54)%	N/A	3 years	1.05-1.35
Plan 28 [1]	1,736	33.07	(1)	-	33.73	N/A	(0.61)%	N/A	3 years	0.65
	38,678	31.60	(9)	-	33.73	N/A	(0.61)%	N/A	3 years	0.65
TOTAL			**(31)**	**(46)**						

(1) For these plans, performance shares were awarded at different dates within the stated period. The information reported may correspond to weighted averages based on quantities awarded per grant date.

18-G1. Changes in the share rights held by personnel

Changes in the number of share rights held by personnel were as follows:

	Rights not yet vested at January 1, 2020	Granted	Vested rights	Rights expired and other adjustments	Rights not yet vested at December 31, 2021
Share rights	**4,414,274**	1,604,996	(965,735)[1]	(609,167)	**4,444,368**

(1) Performance shares vested were mainly awarded under plan 24 for non-French tax residents granted in 2017 and plan 25 for French tax residents granted in 2018.

18-G2. Performance shares and shares awarded as variable remuneration

For plans 23 to 25, vesting and minimum holding periods are different depending on whether beneficiaries are French tax residents or tax residents of other countries, in order to take account of local tax constraints.

The vesting period for shares awarded to French tax residents is three years followed by a holding period of one year.

For non-French tax residents, the vesting period is four years and there is no minimum holding period.

As from plan 26, the vesting period is three years with no holding period for French or foreign tax residents.

Plan	Grant date	Share rights awarded at December 31, 2021	Vesting date	Holding period
Plan 23	April 29, 2016	-	April 29, 2020	None
Plan 24	February 9, 2017	-	February 9, 2020	February 9, 2020– February 9, 2021
		-	February 9, 2021	None
Plan 25	February 15, 2018	-	February 15, 2021	February 15, 2021– February 15, 2022
		175,807	February 15, 2022	None
Plan 26	June 12, 2019	1,338,350	June 12, 2022	None
Plan 27	February 13, 2020	1,375,740	February 13, 2023	None
Plan 28	April 23, 2021	1,554,471	April 23, 2024	None
TOTAL		**4,444,368**		

18-H. Share of non-controlling interests

Entity	Country of location	Percentage of ownership and voting rights held by non-controlling interests		Net income – non-controlling interests' share (€ million)		Shareholders' equity – non-controlling interests' share (€ million)		Dividends paid to non-controlling interests (minority shareholders) (€ million)	
		December 31, 2021	December 31, 2020	2021	2020	December 31, 2021	December 31, 2020	2021	2020
Renault Samsung Motors	Korea	20%	20%	-	(11)	176	178	-	(7)
Oyak Renault Otomobil Fabrikalari	Turquey	48%	48%	18	45	304	341	(58)	-
JMEV	China	50%	50%	(14)	(8)	20	31	-	-
Other				8	1	14	9	(2)	(3)
Total - Automotive (excluding AVTOVAZ)				**12**	**27**	**514**	**559**	**(60)**	**(10)**
Sales Financing									
Banco RCI Brasil	Brazil	40%	40%	10	8	-	-	(16)	(8)
Rombo Compania Financiera	Argentina	40%	40%	(1)	(3)	-	-	-	-
RCI Colombia SA	Colombia	49%	49%	8	2	-	-	(2)	-
Other				3	2	13	12	(2)	(3)
Total – Sales Financing				**20**	**9**	**13**	**12**	**(20)**	**(11)**
AVTOVAZ									
Alliance Rostec Auto b.v. (1)	Netherlands	32%	32%	-	-	-	578	-	-
Lada Auto Holding OOO (1)	Russia	32%	32%	-	-	624	-	-	-
AVTOVAZ	Russia	32%	32%	37	(68)	(551)	(564)	3	8
LLC Lada Izhevsk	Russia	32%	32%	2	2	(16)	(17)	-	(4)
Other				15	3	9	12	(4)	(4)
Total AVTOVAZ				**54**	**(63)**	**66**	**9**	**(1)**	**(0)**
Total Mobility Services				**(7)**	**(11)**	**(19)**	**(14)**	**-**	**-**
Total				**79**	**(38)**	**574**	**566**	**(81)**	**(21)**

(1) See Note 3-B on the transfer of the shares of AVTOVAZ from Alliance Rostec Auto b.v to Lada Auto Holding OOO.

The Group has granted minority shareholders of Banco RCI Brasil, Rombo Compania Financiera, RCI Colombia S.A. put options to sell their investments. A liability corresponding to these put options is included in other liabilities, amounting to €102 million for the Brazilian subsidiary, €4 million for the Argentinian subsidiary, and €63 million for the Colombian subsidiary at December 31, 2021 (€100 million, €4 million and €61 million respectively at December 31, 2020). A corresponding charge is made to shareholders' equity, allocated in priority to the non-controlling interests' share with any residual amount allocated to the parent-company shareholders' share. The liability is stated at fair value. Fair value is determined by estimating the potential purchase price, taking into account future results of the financing portfolio as it exists at the closing date and the provisions of the partnership contracts. This is a level 3 fair value, as it uses recognized models but their significant data are not based on observable market data.

Partnership agreements were signed in 2018 with Oyak in Turkey, including put and call options (see Note 28-A3). The Group also holds call options for shares in several entities in the Oyak group (Note 28-B).

There are no significant restrictions on the Group's capacity to access or use its assets and settle its liabilities, other than restrictions that result from the regulatory framework in which the subsidiaries operate. The local supervisory authorities may require banking subsidiaries to keep a certain level of capital and liquidities, limit their exposure to other group parties, and comply with other ratios.

Note 19 - Provisions for pensions and other long-term employee benefit obligations

19-A. Pension and benefit plans

Pensions and other long-term employee benefit obligations essentially concern active employees. These benefits are covered either by defined-contribution plans or defined-benefit plans.

Defined-contribution plans

The Group makes earnings-related payments, in accordance with local custom, to the national organizations responsible for paying pensions and similar financial benefits. There is no actuarial liability concerning these pension arrangements.

The total expense for defined-contribution plans was €393 million in 2021 (€415 million in 2020).

Defined-benefit plans

The accounting treatment of defined-benefit plans is described in Note 2-S and involves establishment of provisions. These plans concern:

- indemnities payable upon retirement or departure, in application of legislation or agreements in certain countries such as France, Turkey, etc;
- supplementary pensions providing employees with contractual income; the countries applying this type of plan are in Europe (e.g. the United Kingdom, France, Germany, the Netherlands, Switzerland, etc);
- other long-term benefits, chiefly long-service awards, and flexible holiday entitlements.

Defined-benefit supplementary pension plans are generally covered by contracts with pension funds or insurance companies. In such cases, the obligations and assets are valued separately. The difference between the obligation and the fair value of the assets held to fund it may indicate underfunding or overfunding. In the event of underfunding, a provision is booked. In the event of overfunding, an asset is recognized subject to certain conditions.

Principal defined-benefit plans of the Group

In France, the Group's retirement indemnities result from agreements negotiated with each French entity and employee representatives. They are based on employees' salaries and length of service; payment is conditional on being in the company's employment at the time of retirement. Retirement benefit obligations for France are entirely covered by provisions, and account for most of the Group's liabilities for retirement indemnities.

The Group's most significant supplementary pension plan is in the United Kingdom, where two defined-benefit pension plans are managed as part of a dedicated pension fund comprising two compartments: one concerns Automotive (excluding AVTOVAZ) subsidiaries and the other RCI Financial Services Ltd, together covering 1,745 people. This plan has been closed to new members since 2004, and no further rights have been earned under it since December 31, 2019. All employees benefit from a defined-contribution pension plan from January 1, 2020. Underfunding at December 31, 2021 is valued at £39 million for the fund compartment dedicated to the Automotive (excluding AVTOVAZ) segment and £9 million for the fund compartment dedicated to RCI Financial Services Ltd.

This pension fund (a trust) is a legal entity. It is administered by a board of Trustees with equal representation for the participating companies and their current and former employees. The fund is governed by local regulations, which set the minimum funding requirements that can lead to additional contributions being made by the Group. After the last three-yearly valuation in 2018, the Group made a commitment to cover the funding shortfall by 2027 through payments amounting to £5 million maximum per year. The asset investment policy is defined for each section of the fund by a supervisory body which examines the performance of investments quarterly. The risks associated with these plans are the usual risks (lower future returns on fund assets, a decline in the equities markets, longer life expectancy for beneficiaries, a rise in inflation, etc).

Main changes in the Group's defined-benefit plans

At December 31, 2021, an amount of 60 million (€108 million at December 31, 2020) was reclassified from retirement indemnities to provisions for restructuring, for employees who will benefit from the Collective Contractual Separation plan.

19-B. Main actuarial assumptions used to calculate provisions and other data for the most significant plans

Main actuarial assumptions and actual data for the Group's retirement indemnities in France	December 31, 2021		December 31, 2020	
	Renault s.a.s.	Other entities	Renault s.a.s.	Other entities
Retirement age	60 to 65	60 to 67	60 to 65	60 to 67
Discount rate (1)	0.82%	0.6% to 2%	0.31%	0.2% to 2%
Salary increase rate	2.2%	1% to 2.8%	2.2%	1% to 3%
Duration of plan	13 years	5 to 20 years	13 years	6 to 20 years
Gross obligation	€1,050 million	€168 million	€1,191 million	€187 million

(1) The rates used to value the Group's obligations in France vary between companies depending on the maturities of obligations. The benchmark for the discount rate is the zero-coupon rate plus the average spread curve for issuers rated AA as published by Reuters.

Main actuarial assumptions and actual data for the Group's supplementary pensions in the UK	December 31, 2021		December 31, 2020	
	Automotive excl. AVTOVAZ	Sales Financing	Automotive excl. AVTOVAZ	Sales Financing
Financial discount rate (1)	1.90%	1.90%	1.40%	1.40%
Salary increase rate	NA	NA	NA	NA
Duration of plan	18 years	20 years	19 years	21 years
Actual return on fund assets	-2.3% to 22.2%	9.30%	7% to 7.2%	7.84%
Gross obligation	€419 million	€49 million	€395 million	€48 million
Fair value of assets invested via pension funds	€373 million	€38 million	€323 million	€32 million

(1) The discount rate was determined by reference to the interest rate curve established by Deloitte based on the iBoxx £ index for AA-rated corporate bonds (DTRB £ AA corporate bond yield curve).

19-C. Net expense for the year

(€ million)	2021	2020
Current service cost	85	88
Past service cost and (gain) / loss on settlement	-	1
Net interest on the net liability (asset)	11	16
Effects of workforce adjustment measures	(5)	(1)
Net expense (income) for the year recorded in the income statement	**91**	**104**

19-D. Details of the balance sheet provision

19-D1. Breakdown of the provision

(€ million)	December 31, 2021 Present value of the obligation	Fair value of fund assets	Net defined-benefit liability (asset)
Retirement and termination indemnities			
France	1,134	(1)	1,133
Europe (excluding France)	36	-	36
Africa & Middle East	1	-	1
Americas	-	-	-
Asia Pacific	24	-	24
Eurasia (1)	3	-	3
Total retirement and termination indemnities	**1,198**	**(1)**	**1,197**
Supplementary pensions			
France	84	(81)	3
United Kingdom	468	(411)	57
Europe (excluding France and the United Kingdom) (2)	349	(242)	107
Americas	-	-	-
Asia Pacific	3	-	3
Africa & Middle East	3	-	3
Total supplementary pensions	**907**	**(734)**	**173**
Other long-term benefits			
France (3)	58	-	58
Europe (excluding France)	4	-	4
Americas	8	-	8
Total other long-term benefits	**70**	**-**	**70**
Total (4)	**2,175**	**(735)**	**1,440**

(1) Essentially Romania and Turkey.
(2) Essentially Germany and Switzerland.
(3) Flexible holiday entitlements and long-service awards.
(4) Total net liability due within one year: €85 million; total net liability due after one year: €1,355 million.

19-D2. Schedule of amounts related to net defined-benefit liability

(€ million)	December 31, 2021 <1 year	1 to 5 years	5 to 10 years	>10 years	Total
Present value of obligation	105	282	407	1,381	2,175
Fair value of plan assets	(16)	(70)	(89)	(560)	(735)
Net defined-benefit liability (asset)	**89**	**212**	**318**	**821**	**1,440**

The weighted average duration of plans is 15 years at December 31, 2021 (14 years at December 31, 2020).

19-E. Changes in obligations, fund assets and the provision

(€ million)	Present value of the obligation (A)	Fair value of the fund assets (B)	Net defined-benefit liability (A) +(B)
Balance at December 31, 2020	**2,318**	**(671)**	**1,647**
Current service cost	85	-	85
Past service cost and gain/loss on plan curtailment, modification and settlement	-	-	-
Net interest on the net liability (asset)	17	(6)	11
Effects of workforce adjustment measures	(5)	-	(5)
Net expense (income) for 2021 recorded in the income statement (19-C)	**97**	**(6)**	**91**
Actuarial gains and losses on the obligation resulting from changes in demographic assumptions	(9)	-	(9)
Actuarial gains and losses on the obligation resulting from changes in financial assumptions	(90)	-	(90)
Actuarial gains and losses on the obligation resulting from experience effects	(10)	-	(10)
Net return on fund assets (not included in net interest above)	-	(25)	(25)
Net expense (income) for 2021 recorded in other components of comprehensive income	**(109)**	**(25)**	**(134)**
Employer contributions to funds	-	(13)	(13)
Employee contributions to funds	-	(2)	(2)
Benefits paid under the plan	(134)	10	(124)
Effect of changes in exchange rate	34	(29)	5
Effect of changes in scope of consolidation and other (1)	(31)	1	(30)
Balance at December 31, 2021	**2,175**	**(735)**	**1,440**

(1) These effects include the reclassification of €60 million from retirement indemnities to provisions for restructuring, for employees who will benefit from indemnities under the Collective Contractual Separation plan.

Accumulated actuarial gains and losses, net of tax (excluding the associates' share) recorded in other components of comprehensive income amounted to an expense of €758 million at December 31, 2021 (an expense of €855 million at December 31, 2020).

A 100 base point decrease in the discount rates used for each plan would result in a €537 million increase in the amount of obligations at December 31, 2021 (€569 million at December 31, 2020), and a 100 base point increase in the discount rates used for each plan would result in a €472 million decrease in the amount of obligations at December 31, 2021 (€452 million at December 31, 2020).

19-F. Fair value of fund assets

Details of the assets invested via pension funds and insurance companies are as follows:

	December 31, 2021		
(€ million)	Assets listed on active markets	Unlisted assets	Total
Pension funds			
Cash and cash equivalents	1	-	1
Shares	115	-	115
Bonds	245	-	245
Shares in mutual funds and other	50	-	50
TOTAL – PENSION FUNDS	**411**	**-**	**411**
Insurance companies			
Cash and cash equivalents	1	7	8
Shares	9	-	9
Bonds	211	5	216
Real estate property	30	1	31
Shares in mutual funds and other	29	31	60
TOTAL - INSURANCE COMPANIES	**280**	**44**	**324**
TOTAL	**691**	**44**	**735**

Pension fund assets in bonds mainly relate to plans located in the United Kingdom (52.2%). Insurance contracts in bonds principally concern the Netherlands (26.4%), France (12.2%), Switzerland (4.2%) and Germany (3.8%). The actual returns on plan assets in the United Kingdom are shown in Note 19-B.

The weighted average actual rate of return on the Group's main funds was 5.4% in 2021 (2.2% in 2020).

At the date of this report, the best estimate of contributions that will be payable to the funds in 2021 is approximately €11 million.

The Group's pension fund assets do not include Renault Group's financial instruments. Real estate investments do not include real estate properties occupied by the Group.

Note 20 - Change in provisions

(€ million)	Restructuring provisions [3]	Warranty provisions	Provisions for litigation and risks concerning other taxes	Provisions for insurance activities [1]	Provisions for commitments given and other	Total
At December 31, 2020	**812**	**992**	**205**	**496**	**421**	**2,926**
Increases	371	574	28	31	321	1,325
Reversals of provisions for application	(490)	(548)	(25)	(64)	(98)	(1,225)
Reversals of unused balance of provisions	(68)	(19)	(65)	-	(78)	(230)
Changes in scope of consolidation	-	-	-	-	(1)	(1)
Translation adjustments and other changes	27	4	-	-	15	46
At December 31, 2021 [2]	**652**	**1,003**	**143**	**463**	**580**	**2,841**

(1) Technical reserves established by the Sales Financing segment's insurance companies.
(2) Short-term portion of provisions: €1,550 million; long-term portion of provisions: €1,291 million.
(3) Restructuring costs include a reclassification of €60 million from the provision for retirement indemnities concerning employees who will benefit from indemnities under the Collective Contractual Separation plan.

All known litigation in which Renault or Group companies are involved is examined at each closing. After seeking the opinion of legal advisors, any provisions deemed necessary are set aside to cover the estimated risk. During 2021, the Group recorded no provision in connection with significant new litigation. Information on contingent liabilities is provided in Note 28-A2.

Increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in the Europe Region (Note 6-A). In France, restructuring provisions have been recorded for employee departures expected under the Collective Contractual Separation plan, at the relevant amount net of existing provisions for retirement indemnities.

At December 31, 2021, other provisions include €98 million of provisions established in application of environmental regulations (€91 million at December 31, 2020). These include provisions to cover expenses relating to end-of-life vehicles and used batteries, and environmental compliance costs for industrial land in the Europe Region and for industrial sites in the Americas and Eurasia Regions.

Note 21 - Other current and non-current liabilities

(€ million)	December 31, 2021 Non-current	December 31, 2021 Current	December 31, 2021 Total	December 31, 2020 Non-current	December 31, 2020 Current	December 31, 2020 Total
Current taxes due	**-**	**266**	**266**	**-**	**221**	**221**
Provisions for uncertain tax liabilities	**217**	**6**	**223**	**179**	**6**	**185**
Tax liabilities (excluding current taxes due)	17	1,201	**1,218**	18	1,341	**1,359**
Social liabilities	26	1,324	**1,350**	24	1,250	**1,274**
Other liabilities	202	4,426	**4,628**	248	5,416	**5,664**
Deferred income	1,212	1,456	**2,668**	1,395	1,622	**3,017**
Derivatives on operating transactions of the Automotive segments	-	86	**86**	-	13	**13**
Liabilities related to assets held for sale	-	182	**182**	-	-	**-**
Total other liabilities	**1,457**	**8,675**	**10,132**	**1,685**	**9,642**	**11,327**
Total	**1,674**	**8,947**	**10,621**	**1,864**	**9,869**	**11,733**

Other current liabilities mainly correspond to asset payables that amounts to €597 million (€1,116 million at December 31, 2020), amounts payable under sales incentive programs (€1,731 million at December 31, 2021 and €1,883 million at December 31, 2020) and deferred income recorded in connection with sales contracts including a buy-back commitment (€370 million at December 31, 2021 and €660 million at December 31, 2020).

Deferred income includes deferred income on Automotive service contracts such as maintenance and warranty extension contracts, and advances received under cooperation contracts with partners. This income concerns payments received under contracts defining a customer payment schedule that does not depend on the group's execution of its performance obligation (advance payment in full, or regular payments due at the end of specified periods). Deferred income is transferred to revenues over the duration of the contracts, and breaks down as follows:

Total	Automotive service contracts 2021	Automotive service contracts 2020	Cooperation contracts 2021	Cooperation contracts 2020
Deferred income at January 1	**1,011**	**1,084**	**1,301**	**1,331**
Deferred income received during the period	367	556	114	223
Deferred income recognized in revenues during the period	(463)	(616)	(299)	(249)
Change in scope of consolidation	-	-	-	-
Translation adjustments and other changes	-	(13)	3	(4)
Deferred income at December 31	**915**	**1,011**	**1,119**	**1,301**
To be recognized in revenues - within one year	790	914	1,092	189
- in 1 to 3 years	113	87	8	245
- in 3 to 5 years	12	10	19	867

6.5. Financial assets and liabilities, fair value and management of financial risks

Note 22 - Financial assets – cash and cash equivalents

22-A. Current / non-current breakdown

(€ million)	December 31, 2021 Non-current	December 31, 2021 Current	December 31, 2021 Total	December 31, 2020 Non-current	December 31, 2020 Current	December 31, 2020 Total
Daimler shares	-	-	-	951	-	951
Other investments in non-controlled entities	72		72	46		46
Marketable securities and negotiable debt instruments	-	893	893	-	426	426
Derivatives on financing operations by the Automotive segments	56	181	237	95	298	393
Loans and other	245	306	551	161	457	618
Total financial assets	**373**	**1,380**	**1,753**	**1,253**	**1,181**	**2,434**
Gross value	*373*	*1,383*	*1,756*	*1,255*	*1,207*	*2,462*
Impairment	*-*	*(3)*	*(3)*	*(2)*	*(26)*	*(28)*
Cash equivalents (1)	-	10,209	10,209	-	10,340	10,340
Cash	-	11,719	11,719	-	11,357	11,357
Total cash and cash equivalents	**-**	**21,928**	**21,928**	**-**	**21,697**	**21,697**

(1) Cash equivalents mainly consist of short-term bank deposits maturing in 3 months or less and a low risk of change in the interest receivable, totalling €3,125 million (€1,201 million at December 31, 2020), and investment funds with "monetary fund" approval that meet the criteria for classification as cash equivalents, totalling €6,814million (€8,514 million at December 31, 2020).

Information on the counterparty risks associated with financial assets and cash and cash equivalents is provided in Note 25-B6.

22-B. Daimler shares

In March 2021 the Group sold its entire investment in the Daimler Group, representing 1.54% of the capital, for the price of €69.50 per share or a total of €1,143 million, through a placement to qualified investors. The Group had opted to value the Daimler shares at fair value via other components of comprehensive income, without the possibility of transfer to profit and loss in the event of sale. Their fair value was determined by reference to the share price and amounted to €951 million at December 31, 2020. The gain realized on the sale (compared to the acquisition price of €35.52 per share) amounts to €554 million, of which €187 million are recognized in Other Components of Comprehensive Income in 2021. The Nissan Group also sold its investment in the Daimler Group during the first half-year of 2021 (Note 12-D).

22-C. Other investments in non-controlled entities

At December 31, 2021, other investments in non-controlled entities include an amount of €37 million (€27 million at December 31, 2020) paid to the Funds for the Future of the Automobile (*Fonds Avenir Automobile*) under the support plan for automobile industry suppliers introduced by the French authorities and automakers. The outstanding amount payable by Renault Group at December 31, 2021 is €88 million.

22-D. Cash not available to the Group

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial or sales financing purposes.

Some current bank accounts held by the Sales Financing Securitization Fund are used to increase credit on securitized receivables, and consequently act as guarantees in the event of default on payment of receivables (Notes 15-B1 et 28-A4). These current bank accounts amount to €909 million at December 31, 2021 (€670 million at December 31, 2020).

Note 23 - Financial liabilities and sales financing debts

23-A. Current / non-current breakdown

	December 31, 2021			December 31, 2020		
(€ million)	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	247	-	247	245	-	245
Bonds	7,874	254	8,128	5,839	842	6,681
Other debts represented by a certificate	-	997	997	-	1,318	1,318
Borrowings from credit institutions	3,464	1,777	5,241	5,648	866	6,514
- France	*2,325*	*1,080*	*3,405*	*4,378*	*98*	*4,476*
- Russia	*1,087*	*14*	*1,101*	*1,021*	*133*	*1,154*
- Including Avtovaz	*1,087*	*14*	*1,101*	*1,021*	*118*	*1,139*
- Brazil	*52*	*432*	*484*	*249*	*387*	*636*
- Morocco	*-*	*181*	*181*	*-*	*130*	*130*
Lease liabilities	479	124	603	530	119	649
Other financial liabilities (1)	215	252	467	158	427	585
Financial liabilities of the Automotive segment (excluding derivatives)	**12,279**	**3,404**	**15,683**	**12,420**	**3,572**	**15,992**
Derivatives on financing operations of the Automotive segments	54	199	253	99	337	436
Financial liabilities of the Automotive segments	**12,333**	**3,603**	**15,936**	**12,519**	**3,909**	**16,428**
Financial liabilities of the Mobility Services segment (2)	6	2	8	14	15	29
Subordinated loans and Diac redeemable shares (3)	893	-	893	890	-	890
Financial liabilities	**13,232**	**3,605**	**16,837**	**13,423**	**3,924**	**17,347**
Bonds	-	13,810	13,810	-	17,560	17,560
Other debts represented by a certificate	-	4,161	4,161	-	4,432	4,432
Borrowings from credit institutions	-	5,734	5,734	-	4,552	4,552
Other interest-bearing borrowings, including lease liabilities (4)	-	21,374	21,374	-	20,919	20,919
Debts of the Sales Financing segment (excluding derivatives)	**-**	**45,079**	**45,079**	**-**	**47,463**	**47,463**
Derivatives on financing operations of the Sales Financing segment	-	44	44	-	84	84
Sales Financing debts	**-**	**45,123**	**45,123**	**-**	**47,547**	**47,547**
Total financial liabilities and sales financing debts	**13,232**	**48,728**	**61,960**	**13,423**	**51,471**	**64,894**

(1) The financial liability recognized at December 31, 2021 in application of IAS 16 for leases analysed in substance as purchases amounts to €99 million (€86 million at December 31, 2020).
(2) Financial liabilities of Mobility Services segment, including internal financing, amounts to €46 million (6.1.A2)
(3) Including subordinated loans of RCI Banque, amounting to €856 million at December 31, 2021 (€850 million at December 31, 2020).
(4) Including lease liabilities of the Sales Financing segment, amounting to €58 million at December 31, 2021 (€45million at December 31, 2020).

23-B. Changes in Automotive financial liabilities and derivative assets on financing operations

(€ million)	December 31, 2020	Change in cash flows	Change resulting from acquisition or loss of control over subsidiaries and other operating units	Foreign exchange changes with no effect on cash flows	Other changes with no effect on cash flows	December 31, 2021
Renault SA redeemable shares	245	-	-	-	2	247
Bonds	6,681	1,411	-	18	18	8,128
Other debts represented by a certificate	1,318	(349)	-	28	-	997
Borrowings from credit institutions	6,514	(1,329)	-	79	(23)	5,241
Lease liabilities	649	(121)	-	4	71	603
Other financial liabilities	585	(158)	(3)	42	1	467
Financial liabilities of the Automotive segment (excluding derivatives)	**15,992**	**(546)**	**(3)**	**171**	**69**	**15,683**
Derivatives on financing operations of the Automotive segments	436	(107)	-	(56)	(20)	253
Total financial liabilities of the Automotive segments (a)	**16,428**	**(653)**	**(3)**	**115**	**49**	**15,936**
Derivative assets on Automotive financing operations (b)	393	(134)	-	-	(22)	237
Net change in Automotive financial liabilities in consolidated cash flows by segment (section 2.2.5) (a) – (b)		**(519)**				
Financial liabilities of the Mobility Services segment	**29**	**9**	**-**	**-**	**(30)**	**8**
Net change in Automotive financial liabilities in consolidated cash flows		**(510)**				

23-C. Changes in financial liabilities and sales financing debts

Changes in redeemable shares of the Automotive segments

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares listed on the Paris Stock Exchange. They earn a minimum annual return of 9% comprising a 6.75% fixed portion and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods.

Redeemable shares are stated at amortized cost, calculated by discounting the forecast interest coupons at the effective interest rate of the borrowing.

These shares traded for €442.00 at December 31, 2021 (€373.65 at December 31, 2020). The financial liability based on the stock market value of the redeemable shares at December 31, 2021 is €353 million (€298 million at December 31, 2020).

Changes in bonds and other debts of the Automotive segments

Under its EMTN program, Renault SA issued a Eurobond in April 2021 with nominal value of €600 million, 7-year maturity and a 2.5% coupon, and another Eurobond in December 2021 with nominal value of €500 million, 5½-year maturity and a 2.5% coupon.

As parts of its Shelf Registration program, Renault SA launched a dual-tranche bond on the Japanese market on July 6, 2021 for a total of ¥150 billion, consisting of a ¥40 billion tranche with 2-year maturity, and a ¥110 billion tranche with 3-year maturity.

In 2021, Renault SA redeemed bonds for a total of €826 million.

In 2021, the AVTOVAZ group repaid financial liabilities totalling €93 million.

State-guaranteed credit facility of the Automotive segments

In 2020, Renault Group opened a credit line with a pool of five banks, for the maximum amount of €5 billion covered by a French State guarantee for up to 90% of the amount borrowed. At December 31, 2020, €4 billion had been drawn on this credit line in three tranches: €2 billion drawn on August 5, 2020, €1 billion on September 22, 2020 and €1 billion on December 23, 2020. The remaining €1 billion credit is no longer available.

The initial maturity for each drawing was 12 months, extendable by Renault Group for a further three years, with repayment of one third each year. The interest rate on each drawing was indexed on the 12-month Euribor for the first year, then the 6-month Euribor for any extensions. Early repayment after extension is possible for a principal amount of at least €330 million.

If extended, these credit drawings will be repayable in one-third instalments in 2022, 2023 and 2024 on the anniversary dates of the initial drawings, with early repayment of outstanding instalments at Renault Group's initiative at each repayment date.

The Group exercised the extension options on all these drawings except for the drawing maturing in August 2021, of which €1 billion was repaid.

The change of intent between December 31, 2020 and June 30, 2021 concerning €1 billion of the drawing made on August 5, 2020, was treated as a modification of a financial liability in compliance with IFRS9, paragraph B5.4.6. This led to a decrease in the financial liability with recognition of a corresponding amount of €23 million in financial income (Note 7).

An early repayment of €340 million was made on 7 February 2022, corresponding to the final instalment (maturing August 2024) of the first tranche. The decision to make this early repayment had not been taken at 31 December 2021, and this liability is therefore classified as non-current in the 2021 financial statements. The Group will also announce on 18 February 2022 that it intends to make an early repayment of €1.02 billion in 2022 (including the €340 million mentioned above), starting with the most distant maturities (August, September and December 2024). Reclassifications between current and non-current liabilities, and the impact of these changes on the net financial income, will be recognised in 2022. Consequently, the entire non-current liability at 31 December 2021 will be reclassified as current during 2022 or at the 2022 year-end.

Changes in Sales Financing debts

In 2021, RCI Banque group issued new bonds totalling €666 million with maturities between 2023 and 2025, and redeemed bonds for a total of €4,292 million.

The Group had access to the TLTRO III program (targeted long-term refinancing operations) set up by the European Central Bank (ECB).

- Three drawings were made during 2020, of €750 million maturing in June 2023, €500 million maturing in September 2023 and €500 million maturing in December 2023, giving a total amount of €1,750 million maturing in 2023.
- Two further drawings were made during 2021, of €750 million maturing in September 2024 and €750 million maturing in December 2024.

The Group has opted to apply IFRS 9 to its drawings on the TLTRO III program, considering the interest rate set by the European Central Bank as a market rate since it applies to all banks that benefit from the program, and the European Central Bank decides the rate and can change it unilaterally at any time.

The initial effective interest rate on TLTRO drawings takes account of the Group's achievement of loan grant targets set for the reference period ending in March 2021. The ECB confirmed that these targets had been met in September 2021. For reasons of conservatism, the group's estimates do not include achievement of loan grant targets in the special additional reference period. As a result, the interest rate changes presented in ECB decision 2021/124 of January 29, 2021 have no impact on future estimated cash flows relating to the borrowing, and do not therefore affect the accounting treatment of the drawings.

The interest rate applicable to the period June 2021-June 2022 could still be reduced if loan grant targets for the special additional reference period are met. If this happens, under the current IFRS 9 rules, the impact of the interest rate reduction met would be recognized as an adjustment to the value of the liability in application of paragraph B5.4.6.

RCI Banque Group also had access to the Bank of England's TFSME (Term Funding for SMEs) scheme in 2020, and in 2021 made a drawing of £409 million maturing in September and October 2025.

The maximum interest rate applicable to this financing during 2021 was calculated as the Bank of England's base rate (0.10% at December 31, 2021) plus a margin of 0.25%. RCI Banque Group could be granted a more favourable rate if it meets certain eligibility criteria, notably concerning growth in loans granted over a period ending in June 2021.

RCI Banque Group has applied IFRS 9 to this financing, considering this adjustable rate as a market rate because it is applicable to all banks benefiting from the TFSME scheme. The effective interest rate has been set at the maximum level as the Group does not expect to meet the loan grant growth criterion.

New savings collected rose by €512 million during the year (€1,009 million of sight deposits and €(497) million of term deposits) to €21,020 million (€15,724 million of sight deposits and €5 296 million of term deposits), and are classified as other interest-bearing borrowings. These savings are collected in Germany, Austria, Brazil, France, the United Kingdom and Netherlands.

Cash outflows on leases

Cash outflows on leases restated in application of IFRS 16 amounted to €145 million in 2021 (€170 million in 2020). This includes €126 million of repayments of the principal value of lease liabilities (€148 million in 2020) and €19 million of interest (€22 million in 2020).

Cash outflows on leases that were reclassified as purchases in substance in application of IAS 16 amounted to €11 million in 2021 (€1 million in 2020). This amount does not include repayments of interest.

Cash outflows on leases benefiting from the exemption for low-value and very short-term leases amounted to €95 million in 2021 (€91 million in 2020) (Note 5-C).

The potential future cash outflows resulting from the exercise of extension options and contracts already signed which take effect after the 2021 year-end amount to €49 million.

Changes in financial liabilities of the Mobility Services segment

The financial liabilities of the Mobility Services segment consist of internal Group financing issued by Renault s.a.s. in the form of interest-bearing loans. At December 31, 2020 these liabilities included a put option on minority interests in Coolnagour Limited which was exercised in 2021.

23-D. Breakdown by maturity

For financial liabilities including derivatives, contractual flows are similar to the expected flows and correspond to the amounts to be paid.

For floating-rate financial instruments, interests are calculated using interest rates as at December 31, 2021.

No contractual flows are reported for Renault SA and Diac redeemable shares as they have no fixed redemption date.

Financial liabilities of the Automotive segments

	December 31, 2021									
			<1 yr							
(€ million)	Balance sheet value	Total contractual flows	0 to 3 months	3 to 12 months	Total	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs	>5 yrs
Renault SA bonds 2017	1,704	1,718	-	218	218	750	-	750	-	-
Renault SA bonds 2018	1,590	1,590	-	-	-	140	700	-	750	-
Renault SA bonds 2019	1,554	1,557	-	-	-	-	57	1,000	-	500
Renault SA bonds 2020	1,000	1,000	-	-	-	-	-	-	1,000	-
Renault SA bonds 2021	2,250	2,240	-	-	-	304	836	-	-	1,100
Accrued interest, expenses and premiums	30	30	12	38	50	(7)	(6)	(4)	(2)	(1)
Total bonds	**8,128**	**8,135**	**12**	**256**	**268**	**1,187**	**1,587**	**1,746**	**1,748**	**1,599**
Other debts represented by a certificate	997	997	821	176	997	-	-	-	-	-
Borrowings from credit institutions	5,241	5,709	276	1,918	2,194	1,510	1,483	522	-	-
- France	*3,405*	*3,405*	*59*	*1,021*	*1,080*	*1,106*	*1,219*	*-*	*-*	*-*
- Russia	*1,101*	*1,101*	*7*	*7*	*14*	*301*	*264*	*522*	*-*	*-*
- Including Avtovaz	*1,101*	*1,101*	*7*	*7*	*14*	*301*	*264*	*522*	*-*	*-*
- Brazil	*484*	*484*	*87*	*345*	*432*	*52*	*-*	*-*	*-*	*-*
- Marocco	*181*	*181*	*24*	*157*	*181*	*-*	*-*	*-*	*-*	*-*
Lease liabilities	603	637	44	80	124	123	64	58	49	219
Other financial liabilities	467	492	12	272	284	98	27	19	15	49
Total other financial liabilities	**7,308**	**7,835**	**1,153**	**2,446**	**3,599**	**1,731**	**1,574**	**599**	**64**	**268**
Future interest on bonds and other financial liabilities	-	966	47	175	222	241	210	152	92	49
Redeemable shares	247	244	-	-	-	-	-	-	-	244
Derivatives on financing operations	253	253	127	72	199	38	12	1	3	-
Total financial liabilities of the Automotive segments	**15,936**	**17,433**	**1,339**	**2,949**	**4,288**	**3,197**	**3,383**	**2,498**	**1,907**	**2,160**

Financial liabilities and debts of the Sales Financing segment

	December 31, 2021									
			<1 yr							
(€ million)	Balance sheet value	Total contractual flows	0 to 3 months	3 to 12 months	Total	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs	4 to 5 yrs	>5 yrs
RCI Bank bonds 2015	745	743	-	743	743	-	-	-	-	-
RCI Bank bonds 2016	1,353	1,350	-	-	-	1,350	-	-	-	-
RCI Bank bonds 2017	3,721	3,701	744	1,207	1,951	-	1,150	600	-	-
RCI Bank bonds 2018	2,244	2,216	-	45	45	871	-	550	750	-
RCI Bank bonds 2019	3,469	3,462	120	320	440	1,424	948	-	650	-
RCI Bank bonds 2020	1,516	1,520	45	343	388	317	50	15	-	750
RCI Bank bonds 2021	675	676	-	5	5	195	350	104	22	-
Accrued interest, expenses and premiums	87	87	23	60	83	7	1	-	(2)	(2)
Total bonds	**13,810**	**13,755**	**932**	**2,723**	**3,655**	**4,164**	**2,499**	**1,269**	**1,420**	**748**
Other debts represented by a certificate	4,161	4,139	723	1,007	1,730	1,556	573	199	81	-
Borrowings from credit institutions	5,734	5,735	620	568	1,188	2,270	1,710	567	-	-
Lease liabilities	58	59	4	10	14	14	14	7	4	6
Other interest-bearing	21,316	21,316	17,138	1,525	18,663	1,321	666	466	200	-
Total other financial liabilities	**31,269**	**31,249**	**18,485**	**3,110**	**21,595**	**5,161**	**2,963**	**1,239**	**285**	**6**
Future interest on bonds and other financial liabilities		703	312	186	498	82	68	46	6	3
Subordinated loans and Diac redeemable shares	893									
Derivatives on financing operations	44	(13)	17	(6)	11	(28)	(6)	9	1	-
Total debts and financial liabilities of the Sales Financing segment	**46,016**	**45,694**	**19,746**	**6,013**	**25,759**	**9,379**	**5,524**	**2,563**	**1,712**	**757**

Financial liabilities and debts of the Mobility Services segment

(€ million)	Balance sheet value	Total contractual flows	December 31, 2021 <1 yr 0 to 3 months	3 to 12 months	Total	1 to 2 yrs	2 to 3 yrs	3 to 4 yrs
Other interest-bearing	8	8	-	2	2	-	6	-
Total other financial liabilities	**8**	**8**	**-**	**2**	**2**	**-**	**6**	**-**
Derivatives on financing operations	-	-	-	-	-	-	-	-
Total financial liabilities of the Mobility Services segment	**8**	**8**	**-**	**2**	**2**	**-**	**6**	**-**

23-E. Financing by assignment of receivables and reverse factoring

Automotive segments financing by assignment of receivables

Some of the Automotive segment's external financing comes from assignment of commercial receivables to non-Group financial establishments.

Details of financing by assignment of commercial receivables is as follows:

(€ million)	December 31, 2021 To non-group entities	To Sales Financing	December 31, 2020 To non-group entities	To Sales Financing
Assignment of receivables Automotive (excluding AVTOVAZ)	1,373	181	1,467	307
Assignment of receivables AVTOVAZ	104	-	116	-
Automotive network financing	-	4,876	-	5,754
AVTOVAZ network financing	-	-	25	-
Total assigned	**1,477**	**5,057**	**1,608**	**6 ,061**

The total amount of tax receivables assigned and derecognized in 2021 is €205 million, comprising €139 million of CIR receivables and €66 million of VAT receivables (€165 million of CIR receivables and €49 million of VAT receivables in 2020).

French tax receivables assigned outside the Group (the "CIR" Research Tax Credit), with transfer of substantially all the risks and benefits associated with ownership of the receivables, are only derecognized if the risk of dilution is deemed to be non-existent. This is notably the case when the assigned receivables have already been subject to a tax inspection or preliminary audit. No assigned tax receivables remained in the balance sheet at December 31, 2021.

The assigned receivables are derecognized when the associated risks and benefits are substantially transferred, as described in Note 2-P.

The Automotive segments assigns its dealership receivables to the Sales financing segment. The total dealership receivables transferred to the Sales financing segment principally concerns Renault group. The amounts are presented in Note 15-D.

Automotive segments financing by reverse factoring programs

The accounting treatment for these programs is described in Note 2-P, Assignment of receivables and reverse factoring.

The Group did not use reverse factoring programs in 2021, and consequently there are no financial liabilities for reverse factoring at December 31, 2021 (€26 million at December 31, 2020).

Note 24 - Financial instruments by category, fair value and impact on net income

24-A. Financial instruments by category and fair values by level

IFRS 9 defines three categories of financial instruments:

- financial assets or liabilities at fair value through other components of comprehensive income;
- financial assets or liabilities at fair value through profit or loss;
- loans and receivables carried at amortized cost.

The following breakdown by level of fair value is presented for financial instruments carried in the balance sheet at fair value:

- level 1: instruments whose fair values are derived from quoted prices in an active market; fair value is generally identical to the most recent quoted price;
- level 2: instruments whose fair values are derived from observable market prices and are not included in level 1;
- level 3: instruments whose fair values are derived from unobservable inputs on the market; the fair value of investments in non-controlled entities is generally based on the share of net assets.

Fair values have been determined on the basis of information available at the end of the year and do not therefore take account of subsequent movements.

In 2021, no financial instruments were transferred between level 1 and level 2, or into or out of level 3.

(€ million)

FINANCIAL ASSETS AND OTHER ASSETS	Notes	December 31, 2021 – Balance sheet value: Total	Fair value through profit and loss	Fair value through equity	Amortized cost	Equity instruments valued under the applicable standard	Fair value of financial assets at amortized cost	Fair value level of financial assets at fair value
Sales Financing receivables	15	39,498	-	-	39,498		39,209 [1]	3
Automotive customer receivables	16	788	-	-	788		[2]	
Tax receivables (including current taxes due)	17	1,764	-	-	1,764		[2]	
Other receivables and prepaid expenses	17	2,725	-	-	2,725		[2]	
Derivatives on operating transactions of the Automotive segments	17	50	-	50	-			2
Derivatives on financing operations of the Sales Financing segment	17	147	76	71	-			2
Investments in unconsolidated controlled entities	17	96			-	96		
Other investments in non-controlled entities	22	72	72		-			3
Marketable securities and negotiable debt instruments	22	893	131	762	-			1
Derivatives on financing operations of the Automotive segments	22	237	237	-	-			2
Loans and other	22	551	-	-	551		[2]	3
Cash and cash equivalents	22	21,928	6,952	202	14,774		[2]	1 & 3
Total financial assets and other assets		**68,749**	**7,468**	**1,085**	**60,100**	**96**		

(1) The fair value of Sales financing receivables is estimated by discounting future cash flows at rates that would be applicable to similar loans (conditions, maturity and debtor quality) at the year-end. Receivables with a term of less than one year are not discounted, as their fair value does not differ significantly from their net book value. This is a level 3 fair value, as it uses recognized models for which certain significant data, such as the credit risk associated with the portfolio of receivables, are not based on observable market data.

(2) The Group does not report the fair value of financial assets such as Automotive customer receivables, tax receivables or cash and cash equivalents because their net book value after impairment is a reasonable approximation of their fair value.

(€ million)

FINANCIAL LIABILITIES OTHER LIABILITIES	Notes	December 31, 2021 – Balance sheet value: Total	Fair value through profit and loss	Fair value through equity	Amortized cost	Fair value of financial liabilities at amortized cost	Fair value level of financial liabilities at fair value
Tax liabilities (including current taxes due)	21	1,484			1,484	[1]	
Social liabilities	21	1,350			1,350	[1]	
Other liabilities and deferred income	21	7,296			7,296	[1]	
Trade payables	21	7,975			7,975	[1]	
Derivatives on financing operations of the Automotive segments	21	86	28	58			2
Renault redeemable shares	23	247			247	353 [2]	
Diac redeemable shares	23	17	17				1
Subordinated debts	23	876			876	876 [3]	
Bonds	23	21,938			21,938	21,938 [3]	
Other debts represented by a certificate	23	5,158			5,158	5,158 [3]	
Borrowings from credit institutions	23	10,975			10,975	10,975 [3]	
Lease liabilities in application of IFRS 16	23	661			661	661 [3]	
Other interest-bearing and non-interest-bearing borrowings	23	21,791			21,791	21,791 [3]	
Derivatives on financing operations of the Automotive segments	23	253	253	-			2
Derivatives on financing operations of the Sales Financing segment	23	44	21	23			2
Total financial liabilities and other liabilities		**80,151**	**319**	**81**	**79,751**		

(1) The Group does not report the fair value of financial liabilities such as trade payables, tax liabilities and social liabilities, because their book value is a reasonable approximation of their fair value.

(2) The fair value of Renault and DIAC redeemable shares is identical to the stock market price.

(3) The fair value of the Automotive segment's financial liabilities and Sales Financing debts measured at amortized cost is essentially determined by discounting future cash flows at rates offered to Renault Group at December 31, 2021 for loans with similar conditions and maturities. The rates offered to Renault Group result from observable market data such as zero-coupon interest rate curves and secondary market prices for bonds issued by the Group, and consequently this is a level 2 fair value.

24-B. Changes in Level 3 financial instruments

Level 3 financial instruments correspond to Sales Financing receivables (€39,209 million at December 31, 2021, €40,645 million at December 31, 2020), loans and other (€551 million at December 31, 2021, €618 million at December 31, 2020), investments in non-controlled entities (€72 million at December 31, 2021 and €46 million at December 31, 2020) and certain cash equivalents, essentially term deposits (Note 22-A). These financial assets remain at historical cost. Other investments in non-controlled entities also remain at historical cost, but in an exception to the general approach, if historical cost is inappropriate they are valued on the basis of the share of net equity or using a method based on non-observable data.

24-C. Impact of financial instruments on net income

	Financial instruments other than derivatives				
(€ million)	Instruments measured at fair value through profit and loss	Instruments measured at fair value through equity	Instruments measured at amortized cost (1)	Derivatives	Total impact on net income
Operating margin	(1)	-	(55)	(39)	(95)
Net financial income (expenses)	13	-	(232)	(36)	(255)
Impact on net income – Automotive segments	**12**	**-**	**(287)**	**(75)**	**(350)**
Operating margin	(3)	13	697	(97)	610
Impact on net income – Sales Financing segment	**(3)**	**13**	**697**	**(97)**	**610**
Total gains (losses) with impact on net income	**9**	**13**	**410**	**(172)**	**260**

(1) Including financial liabilities subject to fair value hedges.

For the Automotive segments, the impact of financial instruments on the operating margin mainly corresponds to foreign exchange gains and losses on operating transactions.

24-D. Fair value hedges

(€ million)	December 31, 2021	December 31, 2020
Change in fair value of the hedging instrument	(128)	51
Change in fair value of the hedged item	122	(49)
Net impact on net income of fair value hedges	**(6)**	**2**

Hedge accounting methods are described in Note 2-X.

Note 25 - Derivatives and management of financial risks

25-A. Derivatives and netting agreements

25-A1. Fair value of derivatives and hedged notional values

The fair value of derivatives of the Automotive segments corresponds to their balance sheet value:

(€ million)	Balance sheet value			Financial commitment		
December 31, 2021	Assets	Liabilities	Nominal	< 1 yr	1 to 5 yrs	> 5 yrs
Cash flow hedges	2	-	-	-	-	-
Derivatives not designated as hedging instruments	213	245	14,503	11,748	2,755	-
Total foreign exchange risk	**215**	**245**	**14,503**	**11,748**	**2,755**	**-**
Derivatives not designated as hedging instruments	24	29	3,400	1,713	1,687	-
Total interest rate risk	**24**	**29**	**3,400**	**1,713**	**1,687**	**-**
Cash flow hedges	54	57	607	358	249	-
Derivatives not designated as hedging instruments	-	2	229	227	2	-
Total commodity risk	**54**	**59**	**836**	**585**	**251**	**-**
Total Automotive	**293**	**333**	**18,740**	**14,046**	**4,693**	**-**

The fair value of derivatives of the Sales Financing segment corresponds to their balance sheet value:

(€ million)	Balance sheet value			Financial commitment		
December 31, 2021	Assets	Liabilities	Nominal	< 1 yr	1 to 5 yrs	> 5 yrs
Derivatives not designated as hedging instruments	5	16	1,180	1,107	73	-
Total foreign exchange risk	**5**	**16**	**1,180**	**1,107**	**73**	**-**
Cash flow hedges	51	21	9,776	5,627	4,149	-
Fair value hedges	84	6	6,281	1,451	4,080	750
Derivatives not designated as hedging instruments	7	1	7,407	6,333	1,074	-
Total interest rate risk	**142**	**28**	**23,463**	**13,410**	**9,303**	**750**
Total Sales Financing	**147**	**44**	**24,643**	**14,518**	**9,376**	**750**

25-A2. Netting agreements and other similar commitments

Framework agreements for operations on financial futures and similar agreements

The Group negotiates its derivatives contracts in accordance with the framework agreements issued by the International Swaps and Derivatives Association (ISDA) and the FBF (Fédération Bancaire Française).

In the event of default, the non-defaulting party has the right to suspend execution of its payment obligations and to demand payment or transfer of a termination balance for all terminated transactions.

The ISDA and FBF framework agreements do not meet the requirements for netting in the financial statements. The Group currently has no legally enforceable right to net the reported amounts, except in the case of default or a credit event.

Netting of financial assets and liabilities: summary

(€ million) December 31, 2021	Amounts in the statement of financial position eligible for netting	Amounts not netted in the statement of financial position Financial instruments assets/liabilities	Guarantees included in liabilities	Off balance sheet guarantees	Net amounts
ASSETS					
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	237	(205)	-	-	32
Derivatives on financing operations of the Sales Financing segment	147	(26)	-	-	121
Sales Financing receivables dealer (1)	279	-	(134)	-	145
TOTAL ASSETS	**663**	**(231)**	**(134)**	**-**	**298**
LIABILITIES					
Derivatives on financing operations of the Automotive (excluding AVTOVAZ) segment	253	(205)	-	-	48
Derivatives on financing operations of the Sales Financing segment	44	(26)	-	-	18
TOTAL LIABILITIES	**297**	**(231)**	**-**	**-**	**66**

(1) *Sales financing receivables held by Banco RCI Brasil, whose exposure is covered by pledges of "letras de cambio" (bills of exchange) subscribed by dealers and reported under other debts represented by a certificate.*

25-B. Management of financial risks

The Group is exposed to the following financial risks:

- Liquidity risk;
- Market risks (foreign exchange, interest rate, equity and commodity risks);
- Bank counterparty risk and credit risk on customer and dealer financing.

Risk management differs depending on the operating segment. The risks described below concern the Automotive segments, (considering AVTOVAZ separately in certain cases), and the Sales Financing segment. The Mobility Services segment does not have any specific financial risks since it is financed by the Automotive segments.

25-B1. Liquidity risk

The Group must have sufficient financial resources to finance its automotive and sales financing businesses and the investments necessary for their growth. To ensure this is the case, the Automotive and Sales Financing segments borrow on the capital and banking markets to refinance their gross debt and guarantee liquidity. This exposes them to liquidity risks if markets are closed for long periods or credit is hard to access. The Automotive and Sales Financing segments are also credit-rated by several agencies. Any downgrading of external credit ratings could limit and/or increase the cost of their access to the capital markets.

Liquidity risks – Automotive segments

The Automotive segments' liquidity risk is managed by the Financing and Treasury department. It is founded on an internal model that defines the level of the liquidity reserve the Automotive segments must maintain to finance their operations and development. The liquidity reserve is closely monitored by a monthly review and reported to the Chief Financial Officer.

The shortage of semi-conductors in 2021 caused general disruption to the automobile market, and a downturn in the Group's business activity.

Renault SA handles most refinancing for the Automotive segments through long-term resources via the capital markets (bond issues and private placements), short-term financing such as NEU CP (Negotiable European Commercial Paper), or bank financing. Renault SA has several debt programs at December 31, 2021:

- An EMTN bond program with a €10 billion ceiling. This program has been registered with the AMF;
- A Shelf Registration bond program on the Japanese market with a JP ¥200 billion ceiling. This program has been registered with the Japanese stock market authorities (Kanto Local Finance Bureau);
- A NEU CP program with a €2.5 billion ceiling. This program has been registered with the Bank of France.

Renault SA and its debt programs are credit-rated by several agencies. In 2021, Renault SA's rating was confirmed by S&P and Moody's (by S&P on March 5 at BB+ with a negative outlook and by Moody's on September 5 at Ba2 with a negative outlook). The Japanese agency R&I also confirmed its rating of Renault SA at A- with a negative outlook, while the Japanese agency JCR upgraded Renault SA's credit outlook from negative to stable on October 18, keeping its credit rating at A-.

Renault SA maintained its access to the capital markets in 2021 with the issuance of two Eurobonds and one Samurai bond. The two Eurobonds were issued under the EMTN program, one in April with nominal value of €600 million and 7-year maturity, and the other in December with nominal value of €500 million and 5½-year maturity. The Samurai bond was issued in early July with nominal value of ¥150 billion. It comprises one tranche of ¥40 billion with 2-year maturity and one tranche of ¥110 billion with 3-year maturity. Renault SA also maintained its access to short-term financing through use of its NEU CP (Negotiable European Commercial Paper) program.

In August 2021, Renault SA reimbursed €1 billion of the €4 billion drawn in 2020 on the bank credit line guaranteed by the French government. This credit line of an initial €5 billion was set up in 2020 to cover liquidity requirements resulting from the Covid-19 pandemic. It was available until December 31, 2020, and three drawings totalling €4 billion were made on it during the second half-year of 2020.

Renault SA also has confirmed credit lines opened with banks worth €3,430 million at December 31, 2021 (3,430 million December 31, 2020). These credit lines mature in more than one year and were undrawn at December 31, 2021 (and 2020). They form a liquidity reserve for the Automotive segments. The maturities of the Automotive segments' financial liabilities at December 31, 2021 are presented in Note 23-D.

The contractual documentation for Renault SA's confirmed credit arrangements, bank loans and market financing does not contain any clause that could affect the continued supply of credit as a result of changes in either Renault Group's credit rating or its financial ratios. Certain types of financing, particularly market financing, contain standard clauses (pari passu, negative pledge and cross-default clauses).

AVTOVAZ also uses local bank credit for refinancing , including a confirmed credit line maturing over one year with an available amount of €117 million at December 31, 2021. AVTOVAZ decides to make drawings on the basis of cash forecasts. The maturities of AVTOVAZ financial liabilities at December 31, 2021 are presented in Note 23-D. These financial liabilities contain no covenant that would lead to accelerated repayment if certain financial ratios were not respected.

At December 31, 2021, the Automotive segments have a liquidity reserve of €17.3 billion, sufficient to cover their commitments over a 12-month horizon. This reserve consists of €13.9 billion of cash and cash equivalents, and €3.4 billion of unused confirmed credit lines (excluding the AVTOVAZ credit line).

Liquidity risks –Sales Financing segment

The Sales Financing segment is very attentive to diversification of its sources of liquidity. In recent years Renault Group has widely diversified its sources of financing, moving into new distribution zones in addition to its longstanding base of Euro bond investors.

RCI Banque's liquidity risk management follows the recommendations of the European Banking Authority. It uses several indicators and analyses (static liquidity, liquidity reserve, several stress scenarios), which are updated and reported to RCI Banque's Financial Committee on a monthly basis. The stress scenarios include assumptions concerning deposit leakage, loss of access to new financing, partial unavailability of certain elements of the liquidity reserve and forecasts for issuance of new credit.

The alternation of different maturities and issue formats is part of the Sales Financing segment's diversification strategy for financing sources. This policy has been followed for several years and enables the segment to reach the maximum number of investors.

With no growth in the sales portfolio, financing requirements remained modest and RCI Banque group took a certain number of initiatives to reduce its liquidity reserve, which had reached a record level at the end of 2020. Given this situation, the Sales Financing segment made no bond issues, and took steps to slow down the growth in customer deposits which nonetheless increased by €0.5 billion to €21.0 billion at December 31, 2021, a year-on-year increase of 2.6% after the 15% increase in 2020. To diversify its financing sources, the Group extended its savings business to the Netherlands in July 2021, through the intermediary of the fintech company Raisin.

In preparation for the future, the Sales Financing segment repeated the self-subscribed securitization operation in Italy, raising it from €1.4 billion to €1.8 billion. The Sales Financing segment also arranged a new private securitization program to refinance the residual value of finance leases in France. This program is currently only used for a symbolic amount, but that amount can be increased, offering a potential new source of secure financing for the Group. During the second half of 2021, a new public securitization vehicle was set up in the United Kingdom. The £750 million of self-subscribed senior instruments should be eligible for the Bank of England's long-term monetary policy and entitle RCI Bank UK to access the TFSME (Term Funding Scheme for Small and Medium-sized Enterprises), announced by the Bank of England in March 2020, and this diversify its liquidity reserve. Finally, RCI Banque placed a public automotive loan-backed securitization in Germany, and issued €900 million of senior instruments (of which €200 million were self-subscribed).

With these resources, as well as €4.3 billion of undrawn confirmed credit lines with banks, €3.3 billion of collateral eligible for the Central Banks' monetary policy operations, €6.6 billion of highly liquid assets (HQLA), RCI Banque is able to maintain its customer financing for more than 12 months without access to external liquidities. At December 31, 2021, RCI Banque's liquidity reserve (for the Europe scope) amounts to €14.4 billion (€16.6 billion at December 31, 2020). The controlled reduction of €(2.2) billion compared to December 31, 2020 lowered the cost of carrying surplus cash. However, the liquidity reserve was still well above internal targets.

The RCI Banque group's issues and programs are credit-rated by several agencies. In 2021, S&P downgraded RCI Banque's rating to BBB- with a stable outlook, while Moody's confirmed its rating of Baa2 with a negative outlook on August 12, 2021.

25-B2. Foreign exchange risk

The Group made no major changes to its foreign exchange risk management policy in 2021.

The Group's exposure to foreign exchange risk principally concerns the Automotive segments.

Foreign exchange risks - Automotive segments

In the Automotive segments, fluctuations in exchange rates can affect the following financial aggregates: operating income (loss), financial income (expenses), share in net income (loss) of associates and joint ventures, shareholders' equity and net cash position.

The Performance and Control Department and the Financing and Treasury Department are in charge of rolling out and monitoring the Automotive segments' foreign exchange risk management policy.

Operating income

The Group sometimes hedges certain positions. Foreign exchange hedges on operating income and expenses must first be analysed by the Performance and Control Department and the Financing and Treasury Department, and then require formal authorization by Chief Financial Officer or Chief Executive Officer, with monthly reporting of results to the Chief Finance Officer. Wherever possible, foreign exchange operations are mainly undertaken by the Group's trading room (Renault Finance) for currencies that are negotiable on the international markets.

The principal exposure to foreign exchange risks lies in the operating income (loss). At December 31, 2021 based on the 2021 structure of operating results and cash flows, a 1% rise by the euro against all other currencies would have an unfavourable impact of €20 million on the Automotive segments' annual operating income (loss) after any hedging.

In 2021, to limit the foreign exchange risk exposure of its operating margin, the Automotive segments set up foreign exchange hedges of the pound sterling, Argentinian peso, Russian rouble, Chinese yuan and Turkish lira.

The principal exposure in 2021 concerned the Russian rouble, with unfavourable impact of approximately € (16) million in the event of a 1% rise by the euro against the rouble. The 10 largest exposures in absolute value and their sensitivities are presented below in millions of euros:

(€million) Currency		Annual net operating items	Impact of a 1% rise in the euro
Russian rouble	RUB	1,647	(16)
Polish zloty	PLN	667	(7)
Pound Sterling	GBP	658	(7)
Argentinian peso	ARS	415	(4)
Moroccan dirham	MAD	394	(4)
Turkish lira	TRY	(411)	4
Japanese yen	JPY	(556)	6
Chinese yuan	CNY	(687)	7
Romanian leu	RON	(760)	8
Korean won	KRW	(926)	9

Financial income (expenses)

To avoid any exchange–related distortion of the net financial income, it is the Automotive segments' policy to minimize the foreign exchange risk affecting financing and investment items in foreign currencies.

All the Automotive segments' exposures to foreign exchange risks on financial income and expense items are aggregated and monitored by the Financing and Treasury Department, with monthly reporting to the Chief Financial Officer.

Intra-group financing flows in foreign currency are hedged in the same currency. If a subsidiary needs external financing in a currency other than the local currency, the parent company monitors the operations closely. Cash surpluses in countries that are not part of the parent company's centralized cash management are generally invested in local currency, under the supervision of the Group's Financing and Treasury Department. The subsidiary Renault Finance can undertake foreign exchange operations on its own behalf, within strictly defined risk limits. Its foreign exchange positions are monitored and valued in real time. This activity is chiefly intended to maintain the Group's expertise on the financial markets. It generates very short exposures and does not exceed some tens of millions of euros, so that it cannot have a significant impact on Renault Group's consolidated results.

Share in the net income of associates and joint ventures

The share in the net income of associates and joint ventures is exposed to foreign exchange risks. On the basis of its contribution to 2021 net income, a 1% rise in the euro against the Japanese yen would have increased Nissan's contribution by €4 million. This impact corresponds only to the impact of the euro on the translation of Nissan's contribution to the Renault Group's consolidated statements. It does not reflect the inherent impact of euro fluctuations on Nissan's own accounts, given that Nissan does varying levels of business in the Euro zone and Renault Group has no control over this.

Equity investments

The foreign exchange risk exposure of equity investments (in currencies other than the euro) is not generally hedged. However, due to its importance, the investment in Nissan is subject to a partial foreign exchange hedge amounting to ¥18,3 billion at December 31, 2021 (Note 12-G). To limit liquidity risks in yen, the Group has set itself the rule of not hedging this net investment above an amount equal to its best estimate of the next three years' dividends in yen to be received from Nissan.

Net cash position

For the purposes of the partial hedge of the investment in Nissan, some of Renault Group's net financial indebtedness is denominated in yen. At December 31, 2021 a 1% rise in the euro against the yen would increase the net cash position of the Automotive segments by €1.4 million. This net cash position may also be impacted by changes in exchange rates concerning subsidiaries' financial assets and liabilities in their local currency.

Analysis of financial instruments' sensitivity to foreign exchange risks

This analysis concerns the sensitivity to foreign exchange risks of monetary assets and liabilities (including intra-Group balances) and derivatives denominated in a currency other than the currency of the entity that holds them. However, it does not cover items (hedged assets or liabilities and derivatives) concerned by fair value hedging, for which changes in fair value of the hedged item and the hedging instrument totally offset each other in the income statement.

The impact on shareholders' equity (before tax) of a 1% rise in the euro against other currencies is assessed by converting financial assets, cash flow hedges and the partial hedge of the investment in Nissan. For the Automotive segments, this impact would be a favourable €1 million at December 31, 2021 (€6 million at December 31, 2020), explained by the yen bond issues that make up the partial hedge of the investment in Nissan (see Note 12-G).

The impact on net income of a 1% rise in the euro against other currencies would be an unfavourable impact of €2 million at December 31, 2021 (€14 million at December 31, 2020), mainly attributable to unhedged operating assets and liabilities denominated in a currency that is not the functional currency of the entity that holds them.

Foreign exchange risk - Sales Financing segment

The Sales Financing segment has low exposure to foreign exchange risks due to the management principles applied. No position can be taken under the central management framework for refinancing; the trading room hedges all flows concerned. Residual, temporal positions in foreign currencies related to the time differences in cash flows inherent to multi-currency cash management may still remain. They are monitored daily and the same hedging policy applies. The Sales Financing subsidiaries are obliged to obtain refinancing in their own currency and as a result are not exposed. In exceptional circumstances, limits are assigned to subsidiaries where sales financing activities or refinancing take place in several different currencies, and to subsidiaries authorized to invest some of their cash surpluses in a currency other than their local currency.

At December 31, 2021 RCI Banque group's consolidated foreign exchange position reached €4.2 million.

25-B3. Interest rate risks

The Group made no major changes to its interest rate risk management policy in 2021.

The Group's exposure to interest rate risk principally concerns the Sales Financing segment.

Interest rate risk - Automotive segments

The Automotive segments' net financial income is exposed to a risk of variations in market interest rates affecting its cash surpluses and financial liabilities, and to a lesser degree its shareholders' equity.

The interest rate risk management policy applies the following principles:

- Liquidity reserves are generally established using floating-rate financing. The Automotive segments' available cash is managed centrally by Renault SA as far as possible and invested in short-term bank deposits by Renault Finance;
- Long-term investments by the Automotive segments generally use fixed-rate financing, except for Avtovaz's financing from local banks which uses essentially floating-rate;
- AVTOVAZ cash surpluses and bank debts principally bear floating-rate interest. In 2021, AVTOVAZ did not set up any hedging instruments for its financial liabilities. The finance department of AVTOVAZ closely monitors interest rate movements in Russia, and if rates rise it will contemplate the possibility of taking steps to reduce the impact on the net financial income, by increasing the proportion of fixed-rate debt as it refinances its portfolio.

The ratio of liquidity reserve hedging by floating-rate debts is monitored monthly. Interest rate hedging instruments for the Automotive (excluding AVTOVAZ) segment are standard interest swaps that are adequately covered by hedged liabilities, such that no ineffectiveness is expected.

The financing in yen undertaken as part of the partial hedge of the investment in Nissan equity is fixed-rate.

Finally, Renault Finance carries out interest rate transactions on its own behalf, within strictly defined risk limits, and positions are monitored and valued in real time. The risk associated with this arbitrage activity is very limited, and has no significant impact on the Group's consolidated net income.

Interest rate risk – Sales Financing segment

The overall interest rate risk represents the impact of fluctuating rates on the future gross financial margin. RCI Banque's operating results may be affected by movements in market interest rates or interest rates applicable to customer deposits. The Sales Financing segment's aim is to limit these risks as far as possible in order to protect its margin on sales.

To take account of the difficulty of precisely matching the structure of borrowings with the structure of loans, a limited amount of flexibility is allowed in each subsidiary's interest rate hedging. This flexibility is reflected in a sensitivity limit assigned to each subsidiary and validated by the finance committee, in an individual adaptation of part of the limit Renault Group assigns to the Sales Financing segment.

A daily sensitivity calculation by currency, management entity, and asset portfolio is used to ensure that each entity respects its assigned limits. All RCI Banque entities use the same method for this assessment of interest rate sensitivity, which measures the impact of a 100 base point increase in interest rates on the value of balance sheet items for each entity. Sensitivity is calculated daily for each currency and each management entity (central refinancing office, French and foreign sales financing subsidiaries) for the purpose of overall management of interest rate risks across the consolidated scope of the Sales Financing segment.

Each entity's position with regard to its limit is checked daily, and immediate hedging directives are issued to the subsidiaries if circumstances require. The results of the checks are reported monthly to the Sales Financing segment's Finance Committee, which checks that the positions comply with the Group's financial strategy and current procedural instructions.

Analysis of the Sales Financing segment's structural interest rate risk shows the following:

- Virtually all loans to customers by Sales Financing subsidiaries bear interest at a fixed rate and have terms from one to seventy-two months. These loans are hedged by fixed-rate resources with the same structure. They are covered by macro-hedging and only generate a residual interest rate risk. In subsidiaries where the financing bears interest at a floating rate, the interest rate risk is hedged by macro-hedging using interest rate swaps.
- The main activity of the Sales Financing segment's central refinancing department is refinancing the segment's sales subsidiaries. The outstanding credit issued by Sales Financing subsidiaries is backed by fixed-interest resources, some of which are micro-hedged by interest rate swaps, and floating-rate resources. Macro-hedging transactions in the form of interest rate swaps keep the sensitivity of the refinancing holding company below the limit set by the Group (€32 million). These macro-hedging transactions concern floating-rate resources and/or fixed-rate resources converted to floating-rate resources by micro-hedging of swaps.

Analysis of Group financial instruments' sensitivity to interest rate risks

The Automotive and Sales Financing segments are exposed to the following interest rate risks:

- variations in the interest flows on floating-rate financial instruments stated at amortized cost (including fixed-rate instruments swapped to floating rate, and structured products);
- variations in the fair value of fixed-rate financial instruments stated at fair value;
- variations in the fair value of derivatives.

Impacts are estimated by applying a 100 base point rise in interest rates over a one-year period to financial instruments reported in the closing statement of financial position.

The impact on shareholders' equity corresponds to the change in fair value of fixed-rate debt instruments classified as financial assets at fair value through other components of comprehensive income for the Sales Financing segment and cash flow hedges before reclassification in profit or loss
(section 2) after a 100 base point rise in interest rates. All other impacts affect net income.

Calculation of the individual segments' sensitivity to interest rates includes intersegment loans and borrowings.

For the Automotive segments, the impact on net income of a 100 base point rise in interest rates applied to financial instruments exposed to interest rate risks would be a favorable €109.8 million. Shareholders' equity would be unaffected.

For the Sales Financing segment, the overall sensitivity to interest rate risks in 2021 remained below the limit set by the RCI Banque group (€70 million at December 31, 2021). At December 31, 2021, a 100 base point rise in interest rates would have the following impacts on net income and shareholders' equity (before taxes):

- +€0.8 million for items denominated in Korean won;
- +€0.3 million for items denominated in Swiss francs;
- +€0.3 million for items denominated in pounds sterling;
- €(1.7) million for items denominated in Polish zloty;
- €(0.9) million for items denominated in euros;
- €(0.8) million for items denominated in Brazilian real;

The sum of the absolute sensitivities in each currency amounts to €8.6 million.

Fixed rate/floating rate breakdown of the Group's financial assets, after the effect of derivatives

	December 31, 2021					December 31, 2020				
(€ million)	Total	Auto excluding AVTOVAZ	AVTOVAZ	Mobility services	Sales Financing	Total	Auto excluding AVTOVAZ	AVTOVAZ	Mobility services	Sales Financing
Financial assets before hedging: fixed rate (a)	1,072	128	-	-	944	1,468	525	-	-	943
Financial assets before hedging: floating rate (a')	22,300	13,732	398	12	8,158	21,273	11,962	558	15	8,738
Financial assets before hedging	**23,372**	**13,860**	**398**	**12**	**9,102**	**22,741**	**12,487**	**558**	**15**	**9,681**
Hedges: floating rate / fixed (b)	-	-	-	-	-	-	-	-	-	-
Hedges: fixed rate / floating (b')	-	-	-	-	-	-	-	-	-	-
Hedges	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets after hedging: fixed rate (a+b-b')	1,072	128	-	-	944	1,468	525	-	-	943
Financial assets after hedging: floating rate (a'+b'-b)	22,300	13,732	398	12	8,158	21,273	11,962	558	15	8,738
Financial assets after hedging	**23,372**	**13,860**	**398**	**12**	**9,102**	**22,741**	**12,487**	**558**	**15**	**9,681**

Fixed rate/floating rate breakdown of the Group's financial liabilities, after the effect of derivatives

(€ million)	December 31, 2021 Total	Auto excluding AVTOVAZ	AVTOVAZ	Mobility services	Sales financing	December 31, 2020 Total	Auto excluding AVTOVAZ	AVTOVAZ	Mobility services	Sales financing
Financial liabilities before hedging: fixed rate (a)	31,157	12,456	47	5	18,649	34,580	12,204	251	18	22,107
Financial liabilities before hedging: floating rate (a')	29,358	1,977	948	3	26,430	28,659	2,377	915	11	25,356
Financial liabilities before hedging	**60,515**	**14,433**	**995**	**8**	**45,079**	**63,239**	**14,581**	**1,166**	**29**	**47,463**
Hedges: floating rate / fixed (b)	9,776	-	-	-	9,776	10,302	-	-	-	10,302
Hedges: fixed rate / floating (b')	6,537	256	-	-	6,281	8,583	164	-	-	8,419
Hedges	**16,313**	**256**	**-**	**-**	**16,057**	**18,885**	**164**	**-**	**-**	**18,721**
Financial liabilities after hedging: fixed rate (a+b-b')	34,396	12,200	47	5	22,144	36,299	12,040	251	18	23,990
Financial liabilities after hedging: floating rate (a'+b'-b)	26,119	2,233	948	3	22,935	26,940	2,541	915	11	23,473
Financial liabilities after hedging	**60,515**	**14,433**	**995**	**8**	**45,079**	**63,239**	**14,581**	**1,166**	**29**	**47,463**

25-B4. Equity risk

In March 2021, the Group sold all its shares in Daimler. Consequently its exposure to equity risks has been marginal since that date.

25-B5. Commodity risk

Management of commodity risk

Commodity purchase prices can change suddenly and significantly, and cannot necessarily be passed on through vehicle sale prices. This may lead Renault Group's Purchases department to hedge part of its commodity risks using financial instruments. These hedges are subject to volume, duration and price limits.

In 2021 Renault Group undertook hedging operations on base metals and precious metals, within the limits validated by of Renault SA.

The operations in progress at December 31, 2021 are classified for accounting purposes as cash flow hedges, and accordingly changes in their fair value are included in other components of comprehensive income to the extent of the effective portion of the hedges.

Analysis of financial instruments' sensitivity to commodity risks

Financial instruments' accounting sensitivity to commodity risks results from derivatives used to hedge the Group's economic exposure to these risks.

A 10% increase in commodity prices for derivatives designated as hedging derivatives would have a positive impact of €59 million on other components of comprehensive income at December 31, 2021.

25-B6. Bank counterparty risk and credit risk on customer and dealer financing

Customer credit risk on Automotive receivables

The Automotive (excluding ATOVAZ) segment's exposure to credit risk is limited because of the assignment of many receivables leading to their deconsolidation, and systematic hedging of risks on export receivables. Non-assigned sales receivables and receivables covered by guarantee are regularly monitored.

AVTOVAZ trades only with recognized, creditworthy third parties. All future customers requiring credit facilities are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, and as a result, the AVTOVAZ Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount. There are no significant concentrations of credit risk within the AVTOVAZ Group.

Credit risk on customers, dealers and commitments given by the Sales Financing segment

The Sales Financing segment is exposed to customer and dealer credit risk when risk management techniques are insufficient for protection against default on payment by its counterparties.

Credit risk is the risk of losses due to the incapacity of RCI Banque customers to fulfill the terms of a contract signed with the bank. Credit risk is closely linked to macro-economic factors including the unemployment rate, corporate bankruptcies, debt servicing costs, revenue growth, disposable household income, dealership profitability and the price of used vehicles. It has a significant impact on the Sales Financing segment's business.

The level of credit risk on the dealership network is influenced by the dealers' financial health, the quality of guarantees, and the general demand for vehicles.

RCI Banque uses advanced scoring systems and external databases to evaluate the quality of loans made to retail and business customers. It also uses an internal rating system to evaluate lending to dealers. Although RCI Banque is constantly adjusting its acceptance policy in response to market conditions, any increase in the credit risk would increase its cost of risk and its provisions for bad debt. RCI Banque has detailed procedures to recover receivables that are compromised or in default, arranging repossessions and sales of unpaid vehicles. However, there can be no guarantee that the policies of issuing credit, monitoring credit risk, payment recovery action, and repossession of vehicles are, or will be, sufficient to avoid an unfavourable impact on its financial results and position.

An increase in the credit risk would increase the cost of risk and provisions for bad debt, with a direct impact on RCI's financial results and potentially on its internal capital.

Bank counterparty risk

Due to its operations on the financial markets to invest cash surpluses, manage foreign exchange risks and interest risks, and manage payment flows, the Group is exposed to a bank counterparty risk.

This bank counterparty risk affecting Group entities is managed by both the Automotive and Sales Financing segment in a fully-coordinated approach. It is founded on an internal rating system based mainly on counterparties' long-term credit ratings and equity. This system is used by all Renault Group companies exposed to a bank counterparty risk.

Group companies which, due to the nature of their business, are significantly exposed to a bank counterparty risk are monitored daily to ensure that they comply with authorized counterparty limits, in accordance with specific procedures. The Group produces a consolidated monthly report covering all its bank counterparties, organized by credit rating. This report provides a detailed analysis of compliance with limits in terms of amount, maturity and type, as well as a list of the main exposures.

To reduce the bank counterparty risk, most deposits are contracted with large network banks and generally have terms shorter than 90 days, as this allows a good spread of the risk. In the event of volatile macroeconomic situations that may arise in emergent countries and potentially affect their banking systems, the Group introduces an action plan to step up counterparty risk monitoring, and makes adjustments to the counterparty limits if necessary. The exposure on each banking group is assessed monthly on a consolidated basis, with the Automotive and Sales Financing entities. The Group is not subject to any significant risk concentration for its operations on the financial and banking markets.

No losses due to default by a bank counterparty were recorded in 2021. The bank counterparty risk borne by the Group through its shares in investment funds (UCITS) is incorporated into the risk of changes in value for those products, and monitored using specific rules.

Impairment and provisions established to cover counterparty risks

(€ million)	Notes	December 31, 2020	Impairment or net impairment	Reversals: For application	Reversals: Of unused residual amounts	Other changes and reclassifications	December 31, 2021
Impairment of Sales Financing receivables	15	(1,064)	(503)	405	143	(9)	(1,028)
- impairment of financing for end-customers	*15*	*(951)*	*(476)*	*363*	*120*	*(9)*	*(953)*
- impairment of dealership financing	*15*	*(113)*	*(27)*	*42*	*23*	*-*	*(75)*
Impairment of receivables of the Automotive Segment [1]	16	(898)	(14)	10	70	27	(805)
Impairment of other receivables	17	(215)	38	-	-	(67)	(244)
Impairment of other financial assets	22	(28)	25	-	-	-	(3)
Provisions (commitments given)	20	13	19	(1)	(21)	2	12
Total coverage of counterparty risks		**(2,192)**	**(435)**	**414**	**192**	**(47)**	**(2,068)**

(1) Including €678 million of commercial receivables related to Iran at December 31, 2021 (€678 million at December 31, 2020)

6.6. Cash flows and other information

Note 26 - Cash flows

26-A. Other income and expenses with no impact on cash before interest and tax

(€ million)	2021	2020
Net allocation to provisions	(156)	353
Net effects of Sales Financing credit losses	(45)	255
Net (gain) loss on asset disposals	(465)	64
Change in fair value of other financial instruments	(32)	58
Net financial indebtedness	308	337
Deferred taxes	133	114
Current taxes	463	306
Other	92	26
Other income and expenses with no impact on cash before interest and tax	**298**	**1,513**

26-B. Change in working capital before tax

(€ million)	2021	2020
Decrease (increase) in net inventories	847	(112)
Decrease (increase) in net receivables	123	338
Decrease (increase) in other assets	189	212
Increase (decrease) in trade payables	(467)	(908)
Increase (decrease) in other liabilities	(846)	(722)
Increase (decrease) in working capital before tax	**(154)**	**(1,192)**

26-C. Capital expenditure

(€ million)	2021	2020
Purchases of intangible assets	(1,177)	(1,500)
Purchases of property, plant and equipment (1)	(1,349)	(2,508)
Total purchases for the period	**(2,526)**	**(4,008)**
Deferred payments	(475)	(200)
Total capital expenditure	**(3,001)**	**(4,208)**

(1) Excluding capitalized leased assets and right-of-use assets

Note 27 - Related parties

27-A. Remuneration of directors and executives and Board of Management members

The table below reports the remuneration paid to the Chairman and CEO, the Chairman of the Board of Directors and the interim CEO (2020), Directors and Executives and members of the Group Executive Committee, which became the Management Board on January 1, 2021. Amounts are allocated pro rata to expenses of the periods in which the functions were occupied.

(€ million)	2021	2020
Basic salary	7.7	6.5
Variable remuneration	13.4	7.4
Employer's social security charges	14.3	12.1
Complementary pension and retirement indemnities	2.7	2.1
Agreed indemnities	6.5	9.4
Other components of remuneration	0.5	0.2
Total remuneration excluding performance share plans	**45.1**	**37.7**
Performance shares	4.7	3.6
Total remuneration of the Chairman and members of the Board of Management	**49.8**	**41.3**

The maximum possible amount of Directors' fees was €1.5 million in 2021 (€1.5 million in 2020).

27-B. Renault Group's investments in associates

Details of Renault Group's investments in Nissan and in other companies accounted for under the equity method are provided in Notes 12 and 13-A.

27-C. Transactions with the French State and public companies

In the course of its business Renault Group undertakes transactions with the French State and public companies such as UGAP, EDF, and La Poste. These transactions, which take place under normal market conditions, represent sales of €280 million in 2021 (€259 million in 2020), an automotive receivable of €58 million, a sales financing receivable of €272 million and a financing commitment of €14 million at December 31, 2021 (respectively €72 million, €282 million and €40 million at December 31, 2020).

In 2020 Renault Group benefited from a State-guaranteed credit facility, issued by a pool of banks as described in Note 23-C.

27-D. Transactions with unconsolidated controlled entities

A certain number of controlled entities are not consolidated, as explained in Note 2-C, because their contribution to the consolidated financial statements is considered non-significant (Note 17).

The only company with sales of more than €100 million and/or a balance sheet value of more than €100 million is Renault Nissan Global Management, which manages Renault Group and Nissan expatriates.

In 2021, the Renault Group's expenses with this company amounted to approximately €120 million (€185 million in 2020).

In Renault Group's financial position at December 31, 2021, the balances of transactions between Renault Nissan Global Management and Renault Group consist mainly of operating receivables amounting to €80 million (€116 million at December 31, 2020) and operating payables amounting to €45 million (€61 million at December 31, 2020).

Note 28 - Off-balance sheet commitments, contingent assets and liabilities, assets pledged and received as collateral

In the course of its business, Renault enters into a certain number of commitments, and is involved in litigations or subject to investigations by competition and automobile regulation authorities. Any liabilities resulting from these situations (e.g. pensions and other employee benefits, litigation costs, etc.) are covered by provisions. Details of other commitments that constitute off-balance sheet commitments and contingent liabilities are provided below (Note 28-A).

Renault also receives commitments from customers (deposits, mortgages, etc.) and may benefit from credit lines with credit institutions (Note 28-B).

28-A. Off-balance sheet commitments given and contingent liabilities, assets pledged as collateral

28-A1. Ordinary operations

The Group is committed for the following amounts:

(en millions d'euros)	**2021**	**2020**
Assets pledged as collateral by Sales Financing segment (1)	7,111	7,465
Financing commitments in favour of customers (2)- Sales Financing segment	3,400	2,419
Other financing commitments	48	18
Financial guarantees given by Sales Financing segment (3)	29	198
Other financial guarantees given (4)	399	414
Commitments related to supply contracts (5)	924	999
Firm investment orders	847	984
Lease commitments (6)	90	155
Other commitments (7)	181	96
Other assets pledged as collateral	5	4

(1) Assets pledged as guarantees by the Sales Financing segment for management of its liquidity reserve are presented in Note 28-A4.

(2) Financing commitments in favour of customers by the Sales Financing segment will give rise to cash outflows mostly during the three months following the year-end.

(3) Financial guarantees given by the Sales Financing segment will give rise to cash outflows amounting to €27 million during the 12-month period following the year-end.

(4) Other financial guarantees given mainly concern administrations.

(5) These commitments included minimum payment obligations to suppliers when the Group has made a firm commitment for collection and payment. These multi-year commitments will give rise to cash outflows during the three years following the 2021 year-end. The maximum payable within one year is €300 million at December 31, 2021 (€999 million at December 31, 2020). Irrevocable commitments at December 31, 2021 were essentially made to secure battery supplies for electric vehicles.

(6) Lease commitments comprise commitments relating to leases signed but not yet effective at the year-end which cannot be included in the statement of financial position as assets in progress, leases that are outside the scope of IFRS 16 and leases exempt from the accounting treatment prescribed by IFRS 16 (Note 2-L).

(7) Notably stock options granted.

28-A2. Contingent liabilities

Group companies are periodically subject to tax inspections in the countries in which they operate. Accepted tax adjustments are recorded as provisions in the financial statements. Contested tax adjustments are recognized on a case-by-case basis, taking into account the risk that the proceedings or appeals undertaken may be unsuccessful. Tax liabilities are recognized via provisions when there are uncertainties over the determination of taxes.

On December 19, 2019 Renault s.a.s.. received provisional notification of a tax reassessment on transfer prices in 2016, and an additional notification was received on June 24, 2021 concerning the years 2017 and 2018. Renault Group is challenging the most significant amounts of these provisional notifications, and no provision has been recognised in the financial statements at December 31, 2021 in connection with this matter.

RESA (Renault España SA) was notified of a €213 million tax reassessment for transfer prices at December 31, 2020, which Renault Group is contesting. A procedure for amicable settlement between France and Spain was begun in 2021. No provision has been recognized in connection with this notification, since Renault Group considers that it has good chances of winning its case. A deposit of €135 million was paid to the Spanish tax authorities in December 2020, recognized in non-current financial assets and presented in cash flows from investing activities (under Decrease (Increase) in loans of the Automotive segments) in the consolidated cash flow statement. Another payment of €78 million was made in 2021 and recognized in the same way.

Renault Samsung Motors, based in South Korea, was subject to a tax reassessment for the period 2007-2011 concerning the amount of royalties paid to Renault s.a.s.. This reassessment was challenged, and paid after a settlement was reached in 2017, but there is still a risk of reassessments for 2012 and later years. In 2016, Renault Group applied for an APA ("Advance Pricing Agreement") which is still in discussion between the Korean and French tax authorities. No provision has been recognized in connection with this matter between 2012 and December 31, 2021, since the amount of the potential reassessments cannot be reliably estimated.

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At December 31, 2021, the Group has not identified any significant risk in connection with these operations.

Group companies are periodically subject to investigations by the authorities in the countries in which they operate. When the resulting financial consequences are accepted, they are recognized in the financial statements via provisions. When they are contested, they are recognized on a case-by-case basis, based on estimates that take into account the risk that the proceedings or appeals undertaken may be unsuccessful.

The main investigations by the competition and automotive regulations authorities in progress at December 31, 2021 concern illegal agreements and the level of vehicle emissions in Europe.

On January 9, 2019 the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato" - AGCM) fined RCI Banque €125 million, with Renault SA jointly liable for payment of the fine. The Group is contesting the grounds for this fine and has appealed against the decision. Renault considers that the probability of the decision being cancelled or fundamentally amended by a court order is high. Due to the large number of variables affecting the amount of the fine, if upheld, it is impossible to reliably estimate the amount that could be payable at the end of the proceedings. On April 3, 2019 the Group's application for suspension of the payment was accepted, with arrangement of a bank guarantee. On October 21, 2020 the court cancelled the AGCM's decision in its entirety, and the AGCM filed an appeal against that ruling on December 23, 2020. The bank guarantee arranged in 2019 has been cancelled. No provision was recognized in connection with this matter in 2021 or 2020. On 3 February 2022, the Italian Council of State rejected the appeal by the AGCM and upheld the administrative court ruling that had cancelled the AGCM's decision. This decision by the Council of State is final.

In the ongoing "emissions" affair in France, in which a formal legal investigation was opened on January 12, 2017 at the request of the Paris public prosecution office, Renault s.a.s. was officially placed under investigation for deceit on June 8, 2021.

In July 2021 Renault Group paid bail of €20 million (included in the balance sheet) to guarantee its representation throughout the proceedings and to cover payment of any damages and fines. It also issued a €60 million bank guarantee on October 8, 2021 to cover compensation for any prejudice identified. Renault Group denies having committed any offence. All Renault Group vehicles are, and always have been, type-approved in accordance with applicable laws and regulations.

The potential consequences of the next steps in these ongoing proceedings cannot be reliably estimated at this stage, and no provision was recognized in connection with this matter at December 31, 2021 (or at December 31, 2020).

Approximately 70% of the Group's sales are subject to CO2 emission regulations, principally in the European Union but also especially in China, Switzerland, the United Kingdom and South Korea.

In 2020 and 2021, the three members of the Alliance - Renault, Nissan and Mitsubishi Motors Corp. – signed agreements to pool their CAFE (Corporate Average Fuel Economy) targets for the European Union and the United Kingdom. The potential noncompliance penalties payable to the authorities concerned are determined at the level of the group formed by the Alliance's three automakers. Renault did not recognize any provision in connection with this matter at December 31, 2021 or 2020.

Renault Group confirmed in a press release of January 4, 202 that it had achieved its CAFE targets for passenger vehicles and light commercial vehicles in 2020, subject to validation by the European Commission in the following months. The validation process was still ongoing at the date of publication of these financial statements.

Renault also confirmed in a press release of January 17, 2022 that it had achieved its CAFE targets for passenger vehicles and light commercial vehicles in 2021 (these results are due to be consolidated and officialized by the European Commission in the next few months).

A provision of €11 million was recognized for CAFE penalties payable for 2021 in South Korea, raising the total provision for the years 2019 to 2021 to €35 million.

Group companies are also subject to the applicable regulations regarding pollution, notably of soil and ground water. These regulations vary depending on the country of location. Some of the associated environmental liabilities are potential and will only be recognized in the accounts if the activity is discontinued or the site closed. It is also sometimes difficult to determine the amount of the obligation reliably. Provisions are only established for liabilities that correspond to a legal or constructive obligation at the closing date, and can be estimated with reasonable reliability.

28-A3. Share purchase commitments given

When the Group grants put options to minority shareholders to sell their investments in fully consolidated companies, a liability corresponding to the option is recognized, with a reduction in shareholders' equity – non-controlling interests' share. At December 31, 2021, put options granted by the Group to minority shareholders concern Banco RCI Brasil, Rombo Compania Financiera, and RCI Colombia S.A. The consequences for the financial statements are explained in Note 18-H.

Partnership agreements were signed in 2018 with Oyak in Turkey, including perfectly symmetrical put and call options for non-controlling investments, entitling Renault s.a.s., subject to certain conditions, to purchase Oyak's shares in Oyak Renault (call) and to sell its shares in MAIS (put), and entitling Oyak to sell its shares in Oyak Renault (put) and purchase Renault s.a.s.'s shares in MAIS (call). The exercise price for the put option, if exercised, will be determined by three independent experts who would be appointed at the exercise date. Analysis of the contracts did not identify any circumstances beyond the control of Renault Group that could lead to Oyak's put option exercised without Renault Group being able to object. Consequently, no liability is recognized at December 31, 2021 in connection with these options.

28-A4. Assets pledged as guarantees for management of the liquidity reserve

For management of its liquidity reserve, the Sales Financing segment has provided guarantees to the Banque de France (under France's central collateral management system 3G - Gestion Globale des Garanties) in the form of assets with book value of €7,111 million at December 31, 2021 (€7,465 million at December 31, 2020). These assets comprise €6,628 million of shares in securitization vehicles, €3 million of Eurobonds and €480 million of sales financing receivables (€6,675 million of shares in securitization vehicles, €104 million of euro bonds and €686 million of sales financing receivables at December 31, 2020). The financing provided by the Banque de France against these guarantees amounts to €3,738 million at December 31, 2021 (€2,250 million at December 31, 2020). All assets provided as guarantees to the Banque de France remain in the balance sheet.

28-B. Off-balance sheet commitments received, contingent assets and assets received as collateral

(en millions d'euros)	2021	2020
Buy-back commitments received by the Sales Financing segment [(1)]	5,958	5,452
Financial guarantees received	3,001	2,949
Including Sales Financing segment [(2)]	*2,851*	*2,787*
Assets received as collateral	2,763	2,749
Including Sales Financing segment [(2)]	*2,757*	*2,708*
Other commitments received	94	44

(1) Commitments received by the Sales Financing segment for dealership sales by Nissan and other entities for repurchase of leased vehicles at the end of the lease.

(2) In the course of its sales financing activity for new or used vehicles, the Sales Financing segment has received financial guarantees from its customers amounting to €2,851 million and assets pledged by customers as collateral amounting to €2,757 million at December 31, 2021 (€2,7687 million and €2,708 million respectively at December 31, 2020) (Note 15-E).

Off-balance sheet commitments received concerning confirmed opened credit lines are presented in Note 25-B1.

Commitments received – share purchase options

The Group has a call option to increase its investment in Whylot to 70% and take control of the company by 2023 (Note 3). This option is conditional on Whylot achieving certain objectives, and was not exercisable at December 31, 2021. No liability is recognized in connection with this commitment.

The Group holds derivative instruments to subscribe to future capital increases by Verkor, without taking control of the company (Note 3). No liability is recognized in connection with this commitment.

The Group has a call option to purchase 10% of the capital of Alpine Racing Ltd for the contractual value of €18 million and thus increase its investment to 100%. No liability is recognized in connection with this commitment.

Note 29 - Fees paid to statutory auditors and their network

The fees paid to the Group's statutory auditors and their networks are reported in section 8.3.1. of the 2021 Universal Registration Document.

Note 30 - Subsequent events

No significant events have occurred since December 31, 2021.

Note 31 - Consolidated companies

31-A. Fully consolidated companies (subsidiaries)

Renault Group's interest (%)	Country	December 31, 2021	December 31, 2020
Renault SA	France	Consolidating company	Consolidating company
AUTOMOTIVE (EXCLUDING AVTOVAZ)			
France			
Renault s.a.s.	France	100	100
Auto Châssis International (ACI Le Mans)	France	100	100
ACI Villeurbanne	France	100	100
Carizy(2)	France	-	98
Fonderie de Bretagne	France	100	100
Ingénierie de la Division des Véhicules Electriques (IDVE)	France	100	100
Ingénierie de la Division des Véhicules Utilitaires (IDVU)	France	100	100
Maubeuge Construction Automobile (MCA)	France	100	100
Renault Développement Industriel et Commercial (RDIC)	France	100	100
Renault Environnement	France	100	100
Renault Retail Group and subsidiaries	France	100	100
Renault Samara (France)	France	100	100
Renault DREAM (RDREAM)	France	100	100
Alpine Racing SAS	France	100	100
Mobilize Ventures	France	100	100
Sci Plateau de Guyancourt	France	100	100
SNC Renault Cléon	France	100	100
SNC Renault Douai	France	100	100
SNC Renault Flins	France	100	100
SNC Renault Sandouville	France	100	100
Société des Automobiles Alpine (SAA)	France	100	100
Société de Transmissions Automatiques (STA)	France	100	100
Société de véhicules Automobiles de Batilly (SOVAB)	France	100	100
Société Immobilière de Construction Française pour l'Automobile et la Mécanique (SICOFRAM) et sa filiale	France	100	100
Société Immobilière Renault Habitation (SIRHA)	France	100	100
Société Immobilère d'Epône	France	100	100
Société Immobilière pour l'Automobile (SCIA)	France	100	100
SODICAM 2	France	100	100
Sofrastock International	France	100	100
Technologie et Exploitation Informatique (TEI)	France	100	100
Renault ElectriCity (1)	France	100	-
Renault SW Labs sas	France	100	100
Europe			
Renault Deutschland AG and subsidiaries	Germany	100	100
Renault Österreich GmbH	Austria	100	100
Renault Belgique Luxembourg	Belgium	100	100
Renault Industrie Belgique (RIB)	Belgium	100	100
Renault Nissan Bulgaria EAD	Bulgaria	100	100
Renault Nissan Hrvatska SARL	Croatia	100	100
Renault España Comercial SA (RECSA) and subsidiaries	Spain	100	100
Renault España SA	Spain	100	100
Renault Hungária Kft.	Hungary	100	100
Renault Irlande	Ireland	100	100
Renault Italia and subsidiary	Italy	100	100
Motor Reinsurance Company	Luxembourg	100	100
Renault Group b.v.	Netherlands	100	100
Renault Nederland	Netherlands	100	100
Renault Polska	Poland	100	100
Companhia Aveirense de Componentes para a Industria Automovel SA (CACIA)	Portugal	100	100
Renault Portuguesa and subsidiary	Portugal	100	100
Renault Ceska republica	Czech Republic	100	100
Grigny UK Ltd	United Kingdom	100	100
Alpine Racing Ltd.	United Kingdom	90	90
Renault UK	United Kingdom	100	100
Automobile Dacia	Romania	99	99
Renault Commercial Roumanie SRL	Romania	100	100
Renault Mecanique Roumanie SRL	Romania	100	100

Renault Technologie Roumanie SRL	Romania	100	100
Renault Slovensko Spol. S Ro	Slovakia	100	100
Renault Nissan Slovenija DOO	Slovenia	100	100
Revoz D.d.	Slovenia	100	100
Renault Nordic AB and subsidiary	Sweden	100	100
Renault Finance	Switzerland	100	100
Renault Suisse SA	Switzerland	100	100
Africa & Middle East			
Renault Algérie spa	Algeria	100	100
Renault Commerce Maroc	Morocco	80	80
Renault Maroc Services	Morocco	100	100
Renault Tanger Exploitation	Morocco	100	100
Renault Tanger Méditerranée	Morocco	100	100
Société Marocaine de Construction Automobile (SOMACA)	Morocco	97	97
Americas			
Renault Argentina SA and subsidiaries	Argentina	100	100
Renault do Brasil Comercio e Participacoes Ltda.	Brazil	100	100
Renault Do Brasil SA	Brazil	100	100
Industria de Conjuntos Mecanicos Aconcagua SA (Cormecanica)	Chile	100	100
Renault Centro de Servicios Compartidos SAS	Colombia	100	100
Sociedad de Fabricación de Automotores SA (SOFASA)	Colombia	100	100
Renault Corporativo SA de CV(2)	Mexico	-	100
Renault México SA de CV	Mexico	100	100
Asia Pacific			
Vehicule Distributors Australia Pty Ltd.	Australia	100	100
Renault Samsung Motors Co. Ltd.	South Korea	80	80
Jiangxi Jianling Group Electric Vehicule Co., Ltd.	China	50	50
Jiangxi Jianling Group Electric Vehicule Sales Co., Ltd.	China	50	50
Kunming Furui Electric Vehicles Sales Service Co., Ltd.	China	50	50
Renault Beijing Automative Co., Ltd.	China	100	100
Renault India Private Ltd.	India	100	100
Renault Treasury Services Pte. Ltd.	Singapore	100	100
Eurasia			
CJSC Renault Russia	Russia	100	100
OYAK Renault Otomobil Fabrikalari	Turkey	52	52
Renault Ukraine	Ukraine	100	100
SALES FINANCING			
France			
Bipi Mobility France (1)	France	100	-
Diac SA	France	100	100
Diac Location SA	France	100	100
RCI BANQUE SA	France	100	100
Europe			
RCI Versicherungs-Service GmbH	Germany	100	100
RCI Financial Services SA	Belgium	100	100
Autofin SA	Belgium	100	100
Bipi Mobility SL (1)	Spain	100	-
Overlease SA	Spain	100	100
RCI ZRT	Hungary	100	100
Bipi Mobility Italy S.R.L (1)	Italy	100	-
ES Mobility S.R.L.	Italy	100	100
RCI Insurance Ltd	Malta	100	100
RCI Life Ltd	Malta	100	100
RCI Services LTD	Malta	100	100
RCI Financial Services b.v.	Netherlands	100	100
RCI Leasing Polska Sp. z.o.o.	Poland	100	100
RCI Gest Seguros - Mediadores de Seguros, Lda	Portugal	100	100
RCICOM, SA	Portugal	100	100
RCI Finance CZ, s.r.o.	Czech Republic	100	100
RCI Financial Services s.r.o.	Czech Republic	50	50
RCI Broker De Asigurare	Romania	100	100
RCI Finantare Romania S.r.L.	Romania	100	100
RCI Leasing Romania IFN SA	Romania	100	100
RCI Financial Services Ltd	United Kingdom	100	100
RCI Bank UK Limited	United Kingdom	100	100

RCI Finance SA	Switzerland	100	100
Africa & Middle East			
RCI Finance Maroc	Morocco	100	100
RDFM S.A.R.L.	Morocco	100	100
Americas			
Courtage SA	Argentina	100	100
Rombo Compania Financiera SA	Argentina	60	60
Administradora de Consorcio RCI Brasil Ltda	Brazil	100	100
Banco RCI Brasil SA	Brazil	60	60
RCI Brasil Servicios e Participaçoes Ltda	Brazil	100	100
Corretora de Seguros RCI do Brasil SA	Brazil	100	100
RCI Colombia, SA Compania de Financiamento	Colombia	51	51
RCI Servicios Colombia SA	Colombia	100	100
Asia Pacific			
RCI Financial Services Korea CO, Ltd.	South Korea	100	100
Eurasia			
LLC RNL LEASING	Russia	100	100
AVTOVAZ			
Eurasia			
Lada Auto Holding OOO (3)	Russia	68	-
PAO AVTOVAZ	Russia	68	68
LLC Lada Izhevsk	Russia	68	68
OOO PSA VIS-AVTO	Russia	68	68
OOO PPPO	Russia	68	68
ZAO Lada-Imidzh	Russia	68	68
OAO Lada-Servis	Russia	68	68
OAO Izh-Lada	Russia	68	68
OAO ZAK(2)	Russia	-	68
OAO Piter-Lada	Russia	61	61
OAO Samara-Lada	Russia	48	48
OAO Yakhroma-Lada	Russia	59	59
OAO Lipetsk-Lada	Russia	45	45
OAO Oka-Lada(2)	Russia	-	59
ZAO STO Komsomolskaya	Russia	53	53
OAO Tyumen-Lada	Russia	68	68
ZAO Tsentralnaya STO	Russia	68	68
OAO JarLadaservis(2)	Russia	-	64
OAO Avtosentr-Togliatti-VAZ	Russia	35	34
OAO Bryansk Lada	Russia	51	51
OOO LIN	Russia	68	68
OAO Kostroma-Lada-Servis	Russia	68	68
OAO Kursk-Lada	Russia	49	49
OOO Lada Sport	Russia	68	68
OAO Saransk-Lada(2)	Russia	-	61
OAO Cheboksary-Lada	Russia	68	59
OOO Sockultbit-AVTOVAZ	Russia	68	68
AO Lada Zapad Togliatti(2)	Russia	-	68
JV Systems	Russia	68	68
Other AVTOVAZ subsidiaries	Russia	34 to 68	34 to 68
SOAO Minsk-Lada	Belarus	38	38
Europe			
LADA International Ltd	Cyprus	68	68
Alliance Rostec Auto b.v. (3)	Netherlands	68	68
MOBILITY SERVICES			
France			
Class & co sas	France	100	100
Elto Holding (1)	France	100	100
Glide.io	France	100	100
Renault Mobility As an Industry	France	100	100
Europe			
Elto DACH GmbH (1)	Germany	51	-
Elto BeLux (1)	Belgium	51	-
Elto Iberia Sociedad Limitada (1)	Spain	60	-
Coolnagour Limited t/a iCabbi	Ireland	100	78
Elto Italy S.r.l. (1)	Italy	100	-

Coolnagour UK Limited [1]	United Kingdom	100	78
Elto UK [1]	United Kingdom	100	-
Flit Technologies Ltd.and subsidiaries	United Kingdom	74	70
SCT Systems Limited t/a DiSC [1]	United Kingdom	100	78
Americas			
Original Software LTDA [1]	Brazil	100	78
iCabbi Canada, Incorporation [1]	Canada	100	78
iCabbi USA, Incorporation [1]	USA	100	78
Asia Pacific			
iCabbi Australia PTY LTD [1]	Australia	100	78

(1) First consolidated in 2021 (Note 3-A)
(2) Sold or merged and deconsolidated in 2021
(3) See Note 3-B concerning the transfer of the shares of AVTOVAZ from Alliance Rostec Auto b.v. to Lada Auto Holding OOO.

31-B. Companies consolidated based on the percentage interest in each balance sheet and income statement item (joint operations)

Renault Group's interest (%)	Country	December 31, 2021	December 31, 2020
Renault Nissan Technology & Business Center India Private Limited (RNTBCI) [1]	India	67	67

(1) The Group holds 50% of the voting rights of the Indian company RNTBCI.

31-C. Companies accounted for under the equity method (associates and joint ventures)

Renault Group's interest (%)	Country	December 31, 2021	December 31, 2020
AUTOMOTIVE (EXCLUDING AVTOVAZ)			
Renault South Africa [2]	South Africa	-	40
Renault Algérie Production	Algeria	49	49
Mobility Trader Holding Gmbh [1]	Germany	3	-
ToKai 2 GmbH	Germany	15	15
EGT New Energy Automotive Co, Ltd.	China	25	25
Renault Brilliance Jinbei Automotives Company Ltd.	China	49	49
Boone Comenor Metalimpex	France	33	33
Alliance Mobility Company France	France	50	50
HyVia [1]	France	50	-
INDRA INVESTISSEMENTS SAS	France	50	50
ToKai 1	France	15	15
Verkor [1]	France	24	-
Whylot [1]	France	21	-
Renault Nissan Automative India Private Limited	India	30	30
Alliance Mobility Company Japan	Japan	50	50
Groupe Nissan	Japan	44	44
Alliance Ventures B.V.	Netherlands	40	40
Motorlu Araclar Imal ve Satis AS (MAIS)	Turkey	49	49
SALES FINANCING			
Mobility Trader Holding Gmbh [1]	Germany	5	-
Renault Crédit Car SA	Belgium	50	50
Nissan Renault Financial Services India Private Limited	India	30	30
RN SF b.b.	Netherlands	50	50
Bank Austria Renault Nissan b.v.	Netherlands	30	30
RN Bank	Russia	30	30
ORFIN Finansman Anonim Sirketi	Turkey	50	50
AVTOVAZ			
FerroVaz GmbH	Germany	34	34
CSC Armenia-Lada	Armenia	34	34
JSC OAT [1]	Russia	40	-
MOBILITY SERVICES			
Elto France [1]	France	40	-
Car Sharing Mobility Services SL	Spain	50	50

(1) First consolidated in 2021 (Note 3-A)
(2) Sold and deconsolidated in 2021

In application of regulation 2016-09 of December 2, 2016 issued by the French Accounting Standards Authority (Autorité des Normes Comptables), the Group makes the following information available to third parties on its website group.renault.com, in the "Documents & Presentations" section of the "Finance" pages from the date of publication of the 2021 Universal Registration Document:

- a full list of consolidated companies;
- a list of companies classified as "unconsolidated investments", namely:
  - investments in companies not controlled exclusively by Renault, which are included in non-current financial assets (Note 22);
  - investments in companies that are controlled exclusively by Renault and not consolidated, which are classified as other current assets (Note 17).