

Nov 21, 2016

R&I Affirms BBB+/a-2, Changes Outlook to Positive: RCI Banque

Rating and Investment Information, Inc. (R&I) has announced the following:

ISSUER: RCI Banque
Issuer Rating: BBB+, Affirmed
Rating Outlook: Positive, Changed from Stable

Euro Commercial Paper: a-2, Affirmed

RATIONALE:

RCI Banque is a captive sales finance subsidiary wholly owned by France's major automaker Renault SA (Issuer Rating: BBB+) and is subject to the provisions of French banking laws. It maintains a high earning capacity thanks to stable interest margins, as well as the provision of car insurance, loan-related insurance, maintenance services, etc. It takes a conservative stance on financial and cash management. Funding sources are relatively diverse, and asset quality is sound. The equity ratio is high as well. Risk resilience is therefore sufficient. The rating on RCI Banque is on par with that of Renault, based on the strong relationship with the parent company in terms of capital and personnel and the important role it plays in automobile sales of the Renault-Nissan alliance. Reflecting an improving trend in Renault's creditworthiness, R&I has changed the Rating Outlook to Positive.

The primary rating methodologies applied to this rating are provided at "R&I's Basic Methodology for Corporate Credit Ratings", "Shared Rating Approach for Financial Institutions, etc." and "R&I's Analytical Approach to Parent and Subsidiary Companies". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

<http://www.r-i.co.jp/eng/cfp/about/methodology/index.html>

R&I RATINGS:

ISSUER: RCI Banque
Issuer Rating
RATING: BBB+, Affirmed
RATING OUTLOOK: Positive, Changed from Stable

Euro MTN Prog. (Notes with a maturity of more than 1 year)

ISSUE LIMIT (mn): EUR 14,000
SUPPORT: Unsecured
RATING: BBB+, Affirmed

Euro Commercial Paper

ISSUE LIMIT (mn): EUR 2,000
SUPPORT: Unsecured
RATING: **a-2, Affirmed**

Euro MTN Prog. (Notes with a maturity of 1 year or less)

ISSUE LIMIT (mn): EUR 14,000
SUPPORT: Unsecured
RATING: **a-2, Affirmed**

A credit rating for a medium-term note (MTN) program is assigned to the program and not to individual notes issued under the program. The credit rating of individual notes is generally the same as that of the program. As regards credit-linked notes, index-linked notes or other notes, however, there are some cases where the rating on each note will not be on par with the program or no rating will be assigned, depending on the details of the individual note contract. Upon the issuer's request, R&I may assign a credit rating to individual notes issued under the program.