



INVESTOR PRESENTATION

FIRST-HALF 2018 RESULTS

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AGENDA

- ① RCI BANQUE OVERVIEW
- ② OPERATING HIGHLIGHTS
- ③ FINANCIAL POLICY AND FUNDING
- ④ APPENDICES

1

RCI BANQUE OVERVIEW



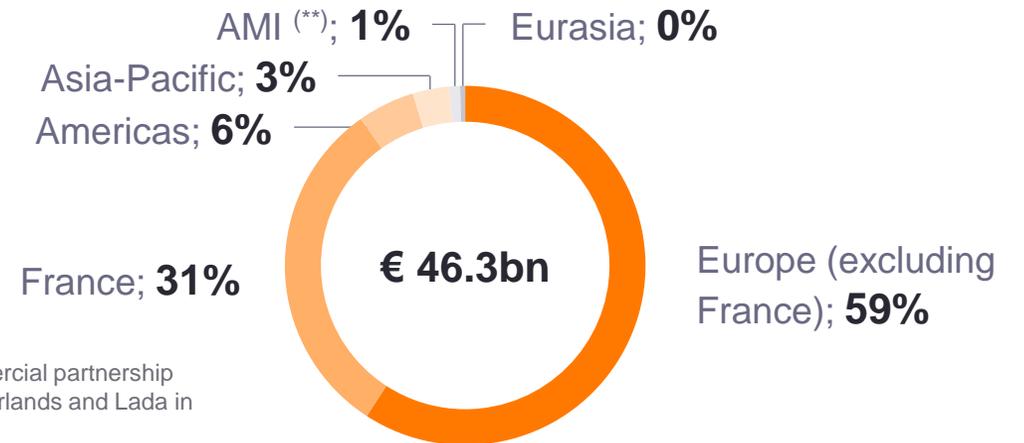
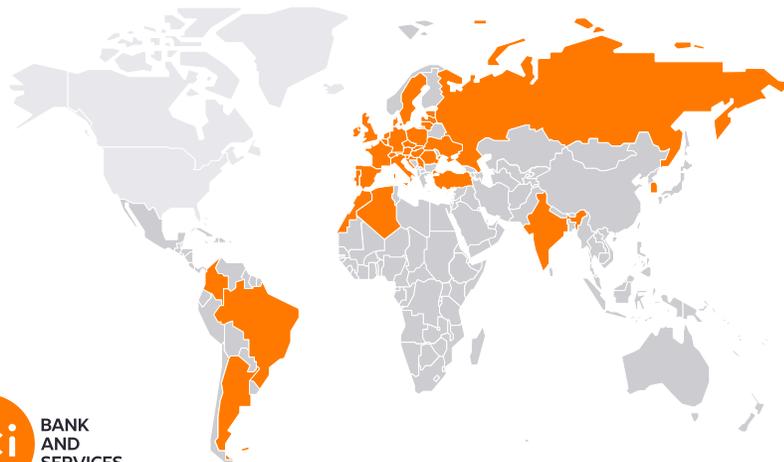
IDENTITY AND FIRST-HALF 2018 KEY FIGURES

● RCI Banque identity:

- Renault-Nissan Alliance brands finance company
- 100% owned by Renault SA
- Bank status since 1991
- ECB supervision since 2016
- Retail, corporates and dealers inventory financing
- **8** brands financed (*) in **36** countries

● First-half 2018 key figures:

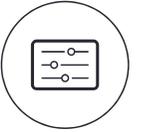
- Equity: **€ 5.0bn**
- Net customer deposits: **€ 16.0bn**
- Penetration rate: **39.7%**
- New contracts (in k units): **947**
- Commercial assets: **€ 46.3bn** of which:



(*) Since February 2018, commercial partnership with Mitsubishi Motors in Netherlands and Lada in Russia

(**) AMI: Africa, Middle-East, India

RATINGS



- **Moody's ratings:**

- Long-term: **Baa1**
- Outlook: **Positive (*)**
- Short-term: **P-2**
- Strengths: “high and stable earning stream; limited credit losses; essential to its parent’s strategy; strong profitability through the credit cycle; limited refinancing risk, increasing deposit base and adequate liquidity buffer”
- Weaknesses: “lack of business diversification; large exposures to car dealers; car market cyclical by nature; reliant on wholesale funding”

- **Independent ratings from parent Renault SA** supported by bank status and independent funding

- Renault: **Baa3, positive outlook (**)** / P-3

- **Standard and Poor's ratings:**

- Long-term: **BBB**
- Outlook: **Stable**
- Short-term: **A-2**
- Strengths: “strong and recurring risk-adjusted profitability; regulated bank insulated from its corporate parent; strong capitalization; striking balance between growth and profitability; low cost base and effective cost control”
- Weaknesses: “predominantly wholesale-funded; business concentration in car financing; dependence on parent’s franchise and product cycles”

- Renault: **BBB, stable outlook / A-2**

2

OPERATING HIGHLIGHTS

NB: FIGURES RELATED TO COMMERCIAL ACTIVITY (PENETRATION RATE, NEW FINANCINGS, CONTRACTS PROCESSED) INCLUDE EQUITY METHOD CONSOLIDATED ENTITIES. BALANCE SHEET FIGURES (OUTSTANDINGS) EXCLUDE THESE ENTITIES

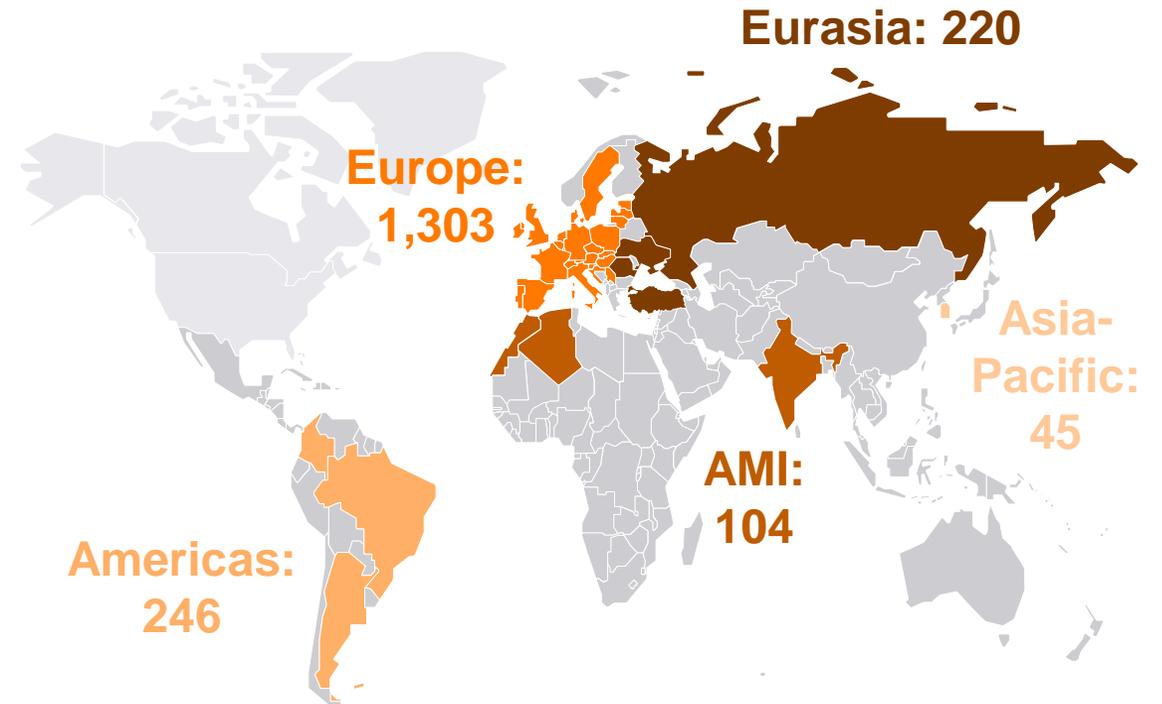
CAR MARKET AND ALLIANCE SALES (*) ON RCI PERIMETER



- Evolution vs. first-half 2017:

	Market	Alliance
Europe	+2.4%	-0.6% ⁽¹⁾
Eurasia	+8.5%	+4.6%
Americas	+12.1%	+30.1%
Africa, Middle-East, India	+10.8%	-15.8% ⁽²⁾
Asia-Pacific	+0.4%	-22.2% ⁽³⁾
Total RCI perimeter	+4.8%	+1.4%

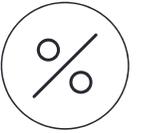
- First-half 2018 Alliance sales (in k units): 1,917



(1) Renault Group: +3.8%, Nissan Group: -14.7%
 (2) of which India:-27.1% and Morocco: +12.4%
 (3) Korea exclusively: -22.2%

(*) Personal Car (PC) + Light Utility Vehicle (LUV) market and Alliance sales

PENETRATION RATE (*)



- Financing penetration rate at **39.7% (+1.5 pt vs. H1 2017)**, of which:

- Renault: **40.2% (+1.7pts)**
- Dacia: **42.7% (+1.0pt)**
- Renault Samsung Motors: **54.4% (-4.6pts)**
- Nissan-Infiniti-Datsun: **34.8% (+1.6pts)**



—●— RCI ···●··· RCI pro forma (**)

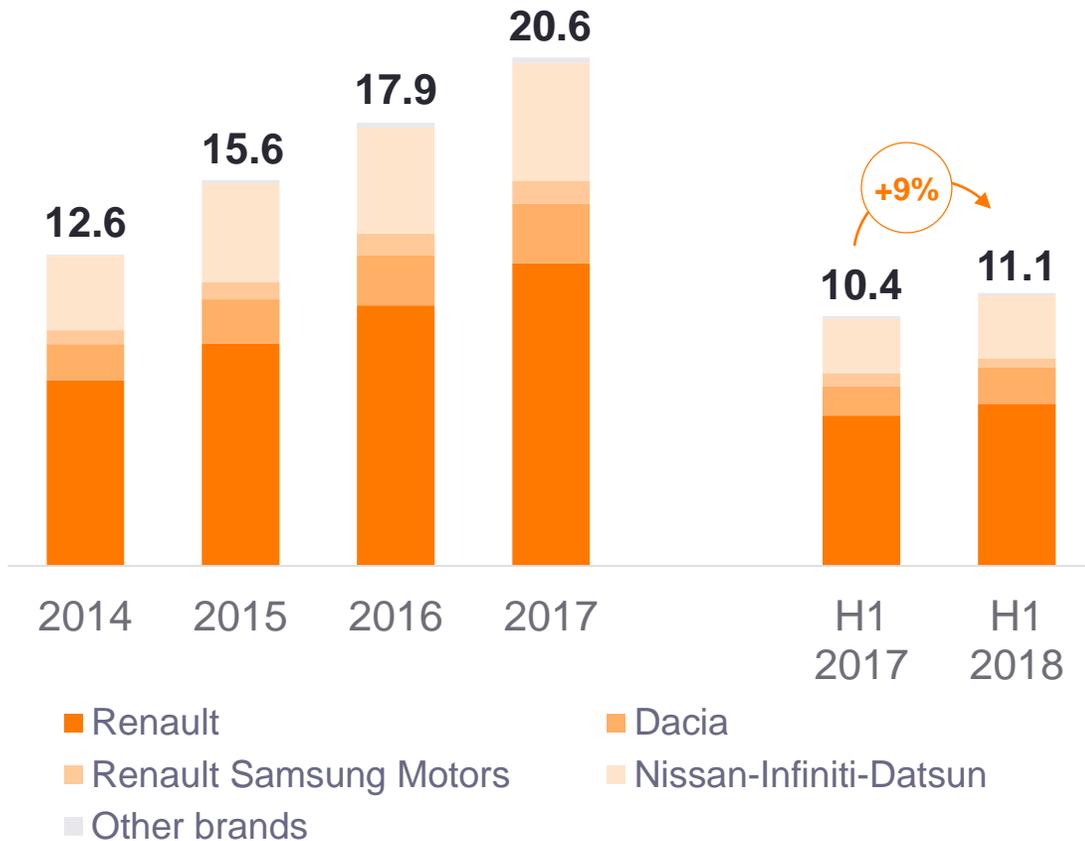
(*) Number of new vehicles financed / new vehicles sold in RCI Banque perimeter. In %

(**) Excluding impact of Turkey, Russia and India (entities less mature and having below-average penetration rates)

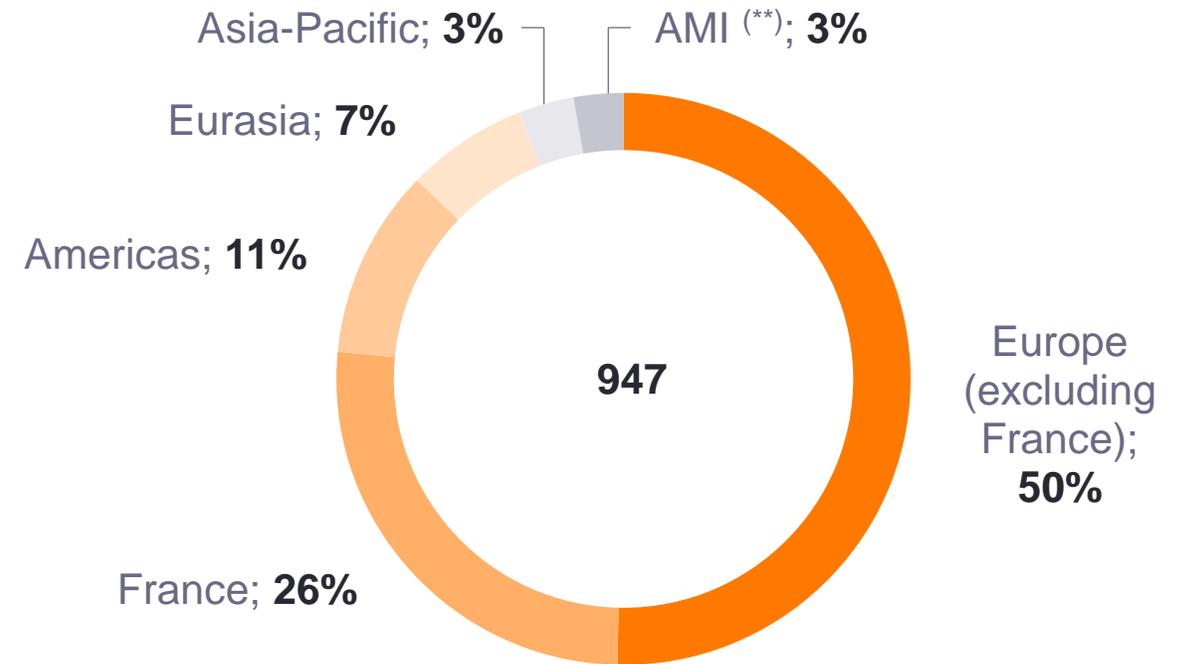
BREAKDOWN OF NEW PRODUCTION



- **New financings (*) by brand (€bn):**



- **New contracts geographical breakdown (in k units):**



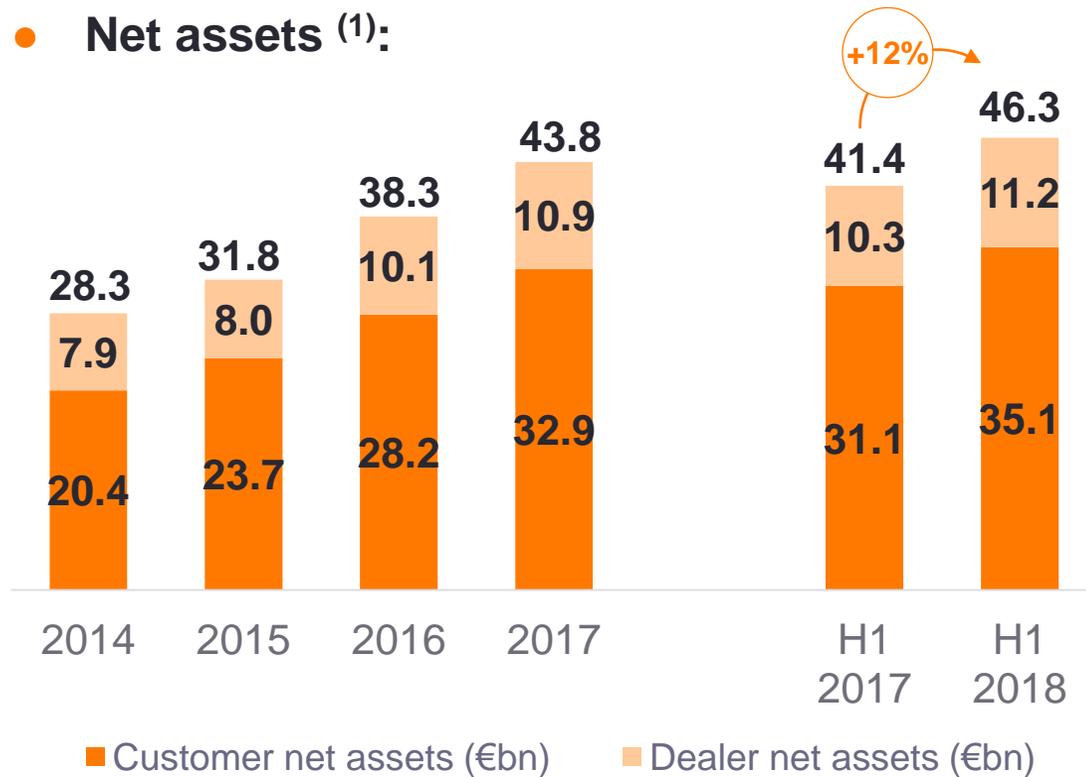
(*) Excluding cards and personal loans

(**) AMI: Africa, Middle-East, India

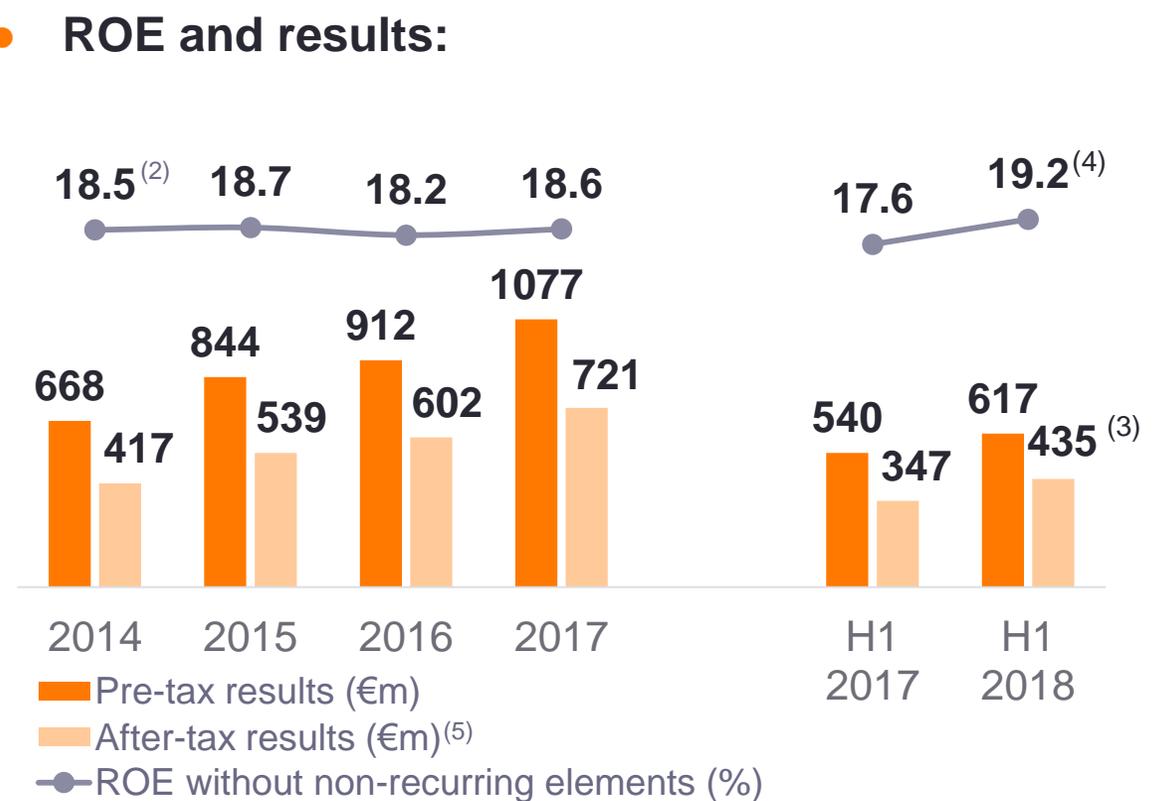
ASSETS AND RESULTS



● Net assets ⁽¹⁾:



● ROE and results:



⁽¹⁾ Net assets at year-end: net total outstandings + operating lease transactions net of depreciation and impairment

⁽²⁾ 2014 ROE excluding non-recurring elements. Result impacted by the following non-recurring elements: court decision on handling fees in Germany with a retroactive period of ten years (€ -52m), VAT-related tax adjustment in Germany (€ -17m) and regulation on foreign currency denominated loans in Hungary with a retroactive period of ten years (€ -5m)

⁽³⁾ After-tax result is impacted by deferred tax income of € 42m resulting from the decrease in corporate income tax under France's Finance Law

⁽⁴⁾ Excluding the € 42m deferred tax impact, ROE came to 17.4%

⁽⁵⁾ Owners of the parent

FINANCIAL PERFORMANCE



- Profit and loss aggregates ⁽¹⁾ in percentage of average performing assets:

	2014	2015	2016	2017	H1 2018
Net banking income ⁽²⁾	4.98	4.75	4.41	4.11	4.54
Cost of risk ⁽³⁾	-0.43	-0.33	-0.31	-0.11	-0.37
Operating expenses	-1.58	-1.49	-1.39	-1.32	-1.37
Operating income	2.97	2.94	2.71	2.68	2.80
OEIC and equity method ⁽⁴⁾	-0.32	0.01	0.03	0.04	0.05
Pre-tax income	2.65	2.95	2.74	2.72	2.85

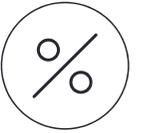
⁽¹⁾ Analytical breakdown derived from RCI Banque's financial controlling system

⁽²⁾ Excluding non-recurring elements

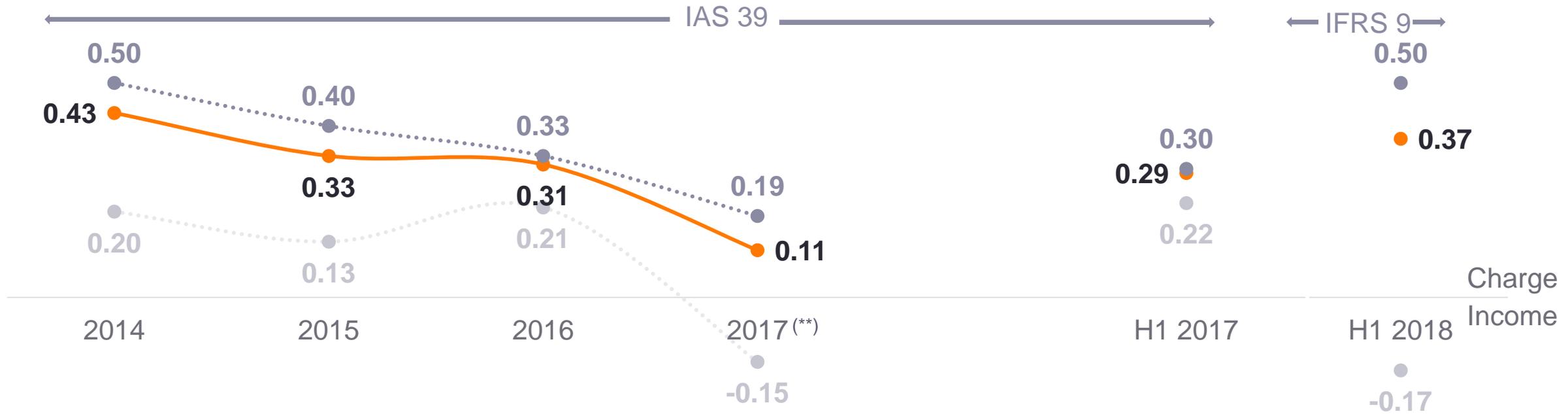
⁽³⁾ Including country risk

⁽⁴⁾ Other exceptional income and charges and share of equity-accounted companies' result

COST OF RISK (*)



- Cost of risk in percentage of average performing assets at **0.37% (+8bp vs. H1 2017):**



- Total cost of risk
- Customer cost of risk
- Dealer cost of risk

(*) Cost of risk = Impairment allowances - Reversal of impairment + Losses on receivables written off - Amounts recovered on loans written off

(**) Improvement in the economic environment, a variable used in calibrating provisions on sound Dealer outstandings, led to reversals of provisions on the Dealer financing portfolio. The cost of risk was thus negative (income)

RESIDUAL VALUE METRICS



- **Residual value risk borne by RCI Banque:**
 - In most countries, residual value risk carried by carmakers or dealers
 - Residual value exposure borne by RCI Banque mostly located in the UK
 - Low and controlled overall exposure on residual values

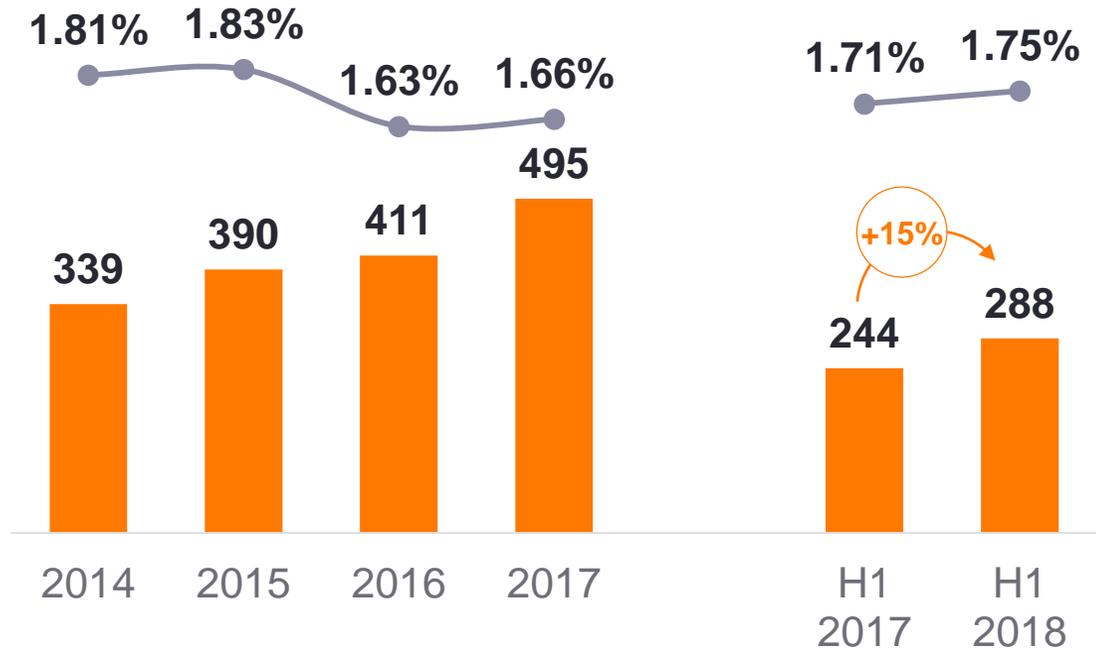
	2014	2015	2016	2017	H1 2018
Residual value risk (€m)	912	1,649	1,899	1,981	2,052
Provisions (€m)	6	15	36	67	65
Provisions (%)	0.6%	0.9%	1.9%	3.4%	3.2%

- Increase in UK residual value exposure due to:
 - Rise in UK volumes
 - Internalization (July 2014) of fleet financing business, previously externalized

SERVICES

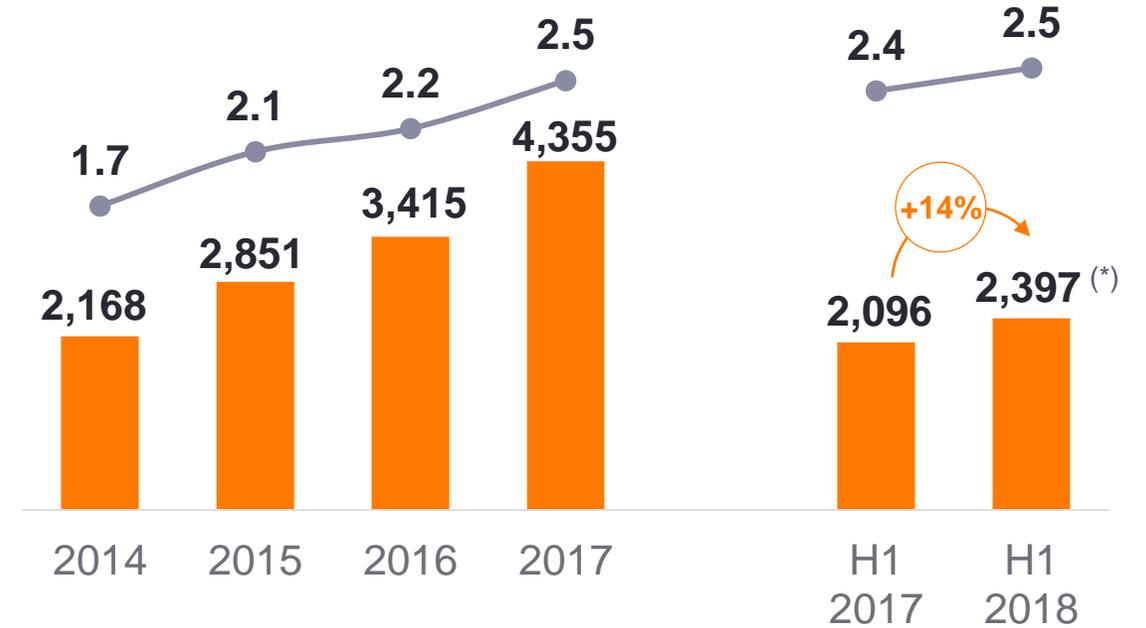


● **Margin on services:**



■ Margin on services (€m)
● Margin in % of average Customer assets

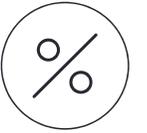
● **New services contracts:**



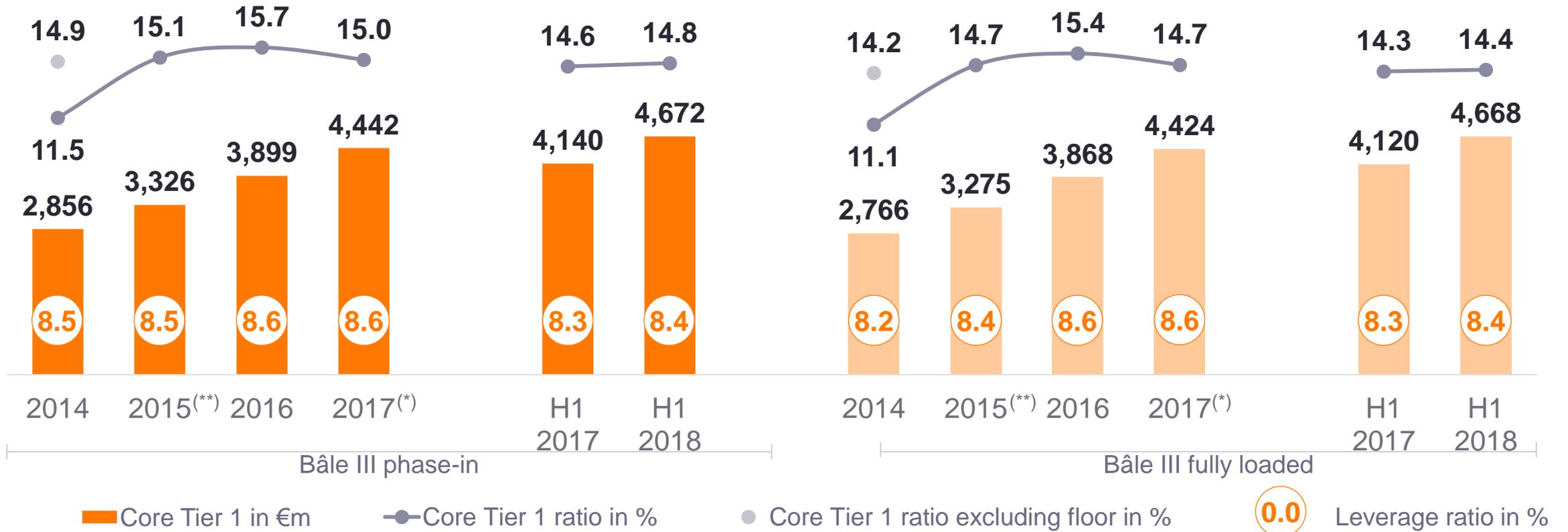
■ Services contracts (thousands)
● Ratio of services sold per vehicle contract

^(*) Of which 1,209k (50%) car centric, 839k (35%) finance centric and 349k (15%) customer centric contracts

SOLVENCY



● Core Tier 1 ratio at **14,8%**:



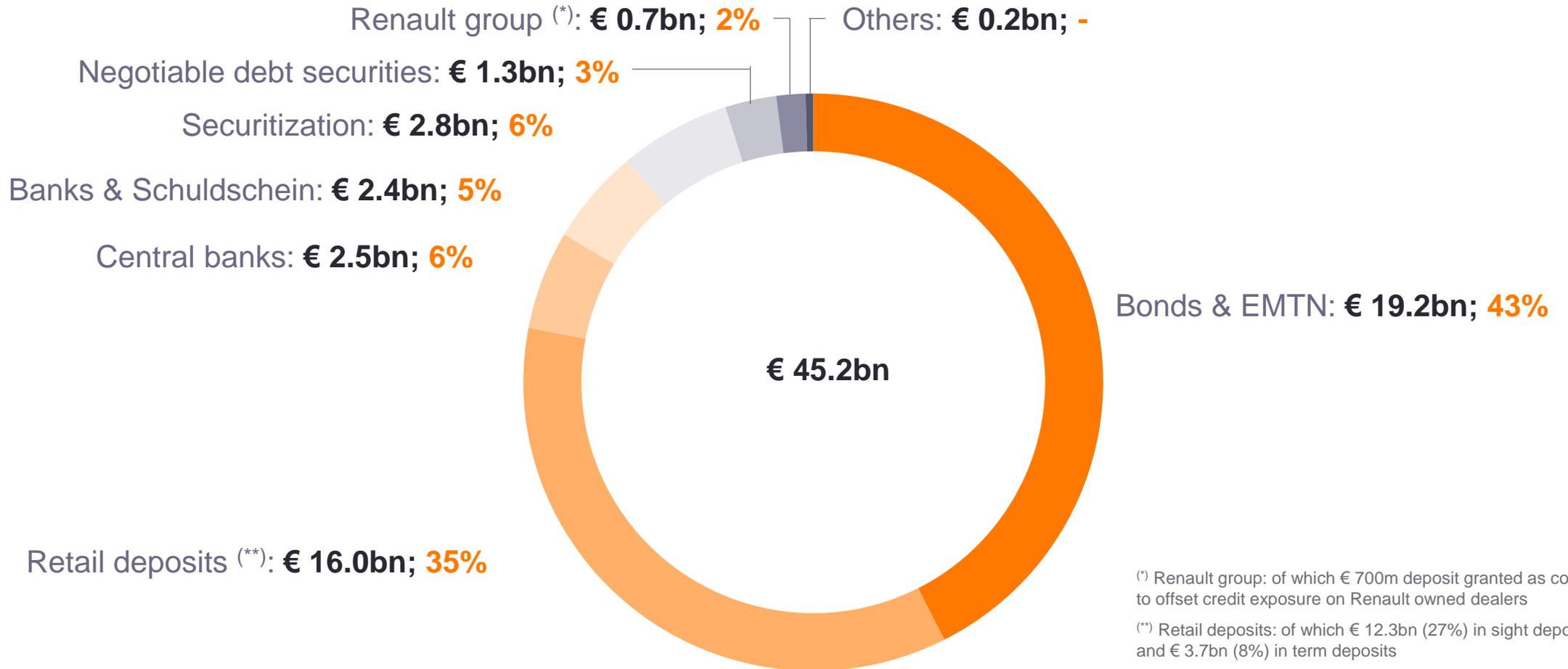
(*) 2017: The ratio includes a recalibration of certain parameters of internal models used for risk weighted assets calculation. In addition, subject to the ongoing control and validation works, the application of IFRS 9 should have a maximum impact on the solvency ratio estimated at -0.20%

(**) 2015: A clarification with the regulator of the methodology used to calculate the regulatory capital requirements, led RCI to exclude the additional capital requirement linked to the Basel I floor. The Core Tier 1 ratio at 2015 end also includes a post-publication methodological adjustment on RWA for operational risk. Excluding this adjustment, the ratio would have been 15.6%

3

FINANCIAL POLICY AND FUNDING

DEBT STRUCTURE AT JUNE 2018 END



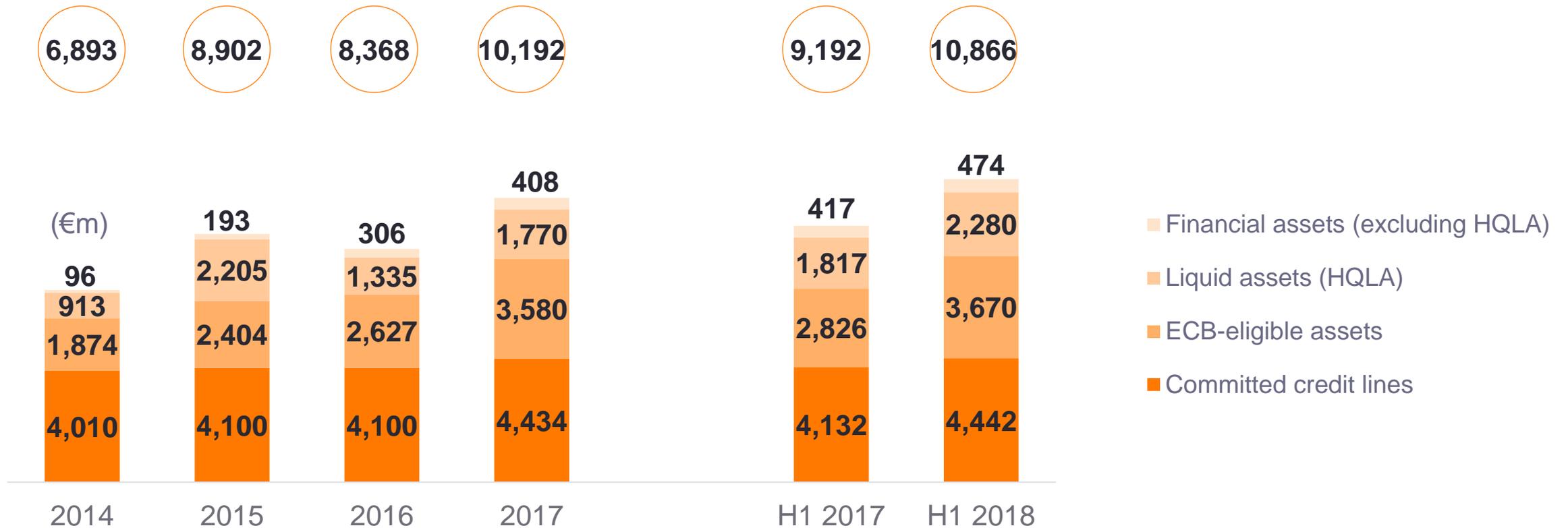
(*) Renault group: of which € 700m deposit granted as collateral to offset credit exposure on Renault owned dealers

(**) Retail deposits: of which € 12.3bn (27%) in sight deposits and € 3.7bn (8%) in term deposits

LIQUIDITY RESERVE (*)

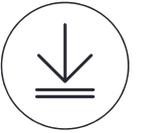


- Liquidity reserve at **€ 10.9bn**:



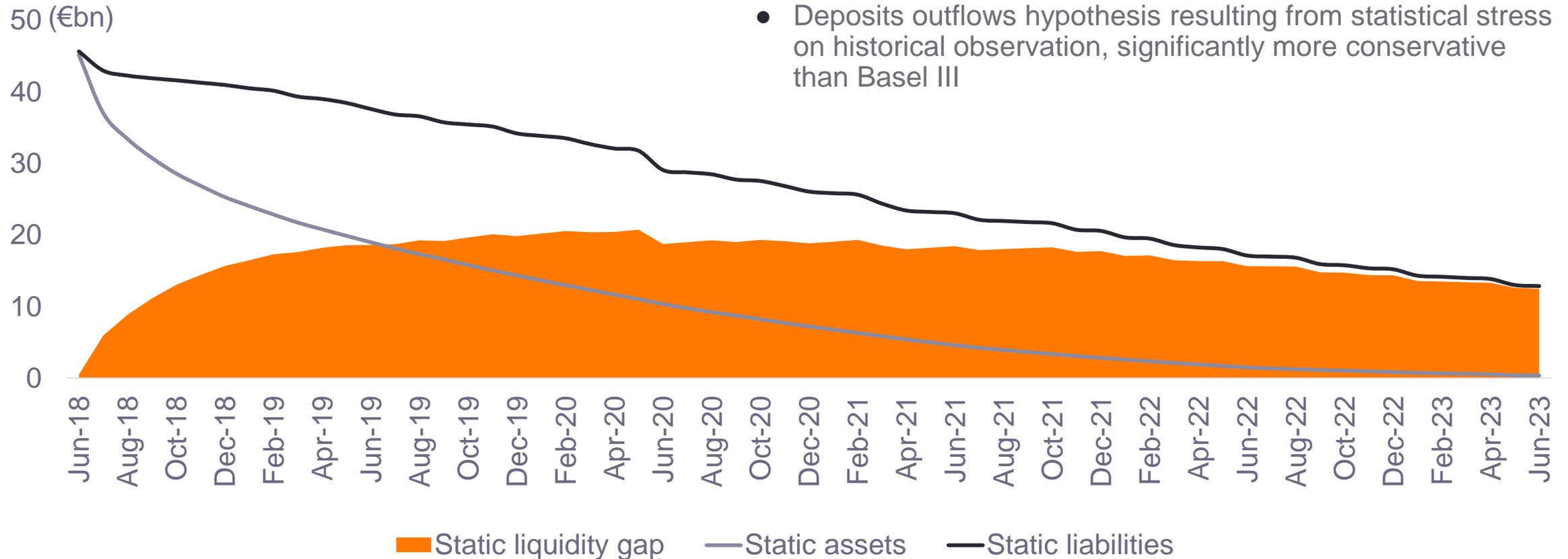
(*) European scope

STATIC LIQUIDITY (*)



● **Static liquidity position at June 2018 end:**

- Assets funded with longer dated liabilities
- Deposits outflows hypothesis resulting from statistical stress on historical observation, significantly more conservative than Basel III



(*) On a specific date, the static liquidity represents the sum of the outstanding financial liabilities plus equity, minus the outstanding assets (mainly loans to Dealers and Customers); in each case assuming no balance sheet changes from the date of calculation. European scope

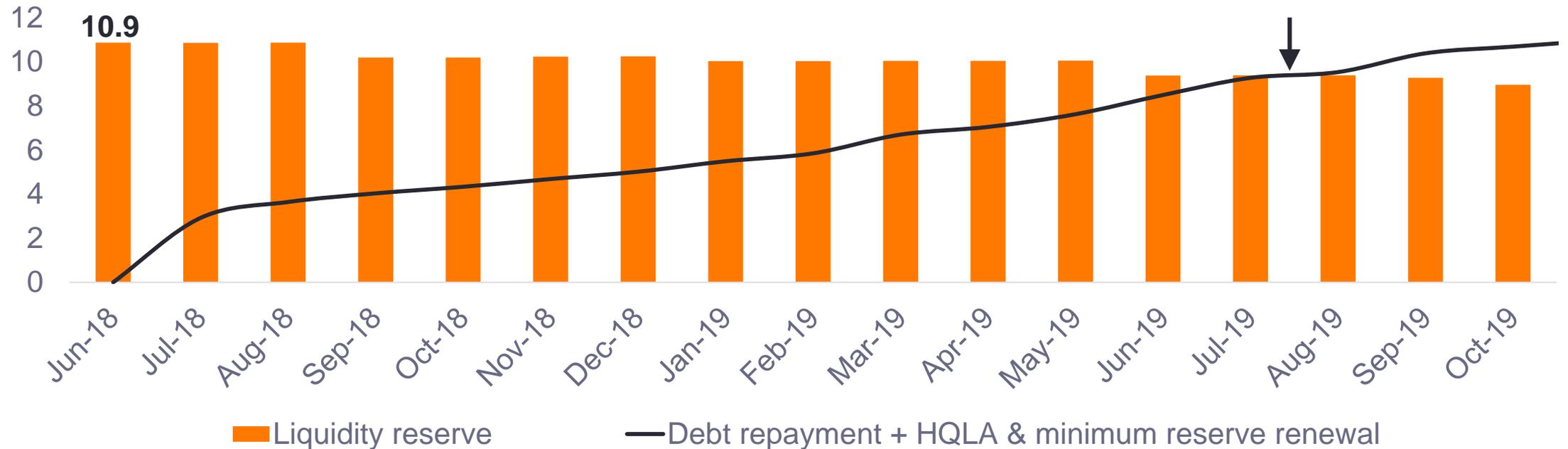
LIQUIDITY STRESS SCENARIO (*)



- **Liquidity stress scenario giving more than 12 months of visibility at June 2018 end:**

- Stable balance sheet
- No access to new market funding
- Compliance with 100% LCR
- Stressed deposit outflows hypothesis

(€bn)



(*) European scope

RETAIL DEPOSITS



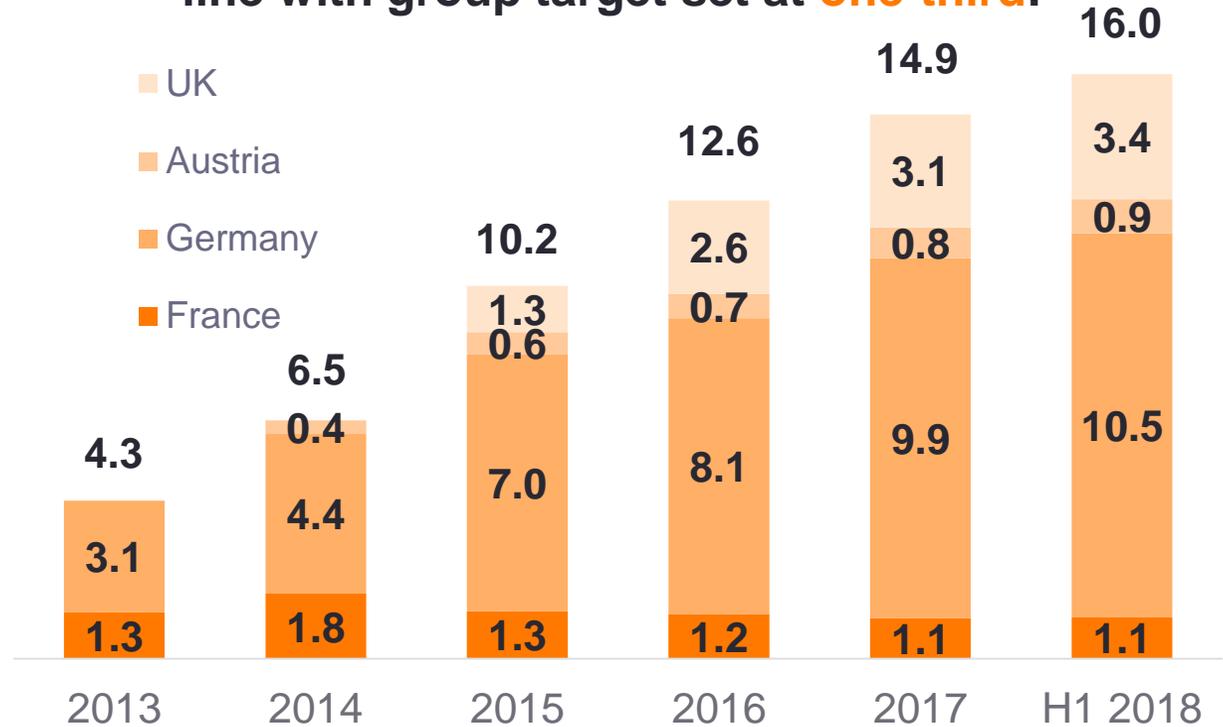
- **Retail deposits reaching € 16 bn:**

- Of which 77% in sight deposits and 23% in term deposits
- Saving products for retail customers
- 100% on-line through dedicated websites

- **Launch of deposit activity in:**

-  France in February 2012 
-  Germany in February 2013 
-  Austria in May 2014 
-  UK in June 2015 

- **Deposits/commercial assets ratio at 35%, in line with group target set at one-third:**



Deposits/commercial assets ratio (%)	2013	2014	2015	2016	2017	H1 2018
	17%	23%	32%	33%	34%	35%

2018 FUNDING PLAN (*)



- **Capital markets and ABS (€bn):**

	2014	2015	2016	2017	H1 2018	2018 (**)
Bond issuances	2.8	3.2	4.4	6.3	3.3	[4-4.5]
Other long-term senior unsecured	0.1	0.4	0.2	0.1	0.0	0.0
Total long-term senior unsecured	2.9	3.7	4.6	6.4	3.3	[4-4.5]
ABS (public or conduit)	1.1	0.8	0.9	0.2	0.7	0.7

- RCI has diversified its investor base by issuing **non euro-denominated bonds**
- Issues in several currencies including **CHF, USD and GBP**
- Several 7-year bonds issued since 2014 and new **8-years** tenor launched in 2018
- A **dual-tranche** bond in EUR issued in 2018

Deposits (new collection, in €bn)	2.2	3.7	2.3	2.4	1.1
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(*) European scope

(**) Forecast as of June 2018

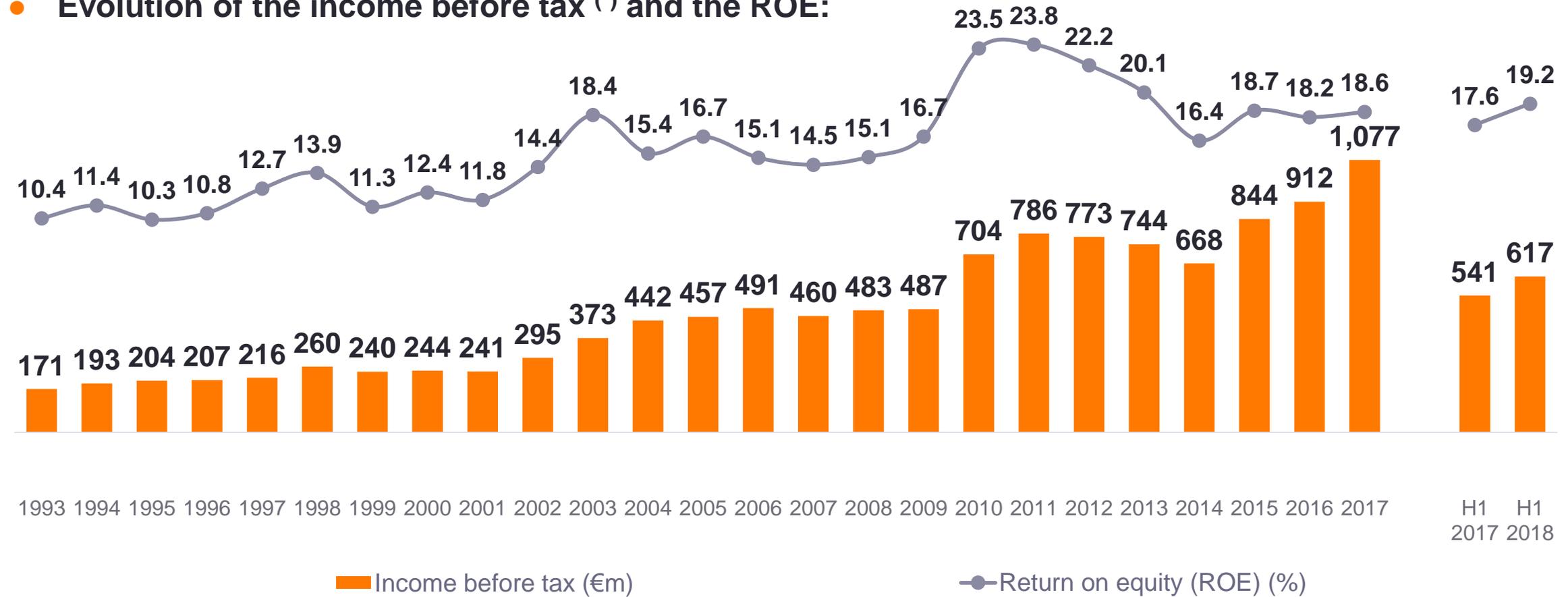


APPENDICES

LITTLE VOLATILITY ON LONG-TERM RESULTS AND PROFITABILITY

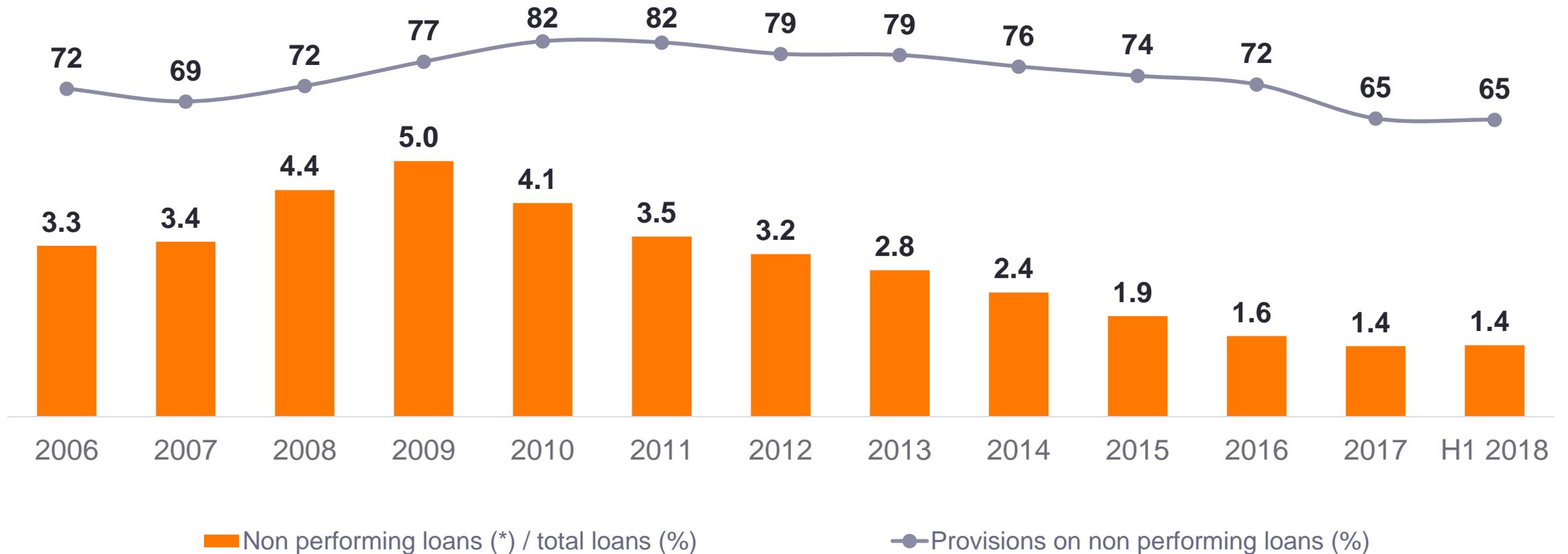


● Evolution of the income before tax (*) and the ROE:



(*) IFRS since 2004

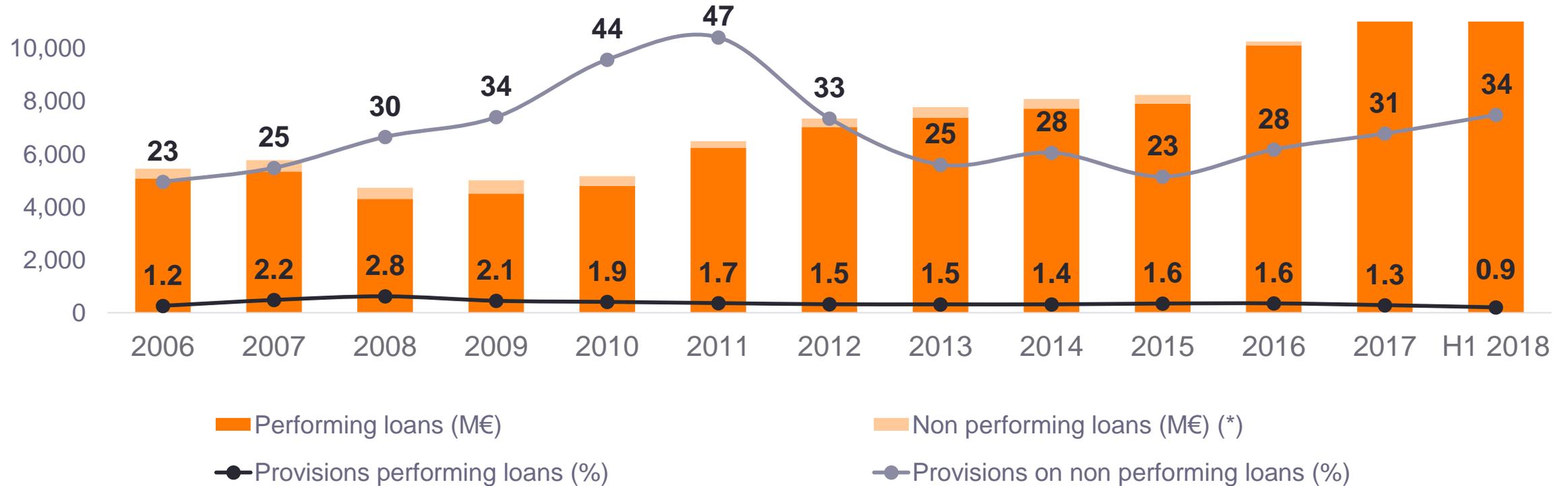
PROVISIONING FOR CUSTOMER ACTIVITY



(*) Non performing loans : Doubtful and compromised loans until 31/12/2017 (IAS 39 definition) – Loans in default (Bucket 3 IFRS9) since 01/01/2018.

Doubtful loans (IAS 39): installment unpaid for more than 3 months. Compromised loans (IAS 39): the counterparty is declared to have defaulted on a loan or a lease agreement is terminated.
Loans in default (Bucket 3 IFRS 9): installment unpaid for more than 3 months.

PROVISIONING FOR DEALER ACTIVITY



(*) Non performing loans : Doubtful and compromised loans until 31/12/2017 (IAS 39 definition) – Loans in default (Bucket 3 IFRS9) since 01/01/2018.

Doubtful loans (IAS 39): installment unpaid for more than 3 months. Compromised loans (IAS 39): the counterparty is declared to have defaulted on a loan or a lease agreement is terminated. Loans in default (Bucket 3 IFRS 9): installment unpaid for more than 3 months.



DEALERS: LOSSES ON RECEIVABLES WRITTEN OFF



COMMERCIAL ACTIVITY (*)



	Financing penetration rate (%)		New vehicle contracts (thousands)		New financings (**) (€m)		Net assets at year-end (€m)		o/w Customer net assets at year-end (€m)		o/w Dealer net assets at year-end (€m)	
	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018	H1 2017	H1 2018
Europe	40.8	43.2	671	725	8,612	9,428	36,932	41,764	27,236	31,119	9,696	10,645
of which Germany	43.1	42.2	93	95	1,366	1,452	6,363	7,220	4,905	5,775	1,458	1,445
of which Spain	50.0	53.2	74	86	854	1,042	3,764	4,555	2,953	3,618	811	937
of which France	42.4	44.2	228	248	2,867	3,082	12,791	14,348	9,193	10,318	3,598	4,030
of which Italy	57.2	62.0	104	113	1,449	1,583	4,860	5,651	3,786	4,376	1,074	1,275
of which UK	27.7	34.1	68	71	973	1,054	4,687	4,944	3,730	3,971	957	973
of which other countries	31.1	31.5	104	111	1,102	1,215	4,467	5,046	2,669	3,061	1,798	1,985
Asia-Pacific (South Korea)	58.6	55.1	38	30	593	437	1,474	1,506	1,454	1,486	20	20
Americas	38.5	35.7	87	101	784	784	2,428	2,376	1,947	1,921	481	455
of which Argentina	35.9	27.8	27	27	201	158	462	371	333	267	129	104
of which Brazil	37.5	38.9	49	64	475	530	1,761	1,701	1,474	1,400	287	301
of which Colombia	49.3	45.2	12	11	108	96	205	304	140	254	65	50
Africa, Middle East, India	20.1	25.5	25	26	114	138	402	459	318	374	84	85
Eurasia	27.2	26.8	62	65	249	268	170	208	159	197	11	11
TOTAL	38.2	39.7	883	947	10,352	11,055	41,406	46,313	31,114	35,097	10,292	11,216

(*) Figures refer to Personal Car (PC) + Light Utility Vehicle (LUV) market

(**) Excluding cards and personal loans

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THANK YOU

