

CREDIT OPINION

30 June 2025

Update

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RATINGS

RCI Banque

Domicile	Paris, France
Long Term CRR	A3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Baa1
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Baa1
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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RCI Banque

Update to credit analysis

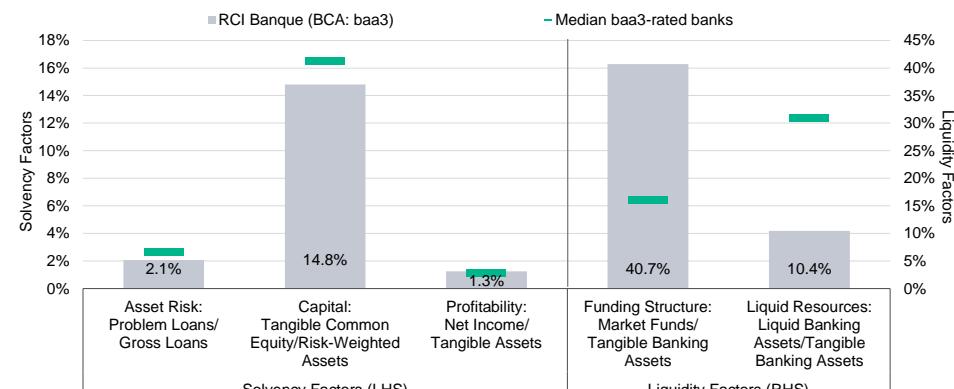
Summary

RCI Banque's Baa1 long-term deposit and senior unsecured debt ratings reflect the bank's Baseline Credit Assessment (BCA) and Adjusted BCA of baa3; and two notches of uplift under our Advanced Loss Given Failure (LGF) analysis, stemming from the large volume of senior unsecured long-term debt resulting in a very low expected loss rate on these instruments.

RCI's baa3 BCA reflects the bank's strategic importance for its parent [Renault S.A.](#) (Ba1 positive), and its sound financial fundamentals, including moderate asset risk, capitalisation that is commensurate with its risk profile and good profitability. At the same time, the BCA is constrained by the bank's lack of business diversification, exposures to car dealers and high reliance on confidence-sensitive wholesale funding.

Exhibit 1

Rating scorecard- Key financial ratios



Credit strengths

- » RCI is essential to its parent's strategy.
- » The bank's asset risk is moderate.
- » Capitalisation is commensurate with the bank's risk profile.
- » RCI has maintained sound profitability through the credit cycle.
- » The bank has limited refinancing risk, an increasing deposit base and an adequate liquidity buffer.

Credit challenges

- » RCI's risk profile remains high mainly because of its captive status and lack of business diversification.
- » The car market is cyclical.
- » The bank has some credit concentration in car dealers.
- » Exposure to residual value risk is material and increasing.
- » The bank relies on wholesale funding to a significant degree.

Outlook

The stable outlook on RCI's long-term deposit and senior unsecured debt ratings is underpinned by our expectation that the bank will maintain its good capitalisation, stable profitability and solid liquidity over the next 12-18 months, while asset-quality deterioration will remain contained. We also expect RCI's liability structure to stay largely unchanged.

Factors that could lead to an upgrade

- » RCI's long-term deposit and senior unsecured debt ratings may be upgraded if both its BCA and the rating of Renault are upgraded.
- » An improvement in RCI's BCA could result from stronger asset quality, higher capital, improved profitability, and a greater proportion of deposits in its funding mix.

Factors that could lead to a downgrade

- » Given the intrinsic links between the captive and its automotive parent, RCI's ratings are highly dependent on the creditworthiness of Renault. Therefore, a downgrade of Renault's ratings would likely result in a similar action on RCI's ratings.
- » A downgrade of RCI's ratings could also result from a substantial deterioration in the bank's asset quality, capital and profitability; or a deterioration in the funding profile.
- » A substantial reduction in outstanding senior unsecured debt could lead to a higher expected loss on this instrument and in turn would prompt a lower rating.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

RCI Banque (Consolidated Financials) [1]

	12-24 ²	12-23 ²	12-22 ²	12-21 ²	12-20 ²	CAGR/Avg. ³
Total Assets (EUR Million)	72,950.0	65,196.0	60,397.0	56,236.0	58,886.0	5.5 ⁴
Total Assets (USD Million)	75,539.5	72,019.1	64,458.5	63,721.3	72,050.3	1.2 ⁴
Tangible Common Equity (EUR Million)	6,386.0	6,282.0	6,080.0	6,033.0	6,194.0	0.8 ⁴
Tangible Common Equity (USD Million)	6,612.7	6,939.4	6,488.9	6,836.0	7,578.7	(3.4) ⁴
Problem Loans / Gross Loans (%)	2.1	2.1	2.0	2.3	1.6	2.0 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	14.8	15.8	16.7	18.1	17.8	16.6 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	17.3	16.1	14.3	14.9	10.6	14.6 ⁵
Net Interest Margin (%)	2.0	2.1	2.2	2.1	2.2	2.1 ⁵
PPI / Average RWA (%)	3.4	3.2	3.9	3.6	3.9	3.6 ⁶
Net Income / Tangible Assets (%)	1.3	1.2	1.2	1.5	1.4	1.3 ⁵
Cost / Income Ratio (%)	35.5	36.7	31.8	31.5	30.7	33.2 ⁵
Market Funds / Tangible Banking Assets (%)	40.7	39.0	40.3	42.7	45.6	41.7 ⁵
Liquid Banking Assets / Tangible Banking Assets (%)	10.4	10.2	13.2	15.4	15.2	12.9 ⁵
Gross Loans / Due to Customers (%)	200.7	193.0	200.8	210.9	226.2	206.3 ⁵

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Ratings and company filings

Profile

RCI Banque is a captive finance company and a wholly owned subsidiary of the French auto manufacturer Renault. RCI provides financial services for Renault Group brands (Renault, Dacia, Alpine and Mobilize) as well as for Nissan and Mitsubishi Motors in the Netherlands, France and Italy. As of December 2024, the bank operated in 35 countries, divided into four major world regions: Europe, the Americas, Africa-Middle East-India and Pacific. It offers financing solutions to retail customers and corporate clients (77% of total net outstanding financing; see Exhibit 3) as well as loans to dealers to help them finance their inventories and activities (23%, see Exhibit 3). Ancillary products and services, such as insurance, warranty extensions and maintenance contracts, have been developed over the years to improve customer loyalty and boost profitability.

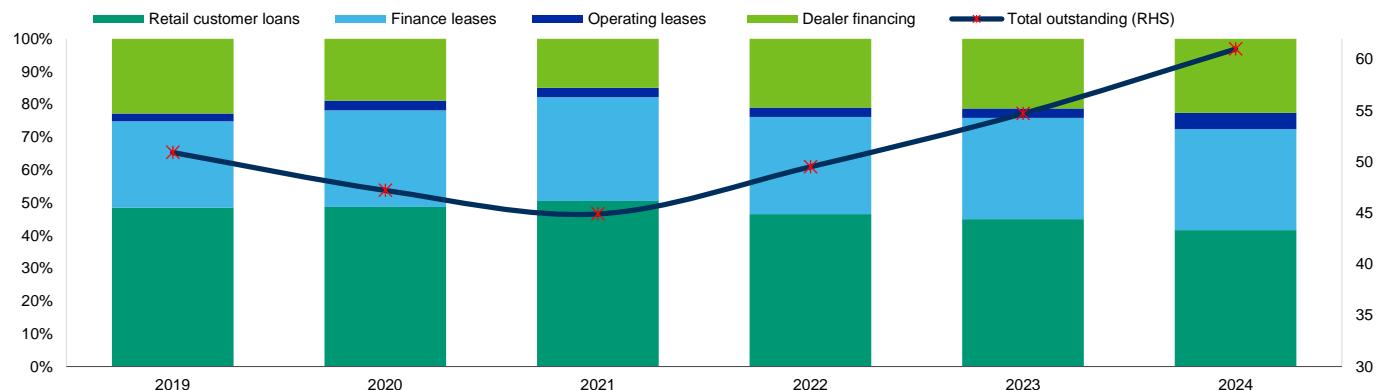
Because RCI is chartered as a bank, it has to comply with all the European regulations: Capital Requirements Directive (CRD5), Capital Requirements Regulation (CRR2), Bank Recovery and Resolution Directive (BRRD2), among others. The bank has been directly supervised by the European Central Bank since January 2016 because it is considered a "Significant Institution", given the size of its balance sheet.

As of the end of December 2024, RCI's financing penetration rate¹ was 42.3% and its consolidated balance-sheet size was €73 billion.

RCI acquired MeinAuto, a German long-term multibrand car leasing company with €1 billion in assets, in January 2024.

Exhibit 3

Financing portfolio is mostly focused on retail customer loans and leases
 Outstanding amounts breakdown (in %, left-hand scale) and total (in € billions, right-hand scale)



Sources: RCI's investor presentation and Moody's Ratings

Detailed credit considerations

Asset risks are moderate despite high concentrations and increasing exposure to residual value risk

We assign an Asset Risk score of baa2, two notches below the Macro-Adjusted score of a3. This reflects the bank's solid asset quality, though it is limited by significant concentrations to dealers and a growing exposure to residual value risk.

Asset risks at RCI are moderate because of the collateralised nature of its exposures and overall benign asset-quality metrics. The bank's problem loan ratio is contained, at 2.1% as of the end of December 2024, in line with that in the previous year. The Stage 2 loan ratio decreased to 5.9% from 6.3% during the same period. The portfolio is well provisioned, with loan loss reserves accounting for 53% of exposures in default.

However, credit risk concentration in the Renault-Nissan car dealers' distribution network is high and it represented around 23% of RCI's portfolio as of the end of December 2024, of which the biggest part are independent dealers. This exposure may be a source of risk given the degree of correlation among car dealers' performance, particularly during a downturn.

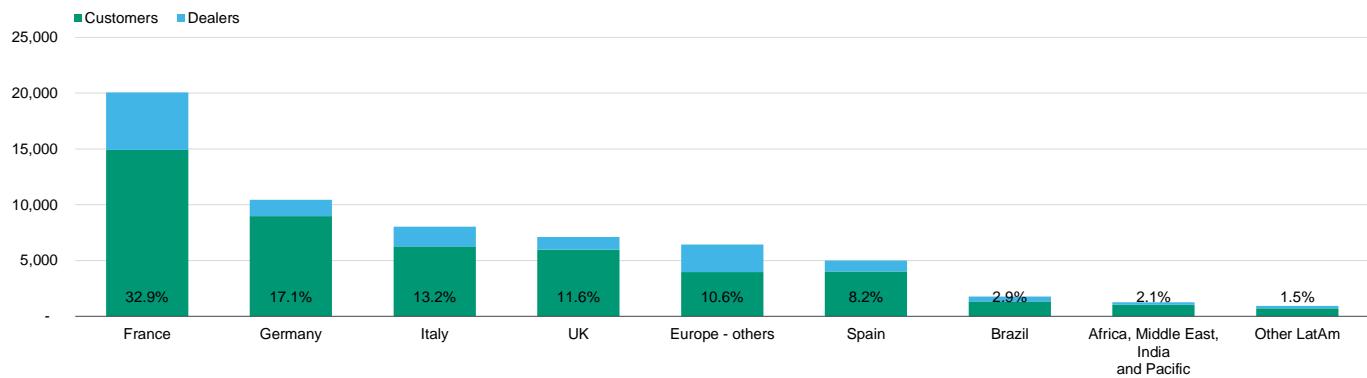
Positively, car dealers segment has historically had rather low asset risks due to the highly collateralised exposures and the fast asset rotation, which allows RCI to reduce the exposure quickly in case of a deterioration in a dealer's financial situation. The problem loan ratios in this segment are very low (0.7% of outstanding loans as of the end of December 2024). Losses on receivables written-off have been limited and rather stable (0 basis points [bps] in 2024, improved from 5 bps in 2023), while the coverage ratio² remains adequate, at 22% of defaulted dealers receivables.

However, the residual value risk is gradually increasing. Currently, most of the residual value risk on lease operations is indirect, and is borne by its parent company and dealers, amounting to €20.8 billion as of year-end 2024 (up from €17.7 billion a year earlier), which is more than 200% of the bank's tangible common equity. As RCI plans to expand used vehicle financing, subscription and operating lease offers, some residual value risk will become a direct exposure. The direct residual value risk reached €4.6 billion as of December 2024, increasing from €3.36 billion at the end of 2023. Most of RCI's residual value is tied to its UK leasing business, with an additional increase in 2024 after Meinauto was integrated.

Exhibit 4

Loan book breakdown by geography as of the end of December 2024

End-customers' and car dealers' net assets (€ millions and % of total)



Other LatAm includes Argentina and Colombia.

Sources: RCI's investor presentation and Moody's Ratings

Capitalisation is commensurate with the bank's risk profile

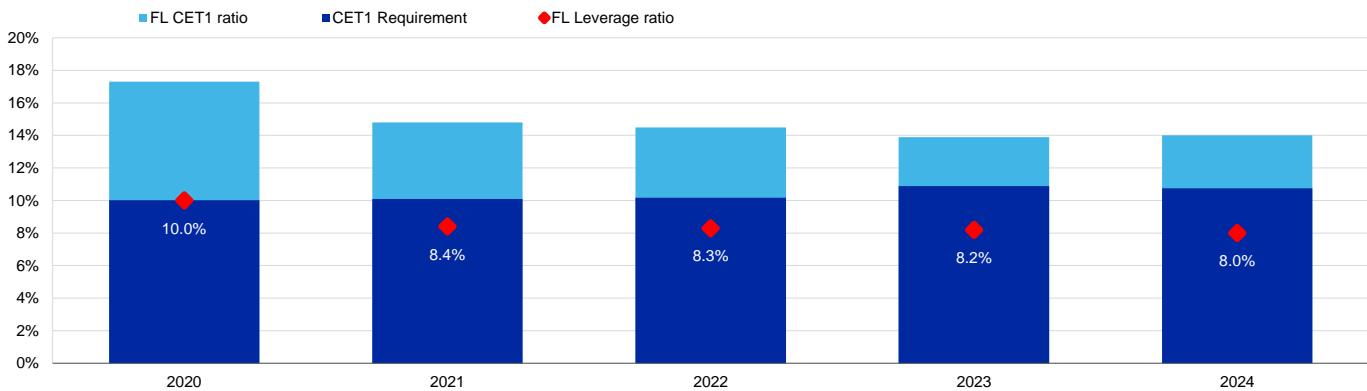
We expect the bank's economic solvency to decrease slightly, given the high dividend payout, but to remain adequate given RCI's risk profile, consistent with our assigned Capital score of a2, in line with the Macro-Adjusted score.

RCI reported a fully loaded Common Equity Tier 1 (CET1) capital ratio of 14% as of the end of December 2024, broadly flat year-on-year and in line with peers. The bank's CET1 ratio remains well above the CET1 regulatory requirement of 10.75%.³

We anticipate that the bank will continue to oversee its shareholder distributions to keep its capital buffers largely stable, even as it grows commercially. This approach has led to some fluctuations in both dividend payments and payout ratios. In 2024, the dividend amounted to €150 million, with a payout ratio of about 15%, compared to €600 million and an 85% payout ratio in 2023.

Exhibit 5

Key metrics indicate sound, although decreased, capitalisation



"FL" stands for "fully loaded".

Sources: RCI and Moody's Ratings

RCI has maintained sound profitability despite the cyclical nature of the car manufacturing market

Our assigned Profitability score of baa1 is in line with the Macro-Adjusted score.

RCI has consistently generated good earnings (with net banking income exceeding or nearing 4% of average performing assets), supported by several factors:

- » The resilience of the bank's net interest income stems from its profitable car-financing activities including packaged products, such as leasing associated with ancillary services, which are less price sensitive than plain vanilla loans, and contained funding costs.

- » The high number of service contracts sold per vehicle helps maintain a strong service margin as a percentage of average customer assets.
- » The relatively long tenure of the car-financing contracts mitigates to some extent the effects of car manufacturing market cycles and reduces income volatility.

RCI's return on assets was 1.35% in 2024, slightly higher than the 1.2% reported in 2023 and 2022, mainly due to increased volumes, which offset the compressed net interest margin.

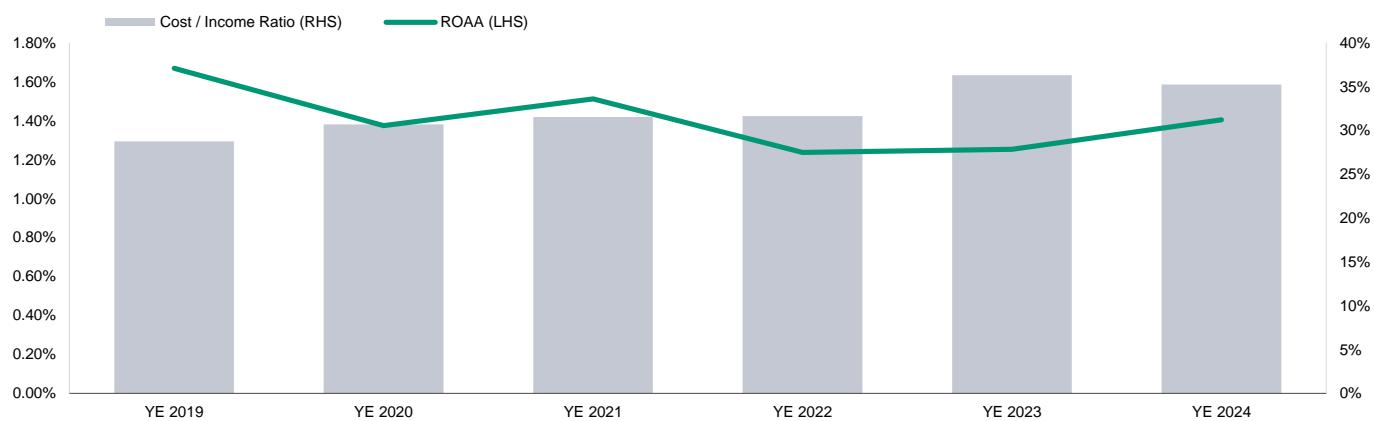
RCI's profitability in 2023 and 2024 was impacted by certain nonrecurring factors, including the realisation of swap valuations⁴ in 2023 and the consolidation of MeinAuto starting at the beginning of 2024.

RCI demonstrates sound cost efficiency, with a cost-to-income ratio of 35.2% in 2024, which is well positioned compared with that of peers. This high level of cost efficiency is due to Renault and its car dealer network covering several expenses related to financing activities, such as those linked to distribution channels.

The bank's cost of risk remained stable at 31 basis points of average performing assets in 2024, compared to 30 basis points in 2023. Nonetheless, we expect a slight rise due to a challenging operating environment, including slow GDP growth in Western Europe and evolving global economic policies, which are likely to outweigh the positive effects of lower interest rates for consumers.

Exhibit 6

RCI demonstrates sound cost efficiency and profitability



Sources: RCI and Moody's Ratings

RCI relies on wholesale funding, a credit weakness, mitigated by its limited refinancing risk, increasing deposit base and adequate liquidity buffer

The assigned combined Liquidity score of ba2 reflects RCI's reliance on wholesale funding and limited maturity mismatches, as well as the fact that its growing deposit base consists entirely of confidence-sensitive online deposits. The score also takes account of the high liquidity buffer and the availability of committed credit lines.

Wholesale funding accounted for around 49% of the bank's total funding as of December 2024. While the share of wholesale funding has reduced substantially since RCI started collecting online deposits from retail customers in 2012 (accounting for around 50% of financial liabilities over the past three years), the bank is still vulnerable to sudden changes in market confidence. Currently, more than 60% of the customer funds are sight deposits which could be less sticky than term deposits. Funding costs could also be affected by competition and market volatility, which could constrain loan origination.

RCI's reliance on wholesale funding is, however, mitigated by its efforts to finance its loan book with longer-term liabilities, resulting in little refinancing risk. The bank has been able to issue debt of various maturities and in different currencies in the markets in the past couple of years. We also acknowledge the geographical diversification of the resources and investors. The bank receives very limited

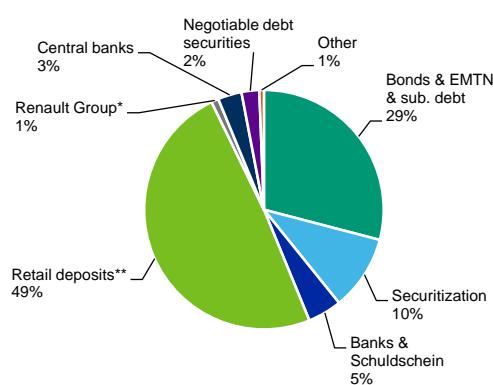
funding from Renault (see Exhibit 7). The bank's Net Stable Funding Ratio (NSFR) was 126% as of year-end 2024, which is relatively well positioned compared with that of peers.

RCI exceeds its minimum requirement for own funds and eligible liabilities, fully covered by equity. Due to its small size, the preferred strategy in case of default is liquidation rather than resolution.

Exhibit 7

Wholesale funding accounted for around half of the bank's total funding

Funding sources as a percentage of total funding (€62.3 billion), as of the end of December 2024



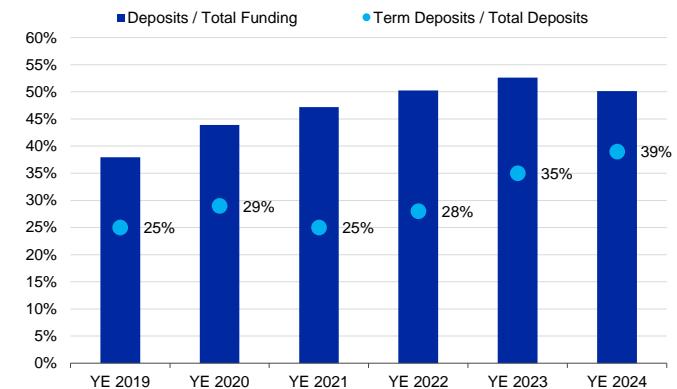
*Of this amount, €600 million were deposited as collateral to offset credit exposure for Renault-owned dealers. **Of which, €18.7 billion (30%) were sight deposits and €11.8 billion (19%) were term deposits.

Source: RCI

Exhibit 8

RCI has been increasing the proportion of retail term deposits in its funding mix, yet these remain confidence-sensitive online deposits

Deposit funding dynamics



Sources: RCI and Moody's Ratings

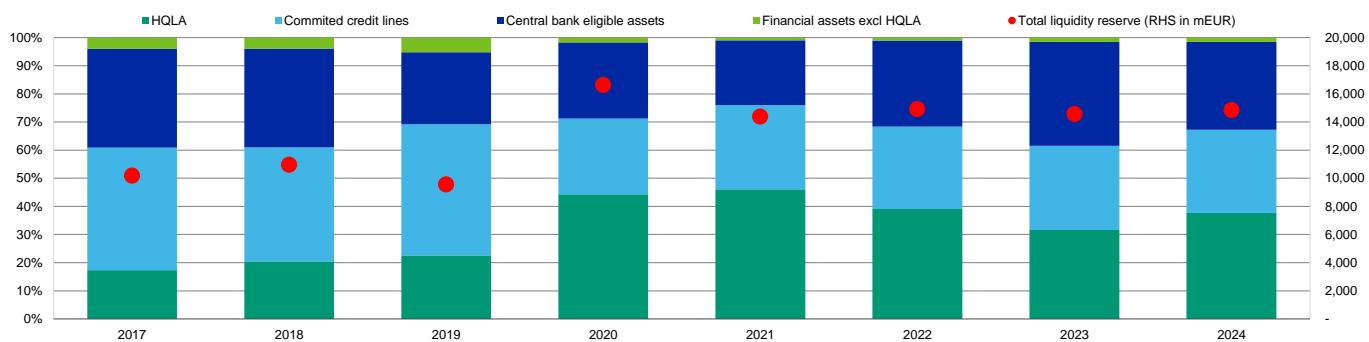
The bank also had a comfortable liquidity buffer of €14.8 billion (20% of its assets) as of December 2024 to bridge any asset and liability mismatches or temporary market access restrictions. This buffer was 38% composed of high-quality liquid assets, 31% of ECB-eligible assets and 30% of committed credit lines (see Exhibit 9). The average Liquidity Coverage Ratio (LCR) in 2024 was 550%, much stronger than that of peers. This strong level was mainly driven by limited asset and liability mismatches, coupled with a strong liquidity buffer.

In case of financial market stress, RCI estimates that it would be able to maintain its commercial business activity for 12 months without access to external funding. The bank still has a sizeable pool of assets that could be securitised and used for central bank refinancing in a stress scenario. Over 2024, the assets encumbered for securitisation or given as guarantee was €12 billion, or 16% of total assets.

Exhibit 9

RCI holds a comfortable liquidity buffer

Liquidity buffer structure in percentage and € millions



Sources: RCI and Moody's Ratings

Qualitative adjustments and affiliate constraint

Similar to other auto-captive banks, we adjust the Financial score of RCI downwards by one notch for lack of business diversification. RCI is a monoline with concentration in a single activity (auto financing), closely linked to a single carmaker. While ancillary services are an integral part of RCI's financing and mobility offering, they do not enhance the bank's diversification, which remains mainly focused on existing customers of the Renault-Nissan car brands.

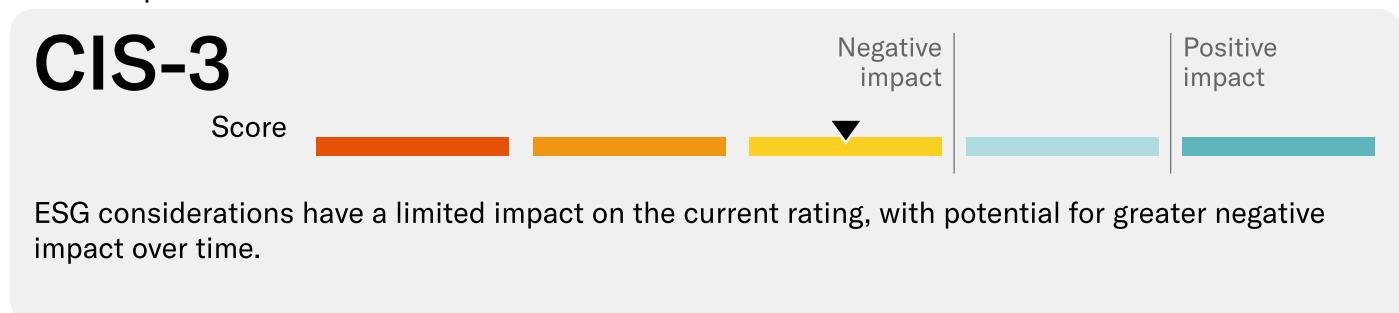
RCI's BCA is ultimately closely tied to Renault's credit strength, as it serves as a captive bank with strong commercial connections and a wider strategic function within Renault. While Renault's current rating is not a constraint on RCI's BCA, which is one notch higher than the automotive group's rating, the bank's BCA is unlikely to exceed Renault's rating by more than one notch, similar to other rated auto captives.

ESG considerations

RCI Banque's ESG credit impact score is CIS-3

Exhibit 10

ESG credit impact score



Source: Moody's Ratings

RCI's **CIS-3** indicates limited impact of ESG considerations on the ratings to date, with potential for greater negative impact over time, mainly due to high environmental and social risks. The environmental risk is driven by the exposure of its lending product to the decarbonization of the economy, similar to the exposure of its ultimate automotive parent. RCI also faces high social risks primarily reflecting the exposure of its parent Renault S.A. to societal trends and shifts in customer demand and transportation preferences.

Exhibit 11

ESG issuer profile scores



Source: Moody's Ratings

Environmental

RCI faces high environmental risks due to its role as a facilitator of sales for its parent. RCI's high carbon transition risk is consistent with the global auto manufacturing sector because of stricter environmental regulation and the trend towards low and zero emission vehicles.

Social

RCI has material exposure to demographic and societal trends, which is in line with the automotive manufacturing sector's high inherent exposure to this risk category in our social risk heat map. Heightened public awareness about the long-term hazards of climate

change are pushing automakers to develop more electrified vehicles. The increasing popularity of mobility services and the continued migration of people into urban markets where public transit is widely available is undercutting the need for consumers to buy their own cars. Possible mitigants to these risks include a business model that incorporates a substantial proportion of alternative fuel vehicles, tailored to consumers preferences and government sponsored incentives. In addition, while young consumers typically have weaker loyalty to established brands than older consumers, their affinity for new technologies can also accelerate the market's embrace of transformational features of new cars, such as electrification, connectivity and autonomous driving.

Governance

RCI faces low governance risks, given the limited reliance of its funding and liquidity on the parent. The bank has well-developed risk management and governance practices in place, in line with industry practices. RCI's score for board structure, policies and procedures is aligned with that of Renault, given RCI's strategic importance to its parent. The bank is a regulated and supervised entity, which mitigates risks from limited board independence.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moody's.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

We believe RCI benefits from a high probability of support from its parent, Renault. This view is underpinned by the bank's strategic importance to the car manufacturer. The bank is a wholly owned subsidiary of Renault and is fully integrated into its strategy. RCI finances more than 40% of the new vehicles registered by Renault Group brands, which highlights the bank's critical role as a financial captive in facilitating car sales. The bank also plays a critical role for Renault through the financing of its dealer network.

To date, RCI's ratings have not benefited from any uplift for affiliate support from Renault because Renault's rating is lower than the bank's baa3 BCA.

Loss Given Failure (LGF) analysis

Our Advanced LGF analysis applies to RCI, given that the bank is subject to an operational resolution regime under the BRRD, which was incorporated into French law on 20 August 2015.

In accordance with our Banks Methodology, we apply our Advanced LGF analysis, taking into consideration the risks faced by the different debt and deposit classes across the liability structure should the bank be put in resolution. We assume residual tangible common equity of 3% and post-failure losses of 8% of tangible banking assets, a 25% runoff in junior deposits and a 5% runoff in preferred deposits, and assign a 25% probability to junior deposits being preferred to senior unsecured debt. These are in line with our standard assumptions.

Additionally, we allocate 10% of deposits as junior, considering that the majority of our deposit base consists of online retail deposits.

Under these assumptions, RCI's deposits and senior unsecured debt are likely to face a very low loss given failure because of the loss absorption provided by the large amount of senior unsecured debt. This results in a two-notch LGF uplift from the Adjusted BCA of baa3 for both the deposit and senior unsecured debt ratings.

Government support

There is a low likelihood of government support for debt and deposits, leading to no uplift for the ratings on both long-term deposits and senior unsecured debt issued by RCI. This is due to the bank's relatively small size and its specialised car financing business.

Rating methodology and scorecard factors

Exhibit 12

Rating Factors

Macro Factors		Scorecard Factors						
Weighted Macro Profile	Strong	100%	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency								
Asset Risk								
Problem Loans / Gross Loans	2.1%	a3	↓	baa2	Sector concentration	Non lending credit risk		
Capital								
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	14.8%	a2	↔	a2	Expected trend	Nominal leverage		
Profitability								
Net Income / Tangible Assets	1.2%	baa1	↓	baa1	Earnings quality	Expected trend		
Combined Solvency Score		a3		baa1				
Liquidity								
Funding Structure								
Market Funds / Tangible Banking Assets	40.7%	b1	↔	b1	Term structure	Deposit quality		
Liquid Resources								
Liquid Banking Assets / Tangible Banking Assets	10.4%	ba1	↔	baa3	Access to committed facilities			
Combined Liquidity Score		ba3		ba2				
Financial Profile		baa2		baa2				
Qualitative Adjustments				Adjustment				
Business Diversification				-1				
Opacity and Complexity				0				
Corporate Behavior				0				
Total Qualitative Adjustments				-1				
Sovereign or Affiliate constraint				Baa3				
BCA Scorecard-indicated Outcome - Range				baa2 - ba1				
Assigned BCA				baa3				
Affiliate Support notching				0				
Adjusted BCA				baa3				
Balance Sheet		in-scope (EUR Million)	% in-scope	at-failure (EUR Million)	% at-failure			
Other liabilities		15,716	26.4%	17,560	29.5%			
Deposits		26,352	44.2%	24,507	41.1%			
Preferred deposits		23,717	39.8%	22,531	37.8%			
Junior deposits		2,635	4.4%	1,976	3.3%			
Senior unsecured bank debt		14,150	23.7%	14,150	23.7%			
Dated subordinated bank debt		1,600	2.7%	1,600	2.7%			
Junior subordinated bank debt		9	0.0%	9	0.0%			
Equity		1,788	3.0%	1,788	3.0%			
Total Tangible Banking Assets		59,615	100.0%	59,615	100.0%			

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Guidance vs. Adjusted BCA	Assigned LGF notching	Additional LGF Notching	Preliminary Rating Assessment
	Instrument	Sub- volume + ordination subordination	Instrument	Sub- volume + ordination subordination	De Jure	De Facto				
Counterparty Risk Rating	32.7%	32.7%	32.7%	32.7%	3	3	3	3	0	a3
Counterparty Risk Assessment	32.7%	32.7%	32.7%	32.7%	3	3	3	3	0	a3 (cr)
Deposits	32.7%	5.7%	32.7%	29.4%	2	3	2	2	0	baa1
Senior unsecured bank debt	32.7%	5.7%	29.4%	5.7%	2	2	2	2	0	baa1
Dated subordinated bank debt	5.7%	3.0%	5.7%	3.0%	-1	-1	-1	-1	0	ba1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a3	0	A3	A3
Counterparty Risk Assessment	3	0	a3 (cr)	0	A3(cr)	
Deposits	2	0	baa1	0	Baa1	Baa1
Senior unsecured bank debt	2	0	baa1	0	Baa1	Baa1
Dated subordinated bank debt	-1	0	ba1	0	Ba1	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Ratings

Ratings

Exhibit 13

Category	Moody's Rating
RCI BANQUE	
Outlook	Stable
Counterparty Risk Rating	A3/P-2
Bank Deposits	Baa1/P-2
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	A3(cr)/P-2(cr)
Senior Unsecured	Baa1
Subordinate -Dom Curr	Ba1
Commercial Paper	P-2
Other Short Term -Dom Curr	(P)P-2
PARENT: RENAULT S.A.	
Outlook	Positive
Corporate Family Rating	Ba1
Senior Unsecured -Dom Curr	Ba1
Commercial Paper -Dom Curr	NP
Other Short Term -Dom Curr	(P)NP
RCI BANQUE SUCURSAL ARGENTINA	
Outlook	Stable
Issuer Rating -Dom Curr	B3

Source: Moody's Ratings

Endnotes

- 1 The penetration rate represents the percentage of cars sold by Renault for which RCI provided financing to the client.
- 2 Provisions on nonperforming loans, in percentage.
- 3 This requirement consists of a 4.5% of regulatory minimum, a 1.13% of Pillar 2 Supervisory Review and Evaluation Process requirement, a 2.5% capital conservation buffer, a 0.75% countercyclical capital buffer and a 1.88% AT1 shortfall.
- 4 The effect of interest rate swaps used to hedge sight deposits, which are valued at market rates, in a scenario of increasing interest rates.

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