

RCI Banque's €850 Million Tier 2 Subordinated Notes Rated 'BB'

November 13, 2019

PARIS (S&P Global Ratings) Nov. 13, 2019--S&P Global Ratings said today that it assigned its 'BB' long-term issue rating to RCI Banque's (BBB/Negative/A-2) €850 million tier 2 fixed rate resettable subordinated notes due Feb. 18, 2030.

The issue rating reflects our analysis of the instruments and our assessment of RCI's creditworthiness.

The 'BB' issue rating on the notes is two notches below our 'bbb-' assessment of the bank's stand-alone credit profile (SACP). Since we downgraded Renault S.A. to 'BBB-' and affirmed RCI at 'BBB' (for more information, see "RCI Banque 'BBB/A-2' Ratings Affirmed On High Operating Performance Despite Renault Downgrade; Outlook Remains Negative," published Oct. 28, 2019, on RatingsDirect), RCI doesn't benefit anymore from group support, which affects our analysis in deriving the issuer credit rating.

As per the notes' terms and conditions, we consider the instruments to be subordinated to senior creditors' claims, and note that the instruments are available to absorb losses, via statutory loss absorption, at the point of the bank's nonviability. Given the lack of going-concern loss-absorption, we do not include the instruments in our calculation of RCI's total adjusted capital.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment

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www.standardandpoors.com November 13, 2019 1

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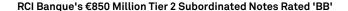
Methodology And Assumptions, Nov. 9, 2011

- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria | Financial Institutions | Banks: Commercial Paper I: Banks, March 23, 2004

Related Research

- RCI Banque 'BBB/A-2' Ratings Affirmed On High Operating Performance Despite Renault Downgrade; Outlook Remains Negative, Oct. 28, 2019
- RCI Banque, Aug. 22, 2019

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.



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