

RCI BANQUE

HALF-YEAR 2014



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01

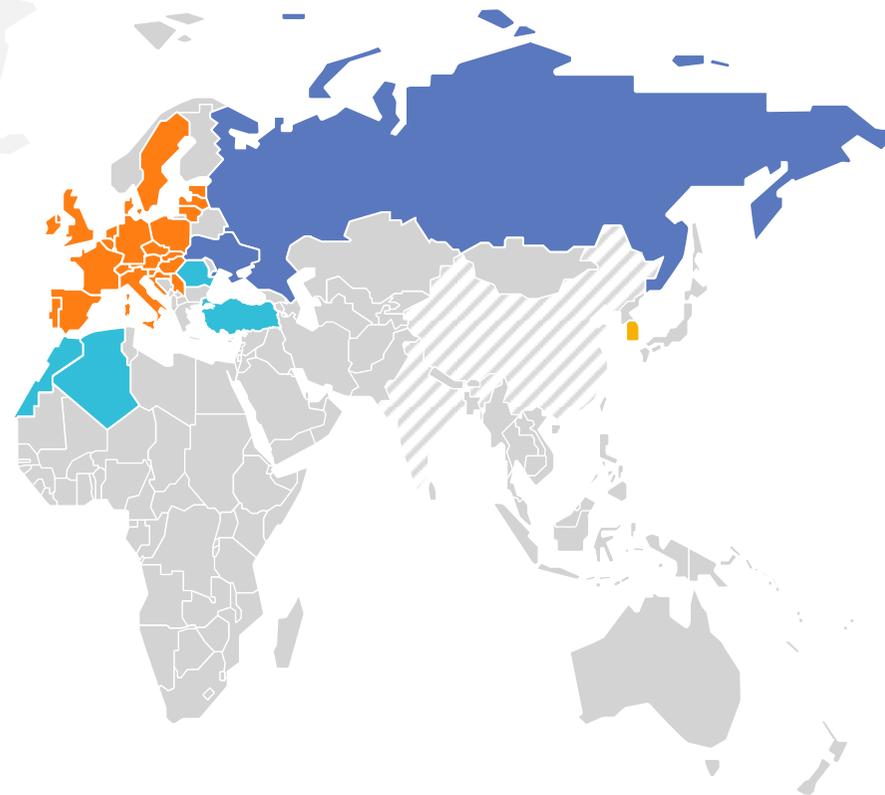
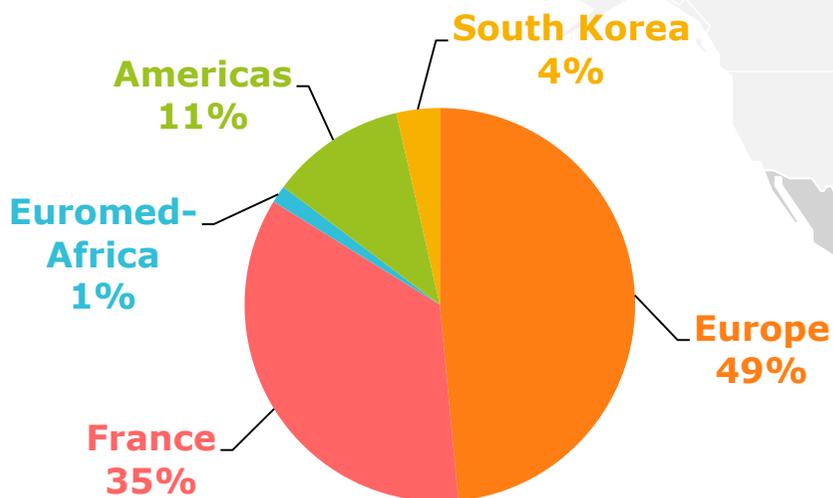
RCI BANQUE OVERVIEW



- **100% owned by Renault SA**, RCI Banque is an autonomous Business Unit specialized in car financing and related services.
- **RCI Banque supports the Renault-Nissan Alliance's sales development strategy** and helps winning customers and building loyalty to the Alliance's vehicles by providing car financing and related services.
- **5 brands financed** (Renault, Dacia, Nissan, Infiniti and Renault Samsung Motors) **in 36 countries**.

- **Europe: 26 countries**
- **Euromed-Africa: 4 countries**
- **Americas: 3 countries**
- **Eurasia: 2 countries**
- **Asia-Pacific: South Korea**

- **Net performing loans outstanding at June 2014 end by region:**



- **Mexico:** sale to Nissan in October 2013 of the 15% of *NR Finance Mexico* held by RCI.
- **Turkey:** equity method consolidation of *Orfin* (previously non-consolidated) in the second half of 2013 (with retroactive effect from January 1st 2013), impacting penetration rates, new vehicle contracts and new financings.
- **Russia:** consolidation by global integration of *RN Finance* (previously non-consolidated) in October 2013, impacting penetration rates and new vehicle contracts.
- **Russia:** creation of *RN Bank*, joint venture owned at 60% by the Alliance (30% RCI ; 30% Nissan) and 40% by UniCredit. *RN Bank* has started to provide customer loans in November 2013 and dealer financing in January 2014. It is consolidated under equity method since January 2014.



- **Bank Status** since 1991: RCI Banque is regulated as credit institution,
- **Independent risk management and funding,**
- **No cross-guarantee, no support agreement, no cross-default** between RCI Banque and Renault,
- **RCI Banque standalone rating close to average commercial bank ratings,**
- **Higher rating than parent Renault SA** (with cap at +2 notches) due to:
 - Strong financial profile (results, cost of risk, capitalization),
 - Bank status,
 - Stand alone and conservative funding,
- Moody's considers French State would provide support in the event of need, securing RCI rating into **investment grade category**.



	S&P	Moody's
Standalone	bbb- (*)	D+ / baa3 (**)
Support	Sovereign	Sovereign
Uplift	+1	+0
	↓	↓
Long term	BBB	Baa3
Short term	A2	P3
Outlook	Negative	Stable



Long term	BB+	Ba1
Short term	B	NP
Outlook	Positive	Stable



(*) **SACP**: Stand Alone Credit Profile

(**) **BSFR / BCA**: Bank Strength Financial Rating / Baseline Credit Assessment

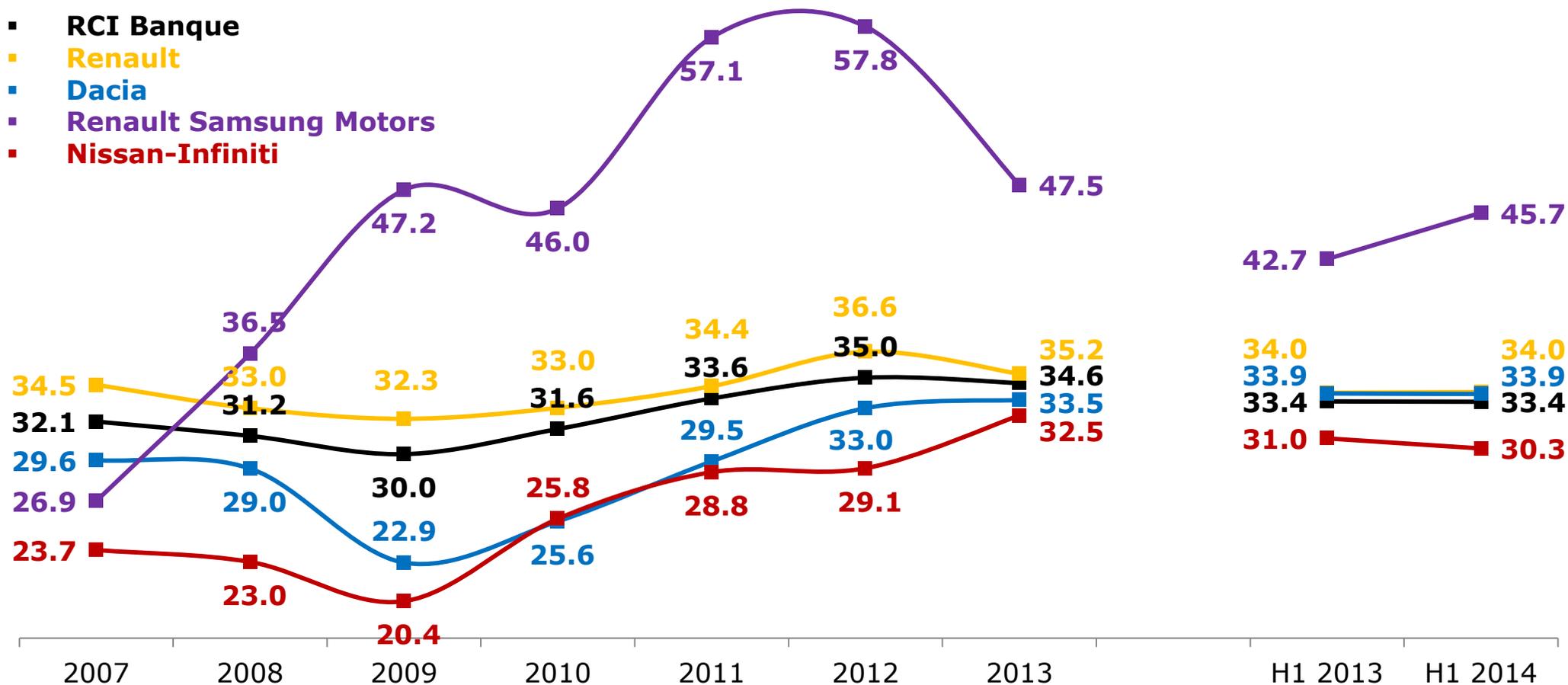
02

OPERATING HIGHLIGHTS



2013 vs. 2012: **negative impact of Turkey and Russia consolidation** (retroactive at January 2013), with lower financing intervention rates.

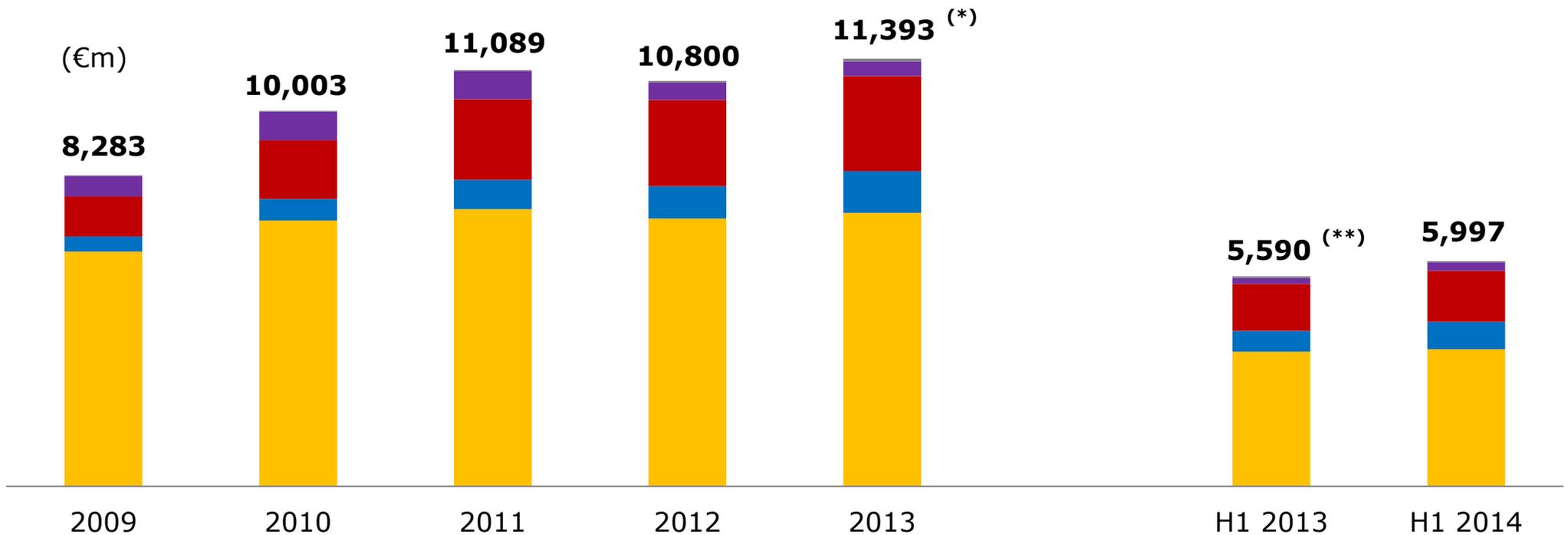
- **RCI Banque**
- **Renault**
- **Dacia**
- **Renault Samsung Motors**
- **Nissan-Infiniti**



(*) Number of new vehicles financed / new vehicles sales on RCI Banque perimeter

H1 2014 vs. H1 2013 : **increase on all brands:**

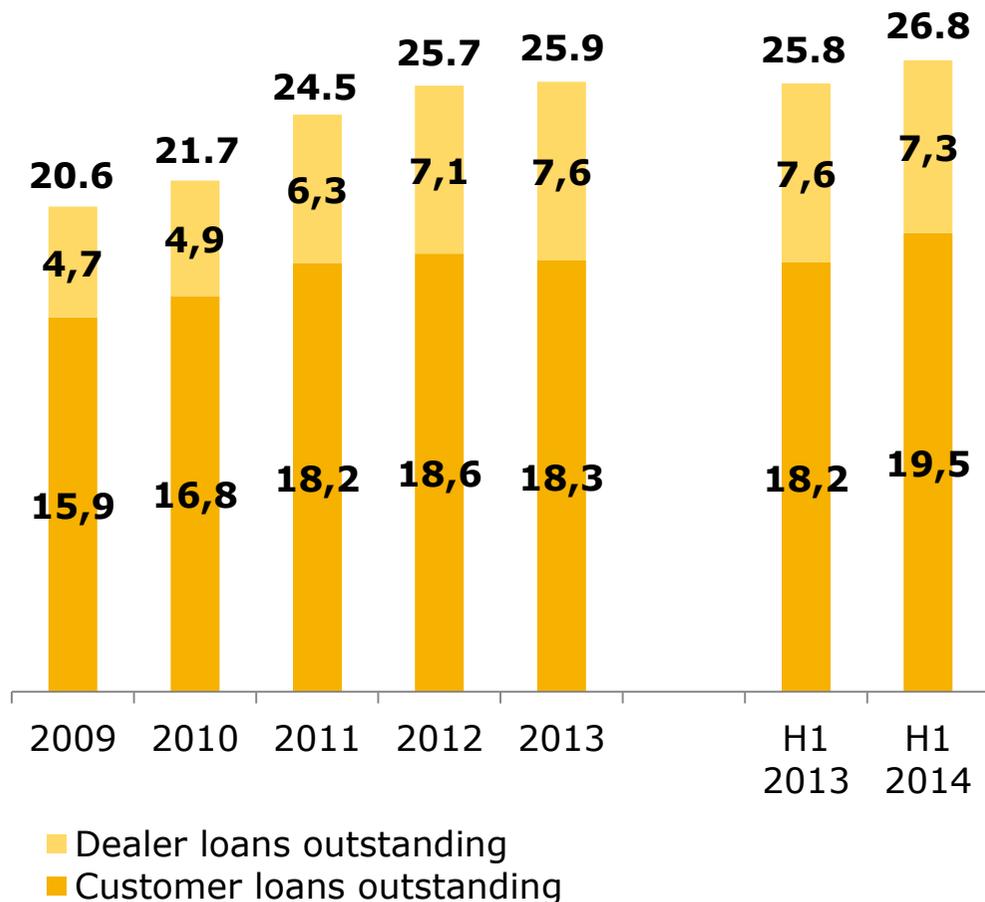
- **RCI Banque +7.3%**
- **Renault +1.8%**
- **Dacia +33.6%**
- **Renault Samsung Motors +50.7%**
- **Nissan-Infiniti +8.2%**



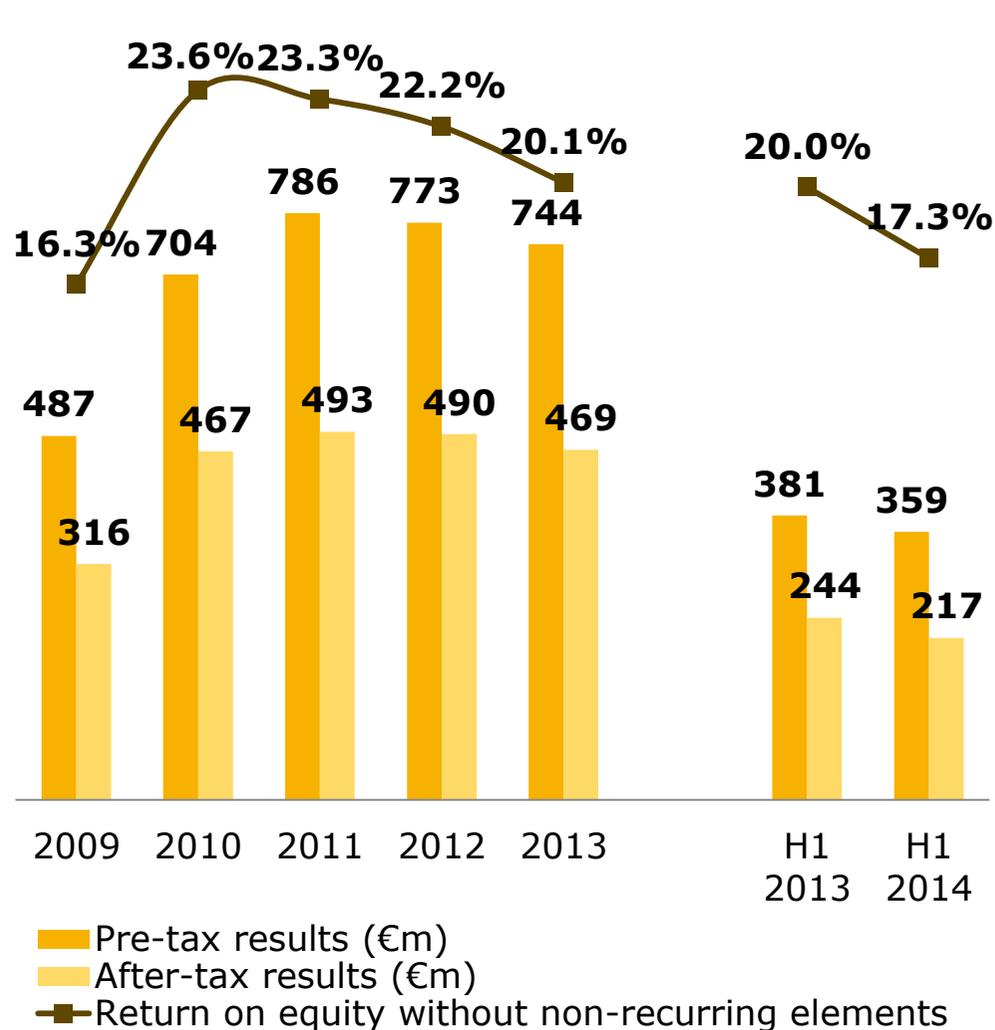
(*) No new financings for Russia in 2013 (commercial agreement)

(**) Restated to reflect the entry of Turkey into the scope of the consolidation in H2 2013, with retroactive effect from January 1st 2013

Loans outstanding at a historical level (€bn)



Increase of equity impacts ROE which remains at a high level



Profit and loss aggregates ⁽¹⁾ in % of average performing loans outstandings:

	2010	2011	2012	2013	S1 2013	S1 2014
Gross financial margin	5.16%	4.98%	4.94%	4.81%	4.85%	4.83%
Margin on services	1.01%	0.97%	1.16%	1.24%	1.22%	1.39%
Other products ⁽²⁾	0.52%	0.53%	0.51%	0.55%	0.54%	0.55%
Intermediation fee ⁽³⁾	-1.28%	-1.26%	-1.49%	-1.56%	-1.54%	-1.63%
Net banking income	5.40%	5.22%	5.12%	5.04%	5.07%	5.14%
Net banking income (€m)	1,134	1,189	1,238	1,221	604	632
Cost of risk ⁽⁴⁾	-0.40%	-0.23%	-0.38%	-0.42%	-0.40%	-0.47%
Operating expenses	-1.64%	-1.58%	-1.57%	-1.56%	-1.57%	-1.58%
OEIC and equity method ⁽⁵⁾	-0.01%	0.04%	0.02%	0.01%	0.09%	-0.17%
Pre-tax income	3.35%	3.45%	3.19%	3.07%	3.19%	2.92%
Pre-tax income (€m)	704	786	773	744	381	359

⁽¹⁾ Certain data is derived from RCI Banque's financial control reporting system.

⁽²⁾ Including but not limited to handling fees, termination fees, late charges, income from investments.

⁽³⁾ All the costs attributable to distributing of financing and related-services contracts, mainly in the form of dealers commissions.

⁽⁴⁾ Including country risk.

⁽⁵⁾ Other exceptional income and charges and share of equity-accounted companies result.

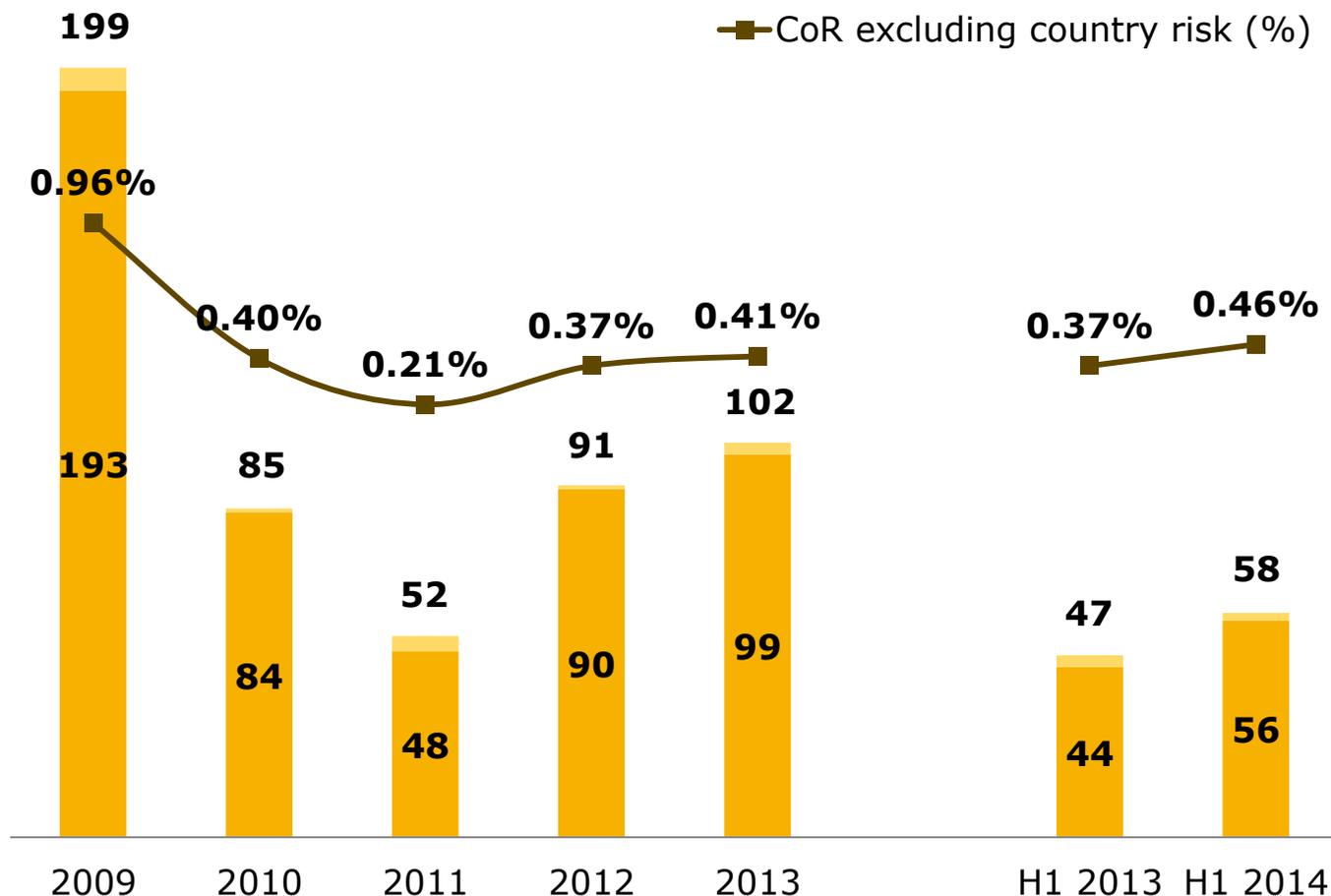


- **Total Cost of risk** (excluding country risk): **0.46%**
- **Dealers: 0.19%**
- **Customers: 0.56%**

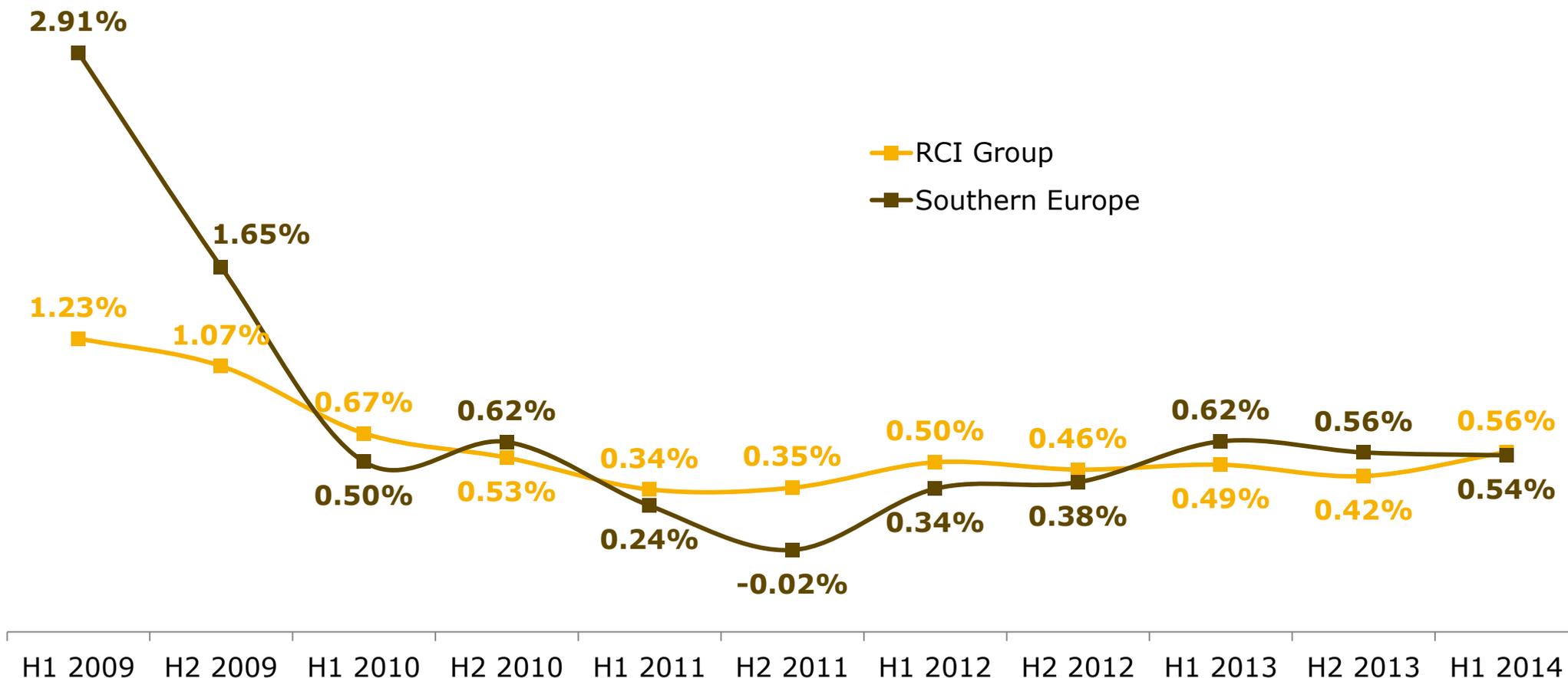
■ **Cost of risk =**
 Impairment allowances
 - Reversal of impairment
 + Losses on receivables written off
 - Amounts recovered on loans written off

■ **Country risk =** Allowances are determined on the basis of the systemic credit risk to which debtors are exposed in the event of a continued and persistent deterioration in the economic and general situation of the countries included in this base. The provision concerns assets located in countries that are not part of the Euro Zone where the sovereign S&P rating is below BBB+, and whose outstanding risk is borne by the RCI Banque group.

- CoR excluding country risk (€m)
- Country risk (€m)
- CoR excluding country risk (%)



Customer cost of risk in Southern Europe (*) in % of outstandings and excluding country risk:



(*) Southern Europe: Italy, Spain and Portugal.

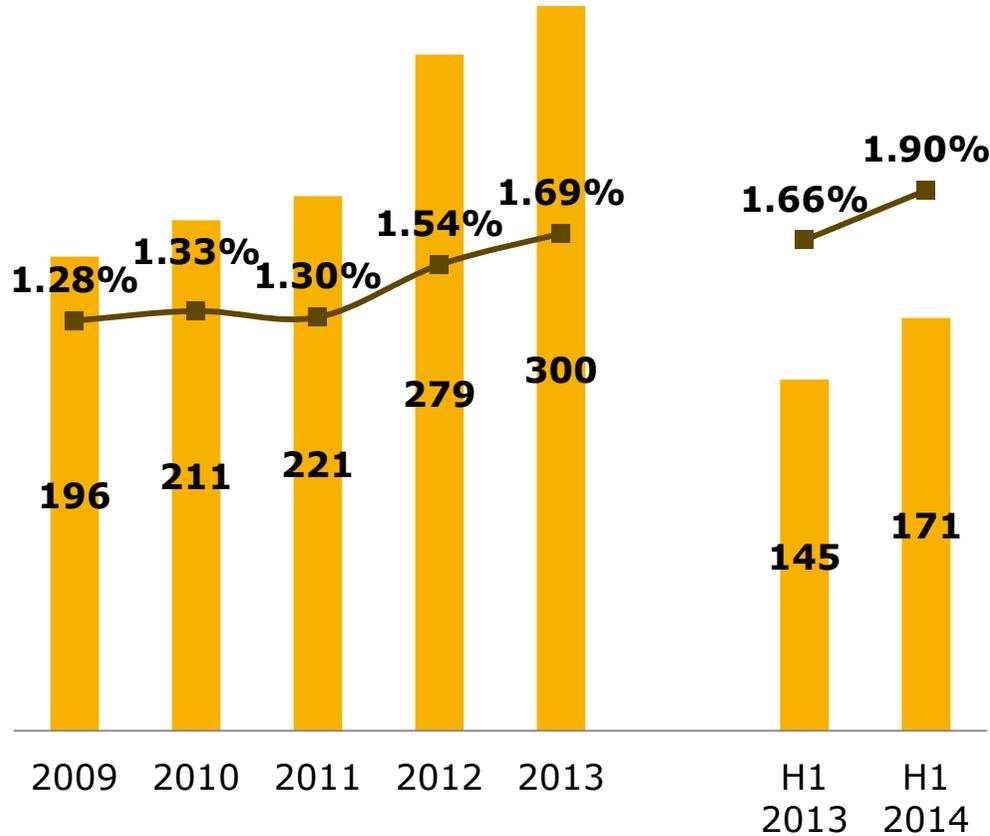
RCI Banque residual value metrics:

	2009	2010	2011	2012	2013	H1 2013	H1 2014
Residual risk (€m)	297	319	413	463	569	495	607
Provisions (€m)	11.8	4.7	3.6	2.5	2.3	2.1	2.9
Provisions (%)	4.0%	1.5%	0.9%	0.5%	0.4%	0.4%	0.5%

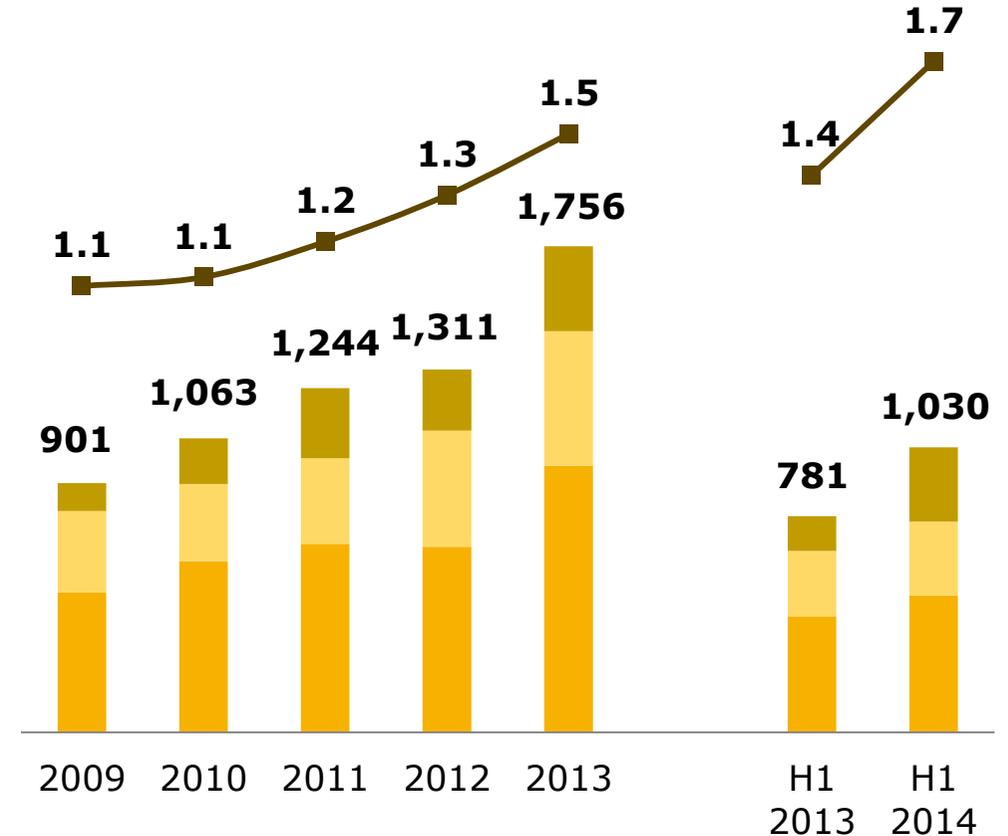
- **Marginal exposure policy of RCI Banque on residual values.**
- **Risks carried by carmakers or dealers in most countries.**
- **RV set at "market price" for corporates.**
- **RV set below "market price" for individuals.**



Margin on services:



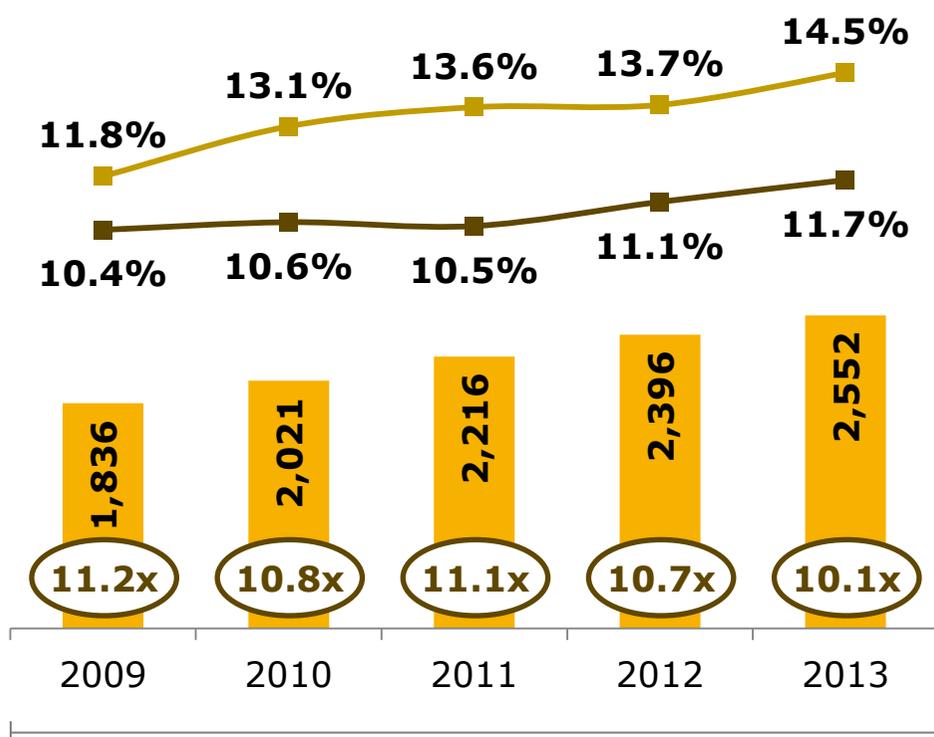
New services contracts (in thousands):



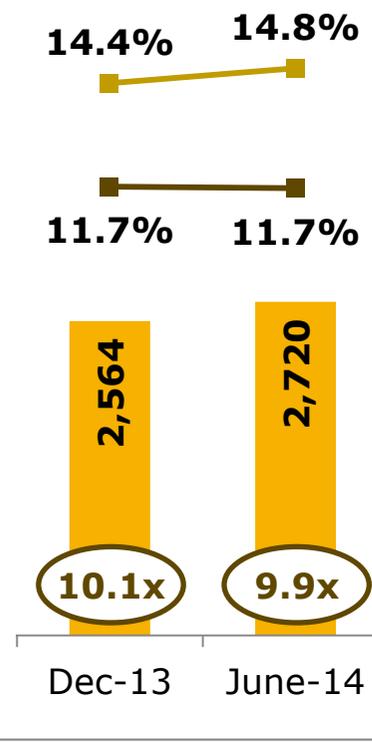
■ Margin on services (€m)
■ Margin % of average Customer loans outstanding

■ Other services (warranties, maintenance...)
■ Car insurance
■ Loan-related insurance (PPI, GAP...)
■ Ratio services sold per vehicle contract

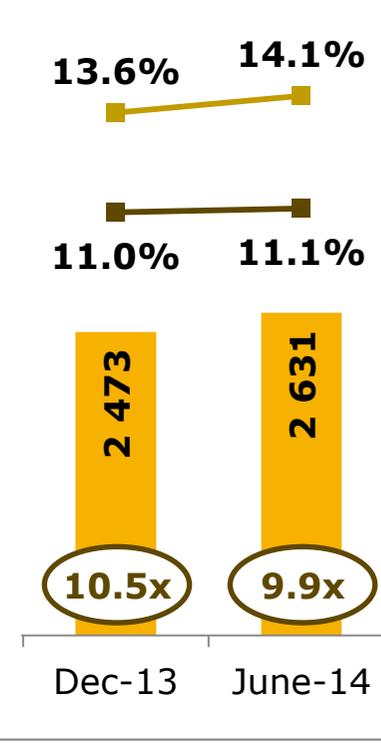




Basel II methodology



Basel III phase-in



Basel III fully loaded

■ Core Tier One in €m
■ Core Tier One solvency ratio in % (including floor)

■ Core Tier One solvency ratio in % (excluding floor)
x Leverage (net loans outstanding at end/Core Tier 1)

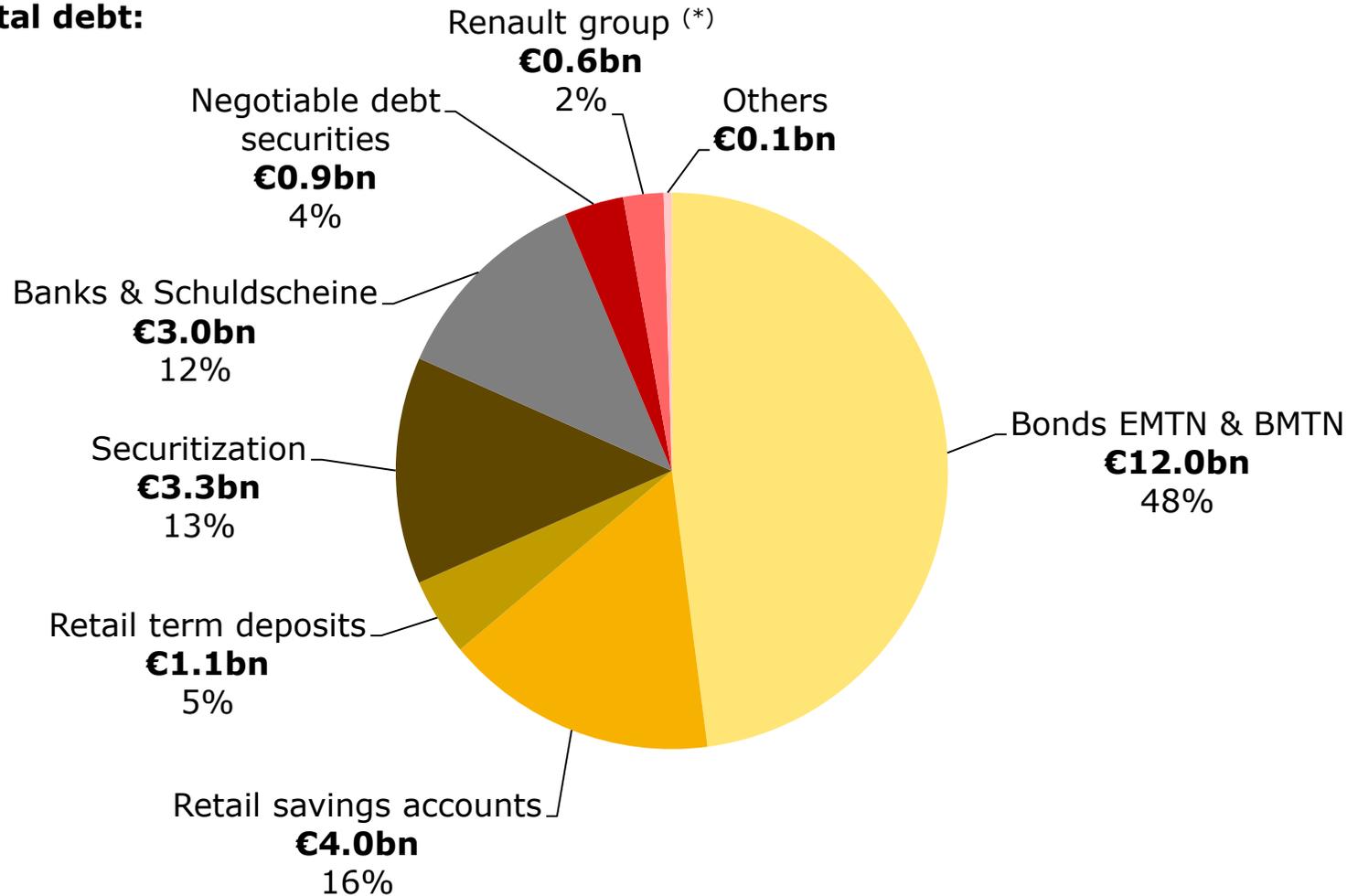


03

FINANCIAL POLICY AND FUNDING

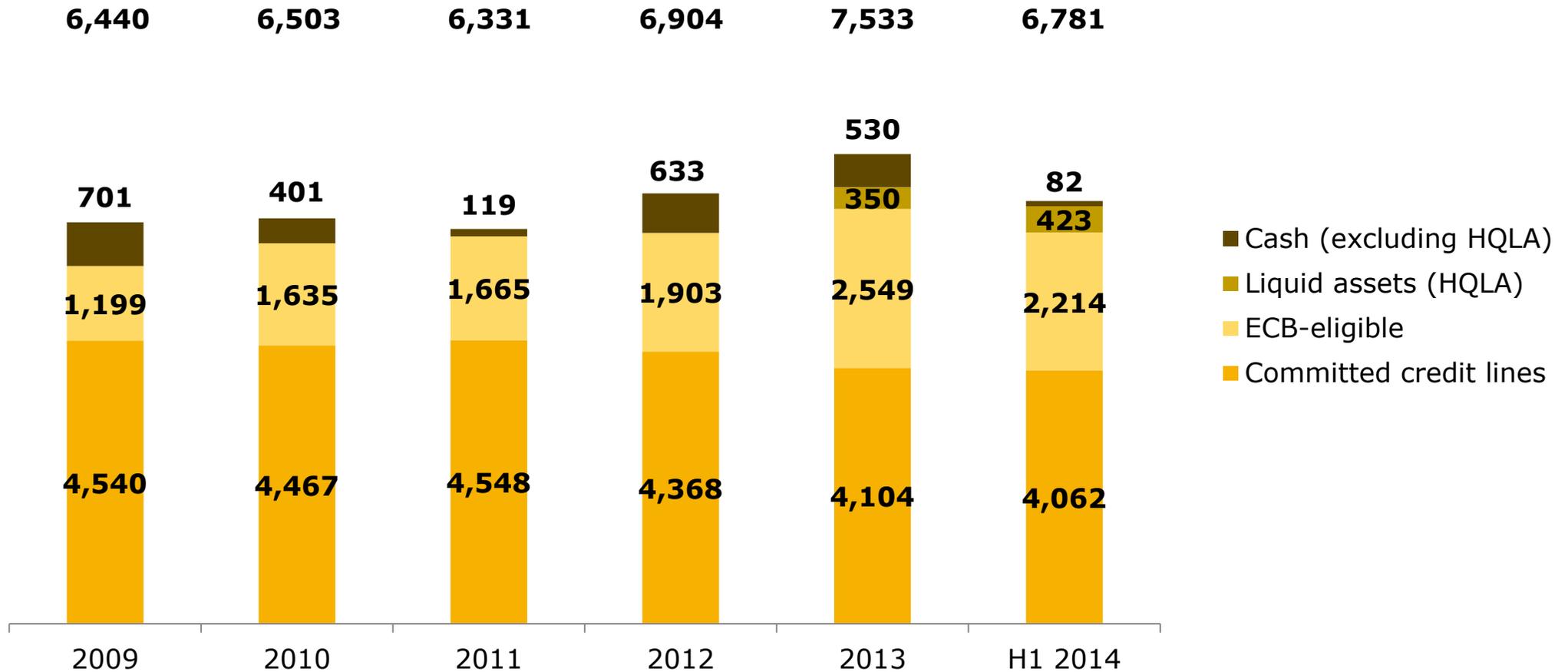


Structure of total debt:



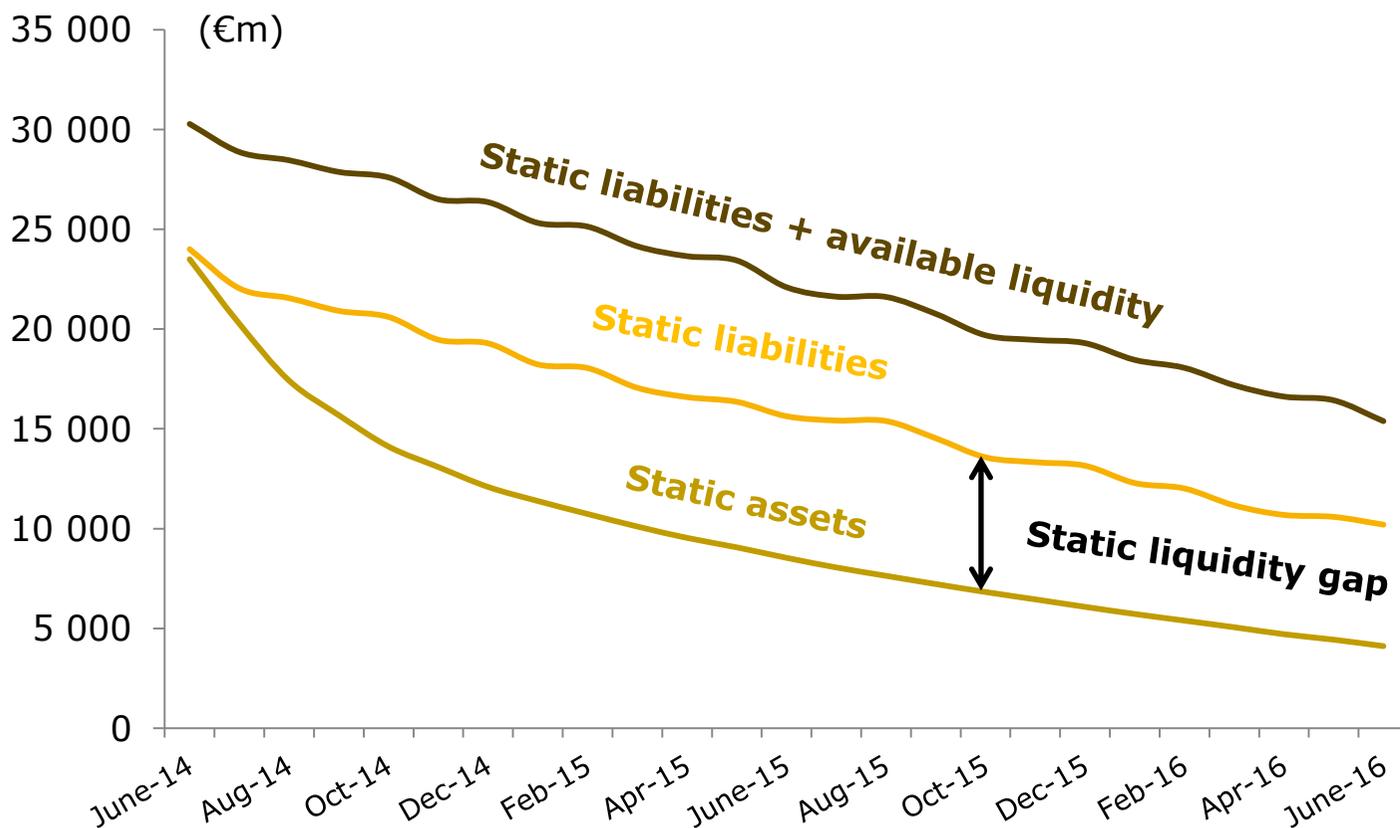
(*) **Renault group:** of which €550bn deposit granted by Renault as collateral to offset credit exposure on Renault owned dealers.

■ **Available liquidity (*) (in €m):**

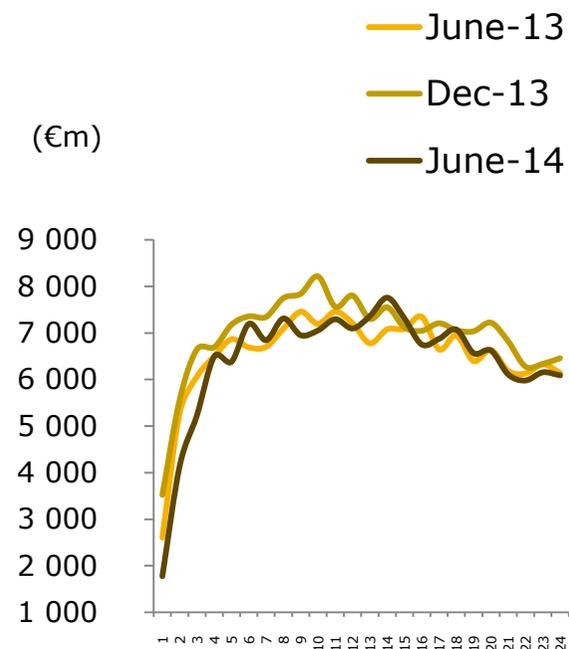


(*) **On centralized refinancing scope:** Western Europe + Poland + Czech Republic + Romania + Slovenia + Scandinavian countries + South Korea.

- **Assets are funded with longer dated liabilities.**
- **Deposit outflows hypothesis = Basel III hypothesis stressed.**

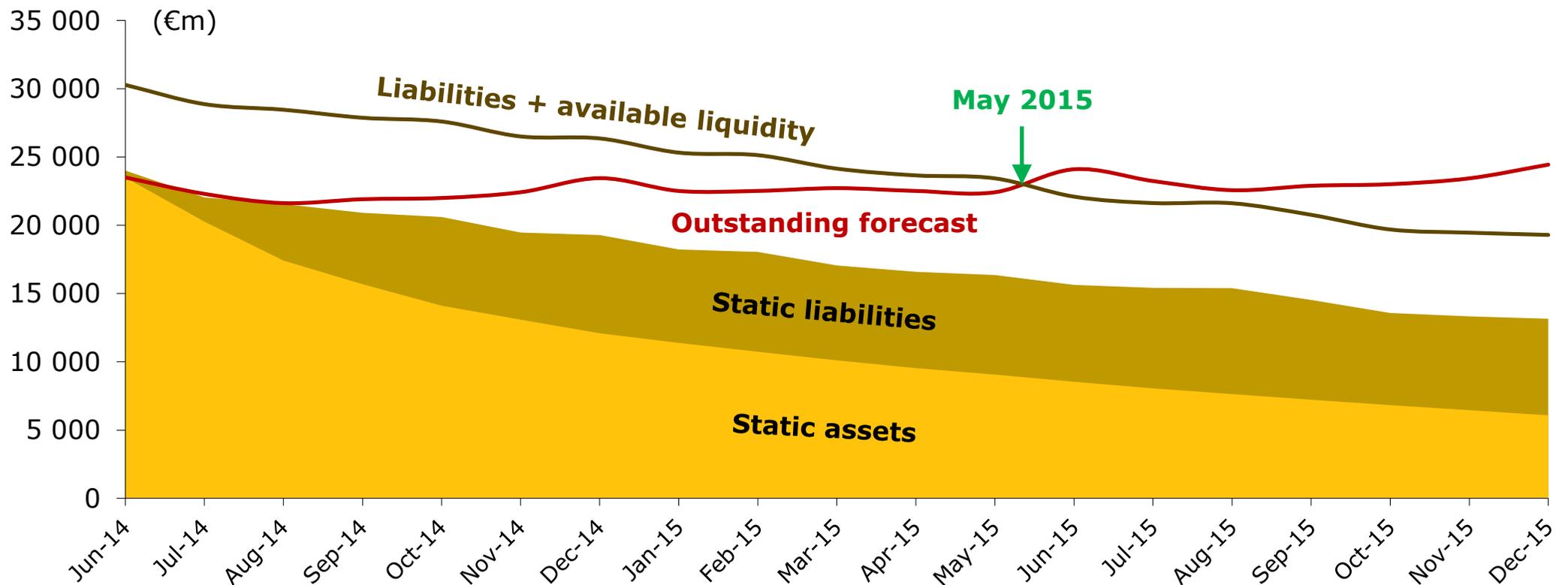


- **Static liquidity gap (€m)**



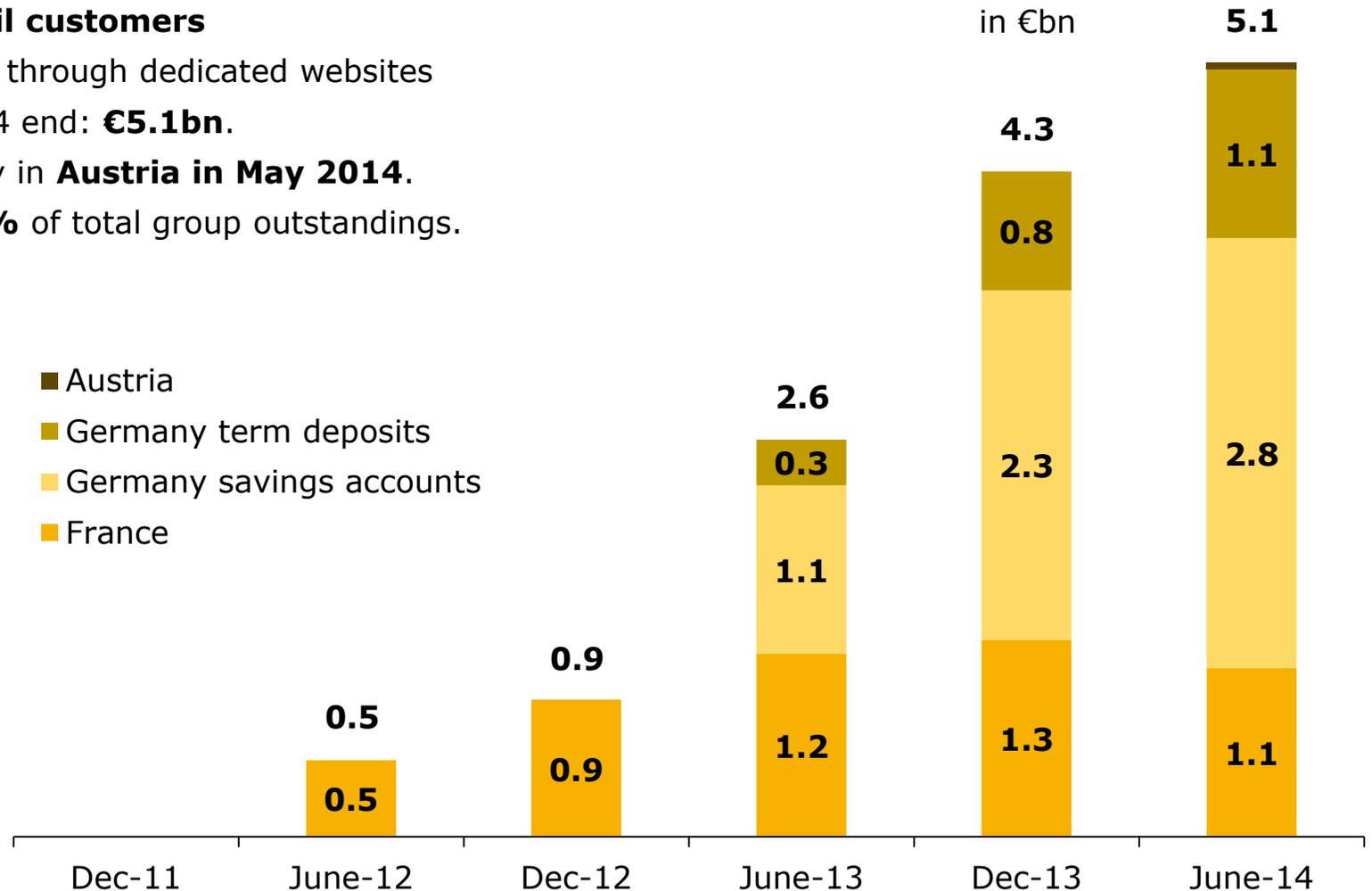
(*) **Static liquidity** means as of any date as the sum of the outstanding financial liabilities plus equity, minus the outstanding commercial assets (loans to dealers and customers), in each case assuming no balance sheet changes from the date of calculation

- **Stress scenario:** no access to new market funding, stressed deposit outflows hypothesis, continued commercial activity and full use of available liquidity.
- Visibility at June 2014 end: **more than 11 months of activity.**



(*) **On centralized refinancing scope:** Western Europe + Poland + Czech Republic + Romania + Slovenia + Scandinavian countries + South Korea.

- Saving products for **retail customers**
- Managed **100% on-line** through dedicated websites
- Outstanding at June 2014 end: **€5.1bn.**
- Launch of deposit activity in **Austria in May 2014.**
- **Objective in 2016: 30%** of total group outstandings.

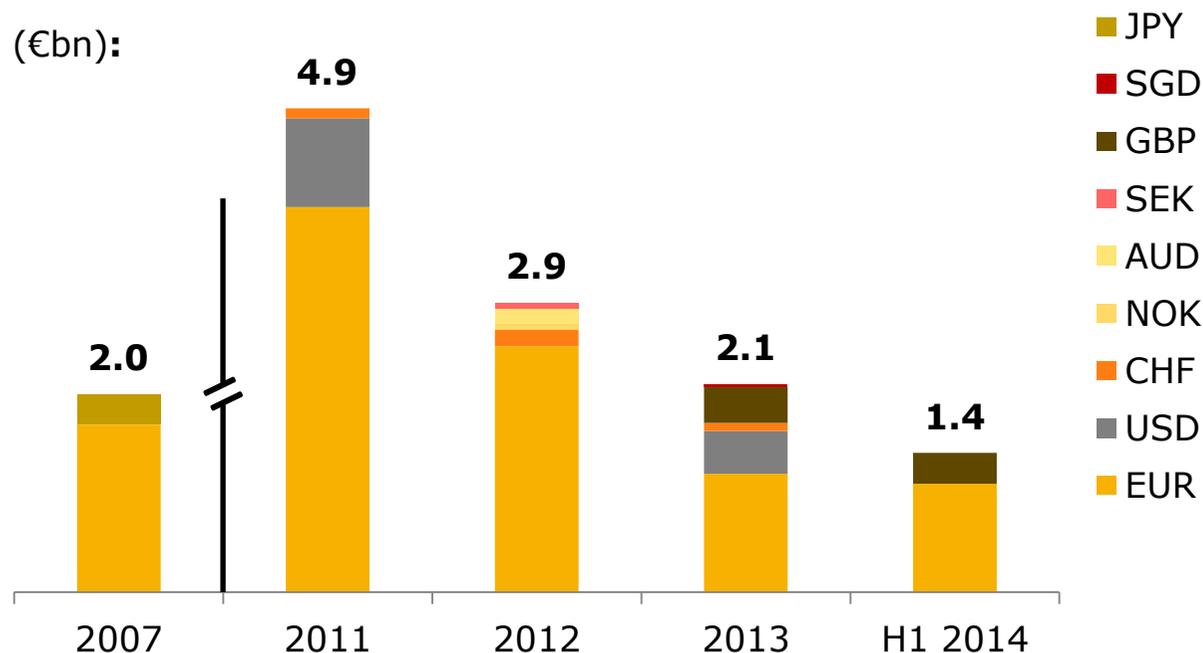


Bond issues and asset-backed (*) (€bn):

	2011	2012	2013	2014 (estimation)
Bond issuances	4.9	2.9	2.1	[2.0 / 2.5]
Asset-backed (public or conduit)	1.8	1.9	0.9	1.2

Bond issuances (*): amounts and currencies (€bn):

- RCI has diversified its investor base by issuing **non euro-denominated** bonds.
- Issues in several new currencies including two **USD** transactions in 2011 and 2013.
- Two **GBP** transactions in 2013 and 2014.
- First **7 years** issuance in 2014.



(*) On European scope

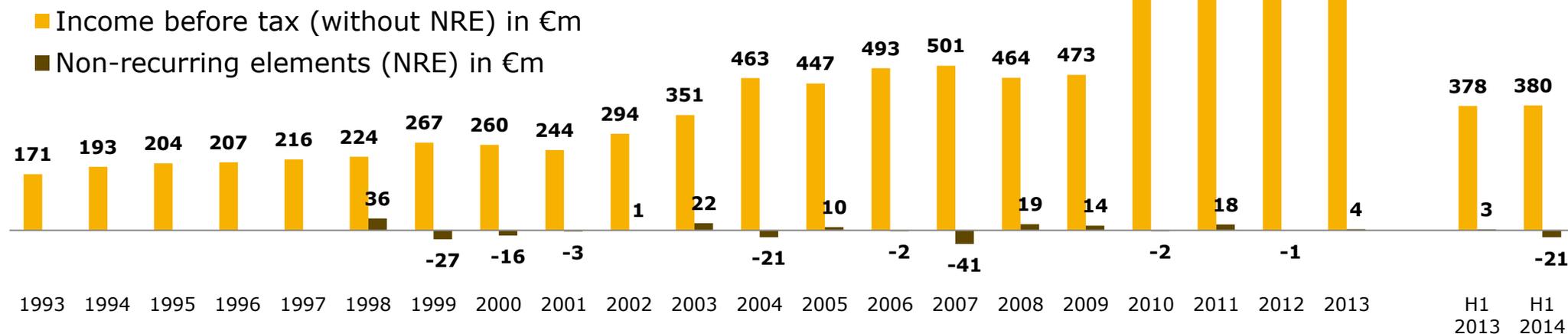
04

APPENDICES

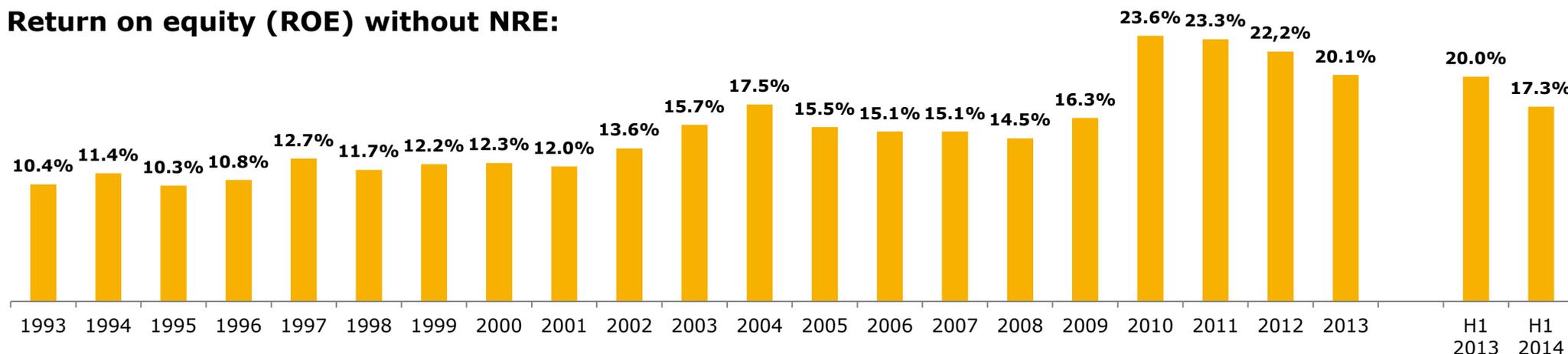


Very little volatility on long term results and profitability

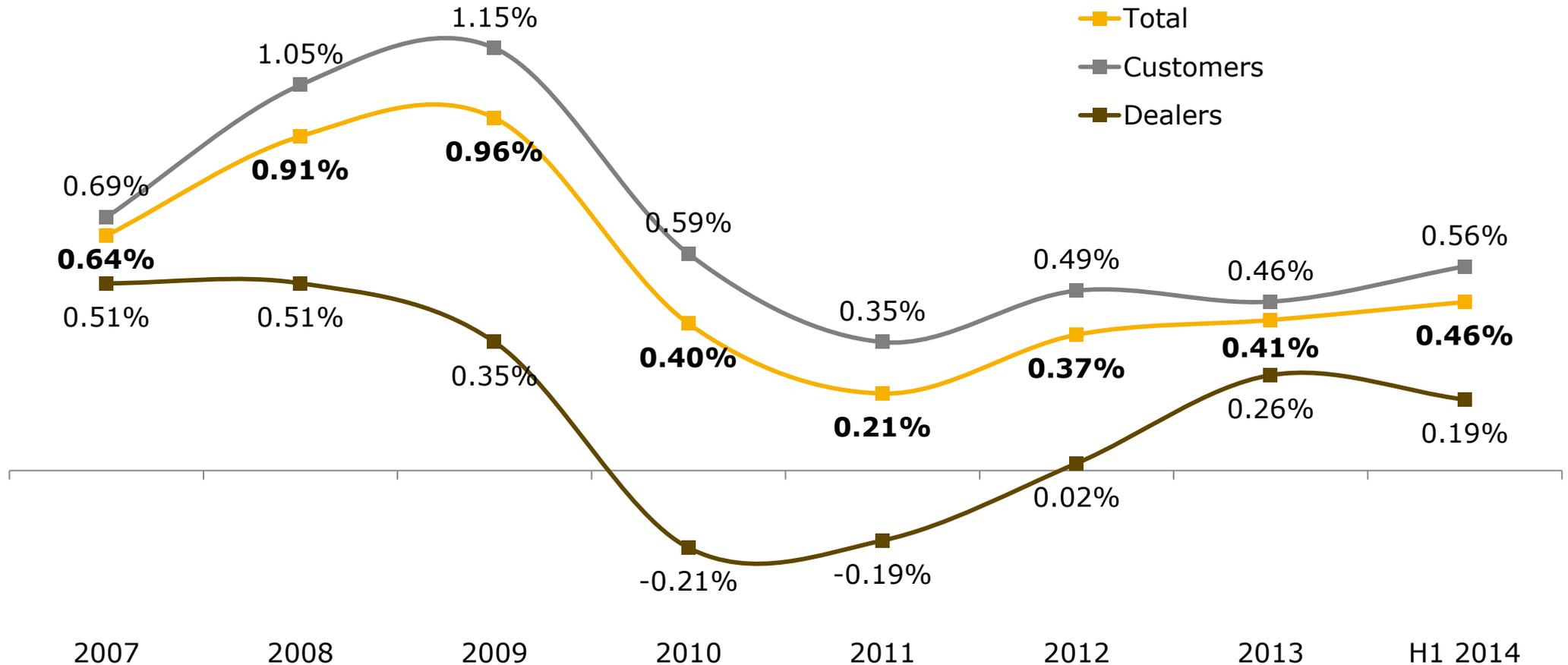
Evolution of the income before tax (IFRS since 2004):

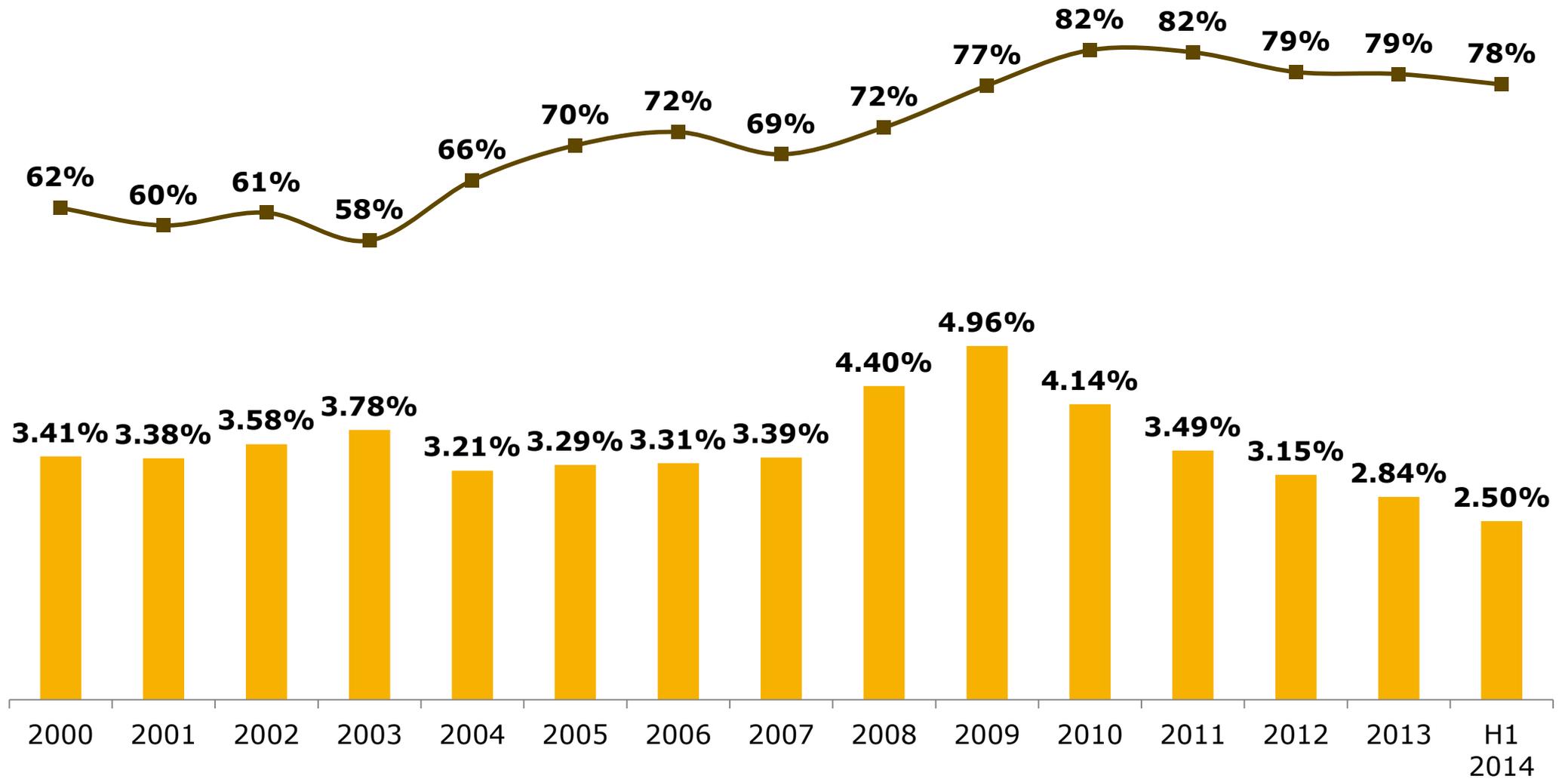


Return on equity (ROE) without NRE:

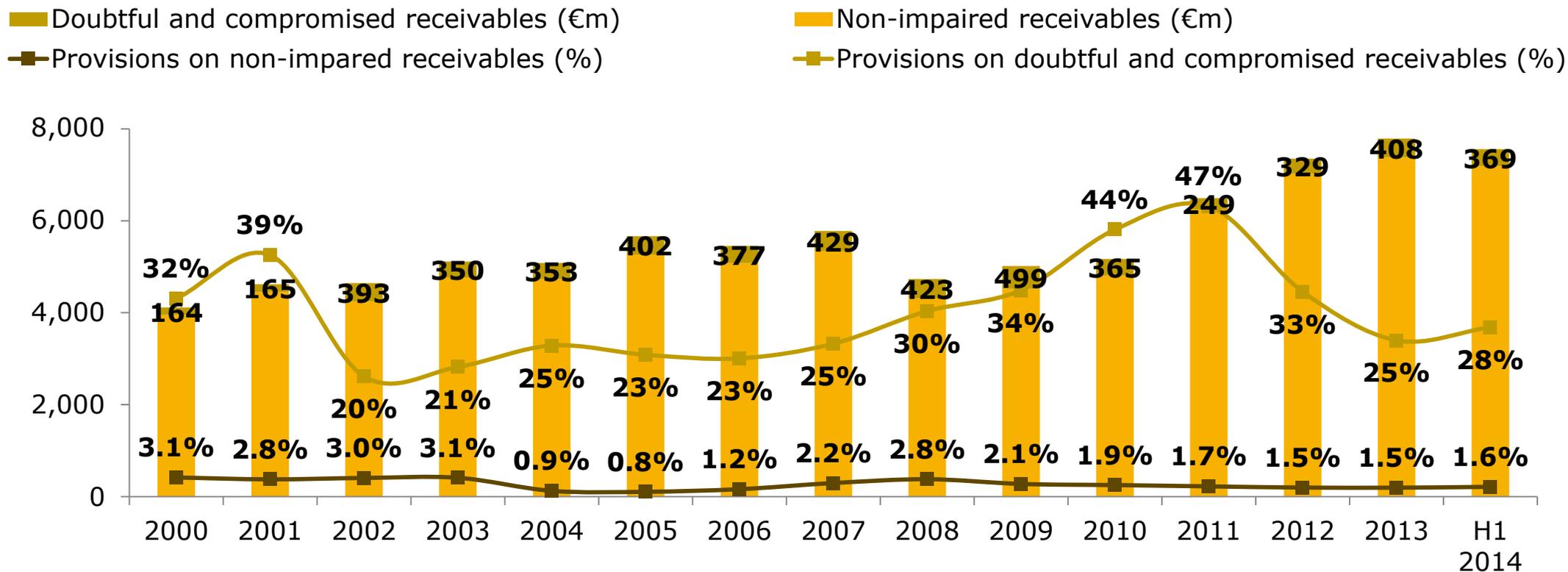


Cost of risk in percentage of average performing loans outstandings, excluding country risk:



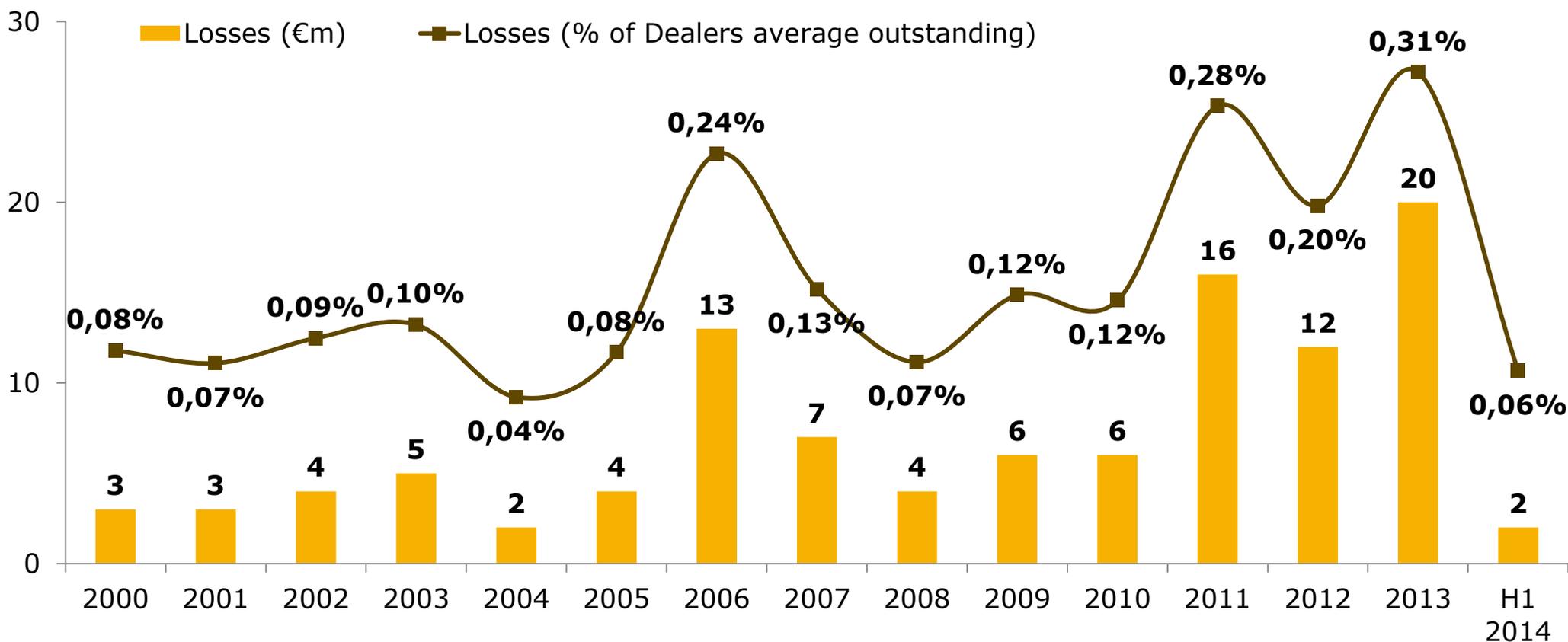


■ Non-performing loans / total
■ Provisions on non-performing loans



- The **doubtful classification** does not generally result from an unpaid installment but rather from an **internal decision to put a dealer on watch list** due to the worsening of its financial conditions (profitability, indebtedness, equity, etc.).
- RCI Banque maintains its **very cautious provisioning policy** on non doubtful outstanding.





	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	H1 2014
Provisions (€m)	176	190	206	220	176	185	203	232	254	265	255	230	213	211	216



PC + LUV ⁽¹⁾ market:

		Renault group brands market share (%)	Nissan group brands market share (%)	RCI Banque financing penetration rate (%)	New vehicle contracts processed (thousands)	New financings excluding cards and personal loans (€m)	Net loans outstanding at year-end (€m)	of which Customers outstanding at year-end (€m)	of which Dealers outstanding at year-end (€m)
Europe	S1 2014	10.4%	3.4%	33.4%	418	4,862	22,466	15,865	6,601
	S1 2013	9.4%	3.4%	34.4%	383	4,420	21,336	14,810	6,526
of which Germany	S1 2014	5.4%	2.1%	44.0%	70	929	3,911	2,895	1,016
	S1 2013	5.1%	1.8%	35.3%	52	651	3,844	2,730	1,114
of which Spain	S1 2014	12.2%	4.3%	39.0%	37	392	1,845	1,382	463
	S1 2013	10.8%	4.9%	46.6%	37	382	1,701	1,250	451
of which France	S1 2014	27.3%	3.6%	33.1%	155	1,816	9,465	6,427	3,038
	S1 2013	24.9%	3.6%	34.7%	148	1,787	9,150	6,331	2,819
of which Italy	S1 2014	8.5%	3.5%	44.5%	47	601	2,348	1,844	504
	S1 2013	7.0%	3.7%	49.4%	46	606	2,273	1,741	532
of which UK	S1 2014	3.8%	5.3%	26.4%	46	600	2,592	1,979	613
	S1 2013	2.5%	5.2%	29.1%	42	516	2,113	1,521	592
of which other countries	S1 2014	9.9%	2.6%	25.0%	63	525	2,306	1,339	967
	S1 2013	9.2%	2.7%	25.3%	58	478	2,257	1,240	1,017
Asia-Pacific (South Korea)	S1 2014	4.7%	0.4%	45.2%	22	271	961	951	10
	S1 2013	3.5%	0.2%	43.1%	15	183	990	983	7
Americas	S1 2014	8.4%	1.6%	40.1%	85	689	3,004	2,337	667
	S1 2013	7.8%	1.7%	40.5%	91	821	3,119	2,146	973
of which Argentina	S1 2014	14.4%	-	18.5%	12	56	286	227	59
	S1 2013	14.1%	-	24.4%	19	126	525	323	202
of which Brazil	S1 2014	7.0%	2.0%	48.1%	74	632	2,718	2,110	608
	S1 2013	6.0%	2.2%	48.3%	72	695	2,594	1,824	770
Euromed-Africa ⁽²⁾	S1 2014	23.2%	0.2%	23.7%	23	151	385	323	62
	S1 2013	21.4%	0.2%	25.4%	27	165	377	286	91
Eurasia (Russia) ^{(2) (3)}	S1 2014	7.8%	7.0%	28.3%	52	24	-	-	-
	S1 2013	7.8%	5.1%	23.1%	41	-	-	-	-
TOTAL ⁽²⁾	S1 2014	9.8%	3.2%	33.4%	601	5,997	26,815	19,475	7,340
	S1 2013	9.0%	2.9%	33.4%	558	5,590	25,824	18,227	7,597

⁽¹⁾ Figures refer to passenger car and light utility vehicle market.

⁽²⁾ Restated for the inclusion of Russia and Turkey in the scope of consolidation in the second half of 2013 (with retroactive effect from January 1st 2013).

⁽³⁾ Consolidation by the equity method of the Customer and Dealer sales financing associate in Russia ; outstandings not carried by RCI Banque.



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