

# RCI BANQUE

## FIRST-HALF 2015 RESULTS



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# 01

## **RCI BANQUE OVERVIEW**



**Renault-Nissan Alliance brands finance company**

Bank status since 1991, 100% owned by Renault SA

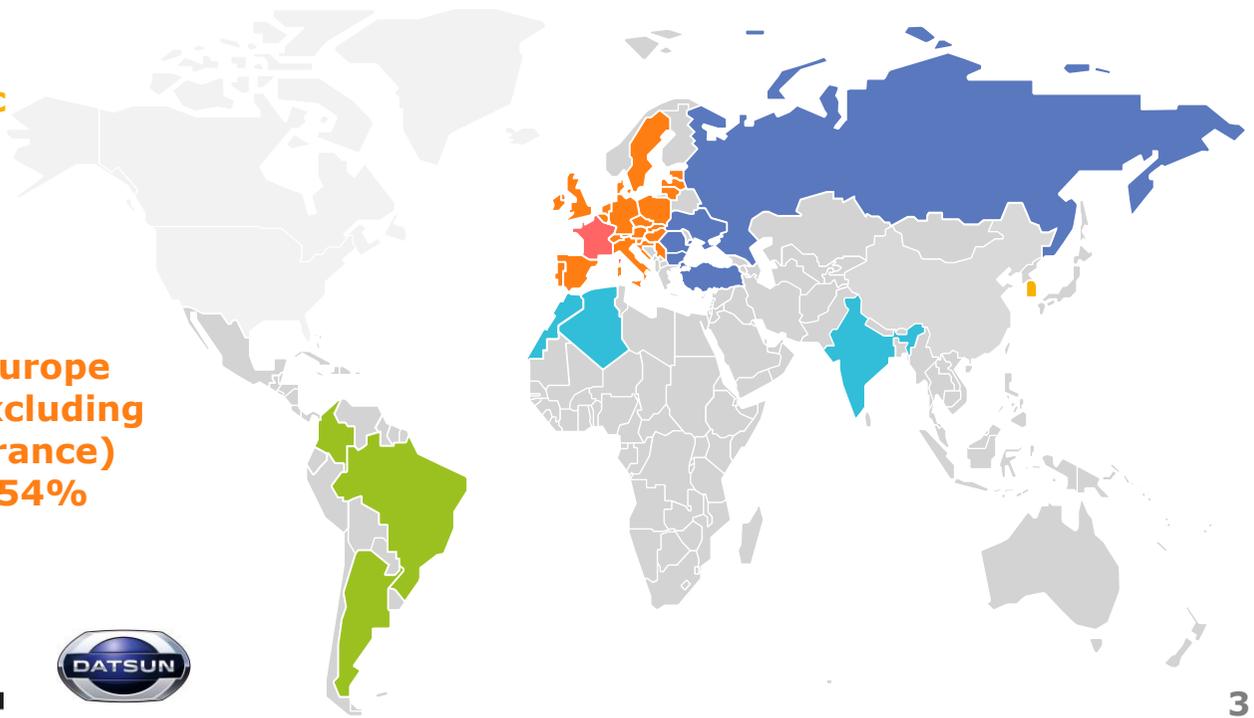
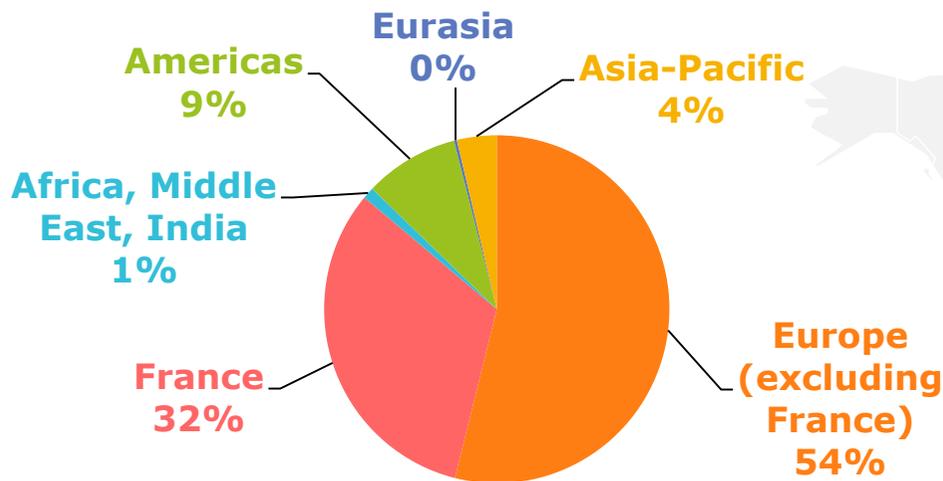
Retail, corporates and dealers inventory financing

6 brands financed in 36 countries

**First-half 2015 key figures**

Penetration rate	36.5%
New contracts (k units)	687
Commercial outstanding	€30.0bn
Equity	€3.3bn
Net customer deposits	€7.0bn

**Geographical breakdown of net outstanding:**



# 02

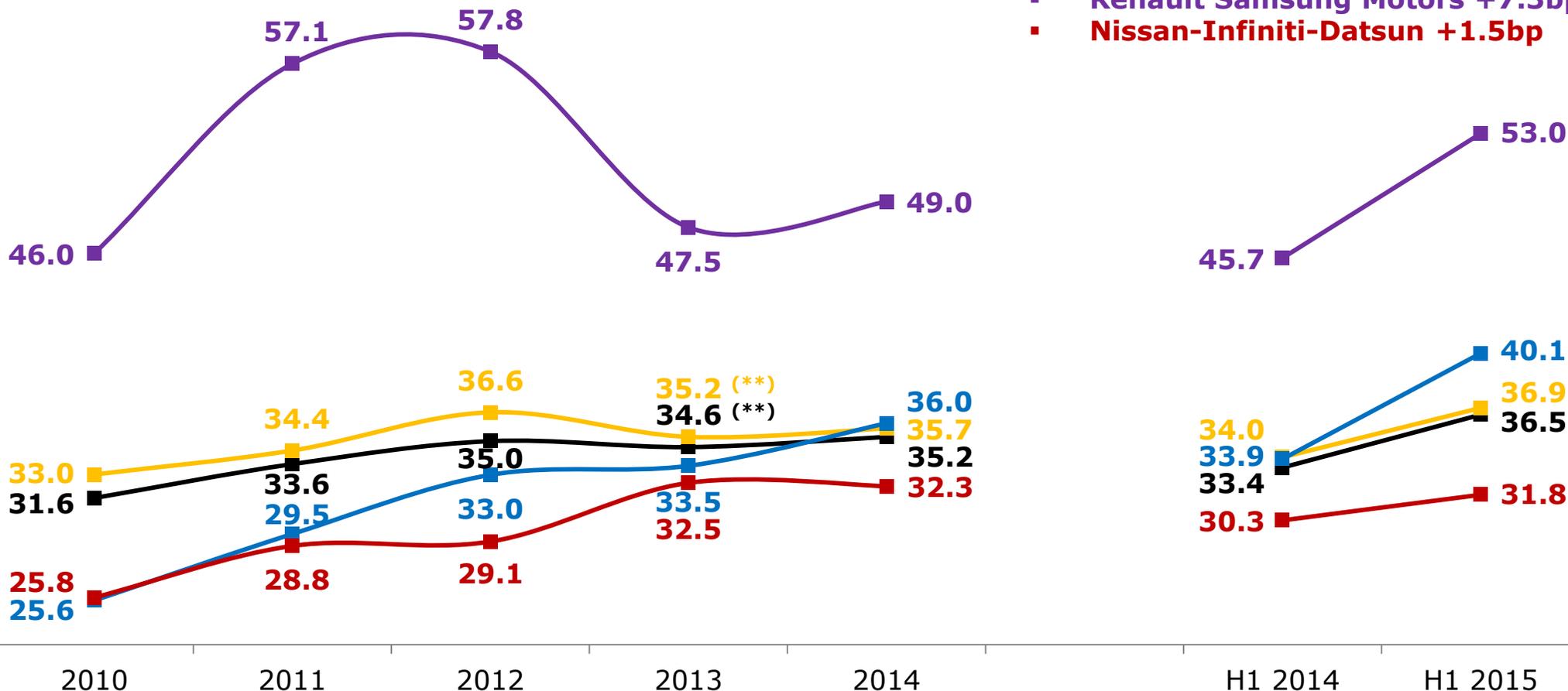
## OPERATING HIGHLIGHTS

NB: Figures related to commercial activity (penetration rate, new financings, contracts processed) include equity method consolidated entities. Balance sheet figures (outstandings) exclude equity method consolidated entities.



Strong financing penetration rate (\*) at 36.5% (+3.1bp) of which:

- Renault +2.9bp
- Dacia +6.2bp
- Renault Samsung Motors +7.3bp
- Nissan-Infiniti-Datsun +1.5bp

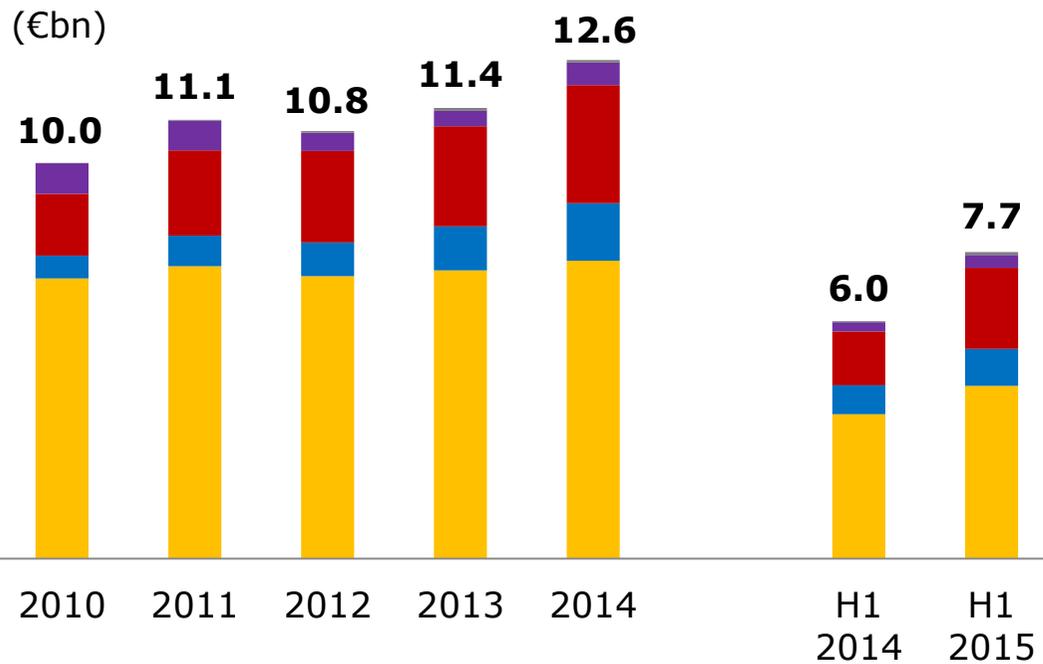


(\*) Number of new vehicles financed / new vehicles sold in RCI Banque perimeter. In %.

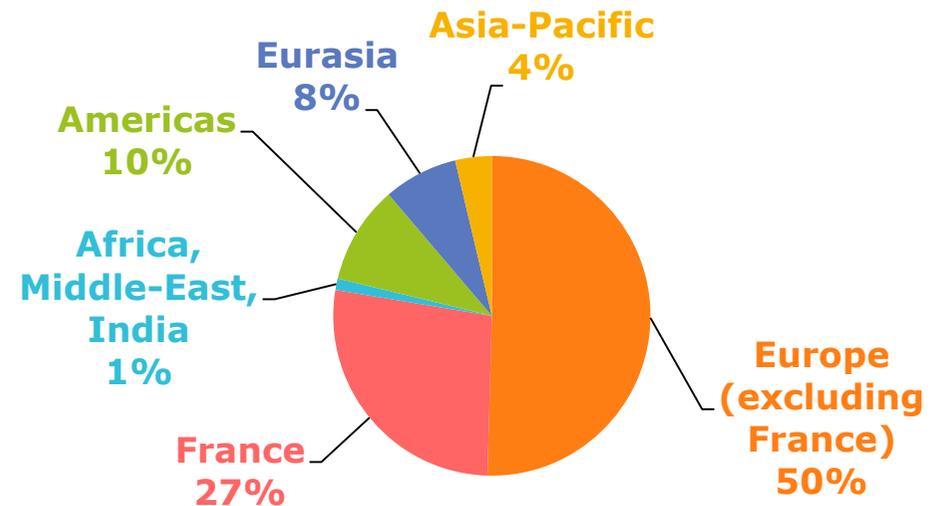
(\*\*) Negative impact of Turkey and Russia consolidation (lower penetration rates) in 2013: -2.1bp.

**Strong increase of new financings on all brands:**

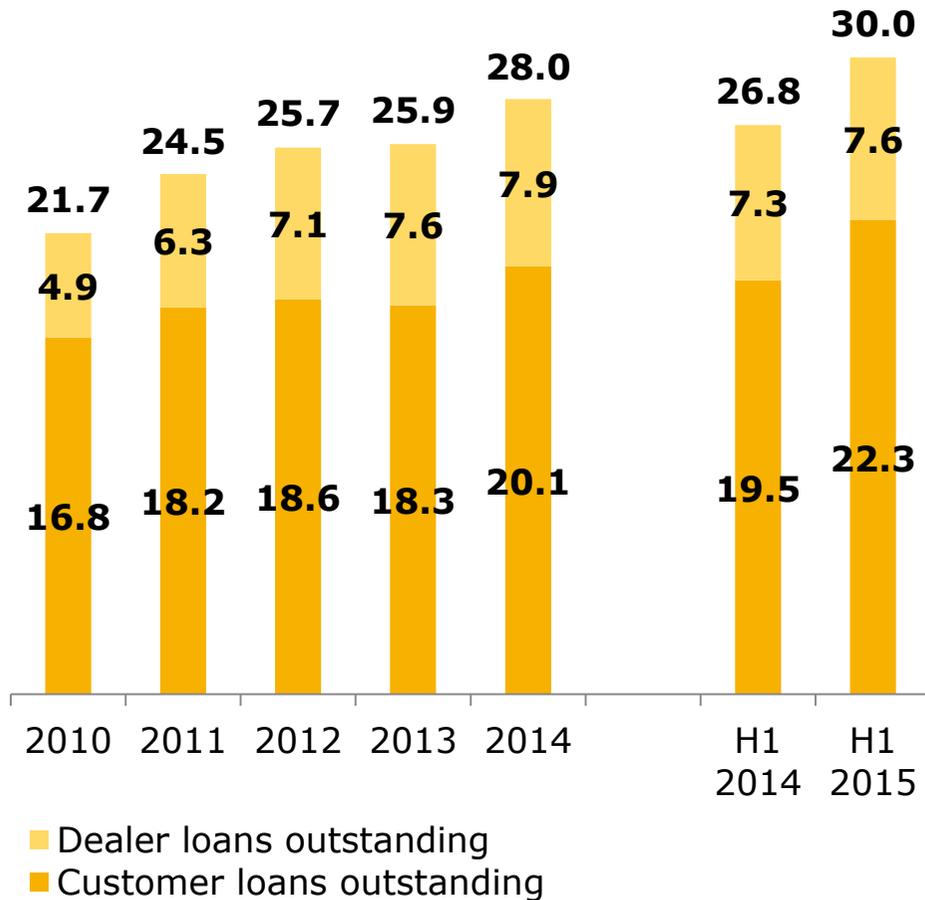
- **RCI Banque +29.2% of which:**
  - **Renault +19.4%**
  - **Dacia +28.5%**
  - **Renault Samsung Motors +39.5%**
  - **Nissan-Infiniti-Datsun +50.9%**



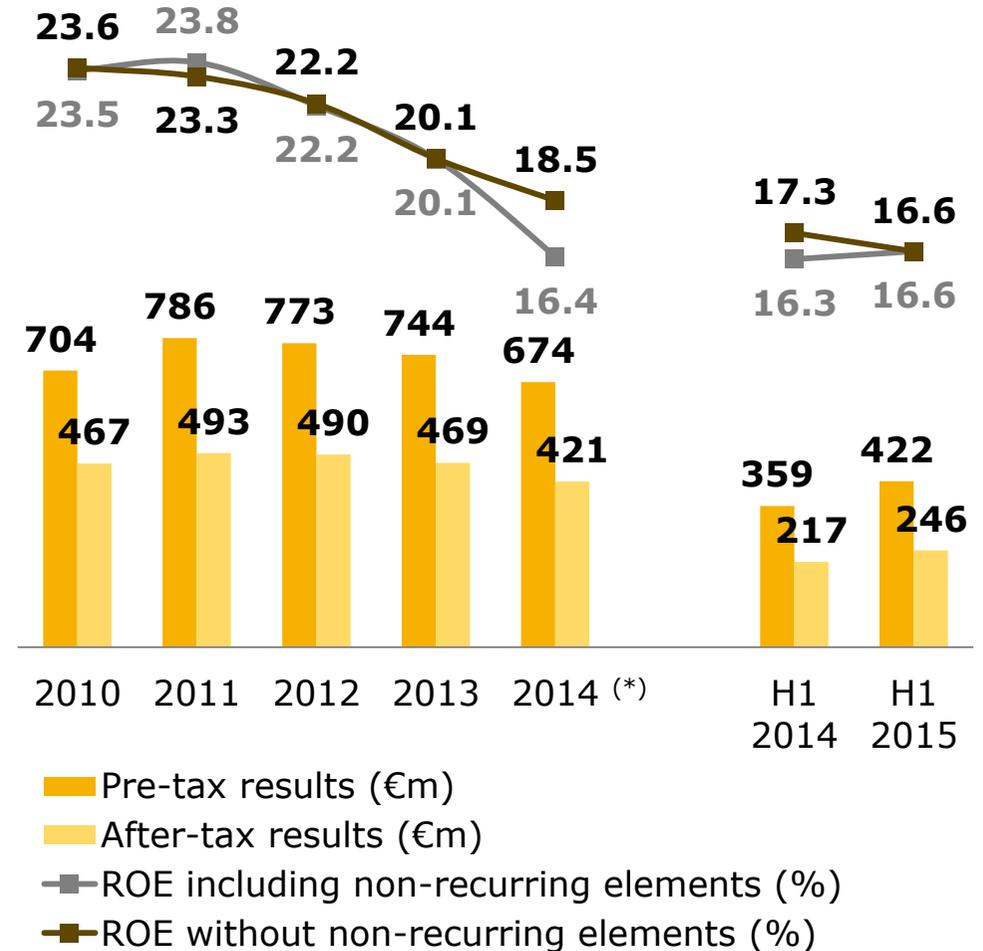
**New contracts geographical breakdown:**



Loans outstanding at a historical level (€bn)



ROE mainly impacted by increase of equity



(\*) 2014 result impacted by 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).

**Profit and loss aggregates <sup>(1)</sup> in percentage of average performing loans outstandings:**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>H1 2014</b>	<b>H1 2015</b>
Gross financial margin	5.16%	4.98%	4.94%	4.81%	4.87%	4.83%	4.83%
Margin on services	1.01%	0.97%	1.16%	1.24%	1.33%	1.39%	1.44%
Other products <sup>(2)</sup>	0.52%	0.53%	0.51%	0.55%	0.45%	0.55%	0.39%
Intermediation fee <sup>(3)</sup>	-1.28%	-1.26%	-1.49%	-1.56%	-1.67%	-1.63%	-1.73%
<b>Net banking income</b>	<b>5.40%</b>	<b>5.22%</b>	<b>5.12%</b>	<b>5.04%</b>	<b>4.98%</b>	<b>5.14%</b>	<b>4.93%</b>
Net banking income (€m)	1,134	1,189	1,238	1,221	1,265	632	674
Cost of risk <sup>(4)</sup>	-0.40%	-0.23%	-0.38%	-0.42%	-0.43%	-0.47%	-0.31%
Operating expenses	-1.64%	-1.58%	-1.57%	-1.56%	-1.58%	-1.58%	-1.54%
<b>Operating income</b>	<b>3.36%</b>	<b>3.41%</b>	<b>3.17%</b>	<b>3.06%</b>	<b>2.97%</b>	<b>3.09%</b>	<b>3.08%</b>
OEIC and equity method <sup>(5)</sup>	-0.01%	0.04%	0.02%	0.01%	-0.32%	-0.17%	0.00%
<b>Pre-tax income</b>	<b>3.35%</b>	<b>3.45%</b>	<b>3.19%</b>	<b>3.07%</b>	<b>2.65%</b>	<b>2.92%</b>	<b>3.08%</b>
Pre-tax income (€m)	704	786	773	744	674	359	422

<sup>(1)</sup> Analytical breakdown derived from RCI Banque's financial control reporting system.

<sup>(2)</sup> Including but not limited to handling fees, termination fees, late charges and income from investments.

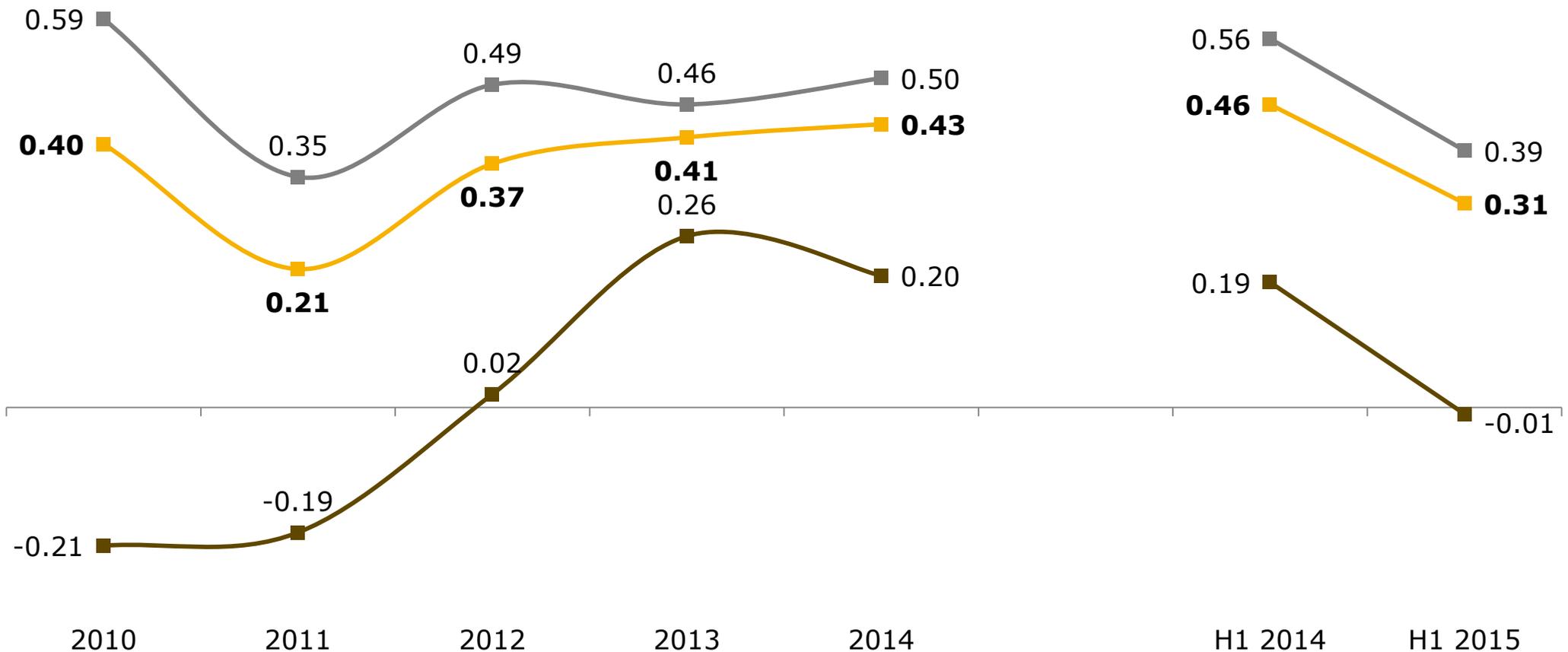
<sup>(3)</sup> All the costs attributable to distributing of financing and related-services contracts, mainly in the form of dealers commissions.

<sup>(4)</sup> Including country risk.

<sup>(5)</sup> Other exceptional income and charges and share of equity-accounted companies' result.



**Cost of risk in percentage of average performing loans outstandings, excluding country risk (%):**



—■— Total    —■— Customers    —■— Dealers

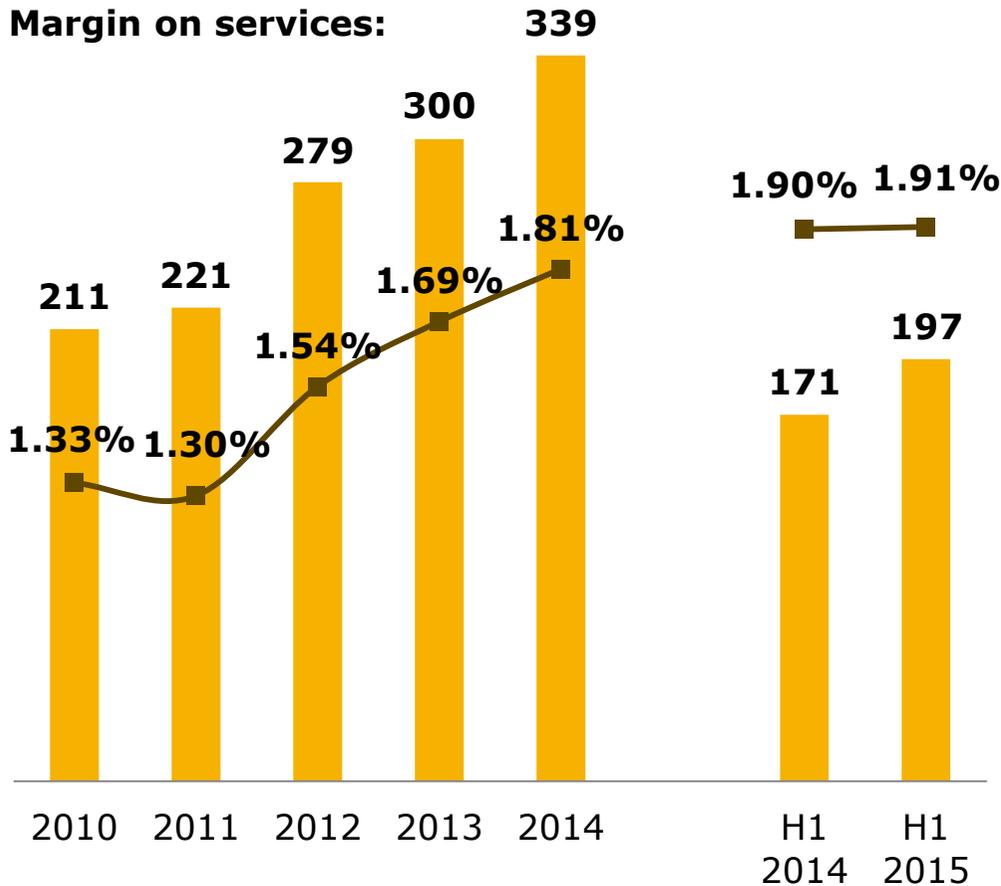
- **In most countries, residual value risk carried by carmakers or dealers.**
- **Residual value exposure borne by RCI Banque mostly located in the UK.**
- **Low overall exposure on residual values.**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>H1 2014</b>	<b>H1 2015</b>
Residual value risk (€m)	319	413	463	569	912	607	1,516
Provisions (€m)	4.7	3.6	2.5	2.3	5.7	2.9	11.7
<b>Provisions (%)</b>	<b>1.5%</b>	<b>0.9%</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.8%</b>

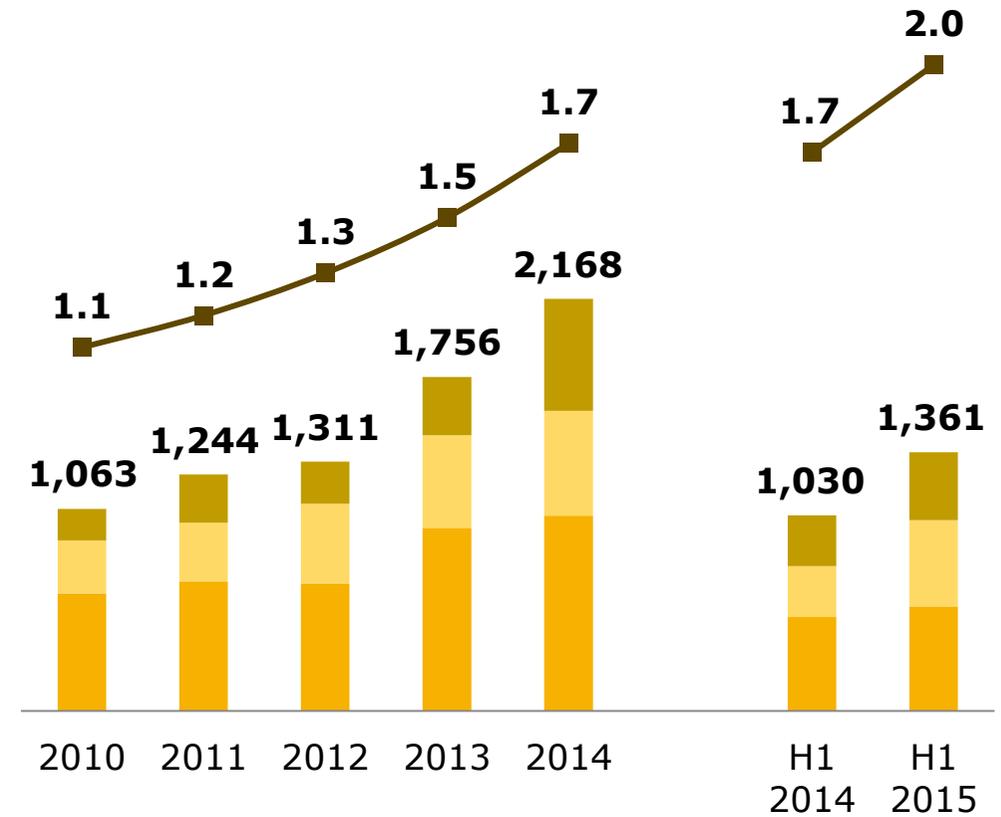
- Increase in UK residual value exposure due to rise in UK volumes and internalization (July 2014) of fleet financing business, previously externalized.
- **Residual values set at "market price" for corporates.**
- **Residual values set below "market price" for individuals.**



**Margin on services:**



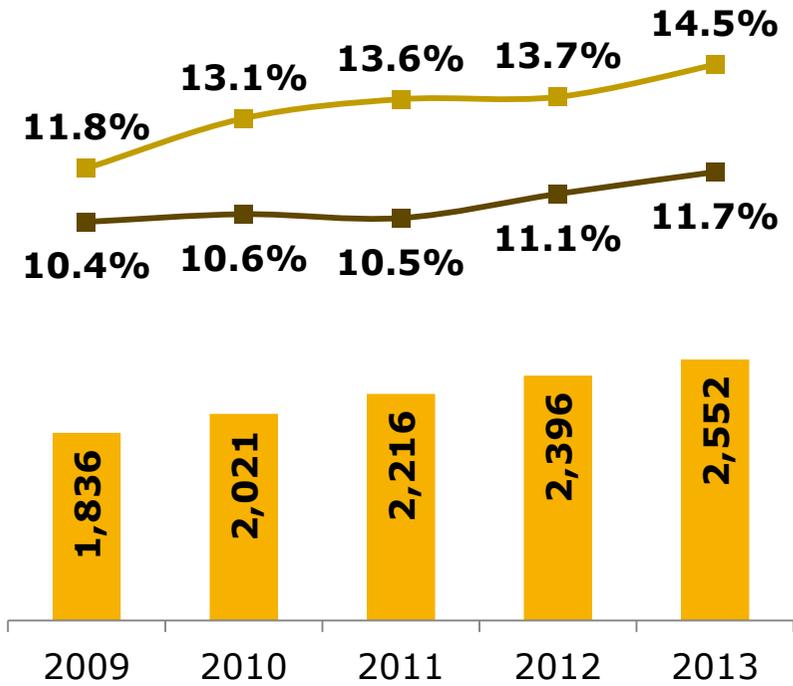
**New services contracts (thousands):**



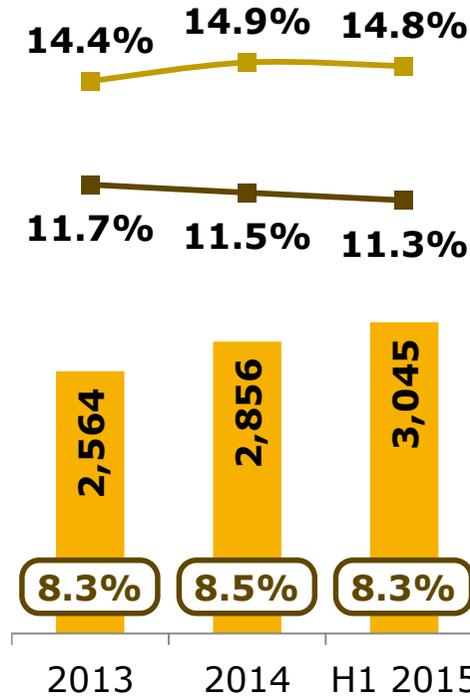
■ Margin on services (€m)  
■ Margin % of average Customer loans outstanding

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

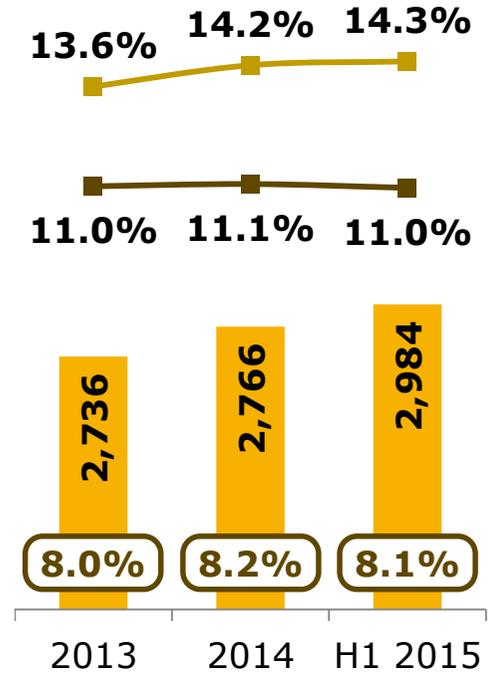




Basel II methodology



Basel III phase-in



Basel III fully loaded

■ Core Tier 1 in €m  
■ Core Tier 1 solvency ratio in % (including floor)

■ Core Tier 1 solvency ratio in % (excluding floor)  
% Leverage ratio (Basel III methodology)

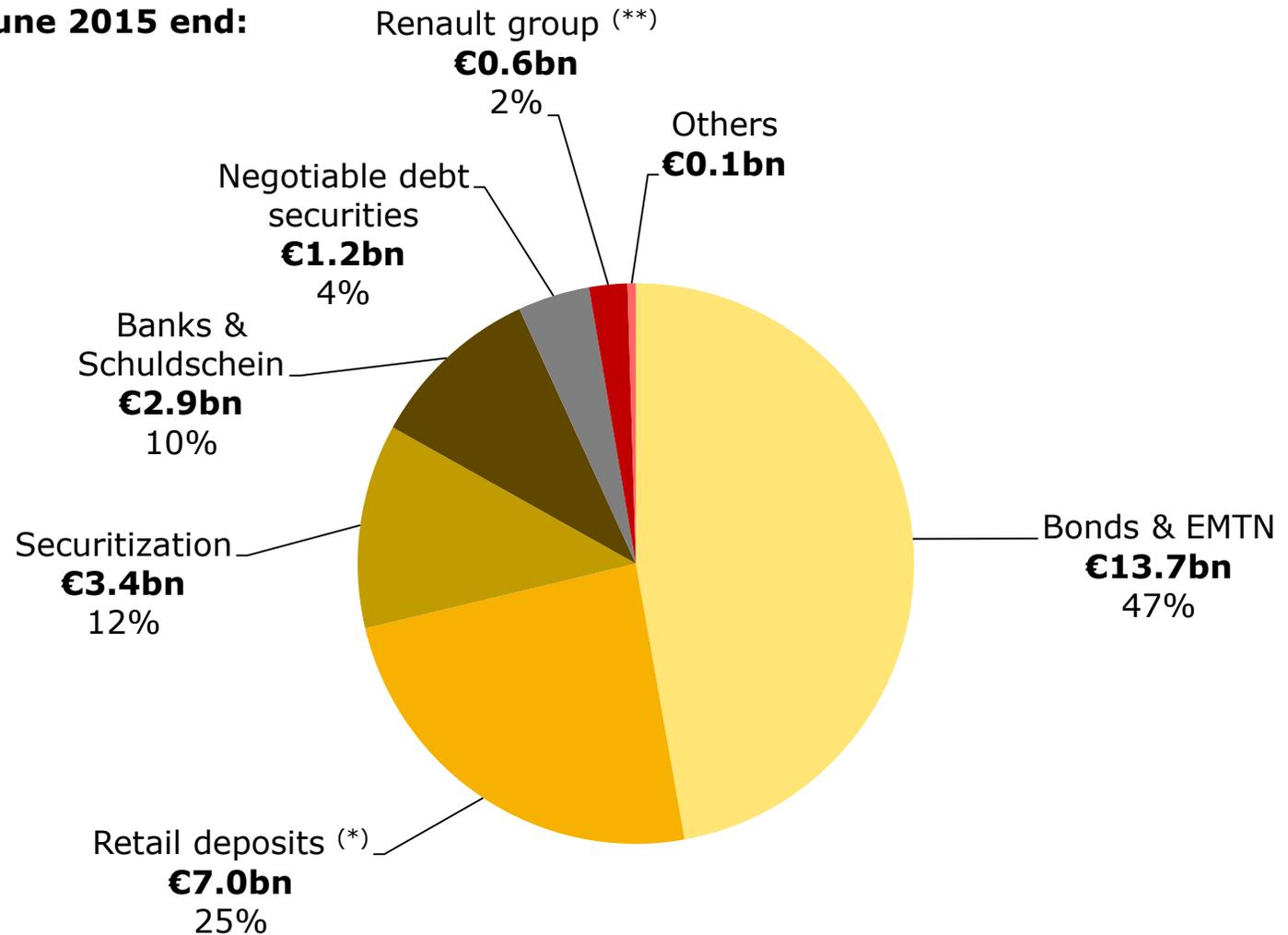


# 03

## FINANCIAL POLICY AND FUNDING



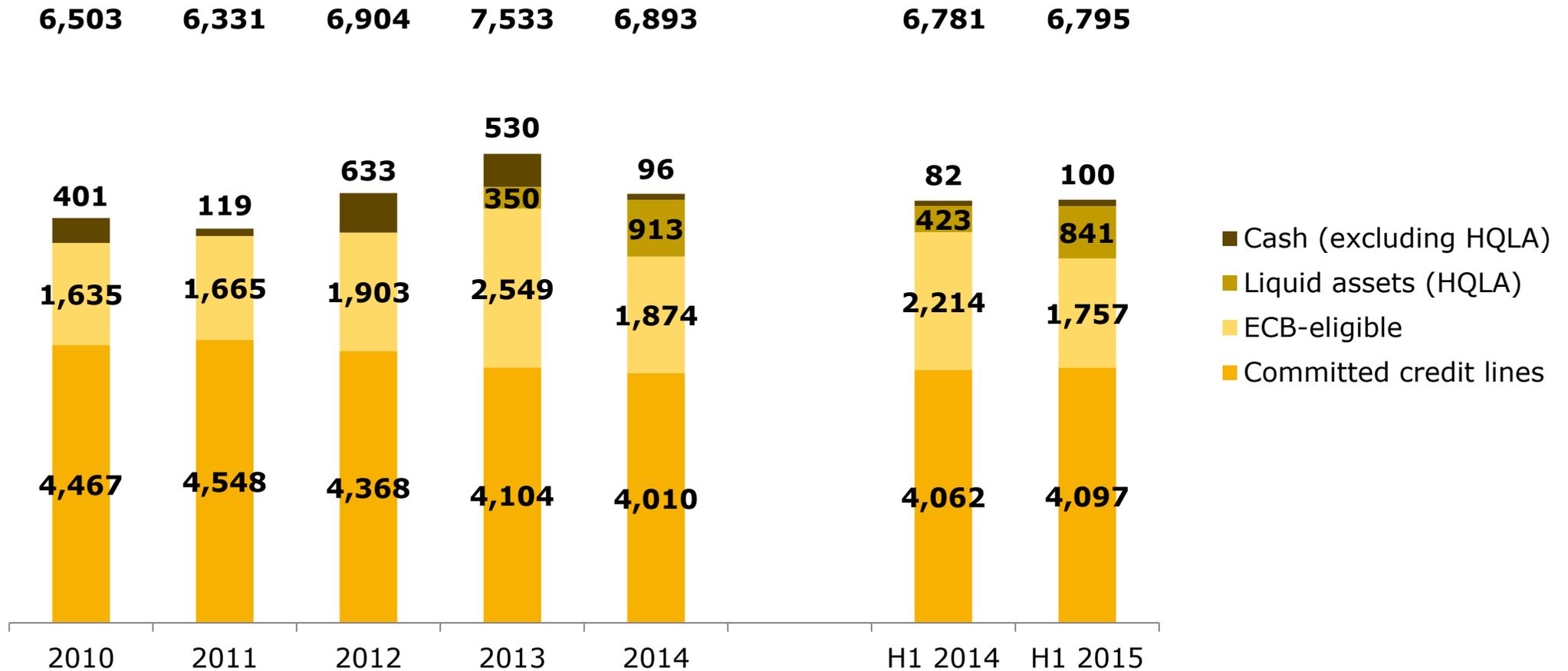
**Structure of total debt at June 2015 end:**



(\*) **Retail deposits:** of which €5.1bn (18%) in sight deposits and €1.9bn (7%) in term deposits.

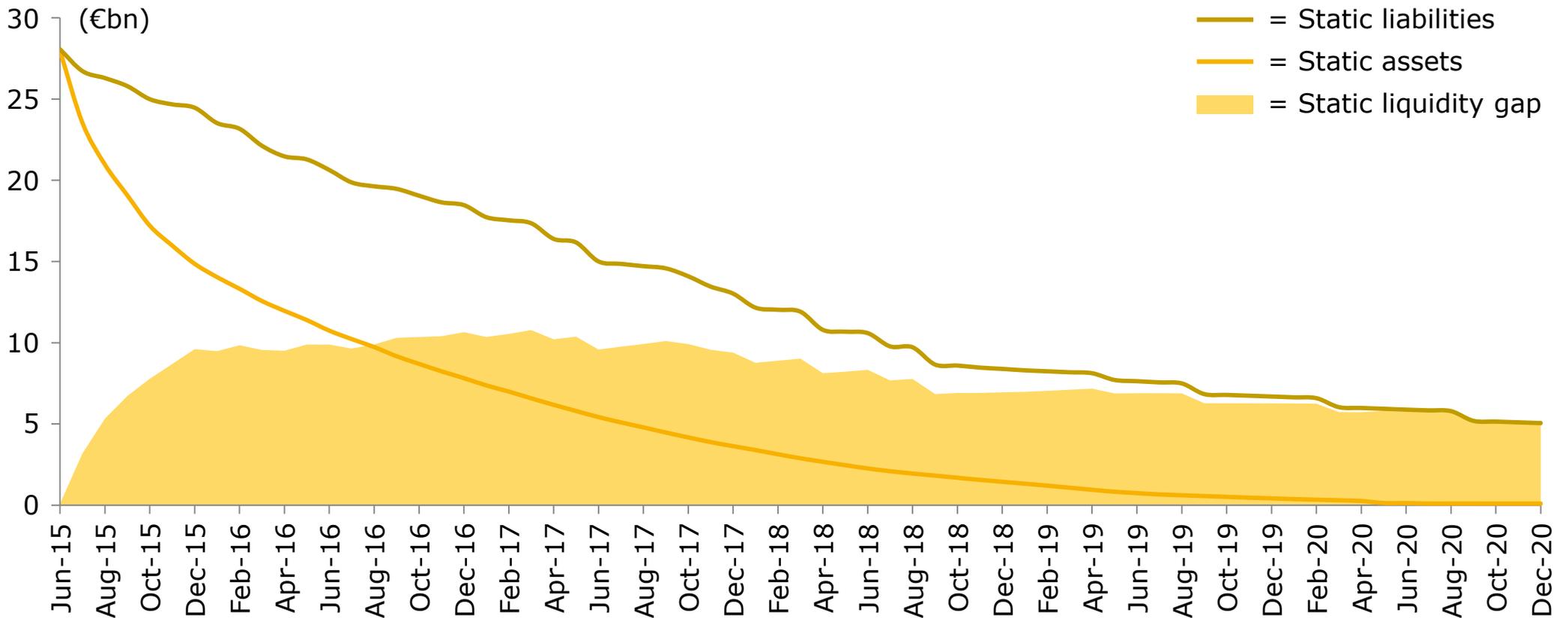
(\*\*) **Renault group:** of which €550m deposit granted by Renault as collateral to offset credit exposure on Renault owned dealers

■ Available liquidity (\*) (€m):



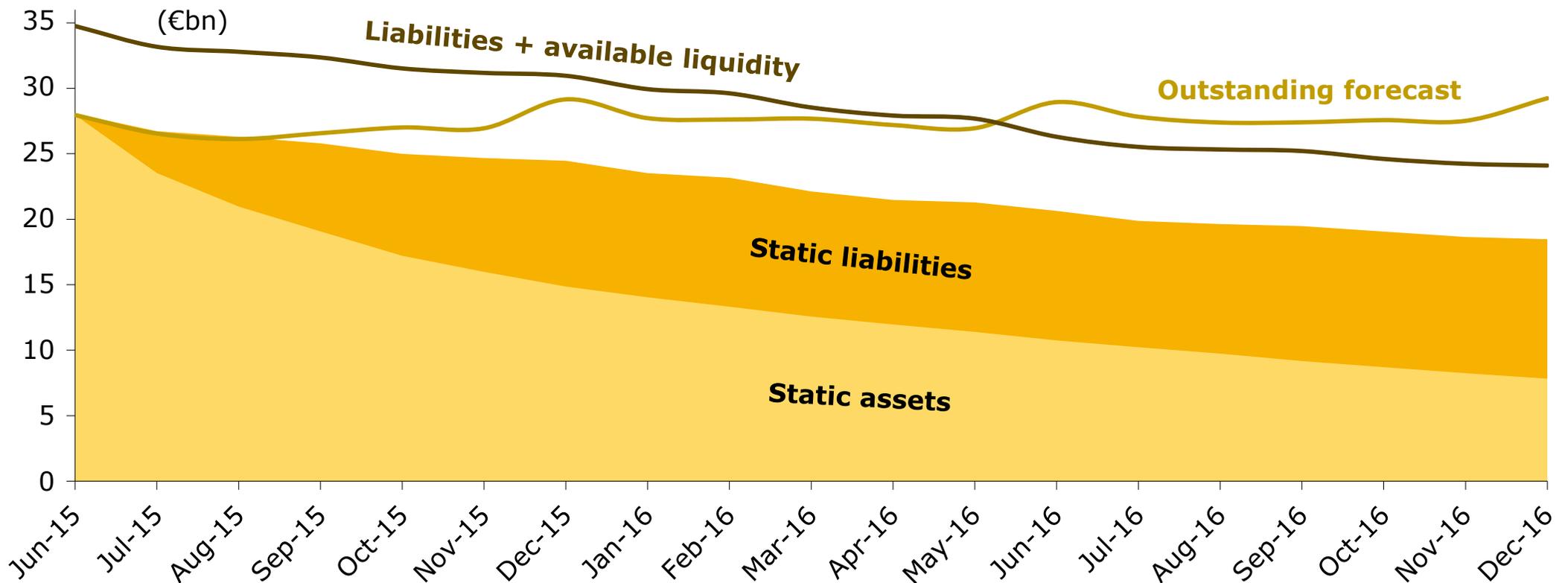
(\*) European scope.

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



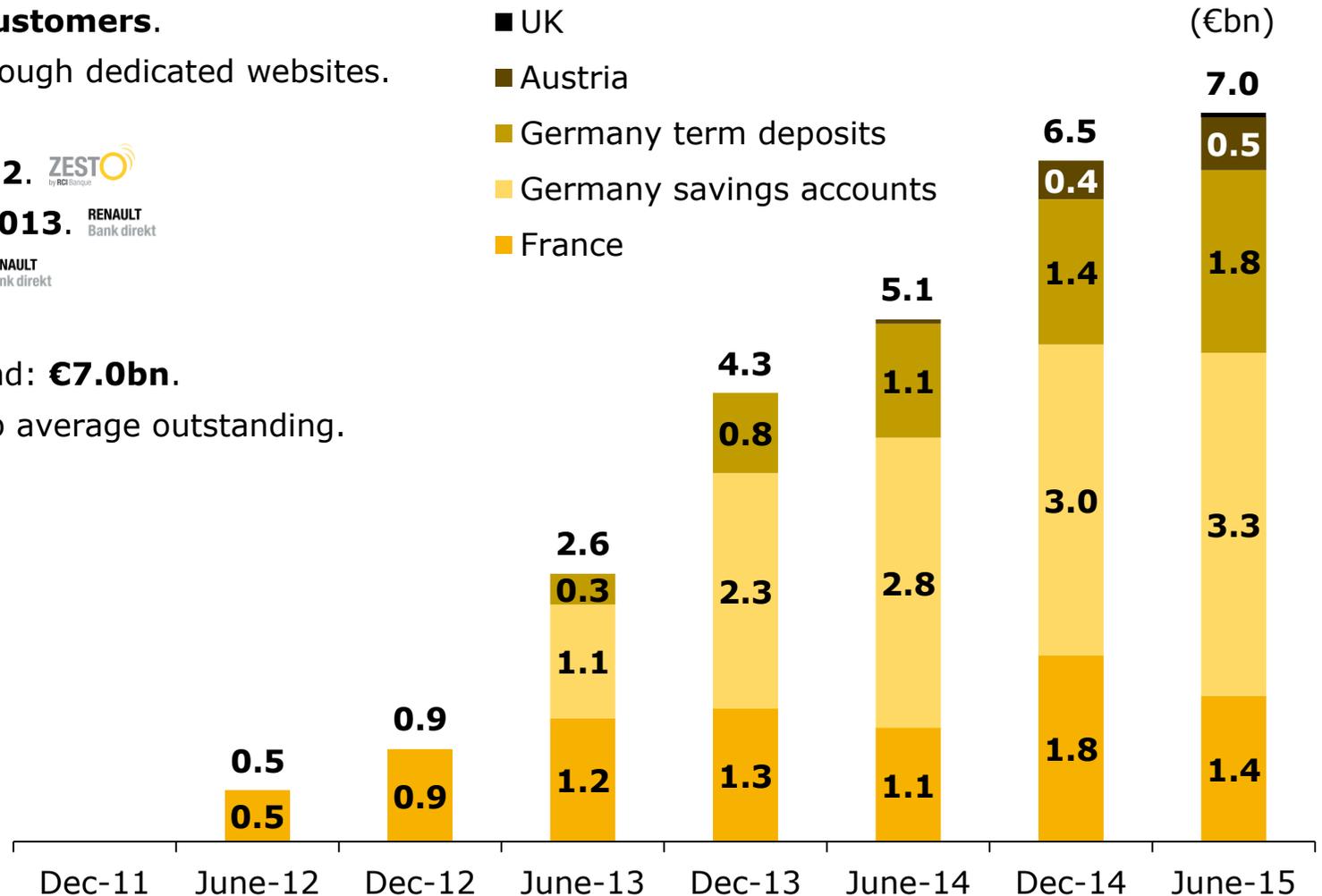
(\*) On a specific date, **static liquidity** represents the sum of the outstanding financial liabilities plus equity, minus the outstanding commercial assets (loans to dealers and customers), in each case assuming no balance sheet changes from the date of calculation. European scope.

- **Stress scenario:** no access to new market funding, stressed deposit outflows hypothesis, continued commercial activity and full use of available liquidity.
- Visibility at June 2015 end: **more than 11 months of activity.**



(\*) European scope.

- Saving products for **retail customers**.
- Managed **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**. 
- Outstanding at June 2015 end: **€7.0bn**.
- **2016 target: 30%** of group average outstanding.

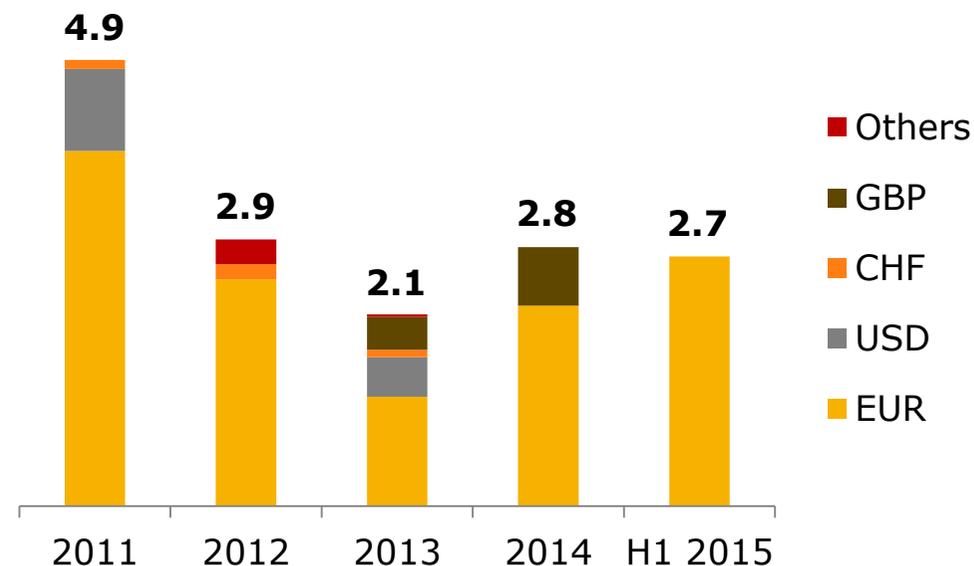


**Bond issues and ABS (\*) (€bn):**

	2011	2012	2013	2014	H1 2015	2015 (forecast as of September 2015)
Bond issuances	4.9	2.9	2.1	2.8	2.7	
Other long term senior unsecured	0.1	0.2	0.0	0.1	0.2	
<b>Total long term senior unsecured</b>	<b>5.0</b>	<b>3.2</b>	<b>2.1</b>	<b>2.9</b>	<b>2.9</b>	<b>3.5</b>
<b>ABS (public or conduit)</b>	<b>1.8</b>	<b>1.9</b>	<b>0.9</b>	<b>1.1</b>	<b>0.8</b>	<b>0.8</b>

**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.
- Three **GBP** transactions in 2013 and 2014.
- Two **7-year** issuances in 2014 and 2015.



(\*) European scope.

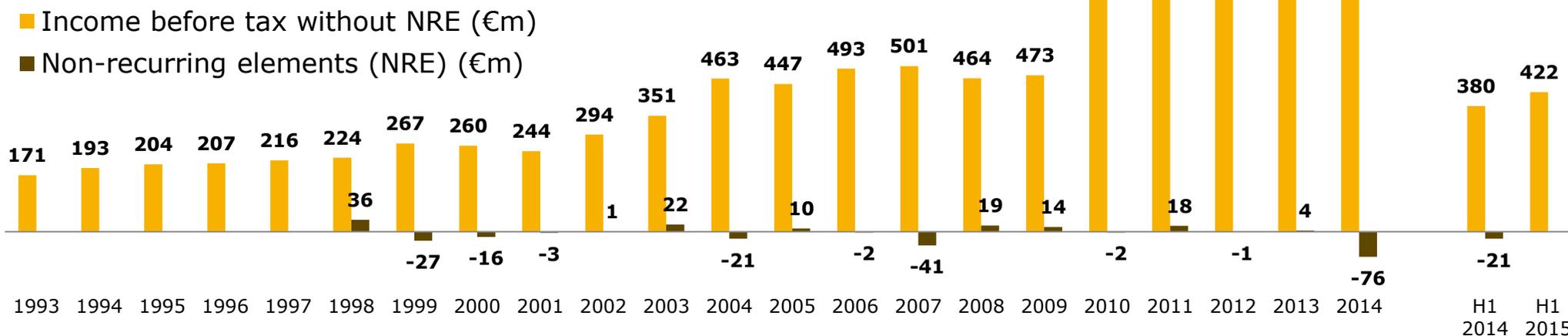
# 04

## APPENDICES

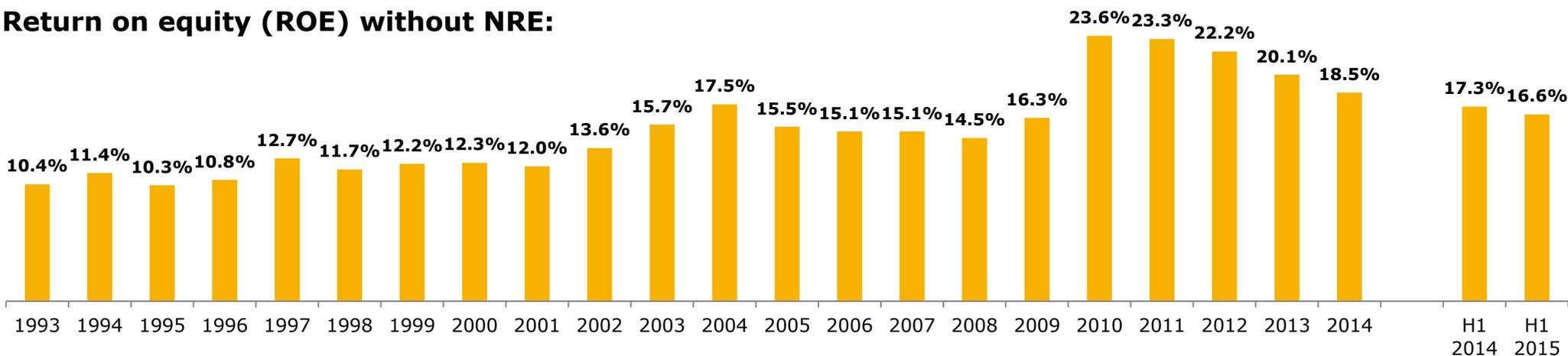


**Very little volatility on long term results and profitability**

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



**Return on equity (ROE) without NRE:**

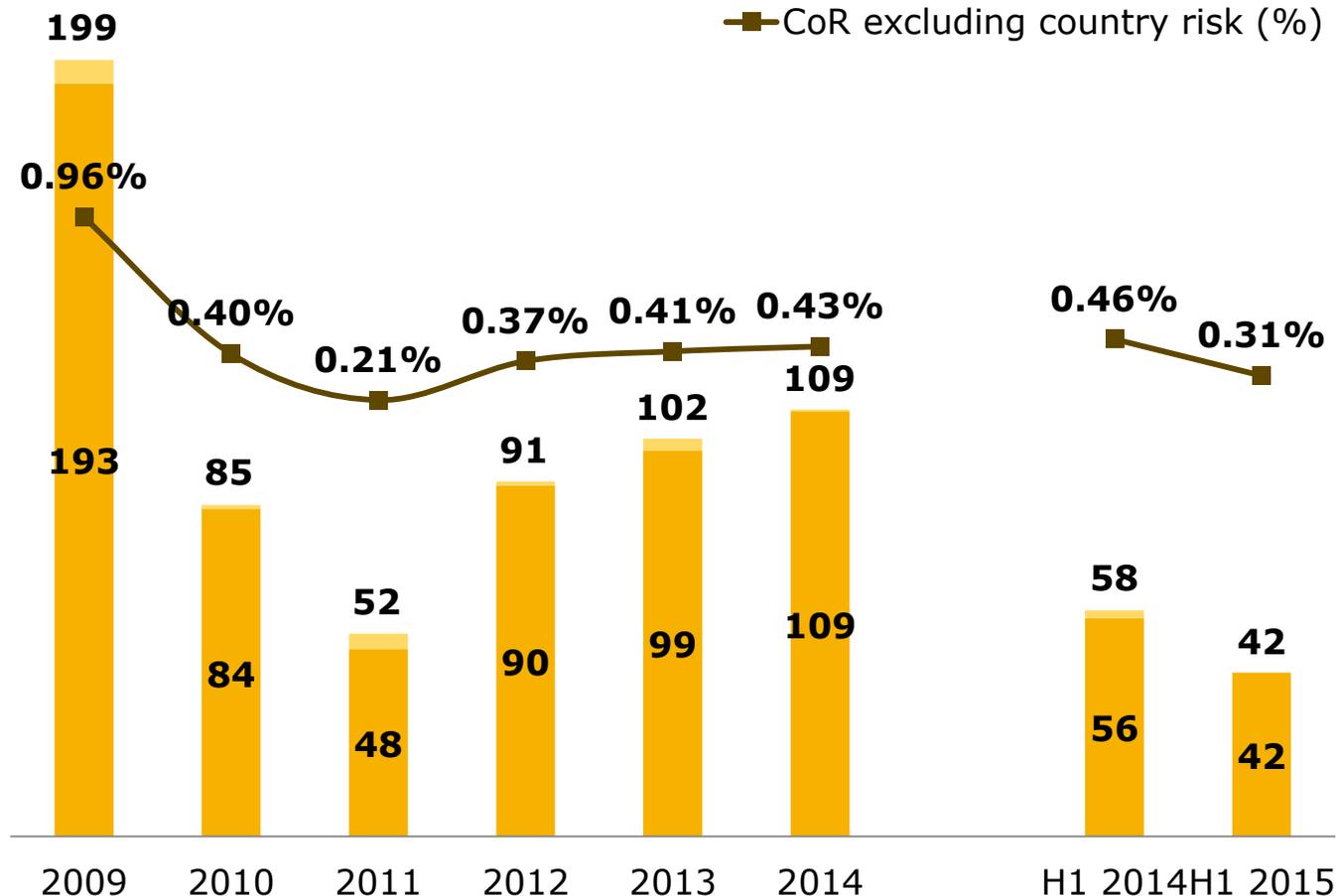


- **Total cost of risk, excluding country risk: 0.31%.**
- **Dealers: -0.01%.**
- **Customers: 0.39%.**

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

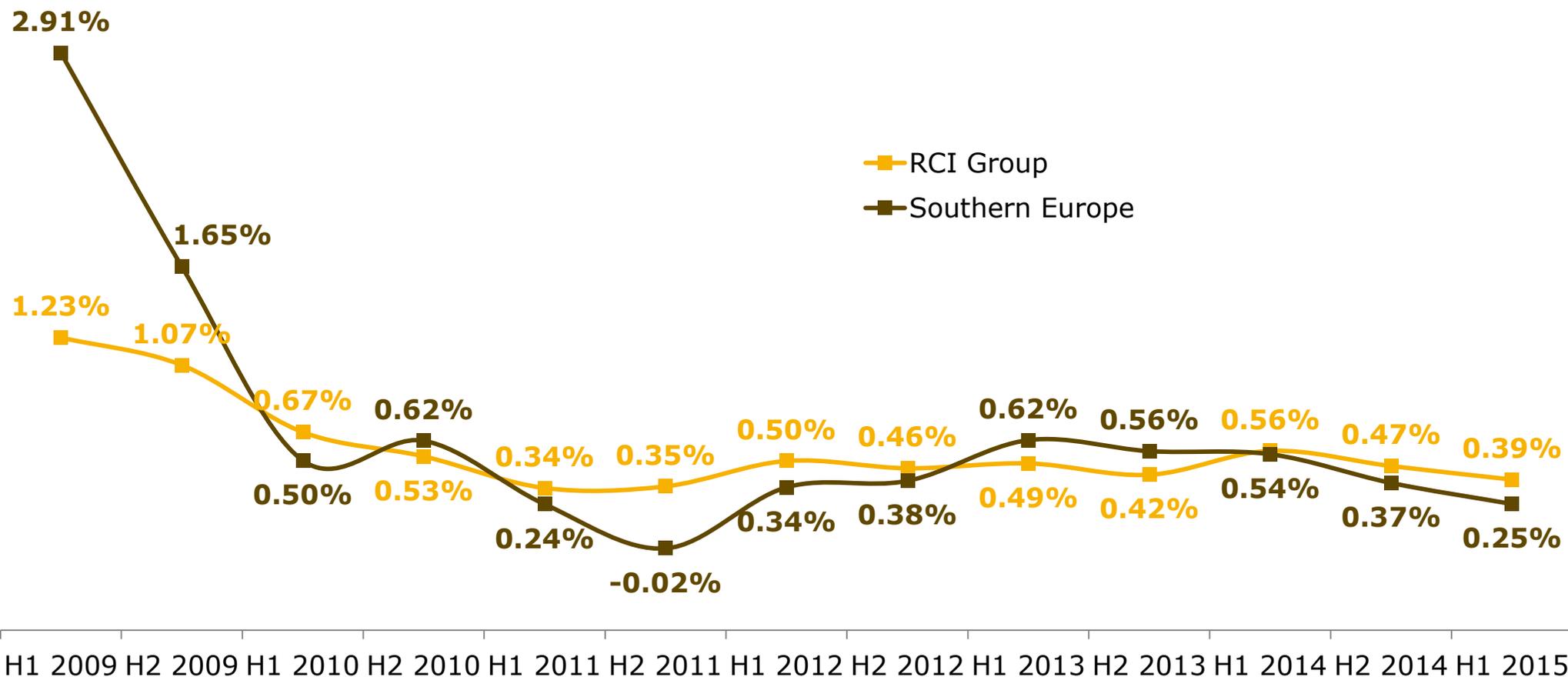
- **Country risk =** Allowances are determined on the basis of the systemic credit risk to which debtors are exposed in the event of a continued and persistent deterioration in the economic and general situation of the countries included in this base. The provision concerns assets located in countries 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 (%)

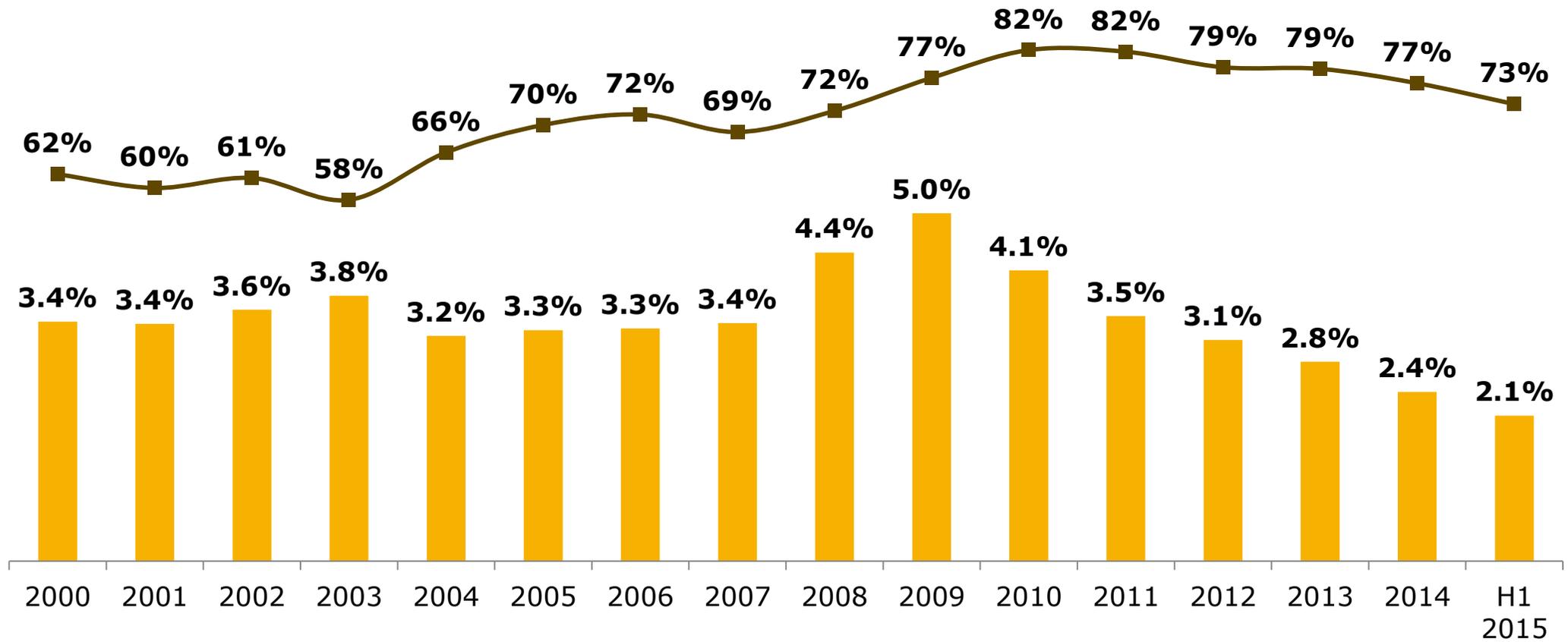


**Focus on Customer cost of risk in Southern Europe**

Customer cost of risk in Southern Europe (\*) in percentage of outstandings, excluding country risk:



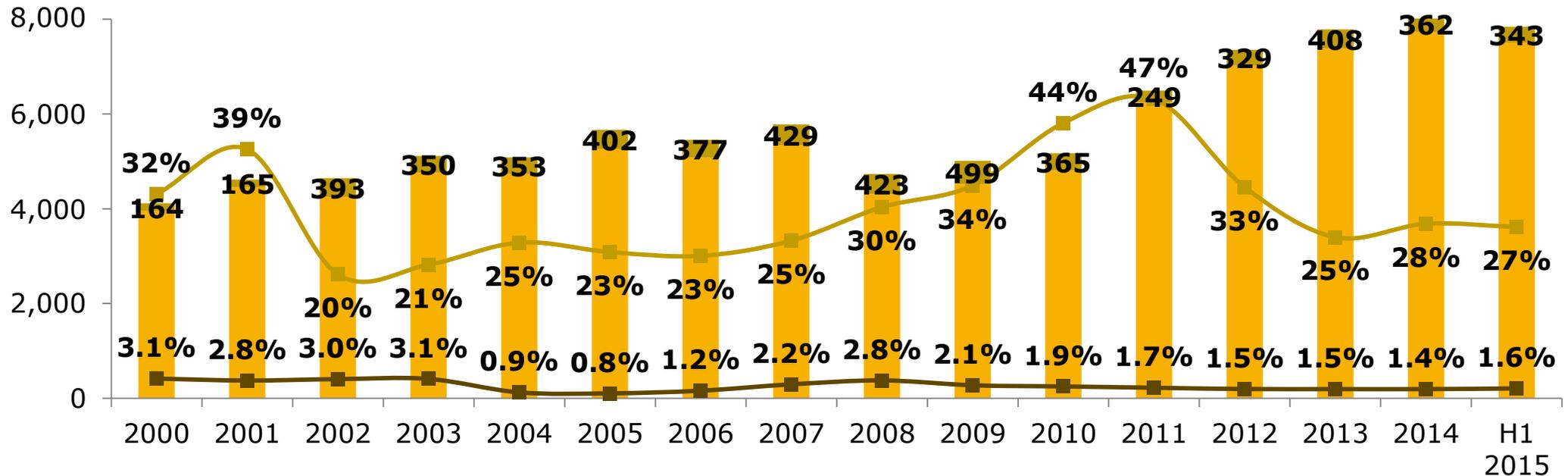
(\*) Southern Europe: Spain, Italy and Portugal.



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

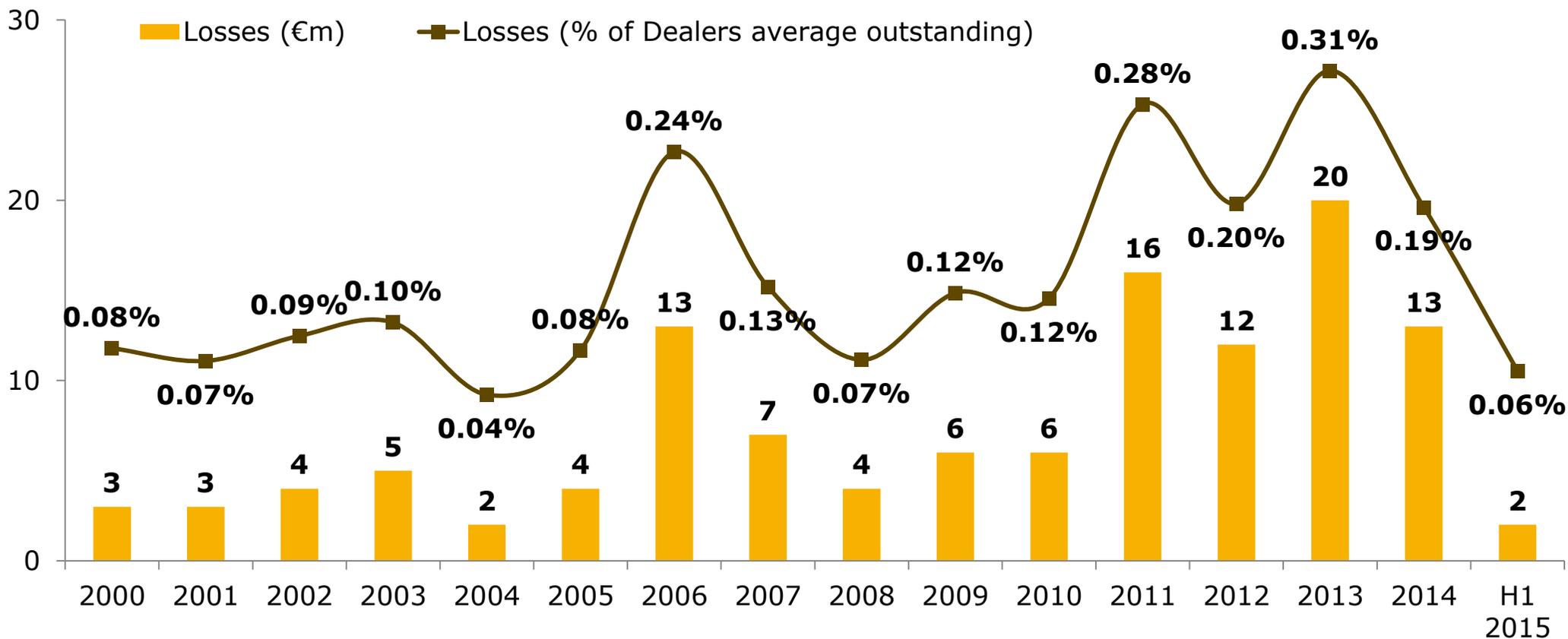


- Doubtful and compromised receivables (€m)
- Provisions on non-impaired receivables (%)
- Non-impaired receivables (€m)
- Provisions on doubtful and compromised receivables (%)



- 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	2014	H1 2015
<b>Provisions (€m)</b>	<b>176</b>	<b>190</b>	<b>206</b>	<b>220</b>	<b>176</b>	<b>185</b>	<b>203</b>	<b>232</b>	<b>254</b>	<b>265</b>	<b>255</b>	<b>230</b>	<b>213</b>	<b>211</b>	<b>212</b>	<b>210</b>



#### PC + LUV (\*) 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 outstandings at half-year-end (€m)	of which Customers outstandings at half-year-end (€m)	of which Dealers outstandings at half-year-end (€m)
<b>Europe</b>	<b>H1 2015</b>	<b>10.4</b>	<b>3.8</b>	<b>38.3</b>	<b>533</b>	<b>6,509</b>	<b>25,809</b>	<b>18,866</b>	<b>6,943</b>
	H1 2014	10.4	3.4	33.4	418	4,862	22,466	15,865	6,601
of which Germany	<b>H1 2015</b>	<b>5.0</b>	<b>2.2</b>	<b>43.9</b>	<b>73</b>	<b>995</b>	<b>4,338</b>	<b>3,357</b>	<b>981</b>
	H1 2014	5.4	2.1	44.0	70	929	3,911	2,895	1,016
of which Spain	<b>H1 2015</b>	<b>13.0</b>	<b>5.2</b>	<b>45.4</b>	<b>58</b>	<b>604</b>	<b>2,507</b>	<b>1,876</b>	<b>631</b>
	H1 2014	12.2	4.3	39.0	37	392	1,845	1,382	463
of which France	<b>H1 2015</b>	<b>26.9</b>	<b>3.7</b>	<b>37.6</b>	<b>186</b>	<b>2,137</b>	<b>9,650</b>	<b>6,723</b>	<b>2,927</b>
	H1 2014	27.3	3.6	33.1	155	1,816	9,465	6,427	3,038
of which Italy	<b>H1 2015</b>	<b>9.2</b>	<b>3.8</b>	<b>50.7</b>	<b>66</b>	<b>832</b>	<b>2,763</b>	<b>2,252</b>	<b>511</b>
	H1 2014	8.5	3.5	44.5	47	601	2,348	1,844	504
of which UK	<b>H1 2015</b>	<b>4.0</b>	<b>5.8</b>	<b>34.7</b>	<b>69</b>	<b>1,158</b>	<b>3,745</b>	<b>2,997</b>	<b>748</b>
	H1 2014	3.8	5.3	26.4	46	600	2,592	1,979	613
of which other countries	<b>H1 2015</b>	<b>10.0</b>	<b>3.0</b>	<b>29.0</b>	<b>80</b>	<b>783</b>	<b>2,806</b>	<b>1,661</b>	<b>1,145</b>
	H1 2014	9.9	2.6	25.0	63	525	2,306	1,339	967
<b>Asia-Pacific (South Korea)</b>	<b>H1 2015</b>	<b>4.4</b>	<b>0.5</b>	<b>52.2</b>	<b>26</b>	<b>382</b>	<b>1,114</b>	<b>1,097</b>	<b>17</b>
	H1 2014	4.7	0.4	45.2	22	271	961	951	10
<b>Americas</b>	<b>H1 2015</b>	<b>7.7</b>	<b>1.9</b>	<b>40.0</b>	<b>68</b>	<b>578</b>	<b>2,650</b>	<b>2,046</b>	<b>604</b>
	H1 2014	8.4	1.6	40.1	85	689	3,004	2,337	667
of which Argentina	<b>H1 2015</b>	<b>10.6</b>	<b>-</b>	<b>23.7</b>	<b>10</b>	<b>79</b>	<b>327</b>	<b>207</b>	<b>120</b>
	H1 2014	14.4	-	18.5	12	56	286	227	59
of which Brazil	<b>H1 2015</b>	<b>7.0</b>	<b>2.4</b>	<b>44.4</b>	<b>59</b>	<b>499</b>	<b>2,323</b>	<b>1,839</b>	<b>484</b>
	H1 2014	7.0	2.0	48.1	74	632	2,718	2,110	608
<b>Africa, Middle East, India (**)</b>	<b>H1 2015</b>	<b>38.4</b>	<b>-</b>	<b>33.5</b>	<b>8</b>	<b>65</b>	<b>323</b>	<b>259</b>	<b>64</b>
	H1 2014	37.4	-	32.2	8	61	295	237	58
<b>Eurasia (**)</b>	<b>H1 2015</b>	<b>11.6</b>	<b>4.3</b>	<b>22.2</b>	<b>52</b>	<b>213</b>	<b>81</b>	<b>76</b>	<b>5</b>
	H1 2014	10.5	5.6	26.2	68	115	90	86	4
<b>TOTAL</b>	<b>H1 2015</b>	<b>9.9</b>	<b>3.3</b>	<b>36.5</b>	<b>687</b>	<b>7,746</b>	<b>29,977</b>	<b>22,343</b>	<b>7,634</b>
	H1 2014	9.8	3.2	33.4	601	5,997	26,815	19,475	7,340



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

(\*\*) Data excluding India.

### Ratings: RCI Banque durably investment grade

- **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,
- **Higher rating than parent Renault SA** due to:
  - Strong financial profile (results, cost of risk, capitalization),
  - Bank status,
  - Stand alone and conservative funding.

**S&P**

**Moody's**

**RCI Banque**  
groupe RENAULT

Standalone	bbb- (*)	baa3 (**)
Additional factors	Sovereign support	Loss Given Failure
Uplift	+1	+2
<b>Long term</b>	<b>BBB</b>	<b>Baa1</b>
<b>Short term</b>	<b>A-2</b>	<b>P-2</b>
Outlook	Negative (***)	Stable

**RENAULT**   

<b>Long term</b>	<b>BBB-</b>	<b>Ba1</b>
<b>Short term</b>	<b>A-3</b>	<b>NP</b>
Outlook	Stable	Positive



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

(\*\*) **BCA**: Baseline Credit Assessment.

(\*\*\*) S&P negative outlook due to sovereign support to be reviewed following BRRD implementation in France.

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