



# INVESTOR PRESENTATION

FIRST-HALF 2017 RESULTS

---

# DISCLAIMER

This presentation is not, and is not intended to be, an offer to sell any security or the solicitation of an offer to purchase any security.

The following presentation has been prepared to provide information about RCI Banque; Information have been obtained from sources believed to be reliable. None warrant its completeness or accuracy.

This presentation may contain forward-looking statements, in particular statements regarding our plans, strategies, prospects and expectations regarding our business. You should be aware that these statements and any other forward-looking statements, in this presentation, only reflect our expectation and are not guarantees of performance near and in the future.

These statements involve risks, uncertainties and assumptions about events or conditions and is indented only to illustrate hypothetical results under those assumptions. Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed. In addition not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results will vary and the variations may be material. Prospective investors should understand such assumption and evaluate whether they are appropriate for their purposes.

The information contained herein does not constitute an offer for sale in the United States. The securities described herein have not, and will not, be registered under the U.S. Securities Act of 1933 or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered or sold, directly or indirectly, into the United States unless the securities are so registered or an exemption from the registration requirements is available.

# AGENDA

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

1

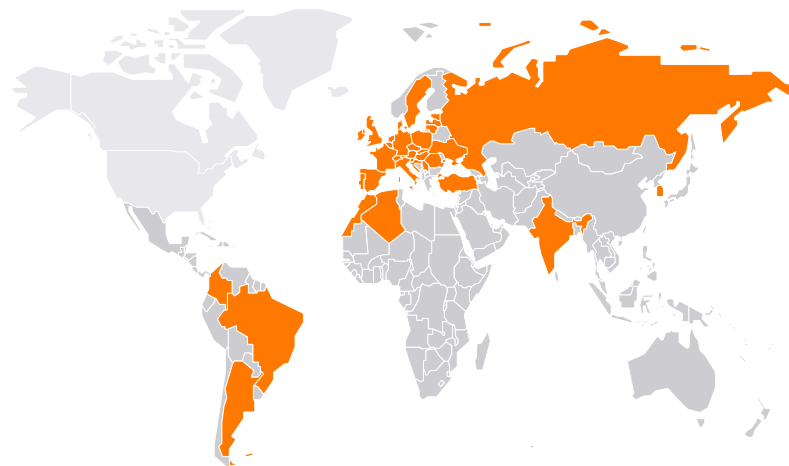
# RCI BANQUE OVERVIEW



# IDENTITY AND FIRST-HALF 2017 KEY FIGURES

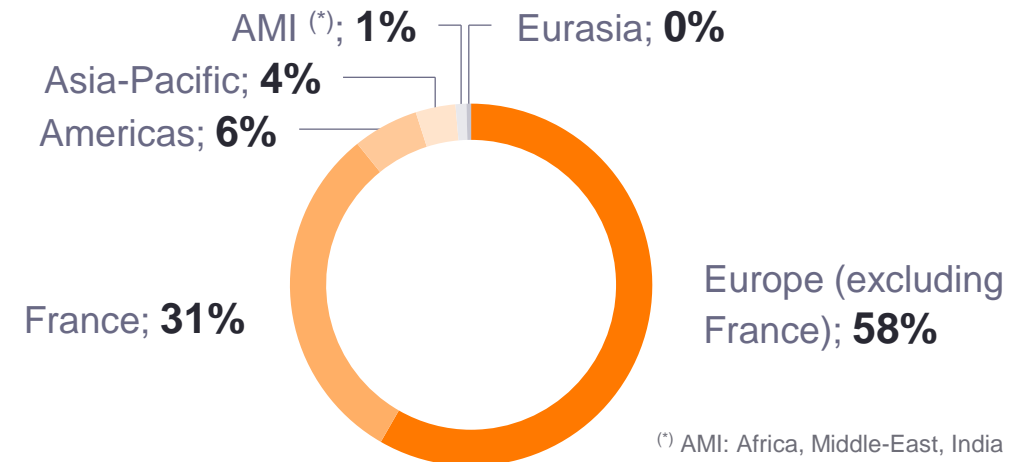
- **RCI Banque identity:**

- 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
- **6** brands financed in **36** countries



- **First-half 2017 key figures:**

- Equity: **€ 4.4bn**
- Net Customer deposits: **€ 13.5bn**
- Penetration rate: **38.2%**
- New contracts (in k units): **883**
- Commercial assets: **€ 41.4bn**



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

# RATINGS



- **Moody's ratings:**

- Long-term: **Baa1**
- Short-term: **P-2**
- Outlook: **Stable**
- **Strengths:** “key vehicle for the strategy of its parent; strong profitability through the credit cycle; limited refinancing risk; increasing deposit base and adequate liquidity buffer; large volume of senior unsecured long-term debt resulting in very low loss-given-failure”
- **Weaknesses:** “lack of business diversification; car market cyclical by nature; credit concentration among car dealers; reliant on wholesale-funding”

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

- Renault: **Baa3/P-3, stable outlook**

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

- Long-term: **BBB**
- Short-term: **A-2**
- Outlook: **Stable**
- **Strengths:** “superior risk-adjusted profitability and earnings buffer higher than for banks with a similar stand-alone credit profile; regulated bank insulated from its corporate parent; developing services supporting the bank's profitability; strong capitalization”
- **Weaknesses:** “predominantly wholesale-funded; business concentration in car financing; dependence on parent's franchise and product cycles”

- Renault: **BBB-/A-3, positive outlook**

# 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

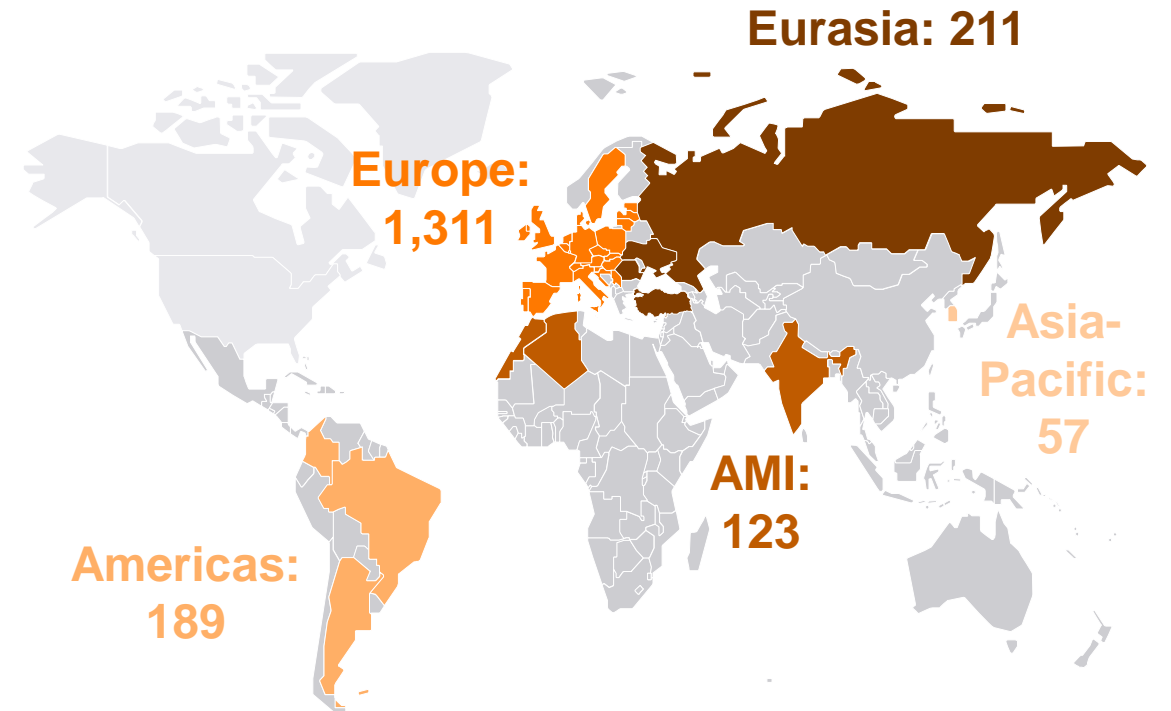
# CAR MARKET AND ALLIANCE SALES (\*) ON RCI PERIMETER



- Evolution vs. first-half 2016:

	Market	Alliance
Europe	+4.2%	+5.9%
Eurasia	+0.6%	+5.5%
Americas	+20.2%	+40.7%
Africa, Middle-East, India	+0.6%	+7.7%
Asia-Pacific	-3.9%	+11.5%
<b>Total RCI perimeter</b>	<b>+4.4%</b>	<b>+8.8%</b>

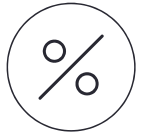
- First-half 2017 Alliance sales (in k units): 1,891



(\*) PC + LCV market and Alliance sales

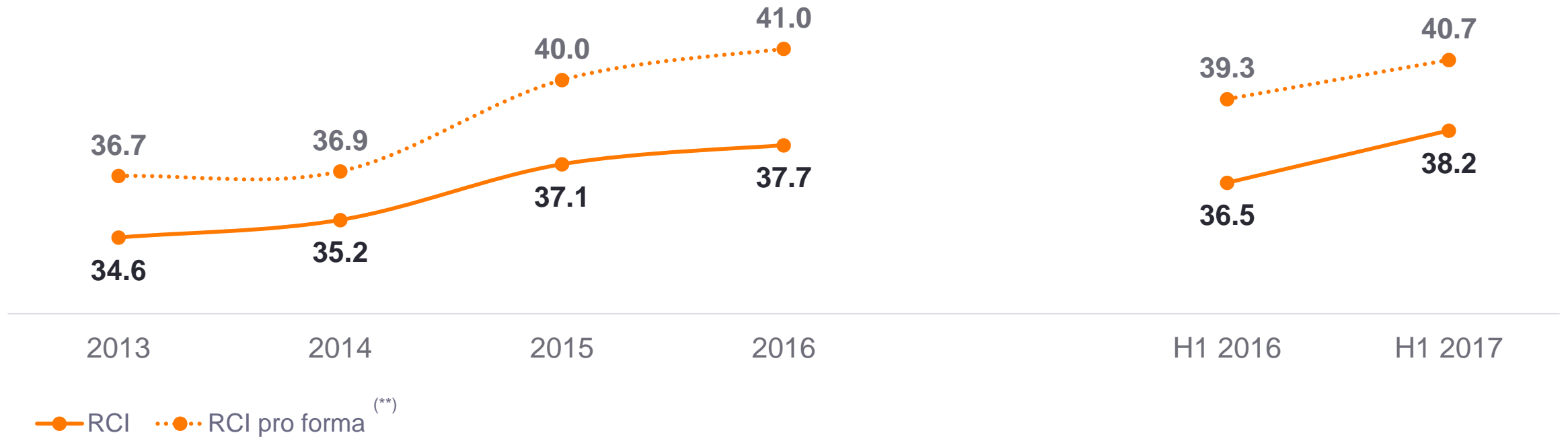


# PENETRATION RATE (\*)



- High financing penetration rate at **38.2% (+1.7pts vs. H1 2016)** of which:

- Renault: **38.5% (+2.7pts)**
- Dacia: **41.2% (+0.9pt)**
- Renault Samsung Motors: **59.0% (+6.9pts)**
- Nissan-Infiniti-Datsun: **33.2% (-0.7pt)**



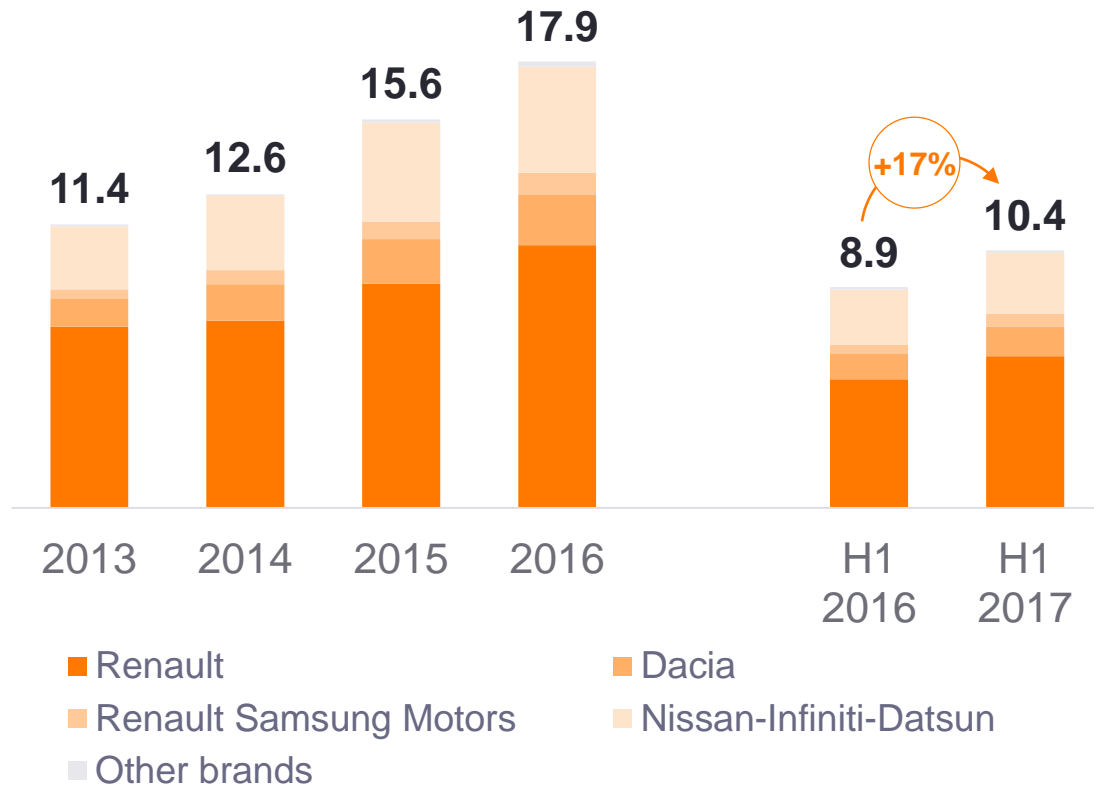
(\*) Number of new vehicles financed / new vehicles sold in RCI Banque perimeter. In %

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

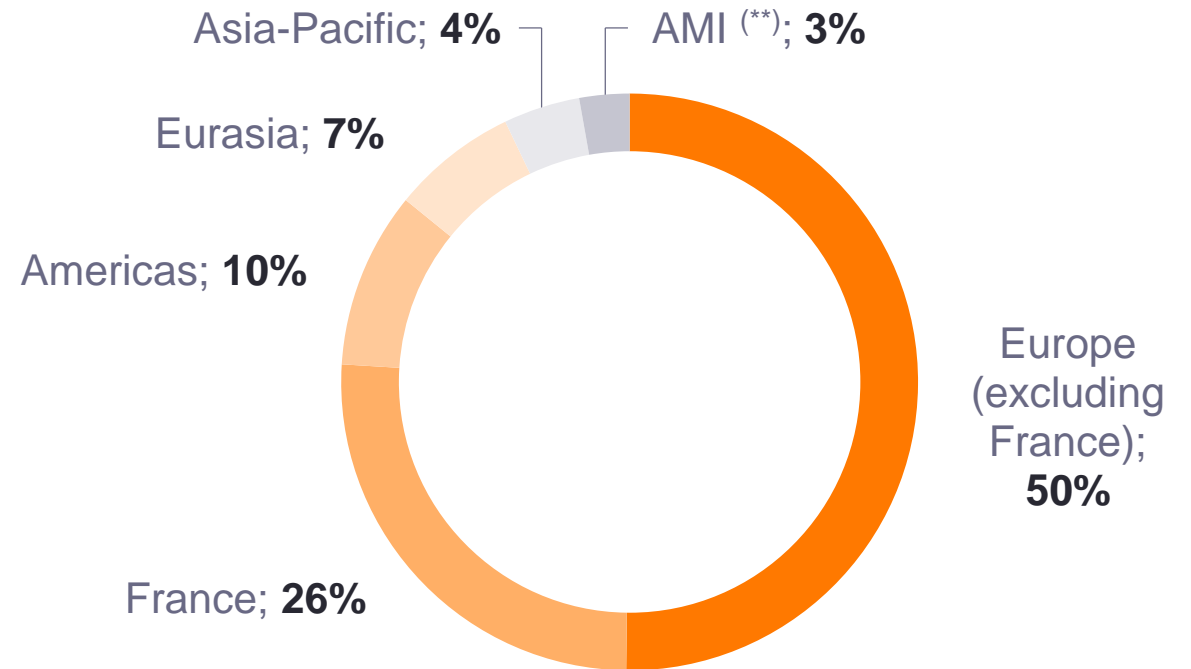
# BREAKDOWN OF NEW PRODUCTION



● **New financings (\*) by brand (in €bn):**



● **New contracts geographical breakdown:**



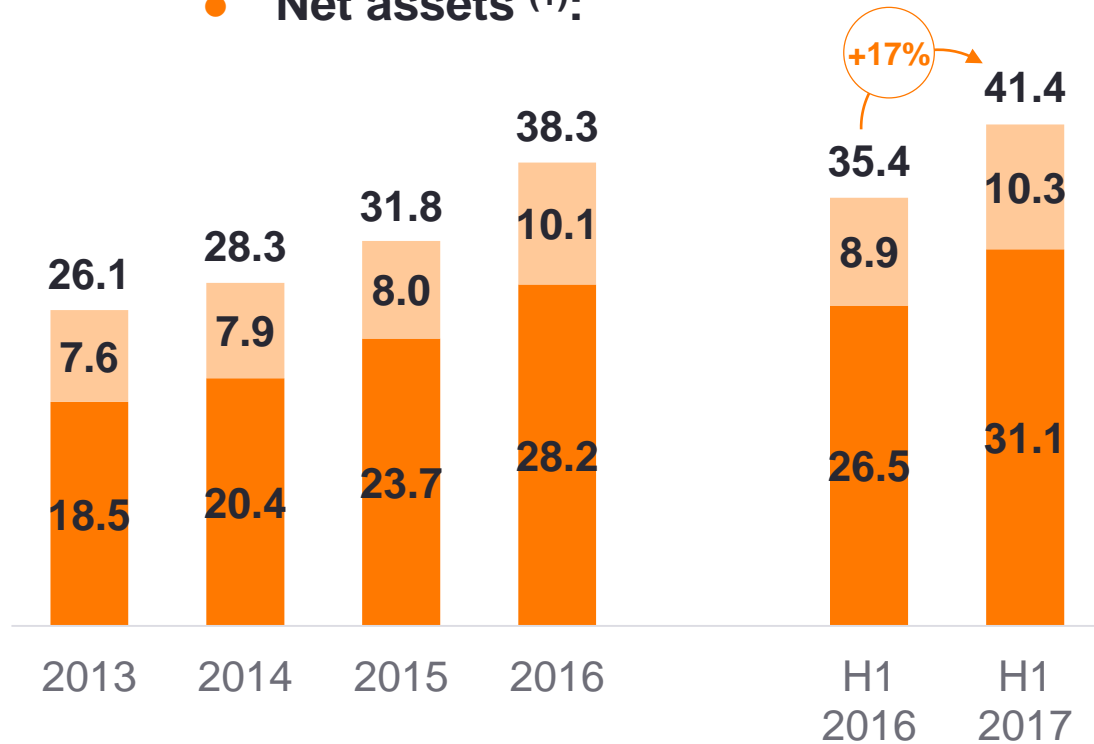
(\*) Excluding cards and personal loans

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

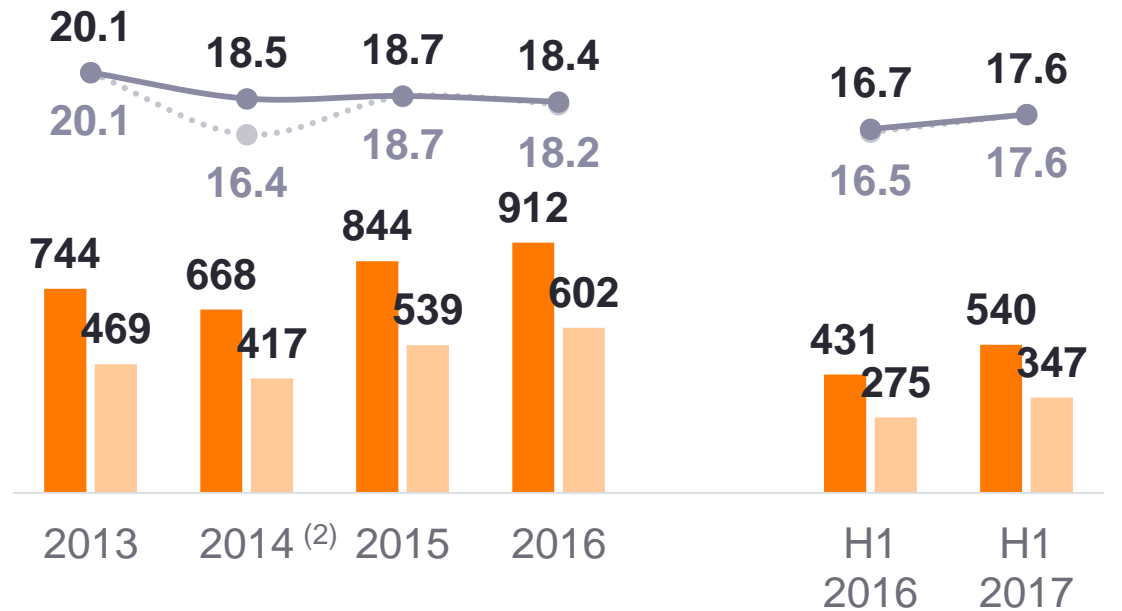
# ASSETS AND RESULTS



● **Net assets <sup>(1)</sup>:**



● **ROE and results:**



■ Customer net assets (€bn)    ■ Dealer net assets (€bn)

■ Pre-tax results (€m)  
 ■ After-tax results (€m) <sup>(3)</sup>  
 ● ROE including non-recurring elements (%)  
 ● ROE without non-recurring elements (%)

<sup>(1)</sup> Net assets: net total outstandings + operating lease transactions net of depreciation and impairment

<sup>(2)</sup> 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)

<sup>(3)</sup> Owners of the parent

# FINANCIAL PERFORMANCE



- Profit and loss aggregates <sup>(1)</sup> in percentage of average performing assets:

	2013	2014	2015	2016	H1 2017
Gross financial margin	4.81	4.87	4.72	4.49	4.42
Margin on services	1.24	1.33	1.36	1.23	1.27
Other products <sup>(2)</sup>	0.55	0.45	0.32	0.29	0.30
Intermediation fee <sup>(3)</sup>	-1.56	-1.67	-1.65	-1.60	-1.55
<b>Net banking income <sup>(4)</sup></b>	<b>5.04</b>	<b>4.98</b>	<b>4.75</b>	<b>4.41</b>	<b>4.44</b>
Cost of risk <sup>(5)</sup>	-0.42	-0.43	-0.33	-0.31	-0.29
Operating expenses	-1.56	-1.58	-1.49	-1.39	-1.37
<b>Operating income</b>	<b>3.06</b>	<b>2.97</b>	<b>2.94</b>	<b>2.71</b>	<b>2.78</b>
OEIC and equity method <sup>(6)</sup>	0.01	-0.32	0.01	0.03	0.05
<b>Pre-tax income</b>	<b>3.07</b>	<b>2.65</b>	<b>2.95</b>	<b>2.74</b>	<b>2.83</b>

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

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

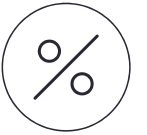
<sup>(3)</sup> All the costs attributable to distributing of financing and related-services contracts, mainly in the form of dealers commissions

<sup>(4)</sup> Excluding non-recurring elements

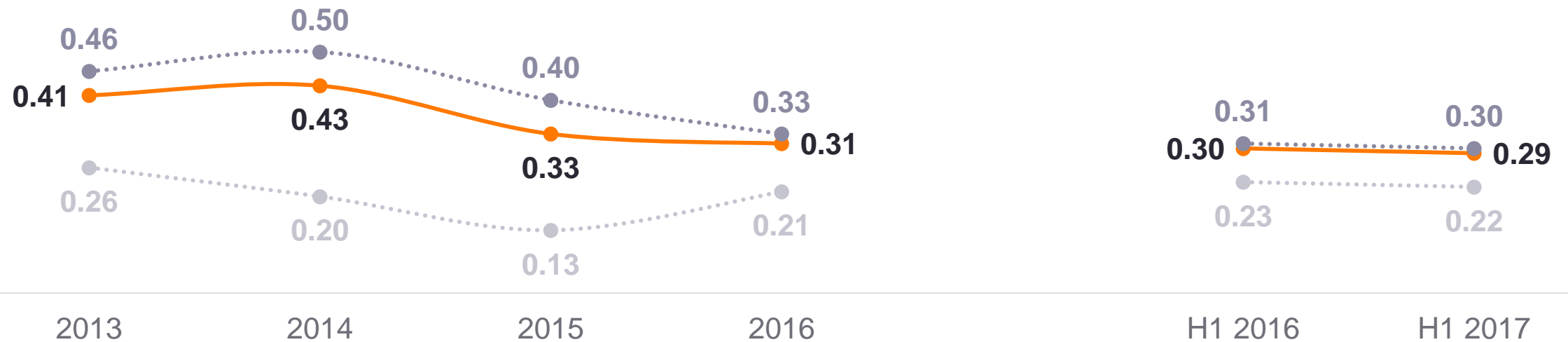
<sup>(5)</sup> Including country risk

<sup>(6)</sup> Other exceptional income and charges and share of equity-accounted companies' result

# COST OF RISK (\*)



- Cost of risk in percentage of average performing assets, excluding country risk (\*\*), at **0.29% (-1bp vs. H1 2016)**:



- 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

(\*\*) Country risk = Allowances for country risk 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 states included in this base. The provision concerns assets located in countries that are not part of the Eurozone where the sovereign S&P rating is below BBB+, and whose outstanding risk is borne by the RCI Banque group

# RESIDUAL VALUE METRICS



- 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

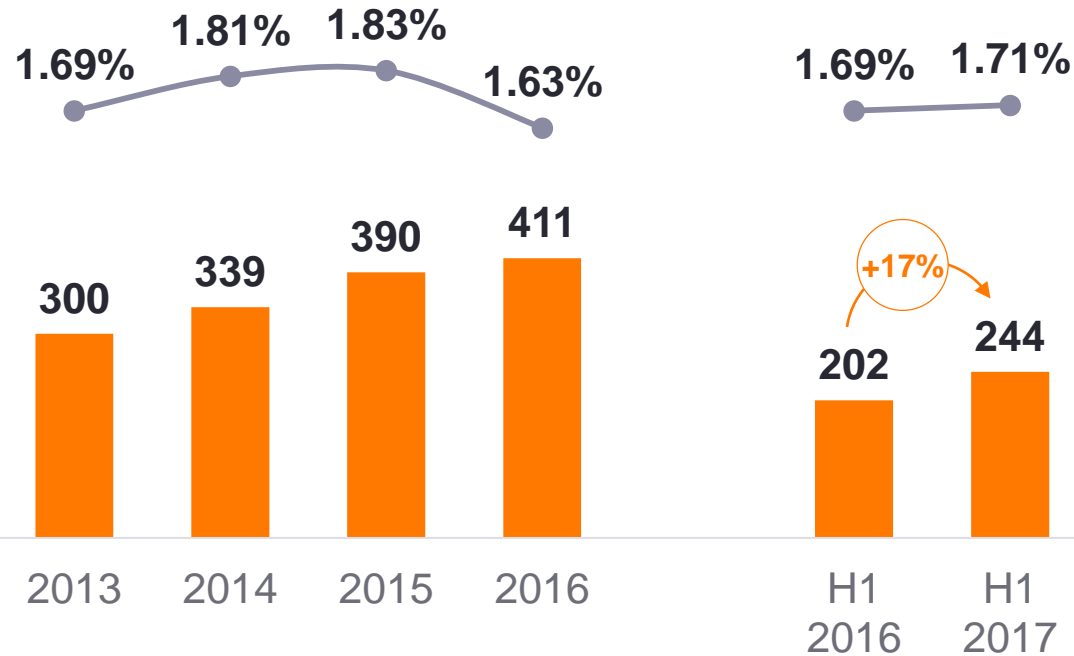
	2013	2014	2015	2016	H1 2017
Residual value risk (€m)	569	912	1,649	1,899	<b>1,959</b>
Provisions (€m)	2	6	15	36	<b>49</b>
Provisions (%)	0.4%	0.6%	0.9%	1.9%	<b>2.5%</b>

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

# SERVICES

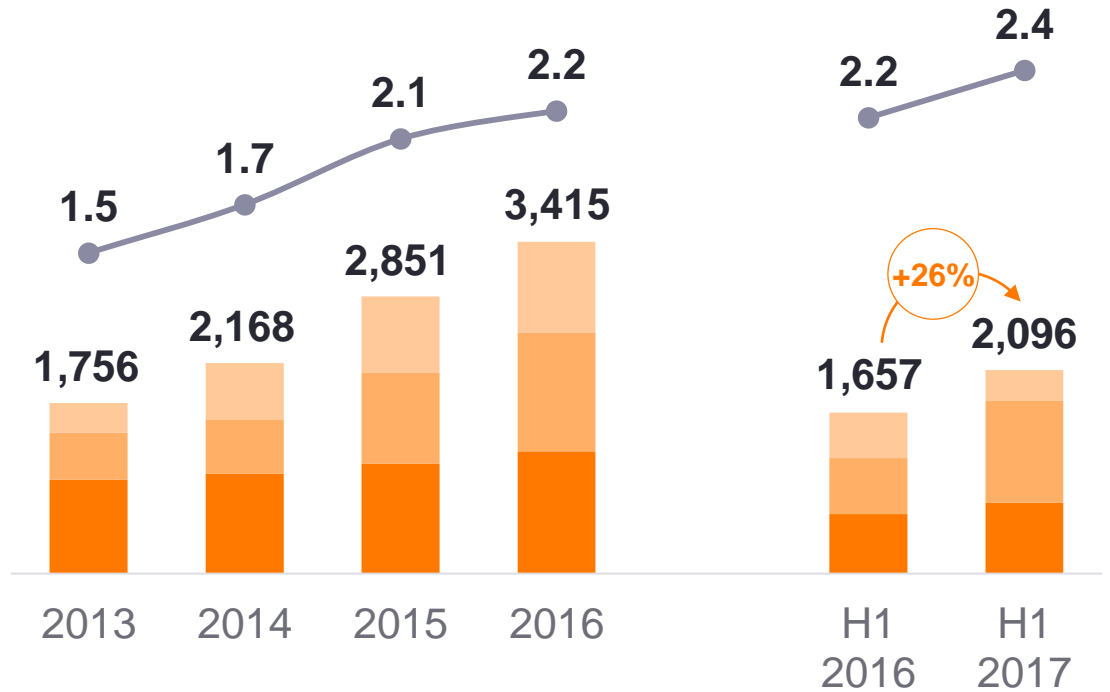


● **Margin on services:**



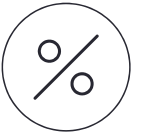
■ Margin on services (€m)  
● Margin in % of average Customer assets

● **New services contracts (in thousands):**

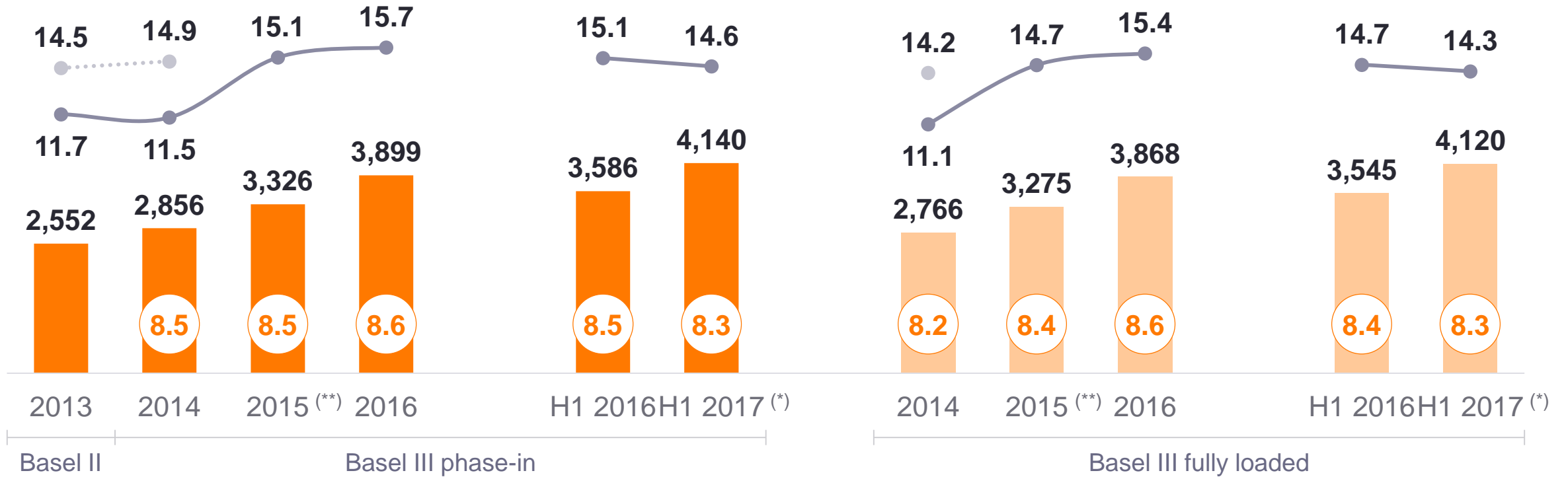


■ Other services (warranties, maintenance...)  
■ Car insurance  
■ Loan-related insurance (PPI, GAP...)  
● Ratio of services sold per vehicle contract

# SOLVENCY



● Strong Core Tier 1 ratio at **14.6%**



■ Core Tier 1 in €m    
 —●— Core Tier 1 ratio in %    
 - - ● - - Core Tier 1 ratio excluding floor in %    
 0.0 Leverage ratio in %

(\*) H1 2017: As of June 2017 end, the ratio includes a recalibration of certain parameters of internal models used for risk weighted assets calculation

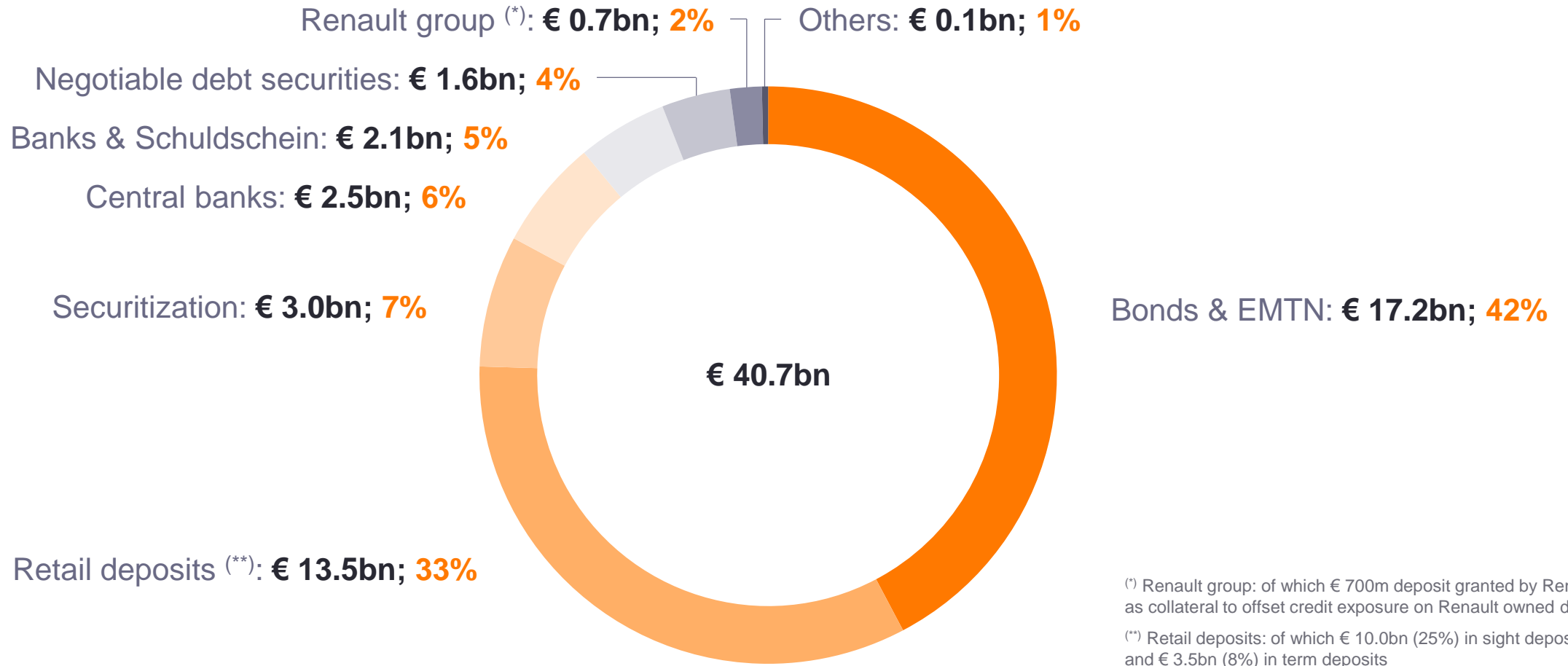
(\*\*) 2015: A clarification with the regulator of the methodology used to calculate the regulatory capital requirements, led RCI to exclude the additional capital requirement linked to the Basel I floor. The Core Tier 1 ratio at 2015 end also includes a post-publication methodological adjustment on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



3

# FINANCIAL POLICY AND FUNDING

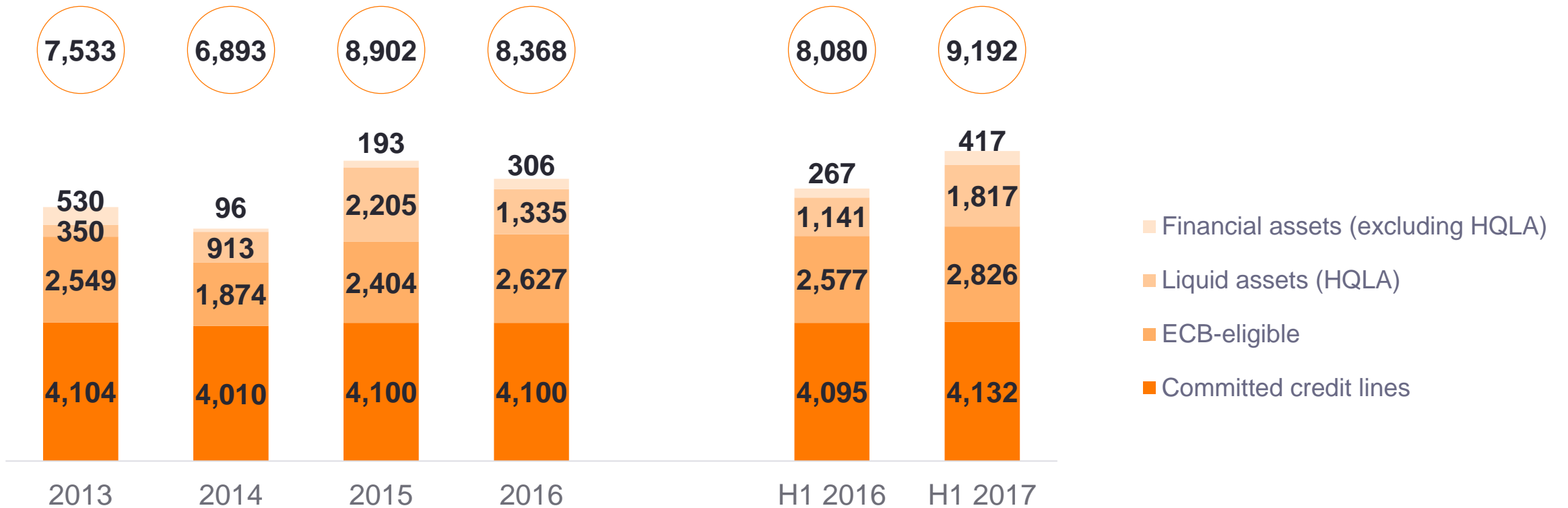
# DEBT STRUCTURE AT JUNE 2017 END



# LIQUIDITY RESERVE (\*)

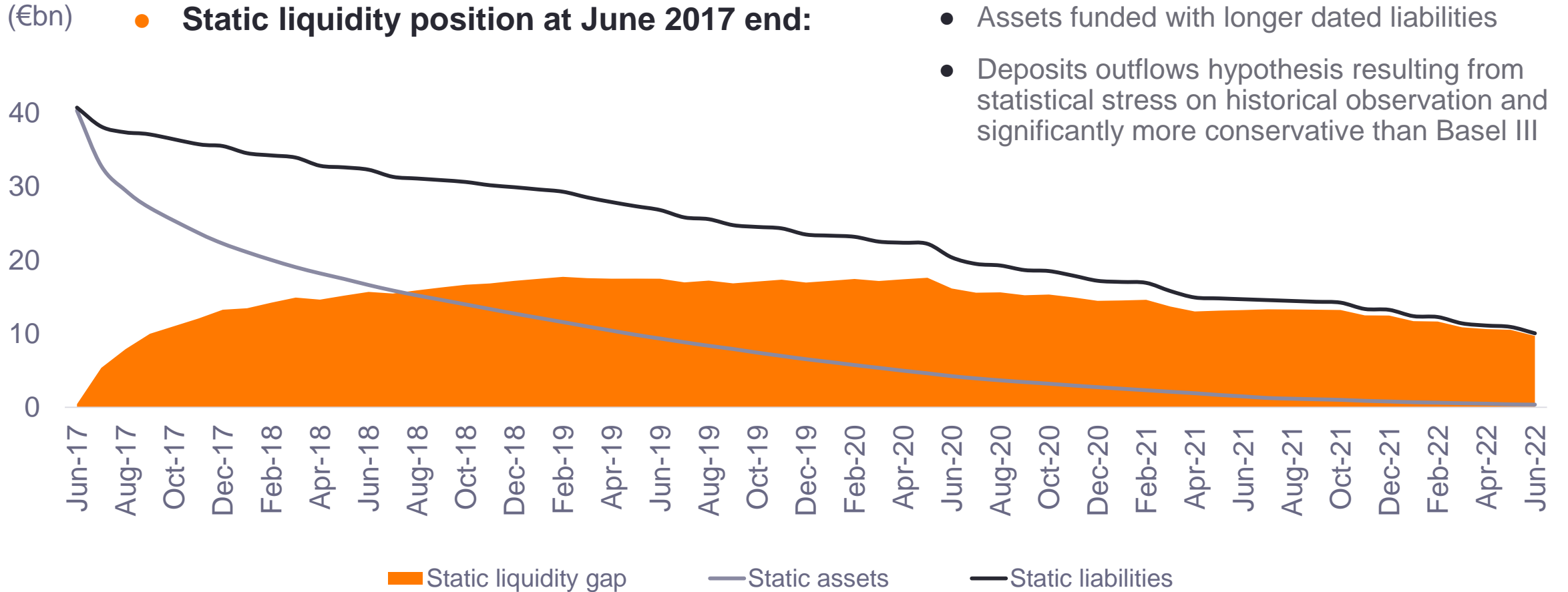


- High level of liquidity reserve at **€ 9.2bn**:



(\*) European scope

# STATIC LIQUIDITY (\*)



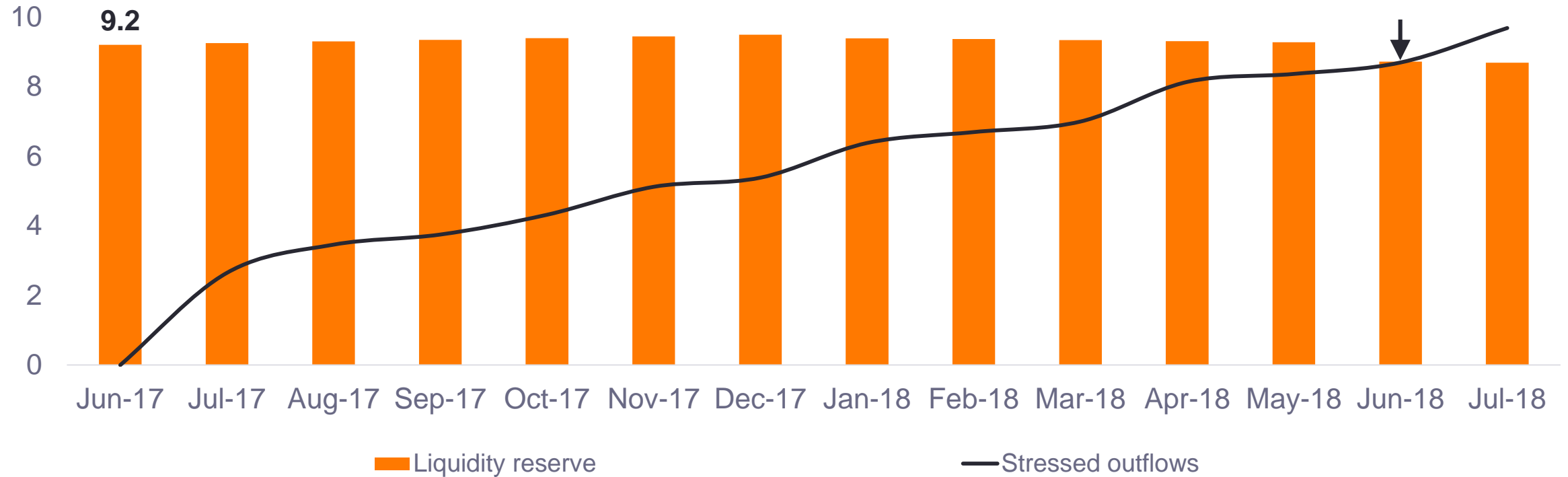
(\*) On a specific date, the static liquidity represents the sum of the outstanding financial liabilities plus equity, minus the outstanding assets (mainly loans to Dealers and Customers); in each case assuming no balance sheet changes from the date of calculation. European scope

# LIQUIDITY STRESS SCENARIO (\*)



(€bn) ● **Liquidity stress scenario giving 12 months of visibility at June 2017 end:**

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



(\*) European scope

# RETAIL DEPOSITS

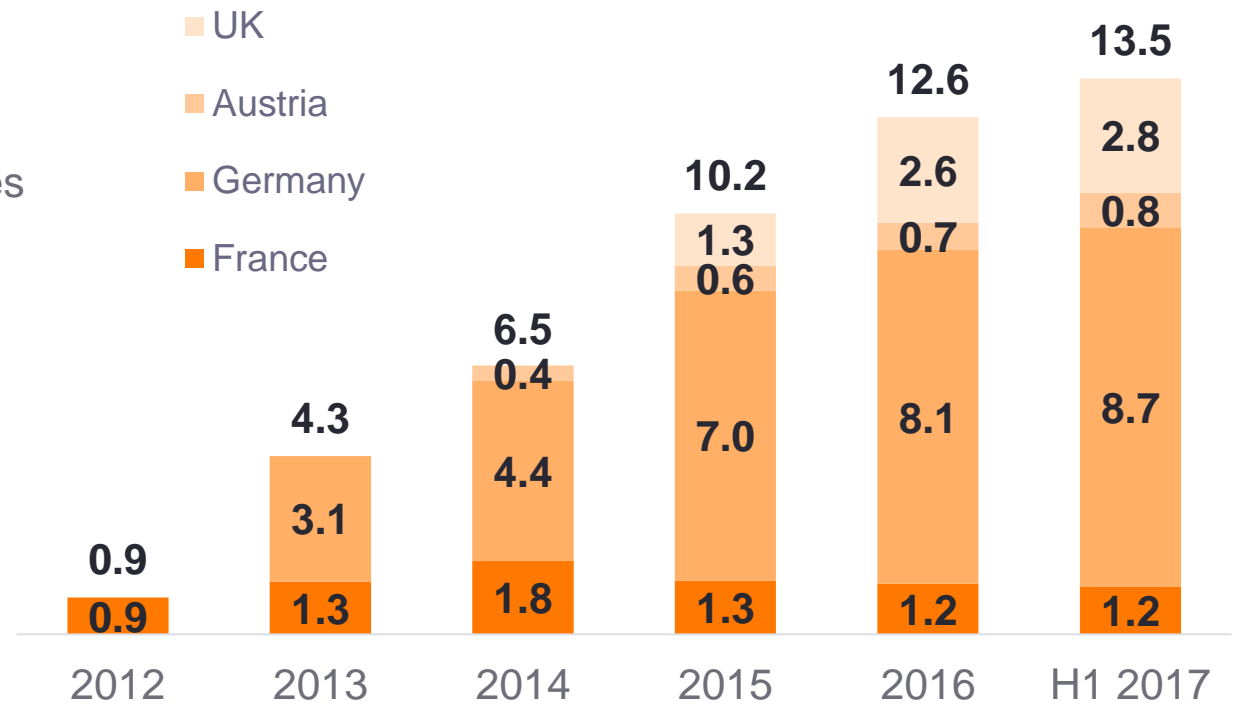


- **Retail deposits reaching € 13.5bn**
  - Of which **74.1%** in sight deposits and **25.9%** in term deposits
  - Saving products for retail customers
  - 100% on-line through dedicated websites

- **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 33%, in line with group target set at one-third**



Deposits/commercial assets ratio (%)	2012	2013	2014	2015	2016	H1 2017
	3%	17%	23%	32%	33%	33%

# 2017 FUNDING PLAN (\*)



- **Capital markets and ABS (in €bn):**

	2013	2014	2015	2016	H1 2017	2017 (**)
Bond issuances	2.1	2.8	3.2	4.4	4.7	[6.0 ; 6.5]
Other long-term senior unsecured	0.0	0.1	0.4	0.2	0.2	0.2
<b>Total long-term senior unsecured</b>	<b>2.1</b>	<b>2.9</b>	<b>3.7</b>	<b>4.6</b>	<b>5.0</b>	<b>[6.2 ; 6.7]</b>
<b>ABS (public or conduit)</b>	<b>0.9</b>	<b>1.1</b>	<b>0.8</b>	<b>0.9</b>	<b>0.2</b>	<b>0.2</b>

- 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 first **8-year** tenor launched in 2017
- Two first **dual-tranche** bonds issued in 2017

Deposits (new collection, in €bn)	3.4	2.2	3.7	2.3	<b>0.9</b>
-----------------------------------	-----	-----	-----	-----	------------

(\*) European scope

(\*\*) Forecast as of June 2017



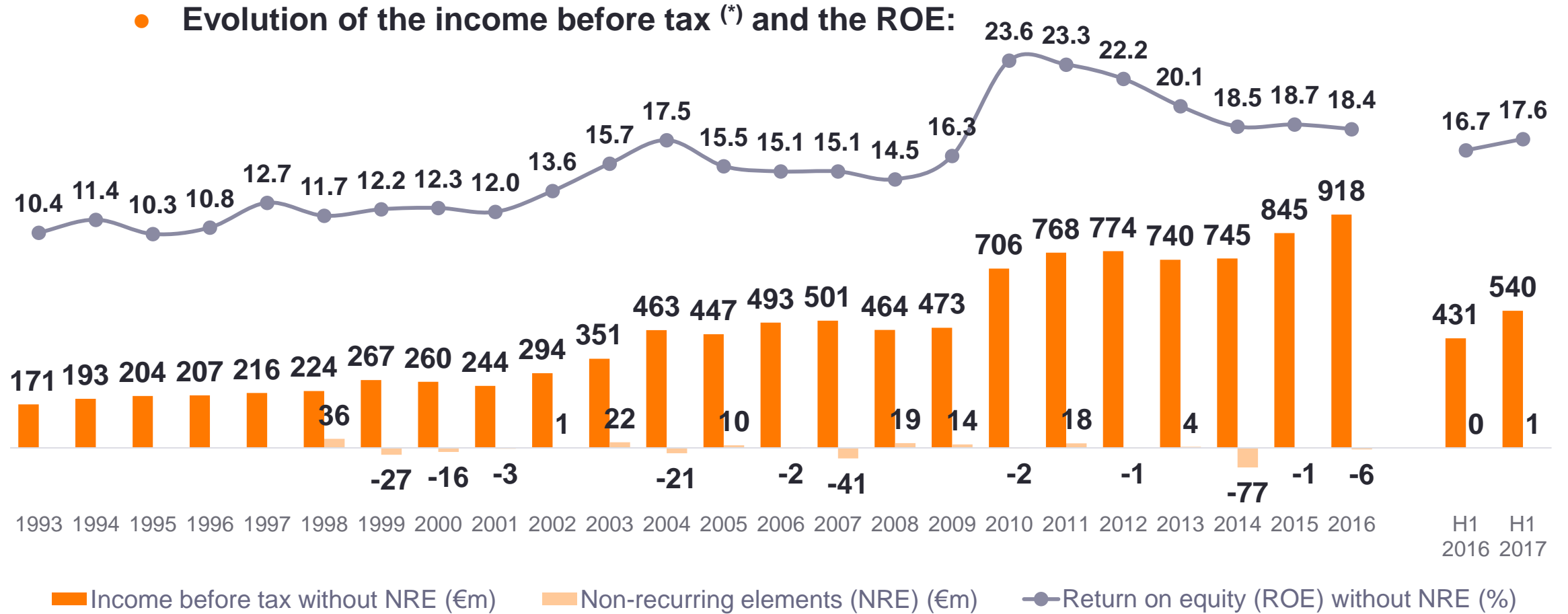
# APPENDICES



# LITTLE VOLATILITY ON LONG-TERM RESULTS AND PROFITABILITY

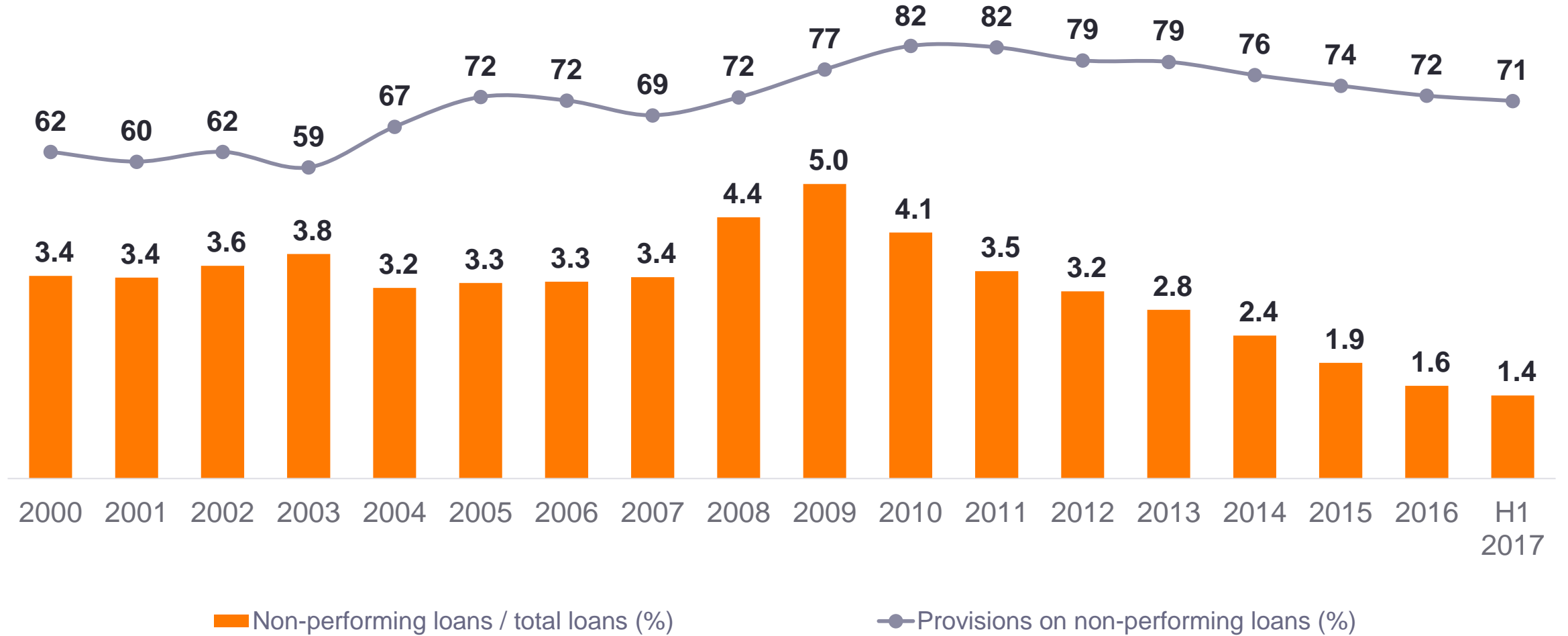


● Evolution of the income before tax (\*) and the ROE:

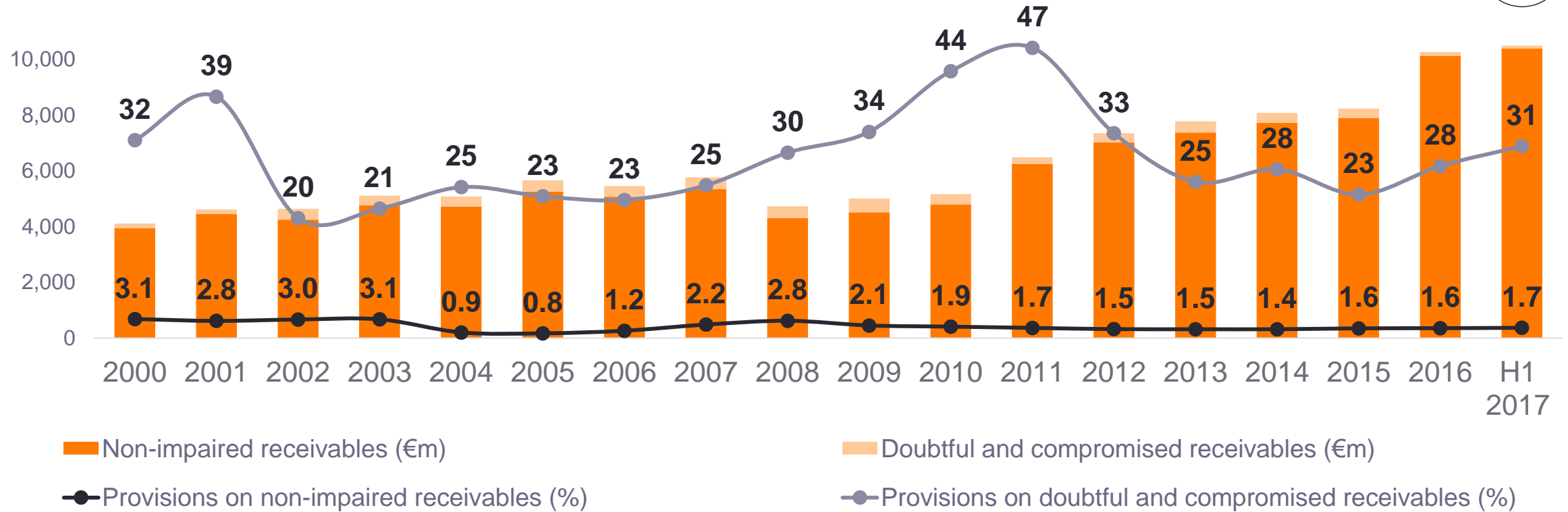


(\*) IFRS since 2004

# PROVISIONING FOR CUSTOMER ACTIVITY

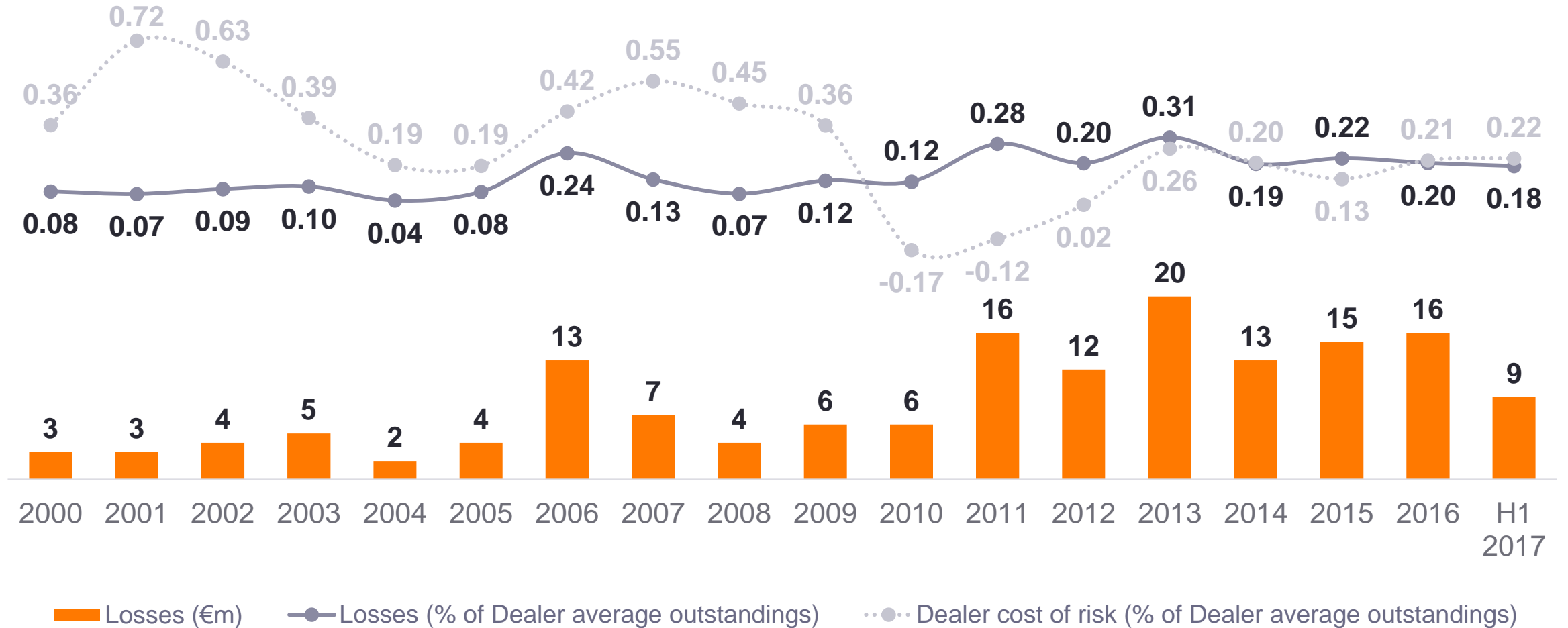


# PROVISIONING FOR DEALER ACTIVITY



- 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 outstandings

# DEALERS: LOSSES ON RECEIVABLES WRITTEN OFF



# COMMERCIAL ACTIVITY (\*)



	Financing penetration rate (%)		New vehicle contracts (thousands)		New financings (**) (€m)		Net assets at June end (€m)		o/w Customer net assets at June end (€m)		o/w Dealer net assets at June end (€m)	
	H1 2016	H1 2017	H1 2016	H1 2017	H1 2016	H1 2017	H1 2016	H1 2017	H1 2016	H1 2017	H1 2016	H1 2017
<b>Europe</b>	<b>39.5</b>	<b>40.8</b>	<b>610</b>	<b>671</b>	<b>7,734</b>	<b>8,612</b>	<b>31,488</b>	<b>36,932</b>	<b>23,072</b>	<b>27,236</b>	<b>8,416</b>	<b>9,696</b>
of which Germany	39.2	43.1	75	93	1,061	1,366	5,357	6,363	4,033	4,905	1,324	1,458
of which Spain	49.3	50.0	67	74	770	854	3,211	3,764	2,409	2,953	802	811
of which France	38.6	42.4	209	228	2,593	2,867	11,127	12,791	7,989	9,193	3,138	3,598
of which Italy	56.2	57.2	90	104	1,155	1,449	3,651	4,860	2,978	3,786	673	1,074
of which UK	34.7	27.7	77	68	1,189	973	4,466	4,687	3,486	3,730	980	957
of which other countries	29.8	31.1	92	104	966	1,102	3,676	4,467	2,177	2,669	1,499	1,798
<b>Asia-Pacific (South Korea)</b>	<b>51.1</b>	<b>58.6</b>	<b>30</b>	<b>38</b>	<b>401</b>	<b>593</b>	<b>1,212</b>	<b>1,474</b>	<b>1,194</b>	<b>1,454</b>	<b>18</b>	<b>20</b>
<b>Americas</b>	<b>37.8</b>	<b>38.5</b>	<b>59</b>	<b>87</b>	<b>435</b>	<b>784</b>	<b>2,184</b>	<b>2,428</b>	<b>1,789</b>	<b>1,947</b>	<b>395</b>	<b>481</b>
of which Argentina	26.3	35.9	13	27	90	201	305	462	188	333	117	129
of which Brazil	42.6	37.5	46	49	345	475	1,879	1,761	1,601	1,474	278	287
of which Colombia	-	49.3	-	12	-	108	-	205	-	140	-	65
<b>Africa, Middle East, India</b>	<b>17.0</b>	<b>20.1</b>	<b>19</b>	<b>25</b>	<b>100</b>	<b>114</b>	<b>355</b>	<b>402</b>	<b>291</b>	<b>318</b>	<b>64</b>	<b>84</b>
<b>Eurasia</b>	<b>24.4</b>	<b>27.2</b>	<b>52</b>	<b>62</b>	<b>198</b>	<b>249</b>	<b>121</b>	<b>170</b>	<b>115</b>	<b>159</b>	<b>6</b>	<b>11</b>
<b>TOTAL</b>	<b>36.5</b>	<b>38.2</b>	<b>770</b>	<b>883</b>	<b>8,867</b>	<b>10,352</b>	<b>35,360</b>	<b>41,406</b>	<b>26,461</b>	<b>31,114</b>	<b>8,899</b>	<b>10,292</b>

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

(\*\*) Excluding cards and personal loans

# CONTACTS



## RCI Banque - Finance and Treasury Division

14, avenue du Pavé Neuf - 93168 Noisy-le-Grand CEDEX - France

<b>VP Finance &amp; Group Treasurer</b>	<b>Jean-Marc SAUGIER</b>	<b>+33 1 76 88 87 99</b>	<b>jean-marc.saugier@rcibanque.com</b>
Corporate Finance	Louis BAPTISTE Antoine GASCHIGNARD	+33 1 76 88 65 86 +33 1 76 88 81 93	louis.baptiste@rcibanque.com antoine.gaschignard@rcibanque.com
Securitization	Geoffroy BUCHERT	+33 1 76 88 81 74	geoffroy.buchert@rcibanque.com

<b>Head of Capital Markets department</b>	<b>Yann PASSERON</b>	<b>+33 1 76 88 84 20</b>	<b>yann.passeron@rcibanque.com</b>
Capital Markets	Jean-Paul LABATE Romain PITTAVINO Farid SAADI	+33 1 76 88 88 06 +33 1 76 88 88 04 +33 1 76 88 87 76	jean-paul.labate@rcibanque.com romain.pittavino@rcibanque.com farid.saadi@rcibanque.com

## Bloomberg

RCIB

## Reuters

RCI BANQUE DIAC

THANK YOU

