MOODY'S
INVESTORS SERVICE

CREDIT OPINION
6 May 2022

Update

Send Your Feedback

RATINGS

RCI Banque

Domicile	Paris, France
Long Term CRR	Baa1
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Baa2
Type	Senior Unsecured - Fgn Curr
Outlook	Negative
Long Term Deposit	Baa2
Type	LT Bank Deposits - Fgn Curr
Outlook	Negative

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.

Contacts

Roland Auquier +33.1.5330.3341
VP-Senior Analyst
roland.auquier@moodys.com

Mikhail Panasiuk +33.1.5330.3442
Associate Analyst
mikhail.panasiuk@moodys.com

Alain Laurin +33.1.5330.1059
Associate Managing Director
alain.laurin@moodys.com

RCI Banque

Update to credit analysis

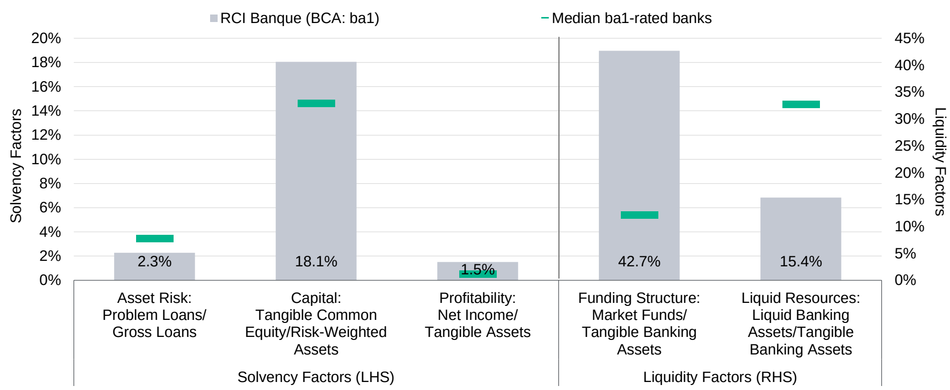
Summary

RCI Banque (RCI)'s long-term deposit and senior unsecured debt ratings are Baa2, with a negative outlook. The bank's Baseline Credit Assessment (BCA) and Adjusted BCA are ba1.

We believe that RCI is key to its parent's (Renault S.A, Ba2 Negative) business model. As such, RCI's BCA is unlikely to exceed Renault's rating by more than one notch, as is the case for the other rated auto captives. The negative outlook on RCI is based on the negative outlook on Renault S.A., reflecting the manufacturer's still slim margins, the time-consuming execution period until the January 2021 strategic plan results in material improvements in financial metrics, and the suspension of the company's operations in Russia.

RCI's long-term deposit and senior unsecured debt as well as its subordinated debt ratings reflect the bank's BCA and Adjusted BCA of ba1 and the application of our Advanced Loss Given Failure (LGF) analysis to its liabilities. The long-term deposit and senior unsecured debt benefit from two notches of LGF uplift stemming from a large volume of senior long-term debt, which results in a very low expected loss rate on these instruments.

Exhibit 1
Rating scorecard- Key financial ratios



Source: Moody's Financial Metrics

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 strong 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 vis-à-vis car dealers.

» Lower business volumes somewhat constrain profitability.

» The bank relies on wholesale funding to a significant degree.

Outlook

The negative outlook on RCI's long-term deposit and senior unsecured debt ratings reflects the negative outlook on Renault's ratings. The negative rating outlook on Renault reflects the severe impact that the pandemic will have on Renault's operating performance and creditmetrics over the next 12-18 months as it implements its restructuring plan and attempts to restore its competitive position.

Factors that could lead to an upgrade

» An upgrade of RCI's BCA, and hence of its long-term ratings, are currently very unlikely given the negative outlook assigned to Renault.

Factors that could lead to a downgrade

» Owing to the intrinsic interlinkages between the captive and its automotive parent, RCI's ratings are highly dependent on the creditworthiness of Renault. Therefore, a downgrade of Renault 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, profitability or liquidity.

Key indicators

Exhibit 2
RCI Banque (Consolidated Financials) [1]

	12-21[2]	12-20[2]	12-19[2]	12-18[2]	12-17[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	56,236.0	58,886.0	58,080.0	53,394.0	49,709.0	3.1[4]
Total Assets (USD Million)	63,721.3	72,050.3	65,194.7	61,037.1	59,690.4	1.6[4]
Tangible Common Equity (EUR Million)	6,033.0	6,194.0	5,599.0	5,192.0	4,615.0	6.9[4]
Tangible Common Equity (USD Million)	6,836.0	7,578.7	6,284.9	5,935.2	5,541.7	5.4[4]
Problem Loans / Gross Loans (%)	2.3	1.6	1.3	1.3	1.3	1.5[5]
Tangible Common Equity / Risk Weighted Assets (%)	18.1	17.8	16.0	16.3	15.6	16.8[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	14.9	10.6	10.4	10.4	10.8	11.4[5]
Net Interest Margin (%)	2.1	2.2	2.6	2.7	2.7	2.5[5]
PPI / Average RWA (%)	3.6	3.9	4.5	4.4	4.1	4.1[6]
Net Income / Tangible Assets (%)	1.5	1.4	1.6	1.7	1.5	1.5[5]
Cost / Income Ratio (%)	31.5	30.7	28.8	29.8	32.0	30.5[5]
Market Funds / Tangible Banking Assets (%)	42.7	45.6	51.5	54.0	53.4	49.4[5]
Liquid Banking Assets / Tangible Banking Assets (%)	15.4	15.2	6.7	7.0	7.5	10.4[5]
Gross Loans / Due to Customers (%)	210.9	226.2	283.2	288.2	283.5	258.4[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 Investors Service and company filings

Profile

RCI is a captive finance company and a wholly owned subsidiary of the French auto manufacturer Renault. The bank provides sales financing for Renault Group's brands (Renault, Dacia, Alpine, Renault Samsung Motors and Lada) worldwide and for Nissan Group's brands (Nissan, Infiniti, Datsun) mainly in Europe and South America. In the Netherlands, the bank finances Mitsubishi Motors. It also operates through joint ventures in Russia and India. As of December 2021, the bank operated in 36 countries, divided into four major world regions: Europe, the Americas, Africa-Middle-East-India and Pacific, and Eurasia.

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 supervised by the European Central Bank since January 2016 because it is considered a “Significant Institution”, given the size of its balance sheet.

Recent developements

On 14 January 2021, Renault S.A. presented its new strategic plan “Renaulution”, which includes detailed measures to reduce fixed costs by €2.5 billion by 2023 and by €3 billion by 2025, variable production cost by €600 per vehicle by 2023, and investments in research and development (R&D) to below 8% of revenue by 2025 from about 10% currently. Renault aims to build on its alliances with Nissan Motor Co., Ltd. (Nissan, Baa3 negative) and Mitsubishi, and optimize the group structure via four differentiated business units. The strategy also prioritizes margins over volume, including an optimized global footprint (Renault generates 75% of profits in 30 European countries, and only 25% of profits in more than 100 countries outside Europe). Additionally, the plan includes a clear focus on future technologies, including more emphasis on electrified vehicles, as well as new mobility services and data monetization.

RCI's financing penetration rate[1] was 46% at year-end 2021 (compared to 47.5% a year ago),[2] and its consolidated balance sheet size was €56.2 billion as of the same date, down from €58.9 billion last year.

In July 2021, RCI acquired Bipi, a multi-brand platform providing car subscription offers for used vehicles. Bipi provides flexible turnkey solutions, where all charges are included in one monthly payment, and the subscription is fully customized (the duration of use ranging from 1 to 36 months). RCI intends to integrate Bipi to leverage its platform with complete logistics and a fully digital process.

In September 2021, Renault Group and RCI acquired a stake in the Mobility Trader Holding GmbH (heycar Group), the company that created the online used car sales platform “heycar”, present in Germany, United Kingdom and Spain. Renault and RCI Bank intend to contribute to the development of the heycar platform in Europe by putting their inventory of used vehicles online and by bringing to the platform the business assets of Carizy (acquired in 2018 by the Renault Group), the French leader in the intermediation of used vehicle C2C sales.

In the aftermath of the Russian invasion to Ukraine, on 23 March 2022, Renault Group announced a suspension of its industrial activities in Russia.

Detailed credit considerations

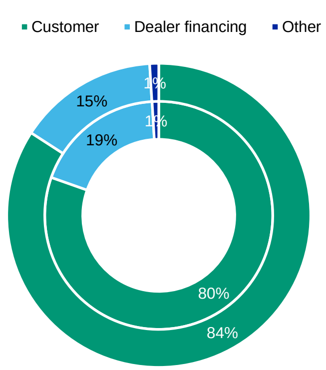
RCI is a key vehicle for the strategy of its industrial parent, Renault

RCI is a wholly owned captive finance company that supports the sales of the Renault/Nissan Alliance by offering auto loans to customers (both individuals and corporates) and loans to dealers to help them finance their inventories and activities. RCI also offers related services such as maintenance, insurance and roadside assistance. Lastly, the bank collects deposits through online savings accounts in France, Germany, Austria, the UK, Brazil, Netherlands and Spain to diversify its funding base.

Financial transactions with retail customers and corporate clients excluding dealers (€38.2 billion as of the end of December 2021[3], or 85% of total, see Exhibit 3) can also take the form of long-term leases. Leases are almost exclusively finance leases (€14.2 billion or 31.5% of total net customer finance transactions[4]) and, to a much lesser extent, operating leases (€1.3 billion net of depreciation and impairments, or just 3% of total outstanding financing portfolio, see Exhibit 4).

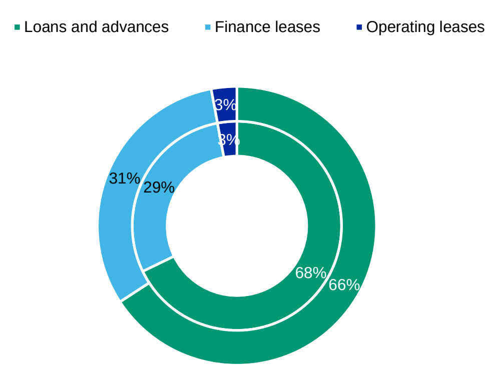
Exposure to dealer networks amounted to €6.8 billion of customer finance transactions as of 2021 year-end, representing a contraction by approximately €2 billion, or by 4 percentage points, of dealers' share in the portfolio mix year-on-year. This was attributable to the semiconductor shortages and the associated reduction of new vehicles production coupled with the inventory optimization efforts of the networks.[5]

Exhibit 3
Financing portfolio is mostly focused on retail and corporate customers...
Breakdown by business segment, in % of total outstanding portfolio



Outer circle corresponds to 2021 year-end, inner circle refers to 2020 year-end figures
Source: Moody's Inverstors Service

Exhibit 4
...with a significant proportion of leasing contracts among financing solutions
Breakdown by type of financing, in % of total outstanding portfolio



Outer circle corresponds to 2021 year-end, inner circle refers to 2020 year-end figures
Source: Moody's Inverstors Service

Ancillary products and services, such as insurance, warrantee extensions and maintenance contracts, have been developed over the years to improve customer loyalty and boost profitability. While these services are an integral part of RCI's financing and mobility offering, we believe they do not enhance the bank's diversification, which remains mainly focused on existing customers of the Renault/ Nissan Alliance car brands.

Asset risks are moderate despite high concentrations

In normal circumstances, we consider that asset risks at RCI are moderate because of the collateralised nature of its exposures. However, credit risk concentration in car dealers distribution network of the Renault - Nissan Alliance is high and represented around 15% of the bank's loan book as of the end of December 2021. We believe this exposure may be a source of risk given the degree of correlation among car dealers' performance, particularly during a downturn. Positively, this segment has historically represented rather low asset quality risks. NPL ratios of the segment remained low even in 2020 and 2021, losses on receivables written-off have been rather stable in proportion of dealer average outstanding portfolio, while the coverage ratio[6] has been increasing almost steadily since 2015, with a 3 percentage points decline in 2021.

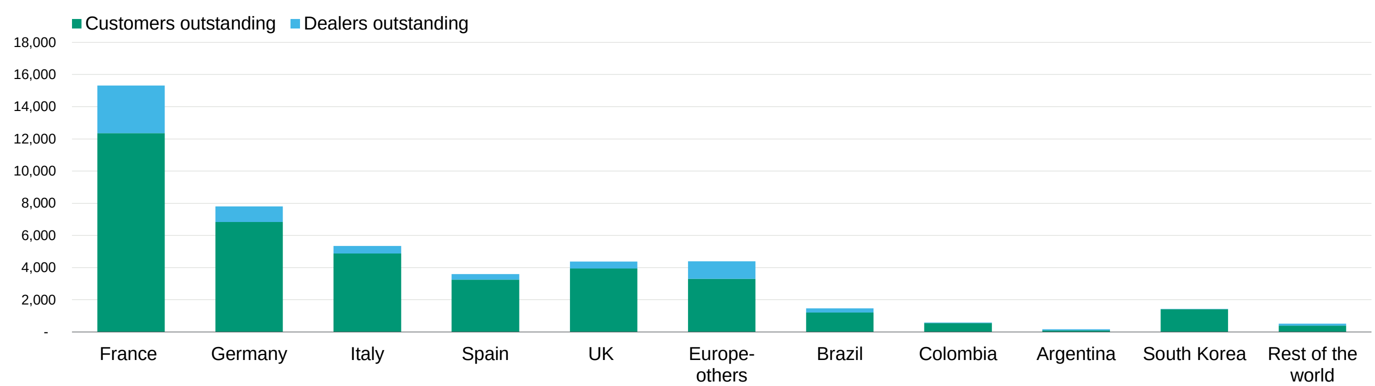
Overall, the problem loan ratio of the bank increased to 2.3% as of 2021 year-end, compared to 1.6% a year ago and 1.3% in 2019. The 0.7 percentage points increase stemmed from the €2.3 billion contraction of volumes as well as from the €283 million increase of defaulted receivables to reach €1 053 million as of 2021 year-end (or +36.8% year on year). This sharp increase is primarily attributable to an increase of the problem assets in the customer segment (+40.8%), as a result of the new definition of default.[7] The portfolio was well provisioned, with IFRS9 Stage 3 loan-loss reserves accounting for 54% (66% in 2020 year-end) of problem loans in the customer loan book, and 48% (compared to 51% in 2020 year-end) in the dealer loan book.

In 2021, the cost of risk amounted to 14 bps of average performing assets, which is less than pre-pandemic levels, driven by lower impairment allowances and more material reversals of impairments, yet partly offset by lower volumes. The cost of risk in the customer segment improved significantly to 26 bps compared to 89 bps a year before, when the amount of provisions had almost doubled from 2019 year-end to 2020 year-end due to the lockdown measures. The material decrease was mostly attributable to a release of provision of €82 million on performing assets (vs a charge of €161 milllion in 2020), in large part due to an improvement in PD and LGD parameters. In the dealership network segment, cost of risk was an income amounting to 52 bps, compared to a 18 bps charge during the previous year. The improvement was driven by the IFRS 9 forward-looking provisions (Stage 1 and Stage 2), which resulted in a release in provision worth 37 million, compared to a provision of €18 million the year before.

Given that the bulk of the residual value risk on lease operations is borne by its parent company and dealers, the residual value risk of RCI itself was limited to €2.1 billion as of 2021 year-end (€1.8 billion as of 2020 year-end), essentially stemming from its leasing business in the UK. As RCI intends to develop used vehicle financing, subscription and operating lease offers, the residual value exposure is expected to increase. Given the strength of the used-cars market supported by the supply-chains bottlenecks affecting the primary market, we believe that the residual value risk is contained.

All these factors are reflected in our assigned score of baa2 for asset quality.

Exhibit 5
Loan book breakdown by geography in 2021
End-user customers and car dealers (€ millions)



Source: RCI Banque's Investor presentation, Moody's Investors Service

Capitalisation is commensurate with the bank's risk profile; impact of a potential full depreciation of Russian exposures is limited

RCI reported a fully loaded Common Equity Tier 1 (CET1) capital ratio of 14.76% as of 2021 year-end, down from 17.34% as of the end of 2020, driven by lower CET1 capital due to the normalisation of the level of equity following the €1 billion distribution, and the net income of €846 million being almost fully offset by the projected €800 million dividend. The bank's CET1 ratio remains well above the minimum regulatory requirement of 10.1%.[8] We believe the bank's economic solvency remains adequate, given its risk profile, as its capitalisation level has now returned to the pre-pandemic levels.

RCI's exposure to Russia only accounts for 0.13% of general credit exposure [9] or 0.03% of RWAs, as well as only 0.87% of profits before tax of RCI. The penetration rate of the Russian Lada was one of the lowest compared to other geographies, namely just 4.9% versus 37.5% globally in 2021 (and 46% without Lada). According to disclosures made by RCI, a full depreciation of the above-mentioned stakes would only represent a 22bps decline in the CET1 ratio, leaving it at 14.54%.

We thus expect the capital level of the bank to remain consistent with our assigned Capital score of a1.

RCI has maintained strong profitability despite the cyclical nature of the car market, but profits are affected by lower volumes

RCI has consistently generated a comfortable net banking income exceeding 4% of average performing assets over the last five years (4.08% as of 2021, slightly under the 2020 level of 4.17%). The resilience of the bank's net interest income, representing around 64% of its net banking 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 relatively long-term tenure of the car-financing contracts mitigates to some extent the effects of the car market cycles and reduces income volatility. In 2021, RCI's net banking income amounted to €1828 million, -6.5% compared with the 2020 level or -12.8% compared to 2019, due to a lower level of activity.

RCI displays sound cost efficiency, with a cost-to-income ratio of around 31.5% in 2021 (compared to 28.8% in 2019 and 30.7% in 2020). This high cost efficiency reflects the fact that the bank benefits from various services provided by Renault and the network of car dealers (for example, distribution channels), as well as from the group's marketing initiatives.

The bank's cost of risk sharply decreased to €62 million from €353 million a year before or €177 million in 2019. As a result the bank's net income was 7.5% up to €846 million from €787 million in 2020. RCI's return on assets amounted to 1.54%, which is 19bps higher than the 2020 level, yet still 7bps lagging the pre-pandemic level.

One of RCI's main feature is the lack of business diversification because it is a captive specialised institution. In 2021, commercial activity continued to be negatively impacted by the pandemic. Semiconductor shortage as well as the new optimization policy for vehicle inventories in the dealer network, led to a decrease in dealer financing outstanding. In 2021 year-end, net outstandings amounted to €45 billion, down from €47.2 billion at the end of 2021.

These factors are reflected in our assigned profitability score of a3.

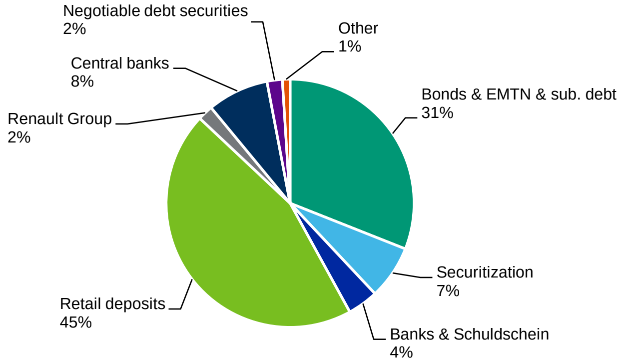
RCI relies on wholesale funding, a credit weakness, partly mitigated by its limited refinancing risk, increasing deposit base and adequate liquidity buffer

Wholesale funding represented around 52% of the bank's total funding as of 2021 year end (Moody's calculations). While the share of wholesale funding has materially reduced since RCI started collecting internet deposits from retail customers in 2012 (currently accounting for around 47% of outstanding commercial assets), we still consider that RCI is vulnerable to sudden changes in investor confidence. Restricted market access could lead to higher funding costs, which would constrain loan origination. This would harm RCI's franchise and ultimately reduce its earnings, particularly if funding constraints were to coincide with higher loan impairments. Our assigned Combined Liquidity score of b1 reflects this relative weakness.

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 also has a comfortable liquidity buffer of €14.4 billion as of 2021 year-end to bridge any mismatches or temporary market access restrictions. This buffer was 46% composed of high-quality liquid assets (HQLA) and 23% of ECB eligible assets. The bank seeks to reduce the liquidity reserve to contain the cost of carrying cash, as in 2021 the liquidity reserve remains significantly above internal targets. The bank receives very limited funding from Renault. RCI claims that it would be able to maintain its commercial business activity during 12 months without access to external funding.

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[10] of the resources and investors. The bank still has a sizeable pool of assets that could be securitized and used for central bank refinancing in a stress scenario.

Exhibit 6
Funding sources as a percentage of total funding as of the end of 2021



Source: RCI Banque's investor presentation, Moody's Investors Service

Environmental, social and governance considerations

In line with our general view on the banking sector, RCI has a moderate exposure to social risks.

Although banks generally have a low exposure to environmental risk, as explained in our Environmental risk heat map, certain banks could, however, face a higher risk from concentrated lending to individual sectors or operations concentrated in disaster-prone areas or more generally to environmental risks. This is the case for RCI because of its function as a captive bank of Renault, which like all car manufacturers, has an elevated exposure to environmental risk (see also our Environmental risks heat map for further information). RCI's environmental strategy is integrated with that of its parent company. Renault plans to achieve the stricter regulations on CO2 emissions through an increased share of battery-powered electric vehicles, plug-in hybrid electric vehicles, vehicle optimisations and electrification of internal combustion engines.

Governance is highly relevant for RCI, as it is to all entities in the banking industry. Corporate governance weaknesses can lead to a deterioration in a company's credit quality, while governance strengths can benefit its credit profile. Governance risks are largely internal rather than externally driven, and for RCI, we do not have any particular governance concern. The bank's risk governance infrastructure is adequate and has not shown any major shortfall in recent years. Nonetheless, corporate governance remains a key credit consideration and requires ongoing monitoring.

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. The bank finances around 40% of the new vehicles registered by Renault Group's brands, which highlights the critical importance of a financial captive as a means to 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 affiliate support uplift from Renault because Renault's rating (Ba2 negative) is lower than the bank's ba1 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 Bank Recovery and Resolution Directive (BRRD), which was transposed into French law on 20 August 2015.

In accordance with our methodology, we apply our 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 a 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.

In addition, we apply a proportion of 10% of deposits considered junior, given that the deposit base is predominantly comprised 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 ba1 for both deposits and senior unsecured debt (Baa2).

Government support

We expect a low probability of government support for debt and deposits, resulting in no uplift for both the long-term deposits and senior unsecured debt issued by the bank.

Counterparty Risk (CR) Assessment

RCI's CR Assessment is Baa1(cr)/Prime-2(cr)

The CR Assessment, before government support, is positioned three notches above the Adjusted BCA of ba1, based on the buffer against default provided to the senior obligations represented by the CR Assessment by subordinated instruments, amounting to 39% of tangible banking assets. The main difference with our Advanced LGF approach used to determine instrument ratings is that the CR Assessment captures the probability of default on certain senior obligations, rather than the expected loss; therefore, we focus purely on subordination and take no account of the volume of the instrument class.

Counterparty Risk Ratings (CRRs)

RCI's CRRs are Baa1/Prime-2

The CRRs for RCI, before government support, are positioned three notches higher than the Adjusted BCA of ba1, based on the level of subordination to CRR liabilities in the bank's balance sheet, and assuming a nominal volume of such liabilities.

Rating methodology and scorecard factors

Exhibit 7
RCI Banque

Macro Factors							
Weighted Macro Profile	**Strong**	**100%**					

Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	2.3%	a3	↔	baa2	Sector concentration	Long-run loss performance
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	18.1%	aa2	↔	a1	Risk-weighted capitalisation	
Profitability						
Net Income / Tangible Assets	1.5%	a2	↔	a3	Earnings quality	Return on assets
Combined Solvency Score		a1		a3		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	42.7%	b1	↔	b2	Extent of market funding reliance	Term structure
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	15.4%	baa3	↔	ba2	Access to committed facilities	
Combined Liquidity Score		ba2		b1		
Financial Profile				baa2		
Qualitative Adjustments				Adjustment		
Business Diversification				-1		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				-1		
Sovereign or Affiliate constraint				-		
BCA Scorecard-indicated Outcome - Range				baa3 - ba2		
Assigned BCA				ba1		
Affiliate Support notching				0		
Adjusted BCA				ba1		

Balance Sheet	in-scope (EUR Million)	% in-scope	at-failure (EUR Million)	% at-failure
Other liabilities	14,241	27.8%	14,409	28.1%
Deposits	23,043	44.9%	22,546	43.9%
Preferred deposits	20,739	40.4%	20,728	40.4%
Junior deposits	2,304	4.5%	1,818	3.5%
Senior unsecured bank debt	11,616	22.6%	11,945	23.3%
Dated subordinated bank debt	850	1.7%	850	1.7%
Junior subordinated bank debt	17	0.0%	17	0.0%
Equity	1,539	3.0%	1,539	3.0%
Total Tangible Banking Assets	51,305	100.0%	51,305	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	31.5%	31.5%	31.5%	31.5%	3	3	3	3	0	baa1
Counterparty Risk Assessment	31.5%	31.5%	31.5%	31.5%	3	3	3	3	0	baa1 (cr)
Deposits	31.5%	4.7%	31.5%	28.0%	2	3	2	2	0	baa2
Senior unsecured bank debt	31.5%	4.7%	28.0%	4.7%	2	2	2	2	0	baa2
Dated subordinated bank debt	4.7%	3.0%	4.7%	3.0%	-1	-1	-1	-1	0	ba2

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	baa1	0	Baa1	Baa1
Counterparty Risk Assessment	3	0	baa1 (cr)	0	Baa1(cr)	
Deposits	2	0	baa2	0	Baa2	Baa2
Senior unsecured bank debt	2	0	baa2	0	Baa2	Baa2
Dated subordinated bank debt	-1	0	ba2	0	Ba2	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 8

Category	Moody's Rating
RCI BANQUE	
Outlook	Negative
Counterparty Risk Rating	Baa1/P-2
Bank Deposits	Baa2/P-2
Baseline Credit Assessment	ba1
Adjusted Baseline Credit Assessment	ba1
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)
Senior Unsecured	Baa2
Subordinate -Dom Curr	Ba2
Commercial Paper	P-2
Other Short Term -Dom Curr	(P)P-2
PARENT: RENAULT S.A.	
Outlook	Negative
Corporate Family Rating	Ba2
Senior Unsecured -Dom Curr	Ba2
Commercial Paper -Dom Curr	NP
Other Short Term -Dom Curr	(P)NP
RCI BANQUE SUCURSAL ARGENTINA	
Outlook	Negative
Issuer Rating -Dom Curr	Caa1

Source: Moody's Investors Service

Endnotes

1 The penetration rate represents the percentage of cars sold by Renault for which RCI Banque provided financing to the client.

2 Excluding equity affiliated companies: Russian, Turkish and Indian exposures. On a consolidated basis, the figure is 37.5% compared to 45.3% a year ago. The lower figure of 2021 is due to the integration of Lada which has a low penetration rate (4.9%).

3 Net of impairment value

4 Loans and advances to customers, finance lease transactions and operating lease transactions.

5 According to the Pillar III report and business report of the bank.

6 Provisions on non-performing loans, in %.

7 following the applicatino of application of point (b) of Article 178(1) of Regulation (EU) No 575/2013, where any amount of principal, interest or fee has not been paid at the date it was due, institutions should recognise this as the credit obligation past due.

8 This is composed of 6% of Pillar 1 requirement, 1.59% of Pillar 2 requirement, a capital conservation buffer of 2.5% and 0.01% of countercyclical capital buffer.

9 Exposure value under standardized approach.

10 In July 2021 the Group started collecting savings in the Netherlands via the fintech Raisin.

REPORT NUMBER 1323073

MOODY'S INVESTORS SERVICE