



INVESTOR PRESENTATION

2018 RESULTS

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AGENDA

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

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RCI BANQUE OVERVIEW



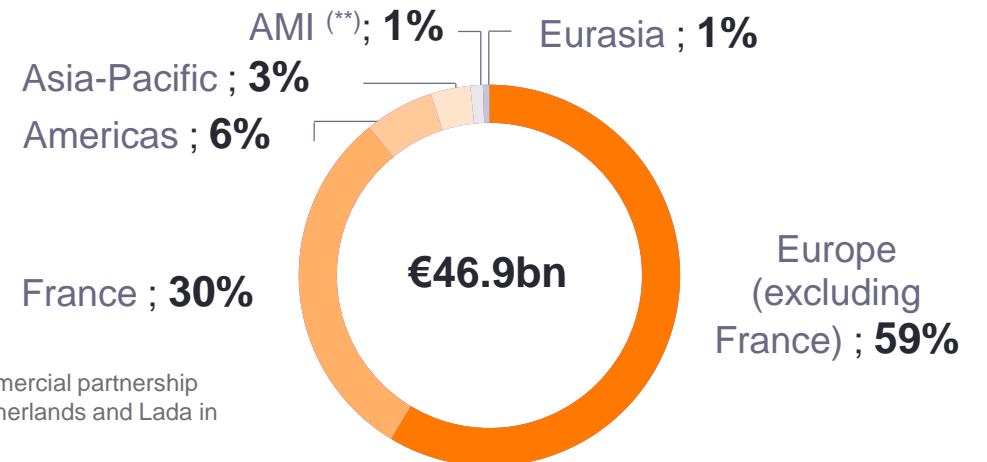
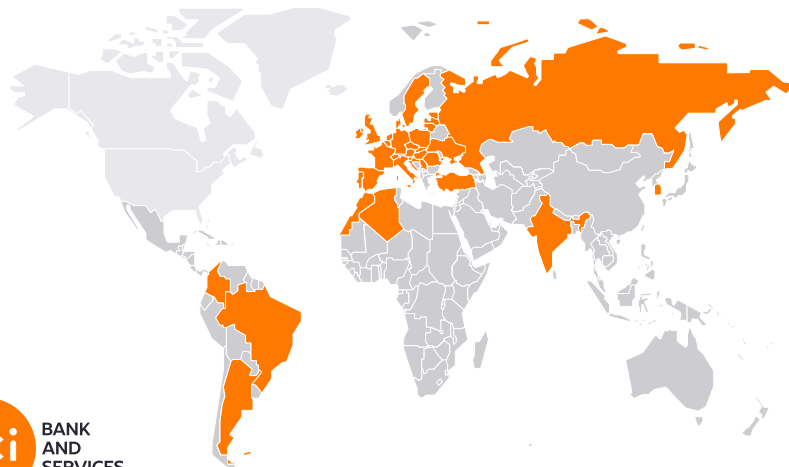
IDENTITY AND 2018 KEY FIGURES

● RCI Banque identity:

- Renault-Nissan Alliance brands finance company
- 100% owned by Renault S.A
- Bank status since 1991
- ECB supervision since 2016
- Retail, corporates and dealers inventory financing
- **8** brands financed (*) in **36** countries

● 2018 key figures:

- Equity: **€5.3bn**
- Net customer deposits: **€15.9bn**
- Penetration rate: **40.7%**
- New contracts (in k units): **1,799**
- Commercial assets: **€46.9bn** of which:



(*) Since February 2018, commercial partnership with Mitsubishi Motors in Netherlands and Lada in Russia

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



RATINGS



- **Moody's ratings:**

- Long-term: **Baa1**
- Outlook: **Stable** ⁽¹⁾
- Short-term: **P-2**
- Strengths: “high and stable earning stream; limited credit losses; essential to its parent’s strategy; strong profitability through the credit cycle; limited refinancing risk, increasing deposit base and adequate liquidity buffer”
- Weaknesses: “lack of business diversification; large exposures to car dealers; car market cyclical by nature; reliant on wholesale funding”

- **Independent ratings from parent Renault S.A** supported by bank status and independent funding

- Renault: **Baa3, stable outlook**⁽²⁾/ **P-3**

⁽¹⁾ Since March 13, 2019

⁽²⁾ Since March 07, 2019

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

- Long-term: **BBB**
- Outlook: **Negative** ⁽³⁾
- Short-term: **A-2**
- Strengths: “strong and recurring risk-adjusted profitability; regulated bank insulated from its corporate parent; strong capitalization; striking balance between growth and profitability; low cost base and effective cost control”
- Weaknesses: “predominantly wholesale-funded; business concentration in car financing; dependence on parent’s franchise and product cycles”

- Renault: **BBB, negative outlook**⁽⁴⁾/ **A-2**

⁽³⁾ Since February 26, 2019

⁽⁴⁾ Since February 20, 2019

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OPERATING HIGHLIGHTS

NB: FIGURES RELATED TO COMMERCIAL ACTIVITY (FINANCING PENETRATION RATE, NEW FINANCINGS, CONTRACTS PROCESSED) INCLUDE EQUITY METHOD CONSOLIDATED ENTITIES. BALANCE SHEET FIGURES (OUTSTANDINGS) EXCLUDE THESE ENTITIES

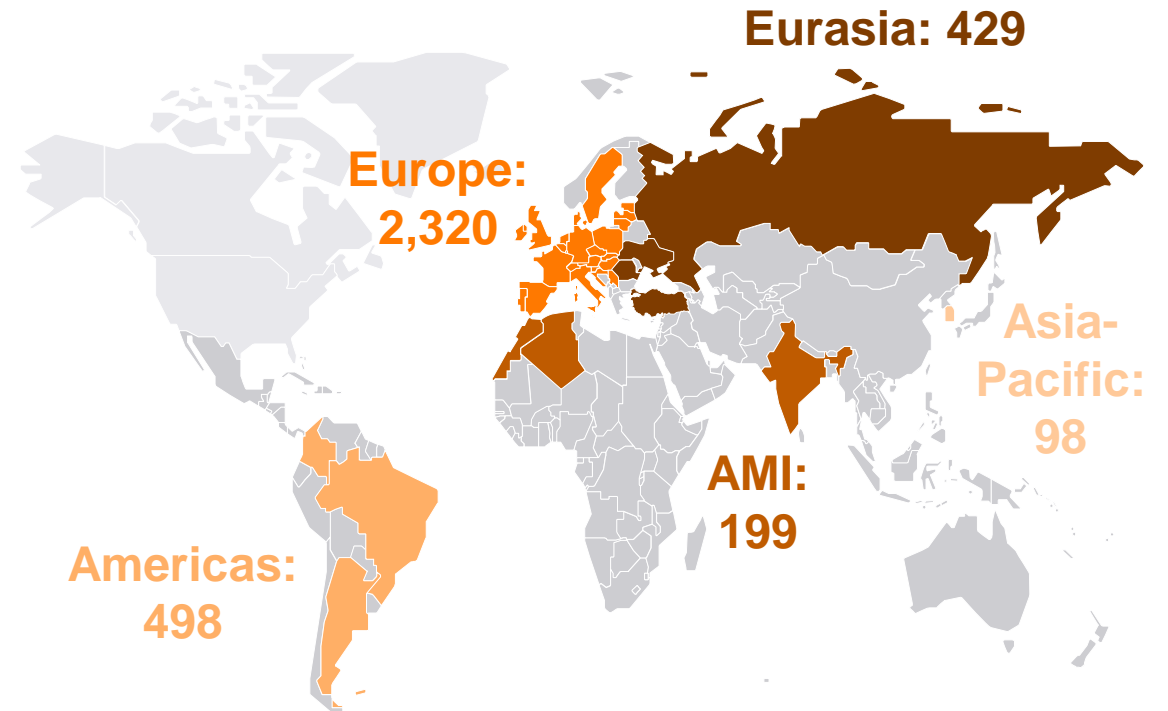
CAR MARKET AND ALLIANCE SALES (*) ON RCI PERIMETER



- Car market and evolution vs. 2017:

	Market	Alliance
Europe	- 0.1%	- 3.9% ⁽¹⁾
Eurasia	- 3.3%	- 10.2%
Americas	+ 6.8%	+ 20.6%
Africa, Middle-East, India	+ 5.1%	- 17.9% ⁽²⁾
Asia-Pacific	+ 1.5%	- 10.9% ⁽³⁾
Total RCI perimeter	+ 1.2%	- 3.1%

- 2018 Alliance sales (in k units): 3,544



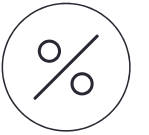
(1) Renault Group: + 0%, Nissan Group: -16.9%

(2) of which India:-28 % and Morocco: + 6.9%

(3) Korea exclusively: - 10.9%

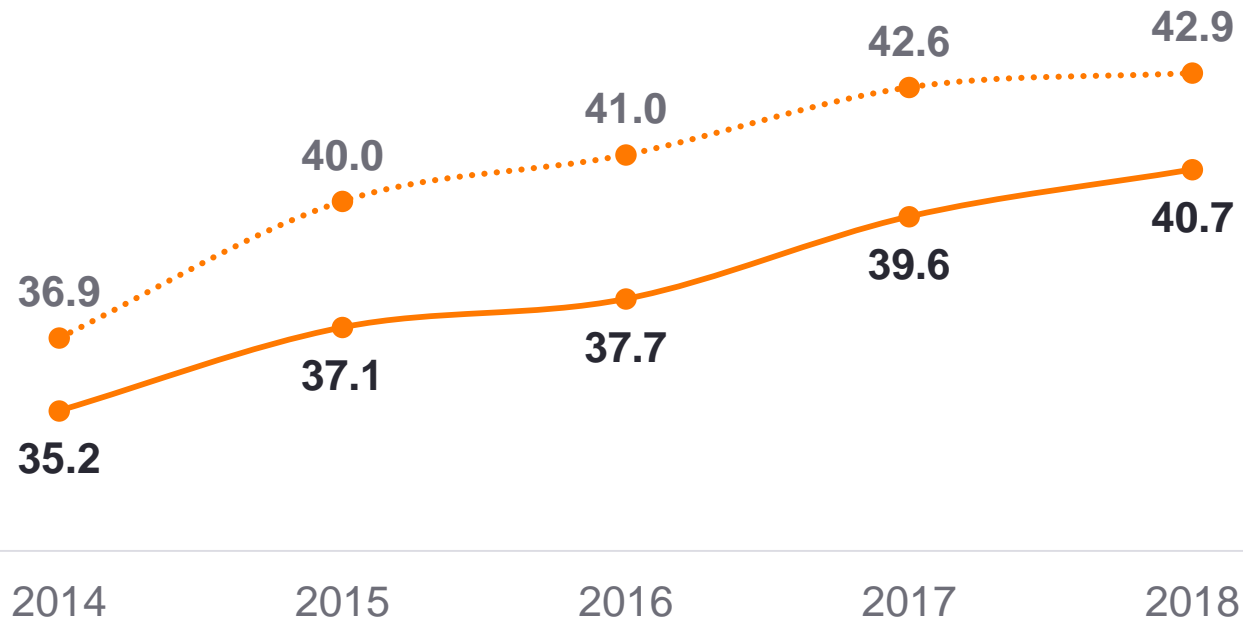
(*) Personal Car (PC) + Light Utility Vehicle (LUV) market and Alliance sales

PENETRATION RATE (*)



- Financing penetration rate at **40.7% (+1.1pts)**, of which:

- Renault: **42 % (+1.9pts)**
- Dacia: **43.4% (+0.6pt)**
- Renault Samsung Motors: **56.1% (-1.3pts)**
- Nissan-Infiniti-Datsun: **33.1% (-1pt)**



—●— RCI

...●... RCI pro forma (**)

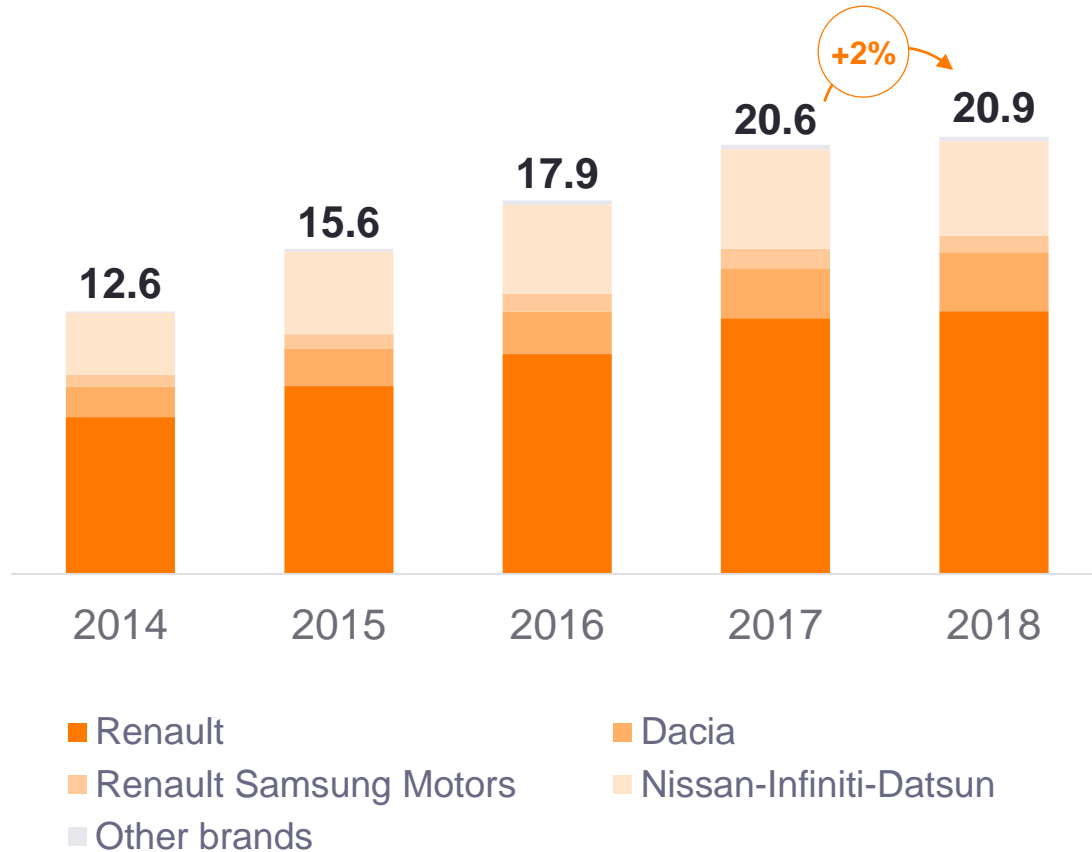
(*) Number of new vehicles financed / new vehicles sold in RCI Banque perimeter. In %

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

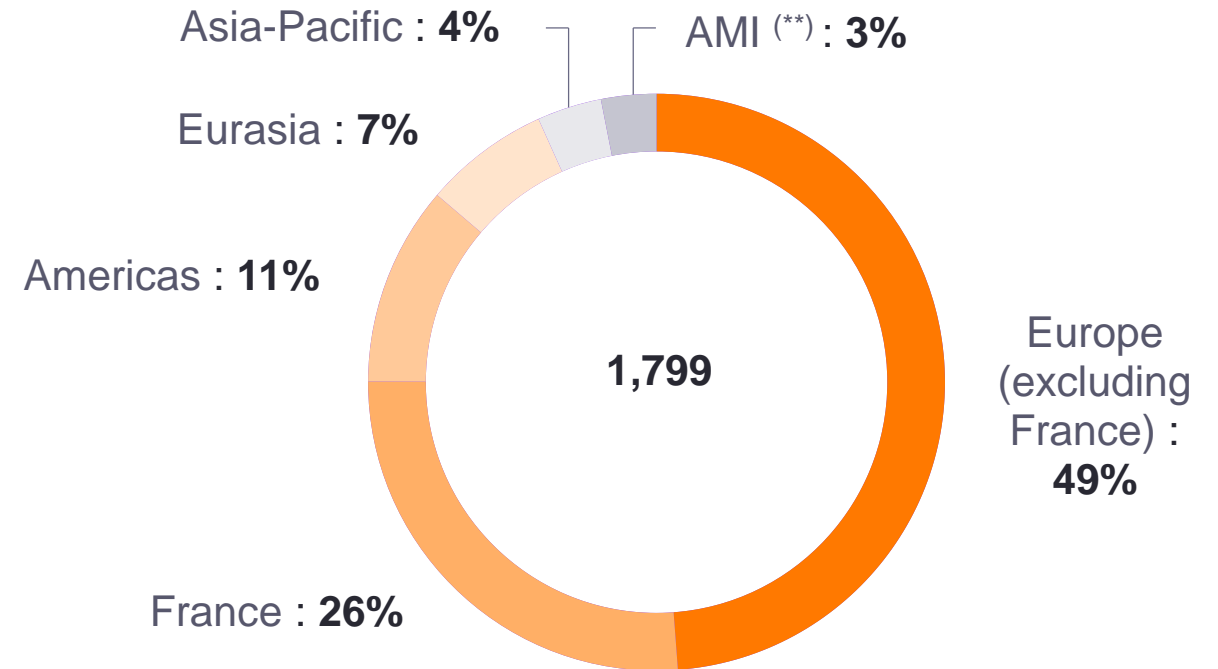
BREAKDOWN OF NEW PRODUCTION



- New financings (*) by brand (€bn):**



- New contracts geographical breakdown (in k units):**



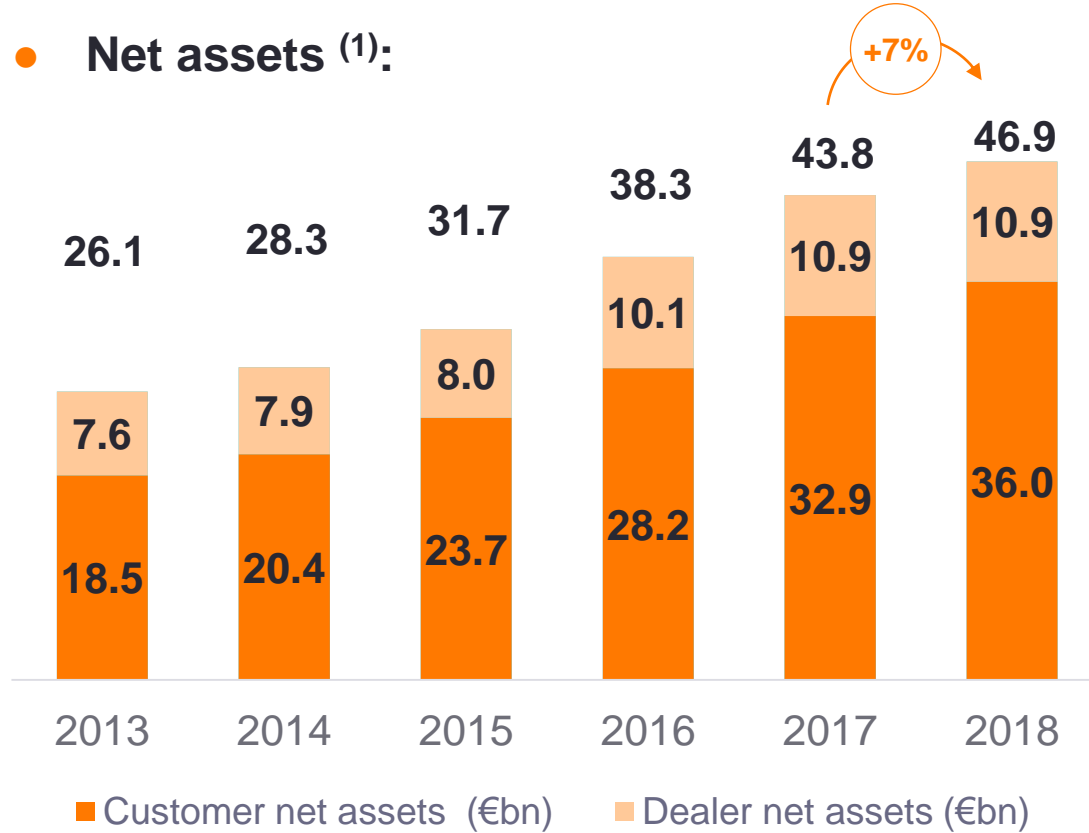
(*) Excluding cards and personal loans

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

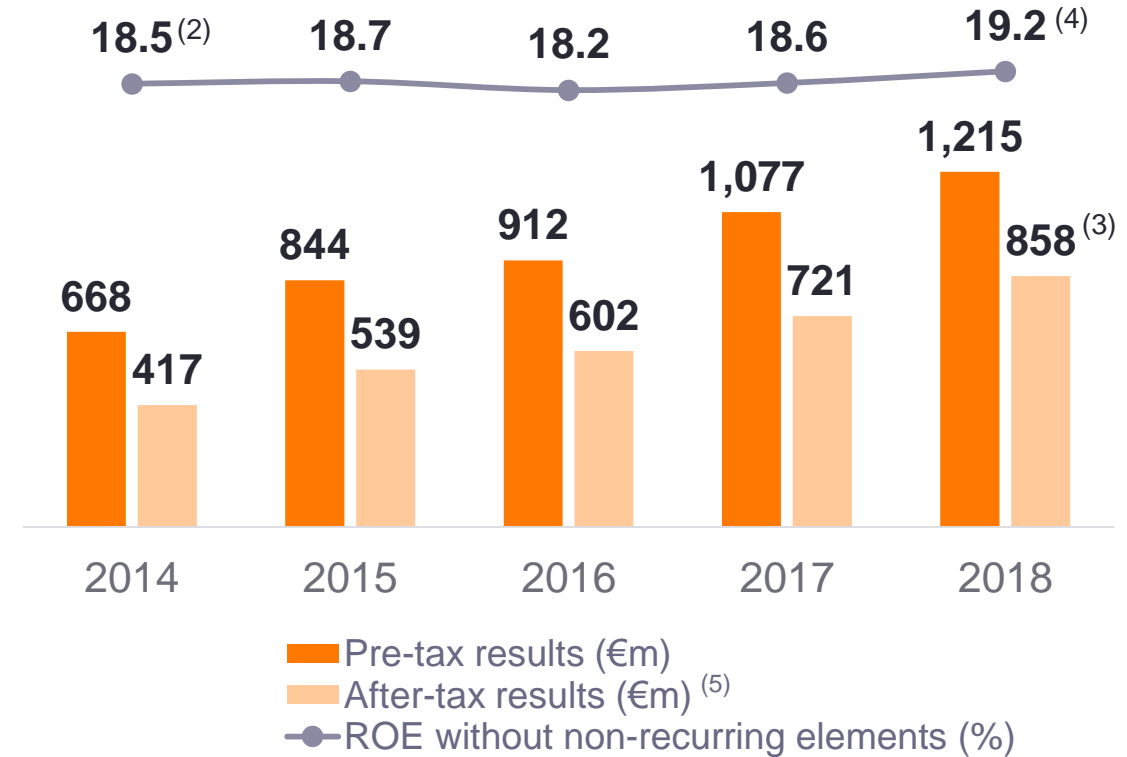
ASSETS AND RESULTS



● Net assets ⁽¹⁾:



● ROE and results:



⁽¹⁾ Net assets at year-end: net total outstandings + operating lease transactions net of depreciation and impairment

⁽²⁾ 2014 ROE excluding non-recurring elements. Result impacted by the following 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)

⁽³⁾ After-tax result is impacted positively by deferred tax income of € 47m resulting from the decrease in corporate income tax under France's Finance Law

⁽⁴⁾ Excluding the € 47m deferred tax impact, ROE came to 18.1%

⁽⁵⁾ Owners of the parent

POST CLOSURE EVENT



- **Italian fine**

- On January 9th 2018, Italy's competition authority AGCM (Autorità Garante della Concorrenza e del Mercato) announced it had fined (total amount of € 678m) a number of car manufacturer's financial captives operating in Italy for exchanging commercial information.
- RCI Italy is among the sanctioned companies and has been fined €125 m.
- As of December 31st 2018, RCI does not hold provisions related to that penalty claim.
- RCI Banque will appeal to the Administrative Court to contest the decision.

FINANCIAL PERFORMANCE



- Profit and loss aggregates ⁽¹⁾ in percentage of average performing assets:

	2014	2015	2016	2017	2018
Net banking income ⁽²⁾	4.98	4.75	4.41	4.11	4.34
Cost of risk ⁽³⁾	-0.43	-0.33	-0.31	-0.11	-0.33
Operating expenses	-1.58	-1.49	-1.39	-1.32	-1.27
Operating income	2.97	2.94	2.71	2.68	2.74
OEIC and equity method ⁽⁴⁾	-0.32	0.01	0.03	0.04	0.00
Pre-tax income	2.65	2.95	2.74	2.72	2.74

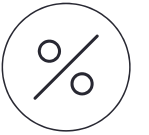
⁽¹⁾ Analytical breakdown derived from RCI Banque's financial controlling system

⁽²⁾ Excluding non-recurring elements

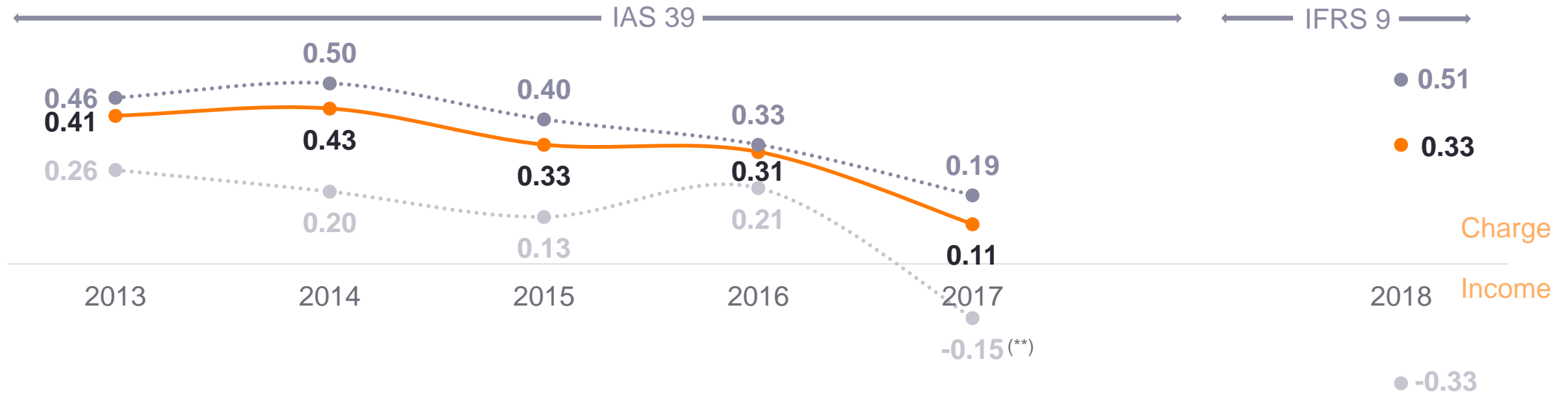
⁽³⁾ Including country risk

⁽⁴⁾ Other exceptional income and charges and share of equity-accounted companies' result

COST OF RISK (*)



- Cost of risk in percentage of average performing assets at **0.33% (+22bp)** :



- 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

(**) Improvement in the economic environment, a variable used in calibrating provisions on sound Dealer outstandings, led to reversals of provisions on the Dealer financing portfolio. The cost of risk was thus negative (income)

RESIDUAL VALUE METRICS



- **Residual value risk borne by RCI Banque:**

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

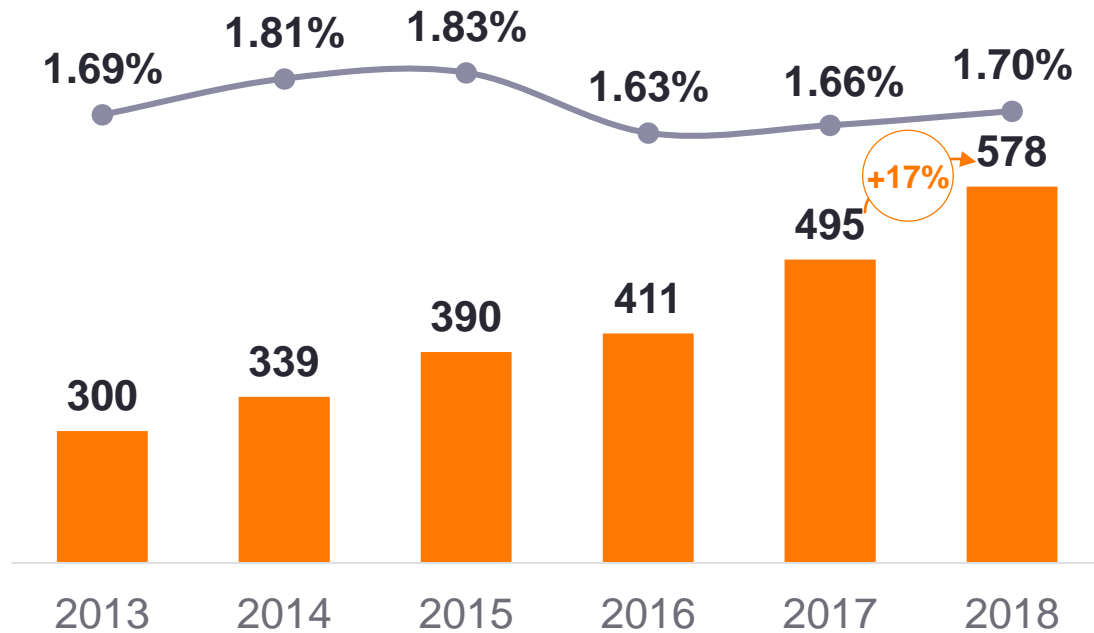
	2014	2015	2016	2017	2018
Residual value risk (€m)	912	1,649	1,899	1,981	1,944
Provisions (€m)	6	15	36	67	61
Provisions (%)	0.6%	0.9%	1.9%	3.4%	3.1%

- In 2018, decrease in UK residual value exposure due to commercial policy changes implemented in 2017 and FX variation

SERVICES

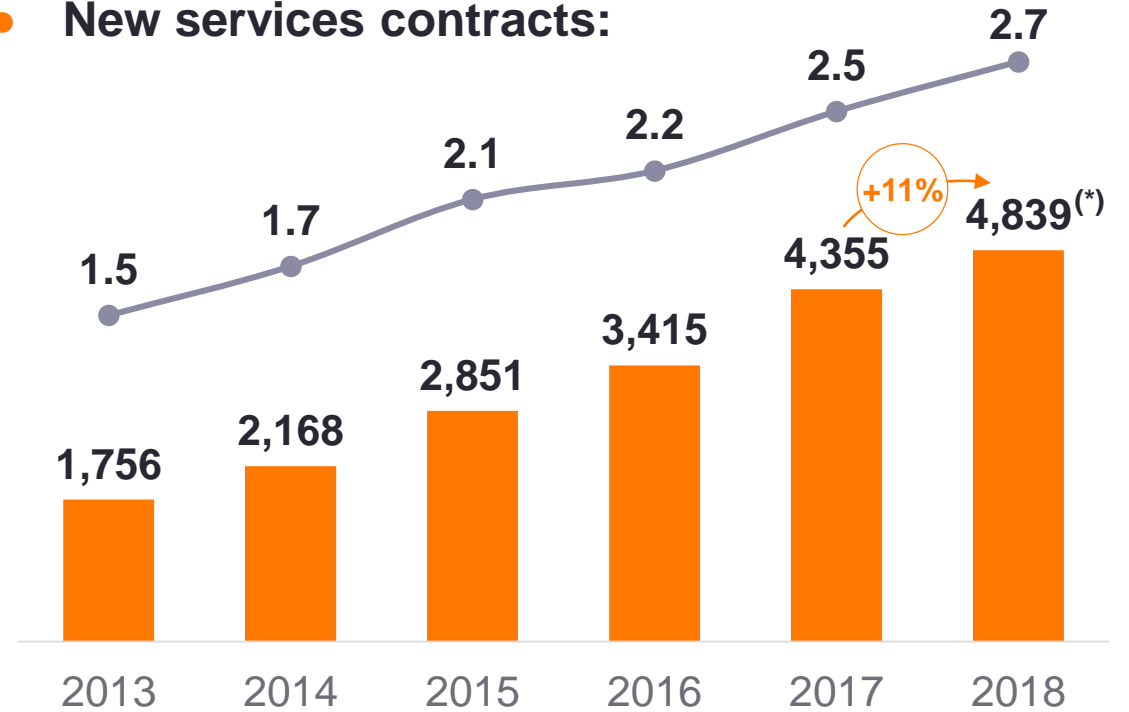


● **Margin on services:**



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

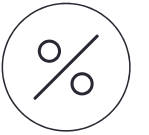
● **New services contracts:**



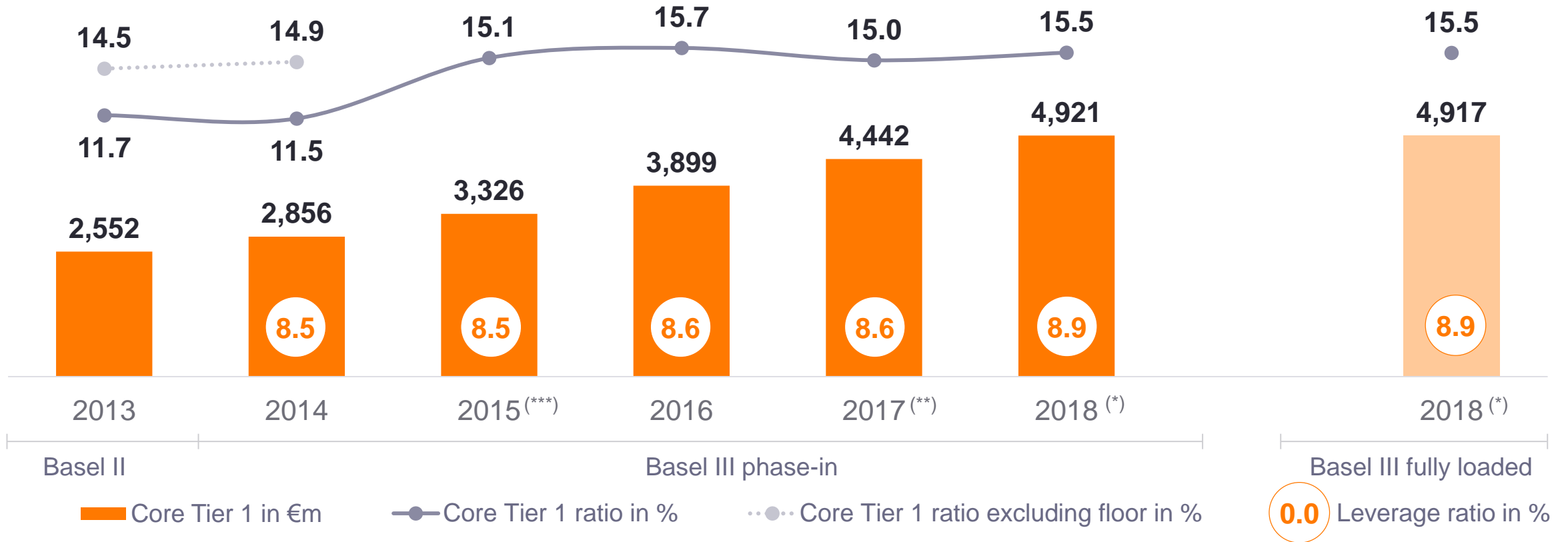
■ Services contracts (thousands)
 ● Ratio of services sold per vehicle contract

^(*) Of which 2,494k (52%) car centric, 1,649k (34%) finance centric and 696k (14%) customer centric contracts

SOLVENCY



● Core Tier 1 ratio at **15.5%**:



(*) 2018: IFRS9 impact taken up front with no use of transitional arrangements. Impact on solvency ratio estimated to -0.06%

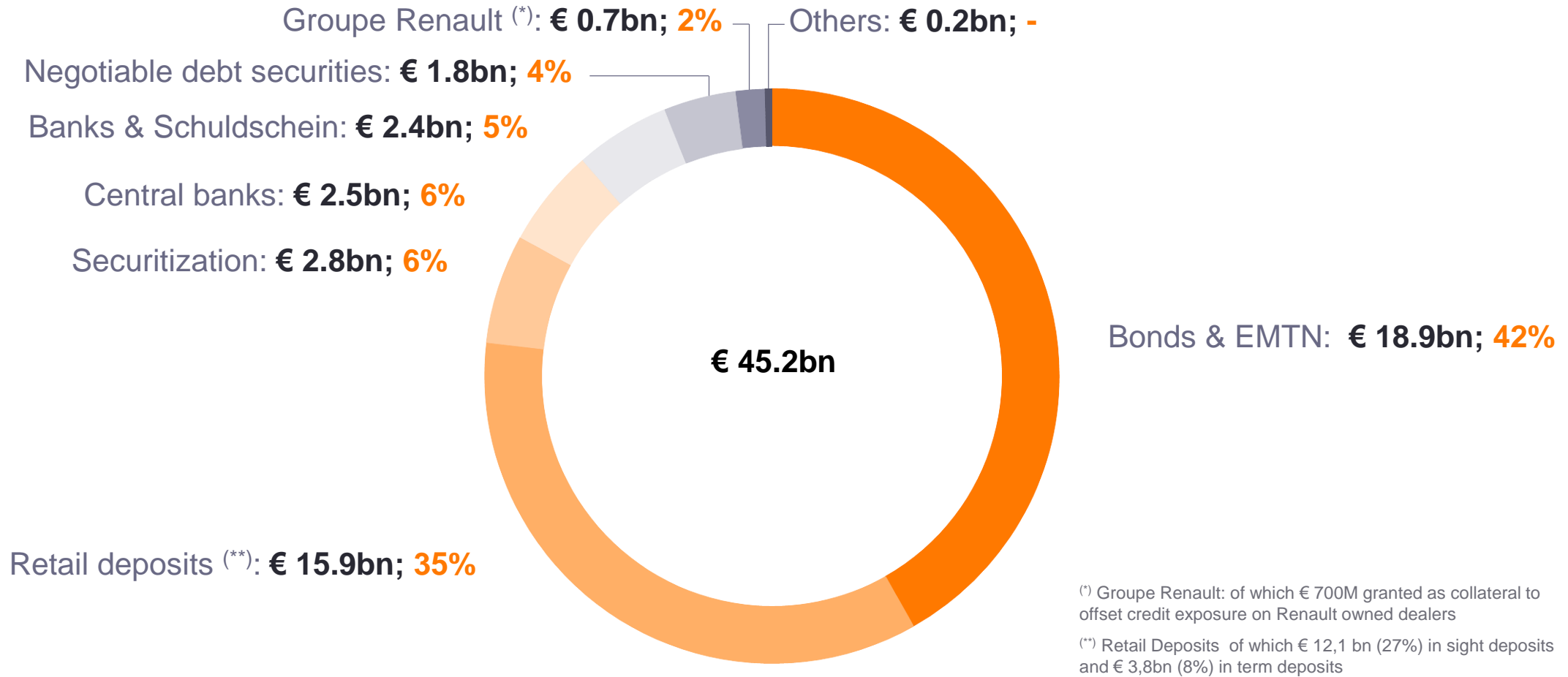
(**) 2017: The ratio includes a recalibration of certain parameters of internal models used for risk weighted assets calculation, and the impact of IFRS 9 first application

(***) 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%

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FINANCIAL POLICY AND FUNDING

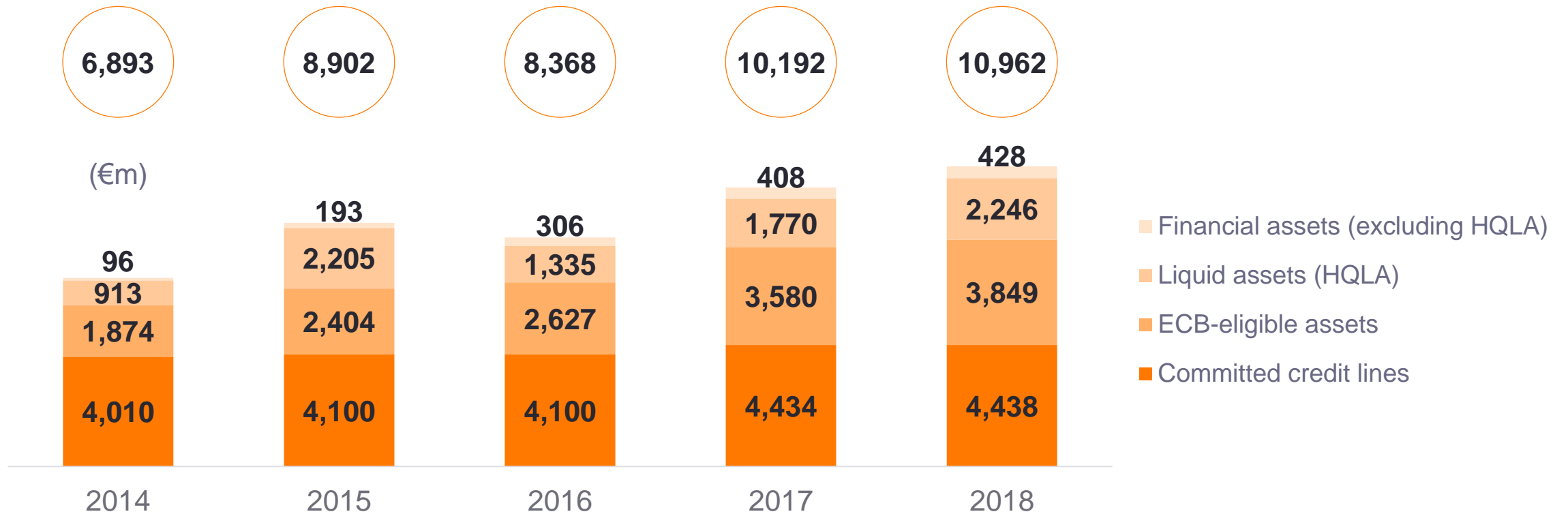
DEBT STRUCTURE AT 2018 END



LIQUIDITY RESERVE (*)



- Liquidity reserve at € 11bn:



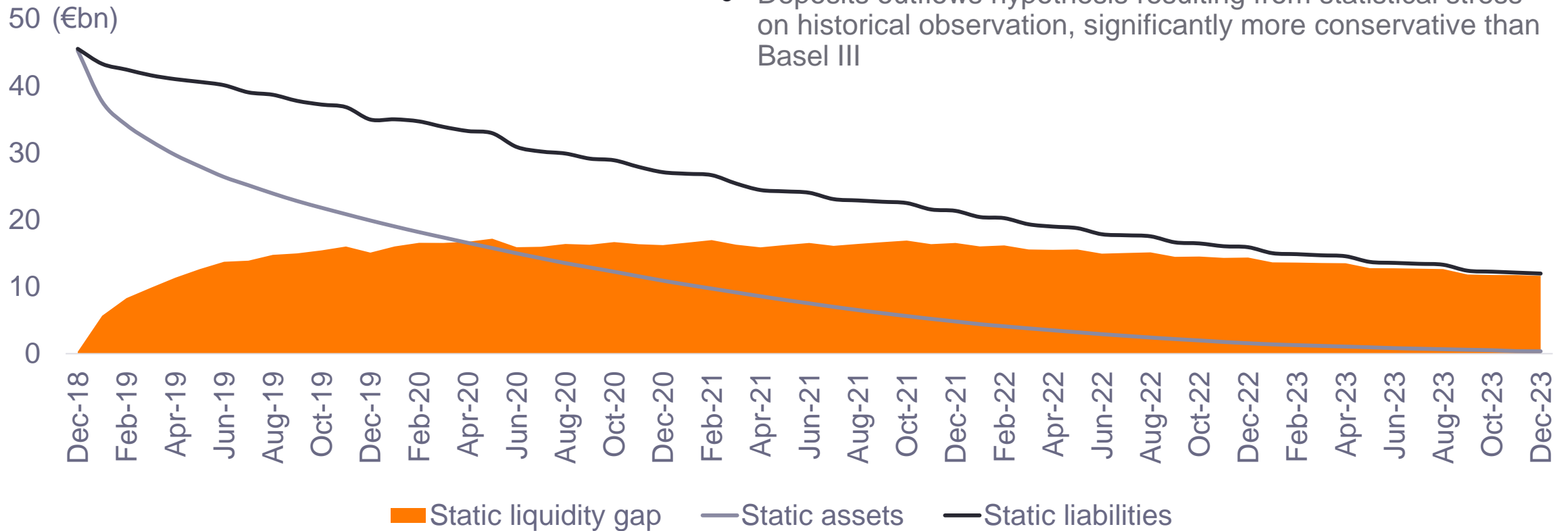
(*) European scope

STATIC LIQUIDITY (*)



● **Static liquidity position at 2018 end:**

- Assets funded with longer dated liabilities
- Deposits outflows hypothesis resulting from statistical stress on historical observation, significantly more conservative than Basel III



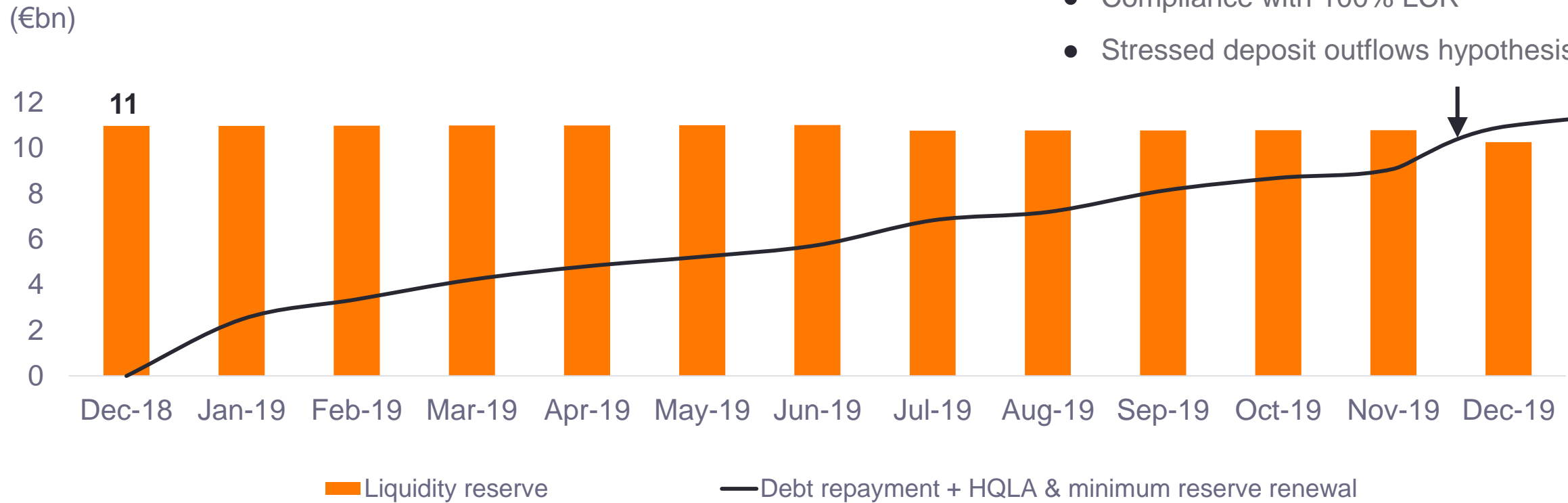
(*) On a specific date, the static liquidity represents the sum of the outstanding financial liabilities plus equity, minus the outstanding assets (mainly loans to Dealers and Customers); in each case assuming no balance sheet changes from the date of calculation. European scope

LIQUIDITY STRESS SCENARIO (*)



- Liquidity stress scenario giving for about **12 months** of visibility at 2018 end:

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



(*) European scope

RETAIL DEPOSITS

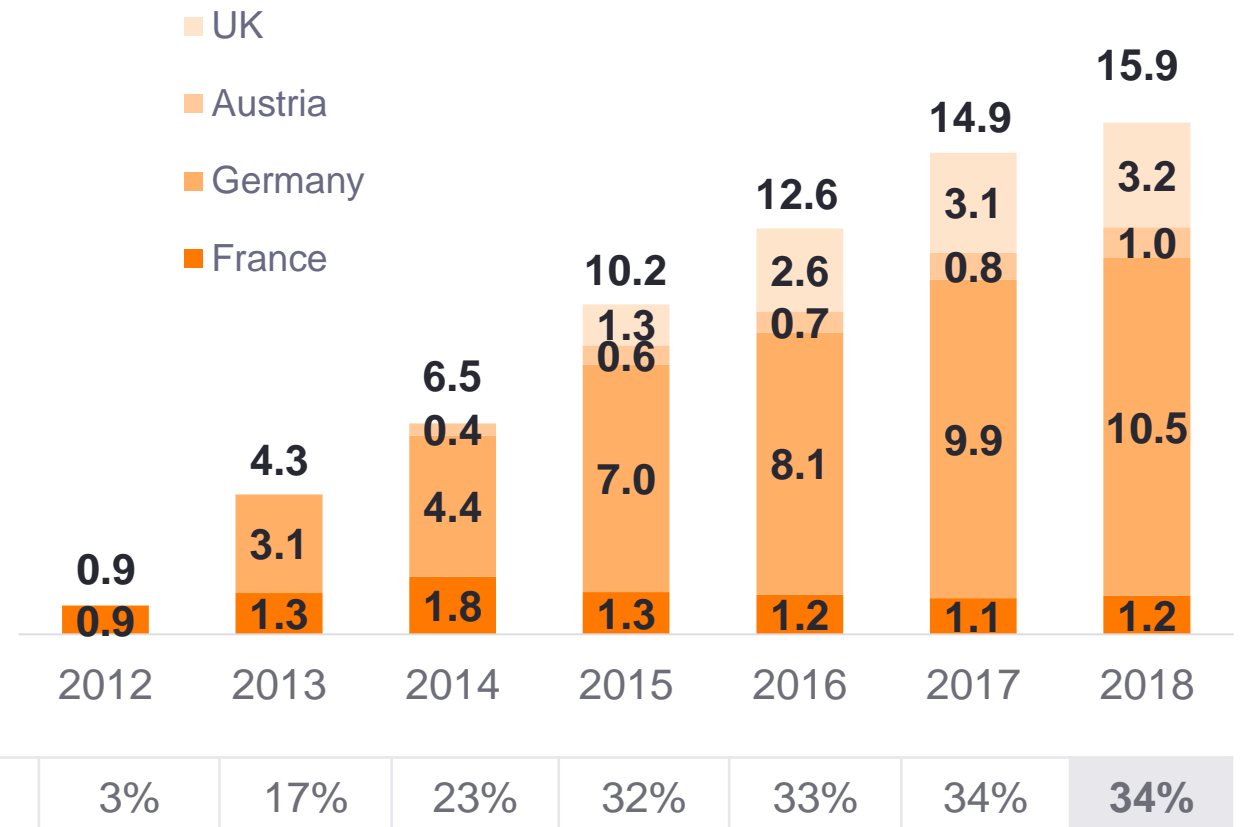


- **Retail deposits reaching €15.9bn:**
 - Of which **76.4%** in sight deposits and **23.6%** in term deposits
 - Saving products for retail customers
 - 100% on-line through dedicated websites

- **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 34%, in line with group target set at one third:**



2019 FUNDING PLAN (*)



- **Capital markets and ABS (€bn):**

	2015	2016	2017	2018	2019 (**)
Bond issuances	3.2	4.4	6.3	3.5	3.5
Other long-term senior unsecured	0.4	0.2	0.1	0.0	0.0
Total long-term senior unsecured	3.7	4.6	6.4	3.5	3.5
ABS (public or conduit)	0.8	0.9	0.2	0.7	0.7

- RCI has diversified its investor base by issuing **non euro-denominated bonds** and accessing long tenors
- Issues in several currencies including **CHF, and GBP**
- Several 7-year bonds issued since 2014, **8-year** tapped in 2017 and 2018
- A **dual-tranche** bonds in EUR issued in 2018

Deposits (new collection, in €bn)	3.7	2.4	2.3	1.0
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(*) European scope

(**) Forecast as of February 2019

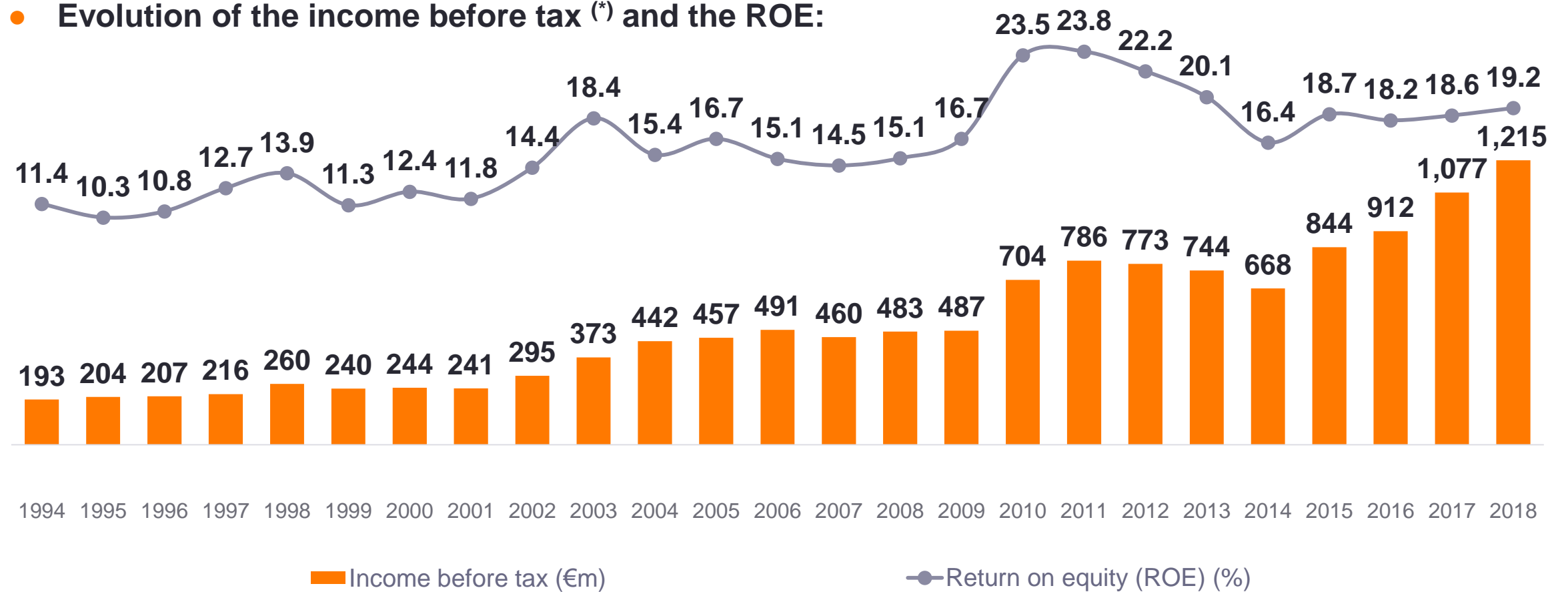


APPENDICES

LITTLE VOLATILITY ON LONG-TERM RESULTS AND PROFITABILITY

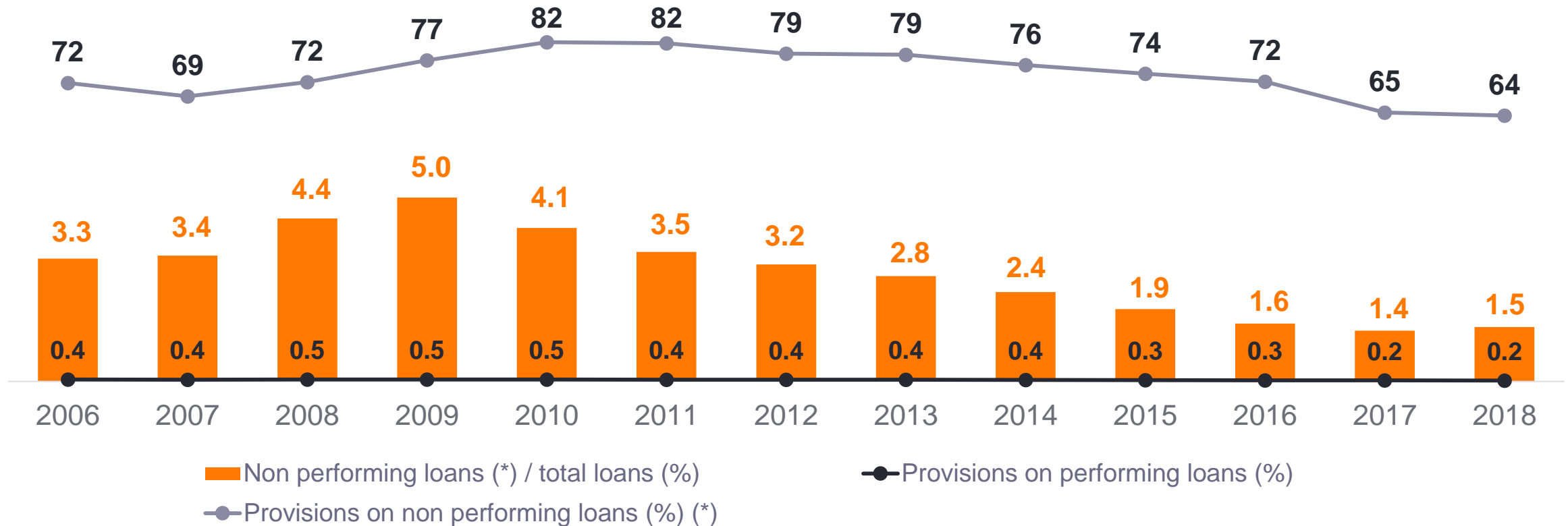


● Evolution of the income before tax (*) and the ROE:



(*) IFRS since 2004

PROVISIONING FOR CUSTOMER ACTIVITY



(*) Non performing loans : Doubtful and compromised loans until 31/12/2017 (IAS 39 definition) – Loans in default (Bucket 3 IFRS9) since 01/01/2018

Doubtful loans (IAS 39): instalment unpaid for more than 3 months. Compromised loans (IAS 39): the counterparty is declared to have defaulted on a loan or a lease agreement is terminated.
Loans in default (Bucket 3 IFRS 9): instalment unpaid for more than 3 months

PROVISIONING FOR DEALER ACTIVITY



(*) Non performing loans : Doubtful and compromised loans until 31/12/2017 (IAS 39 definition) – Loans in default (Bucket 3 IFRS 9) since 01/01/2018

Doubtful loans (IAS 39): instalment unpaid for more than 3 months. Compromised loans (IAS 39): the counterparty is declared to have defaulted on a loan or a lease agreement is terminated.
 Loans in default (Bucket 3 IFRS 9): instalment unpaid for more than 3 months

DEALERS: LOSSES ON RECEIVABLES WRITTEN OFF



COMMERCIAL ACTIVITY (*)



	Financing penetration rate (%)		New vehicle contracts (thousands)		New financing ^(**) (€m)		Net assets at year-end (€m)		o/w Customer net assets at year-end (€m)		o/w Dealer net assets at year-end (€m)	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Europe	43.3	44.9	1,318	1,350	17,061	17,689	39,028	41,832	28,785	31,668	10,243	10,164
of which Germany	44.1	43.7	184	185	2,739	2,785	6,808	7,472	5,333	6,097	1,475	1,375
of which Spain	54.2	54.6	161	166	1,870	2,002	4,207	4,464	3,279	3,637	928	827
of which France	46.7	47.5	455	472	5,815	6,030	13,315	14,324	9,606	10,664	3,709	3,660
of which Italy	60.0	63.4	196	203	2,769	2,871	5,264	5,821	3,960	4,450	1,304	1,371
of which UK	29.1	33.6	129	123	1,803	1,804	4,787	4,680	3,897	3,780	890	900
of which other countries	31.1	31.9	193	201	2,065	2,206	4,647	5,071	2,710	3,040	1,937	2,031
Asia-Pacific (South Korea)	57.4	56.8	72	65	1,095	950	1,561	1,578	1,541	1,565	20	13
Americas	38.8	35.0	190	202	1,644	1,464	2,637	2,769	2,049	2,182	588	587
of which Argentina	35.9	23.1	54	38	388	143	499	314	344	185	155	129
of which Brasil	37.8	38.3	111	139	1,041	1,103	1,880	2,112	1,498	1,699	382	413
of which Colombia	51.6	47.5	25	25	215	217	258	343	207	298	51	45
Africa, Middle East, India	21.8	27.8	53	56	253	286	416	493	331	383	85	110
Eurasia	26.7	27.0	138	127	552	523	191	258	179	245	12	13
TOTAL	39.6	40.7	1,771	1,799	20,604	20,922	43,833	46,930	32,885	36,043	10,948	10,887

(*) Figures refer to Personal Car (PC) + Light Utility Vehicles (LUV)

(**) Excluding cards and personal loans

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