



# INVESTOR PRESENTATION

2020 RESULTS

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# AGENDA

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

1

# RCI BANQUE OVERVIEW



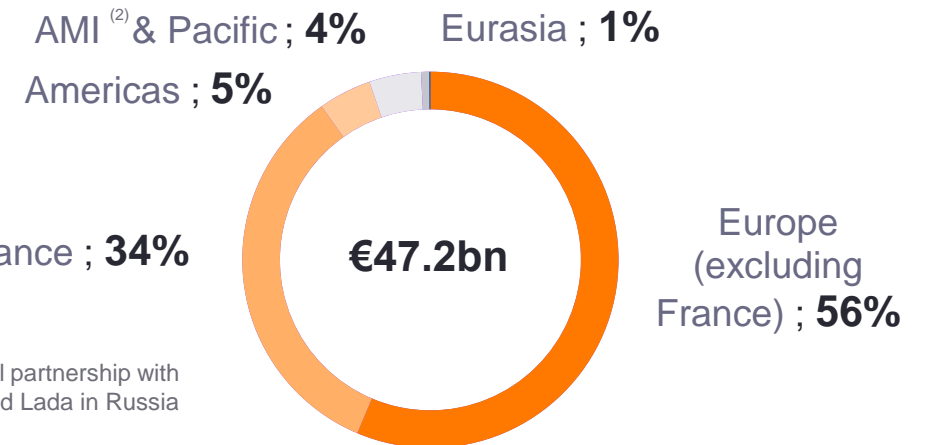
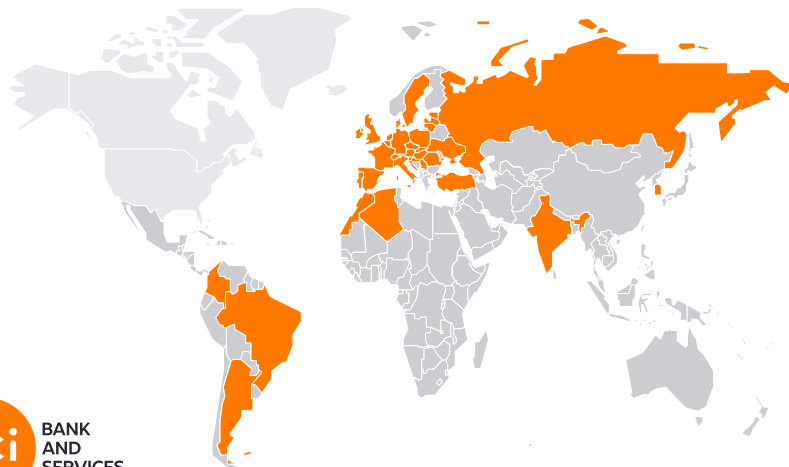
# IDENTITY AND 2020 KEY FIGURES

## ● 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
- **9** brands financed <sup>(1)</sup> in **36** countries

## ● 2020 key figures:

- Equity: **€6.3bn**
- Net customer deposits: **€20.5bn**
- Penetration rate: **45.3%**
- New contracts (in k units) : **1,520**
- Commercial assets : **€47.2bn** of which:



<sup>(1)</sup> Since February 2018, commercial partnership with Mitsubishi Motors in Netherlands and Lada in Russia

<sup>(2)</sup> AMI: Africa, Middle-East, India

# RATINGS



- **Moody's ratings :**

- Long-term : **Baa2**
- Outlook : **Negative<sup>(1)</sup>**
- 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 : **Ba2, negative outlook/ NP** <sup>(2)</sup>

<sup>(1)</sup> Since June 3<sup>rd</sup> 2020

<sup>(2)</sup> Since May 28<sup>th</sup> 2020

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

- Long-term : **BBB**
- Outlook : **Negative** <sup>(3)</sup>
- 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 : **BB+, negative outlook / B** <sup>(4)</sup>

<sup>(3)</sup> Since February 26<sup>th</sup> 2019

<sup>(4)</sup> Since April 9<sup>th</sup> 2020

# 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

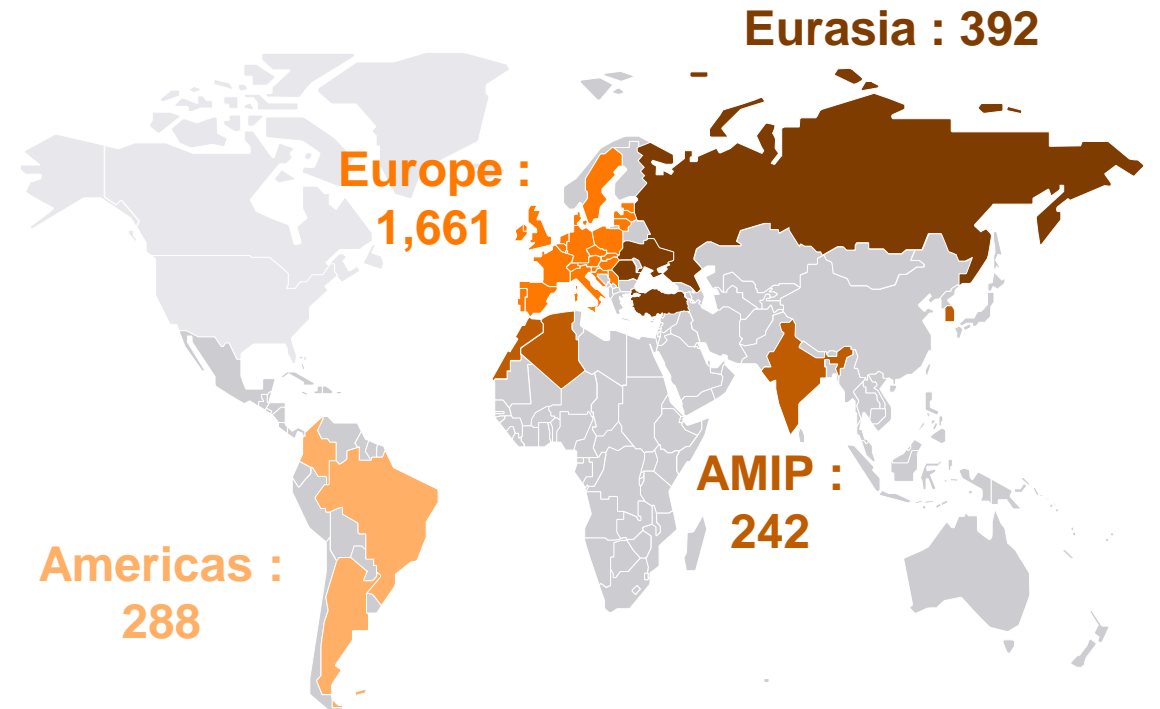
# CAR MARKET AND ALLIANCE SALES <sup>(1)</sup> ON RCI PERIMETER



- Evolution vs. 2019:

	Market	Alliance
Europe	- 23.6%	- 26.0% <sup>(2)</sup>
Eurasia	+ 4.2%	-1.1%
Americas	- 8.0%	- 39.3%
Africa, Middle-East, India, Asia-Pacific (AMIP)	+ 10.7%	- 11.2%
<b>Total RCI perimeter</b>	<b>- 19.4%</b>	<b>- 23.7%</b>

- 2020 Alliance sales (in k units): 2,583

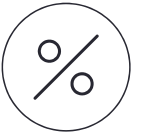


<sup>(2)</sup> Renault Group: -25.6%, Nissan Group: -28%

<sup>(1)</sup> Passenger Car (PC) + Light Utility Vehicle (LUV) market and Alliance sales

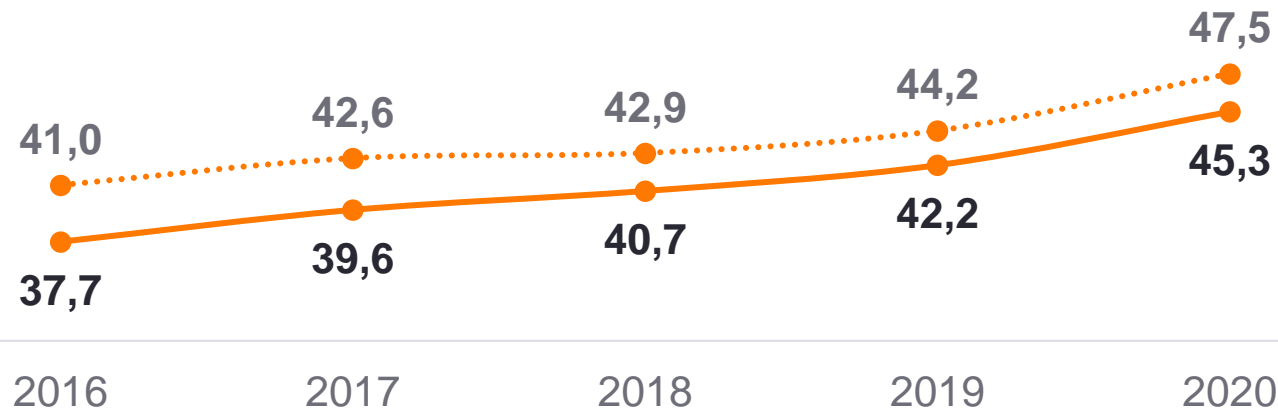


# PENETRATION RATE (1)



- Financing penetration rate at **45.3% (+3.1 pts)**, of which:

- Renault : **45.7% (+ 3pts)**
- Dacia : **47.4% (+2.7pts)**
- Renault Samsung Motors : **66.2% (+7pts)**
- Nissan-Infiniti-Datsun : **37.2% (+1.7pts)**



—●— RCI      ···●··· RCI pro forma (2)

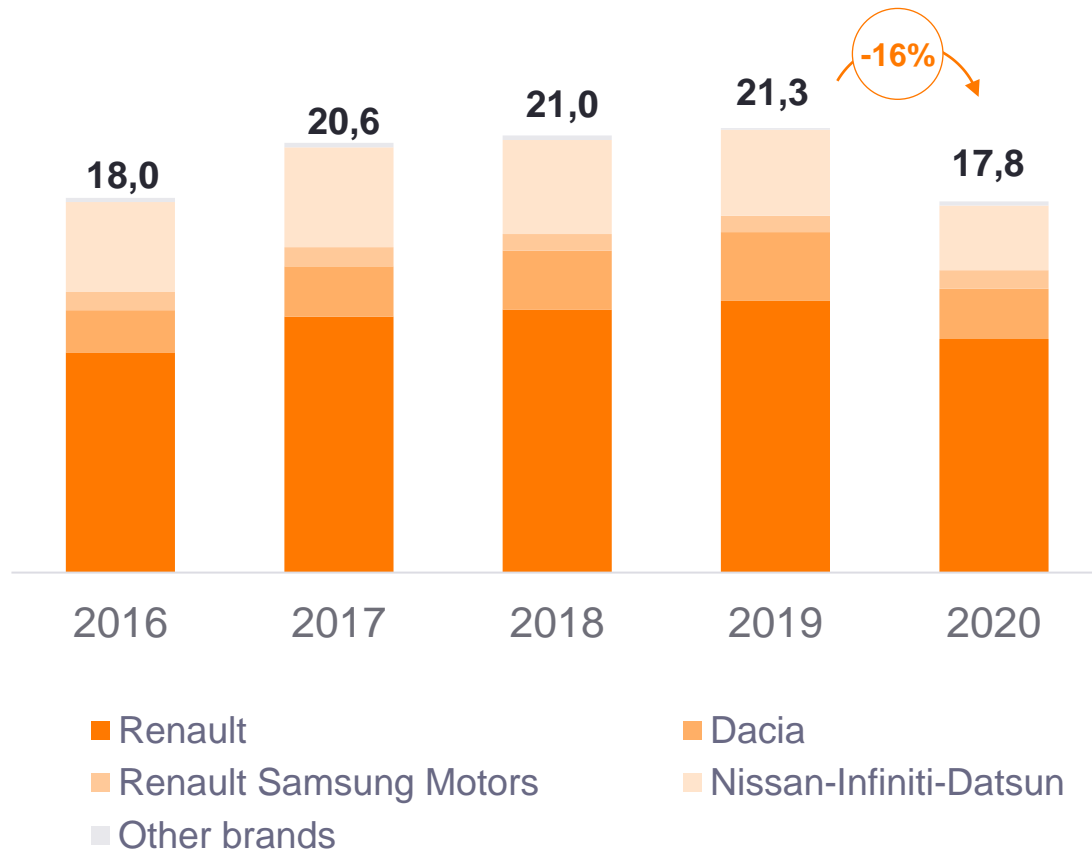
(1) Number of new vehicles financed / new vehicles sold in RCI Banque perimeter. In %

(2) Excluding impact of Turkey, Russia and India (companies consolidated using the equity method)

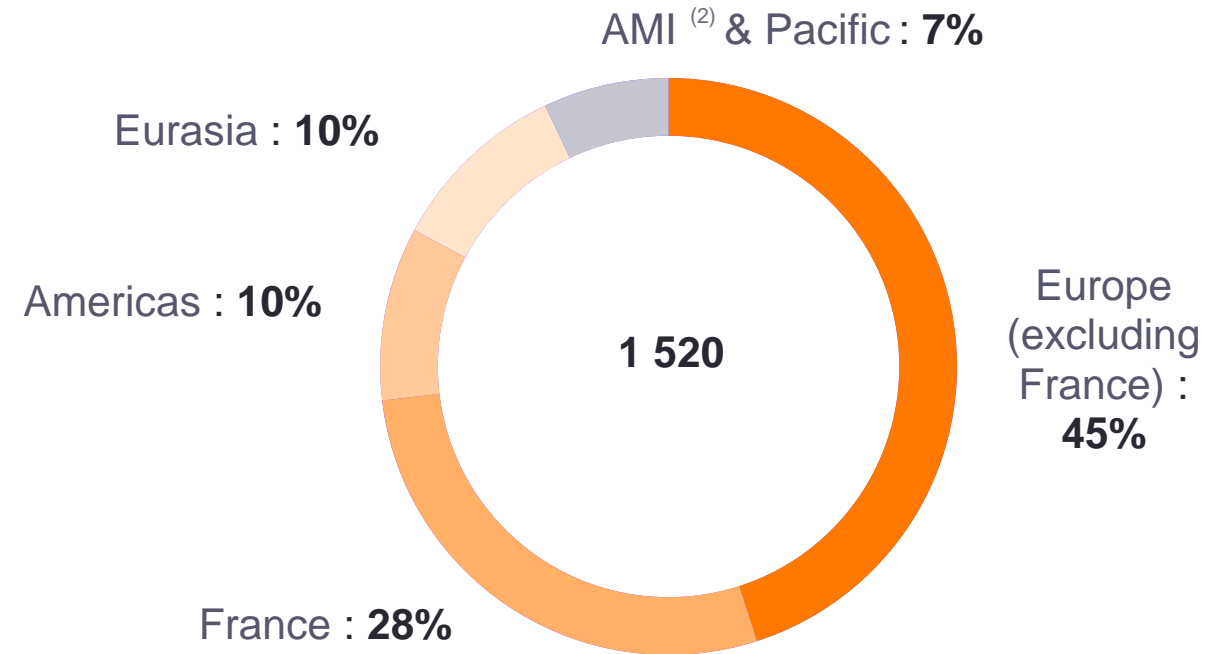


# BREAKDOWN OF NEW PRODUCTION

- New financings<sup>(1)</sup> by brand (€bn):**



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



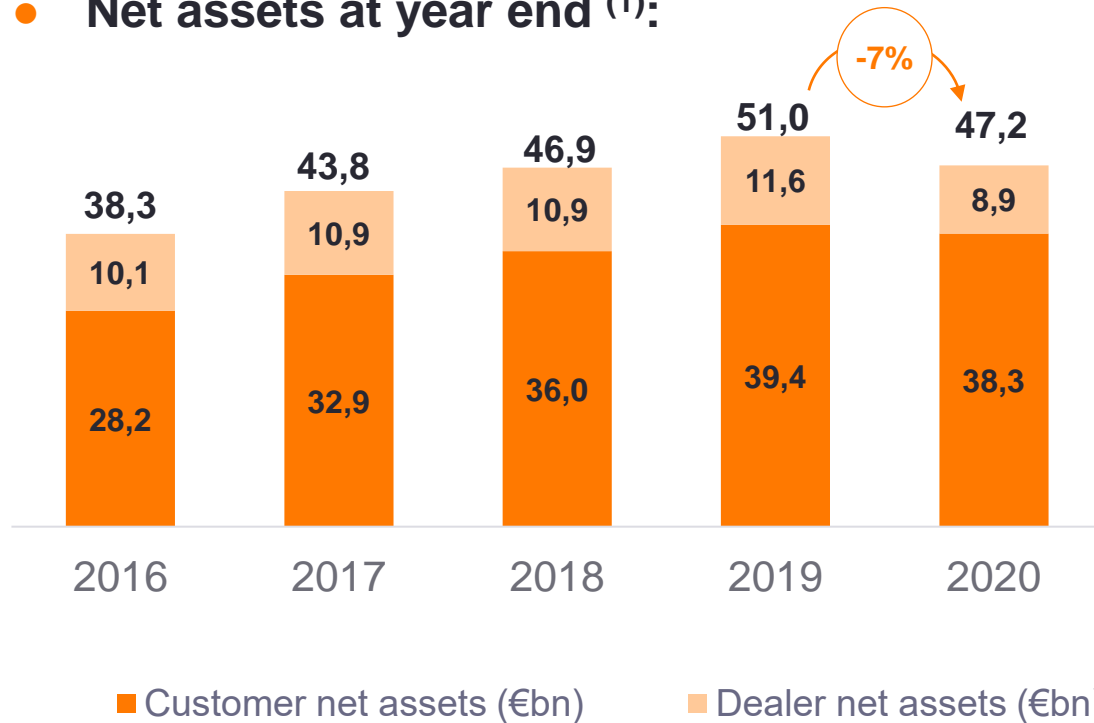
<sup>(1)</sup> Excluding cards and personal loans

<sup>(2)</sup> AMI: Africa, Middle-East, India

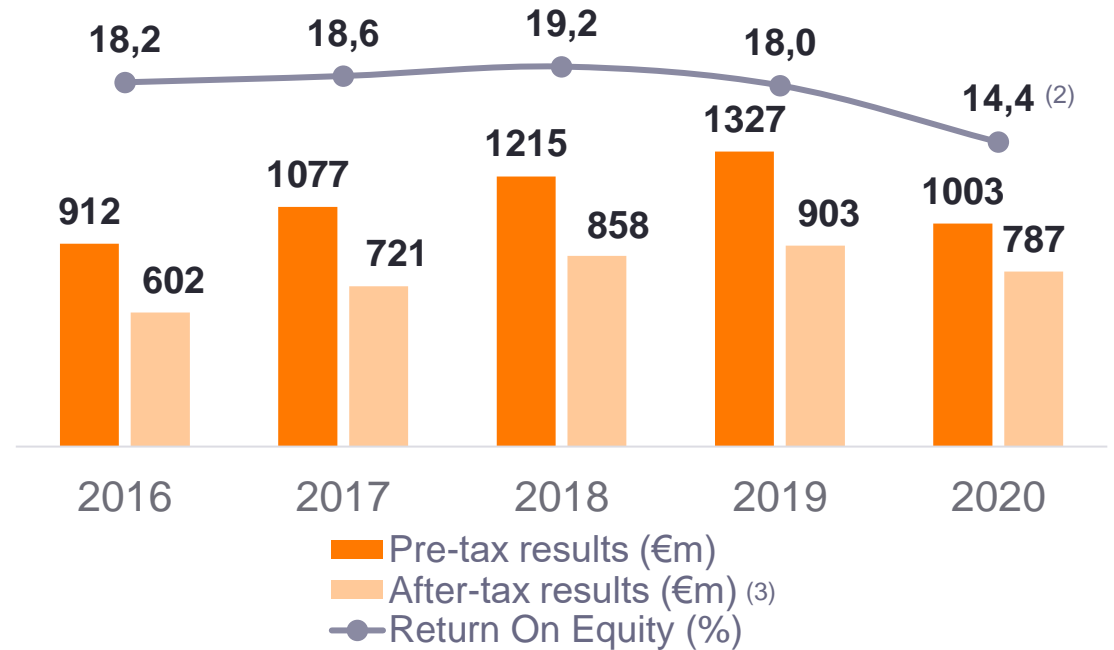
# ASSETS AND RESULTS



● Net assets at year end <sup>(1)</sup>:



● ROE and results:



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

<sup>(2)</sup> Impact of the increase in the cost of risk, the increase in average net equity due to the 2020 results, the cancellation of the residual dividend for 2019 and the non-payment of the advance on dividend in respect of the 2020 results

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

# FINANCIAL PERFORMANCE



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

	2016	2017	2018	2019	2020
<b>Net banking income <sup>(2)</sup></b>	<b>4.41</b>	<b>4.11</b>	<b>4.34</b>	<b>4.42<sup>(3)</sup></b>	<b>4.17</b>
Cost of risk <sup>(4)</sup>	-0.31	-0.11	-0.33	-0.37	-0.75
Operating expenses	-1.39	-1.32	-1.27	-1.26	-1.25
<b>Operating income</b>	<b>2.71</b>	<b>2.68</b>	<b>2.74</b>	<b>2.79</b>	<b>2.17</b>
Other <sup>(5)</sup>	0.03	0.04	0.00	0.01	-0.03
<b>Pre-tax income</b>	<b>2.74</b>	<b>2.72</b>	<b>2.74</b>	<b>2.80</b>	<b>2.14</b>

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

<sup>(2)</sup> Excluding non-recurring elements

<sup>(3)</sup> Net banking income excluding the positive impact of the disposal of equity securities of mobility start-ups stood at 4.31%

<sup>(4)</sup> Including country risk (until 2017) and impairment on loans to Marcel in 2019 (excluding impact on loan to Marcel cost of risk came to 0.35)

<sup>(5)</sup> Other exceptional income and charges, share of equity-accounted companies result and hyperinflation result (Argentina)



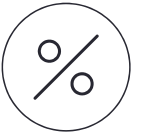
# COVID 19 IMPACT ON COST OF RISK

- **Credit Risk Provisions increased by €245m, out of which main drivers are:**
  - **Non-Performing Loans: +€67m**
    - NPL ratio from 1,3 % (Dec-19) to 1,6 % (Dec-20), with stable coverage ratio
  - **Forward looking: +€86m**
    - Increased weight given to adverse scenario and sharp drop in that of the "baseline" scenario (the most optimistic) => 41 €m provisions
    - Collective provision on obligors operating in business sectors strongly impacted by the crisis => 45 m
  - **Individual adjustments: +€60 m**
    - We have analyzed our exposure on Corporates on an individual basis. When such analysis concluded their financial profile had weakened, the provision rate has been aligned to B2 cover rate. Exposure subject to moratoria was also applied the B2 provision rate
  
- **Write-offs net of recoveries globally stable at €108m (+11 €m vs 2019):**
  
- **Exposure under moratorium <sup>(1)</sup> dropping to €264m (vs €4.2b, ow €1.1b opt-in and €3.1b opt-out <sup>(2)</sup> in Jun-20)**

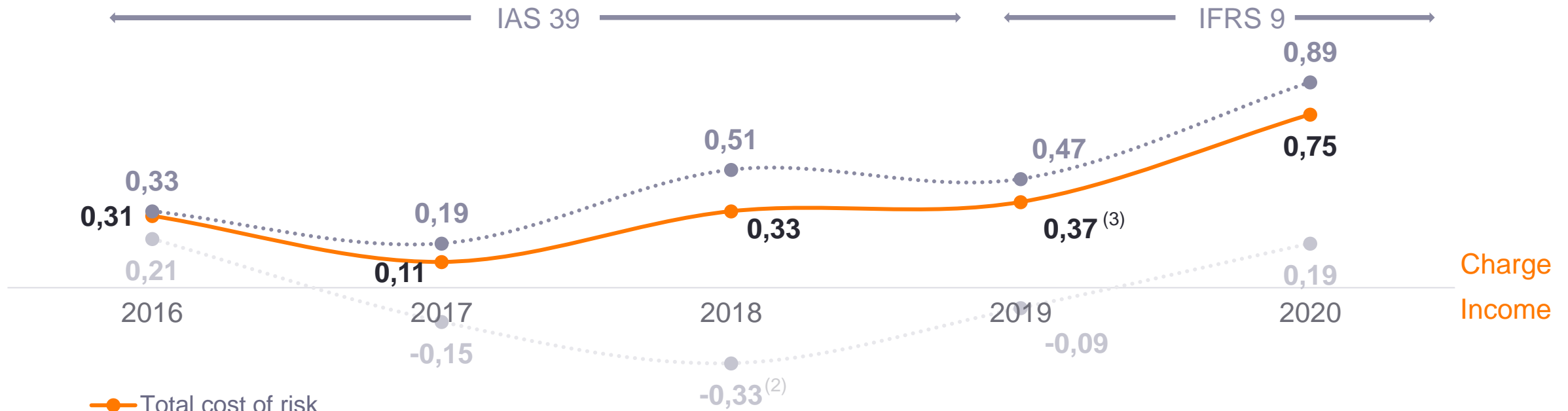
(1) Symmetrical increase in forbearance reaching €446m (Dec-20) vs €127m (Dec-19)

(2) Moratorium granted systematically and by default to all Diac and Diac Location corporate clients in order to relieve customer relations platforms during the first days of lock-down. Customers not wishing to benefit from payment deferrals had the possibility to request that their contractual schedule be maintained

# COST OF RISK (1)



- Cost of risk in percentage of average performing assets at **0.75% (+38bp)** :



- Total cost of risk
- Customer cost of risk
- Dealer cost of risk

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

(2) 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)

(3) The total cost of risk, which includes the write-off of loans granted to the Marcel start-up representing 0.02% of APA

# RESIDUAL VALUE METRICS



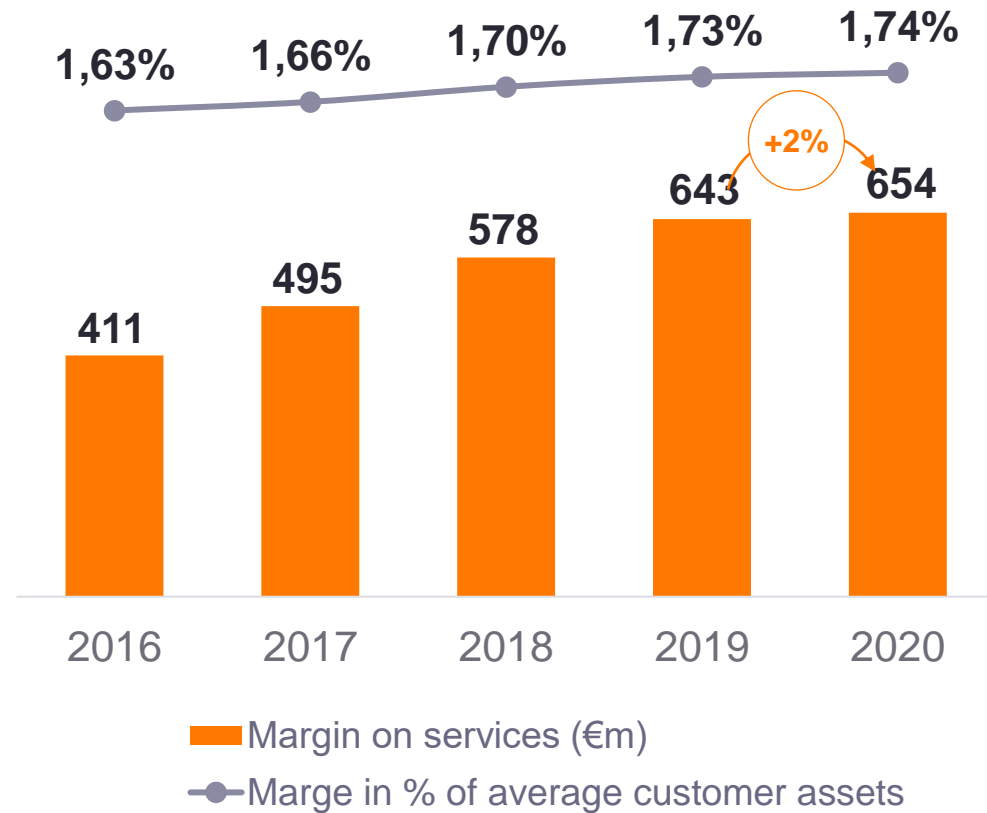
- **Residual value risk borne by RCI Banque:**
  - In most countries, residual value risk carried by carmakers or dealers
  - Residual value exposure borne by RCI Banque mostly located in the UK
  - Low and controlled overall exposure on residual values

	2016	2017	2018	2019	2020
Residual value risk (€m)	1,899	1,981	1,944	1,935	<b>1,810</b>
Provisions (€m)	36	67	61	59	<b>45</b>
Provisions (%)	1.9%	3.4%	3.1%	3.0%	<b>2.5%</b>

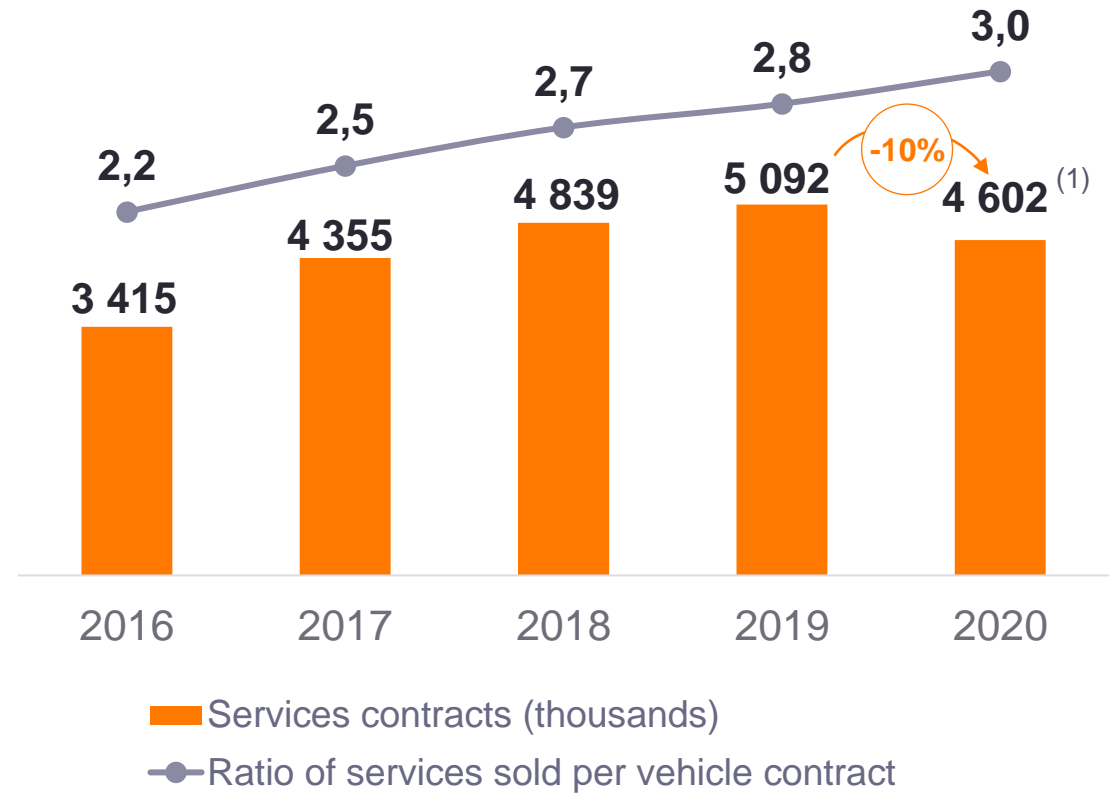
# SERVICES



● **Margin on services:**



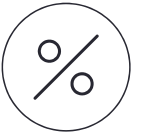
● **New services contracts:**



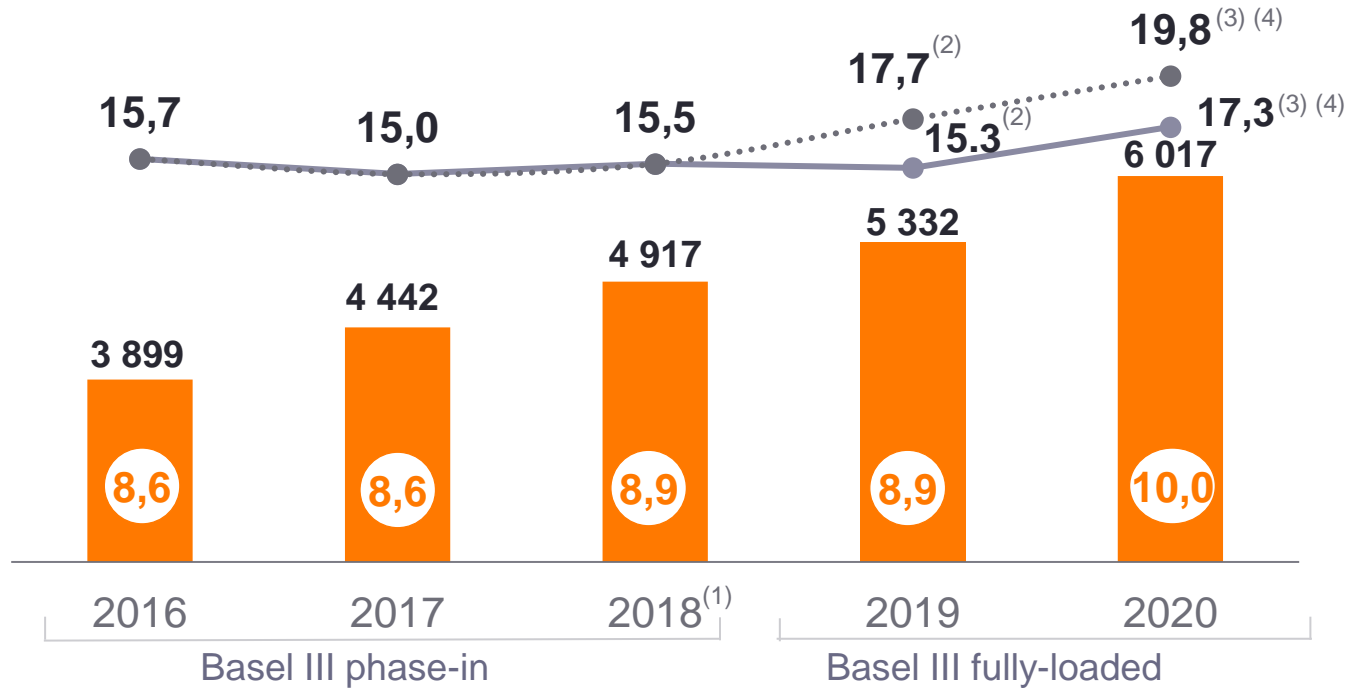
(1) Of which 1,375k (35%) car centric, 2,517k (55%) finance centric and 710k (15%) customer centric contracts



# CAPITAL RATIO AND REGULATORY REQUIREMENTS

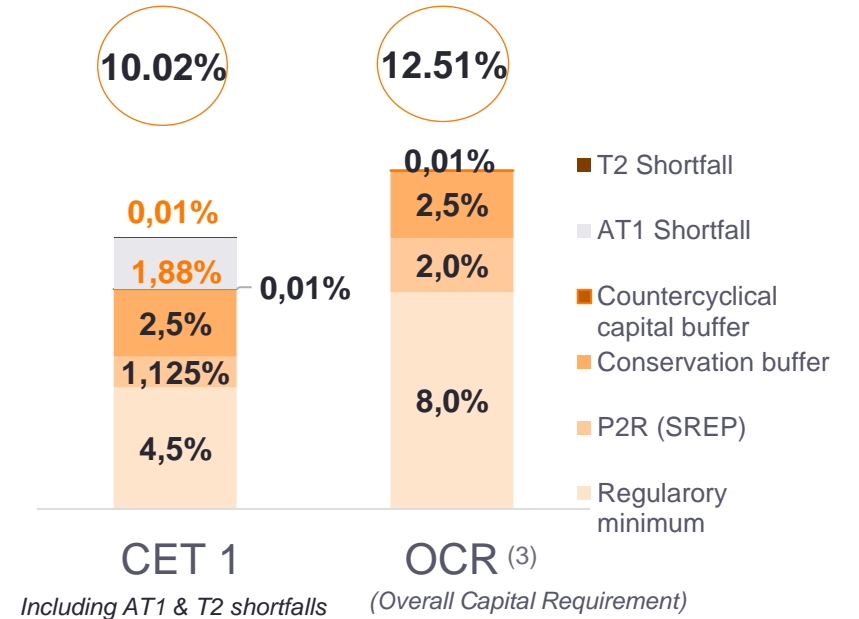


## Capital ratio



## Regulatory Requirements

as of 31 December 2020



**0,0** Leverage ratio in %  
 Core Tier 1 in € | Core Tier 1 ratio in % | Total Capital ratio in %

<sup>(1)</sup> 2018: IFRS9 impact taken up front with no use of transitional arrangements. Impact on solvency ratio estimated to -0.06%

<sup>(2)</sup> o/w 86 bp positive impact from cancellation of €300m residual dividend on 2019 profit (ECB recommendation)

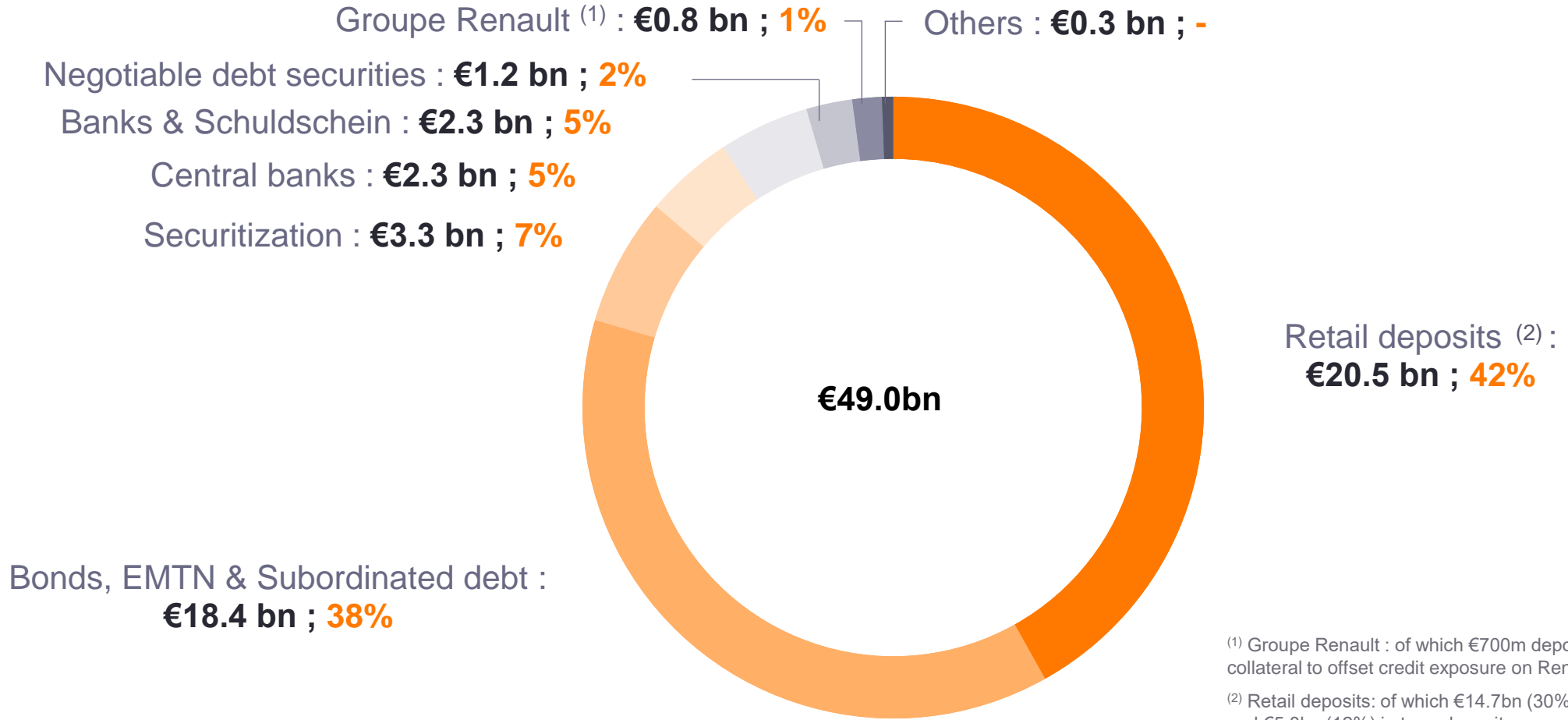
<sup>(3)</sup> Planned dividend distribution capped at 0.2 % of RWA i.e. €69m in line with ECB recommendations. Capital generation from 2020 net profits - planned dividend = €718m or 2.1 % of RWA. If ECB recommendations on dividend limitations are not extended after 30/09/2021 and in the absence of any unforeseen adverse event, RCI intends to pay additional dividend from reserves around €930m as soon as possible. Impact on CET1 estimated to 2.7 %

<sup>(4)</sup> Trim related headwinds globally in line with calibration disclosed in Feb-2020 and globally compensated by activation of CRR options (Treatment of deferred taxes, CCF, SME SF)

3

# FINANCIAL POLICY AND FUNDING

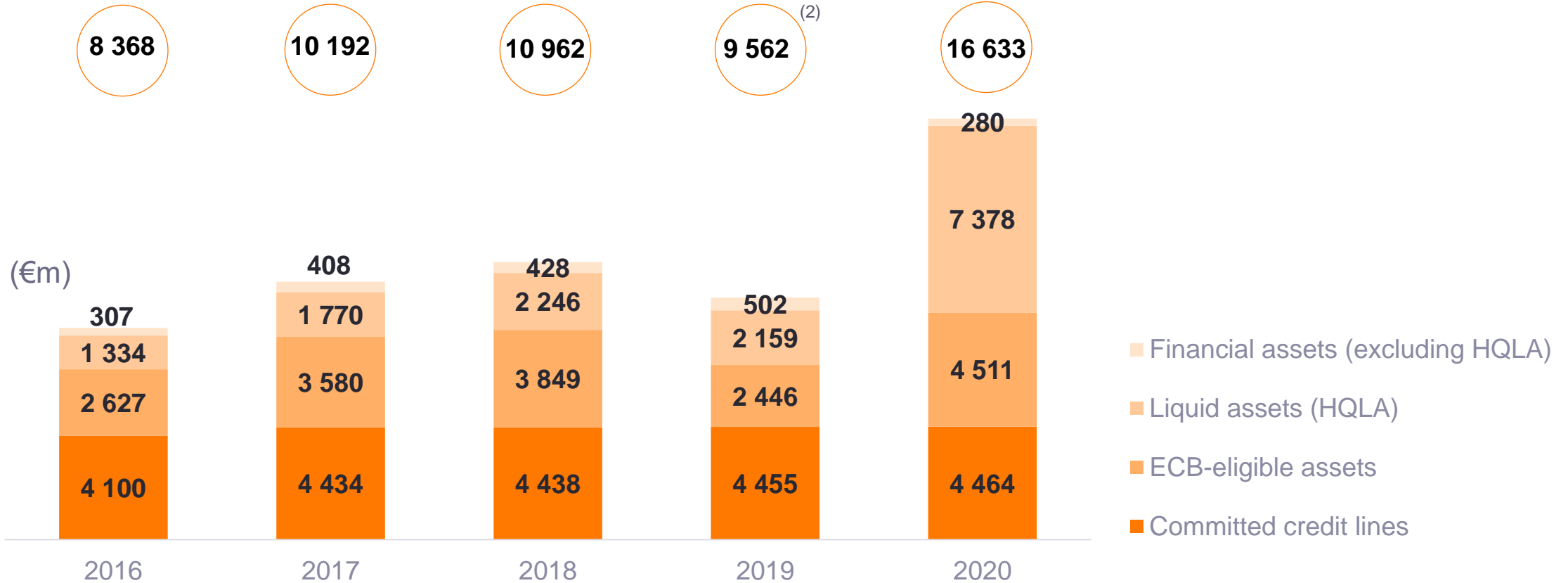
# DEBT STRUCTURE AT 2020 END



(1) Groupe Renault : of which €700m deposit granted as collateral to offset credit exposure on Renault owned dealers  
 (2) Retail deposits: of which €14.7bn (30%) in sight deposits and €5.8bn (12%) in term deposits

# LIQUIDITY RESERVE (1)

- Liquidity reserve at **€16.6bn**:



(1) European scope

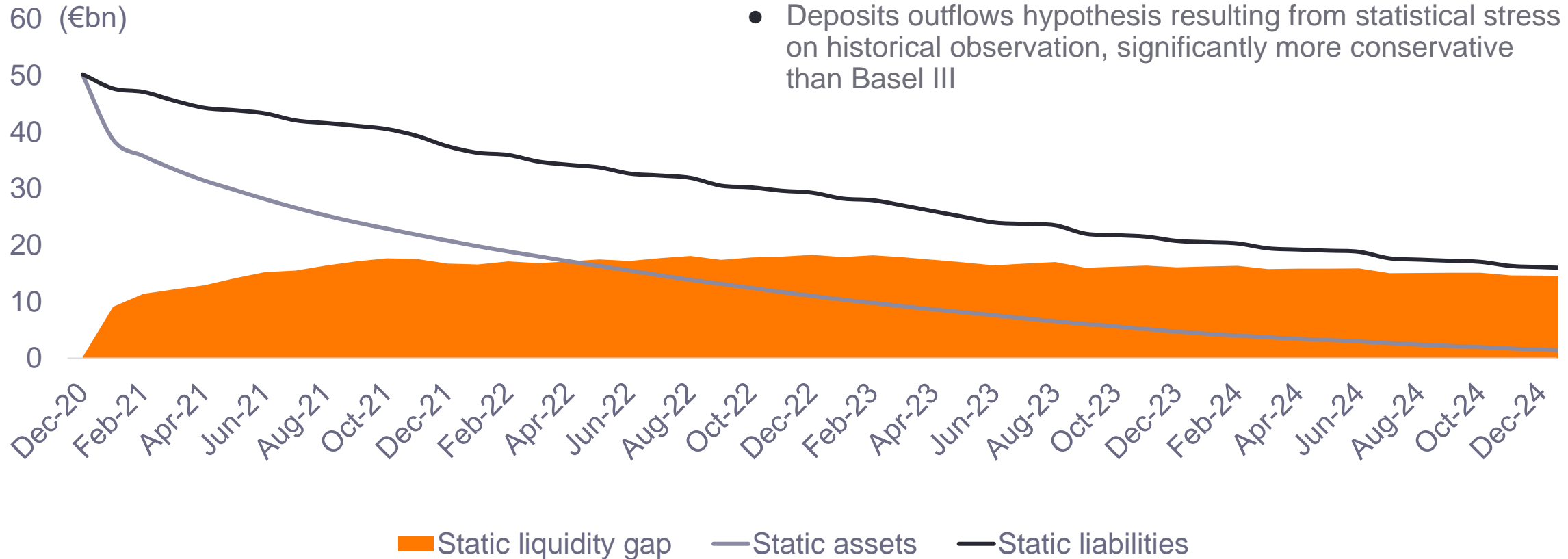
(2) Liquidity reserve is calibrated to achieve internal business continuity target in stress scenario. Lower level in December 2019 reflects lower level of bond redemptions for the following year (bond repayments respectively €1.8 bn in 2020 and €2.8 bn in 2019)

# STATIC LIQUIDITY (1)



- **Static liquidity position at 2020 end:**

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



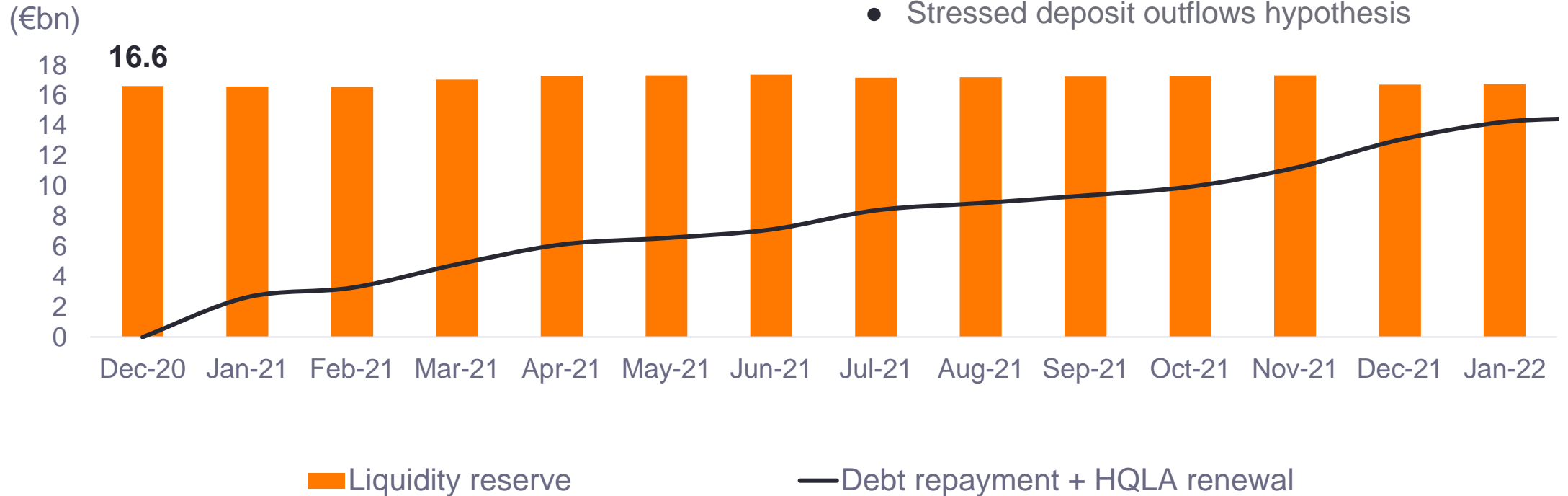
(1) On a specific date, the static liquidity represents the sum of the outstanding financial liabilities + equity - the outstanding assets (mainly loans to Dealers and Customers); in each case assuming no balance sheet changes from the date of calculation. European scope

# LIQUIDITY STRESS SCENARIO (1)



- **Liquidity stress scenario giving more than 13 months of visibility at 2020 end:**

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



(1) European scope

# RETAIL DEPOSITS



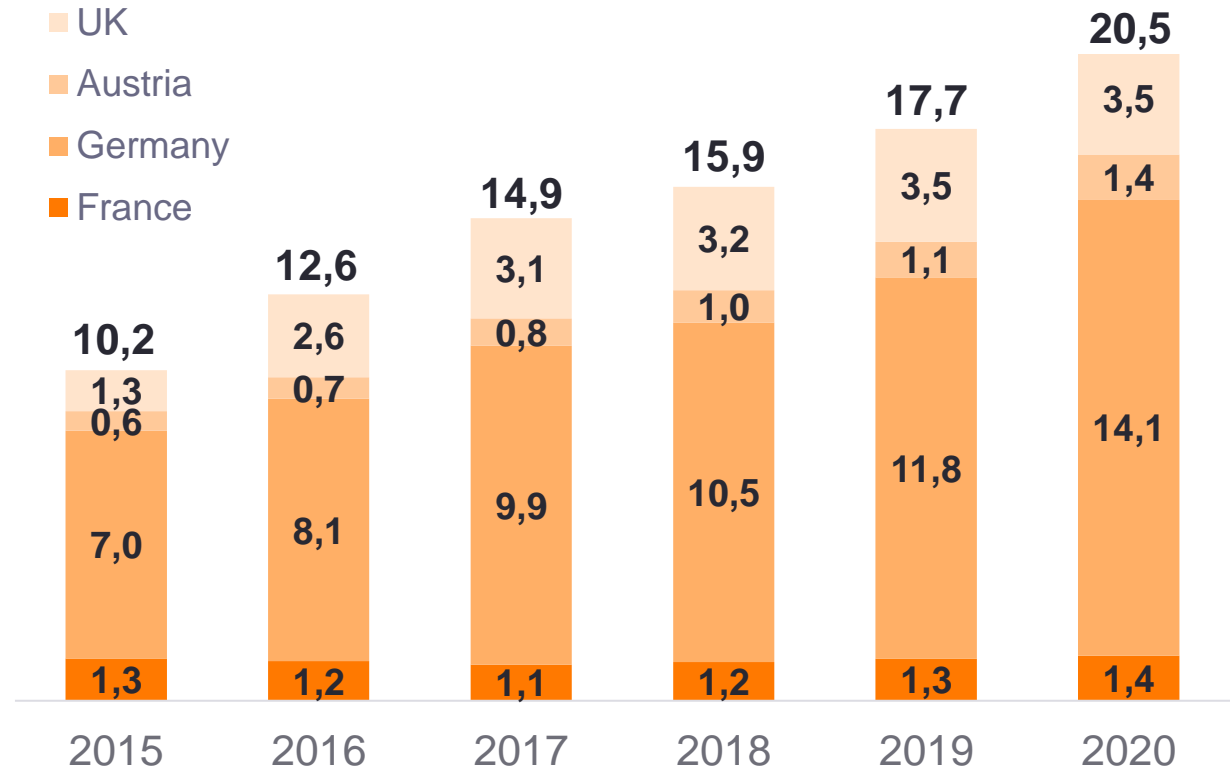
- **Retail deposits reaching € 20.5bn:**

- Of which **72%** in sight deposits and **28%** 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
- Brazil in March 2019 <sup>(1)</sup>
- Spain in November 2020 <sup>(2)</sup> Renault Bank

- **Deposits/commercial assets ratio at 43%:**



<sup>(1)</sup> At end of December 2020, Brazilian deposits reached €30m (not presented in the histogram above)

<sup>(2)</sup> At end of December 2020, Spanish deposits reached €86m (not presented in the histogram above)

Deposits/commercial assets ratio (%)	32%	33%	34%	34%	35%	43%
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## 2021 FUNDING PLAN <sup>(1)</sup>



- **Capital markets and ABS (€bn):**

	2016	2017	2018	2019	2020	2021 <sup>(2)</sup>
Bond issuances	4.4	6.3	3.5	3.9	0.8	[0.0-1.0]
Other long-term senior unsecured	0.2	0.1	0.0	0.2	0.0	0.0
<b>Total long-term senior unsecured</b>	<b>4.6</b>	<b>6.4</b>	<b>3.5</b>	<b>4.1</b>	<b>0.8</b>	<b>[0.0-1.0]</b>
<b>ABS (public or conduit)</b>	<b>0.9</b>	<b>0.2</b>	<b>0.7</b>	<b>1.0</b>	<b>0.8</b>	<b>1.0</b>

Deposits (new collection, in €bn)	2.4	2.3	1.0	1.8	2.8
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<sup>(1)</sup> European scope

<sup>(2)</sup> Forecast as of end 2020. Funding plan based on hypothesis that dividend payments can be resumed in Q4 2021



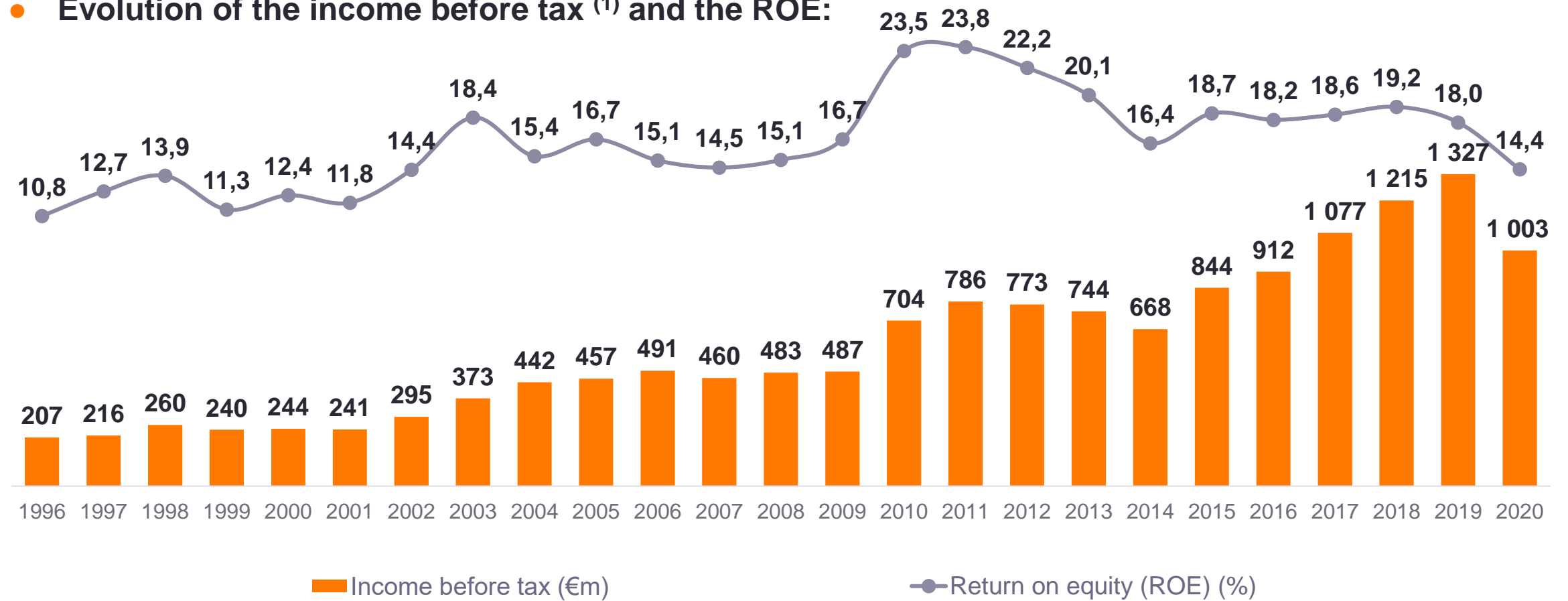


# APPENDICES

# LOW VOLATILITY ON LONG-TERM RESULTS AND PROFITABILITY

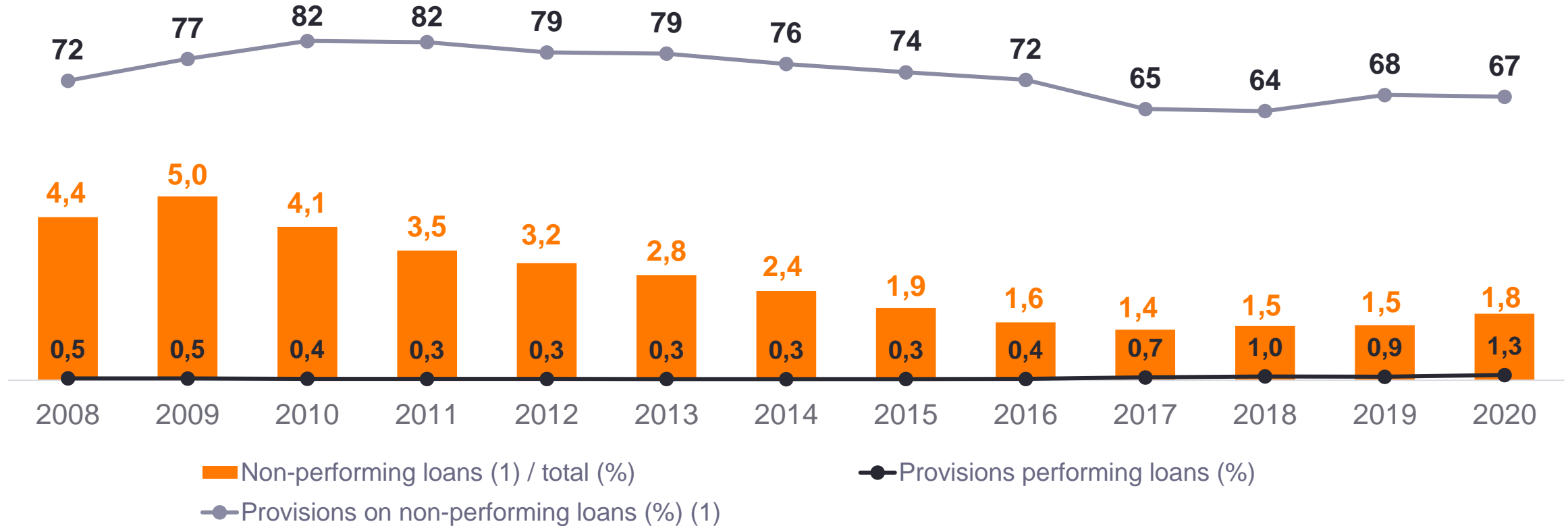


● Evolution of the income before tax <sup>(1)</sup> and the ROE:



<sup>(1)</sup> IFRS since 2004

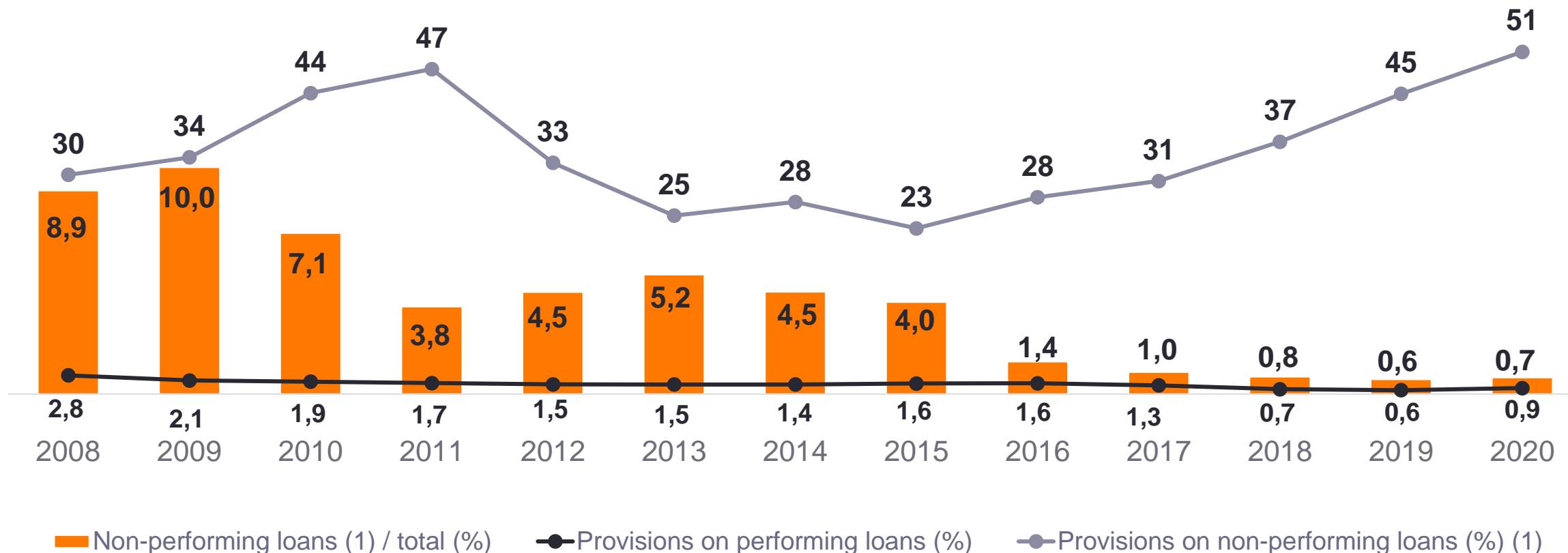
# PROVISIONING FOR CUSTOMER ACTIVITY



(1) 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): installment 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): installment unpaid for more than 3 months.

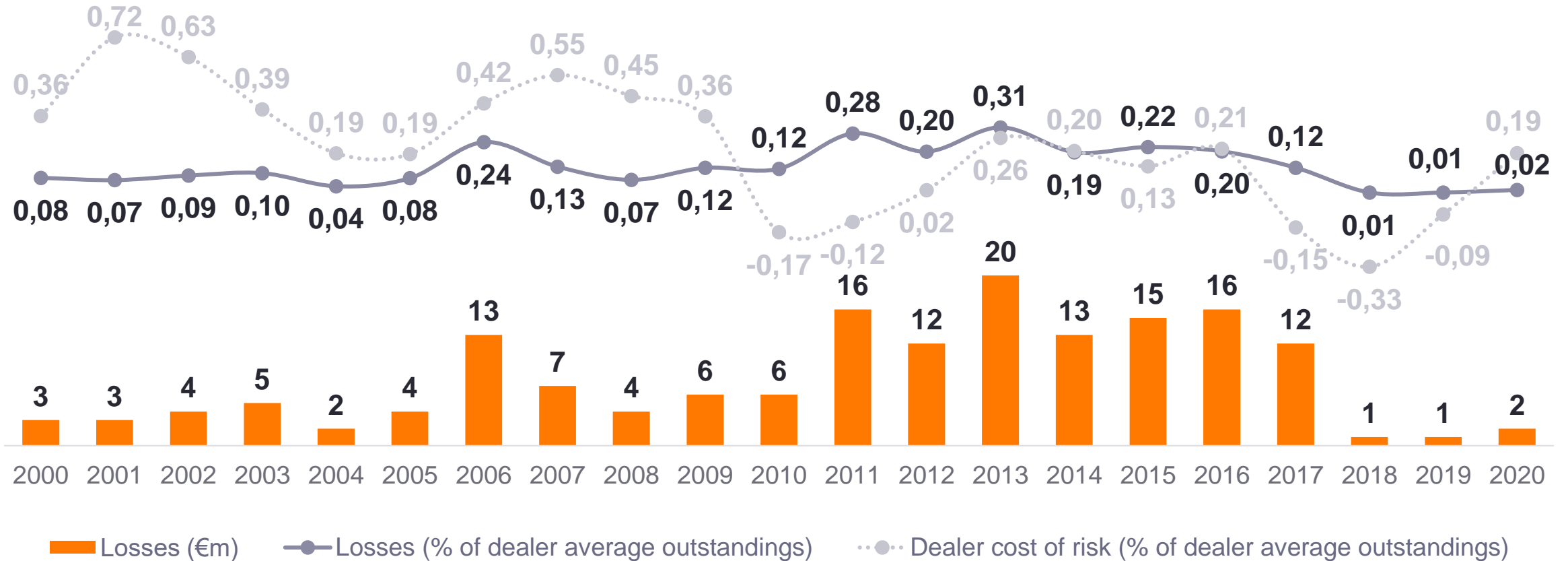
# PROVISIONING FOR DEALER ACTIVITY



(1) 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): installment 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): installment unpaid for more than 3 months.

# DEALERS: LOSSES ON RECEIVABLES WRITTEN OFF



## EXPOSURE AND PROVISION BY BUCKET



	Exposure				Provisions and coverage ratio				
	Gross value in MEUR	of which bucket 1 in MEUR	of which bucket 2 in MEUR	of which bucket 3 in MEUR	Impairment allowance in MEUR	of which bucket 1 in MEUR	of which bucket 2 in MEUR	of which bucket 3 in MEUR	
<b>Dec-20</b>					<b>Dec-20</b>				
<b>TOTAL</b>	48,726	43,503 89,3%	4,453 9,1%	770 1,6%	<b>TOTAL</b>	-1,086 -2,2%	-310 0,7%	-268 6,0%	-508 66,0%
<b>Customers</b>	39,272	34,399 87,6%	4,169 10,6%	704 1,8%	<b>Customers</b>	-971 -2,5%	-245 0,7%	-251 6,0%	-475 67,5%
<b>Dealers</b>	9,007	8,658 96,1%	284 3,2%	65 0,7%	<b>Dealers</b>	-113 -1,3%	-63 0,7%	-17 6,0%	-33 50,8%
<b>Others</b>	447	446 99,8%	0 0,0%	1 0,2%	<b>Others</b>	-2 0,4%	-2 0,4%	0 0,0%	0 0,0%
<b>Dec-19</b>					<b>Dec-19</b>				
<b>TOTAL</b>	52,691	48,683 92,4%	3,333 6,3%	675 1,3%	<b>TOTAL</b>	-882 -1,7%	-266 0,5%	-175 5,3%	-441 65,3%
<b>Customers</b>	40,178	36,548 91,0%	3,034 7,6%	596 1,5%	<b>Customers</b>	-779 -1,9%	-207 0,6%	-165 5,4%	-407 68,3%
<b>Dealers</b>	11,747	11,372 96,8%	299 2,5%	76 0,6%	<b>Dealers</b>	-102 -0,9%	-58 0,5%	-10 3,3%	-34 44,7%
<b>Others</b>	766	763 99,6%	0 0,0%	3 0,4%	<b>Others</b>	-1 1,0%	-1 0,1%	0 0,00%	0 0,00%

# COMMERCIAL ACTIVITY (1)



	Financing penetration rate (%)		New vehicle contracts (thousands)		New financing <sup>(2)</sup> (€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)	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
<b>Europe</b>	<b>45.4</b>	<b>48.9</b>	<b>1,342</b>	<b>1,112</b>	<b>17,898</b>	<b>15,038</b>	<b>45,413</b>	<b>42,635</b>	<b>34,488</b>	<b>34,128</b>	<b>10,925</b>	<b>8,507</b>
of which Germany	44.3	47.2	188	172	2,902	2,566	8,418	8,361	6,805	7,002	1,613	1,359
of which Spain	52.6	52.7	154	109	1,842	1,305	4,797	4,120	3,762	3,492	1,035	628
of which France	49.3	54.9	490	427	6,363	5,760	15,579	15,993	11,788	12,262	3,791	3,731
of which Italy	65.7	67.2	210	151	3,030	2,153	6,297	5,620	4,946	4,873	1,351	747
of which UK	29.3	36.2	106	101	1,589	1,538	4,781	4,116	3,800	3,440	981	676
of which other countries	32.2	33.9	194	153	2,172	1,716	5,541	4,425	3,387	3,059	2,154	1,366
<b>Americas</b>	<b>38.0</b>	<b>41.6</b>	<b>208</b>	<b>148</b>	<b>1,688</b>	<b>1,014</b>	<b>3,145</b>	<b>2,157</b>	<b>2,572</b>	<b>1,879</b>	<b>573</b>	<b>278</b>
of which Argentina	21.0	28.2	20	18	74	77	189	123	97	75	92	48
of which Brasil	39.4	41.1	156	100	1,331	682	2,470	1,498	2,038	1,311	432	187
of which Colombia	53.8	62.8	33	29	282	254	486	536	437	493	49	43
<b>Africa, Middle East, India and Pacific</b>	<b>40.9</b>	<b>41.8</b>	<b>119</b>	<b>107</b>	<b>1,240</b>	<b>1,156</b>	<b>2,168</b>	<b>2,072</b>	<b>2,036</b>	<b>1,973</b>	<b>132</b>	<b>99</b>
<b>Eurasia</b>	<b>29.7</b>	<b>35.0</b>	<b>128</b>	<b>154</b>	<b>569</b>	<b>619</b>	<b>318</b>	<b>331</b>	<b>303</b>	<b>321</b>	<b>15</b>	<b>10</b>
<b>TOTAL</b>	<b>42.2</b>	<b>45.3</b>	<b>1,798</b>	<b>1,520</b>	<b>21,395</b>	<b>17,828</b>	<b>51,044</b>	<b>47,195</b>	<b>39,399</b>	<b>38,301</b>	<b>11,645</b>	<b>8,894</b>

THANK YOU

