

## FIRST-HALF 2019 RESULTS: RCI BANK AND SERVICES MAINTAINS A HIGH-LEVEL SALES AND FINANCIAL PERFORMANCE IN A SHARPLY DECLINING AUTOMOTIVE MARKET

**Despite the downturn in the automotive sector, RCI Bank and Services stabilized its volume of financing contracts, set a new penetration rate record[1] and continued to develop its services activity. RCI Bank and Services continues performing financially at a record level in the first-half of 2019.**

- 918,504 new financing contracts, for a total of €10.9 billion in new financings
- Financing penetration rate of 43.0% of registrations at end-June 2019, up 1.2 points
- 2.5 million services contracts, up 5.0% on first-half 2018
- Average performing assets (APA) of €46.7 billion, up 6.9% on end-June 2018.
- Net banking income of €1,008 million, up 2.4% on end-June 2018
- Ratio of operating expenses to APA[2] stable at 1.36%
- Cost of risk at 0.40% of APA, stable on first-half 2018
- Group pre-tax income of €607 million[3]

*RCI Bank and Services maintained a high-level performance in the first-half of 2019 despite a downturn in the global automotive market. The sales and financial results demonstrate the company's ability to adapt swiftly to its environment. With a consolidated net income[4] of €414 million, RCI Bank and Services confirmed a high-level contribution to the results of Groupe Renault, said Clotilde Delbos, Chairman of the Board of Directors of RCI Bank and Services.*

*Through its strong integration in the sales policies of the Alliance brands, RCI Bank and Services achieved a record penetration rate of 43.0% in the first semester of 2019. With over 1.4 services sold per registration, the company is also confirming the relevance of its activity diversification strategy. This success results from the commitment of all the employees, said Bruno Kintzinger, Chief Executive Officer of RCI Bank and Services.*

## INCREASED SALES PERFORMANCE IN A DECLINING GLOBAL AUTOMOTIVE MARKET

In an automotive market down 6.2% in the operating countries of RCI Bank and Services subsidiaries[5], the sales volumes of the Alliance brands totaled nearly 1.8 million in the first-half of 2019. RCI Bank and Services successfully capitalized on its strong integration in the sales policies of each of the Alliance brands. At end-June 2019, the group's penetration rate reached a new record of 43.0%, up 1.2 points on first-half 2018.

The volume of new financing contracts on new vehicles stood at 733,152 at the end of June 2019. The used vehicle financing business remained at the same high levels of the first-half of 2018, with 185,352 contracts at the end of June 2019. The total volume of new financing contracts came to 918,504 in the first-half of 2019, for a total of €10.9 billion in new financing, stable versus 2018 (€11.1 billion).

Key pillar of the group's strategy, the services business is growing, with a 5.0% increase in volume year-on-year. The number of services sold in the first half of the year represents 2.5 million insurance and services contracts.

## RCI BANK AND SERVICES MAINTAINS STRONG FINANCIAL PERFORMANCE

RCI Bank and Services' average performing assets grew by 6.9% compared to the first-half of 2018 to a total of €46.7 billion.

Net banking income came out at €1,008 million, up 2.4% on the first-half of 2018. This growth was driven by the increase in the financing business (average performing assets up 6.9%) and the increase in the services business (up 10.6% on the first-half of 2018).

Total cost of risk remained under control, at 0.40% of APA compared with 0.37% at the end of June 2018, confirming a robust policy of approval and coverage. Operating costs totaled €314 million in the first-half of 2019, representing 1.36% of average performing assets and up 1 basis point versus the end of June 2018. RCI Bank and Services' operating ratio of 31.2% demonstrates its ability to contain operating costs while carrying out strategic projects and growing its business activity.

Pre-tax income amounted to €607 million, compared to €617 million in the first-half of 2018, impacted by a negative currency effect of €16.3 million, stemming from the devaluation of the Argentine peso and the Brazilian real, and depreciations relating to the mobility services business for €21 million.

## RCI BANK AND SERVICES CONTINUES TO DIVERSIFY ITS REFINANCING POLICY

RCI Bank and Services issued the equivalent of €2.3 billion in the form of public bonds in the first-half of 2019. The group successively launched a fixed-rate issue of €750 million over a five and a half year period and a dual-tranche issue for €1.4 billion[6]. Besides, the company issued CHF170 million at a fixed rate over five years, a transaction serving both to diversify the investor base and finance CHF denominated assets.

In secure refinancing, RCI Bank and Services completed a public securitization operation backed by car loans in Germany for a total of €975.7 million[7].

The group's entities in Brazil, South Korea, Morocco, Argentina and Colombia also completed debt issues on their domestic markets.

The savings business, already present in France, Germany, Austria and the UK, was launched in Brazil in March 2019. In the UK, RCI Bank and Services obtained a local banking license and transferred the deposits collected by its branch to the new entity in March 2019. RCI Bank and Services will thus be able to continue its deposits collection business in the event of Brexit.

Retail customer deposits rose to €0.8 billion on December 2018 to a total of €16.7 billion at 30 June 2019. This represented 34% of net assets at end-June, meeting the objective of maintaining customer deposits at around one third of the financing granted by RCI Bank and Services to its customers.

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[1] Overall penetration rate excluding companies accounted for under the equity method: Russia, Turkey and India.

[2] Average performing assets (APA) correspond to average loans outstanding plus assets relating to operational leasing activities. For customers, APA corresponds to average performing assets at end of month. For the network, APA corresponds to daily average performing assets.

[3] Impacted by a negative currency effect of €16.3 million stemming from the devaluation of the Brazilian real and Argentine peso.

[4] Parent company shareholder's share.

[5] RCI Bank and Services operates in 36 countries.

[6] Four-year fixed rate 750 million euros, seven-year fixed rate 650 million euros. Four-year fixed rate 750 million euros, seven-year fixed rate 650 million euros.

[7] Distributed between 950 million euros of senior securities and 25.7 million euros of subordinated securities.

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## About RCI Banque S.A.

Created and wholly owned by Groupe Renault, RCI Banque S.A. is a French bank specializing in automotive financing and services for the customers and dealership networks of Groupe Renault (Renault, Dacia, Alpine, Renault Samsung Motors and Lada) worldwide, the Nissan Group (Nissan, Infiniti and Datsun) mainly in Europe, Brazil, Argentina and South Korea and through joint ventures in Russia and India, and Mitsubishi Motors in the Netherlands.

RCI Bank and Services has been the new commercial identity of RCI Banque S.A. since February 2016.

With 3,600 employees in 36 countries, RCI Bank and Services financed over 1.8 million contracts (for new and used vehicles) in 2018 and sold more than 4.8 million services.

At end-December 2018, average performing assets stood at €44.4 billion of financing and pre-tax income at €1,215 million.

RCI Bank and Services has rolled out a deposits collection business in five countries since 2012. At end-December 2018, net collected deposits totaled €15.9 billion, or 34% of the company's assets.

Find out more about RCI Bank and Services: [www.rcibs.com](http://www.rcibs.com)

Follow us on Twitter: [@RCIBS](https://twitter.com/RCIBS)

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