

2013 RESULTS RCI BANQUE**2013 results: new financings growth, posting €11.4 billion**

RCI Banque continued to grow in 2013 and confirmed its ability to deliver strong results, posting new financings of €11.4 billion, a rise of 5.5%. Average performing loans remained stable at €24.2 billion despite a negative foreign exchange effect. Full-year earnings before tax came to €744 million, down slightly by 3,8% vs 2012.

By collecting almost €3.4 billion in deposits with its savings accounts in France and Germany, RCI Banque covered 52% of its funding plan through this channel and confirmed its ability to limit its dependence on the capital markets.

- The number of new financing contracts rose to 1,160,612[1]. This increase of 184,163 contracts (+18.9%) includes 130,017 contracts attributable to the difference in scope between 2012 and 2013. New financings amounted to €11.4 billion, showing a rise of 5.5%.
- The global penetration rate stood at 34.6%, a slight decrease of 0.4 points compared to 2012. On a like-for-like scope basis, the penetration rate was 36.7%.
- Average performing loans remained stable at €24.2 billion despite a negative foreign exchange effect of €600 million, mainly on the Americas. Total performing loan outstandings at end-2013 amounted to €25.8 billion.
- Net banking income came to €1.221 billion euros, representing 5.04% of average performing loans at end-December. Services accounted for 25% of net banking income.
- The cost of risk was kept under control at -0.42% of average performing loans and the operating ratio was stable at 31%.
- Earnings before tax amounted to €744 million, down 3.8% vs 2012, yielding an ROE of 20.1%.
- 52% of the funding plan for the year was covered by the growth in collected retail deposits[2].

Commenting on the results, **Dominique Thormann**, Chairman and CEO of RCI Banque said: *"In 2013, RCI Banque confirmed its growth momentum, achieving a ten-year record and maintaining a high financial performance. The company reduced its dependence on the capital markets thanks to retail savings deposits collected, which represented 17% of outstandings at end-December. The second phase of our strategic plan will see a growing global automotive market combined with more services related to automobile use. RCI Banque will continue to help grow Alliance brand sales and seek to meet motorists' needs in ever-more effective ways".*

Continued growth in europe and on emerging markets

In 2013, RCI Banque enjoyed the benefit of both strong Alliance brand momentum and dynamic sales on all markets. The financing penetration rate increased by 1.7 points to 36.7% compared to 2012 on a like-for-like scope basis. Taking into account the first-time consolidation of the Turkish and Russian affiliates in 2013, RCI Banque's global financing penetration rate came to 34.6%, down 0.4 points vs 2012. The financing penetration rate in Turkey and in Russia was 25%.

In Europe, where the TIV fell by 1.6% compared to 2012, RCI Banque's financing penetration rate increased by 1.2 points to 35.1%. Especially strong performances were posted on Clio 4 and Captur, with financing penetration rates of 44.6% and 39.3% respectively.

RCI Banque also continued to grow in countries outside Europe, which now account for 38% of new vehicle financing contracts in volume terms. RCI Banque's results for Americas region rose sharply, with a financing penetration rate of 42.7%. Brazil confirmed its position as the second biggest contributor to the volume of new vehicle financing contracts. In the Eurasia Region, RCI Banque's business activity is mainly concentrated in Russia, the third biggest contributor to the number of new vehicle financing contracts. Financings were arranged under a commercial agreement until November 2013 when the Renault-Nissan Alliance set up RN Bank in Russia, a joint-venture between RCI Banque (30%), Nissan (30%) and UniCredit Group (40%).

RCI Banque's business growth was also supported by the development of used vehicle financings, which showed an increase of 6.3% vs 2012 with 189,061 contracts.

Consequently, in 2013 RCI Banque achieved its best ever commercial performance with 1,160,612 financing contracts, an increase of 18.9% vs 2012 (+184,163 contracts). On a like-for-like scope basis compared to 2012 – without contracts written in Turkey and Russia – growth remained sustained at 5.5%, or 54,146 additional contracts.

The sale of services is also a key strategic focus. Services help promote customer satisfaction, increases loyalty to Alliance brands while contributing to RCI Banque's profitability. 1,756,496 services contracts were written in 2013. Two years ago, RCI Banque also became a service provider to manage the battery rental of electric vehicle. This service is now provided in 19 countries for Renault and Nissan with approximately 31,600 leased batteries.

A still high financial performance

New financings grew by 5.5% in 2013, fuelled by the strong momentum seen in Alliance brand sales, and represented €11.4[3] billion. This increase offset the negative impact of a €600 million foreign exchange effect, mainly in Americas region. Average performing loans therefore remained stable at €24.2 billion.

Net banking income came to €1,221 million, or 5.04% of average performing outstandings[4] (APO), down 1.5% on 2012 (-€18 million). In spite of the negative foreign exchange effect in the Americas region, the fall in net banking income was mostly offset by the growing contribution made by services, which account for 25% of net banking income.

The total cost of risk (Retail and Dealers) remained low at a rate of 0.42% of APO (+0.04 points compared to 2012). The operating ratio reached 31% of net banking income (+0.3 points), showing RCI Banque's ability to keep control over its operating expenses (€379 million in 2013 for €380 million in 2012) while continuing to grow.

Earnings before tax amounted to €744 million, showing a 3.8% fall compared to 2012 mainly attributable to the foreign exchange effect. The ROE came to 20.1% compared to 22.2% at end-December 2012, affected especially by the increase in consolidated average shareholders' equity over the period.

Diversification of sources of funds is now a reality

In 2013, RCI Banque accelerated its strategy to access retail savings and in February started up a deposits business in Germany under the Renault Bank direkt brand name. Growth in collected retail deposits in France and Germany over the

financial year reached €3.4 billion (of which almost €800 million in term deposits) and accounted for 52% of RCI Banque's refinancing plan (Europe scope). By diversifying its sources of funds, the company reduced its dependence on the capital markets.

On the bond market, RCI Banque raised the equivalent of €2.1 billion through transactions that included its first issue in Sterling for seven years and a new issue in US dollars (following its first-ever issue in US dollars in 2011). The Group's affiliates also used the local bond markets in Argentina, South Korea and Brazil to raise funds. The Brazilian affiliate issued BRL 1.4 million, thereby confirming its ability to access local liquidity. RCI Banque also remained active on the securitization market and rearranged its German securitization program to replicate the structure adopted in France in 2012 for an amount of €800 million.

RCI Banque has built profitable growth with costs under control

At the end of the first phase of its strategic plan, RCI Banque has managed to build a sustainable and profitable growth, while keeping costs under control.

As the Alliance brands' finance company, RCI Banque grew successfully its average performing loans by 15.4% between 2010 and 2013, while the financing penetration rate went up by more than 3 points. Over the same period, used vehicle financing contracts increased by 27% in volume terms and the services strategy became a reality with a portfolio of almost 3.9 million services contracts at end-December 2013. RCI Banque has achieved this growth while keeping control over the costs of risk on Retail and Dealer financing (+0.02 points over the period) and stabilizing the operating ratio. With an ROE above 20%, RCI Banque maintains a high level of profitability and with collected retail deposits amounting to 17% of its outstandings at end-December, is now less dependent on the capital markets.

A new growth plan that capitalizes on achievements made and is based on the company's transformation

With Drive 4B, its new plan for 2014-2016, RCI Banque is pushing ahead the implementation of its strategy for the main benefit of the Alliance and integrates its overall action into Renault's plan "Drive the Change".

Four strategic focuses have been defined:

- **Develop a wide range of products to meet motorists' needs and expectations.**
- **Use digital technology to improve customer knowledge; it will help to implement new products and to increase customer satisfaction.**
- **Continue providing the Alliance brands with systematic support in the international development of their respective businesses.**
- **Push ahead with the group's internal transformation, focusing on the development of a high performance culture in all business lines.**

Under the 2014-2016 plan, RCI Banque will launch its business in India in 2014, expand operations in Columbia and prepare for China. In 2014, RCI Banque will start financing Datsun, a new Alliance brand (in Russia, then in India). Lastly, RCI Banque is targeting to sell almost 2 million services per year by the end of the plan and have collected retail deposits representing 30% of end-2016 outstandings.

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[1] New financing contracts: includes auto loan agreements for new and used cars in countries that are consolidated in RCI Banque's results. The scope of consolidation changed in 2013, which is the first year to include Turkey and Russia.

Including non-consolidated countries, 1,181 916 new financing contracts were written in 2013.

[2] A press release on the 2013 results of the savings business was published on January 15 2014

[3] Note that the sales agreement in Russia generates a commission but no new financings

[4] Average Performing Outstandings: average amount of interest-generating receivables still owing.

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