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RCI Banque

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RCI Banque

Rating Score Snapshot

Issuer Credit Rating
BBB-/Stable/A-3

SACP: bbb- → **Support: 0** → **Additional factors: 0**

Anchor	bbb	
Business position	Moderate	-1
Capital and earnings	Strong	+1
Risk position	Adequate	0
Funding	Moderate	-1
Liquidity	Adequate	
CRA adjustment		0

ALAC support	0
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
BBB-/Stable/A-3

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Consistent and robust profitability.	Reliance on wholesale funding despite increasing proportion of customer deposit funding.
Robust capitalization supported by good earnings generation and flexible dividend policy.	Business concentration in car financing and exposure to dealerships.
A regulated bank insulated from its corporate parent.	Dependence on the parent company's franchise and product cycles, along with the ongoing challenges confronting the global auto industry.

We expect RCI to continue focusing on car financing while leveraging its strong captive franchise. As an auto captive wholly owned by Renault S.A., RCI's revenues and loan exposures are closely tied to car sales within the Renault-Nissan Alliance and the broader automotive sector, a historically volatile business segment that is currently facing challenges. However, we believe RCI can defend its market position in its different markets, while the electrification of vehicle financings and the shift toward financial leasing will continue to support loan book growth. In 2023, new financing for electric vehicles (EVs) rose by 7%, representing over 7.3% of total new financing, and we anticipate continued growth in this area over the next two years as Renault plans key EV launches over 2024 and 2025. At the same time, financial leasing rose to 31% of total new financing in 2023 compared with 25% in 2018. Additionally, RCI's investments in Select Car in the U.K. and the acquisition of MeinAuto Group entities in Germany, through its subsidiary Mobilize Lease&Co, will strengthen its foothold in the profitable operating leasing segment, despite the accompanying increase in residual value risk.

RCI's risk-adjusted capitalization and earnings will continue supporting its stand-alone creditworthiness. We anticipate that S&P Global Ratings' risk-adjusted capital (RAC) ratio will stabilize around 10.7% over the next two years, supported by RCI's strong and consistent earning capacity, which is evidenced by a leading cost-to-income ratio of 35% in the first half of 2024. We consider this strength helps to mitigate the cyclical risks associated with RCI's lending activities. However, there are risks around potential cost related to the ongoing investigation by U.K. regulators into motor finance discretionary commission arrangements, particularly as 6% of RCI's total loan book was exposed to this market as of mid-2024. The uncertainty surrounding the investigation's findings, expected in May 2025, raises questions about the potential impact for RCI, but we believe that RCI's earning capacity should enable it to absorb any adverse effects from the investigation without negatively affecting its capital trajectory.

We anticipate that RCI will maintain a significant reliance on wholesale funding while ensuring sound liquidity. This dependence continues despite a growing portion of customer deposits in its overall funding, which offers competitive funding alongside wholesale funding. This trend aligns with many consumer finance entities we rate in Europe. As a wholly owned subsidiary of Renault S.A., RCI does not receive funding from banking owners, unlike many competitors that operate under joint venture models. RCI maintains adequate liquidity, comprising high-quality liquid assets, central bank-eligible collateral, and committed credit lines, sufficient to address liquidity needs during period of stress.

Outlook

The stable outlook on RCI incorporates our view that the bank's financial risk profile will remain strong, with robust risk-adjusted profitability and continued conservative capital management over the next two years. Furthermore, an upgrade or downgrade of Renault (BB+/Stable/B), all else being equal, would not automatically entail a similar rating action on RCI.

Downside scenario

We could downgrade the bank if Renault's creditworthiness comes under material pressure and RCI is unable to maintain its strong financial risk profile. In particular, we could consider a downgrade if the bank's capitalization is no longer a strength, with RAC falling sustainably below 10%, or if contagion risks from Renault start affecting RCI's access to debt markets or cost of funding.

Upside scenario

To raise our long-term rating on the bank, we would need to revise the SACP upward. A higher SACP would require a material change in RCI's geographic breakdown in favor of lower economic risk countries, or a positive change to our view of the economic risks RCI is exposed to, and maintenance of superior risk-adjusted profitability compared with peers. Although remote, we could consider a higher SACP if RCI's capital and funding strategy fundamentally shifts and strengthens.

Key Metrics

RCI Banque--Key ratios and forecasts					
	--Fiscal year ended Dec. 31--				
(%)	2022a	2023a	2024f	2025f	2026f
Growth in operating revenue	4.0	1.6	9.3-11.4	6.1-7.5	3.2-3.9
Growth in customer loans	10.1	10.6	6.7-8.1	3.6-4.4	2.4-2.9
Growth in total assets	7.4	7.9	6.1-7.4	3.0-3.7	2.0-2.5
Net interest income/average earning assets (NIM)	2.5	2.3	2.1-2.3	2.1-2.4	2.2-2.4
Cost to income ratio	33.5	36.5	35.5-37.4	34.8-36.6	34.7-36.5
Return on average common equity	11.2	12.3	12.4-13.7	13.3-14.6	13.4-14.8
Return on assets	1.2	1.3	1.2-1.4	1.2-1.5	1.2-1.5
New loan loss provisions/average customer loans	0.4	0.3	0.4-0.4	0.4-0.4	0.4-0.4
Gross nonperforming assets/customer loans	2.0	2.1	1.9-2.1	1.9-2.1	1.9-2.1
Net charge-offs/average customer loans	0.2	0.2	0.3-0.3	0.3-0.3	0.3-0.3
Risk-adjusted capital ratio	11.2	10.6	10.3-10.9	10.3-10.9	10.3-10.9

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: 'bbb', Lower Than Pure French Domestic Banks Given Geographic Diversification In Higher Risk Countries

The anchor for a bank is determined using our Banking Industry Country Risk Assessment (BICRA) methodology, and for RCI, we assigned a 'bbb' anchor, which is lower than the 'bbb+' assigned for domestic banks in France. As of mid-2024, RCI's exposure is geographically diversified, with about 34% of it located in France.

To evaluate the economic risk for a bank operating in multiple jurisdictions, we consider a blend of its exposures, with RCI's portfolio comprising lower-risk countries like Germany (17%) alongside higher-risk countries such as Italy (12%), the U.K. (12%), Spain (8%), Brazil (3%), and others (14%). This diversification leads to a weighted-average economic risk score of nearly '4' for RCI, in contrast to a score of '3' for a bank that operates exclusively in the domestic market.

We do not expect any major shift in RCI's geographic distribution over the next 12 months that would alter its weighted economic risk from '4' to '3', although such a change is not impossible. If RCI were to withdraw from higher-risk countries or accelerate its investment in lower-risk countries, we could consider adjusting the anchor. Furthermore, a favorable reevaluation of the economic risks in RCI's existing markets might also prompt a change in the anchor.

RCI is headquartered and regulated in France, where we assess industry risk at '4' with a stable trend.

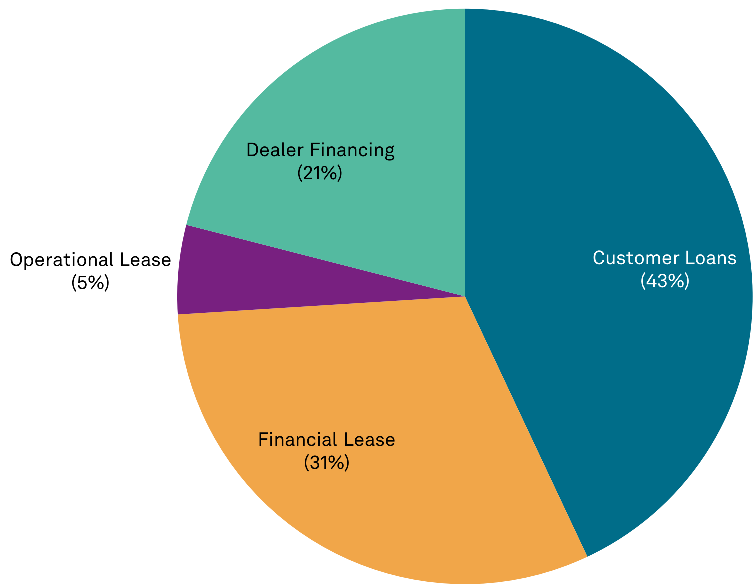
Business Position: Robust Franchise Within The European Captive Auto Sector, Providing Greater Diversity, Stability, And Profitability Than Most Peers

We expect RCI to maintain its focus on the car financing segment while further developing its strong captive auto franchise and maintaining its geographic diversification. In our view, this concentration in car financing exposes the bank to cyclical risks associated with Renault's production and vehicle launch strategies as well as the broader automotive market; this is somewhat mitigated by RCI's solid market position and geographical spread. With a diverse brand coverage in the Renault-Nissan Alliance and operations in 35 countries across seven brands, RCI enhances its business stability, with France accounting for about one-third of its loan exposures. As of mid-2024, the bank boasts a penetration rate of 42.8% for alliance brand sales, which rises to 48.1% for EVs in 2023. RCI has demonstrated strong profitability despite volatility in the auto sector, evidenced by its a net income of €800 million in 2023 (up 12% from 2022) and €457 million in the first half of 2024 (up 35.6% from one year ago), and an average return on average common equity of 14% over 2018-2023. We expect the bank to sustain its operational performance over the next two years, driven by an increase in its net interest margin, continued growth in lending activities, controlled operating costs, and low cost of risk, resulting in a return on equity of approximately 12%-14%, although this performance may be adversely affected by current headwinds in the global auto industry.

The bank specializes in financing for both new and used vehicles, offering loans, financial and operating leasing, as well as services like insurance and maintenance, while also providing financing to the Renault Group and Nissan dealer network for their vehicle and spare parts inventory. RCI's loan book is more skewed toward end-customers compared with its peers, with retail lending comprising 79% of its loan book at mid-2024, reflecting a lower dependency on dealer financing activities.

Chart 1

Breakdown of RCI's outstanding loan book
As of end of June 2024



Sources: Company's reports and S&P Global Ratings.

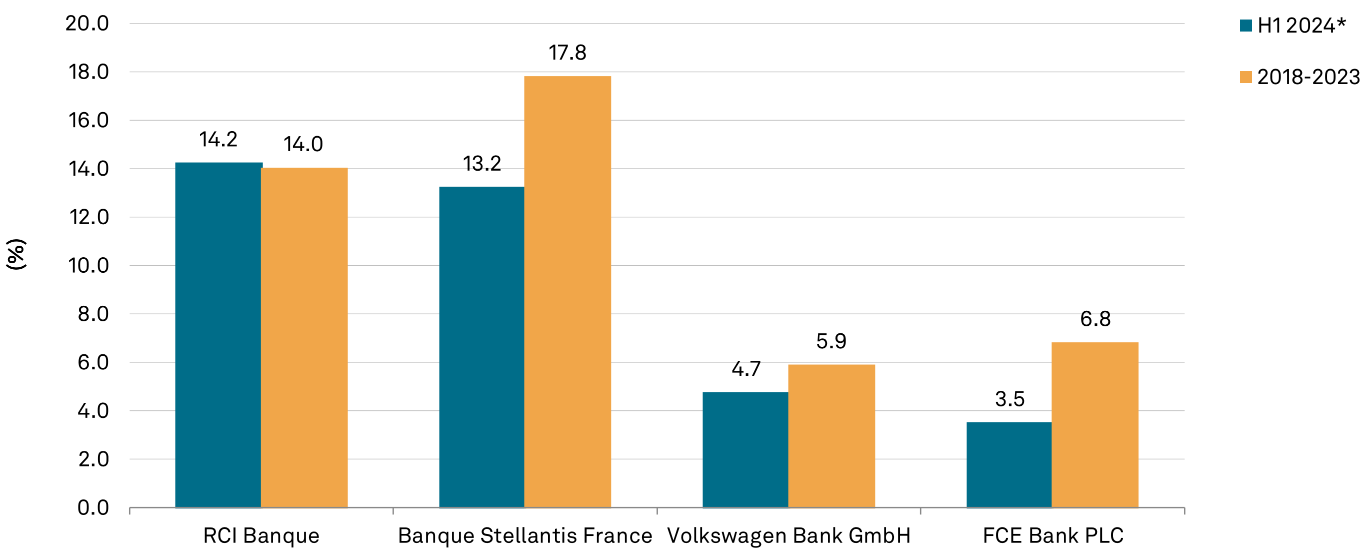
RCI is committed to integrating into Renault's captive finance value chain while enhancing its leasing services. As of mid-2024, financing for EVs makes up 7.5% of RCI's portfolio, up from 6.9% at the end of 2023 and 6.8% at the end of 2022, indicating a significant increase and a growing market presence. The launch of Mobilize Lease & Co, along with strategic investments in Select Car Leasing and MeinAuto Group, has strengthened RCI's leasing capabilities in key markets such as the U.K. and Germany. This diversification allows RCI to transition from a traditional car loan provider to a comprehensive service model that includes leasing, insurance, and maintenance contracts. Additionally, RCI provides used vehicle financing to offer sustainable solutions throughout the vehicle lifecycle and is developing insurance products based on vehicle usage, utilizing connectivity to provide tailored solutions for customers. With Renault planning to launch new EVs in 2024-2025, RCI is well-positioned to capitalize on this strategy, which is expected to support financing volumes. The ongoing shift toward leasing instead of direct purchases is likely to further enhance RCI's growth prospects. Overall, RCI's strategic focus on leasing, digital services, and eco-friendly vehicle financing not only aligns with Renault's growth and sustainability goals but also establishes RCI as a significant player in the evolving automotive finance landscape.

RCI's profitability is strong, positioning it among the top performers in Europe within its peer group, with a return on average equity (ROAE) of 14.2% in first-half 2024, an increase from 12.3% in 2023. This stability is indicative of a sound business model that effectively balances growth and profitability, supported by a low-cost structure resulting from the absence of a branch network, which led to a cost-to-income ratio of 35.2% in the first half of 2024. We expect this ratio to remain relatively stable over the next two years as RCI continues to optimize its business model while maintaining high profitability and controlling costs. The bank consistently outperforms similarly rated peers, particularly in capital generation and risk-adjusted operating performance, with a strong earnings buffer of 1.7% of S&P Global Ratings' risk-weighted assets, indicating its capacity to cover normalized losses. RCI's return on regulatory risk-weighted assets has remained above 2%, reaching 2.28% in the first half of 2024, an increase from 2.09% in 2022.

Chart 2

RCI Banque's profitability is among the best in class

Return on average equity versus peers



*Latest data available for FCE Bank PLC is 2023. Source: S&P Global Ratings.

Capital And Earnings: Strong Capitalization, Stable And Robust Earnings

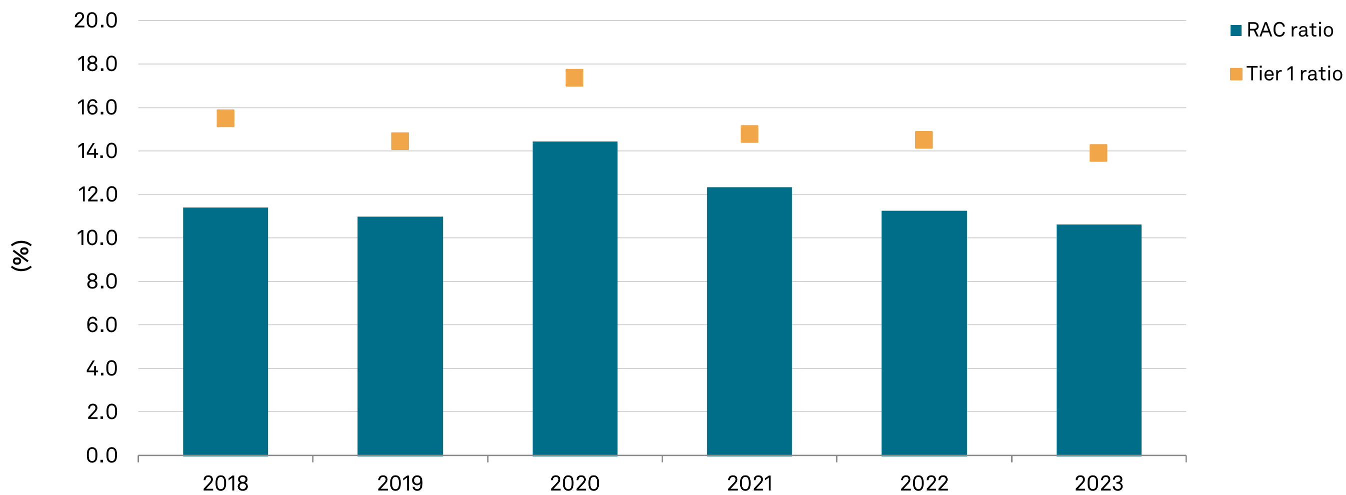
We anticipate that RCI's capitalization and earnings will remain a strength for its stand-alone creditworthiness, forecasting a stable RAC ratio of 10.7% over the next two years. This follows a decline to 10.6% in 2023 from 11.2% in 2022 due to loan book growth outpacing capital accumulation from retained earnings. We consider the risk to be limited, given RCI's high profitability, flexible dividend policy, and commitment to maintaining a strong capital base, alongside our expectation of moderate loan book growth of 5% in 2024 and around 2% in 2025 and 2026. Our projections for the loan book assume that European car sales will rise by 0%-2% in 2024 and 1%-3% over 2025-2026, a significant slowdown from the 20% growth seen in 2023. We expect RCI's loan book to grow slightly faster than cars sales as penetration rates and average financing amounts increase with the growing share of EVs. Additionally, RCI's

Tier 1 capital ratio remained stable and exceeded requirements at 13.3% in the first half of 2024.

Chart 3

We expect RCI Banque's RAC ratio to remain stable at about 10.7% over the next two years

S&P Global Ratings' RAC ratio versus Tier 1 ratio



Sources: Company's reports and S&P Global Ratings.

We anticipate that RCI will maintain strong earning capacity over the next two years. Our view is supported by the lowest cost-to-income ratio (36.5%) among European captive peers at the end of 2023, which reflects RCI's low cost base and effective cost controls, which we expect to persist. We do not foresee a significant change in this ratio. Historically, the bank has exhibited low volatility in returns, with an average ROAE of 14% over 2018-2023, particularly when compared with Renault.

Furthermore, RCI's earnings offer a substantial buffer against potential losses, as its pre-provision income was more than 2x higher than our calculated normalized losses at year-end 2023.

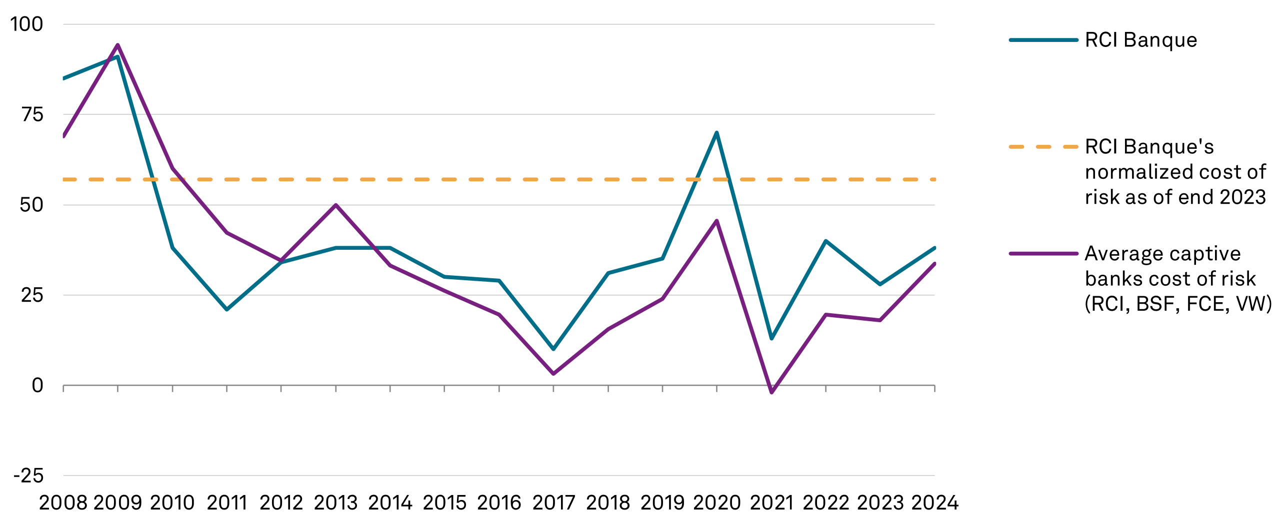
There is legal risk associated with the motor finance investigation by the U.K. regulator. Some U.K. lenders have set aside provisions or built capital in anticipation of the local regulator's investigation into historic discretionary commission agreements related to motor finance. However, most, including RCI, have not done so due to significant uncertainty regarding the investigation's outcome. The regulator is collecting information on the issue's scope and plans to announce its next step in May 2025. Nonetheless, with low exposure, at 6% of its lending book in the first half of 2024, we expect the risk to be manageable for the bank.

Risk Position: Moderate Risk Overall, But Concentration In Auto Dealers Remains Significant

We anticipate that RCI's risk profile will remain moderate due to the low-risk nature of its exposures and its history of limited credit losses. Since 2010, RCI has demonstrated a strong track record of minimal credit losses attributed to the collateralized nature of its credit exposure, with a cost of risk consistently below 40 basis points (bps). In the first half of 2024, the cost of risk rose to 38 bps from 28 bps at the end of 2023, and we expect it to be 35-45 bps in 2024-2025, primarily due to the challenging economic environment and higher interest rates that may affect customers' creditworthiness. This performance aligned with that of rated peers. Our normalized cost of risk (average losses over a long period) for RCI's exposures was 57 bps in 2023. Additionally, RCI's strong profitability offers a significant buffer against potential losses, with pre-provision operating income to net customer loans of 223 bps at the end of 2023. RCI's nonperforming loans (NPLs) ratio was at 2% in the first half of 2024, and we believe it will remain stable throughout 2024.

Chart 4

RCI Banque's cost of risk versus direct peers



Source: S&P Global Ratings.

RCI has significant exposure to car dealers, primarily in France, and increasing exposure to residual value risk. Exposure to car dealers accounted for 21% of the loan book in the first half of 2024 and has risen as dealer stock normalized following the easing of supply shortages. The cost of risk associated with auto dealers has been considerably lower than that for individual customers, and we have not yet observed an increase in NPLs, which stood at 0.5% in December 2023. However, this exposure is less granular, making the cost of risk sensitive to the credit quality deterioration of single names. Current challenges in the auto industry, particularly regarding car sales and inventory management, could strain some counterparties, potentially leading to greater concentration or increased cost of risk. On a positive note, the exposure is short term and highly collateralized, with 96% of exposures to dealers backed by collateral such as cars and spare parts. Additionally, RCI faces direct exposure to residual value risk in its operating leasing segment, which amounted to €4.7 billion as of June 2024, equivalent to 7.7% of credit risk exposures.

We expect RCI will continue to develop this segment and residual value risk exposure to increase but not materially. Assessing the residual value of EVs poses challenges due to the lack of historical data and the potential impact of rapidly evolving technologies.

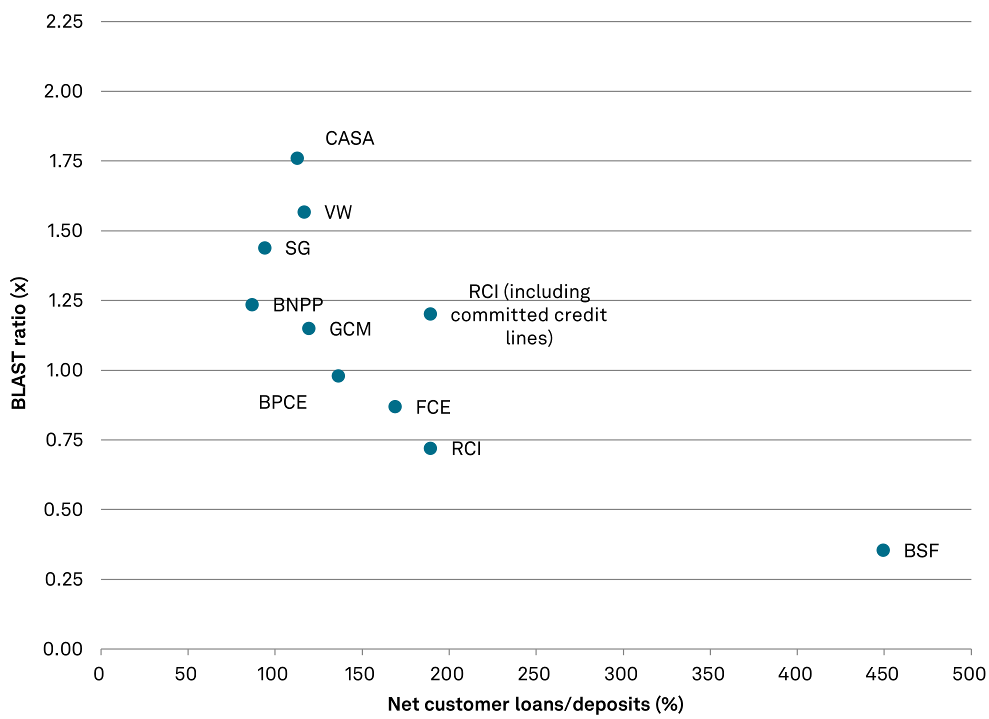
Funding And Liquidity: Weaker Funding Profile Compared With Larger Diversified Banks, Mitigated By Prudent Liquidity Management

We anticipate that RCI will continue to rely on wholesale-funding which in our view is a weakness for its stand-alone creditworthiness. We anticipate that wholesale funding will continue to represent a significant portion of RCI's funding--49% at the end of June 2024--coupled with a high customer loans-to-customer deposits ratio of 195%. However, the bank has expanded its deposit collection activities across seven countries since 2021, providing a more stable funding source that is less susceptible to market volatility, and partially shielding the bank from rising market funding costs and helping to preserve its margins. We expect RCI to maintain customer deposits above 40% over the next two years. Reflecting RCI's deposit-gathering effort and the absence of significant maturity mismatches, its stable funding ratio improved to 88% at the end of June 2024, up from 52% in 2010, and we expect this ratio to remain broadly stable over the next two years. The net stable funding ratio stood at 122% at the end of June 2024.

We consider RCI's liquidity to be neutral in our assessment of its stand-alone creditworthiness. Our view is based on the fact that RCI's liquidity reserves would enable it to cover its stressed outflows for more than 12 months under stressed scenarios where access to market funding is restricted and while maintaining a flat balance sheet as of June 2024. Although RCI's ratio of broad liquid assets to short-term wholesale funding was 63% at the end of 2023, which is lower than that of larger French banks at 131%, this ratio improves to 120% when factoring in committed credit lines of €4.4 billion. Furthermore, RCI's liquidity coverage ratio stood at 499% as of June 30, 2024, significantly exceeding the minimum regulatory requirement. This, combined with RCI's capacity to utilize loan inflows for debt repayment more effectively than traditional commercial banks, supports our adequate liquidity assessment, especially given that auto loans typically have much shorter maturities (up to four years) than mortgages, facilitating quicker deleveraging. Overall, the bank's assets are funded with longer-dated liabilities.

Chart 5

RCI Banque's funding and liquidity ratios versus peers as of end of 2023



Note: BLAST: broad liquid assets over short-term funding. Source: S&P Global Ratings.

External Support: Core And Insulated Subsidiary Of Renault

We believe RCI is insulated from its 100% owner, Renault, due to France's favorable insolvency laws and its regulated status as a bank, supervised by the European Central Bank and the French regulator. This regulatory framework limits the parent company's ability to repatriate cash flows outside the regulatory perimeter, providing RCI with a high degree of operational and funding independence. As a result, we assess that RCI can be rated up to two notches higher than its parent. Currently rated one notch above Renault, RCI has an additional notch of rating headroom, meaning that a one-notch downgrade of Renault would not necessarily result in a downgrade of RCI, assuming all other factors remain constant.

Environmental, Social, And Governance

ESG credit factors have an overall neutral influence on RCI Banque's credit quality. We see the primary ESG risk stemming from the environmental aspects of its concentrated vehicle financing activities. The automotive sector is pivotal in the energy transition and EU climate targets will drive the electrification of the car fleet, positioning RCI and auto captives as key players in enhancing EV affordability for consumers. However, the growth in EV financing hinges on Renault's ability to successfully produce and launch new cars in an increasingly competitive segment. Additionally, a slowdown in the momentum of EV adoption in Europe could negatively affect RCI's lending growth. Governance and social credit factors align with the banking industry.

Group Structure, Rated Subsidiaries, And Hybrids

We view DIAC S.A. (DIAC) as a core subsidiary of RCI, as it is the primary channel through which RCI operates in its main market, France. Consequently, we align our ratings on DIAC with those on RCI.

Key Statistics

Table 1

RCI Banque--Key figures

	--Year ended Dec. 31--				
(Mil. €)	**2024***	**2023**	**2022**	**2021**	**2020**
Adjusted assets	69,845	64,985	60,253	56,076	58,800
Customer loans (gross)	60,689	56,583	51,155	46,470	48,726
Adjusted common equity	4,994	5,334	5,304	4,992	5,911
Operating revenues	1,077	1,950	1,919	1,845	1,977
Noninterest expenses	379	712	642	576	600
Core earnings	496	842	744	878	816

*Half year results.

Table 2

RCI Banque--Business position

	--Year ended Dec. 31--				
(%)	**2024***	**2023**	**2022**	**2021**	**2020**
Total revenues from business line (mil. €)	1,089	1,959	1,926	1,857	1,983
Commercial banking/total revenues from business line	26.2	21.3	23.8	16.8	19.7
Retail banking/total revenues from business line	72.5	78.8	82.4	81.6	78.9
Commercial & retail banking/total revenues from business line	98.7	100.1	106.2	98.4	98.6
Other revenues/total revenues from business line	1.3	(0.1)	(6.2)	1.6	1.4
Return on average common equity	14.2	12.3	11.2	13.6	13.2

*Half year results.

Table 3

RCI Banque--Capital and earnings

	--Year ended Dec. 31--				
(%)	**2024***	**2023**	**2022**	**2021**	**2020**
Tier 1 capital ratio	13.3	13.9	14.5	14.8	17.3
S&P Global Ratings' RAC ratio before diversification	N/A	10.6	11.5	12.3	14.4
S&P Global Ratings' RAC ratio after diversification	N/A	11.4	12.4	13.3	16.0
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0

Table 3

RCI Banque--Capital and earnings (cont.)

	--Year ended Dec. 31--				
(%)	**2024***	**2023**	**2022**	**2021**	**2020**
Net interest income/operating revenues	61.6	66.1	66.1	63.3	65.0
Fee income/operating revenues	18.8	19.6	19.2	19.4	18.2
Market-sensitive income/operating revenues	0.9	(5.6)	3.6	0.0	(0.1)
Cost to income ratio	35.2	36.5	33.5	31.2	30.4
Preprovision operating income/average assets	2.1	2.0	2.2	2.2	2.4
Core earnings/average managed assets	1.5	1.3	1.3	1.5	1.4

*Half year results. N/A--Not applicable. RAC--Risk-adjusted capital.

Table 4

RCI Banque--Risk-adjusted capital framework data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	5,579	397	7	291	5
Of which regional governments and local authorities	46	9	20	2	4
Institutions and CCPs	2,414	401	17	757	31
Corporate	17,862	11,605	65	14,225	80
Retail	39,887	19,550	49	25,955	65
Of which mortgage	0	0	0	0	0
Securitization§	0	0	0	0	0
Other assets†	2,613	1,570	60	3,915	150
Total credit risk	68,355	33,523	49	45,143	66
Credit valuation adjustment					
Total credit valuation adjustment	--	269	--	0	--
Market Risk					
Equity in the banking book	32	32	100	276	875
Trading book market risk	--	1,150	--	1,725	--
Total market risk	--	1,181	--	2,001	--
Operational risk					
Total operational risk	--	3,366	--	3,293	--
	Exposure	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	39,658	--	50,437	100
Total diversification/ Concentration adjustments	--	--	--	(3,827)	(8)
RWA after diversification	--	39,658	--	46,610	92

Table 4

RCI Banque--Risk-adjusted capital framework data (cont.)

	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	5,518	14	5,334	11
Capital ratio after adjustments‡	5,518	14	5,334	11

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. CCPs--Central counterparty clearing house. Sources: Company data as of Dec. 31, 2021 and S&P Global Ratings.

Table 5

RCI Banque--Risk position

	--Year ended Dec. 31--				
(%)	**2024***	**2023**	**2022**	**2021**	**2020**
Growth in customer loans	14.5	10.6	10.1	(4.6)	(7.5)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	(7.6)	(7.6)	(7.9)	(9.9)
Total managed assets/adjusted common equity (x)	14.1	12.2	11.4	11.3	10.0
New loan loss provisions/average customer loans	0.4	0.3	0.4	0.1	0.7
Net charge-offs/average customer loans	0.3	0.2	0.2	0.3	0.2
Gross nonperforming assets/customer loans + other real estate owned	2.0	2.1	2.0	2.3	1.6
Loan loss reserves/gross nonperforming assets	99.1	97.1	110.8	99.9	141.0

*Half year results. N/A--Not applicable. RWA--Risk-weighted assets.

Table 6

RCI Banque--Funding and liquidity

	--Year ended Dec. 31--				
(%)	**2024***	**2023**	**2022**	**2021**	**2020**
Core deposits/funding base	50.8	53.1	50.8	47.3	44.0
Customer loans (net)/customer deposits	194.8	189.1	196.3	206.2	221.2
Long-term funding ratio	83.2	84.9	83.5	87.4	86.2
Stable funding ratio	87.7	89.7	90.5	97.5	95.9
Short-term wholesale funding/funding base	18.5	16.9	18.5	14.2	15.6
Regulatory net stable funding ratio	121.8	127.9	125.8	132.0	N/A
Broad liquid assets/short-term wholesale funding (x)	0.6	0.7	0.9	1.3	1.2
Net broad liquid assets/short-term customer deposits	(16.2)	(10.7)	(5.7)	12.0	8.5
Regulatory liquidity coverage ratio (LCR) (x)	498.9	448.2	487.5	524.8	N/A
Short-term wholesale funding/total wholesale funding	37.6	36.0	37.6	26.9	27.8
Narrow liquid assets/3-month wholesale funding (x)	1.3	2.1	2.9	3.9	3.3

*Half year results. N/A--Not applicable.

RCI Banque--Rating component scores

Issuer Credit Rating	**BBB-/Stable/A-3**
SACP	bbb-

RCI Banque--Rating component scores (cont.)	
Issuer Credit Rating	**BBB-/Stable/A-3**
Anchor	bbb
Economic risk	4
Industry risk	4
Business position	Moderate
Capital and earnings	Strong
Risk position	Adequate
Funding	Moderate
Liquidity	Adequate
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Renault S.A., Dec. 11, 2024
- Economic Outlook Eurozone Q1 2025: Next Year Will Be A Game Changer, Nov. 26, 2024
- Global Auto Outlook: More Players, Less Profit, Oct. 09, 2024
- Banking Industry Country Risk Assessment: France, July 10, 2024
- French Banks Face Increased Volatility Amid Policy Uncertainty, July 10, 2024

Ratings Detail (As Of December 19, 2024)*	
RCI Banque	
Issuer Credit Rating	BBB-/Stable/A-3
Senior Unsecured	BBB-
Short-Term Debt	A-3
Subordinated	BB
Issuer Credit Ratings History	
24-Jun-2021	BBB-/Stable/A-3
26-Feb-2019	BBB/Negative/A-2
27-May-2016	BBB/Stable/A-2
Sovereign Rating	
France	AA-/Stable/A-1+
Related Entities	
DIAC S.A.	
Issuer Credit Rating	BBB-/Stable/A-3
Commercial Paper	
Local Currency	A-3
Senior Unsecured	BBB-
RCI Banque Sucursal Argentina	
Issuer Credit Rating	
Argentina National Scale	raB+/Stable/raB
Renault S.A.	
Issuer Credit Rating	BB+/Stable/B
Commercial Paper	
Local Currency	B
Senior Unsecured	BB+
Short-Term Debt	B

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.