RCI BANK AND SERVICES

BUSINESS REPORT

FIRST HALF 2017

RCI BANK AND SERVICES* OVERVIEW

RCI Bank and Services' ambition is to deliver a seamless vehicle use experience for Renault-Nissan Alliance customers through innovative and personalized solutions. Taking into account each brand's specific characteristics and anticipating the new challenges arising from auto-mobility, we are partners in their marketing policies and work with them to win new customers and build loyalty.

RCI Bank and Services brings together three worlds: the automotive world, banking and services. Every day, across the world, we support the growth of the Renault, Renault Samsung Motors, Dacia, Nissan, Infiniti, and Datsun** brands and their distribution networks, by offering their customers a comprehensive range of financing products, insurances and services. Harnessing the advantages of new technologies, we come up with simple and intuitive solutions to meet the new automotive uses of our customers.

Tailored solutions appropriate to each type of customer base

For our **Retail customers**, we have a range of financing solutions and services relevant to their projects and uses, to enhance their auto-mobility experience. Our products and services concern both new and used vehicles.

For our **Business customers**, we have a wide range of mobility solutions, which relieve the pressure of vehicle fleet management and leave them free to focus on their core business.

For Alliance brand **Dealers**, we provide active support by financing inventories (of new vehicles, used vehicles and spare parts) and short-term cash requirements.

The Savings Bank business, one of the pillars of the company's refinancing

The Savings business was launched in 2012 and now operates in four markets, namely France, Germany, Austria and the United Kingdom. Savings deposits are a key instrument in the diversification of the group's sources of refinancing for its operations. Deposits collected came to €13.5 billion, or 32.6% of net assets*** at June 2017.

More than 3,200 employees over five continents

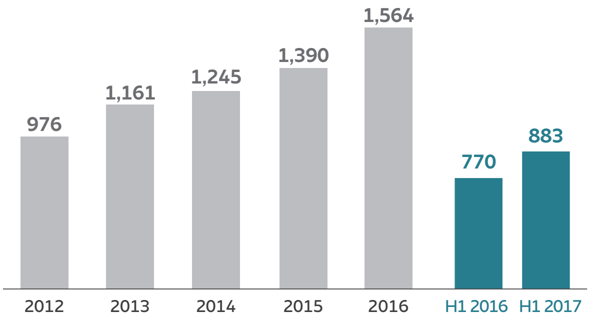
Our employees operate in 36 countries, divided into five major world regions: Europe; Americas; Africa - Middle-East - India; Eurasia; Asia-Pacific.

* RCI Bank and Services has been the company's trading name since February 2016. Its corporate name, however, remains RCI Banque S.A.

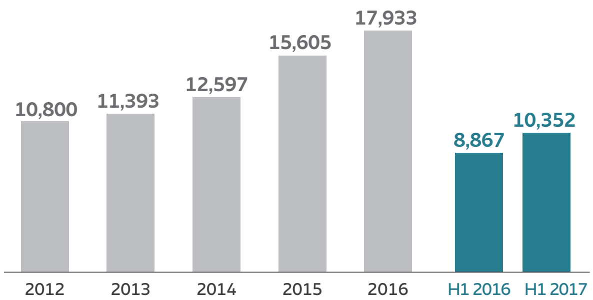
** RCI Bank and Services supports the Groupe Renault's brands (Renault, Renault Samsung Motors and Dacia) in 36 countries and the Nissan Group's brands (Nissan, Infiniti and Datsun) mainly in Europe, in Russia, in Brazil, in South Korea and in India.

*** Net assets: net total outstandings + operating lease transactions net of depreciation and impairment.

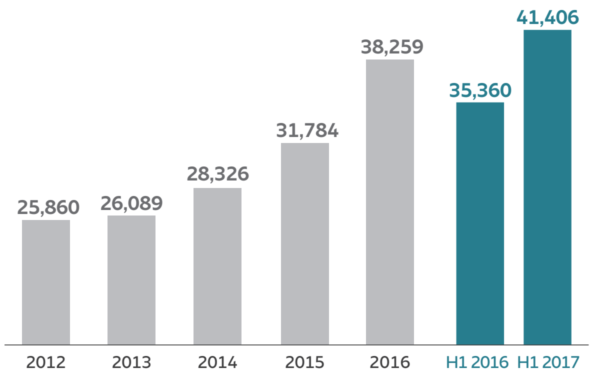
Total number of vehicle contracts
(in thousands)



New financings
(excluding personal loans and credit cards / in million euros)

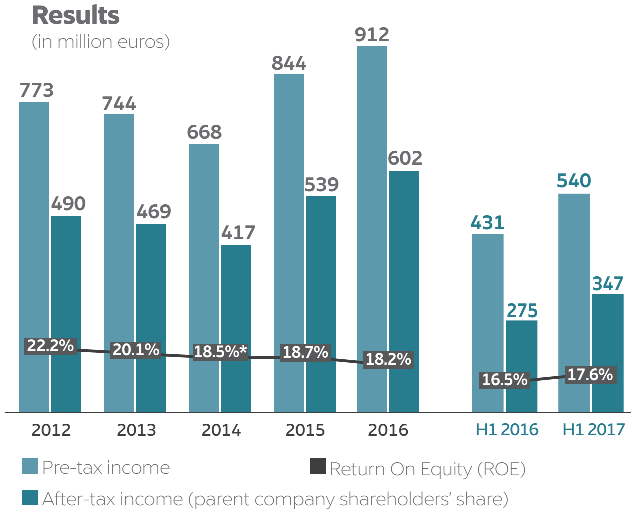


Net assets at end*
(in million euros)



* Net assets at end: net total outstandings + operating lease transactions net of depreciation and impairment.

Results
(in million euros)



* ROE 2014 excluding non-recurring items (-€77m).

BUSINESS ACTIVITY

With growth in the global automotive market, RCI Banque posts a further increase in its sales performance for the first six months of 2017, achieving record business in financings and services. RCI Banque confirms its position as a key partner to the Alliance brands.

With some 883,000 contracts financed at end-June 2017, a 14.6% increase on the first six months of 2016, RCI Banque generated €10.4 billion in new financings. This performance was mainly driven by the growing European automotive market, but also by the economic recovery recorded by emerging markets (Brazil, Argentina, Russia). Also of note was the positive impact of the group's Columbian subsidiary, RCI Colombia S.A., which was brought into the scope of consolidation in February 2017.

The group's Financing penetration rate thus came to 38.2%, up 1.7 points compared with the first half-year of 2016. Excluding Turkey, Russia and India (companies consolidated using the equity method), it came to 40.7%, against 39.3% at end-June 2016. This strong performance came with a boom in the used vehicle Financing business line, which financed more than 158,000 contracts over the first six months of 2017, posting a 16.7% increase on the previous year.

Average performing assets (APA) now stand at €38.6 billion, showing a 20.9% increase compared to June 2016. Of this amount, €28.8 billion are directly attributable to the Customer business, which grew by 19.8%.

Building on the momentum of the automotive market and the strong growth in new and used vehicle financing, the Services business continued to grow, posting a 26.5% leap in volumes compared with the first half of 2016. The number of services sold at end-June 2017 thus totaled 2.1 million insurance policies and services contracts, of which 65% in vehicle-related services.

RCI Banque posted growth in its Financing penetration rates across all regions for the first half-year of 2017.

In the Europe region, the number of new vehicle financing contracts increased by 9.5% compared with end-June 2016. The Financing penetration rate improved by 1.3 points compared with the previous year, to 40.8%.

Amid a recovery in the automotive market in Brazil, the Americas region recorded good sales results over the first six months of 2017. The Financing penetration rate for the region as a whole came to 38.5%, a 0.7-point increase on 2016. This growth is attributable to the good performances turned in by RCI Banque in both Argentina and Colombia. The subsidiary RCI Colombia S.A. joined its scope of consolidation in February 2017.

The Asia-Pacific region posted the biggest penetration rate increase of the regions, showing a 7.5-point improvement on the first half of 2016, to 58.6%. More than one in two new vehicles sold by Renault Samsung Motors was thus financed by RCI Banque, which enjoyed the benefit of the manufacturer's healthy sales performance, achieved despite a downturn in the market overall.

Fuelled by RCI Banque's good results on the Datsun brand in India, the penetration rate for the Africa - Middle-East - India region passed the 20% mark at end-June 2017, showing a 3.1-point increase on the previous year to 20.1%.

The Eurasia region posted a 2.8-point increase in the penetration rate to 27.2% at end-June 2017. In Russia, where automotive sales are picking up, the penetration rate improved by 3.3 points to 28.0%. In Turkey, where the automotive market is showing a decline, the penetration rate was up 2.7 points to 26.7%.

PC + LUV* market		RCI Banque Financing penetration rate (%)	New vehicle contracts processed (thousands)	New financings excluding cards and PL (€m)	Net assets at end** (€m)	of which Customer net assets at end** (€m)	of which Dealer net assets at end** (€m)
Europe	**H1 2017**	**40.8%**	**671**	**8,612**	**36,932**	**27,236**	**9,696**
	H1 2016	39.5%	610	7,734	31,488	23,072	8,416
of which Germany	**H1 2017**	**43.1%**	**93**	**1,366**	**6,363**	**4,905**	**1,458**
	H1 2016	39.2%	75	1,061	5,357	4,033	1,324
of which Spain	**H1 2017**	**50.0%**	**74**	**854**	**3,764**	**2,953**	**811**
	H1 2016	49.3%	67	770	3,211	2,409	802
of which France	**H1 2017**	**42.4%**	**228**	**2,867**	**12,791**	**9,193**	**3,598**
	H1 2016	38.6%	209	2,593	11,127	7,989	3,138
of which Italy	**H1 2017**	**57.2%**	**104**	**1,449**	**4,860**	**3,786**	**1,074**
	H1 2016	56.2%	90	1,155	3,651	2,978	673
of which United Kingdom	**H1 2017**	**27.7%**	**68**	**973**	**4,687**	**3,730**	**957**
	H1 2016	34.7%	77	1,189	4,466	3,486	980
of which other countries	**H1 2017**	**31.1%**	**104**	**1,102**	**4,467**	**2,669**	**1,798**
	H1 2016	29.8%	92	966	3,676	2,177	1,499
Asia-Pacific (South Korea)	**H1 2017**	**58.6%**	**38**	**593**	**1,474**	**1,454**	**20**
	H1 2016	51.1%	30	401	1,212	1,194	18
Americas	**H1 2017**	**38.5%**	**87**	**784**	**2,428**	**1,947**	**481**
	H1 2016	37.8%	59	435	2,184	1,789	395
of which Argentina	**H1 2017**	**35.9%**	**27**	**201**	**462**	**333**	**129**
	H1 2016	26.3%	13	90	305	188	117
of which Brazil	**H1 2017**	**37.5%**	**49**	**475**	**1,761**	**1,474**	**287**
	H1 2016	42.6%	46	345	1,879	1,601	278
of which Colombia	**H1 2017**	**49.3%**	**12**	**108**	**205**	**140**	**65**
	H1 2016	-	-	-	-	-	-
Africa - Middle-East - India	**H1 2017**	**20.1%**	**25**	**114**	**402**	**318**	**84**
	H1 2016	17.0%	19	100	355	291	64
Eurasia	**H1 2017**	**27.2%**	**62**	**249**	**170**	**159**	**11**
	H1 2016	24.4%	52	198	121	115	6
RCI Banque group total	**H1 2017**	**38.2%**	**883**	**10,352**	**41,406**	**31,114**	**10,292**
	H1 2016	36.5%	770	8,867	35,360	26,461	8,899

Figures related to commercial activity (penetration rate, new contracts processed, new financings) include companies consolidated using the equity method.

* Figures refer to passenger car (PC) and light utility vehicle (LUV) markets.

** Net assets at end: net total outstandings + operating lease transactions net of depreciation and impairment.

CONSOLIDATED FINANCIAL HIGHLIGHTS

For the first six months of 2017, RCI Banque records pre-tax income of €540 million. This performance has been achieved in a favorable global economic environment marked by a continuing growth in European markets and an upturn in business in South America.

Earnings

Net banking income (NBI) increased 21.8% compared with the first half-year of 2016, to €850 million. This increase is attributable to the combined growth of the Financing (20.9% growth in average performing assets, APA) and Services activities (+20.7% compared with the first half-year of 2016).

Operating expenses came to €263 million, or 1.37% of APA, a 4-basis point decrease compared with 2016. By keeping its costs under control, RCI Banque thus improved its operating ratio by +1.1 points to 30.9% at end-June 2016.

The total cost of risk (including country risk) improved at 0.29% of APA against 0.30% at end-June 2016, confirming a robust underwriting and collection policy. The Customer cost of risk remained steady at 0.30% of APA. There was a very slight improvement in the Dealer cost of risk, which dropped from 0.23% to 0.22% of APA at end-June 2017.

Pre-tax income came to €540 million, showing a 25.3% increase compared with 2016 first semester and reflecting RCI Banque's ability to maintain its profitable growth momentum.

Consolidated net income - parent company shareholders' share - came to €347 million, against €275 million for the first half-year 2016.

Balance sheet

Good commercial performances, especially in Europe, drove historic growth in net assets at end* to €41.4 billion, against €35.4 billion at end-June 2016 (+17.1%).

Consolidated equity amounted to €4,372 million against €3,735 million at end-June 2016 (+17.1%).

Deposits from retail customers in France, Germany, Austria and the United Kingdom (sight and term deposits) totaled €13.5 billion at end-June 2017 against €11.8 billion at end-June 2016 and represented 32.6% of net assets at end*-June 2017.

Profitability

ROE** rose to 17.6% against 16.5% in June 2016.

Solvency

The Core Tier One ratio*** was 14.6% at end-June 2017, against 15.1% at end-June 2016.

As of end-June 2017, the ratio includes a recalibration of certain parameters of internal models used for risk weighted assets calculation.

* Net assets at end: net total outstandings + operating lease transactions net of depreciation and impairment.

** ROE: Return On Equity (excluding non-recurring items).

*** Ratio including interim profits for the first half-year 2017, subject to regulator's approval in accordance with Article 26 § 2 of Regulation (EU) No 575/2013.

Consolidated income statement (in million euros)	**06/2017**	06/2016	12/2016	12/2015
Net banking income	**850**	698	1,472	1,362
General operating expenses[1]	**(263)**	(224)	(463)	(429)
Cost of risk	**(55)**	(47)	(104)	(93)
Share in net income (loss) of associates and joint ventures	**8**	4	7	4
Consolidated pre-tax income	**540**	431	912	844
Consolidated net income (parent company shareholders' share)	**347**	275	602	539

[1] including depreciation and impairment losses on tangible and intangible assets and gains less losses on non-current assets.

Consolidated balance sheet (in million euros)	**06/2017**	06/2016	12/2016	12/2015
Total net outstandings of which	**40,578**	34,708	37,544	31,226
• *Retail customer loans*	***20,514***	*17,834*	*18,802*	*16,316*
• *Finance lease rentals*	***9,772***	*7,975*	*8,675*	*6,870*
• *Dealer loans*	***10,292***	*8,899*	*10,067*	*8,040*
Operating lease transactions net of depreciation and impairment	**828**	652	715	558
Other assets	**6,142**	4,618	5,061	5,289
Shareholders' equity of which	**4,384**	3,747	4,072	3,507
• *Equity (total)*	***4,372***	*3,735*	*4,060*	*3,495*
• *Subordinated debts*	***12***	*12*	*12*	*12*
Bonds	**17,198**	13,236	14,658	13,096
Negotiable debt securities (CD, CP, BT, BMTN)	**1,562**	1,557	1,822	1,662
Securitization	**3,002**	3,240	3,064	2,776
Customer savings accounts - Ordinary accounts	**10,018**	8,263	9,027	7,330
Customer term deposit accounts	**3,501**	3,558	3,549	2,901
Banks, central banks and other lenders (including Schuldschein)	**5,416**	4,094	4,536	3, 636
Other liabilities	**2,467**	2,283	2,592	2,165
BALANCE SHEET TOTAL	**47,548**	39,978	43,320	37,073

FINANCIAL POLICY

During the first six months of 2017, the markets felt the impact of two factors with opposite effects on volatility. On the one hand, the electoral prospects in Great Britain, in Germany and especially in France, where two of the four candidates with the potential to get through to the second round of the presidential elections had an anti-European stance, were a source of concern for the financial markets. On the other hand however, the continuation of the quantitative easing policy implemented by the European Central Bank offset these uncertainties. The ECB, in line with the announcements made in 2016, cut the pace of its monthly asset purchases from €80bn to €60bn in April, but during the first half-year of 2017 did not announce any future steps to exit from its unconventional policy. As a result, excess liquidity remained at comfortable levels.

Interest rate swaps went through a period of rises during the early months of the year, reaching a peak in March before easing and falling back at the end of the first half-year to their December 2016 levels.

Credit margins observed on the bond market in general and on RCI Banque's bonds in particular remained stable overall during the first six months of the year. The level observed for the 5-year debt issued by the company tightened slightly between January and June.

Growth forecasts led the group to establish a major financing program for the year 2017. Because of the uncertainties connected with France's presidential elections, RCI Banque chose to borrow the majority of its requirements in the early months of the year and in so doing used a dual-tranche issue format for the first time on the euro public market.

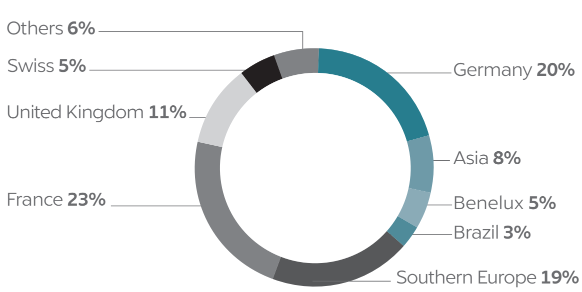
RCI Banque issued approximately €4.8bn in the first six months of 2017. The group made two successive issues in dual tranche format with a floating rate coupon for the shortest tranche and a fixed rate coupon for the longest tranche. The first was a 3-year/7-year issue for €1.4 billion, and the second a 4-year/8-year issue for €1.35 billion. This latter tranche has the longest maturity ever issued by RCI Banque and addresses the group's desire to diversify its investor base by extending debt maturities. RCI Banque also carried out two five-year issues, each for €750 million. The first carries a fixed rate coupon and the second a floating rate coupon. This is the longest floating rate coupon issued by the group since the 2008 financial crisis. Following the rise in Swiss franc rates, as a result of which investors can once again be offered positive coupons, RCI Banque was able to return to this market after a four-year absence, and issued a five-year CHF200 million bond. In addition, the group also made three two-year private placements, for a total of €365 million.

This combination of maturities, types of coupon and issue formats is part of the strategy implemented by the group for a number of years to diversify its sources of funding and reach out to as many investors as possible.

Outside Europe, the group's entities in Brazil, South Korea, Morocco and Argentina also tapped their domestic bond markets.

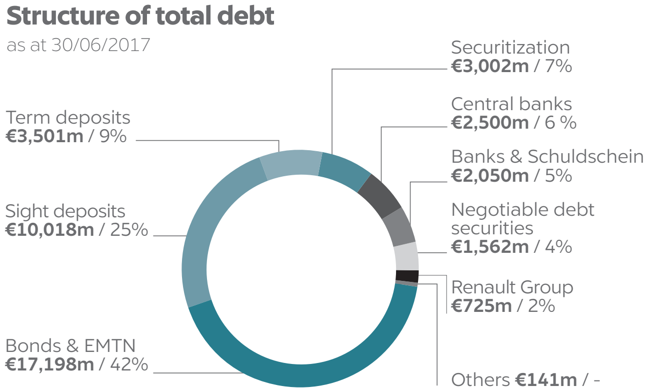
Geographical breakdown of new resources with a maturity of one year or more

(excluding deposits and TLTRO)
as at 30/06/2017



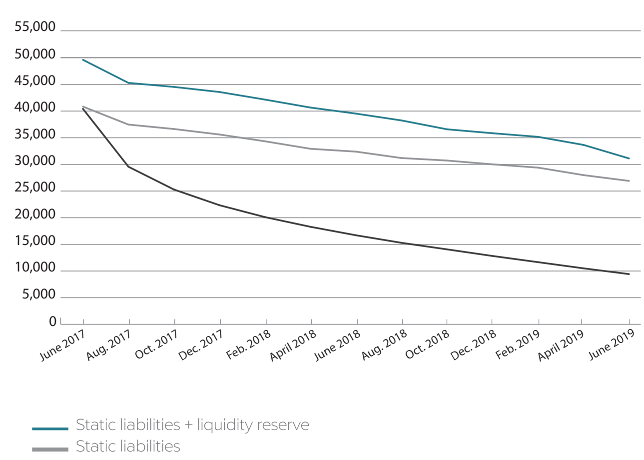
Structure of total debt

as at 30/06/2017



Static liquidity position*

(in million euros)



* Scope: Europe.

FINANCIAL POLICY

Retail customer deposits have increased by €0.944 billion since December 2016, and totaled €13.5 billion at 30 June 2017. This represents 32.6% of net assets, which is in line with the company's goal of collecting retail deposits equivalent to one third of the financing granted to its customers.

These resources, to which should be added, based on the European scope, €4.1 billion of undrawn committed credit lines, €2.8 billion of assets eligible as collateral in ECB monetary policy operations, €1.8 billion of high quality liquid assets (HQLA) and €0.4 billion of financial assets, enable RCI Banque to maintain the financing granted to its customers for 12 months without access to external sources of liquidity.

In a complex and volatile environment, the conservative financial policy implemented by the group for a number of years proved especially justified. This policy protects the commercial margin of each entity while securing the refinancing required for its business activities. It is defined and implemented at a consolidated level by RCI Banque and applies to all sales financing entities within the group.

The strength of the group's balance sheet is also evidenced by very low market risks (interest rate, currency and counterparty risks), which are monitored daily on a consolidated basis.

RCI Banque's overall sensitivity to the interest rate risk remained below the €50 million limit set by the group.

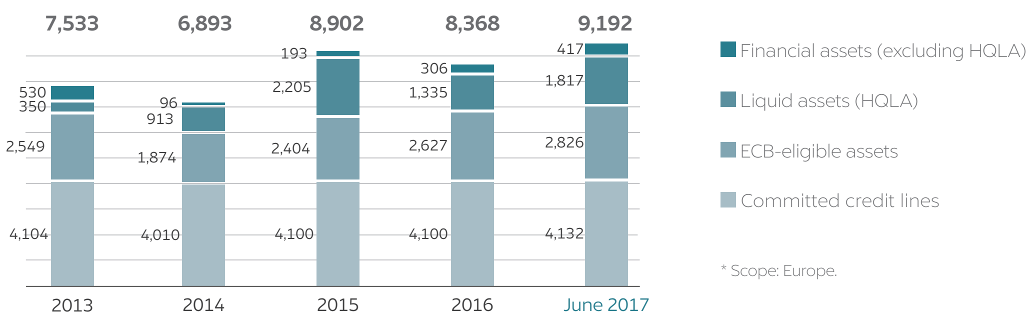
At 30 June 2017, a 100-basis point rise in rates would have an impact of:

+€12.8 million in EUR,
-€0.2 million in BRL,
+€2.9 million in CHF,
+€0.1 million in GBP,
+€0.7 million in MAD,
+€0.5 million in PLN.

The absolute sensitivity values in each currency totaled €17.7 million.

The RCI Banque group's consolidated foreign exchange position totaled €11.9 million.

Liquidity reserve*
(in million euros)



* Scope: Europe.

RCI Banque group's programs and issuances

The group's issuances are concentrated on six issuers: RCI Banque, DIAC, Rombo Compania Financiera (Argentina), RCI Financial Services Korea Co Ltd (South Korea), Banco RCI Brasil (Brazil) and RCI Finance Maroc (Morocco).

Issuer	Instrument	Market	Amount	S&P	Moody's	Others
RCI Banque S.A.	Euro CP Program	Euro	€2,000m	**A-2** (stable outlook)	**P2** (stable outlook)	**R&I : A-2** (positive outlook)
RCI Banque S.A.	Euro MTN Program	Euro	€17,000m	**BBB** (stable outlook)	**Baa1** (stable outlook)	**R&I : BBB+** (positive outlook)
RCI Banque S.A.	NEU CP* Program	French	€4,500m	**A-2** (stable outlook)	**P2** (stable outlook)	
RCI Banque S.A.	NEU MTN** Program	French	€2,000m	**BBB** (stable outlook)	**Baa1** (stable outlook)	
Diac S.A.	NEU CP* Program	French	€1,000m	**A-2** (stable outlook)		
Diac S.A.	NEU MTN** Program	French	€1,500m	**BBB** (stable outlook)		
Rombo Compania Financiera S.A.	Bond Program	Argentinian	ARS 3,000m		**Aa2.ar** (positive outlook)	Fix Scr: **AA (arg)** (stable outlook)
RCI Financial Services Korea Co Ltd	Bonds	South Korean	KRW 1,455bn***			KR, KIS, NICE: **A+**
Banco RCI Brasil S.A.	Bonds	Brazilian	BRL 3,037m***		**Aaa.br**	
RCI Finance Maroc	BSF Program	Moroccan	MAD1,000m			

* "Negotiable European Commercial Paper" (NEU CP), new name for French Certificates of Deposit.
** "Negotiable European Medium-Term Note" (NEU MTN), new name for French Negotiable Medium-Term Notes.
*** Outstandings.

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This document and further information about RCI Banque are available on: www.rcibs.com
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