

**FIRST-HALF 2017 RESULTS: RCI BANK AND SERVICES' BRISK GROWTH CONTINUES,**

**In the first-half of 2017, RCI Bank and Services saw brisk growth in its business, with 882,626 new financing contracts, a 14.6% increase compared with the first-half of 2016. The penetration rate<sup>1</sup> for Alliance brands rose by 1.3 points to 40.7%. New financings totalled €10.4 billion, a 16.7% increase over first-half 2016. The amount of average performing assets<sup>2</sup> grew by 20.9% to €38.6 billion at end-June 2017. Pre-tax income for first-half 2017 came to €540 million, up 25.3%.**

- 882,626 new financing contracts, up 14.6% compared with first-half 2016, amounting to €10.4 billion in new financings (up 16.7%).
- Overall penetration rate of 40.7% of new registrations, up 1.3 points at end-June 2017.
- Average performing assets (APA) of €38.6 billion, up 20.9% vs. end-June 2016.
- Net banking income of €850 million, up 21.8% vs. end-June 2016 and equivalent to 4.44% of APA at end-June 2017.
- Ratio of operating costs to APA of 1.37% vs. 1.41% in first-half 2016.
- Operating coefficient at 30.9%, down 1.1 points.
- Cost of risk at 0.29% of APA, vs. 0.30% at end-June 2016.
- Consolidated pre-tax income of €540 million, up 25.3% vs. first-half 2016.

*"Against a backdrop of strong sales growth by the Alliance brands, RCI Bank and Services continued to develop its businesses across the board, achieving remarkable commercial and financial performances. Our sustained growth is the result of our close working relationships with each of the Alliance brands,"* announced Clotilde Delbos, Chairman of the Board of Directors of RCI Bank and Services.

*"In the first-half of 2017, RCI Bank and Services kept pace with the growth in Alliance brand sales and delivered an exceptional commercial performance: the volume of financing contracts rose 14.6%, while services sales increased 26.5%. These results generated robust profit margins. This success is the result of dedication at every level of the company,"* stated Gianluca De Ficchy, Chief Executive Officer of RCI Bank and Services.

Excellent commercial performance in a growing market

In the first-half of 2017, the automotive sector grew by 4.4% in the markets where RCI Bank and Services operates<sup>3</sup>, and Alliance brand volumes rose by 8.8%. The group was thus able to capitalise on both a dynamic automotive market and the Alliance brands' strategy of updating their product ranges, all while steadily improving its overall penetration rate. At end-June 2017, its overall penetration rate came to 40.7%, a 1.3 points improvement over the first-half of 2016.

These factors combined to produce an impressive increase in new financings of new vehicles, with 724,577 contracts in the period to end-June 2017 compared with 634,929 a year earlier, or growth of 14.1%.

The used vehicle financing business also posted robust growth. The volume of used vehicle financing contracts amounted to 158,049 contracts at end-June 2017 compared with 135,376 a year earlier, or growth of 16.7%.

Growth in financing activities for both new and used vehicles enabled RCI Bank and Services to post strong growth in the volume of contracts, up 14.6% compared with end-June 2016 (882,626 new contracts vs. 770,305 contracts at end-June 2016). The total amount of new financings reached €10.4 billion, a 16.7% increase over a year earlier.

The services activity, a core part of the group's strategy, continues to grow at a brisk pace, capitalising on a dynamic automotive market, strong sales by Alliance brands, and robust growth in the financing business. RCI Bank and Services sold nearly 2.1 million services in first-half 2017, an increase of 26.5%.

RCI Bank and Services maintains a high level of financial performance

Bolstered by strong growth in new financings, RCI Bank and Services' average performing assets grew by 20.9% compared with first-half 2016, reaching €38.6 billion.

Net banking income amounted to €850 million, up 21.8% compared with first-half 2016. This growth was attributable to a substantial increase in financing outstandings.

The cost of risk stabilized at a very good level, at 0.29% of average performing assets (compared with 0.30% in first-half 2016). Operating expenses represented 1.37% of average performing assets, a 4bp improvement. With an operating ratio of 30.9%, RCI Bank and Services is showing that it can continue to develop its business and roll out new strategic projects while keeping costs under control.

Pre-tax income came to €540 million at end-June 2017, a 25.3% increase.

Ambitious refinancing plan supports the company's growth

In the first-half of 2017, RCI Bank and Services carried out four public bond issues in Euros and one in Swiss francs, supplemented by private placements, for a total of around €4.8 billion. The group's first use of the dual-tranche format helped increase the amounts raised from each issue. On two occasions, RCI Bank and Services has simultaneously offered investors two bonds with different maturities, combining fixed and floating interest rates. Furthermore, for the first time the group issued a bond with an 8-year maturity, which allowed it to diversify its investor base and extend the average duration of its debt.

This combination of maturities, coupon types and issue formats is part of the strategy of diversifying financing sources that RCI Bank and Services has pursued for several years now, and it is allowing the group to reach a larger number of investors.

Deposit collection remains a significant source of leverage for RCI Bank and Services. At 30 June 2017, net deposits collected amounted to €13.5 billion, or approximately 33% of net assets at end<sup>4</sup> assets at end-June 2017, thereby meeting the goal of having customer deposits equal to one-third of the financings that RCI Bank and Services grants to its customers.

*The group's statutory auditors have performed a limited review of these accounts and their report on the half-yearly financial information is currently being issued.*

<sup>1</sup> Overall penetration rate excluding companies accounted for under the equity method (Russia, Turkey and India).

<sup>2</sup> Average performing assets: average performing outstandings, plus operational lease assets.

<sup>3</sup> RCI Bank and Services operates in 36 countries.

## Press Contacts

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## About RCI Banque S.A.:

Created and wholly owned by Groupe Renault, RCI Banque is a French bank specializing in automotive financing and services for Groupe Renault customers and dealer networks (Renault, Renault Samsung Motors and Dacia) throughout the world, and for the Nissan Group (Nissan, Infiniti and Datsun), mainly in Europe, Russia, South America, South Korea and India.

RCI Bank and Services is the new commercial identity of RCI Banque since February 2016.

With over 3,200 employees in 36 countries, RCI Bank and Services financed over 1.56 million contracts (new and used vehicles) in 2016 and sold more than 3.4 million services.

APA totaled €33.3 billion in financing at end-December 2016, and pre-tax income was €912 million at end-December 2016. Since 2012, RCI Bank and Services has been collecting retail deposits in four countries. At end-December 2016, the net amount of deposits collected came to €12.6 billion, or 33% of the company's net assets at end.

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

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