



RCI BANQUE

(incorporated in France as a "société anonyme")

€850,000,000 Fixed Rate Resetable Subordinated Bonds due 18 February 2030 (the "Bonds")

Issue Price: 99.736 per cent.

RCI Banque (the "**Issuer**") is issuing the Bonds. The Bonds will bear interest from (and including) 18 November 2019 (the "**Issue Date**") to (but excluding) 18 February 2025 (the "**Reset Date**") at a fixed rate of 2.625 per cent. *per annum* (the "**Initial Rate of Interest**"). From (and including) the Reset Date to (but excluding) 18 February 2030 (the "**Maturity Date**"), the Bonds will bear interest at the rate *per annum* equal to the aggregate of: (i) the 5 Year Mid-Swap Rate (as defined in the Terms and Conditions of the Bonds) and (ii) the Reset Margin (as defined in the Terms and Conditions of the Bonds) (the "**Reset Interest Rate**" and, together with the Initial Rate of Interest, each an "**Interest Rate**"). Interest will be payable annually in arrear on 18 February (each an "**Interest Payment Date**") in each year up to (and including) the Maturity Date, commencing on 18 February 2020 (short first coupon).

The principal and interest of the Bonds constitute and will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with (a) any obligations or instruments of the Issuer that constitute Tier 2 Capital and (b) any other obligations of the Issuer that rank or are expressed to rank equally with the Bonds. Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the Bondholders in respect of principal and interest to payment under the Bonds will be (A) subordinated to the full payment of (1) the present and future unsubordinated or senior preferred or senior non-preferred creditors (including depositors) of the Issuer and (2) Eligible Creditors (as defined in the Terms and Conditions of the Bonds) of the Issuer, if any; and (B) subject to the payment in full set out in (A) above, paid in priority to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and other securities of the Issuer subordinate thereto, including share capital and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"*, i.e. *engagements subordonnés de dernier rang*). The potential impact on the investment in the event of a resolution of the Issuer is detailed in Condition 9 (*Recognition of Bail-in and Loss Absorption*). The Bonds are issued pursuant to the provisions of Article L. 228-97 of the French *Code de Commerce*.

As more fully described in the Terms and Conditions of the Bonds, payments of principal and interest on the Bonds shall be made without withholding or deduction for or on account of taxes unless such withholding or deduction is required by law. If, pursuant to French law, payment of principal, interest or other revenues in respect of any Bonds become subject to withholding or deduction in respect of any present or future taxes, the Issuer shall, to the fullest extent then permitted by law and subject to exceptions described in the Terms and Conditions of the Bonds, pay such additional amount as may be necessary in order that the relevant holder, after such withholding or deduction, will receive the full amount then due and payable thereon in the absence of such withholding.

The Issuer may, at its option, redeem the Bonds on the Reset Date in whole, but not in part, at their principal amount, together with any accrued but unpaid interest to, but excluding, the date of redemption. The Issuer may also, at its option, redeem the Bonds in whole, but not in part, at their principal amount, together with any accrued but unpaid interest to, but excluding, the date of redemption, upon the occurrence of a Withholding Tax Event, a Gross-Up Event, a Tax Deduction Event or a Capital Event (each as defined in

the Terms and Conditions of the Bonds). Any redemption of the Bonds by the Issuer is subject to various conditions set out in the Terms and Conditions of the Bonds.

The Bonds will, upon issue, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in the Terms and Conditions of the Bonds) including Euroclear Bank SA/NV ("**Euroclear**") and the depository bank for Clearstream Banking, SA ("**Clearstream**").

The Bonds will be in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. The Bonds will at all times be represented in book entry form (*inscription en compte*) in the books of the Account Holders in compliance with Article L.211-3 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

This Prospectus has been approved by the *Autorité des marchés financiers* (the "**AMF**") in its capacity as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the council of 14 June 2017 (the "**Prospectus Regulation**"). The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Bonds and investors should make their own assessment as to the suitability of investing in the Bonds.

Application has been made to Euronext Paris for the Bonds to be admitted to trading. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive, Directive 2014/65/EU as amended (a "**Regulated Market**").

This Prospectus will be valid until the earlier of (i) the date of admission of the Bonds to trading on Euronext Paris or (ii) 12 months after its approval by the AMF, provided that it is completed by any supplement, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (including incorporated by reference) in this Prospectus which may affect the assessment of the Bonds. After such date, this Prospectus will no longer be valid and the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.

The Bonds are expected to be rated BB by S&P Global Ratings Europe Limited ("**S&P**") and Ba1 by Moody's France SAS ("**Moody's**"). The Issuer is rated BBB (negative outlook) by S&P, Baa1 (stable outlook) by Moody's and A- (stable outlook) by Rating and Investment Information, Inc. ("**R&I**"). A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. S&P and Moody's are established in the European Union and are registered under Regulation (EC) No 1060/2009 as amended (the "**CRA Regulation**") and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (the "**ESMA**") (www.esma.europa.eu/page/List-registered-and-certified-CRAs). R&I is not established in the EEA and is not certified under the CRA Regulation.

Prospective investors should have regard to the factors described in the section headed "Risk Factors" in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Bonds.

Sole Global Coordinator and Structuring Advisor

Citigroup

Joint Bookrunners

BNP Paribas
Natixis

Citigroup
UniCredit Bank

IMPORTANT NOTICE

This Prospectus constitutes a prospectus for the purposes of Article 6 of the Prospectus Regulation, and has been prepared for the purpose of giving information with regard to the Issuer and the Issuer and its consolidated subsidiaries taken as a whole (the "**Group**") and the Bonds which is material to an investor for making an informed assessment of the assets and liabilities, profit and losses, and the financial position of the Issuer, of the rights attached to the Bonds, and the reasons for the issuance.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Bonds. The distribution of this Prospectus and the offering of the Bonds may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus comes are required by the Issuer and Managers to inform themselves about and to observe any such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). For a description of certain restrictions on offers and sales of Bonds and on distribution of this Prospectus, see "Subscription and Sale".

No person is or has been authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the extent permitted by law, each of the Managers accepts no responsibility whatsoever for the content of this Prospectus (including the documents which are incorporated herein by reference) or for any other statement in connection with the Issuer.

The Managers have not separately verified the information or representations contained or incorporated by reference in this Prospectus. None of the Managers makes any representation, express or implied, or accepts any responsibility, with respect to the sincerity, accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Manager) in connection with the issue and offering of the Bonds. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Managers that any recipient of this Prospectus or any other information should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of Bonds should be based upon such investigation as it deems necessary. None of the Managers has reviewed or undertakes to review the financial condition or affairs of the Issuer prior or during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Managers.

Each person receiving this Prospectus acknowledges that such person has not relied on the Managers, or any of their affiliates or any person acting on their behalf in connection with its investigation of the accuracy or completeness of such information or its investment decision. Each person contemplating making an investment in the Bonds from time to time must make its own investigation and analysis of the creditworthiness of the Issuer and the Group and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these

purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds, taking into account the five categories referred to in item 18 of the Guidelines on MiFID II product governance requirements published by ESMA dated 5 February 2018, has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "**Distributor**") should take into consideration the manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

IMPORTANT CONSIDERATIONS

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency and the possibility that the entire principal amount of the Bonds could be lost;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, monetary, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Bonds which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under the changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Bonds are issued or disposed of or other jurisdictions. Payments of interest on the Bonds, or profit realised by the Bondholder upon the sale or redemption of the Bonds, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Bonds. Potential investors are advised to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, disposal and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor.

Credit ratings

The Bonds are expected to be rated BB by S&P and Ba1 by Moody's. The Issuer is rated BBB (negative outlook) by S&P, Baa1 (stable outlook) by Moody's and A- (stable outlook) by R&I. The ratings assigned by S&P, Moody's and R&I to the Bonds and/or to the Issuer may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by S&P, Moody's and R&I at any time. A revision, suspension, reduction or withdrawal of such ratings may have a severely adverse effect on the market price of the Bonds.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the "SFA"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Bonds are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

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RISK FACTORS

*Factors which the Issuer believes are specific to it and/or the Bonds and material for an informed investment decision with respect to investing in the Bonds are described below. In each category below the Issuer sets out the most material risks (in descending order of importance), in its assessment, taking into account the negative impact (including any relevant mitigation measures) of such risks on the Issuer and the probability of their occurrence ("**Global Criticality**"). Each risk factor relating to the Issuer is followed by the Issuer's assessment of whether such Global Criticality can be assessed as high, medium or low.*

The Issuer believes that the factors described below represent the principal risks inherent in investing in Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

Any reference below to a Condition is a reference to the correspondingly numbered condition in the Terms and Conditions of the Bonds. Words and expressions defined in the other sections of this Prospectus shall have the same meaning in this section.

Risks related to the Issuer

A. Business development risk (including strategic and concentration risk)

The Issuer's operating results and financial condition are heavily dependent on Renault's corporate strategy and the sales of Renault-Nissan Alliance branded vehicles. (Global Criticality: High)

As a wholly-owned finance subsidiary of Renault serving the Renault-Nissan Alliance, the Issuer's predominant business activity consists of financing vehicle sales of Renault-Nissan Alliance branded vehicles, which accounts for a substantial majority of its net banking income. Through its sole direct shareholder Renault s.a.s., Renault also effectively controls the Issuer's decisions, including expansion plans, marketing strategies, product offerings and significant corporate decisions and transactions. Certain members of the Issuer's board of directors are executive officers of Renault, including its Chairman of the Board of Directors, who is the Executive Vice President, Chief Financial Officer of Renault. While the Issuer's commercial integration with Renault provides it with significant advantages, it is possible that the interests of Renault will differ from the Issuer's interests and those of Bondholders.

Due to the Issuer's intricate strategic, commercial and financial links to the Renault Group and to the fact that the Issuer's business is concentrated within the Renault-Nissan Alliance, any reduction or suspension of production or sale of vehicles in the Renault Group due to a decrease in the actual or perceived quality, safety or reliability of vehicles, disruption to third-party supplies, significant changes to marketing programs or negative publicity, could have a significant negative impact on the level of the Issuer's financing volume and on the Issuer's financial condition and results of operations. In addition, the demand for Renault-Nissan Alliance vehicles may be affected by the following factors:

- diversification and innovation of the Renault-Nissan Alliance's vehicle mix;
- competitiveness of the sales prices of vehicles;
- customer demand levels for new and used vehicle sales and leases, including as a result of the recent global financial crisis and the ensuing economic slowdown;
- customer demand for the financing of their vehicle purchases;
- vehicle production rates; and
- inventory levels maintained by Renault-Nissan Alliance branded dealerships.

In addition, the Renault-Nissan Alliance may pursue strategies that could have a negative impact on the Issuer's revenues and margins.

B. Financial risk

A disruption in the Issuer's funding sources and access to the capital markets would have an adverse effect on the liquidity position of the Issuer (Global Criticality: High)

The Issuer finances its activities through long-term debt issues, bank loans, commercial paper issues, securitisation of receivables and deposit taking activities and it is therefore dependent on reliable access to financial resources. Due to the Issuer's funding needs, it is exposed to liquidity risk in the event of market closure or tensions over credit availability. Liquidity risk is the risk that the Issuer will have insufficient liquidity to repay debts when they fall due or to fund new asset growth through customer and dealer financings. The Issuer's liquidity could be materially adversely affected by factors it cannot control, such as general market disruptions, the perception in the market that it is experiencing greater liquidity risk or speculative pressures on the debt market. If the Issuer's financing requirements increase or if the Issuer cannot access new sources of funds, insufficient liquidity would be particularly harmful to its competitive position, its operating results and its financial condition. This would also have a negative impact on the Issuer's ability to support the sale of vehicles in the Renault Group and to provide wholesale financing to dealers in the Renault Group, which could have significantly impair the ability of the Renault Group to sell vehicles.

The average Liquidity Coverage Ratio (LCR) over the 12-month period ending on 30 June 2019 was 252% compared to the minimum LCR of 100% that is required by regulation.

The Issuer's operating results may be adversely affected by changes in market interest rates or rates offered to customer deposits. (Global Criticality: Medium)

Interest rate risk is the risk that changes in market interest rates or prices would negatively affect the Issuer's income and capital. The Issuer's customer loans are generally issued at fixed interest rates, for durations of between one to seventy-two months while dealer credit is issued at fixed rates for durations of less than twelve months. The Issuer's interest rate exposure is assessed daily by measuring sensitivity for each currency, management entity and asset portfolio and cash flow hedging is systematic, using swaps to convert floating-rate liabilities to fixed rate liabilities.

The Issuer calculates interest rate sensitivity historically by applying a hypothetical 100 basis point increase based on monthly asset-liability gaps. Although the Issuer monitors its interest rate risk using a methodology common to the entire RCI Banque group, risk hedging may not always be appropriate, reflecting the difficulty of adjusting the borrowing structure to match the structure of customer loans. Changes in interest rates cannot always be predicted or hedged, and, if not appropriately predicted or hedged, could adversely affect the Issuer's business, financial condition and operating results.

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

At 30 June 2019, a hypothetical 100-basis point rise in interest rates would have had the following impact on RCI Banque group's net interest income of:

Currency	Hypothetical impact on net interest income
Euro	+8.6 million
Pound Sterling	-€0.7 million
South Korean Won	+€0.6 million
Moroccan Dirham	+€0.4 million
Swiss Franc	+€0.4 million
Brazilian Real	-€0.4 million
Czech Koruna	-€0.2 million
Danish Krone	+€0.2 million

RCI Banque's overall sensitivity to the interest rate risk totaled €2.1 million.

Risk of unfavorable changes in the refinancing costs of the Issuer, in particular, following a deterioration of the RCI rating by the rating agencies. (Global Criticality: Medium)

The Issuer's market access may be affected by the credit ratings of the RCI Banque group and, to a certain extent, of the Renault Group.

The rating agencies S&P Global Ratings Europe Limited, Moody's France SAS and Rating and Investment Information, Inc. use ratings to classify the solvency of RCI Banque in order to assess whether RCI Banque will be able to repay its obligations in the future.

A deterioration in the Issuer's liquidity position, capital management policies or a material weakening of profitability could quickly lead to a negative impact on its credit rating.

RCI Banque is a wholly-owned subsidiary of Renault and the credit rating of RCI Banque remains dependent on the economic development and the credit rating of Renault. Any negative rating action in respect of the long-term debt of Renault could lead to a similar action in respect of the long-term debt of RCI Banque.

The Issuer is dependent on wholesale funding and access to capital markets. Its ability to obtain funding at competitive rates depends in part on its ability to obtain appropriate credit ratings. A decrease in its credit ratings or in the credit ratings of Renault S.A. or any outlook revisions would likely result in an increase in the Issuer's borrowing costs or could swiftly reduce the Issuer's access to capital markets in the future.

Foreign exchange risk (Global Criticality: Medium)

The Issuer is exposed to the risk of a loss arising from current or future exposure to current and / or refinancing operations in a currency other than the euro or a potential decrease in the value of the Group's equity due to the depreciation of the own funds held in countries outside the euro zone.

Equity investments in currencies other than the euro are usually not hedged (structural foreign exchange risk). This may lead to translation adjustments, which RCI Banque recognises in shareholders' equity.

The transactional foreign exchange risk (FX exposure excluding equity investments) mainly results from multicurrency lending and invoices in foreign currencies.

At 30 June 2019, the RCI Banque group's consolidated transactional foreign exchange position totalled EUR 13.9 million and EUR 9.2 million at 31 December 2018.

C. Product risk

The Issuer may suffer loss further to its customers' (private individuals' and companies') or dealers' default (i.e. incapacity to pay credit installments to the Issuer under credit agreement (overdue payment)). (Global Criticality: Medium)

The Issuer is exposed to customer and dealer credit risk if its risk management techniques are insufficient to protect it from payment failure by its counterparties.

Credit risk is the risk of loss arising from the failure of the Issuer's customers or dealers to meet the obligations of any contract signed with the issuer. The Issuer's credit risk is heavily dependent upon economic factors, including unemployment, business failures, consumer debt service burden, personal income growth, disposable household incomes, dealer profitability and used vehicle prices, and has a significant impact on its business.

The level of credit risk in the Issuer's dealer financing portfolio is influenced by, among other factors, the financial strength of dealers within the Issuer's portfolio, collateral quality and the overall demand for vehicles. The level of credit risk in the Issuer's customer portfolio is affected by general macroeconomic conditions that may affect some of its customers' ability to make their scheduled payments.

The Issuer uses advanced credit-scoring systems and searches of external databases to assess loans made to retail and corporate customers and an internal rating system to assess dealer loans. Although the Issuer constantly adjusts its acceptance policy to take account of market conditions, an increase in credit risk would raise its cost of risk and provisions for credit losses. The Issuer also implements detailed procedures to contact delinquent customers for payment, arranges for the repossession of unpaid vehicles and sells repossessed vehicles. However, there can be no assurance that the Issuer's origination procedures, monitoring of credit risk, payment servicing activities, maintenance of customer account records or repossession policies are or will be sufficient to prevent an adverse effect on its operating results and financial condition.

The increase of credit risk would increase the cost of risk and provisions in credit losses, therefore directly impacting the Issuer's financial results and potentially its internal capital.

The total cost of risk as at 30 June 2019 amounted to 0.40% of average performing assets and as at 31 December 2018 amounted to 0.33%.

At 30 June 2019, customer net assets stood at EUR 37,950 million and dealer net assets stood at EUR 10,834 million.

A decrease in the residual values of the Issuer's leased vehicles could negatively affect its operating results and financial condition. (Global Criticality: Medium)

When leased vehicles are returned to the Issuer at the end of the lease term and the Issuer does not benefit from a buy-back agreement from a third party (usually coming from an automotive dealer or car manufacturer) and/or a customer does not exercise an option to purchase the vehicle at lease termination, the Issuer is exposed to the risk of loss to the extent that sales proceeds realised upon the sale of returned vehicle are not sufficient to cover the residual value that was estimated at the outset of the lease. To the extent the actual residual value of the vehicle, as reflected in the sales proceeds, is less than the expected residual value for the vehicle at the outset of the lease, the Issuer incurs a loss at vehicle disposal which is recorded as an expense. Among other factors, economic conditions, new vehicle pricing, new vehicle sales, the actual or perceived quality, safety or reliability of vehicles, the mix of used vehicle supply, the level of current used vehicle values, and fuel prices heavily influence used vehicle prices and thus the actual residual value of leased vehicles. Differences between the actual residual values realised on leased vehicles and the Issuer's estimates of such values at the outset of the lease could have a negative impact on the Issuer's operating results and financial condition, due to its recognition of higher-than-anticipated losses.

As at 30 June 2019 the total risk on residual values carried out by RCI Banque stood at EUR 1,905 million and as at 31 December 2018 it stood at EUR 1,944 million.

D. Operational risk

Risk on Information and Communication Technology (Global Criticality: Medium)

Risk on Information and Communication Technology (ICT) covers among others, the risk of information disclosure (confidentiality) or information alteration (integrity) due to unauthorised access to ICT systems and data from within or outside the institution (e.g. cyber-attacks), the risk of system disruption (availability) due to the incapacity to timely recover the institution's services or due to a failure of ICT hardware or software components, including the incapacity to detect and to fix weaknesses in ICT system management or the inability of the institution to manage ICT system changes in a timely and controlled manner. The institution ICT risk has to be also extended to outsourced activities as service providers hold, store or process the institution ICT systems and information. The lack of control over such external third parties to protect institution systems and information (confidentiality, integrity, availability) impacts the institution capacity to comply with regulatory requirements.

For example, risk of incapacity to maintain/ operate Group essential activities in case of an external disruptive event (floods, contagion, IS destruction, cyber-attack, suicides, terrorist attack etc.) or incapacity to maintain operational information systems (referring, respectively, to Disaster Recovery Plan, DRP, and Business Continuity Plan, BCP) may adversely affect the Issuer's activities.

IT Systems are core resource for the Group as they support business processes in their day to day operations.

After making a loan or funding lease plans to retail and corporate customers and making loans available to dealers, the Issuer services the finance receivables. Any disruption of its servicing activity, due to inability to access or accurately maintain its customer account records or otherwise, could have a significant negative impact on its ability to collect on those receivables and/or satisfy its customers.

The Issuer relies on internal and external information and technological systems (managed both by the Issuer and by third parties) to manage its operations and are exposed to risk of loss resulting from breaches of security, system or control failures, inadequate or failed processes, human error and business interruptions. Furthermore, the Issuer has entered into framework agreements with Renault to provide for certain information technology systems and services. If Renault were to become unable or unwilling to fulfill its obligations under these agreements, the Issuer's operations could be disrupted. These events could have a significant impact on the Issuer's ability to conduct its business operations, increase its risk of loss resulting from disruptions of normal operating procedures, cause it to incur considerable information retrieval and verification costs, and potentially result in financial losses or other damage to the Issuer, including damage to its reputation.

E. Legal, regulatory and tax risks

The Issuer is exposed to legal, regulatory and tax risks (Global Criticality: Medium)

The Issuer's profitability and business could be adversely affected by the regulatory, legal and tax environment, both in France and abroad, since the RCI Banque group operates in several countries and is therefore subject to extensive supervisory and regulatory regimes and locally applicable rules and regulations, such as, but not limited to, banking regulation, consumer credit laws, securities law and regulations, general competition regulations, real estate laws, employment regulations, data protection laws, corporate and tax laws and insurance laws and regulations. In terms of banking prudential regulations, the Issuer is principally subject to the Capital Requirements Directive (CRD) IV package, comprising Directive 2013/36/EU ("**CRD IV**") and the Capital Requirements Regulation No 575/2013 ("**CRR**") (including all implementing legislation in France, including Law no.2013-672 dated 26 July 2013 relating to the separation and regulation of banking activities), the Bank Recovery and Resolution Directive 2014/59/EU ("**BRRD**"), as well as the relevant technical standards and guidelines from EU regulatory bodies (for example the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA)), which, inter alia, provide for capital requirements for credit institutions, recovery and resolution mechanisms.

CRD IV has been modified by Directive No. 2019/878 of 20 May 2019 amending CRD IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures ("**CRD V**"). Although CRD V has been adopted and published in the Official Journal of the European Union, the changes made by CRD V to CRD IV are not yet in force under French law and may impact the Issuer once they enter into force. Member States must adopt and publish, by 28 December 2020, the measures necessary to comply with this Directive, and they shall apply those measures as from 29 December 2020 (save for specific measures to be applied at a later stage). Regulation No. 2019/876 of 20 May 2019 amended among other things CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements ("**CRR2**"). Although CRR2 shall as a general rule apply as from 28 June 2021, a number of provisions of CRR2 are already in force since 27 June 2019, including certain provisions related to own funds and the provisions on the introduction of the new requirements for own funds and eligible liabilities. The impact of the new provisions on the Issuer cannot be assessed at this stage and the Issuer will need to consider how these new provisions may affect it.

In addition to the changes in regulatory provisions set out above, the European Central Bank (the "**ECB**") has undertaken important initiatives to ensure that capital requirements for banks using

internal models are calculated correctly, consistently and in a comparable manner. The ECB has thus ran targeted reviews of internal models (TRIM) of major European banks. The Issuer uses its own internal models for calculating risk weighted assets and therefore capital requirements. It has received remarks and comments on some of the models audited for which it has been asked to review certain parameters or introduce temporary add-ons in its calculations. The Issuer may have to address additional remarks from the ECB by the end of 2019 or early 2020. The ECB also published a new regulation on the materiality threshold for credit obligations past due. This new definition of default (DoD) will impact parameters used in internal models. The above factors will result in an increase of the Issuer's risk weighted assets (RWA) requiring from the Issuer additional regulatory own funds to maintain its solvency ratio at an adequate level.

More generally, the risk of non-compliance with different legal and regulatory requirements or tax regimes, and any adverse changes thereto, may potentially negatively affect the Issuer's current business model, internal policies and results. As a provider of financing solutions, insurance, banking (deposit) and other vehicle-linked services, RCI Banque addresses very carefully banking and insurance laws and regulations requirements, competition practices and customer protection rules, ethical issues, money laundering laws, data protection laws and information security policies. Any non-compliance or failure to address these issues properly, could lead to additional legal risk and financial losses, as a result of regulatory fines or reprimands, litigations, or reputational damage, and in extreme scenarios, to the suspension of operations or even withdrawal of authorization to pursue business.

Additional regulations or changes in the applicable laws, could add significant costs or operational constraints that might impair profitability of Issuer's business.

The Issuer's future results may be adversely affected by any of these factors.

Bank Recovery and Resolution Directive and Single Resolution Mechanism risk (Global Criticality: Medium)

The Issuer has been designated as a significant supervised entity for the purposes of Article 49(1) of the Single Supervision Mechanism ("**SSM**") regulations and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that the Issuer is also subject to the Single Resolution Mechanism ("**SRM**") and BRRD (as defined above). The SRM and BRRD enable a range of tools to be used in relation to credit institutions and investment firms considered to be at risk of failing.

Each year, the Issuer establishes a recovery plan in line with BRRD requirements. This plan sets out preparatory measures that aim to implement various recovery options that would enable the institution to recover in the event of a crisis leading to a Near to Default situation. Any insufficiency or lack of preparedness to implement the measures set out in the recovery plan, or the under-estimation of risks and constraints linked to the implementation of the recovery plan, may compromise or delay its effective implementation and could limit the capacity of the Issuer to recover from such crisis.

If the Issuer is determined Failing or Likely To Fail within the meaning of BRRD, the Relevant Regulator (as defined in the Conditions) may apply a number of different BRRD resolution tools, including sale of business, asset separation, bail-in and creation of a bridge bank. The BRRD also provides for additional resolution measures including, in particular and without limitation, the cancellation of debt securities or eligible liabilities, the variation of the terms of debt securities, the suspension of any obligation to pay or deliver financial instruments and/or the obligation for the relevant institution subject to resolution measures to issue new securities. These varied tools are designed for early and quick intervention in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

BRRD was formally implemented into French law by an ordinance dated 20 August 2015 (*ordonnance No. 2015-1024 portant diverses dispositions d'adaptation de la législation au droit de l'Union Européenne en matière financière* – the "**Ordinance**"). This Ordinance amends and supplements the provisions of the French banking law dated 26 July 2013 on separation and regulation of banking activities (*loi de séparation et de régulation des activités bancaires*) (the

"**SRAB Law**") which had, among other things, given various resolution powers to the resolution board (the "**French Resolution Board**") of the French Prudential Supervisory Authority, the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**").

The SRAB Law and the Ordinance (together the "**French Resolution Regime**") provide that the French Resolution Board may, when the point of non-viability is reached, take any of the resolution measures as transposed from the BRRD. Furthermore, Decree no. 2015-1160 dated 17 September 2015 and three orders dated 11 September 2015 (*décret et arrêtés*) implementing provisions of the Ordinance regarding (i) recovery planning, (ii) resolution planning and (iii) criteria to assess the resolvability of an institution or group, were published on 20 September 2015 to implement the BRRD in France.

Finally, law no. 2016-1691 of 9 December 2016 (known as "**Sapin II**" law) has amended article L. 613-30-3 of the French *Code monétaire et financier*, to introduce a new layer of senior "non-preferred" debts in the creditors hierarchy, which applies in the event of an insolvency of a credit institution. In the event of a bail-in, such senior "non-preferred" debts would be bailed in before other senior liabilities. The categories of debts which may qualify as senior "non-preferred" debts are set out in article L. 613-30-3 of the French *Code monétaire et financier*, and include, among other debts, debt securities (*titres de créance*) which are required, in particular, to be "non-structured" (*non structurés*). The features to be met in order for such a debt security to be considered as being non-structured (and as such eligible to the senior "non-preferred" status) have been laid down in article R. 613-28 of the French *Code monétaire et financier*, which has been introduced by the Decree no. 2018-710 dated 3 August 2018. The regime applicable to the creditors hierarchy has been supplemented by article 200 of the law no. 2019-486 of 22 May 2019 which specified the rules applicable to senior non-preferred debts by including a section Ibis in article L. 613-30-3 of the French *Code monétaire et financier* for the purpose of implementing into French law the Directive No. 2017/2399 of 12 December 2017 amending BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy.

The exercise of any power under the French Resolution Regime or any suggestion of such exercise could adversely affect the Issuer and materially impact the ability of the Issuer to satisfy its obligations under any Bonds.

BRRD has been modified by Directive No. 2019/879 of 20 May 2019 amending among other things BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms ("**BRRD2**"). Although BRRD2 has been adopted and published in the Official Journal of the European Union, the changes made by BRDD2 are not yet in force under French law. In accordance with article 3 of BRRD2, France must bring into force the laws, regulations and administrative provisions necessary to comply with BRRD2 by 28 December 2020 and shall apply those measures as from the date of their entry into force in national law, which shall be no later than 28 December 2020. Regulation No. 2019/877 of 20 May 2019 ("**SRMR2**") amended Regulation No. 806/2014 ("**SRMR**") as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms. Changes introduced by SRMR2 Regulation 2 will only enter into force on 28 December 2020. The overall impact of BRRD2 on the Issuer will need to be assessed by the Issuer once the new framework enters into force. Amendments made relate in particular to MREL requirements and confer on the resolution authorities additional powers.

In the context of BRRD, the minimum requirement for own funds and eligible liabilities ("**MREL**") is subject to a formal decision of the Single Resolution Board ("**SRB**"). The level of capital and eligible liabilities required under MREL will be set by the resolution authority for each bank (and/or group) based on certain criteria including systemic importance. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by non-EU law, they must be able to be written down or converted under that law (including through contractual provisions). Since 2018, the SRB developed its MREL policy and started to develop binding targets for major banking groups. By the end of 2019, these targets would be defined, with an increased focus on quality and internal location of MREL, in particular ensuring that there are sufficient loss-absorbing instruments to implement banks' preferred resolution strategies.

The SRB has determined in its draft notification that the MREL requirement which shall be met at all times by RCI Banque and the Group is set at 7.35% of the total liabilities and own funds (see

also the section "Recent Developments"). It has concluded that RCI Banque was not providing critical functions, has set the recapitalisation buffer and the market confidence buffer at zero and calibrated the MREL requirement at the level of the loss absorption buffer. The SRB has provided RCI Banque with the opportunity to provide comments on such determination. RCI Banque does not intend to comment on the SRB decision and is already complying with it. Any failure by the Issuer and/or the Group to comply with its MREL requirements may have a material adverse effect on the Issuer's business, financial conditions and results of operations.

Risks related to the Bonds

A. Risks for Bondholders as creditors of the Issuer

Credit risk

An investment in the Bonds involves taking credit risk on the Issuer. Since the Bonds are unsecured and subordinated obligations of the Issuer, benefiting from no direct recourse to any assets or guarantees, the Bondholders can only rely on the ability of the Issuer to pay any amount due under the Bonds. The value of the Bonds will depend on the creditworthiness of the Issuer, as may be impacted by the risks related to the Issuer as described above. In particular, the fact that the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere, may have a material adverse effect on its business and financial situation and therefore on its creditworthiness. If the creditworthiness of the Issuer deteriorates, the potential impact on the Bondholder could be very high. A deterioration in creditworthiness could give rise to very serious negative repercussions on the Bondholders because: (i) the Issuer may not be able to fulfil all or part of its payment obligations under the Bonds, (ii) the value of the Bonds may decrease, and (iii) investors may lose all or part of their investment, such risk being exacerbated by the subordinated ranking of the Bondholders (see "*The Issuer's obligations under the Bonds are subordinated*" below).

French insolvency law

As a *société anonyme* incorporated in France, French insolvency laws apply to the Issuer. The Bondholders, in respect of all Tranches in any Series, will be grouped automatically for the defence of their common interests in a Masse, as defined in Condition 10 (*Representation of Bondholders*). However, under French insolvency law, notwithstanding any clause to the contrary, holders of debt securities (*obligations*) are automatically grouped into a single assembly of holders (the "**Assembly**") in order to defend their common interests if a preservation procedure (*procédure de sauvegarde*), an accelerated preservation procedure (*procédure de sauvegarde accélérée*), an accelerated financial preservation procedure (*procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly will comprise all holders of debt securities (*obligations*) issued by the Issuer (including the Bonds) regardless of their ranking or their governing law. The Assembly will deliberate on the draft preservation plan (*projet de plan de sauvegarde*), draft accelerated preservation plan (*projet de plan de sauvegarde accélérée*), draft accelerated financial preservation plan (*projet de plan de sauvegarde financière accélérée*) or draft judicial reorganisation plan (*projet de plan de redressement*) prepared in relation to the Issuer and may further agree to:

- increase the liabilities (charges) of such holders of debt securities (including the Bondholders) by rescheduling and/or writing-off debts;
- decide to convert such debt securities (including the Bonds) into shares or securities that give or may give rights to share capital; and/or
- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the amount of debt securities held by the holders expressing a vote). No quorum is required to hold the Assembly. Holders whose rights are not modified by the proposed plan do not participate in the vote.

For the avoidance of doubt, the provisions relating to the representation of the Bondholders described in the Terms and Conditions of the Bonds set out in this Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Should this risk materialise, the impact on the Bondholders would be high. The commencement of insolvency proceedings would have a significant adverse effect on the market value of the Bonds and any decisions taken by the Assembly could negatively impact the Bondholders and cause them to lose part of their investment.

Bank Recovery and Resolution Directive and Single Resolution Mechanism risk

As the Issuer is a credit institution, BRRD resolution tools may apply. As such, if the Issuer is determined Failing or Likely To Fail within the meaning of BRRD, the Relevant Regulator (as defined in the Conditions) may apply a number of different BRRD resolution tools, including sale of business, asset separation, bail-in and creation of a bridge bank. The BRRD also provides for additional resolution measures which may impact the Bonds including, in particular and without limitation, the use of the following tools: the cancellation of debt securities or eligible liabilities, the variation of the terms of debt securities, the suspension of any obligation to pay or deliver financial instruments and/or the obligation for the relevant institution subject to resolution measures to issue new securities. These varied tools are designed for early and quick intervention in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The use of the BRRD resolution tools may present certain risks to the Bondholders, given that the Bonds constitute unsecured and subordinated debt claims over the Issuer and given that the Relevant Regulator can take various actions without the consent of the Bondholders:

- any shortfall from the sale of the Issuer's assets may lead to a partial reduction in the amounts outstanding to Bondholders or, in a worst-case scenario, a reduction to zero (cancellation of the Bonds), meaning that a Bondholder may lose all or part of its investment;
- in the event of a bail-in, the Relevant Regulator would first reduce or cancel common equity tier one, thereafter reduce, cancel, convert additional tier one instruments, then tier 2 instruments (such as the Bonds) and other subordinated debts to the extent required and up to their capacity. Given that the Issuer has no additional tier one instruments currently outstanding, there is a greater risk that the Bonds would be converted, reduced or cancelled, which would lead to a loss of all or part of the Bondholders' investments. In addition, this risk is increased as debt that is ranked *pari passu* with the Bonds may be excluded by the Relevant Regulator from bail-in in accordance with Article 44(3) of BRRD and therefore receive more favourable treatment than the Bonds;
- the Relevant Regulator may seek to amend the maturity date of the Bonds, reduce the amount of interest payable under the Bonds or the date on which interest becomes payable (including the temporary suspension of interest payments), all of which could negatively affect the market value and liquidity of the Bonds for the purpose of re-selling and impact the yield of the Bonds.

Each of the aforementioned measures may occur in isolation or, they may occur as a combination. For instance, the Relevant Regulator may require a partial conversion of the Bonds into ordinary shares of the Issuer, in addition to any write-down and sale of the Issuer's assets.

Public financial support to resolve the Issuer where there is a risk of failure will only be used as a last resort, having assessed and exploited the other resolution tools to the maximum extent practicable whilst maintaining financial stability.

The taking of any action under the BRRD in relation to the Issuer, or the suggestion of the exercise of any action, could materially adversely affect the rights of Bondholders, the price or value of

their investment in the Bonds and/or the ability of the Issuer to satisfy its obligations under any Bonds.

Modification of the Terms and Conditions of the Bonds

Condition 10 (*Representation of the Bondholders*) contains provisions for consulting Bondholders on matters affecting their interests generally. The Bondholders will be automatically grouped for the defence of their common interests in a Masse, as defined in Condition 10 (Representation of the Bondholders). Bondholders can adopt measures either through a general meeting (the "**General Meetings**") or by consent following a written consultation (the "**Written Decisions**").

As set out in Condition 10.4, the Terms and Conditions of the Bonds permit in certain cases defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant General Meeting, Bondholders who voted in a manner contrary to the majority or Bondholders who did not consent to a Written Decision.

If such a General Meeting were to take place or such a Written Decision were to be taken, it is possible that a majority of Bondholders could adopt a decision that would modify the Terms and Conditions in a way that could impair or limit the rights of the Bondholders. However, the likelihood of a majority of Bondholder adopting a decision that would have a significant adverse effect on the Bondholders should not be overplayed.

B. Risks related to the market of the Bonds

Risks related to the secondary market

The Bonds are to be listed and admitted to trading on Euronext Paris. Nevertheless, the Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. The degree of liquidity of the Bonds may negatively impact the price at which an investor can dispose of the Bonds where the investor is seeking to achieve a sale within a short timeframe. In such circumstances, the impact of this risk on the Bondholder would be high because the Bonds would likely have to be resold at a discount to the nominal value of the Bonds. Furthermore, if additional and competing products are introduced in the markets, this may have a very significant adverse effect on the market value of the Bonds.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency-equivalent market value of the Bonds, all of which could have a significant adverse effect on the return on the investment of the investors.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could have a significant adverse effect on an applicable exchange rate. As a result, the Bondholders whose financial activities are carried out in or principally dependant on a currency other than euros may receive less interest or principal than expected, or no interest or principal.

Purchases by the Issuer in the open market or otherwise (including by tender offer) in respect of the Bonds may affect the liquidity of the Bonds which have not been so purchased.

As set out in Condition 5.5 and subject to Condition 5.6, the Issuer may at any time purchase Bonds together with rights to interest relating thereto in the open market or otherwise at any price, subject to the applicable laws and/or regulations. Depending on the number of Bonds purchased by the Issuer or any other person on their behalf in accordance with the Terms and Conditions of the

Bonds, any trading market in respect of those Bonds that have not been so purchased may become illiquid and may have a negative impact on the market value of the Bonds. If a substantial number of the Bonds were purchased by the Issuer, this could have an adverse effect on the liquidity and market value of the Bonds, notwithstanding the absence of any clean-up call option.

C. Risks related to the structure and features of the Bonds

(1) Risks related to the subordinated nature of the Bonds

The Issuer's obligations under the Bonds are subordinated

As provided in Condition 2, the Issuer's obligations under the Bonds will be direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with (a) any obligations or instruments of the Issuer that constitute Tier 2 Capital and (b) any other obligations of the Issuer that rank or are expressed to rank equally with the Bonds.

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the Bondholders in respect of principal and interest to payment under the Bonds will be (A) subordinated to the full payment of (1) the present and future unsubordinated or senior preferred or senior non-preferred creditors (including depositors) of the Issuer and (2) Eligible Creditors of the Issuer, if any; and (B) subject to such payment in full, paid in priority to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and other securities of the Issuer subordinate thereto, including share capital and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées", i.e. engagements subordonnés de dernier rang*). In the event of incomplete payment of unsubordinated creditors in case of a liquidation, the obligations of the Issuer in connection with the Bonds will be terminated.

The potential impact on the investment in the event of a resolution of the Issuer is described in "*Bank Recovery and Resolution Directive and Single Resolution Mechanism risk*" above.

The Bondholders will be responsible for taking all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation in relation to any claims they may have against the Issuer.

Although the Bonds may pay a higher rate of interest than comparable bonds which are not subordinated, there is a real risk that an investor in the Bonds will lose all or some of his investment should the Issuer become insolvent. This greater level of risk is reflected in the credit ratings assigned to the Bonds by S&P and Moody's which, at BB and Ba1 respectively, are lower than the credit ratings traditionally assigned by S&P and Moody's to the Issuer's senior notes. For example, in respect of the 2019 EMTN programme of the Issuer, under which the Issuer issues senior notes, S&P assigned a rating of BBB and Moody's assigned a rating of Baal.

There are no events of default or cross default under the Bonds

Unlike many other debt securities and as set out in Condition 8, the Terms and Conditions of the Bonds do not provide for events of default or cross default allowing acceleration of the Bonds if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Bonds, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Bondholders for recovery of amounts owing in respect of any payment of principal or interest on the Bonds will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, therefore, investors may lose all or part of their investment. As a result of the above, the value of the Bonds or liquidity in the second market may be negatively affected.

Write-Down and Conversion of the Bonds

It is the Issuer's intention that Bonds shall, for supervisory purposes, be treated as tier 2 instruments. Tier 2 instruments, such as the Bonds, may be written down or converted into shares

or other instruments of ownership either in connection with a resolution proceeding, or in certain other cases described below without or prior to a resolution proceeding. More generally, this may apply to capital instruments which include common equity tier 1, additional tier 1 and tier 2 instruments, such as the Bonds.

The relevant resolution authority must write down capital instruments, such as the Bonds, or convert them into shares or other instruments of ownership, in any of the following circumstances (the so called “point of non-viability”):

- (i) where the determination has been made that conditions for resolution have been met, before any resolution action is taken;
- (ii) the appropriate authority determines that unless that power is exercised in relation to the relevant capital instruments, the institution or the group will no longer be viable; or
- (iii) extraordinary public financial support is required by the institution.

The principal amount of capital instruments, such as the Bonds, may also be written down or converted to shares or other instruments of ownership in connection with a resolution proceeding if certain conditions are met.

If one or more of the conditions set out in above in (i) to (iii) are met, common equity tier 1 instruments are first written down, transferred to creditors or, if the institution enters resolution and its net assets are positive, significantly diluted by the conversion of other capital instruments and eligible liabilities. Once this has occurred, other capital instruments (firstly additional tier 1 instruments, then tier 2 instruments, such as the Bonds) are either written down or converted to common equity tier 1 instruments or other instruments (which are also subject to possible write-down).

If the point of non-viability as described above were to be reached for the Issuer and the relevant authority were to exercise its write-down/conversion powers, whether independently of a resolution proceeding or combined with a resolution measure with respect to capital instruments (including subordinated debt instruments such as the Bonds), such exercise could result in the full (i.e., to zero) or partial write-down or conversion of the Bonds into ordinary shares or other instruments of ownership, or the exercise of other resolution tools, such as the amendment of their maturity date, all as described in "*Bank Recovery and Resolution Directive and Single Resolution Mechanism*" above.

As at the date hereof, the Issuer has no additional tier one instruments outstanding and therefore the risk the Bonds are subject to the exercise of such write-down/conversion powers is higher than if the Issuer had issued such other capital instruments.

In addition, where the Issuer’s financial condition deteriorates, the existence or the actual exercise of write-down/conversion powers by the relevant resolution authority (together with the existence or the actual exercise of the general bail-in tool and the other resolution measures) could cause the market price or value of the Bonds to decline more rapidly than would be the case in the absence of such powers.

Risk relating to the absence of restriction for the Issuer to issue additional securities of the same ranking or of a superior ranking

The Terms and Conditions of the Bonds do not limit the amount of debt of the same ranking or a superior ranking that the Issuer may issue. The risk has been significantly increased by law no. 2016-1691 dated 9 December 2016 which amended as from 12 December 2016 the ranking of creditors of a credit institution or resolution. This law introduced a new class of debt instruments, senior non preferred notes, which rank senior to subordinated instruments (including the Bonds) in any relevant proceedings. If the Issuer were to issue senior non preferred notes, for example under its EMTN programme, the Bondholders would rank junior to holders of these new instruments. The issuance of such instruments could reduce the amount that the Bondholders would receive in the event of the Issuer's judicial liquidation (see "*The Issuer's obligations under the Bonds are subordinated*" for risks relating to subordination).

In addition, as stated in Condition 4, there is no negative pledge provision in the Terms and Conditions of the Bonds. The Issuer and its subsidiaries and affiliates may thus grant security interests in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Bonds.

The terms of the Bonds contain a waiver of set-off rights

The Terms and Conditions of the Bonds provide at Condition 2.3 that the Bondholders waive any set-off rights in respect of or arising under the Bonds against the Issuer. As a result, the Bondholders, to the extent they are debtors of the Issuer in relation to other debt or securities, will not at any time be entitled to set-off the Issuer's obligations under the Bonds against obligations owed by them to the Issuer. If the Issuer has a claim against a Bondholder, such Bondholder cannot seek to set off the amount it owes to the Issuer against the amount owed by the Issuer to it, no matter how great the amount owed by the Issuer to such Bondholder and no matter the financial situation of the Issuer. The impossibility for a Bondholder to exercise any set-off could have a significant impact on the recovery of payments from the Issuer in the event of an insolvency proceeding.

(2) Early redemption risks

The Bonds may be redeemed prior to maturity

As set out in Conditions 5.2 to 5.4, the Issuer may, at its option, redeem all of the Bonds (but not some only) on the Reset Date or at any time following the occurrence of a Withholding Tax Event, a Gross-Up Event, a Tax Deduction Event or a Capital Event, subject to the conditions set out in Condition 5.6 of the Terms and Conditions of the Bonds, as described in "*The redemption at the option of the Issuer of the Bonds is subject to the prior approval of the Relevant Regulator*" below.

The faculty for the Issuer to redeem the Bonds at its option might negatively affect the market value of such Bonds. During any period when the Issuer may elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. The Issuer may also be expected to redeem the Bonds when its cost of borrowing is lower than the interest rate on the Bonds. There can be no assurance that, at the relevant time, Bondholders would be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on such Bonds had they not been redeemed. Potential investors should consider reinvestment risk in light of other investment available at that time.

The redemption at the option of the Issuer of the Bonds is subject to the prior approval of the Relevant Regulator

As set out in Conditions 5.2 to 5.4, the Issuer may, at its option, redeem all of the Bonds (but not some only) on the Reset Date or at any time following the occurrence of a Withholding Tax Event, a Gross-Up Event, a Tax Deduction Event or a Capital Event.

Any such early redemption is subject to the conditions set out in Condition 5.6. It can only be made with the prior written consent of the Relevant Regulator. Further, as at the Issue Date, Article 78 of CRR provides that any redemption of tier 1 or tier 2 instruments, including Bonds, is subject to the prior consent of the Relevant Regulator which would be conditional on (i) the replacement of regulatory capital with own funds instruments of equal or higher quality, in the same amount and at terms that are sustainable for the income capacity of the Issuer, or (ii) without a replacement of regulatory capital, on the Issuer demonstrating that its own funds and eligible liabilities would, following the redemption in question, exceed the requirements laid down in CRR, Directive 2013/36/EU and BRRD by a margin that the Relevant Regulator considers necessary. Article 78 of CRR also provides that the Relevant Regulator may permit institutions to redeem additional tier 1 instruments or tier 2 instruments (including Bonds) before five years of the date of issue only where the aforementioned conditions (i) and (ii) and one of the following conditions is met:

- (a) there is a change in the regulatory classification of those instruments that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds, and both the following conditions are met:
 - (i) the Relevant Regulator considers such a change to be sufficiently certain;

- (ii) the institution demonstrates to the satisfaction of the Relevant Regulator that the regulatory reclassification of those instruments was not reasonably foreseeable at the time of their issuance;
- (b) there is a change in the applicable tax treatment of those instruments which the institution demonstrates to the satisfaction of the competent authorities is material and was not reasonably foreseeable at the time of their issuance;
- (c) the Bonds are grandfathered under Article 494b;
- (d) the institution replaces the instruments with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the institution and the competent authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
- (e) the additional tier 1 or tier 2 instruments are repurchased for market making purposes.

In respect of the Issuer's option to call the Bonds on the Reset Date pursuant to Condition 5.1, should the Relevant Regulator not provide its approval for the early redemption of the Bonds, the Bonds would not be redeemed on the Reset Date (as may be expected by certain Bondholders) and the Bondholders would not receive the principal amount, together with accrued and unpaid interest, until the Maturity Date (unless otherwise redeemed due to the occurrence of a Withholding Tax Event, Gross-up Event, Tax Deduction Event or Capital Event).

With regards to the Issuer's option to call the Bonds on the occurrence of a Gross-up Event pursuant to Condition 5.3.2, should the Relevant Regulator not provide its approval for the early redemption of the Bonds and if the Issuer is unable to gross-up its payments of interest and principal, the Bonds would not be redeemed and the Bondholders would receive less than the full amount of interest and principal due to them on each interest payment date and on the Maturity Date, meaning that they may lose part of their investment. In addition, such circumstances would have a significant negative effect on the liquidity of the Bonds, which may adversely affect the Bondholders' ability to sell the Bonds.

(3) *Interest Rate Risks*

Interest rate risks

As provided in Condition 4.1, from (and including) the Issue Date to (but excluding) the Reset Date, the Bonds will bear interest at the Initial Rate of Interest and from (and including) the Reset Date to (but excluding) the Maturity Date, the Bonds will bear interest at the Reset Interest Rate. The Bonds will bear interest at a fixed rate, at the Initial Rate of Interest and the Reset Interest Rate (as applicable). The Bonds bearing interest at a fixed rate, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. While the nominal interest rate of the Bonds is set at the Initial Rate of Interest and then at the Reset Interest Rate, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such bond changes in the opposite direction. If the market interest rate increases, the price of such bond typically falls, until the yield of such bond is approximately equal to the market interest rate. If the market interest rate decreases, the price of a fixed rate bond typically increases, until the yield of such bond is approximately equal to the market interest rate. Bondholders should be aware that movements of the market interest rate can adversely affect the price of the Bonds and can lead to losses for the Bondholders if they sell Bonds during the period in which the market interest rate exceeds the fixed rate of the Bonds. It is difficult to anticipate future market volatility in interest rates, but any such volatility may have a significant adverse effect on the value of the Bonds.

In addition, the Reset Interest Rate, based on mid swap rates for Euro swap transactions with a maturity of five years plus the applicable margin, is not pre-defined at the Issue Date and it could be less than the Initial Rate of Interest, which would negatively affect the amount of any interest received by the Bondholders and have an adverse or a significantly adverse impact on the market value of an investment in the Bonds (depending on the nature of the decrease, if any).

Risks related to the use of the 5 Year Mid-Swap Rate in the calculation of the Reset Interest Rate EURIBOR "benchmark"

As provided in Condition 4.1, from (and including) the Reset Date to (but excluding) 18 February 2030 (the "**Maturity Date**"), the Bonds will bear interest at the rate *per annum* equal to the aggregate of (i) the 5 Year Mid-Swap Rate and (ii) the Reset Margin.

Condition 4.3 provides that the Calculation Agent will determine the 5 Year Mid-Swap Rate on the Mid-Swap Rate Determination Date.

If the Issuer (in consultation with the Calculation Agent) determines at any time prior to the Mid-Swap Rate Determination Date that a Benchmark Event has occurred in relation to the 5 Year Mid Swap Rate, then the Issuer shall, pursuant to Condition 4.6.1 of the Terms and Conditions of the Bonds, for the purposes of determining the Reset Rate (or the relevant component part thereof), use reasonable endeavours, as soon as reasonably practicable, to appoint at its own expense an Independent Adviser to determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, (following consultation with the Issuer) an Adjustment Spread. Pursuant to Condition 4.6.2, if the Issuer (i) is unable to appoint an Independent Adviser; or (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate, the Issuer (following consultation with the Independent Adviser in the event one has been appointed but failed to determine a Successor Rate or Alternative Reference Rate) may determine a Successor Rate or, failing which an Alternative Reference Rate. In the event of (ii) above, the Independent Adviser (following consultation with the Issuer) may determine an Adjustment Spread.

If the Independent Adviser or, as the case may be, the Issuer (if an Independent Adviser has been appointed, following consultation with such Independent Adviser) determines a Successor Rate or an Alternative Reference Rate (as applicable) and/or the Independent Adviser (following consultation with the Issuer) determines an Adjustment Spread, the Independent Adviser (following consultation with the Issuer) may also determine any required Benchmark Amendment (as defined in Condition 4.6.5). No consent or approval shall be required from the Bondholders in connection with the determination of a Successor Rate or Alternative Reference Rate, the calculation of any Adjustment Spread or such Benchmark Amendment, or any other steps to be taken by the Issuer or the Agents (if required or useful).

The Successor Rate or the Alternative Reference Rate determined by the Independent Adviser or the Issuer (following consultation with the Independent Adviser, if applicable) may have no or very limited trading history and accordingly its general evolution and/or interaction with other relevant market forces or elements may be difficult to determine or measure. In addition, the replacement rate may perform differently from the discontinued benchmark. This could significantly affect the performance of an alternative rate compared to the historical and expected performance of the relevant benchmark. There can be no assurance that any adjustment factor applied to the Bonds pursuant to Condition 4.6.4 will adequately compensate for this impact. This could in turn impact the rate of interest on, and trading value of, the Bonds and Bondholders may receive lower return on the Bonds than anticipated at the time of the issue.

Pursuant to Condition 4.6.6, if a Successor Rate, an Alternative Reference Rate or an Adjustment Spread (as applicable) is successfully determined, the Issuer shall promptly notify the Bondholders and the Agents of such successful determination and of any required Benchmark Amendment. Such notice must be made before the Mid-Swap Rate Determination Date.

If such notice is not given by the Issuer before the Mid-Swap Rate Determination Date, the last 5 Year Mid-Swap Rate observable on the Screen Page will apply for the purposes of the calculation of the Reset Rate on the Mid-Swap Rate Determination Date.

In accordance with Condition 4.6.3, if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) has not been determined in accordance with Condition 4.6.1 or 4.6.2 of the Terms and Conditions of the Bonds, the 5 Year Mid-Swap Rate shall be the last 5 Year Mid-Swap Rate observable on the Screen Page.

In addition, in accordance with Condition 4.6.8, if:

- (x) the Issuer (in consultation with its professional advisers and, if necessary, the Relevant Regulator) determines that the replacement of the 5 Year Mid-Swap Rate or any required Benchmark Amendment would result in the Relevant Regulator treating the Reset Date as the effective maturity date of the Bonds, rather than the Maturity Date (if, for example, the switch to the Successor Rate or Alternative Reference Rate (as applicable) would create an incentive to redeem the relevant Bonds that would be inconsistent with the relevant requirements necessary to maintain the regulatory status of the Bonds); or
- (y) the Issuer (in consultation with its professional advisers and, if necessary, the Relevant Regulator) determines that the replacement of the 5 Year Mid-Swap Rate or any required Benchmark Amendment would result in all or part of the aggregate nominal amount of the Bonds being excluded from the Tier 2 Capital of the Group or reclassified as a lower quality form of own funds of the Group,

the Issuer shall decide that no Successor Rate and no Alternative Reference Rate will be adopted and the 5 Year Mid-Swap Rate for the Reset Period in such case will be the last 5 Year Mid-Swap Rate observable on the Screen Page.

There can be no assurance that the last observable 5 Year Mid-Swap Rate would be in line with the expected performance of the benchmark and given that no Adjustment Spread would be applied in such instance, the Bondholders could receive a lower rate of interest than anticipated, which could have a negative impact on both the liquidity and the market value of the Bonds and the Bondholders' expected return on the Bonds.

OVERVIEW OF THE BONDS

This overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of this Prospectus. Any decision to invest in the Bonds should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference.

Words and expressions defined in the Terms and Conditions of the Bonds below or elsewhere in this Prospectus have the same meanings in this overview.

The Issuer:	RCI Banque S.A.
Sole Global Coordinator and Structuring Advisor:	Citigroup Global Markets Europe AG
Joint Bookrunners:	BNP Paribas, Citigroup Global Markets Europe AG, Natixis and UniCredit Bank AG
Fiscal Agent and Calculation Agent:	Citibank, N.A., London Branch
French Paying Agent:	Citibank Europe Plc, France Branch
The Bonds:	€850,000,000 Fixed Rate Resettable Subordinated Bonds due 18 February 2030
Issue Price:	99.736 per cent. of the principal amount of the Bonds
Issue Date:	18 November 2019
Interest:	The Bonds will bear interest from (and including) the Issue Date to (but excluding) 18 February 2025 (the " Reset Date ") at a fixed rate of 2.625 per cent. <i>per annum</i> . From (and including) the Reset Date to (but excluding) 18 February 2030 (the " Maturity Date "), the Bonds will bear interest at the rate <i>per annum</i> equal to the aggregate of: (i) the 5 Year Mid-Swap Rate and (ii) the Reset Margin (the " Reset Interest Rate "), it being specified that the Reset Interest Rate may not be lower than zero. Interest will be payable annually in arrear on 18 February in each year up to (and including) the Maturity Date, commencing on 18 February 2020 (short first coupon).
Status and subordination:	The principal and interest of the Bonds constitute and will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank <i>pari passu</i> among themselves and <i>pari passu</i> with (a) any obligations or instruments of the Issuer that constitute Tier 2 Capital and (b) any other obligations of the Issuer that rank or are expressed to rank equally with the Bonds. Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the Bondholders in respect of principal and interest to payment under the Bonds will be (A) subordinated to the full payment of (1) the present and future unsubordinated or senior preferred or senior non-preferred creditors (including depositors) of the Issuer and (2) Eligible Creditors of the Issuer, if any; and (B) subject to the payment in full set out in paragraph (A) above, paid in priority to any <i>prêts participatifs</i> granted to the Issuer, <i>titres participatifs</i> issued by the Issuer and other securities of the Issuer subordinate thereto, including share capital and any deeply subordinated obligations of the Issuer (<i>obligations dites "super subordonnées"</i> , <i>i.e. engagements subordonnés de dernier rang</i>). The potential impact on the investment in the event of a resolution of the Issuer is detailed in Condition 9 (<i>Recognition of Bail-in and Loss Absorption</i>). The Bonds are

issued pursuant to the provisions of Article L. 228-97 of the French Code de Commerce.

- Form and denomination:** The Bonds will be in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. The Bonds will at all times be represented in book entry form (*inscription en compte*) in the books of the Account Holders in compliance with Article L.211-3 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.
- Maturity/redemption:** Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed at their principal amount, together with accrued and unpaid interest, on the Maturity Date. The Bondholders do not have the right to call for their redemption. As a result, unless it has given notice of redemption pursuant to Conditions 5.2, 5.3 or 5.4 the Issuer is not required to make any payment of the principal amount of the Bonds at any time prior to the Maturity Date.
- Issuer Call Option:** Subject to the conditions for redemption outlined below, the Issuer may, at its option, redeem the Bonds on the Reset Date in whole, but not in part, at their principal amount, together with any accrued but unpaid interest to, but excluding, the date of redemption.
- Withholding Tax Event call option:** Subject to the conditions for redemption outlined below, if the Issuer would, as a result of any change in, or in the official interpretation or administration of, any laws or regulations of France or any other authority thereof or therein be required to pay additional amounts as provided in Condition 7 (a "**Withholding Tax Event**"), the Issuer may redeem all, but not some only, of the Bonds then outstanding at their principal amount, together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer could make payment without withholding for such taxes or, if such date is already past, as soon as practicable thereafter.
- Gross-Up Event call option:** Subject to the conditions for redemption outlined below, if the Issuer would, on the next due date for payment of any amount in respect of the Bonds, be prevented by French law from making such payment notwithstanding the undertaking to pay additional amounts as provided in Condition 7 (a "**Gross-Up Event**"), the Issuer may redeem all, but not some only, of the Bonds then outstanding at their principal amount, together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer could make payment of the full amount of interest payable in respect of the Bonds or, if such date is already past, as soon as practicable thereafter.
- Tax Deduction Event call option:** Subject to the conditions for redemption outlined below, if, as a result of any change in, or in the official interpretation or administration of, any laws or regulations of France or any other authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations becoming effective on or after the Issue Date, the tax regime applicable to any interest payment under the Bonds is modified and such modification results in the amount of the interest payable by the Issuer under the Bonds that is tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes being reduced (a "**Tax Deduction Event**"), the Issuer may redeem all, but not some only, of the Bonds then outstanding at their principal amount together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with

interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes to the same extent as it was on the Issue Date or, if such date is already past, as soon as practicable thereafter.

Capital Event call option: Subject to the conditions for redemption outlined below, upon the occurrence of a Capital Event, the Issuer may redeem all, but not some only, of the Bonds then outstanding at their principal amount, together with interest accrued to the date fixed for redemption.

A "**Capital Event**" means the determination by the Issuer, that as a result of a change in the Relevant Rules becoming effective on or after the Issue Date, which change was not reasonably foreseeable by the Issuer as at the Issue Date, it is likely that all or part of the aggregate outstanding nominal amount of the Bonds will be excluded from the Tier 2 Capital of the Group or reclassified as a lower quality form of own funds of the Group.

Conditions for redemption: The Bonds may only be redeemed or purchased (as applicable) pursuant to Conditions 5.2 to 5.4 or Condition 5.5 (*Purchases*) (subject to the second paragraph thereof), if the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable) and the other conditions required by Articles 77 and 78 of the CRR (as amended, replaced or superseded from time to time) are met, it being understood that any refusal by the Relevant Regulator to give its prior written approval shall not constitute a default for any purpose.

As at the Issue Date, the following conditions are required by Articles 77 and 78 of the CRR:

- (a) on or before such purchase or redemption of the Bonds, the Issuer replaces the Bonds with own funds instruments of an equal or higher quality on terms that are sustainable for the Issuer's income capacity; or
- (b) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its own funds and eligible liabilities would, following such purchase or redemption, exceed the requirements laid down in the CRD IV Rules and the BRRD by a margin that the Relevant Regulator considers necessary.

In the case of redemption of the Bonds before the Reset Date if:

- (i) the conditions listed in paragraphs (a) or (b) above are met; and
- (ii) in the case of redemption due to the occurrence of a Capital Event, (i) the Relevant Regulator considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the time of the issuance of the Bonds; or
- (iii) in the case of redemption due to the occurrence of a Withholding Tax Event, a Gross-up Event or a Tax Deduction Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Withholding Tax Event, Gross-up Event or Tax Deduction Event is material and was not reasonably foreseeable at the time of issuance of the Bonds, and the Issuer has delivered a certificate signed by one of its senior officers to the Agents (and copies thereof will be available at the specified office of the Agents during normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Withholding Tax Event, Gross-up Event or Tax Deduction Event has occurred or will occur no more than ninety (90) days following the date fixed for redemption, as the case may be.

Withholding tax:	All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
Governing law:	French law
Listing and trading:	Application has been made for the Bonds to be listed and admitted to trading on Euronext Paris.
Selling restrictions:	EEA, France, United Kingdom, United States, Japan, Italy, Belgium, Singapore, Australia and Hong Kong. See "Subscription and Sale" below. The Issuer is Category 1 for the purposes of Regulation S under the US Securities Act of 1933, as amended. The Bonds, as dematerialised securities, do not require compliance with the United States Tax Equity and Fiscal Responsibility Act of 1982.
Clearing systems:	The Bonds will, upon issue, be inscribed (<i>inscription en compte</i>) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in the Terms and Conditions of the Bonds) including Euroclear and the depositary bank for Clearstream.
Rating:	The Bonds are expected to be rated BB by S&P and Ba1 by Moody's. The Issuer is rated BBB (negative outlook) by S&P, Baa1 (stable outlook) by Moody's and A- (stable outlook) by R&I.
Risk factors:	Investing in the Bonds involves risks. See "Risk Factors" above.
Use of proceeds:	The Bonds, following their date of issuance, are expected to form part of the Group's Tier 2 Capital. The net proceeds of the Bonds, amounting to approximately €843,931,000, will be used by the Issuer for general corporate purposes.
ISIN:	FR0013459765
Common code:	207870889

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents (see hyperlinks in [blue](#)) which have been previously published or are published simultaneously with this Prospectus and that have been filed with the AMF for the purpose of the Prospectus Regulation:

- (a) the Issuer's [half-year financial report](#) for the period ended 30 June 2019 (the "**2019 Half-Year Financial Report**") in the English language;
- (b) the Issuer's [half-year Pillar 3 disclosure](#) for the period ended 30 June 2019 (the "**Half-Year Pillar 3 Disclosure 2019**") in the English language;
- (c) the Issuer's [2018 annual report](#) which includes the audited consolidated annual financial statements for the financial year ended 31 December 2018 and the full-year Pillar 3 disclosure for 2018 (the "**2018 Annual Report**") in the English language, dated 15 March 2019; and
- (d) the Issuer's [2017 annual report](#) which includes the audited consolidated annual financial statements for the financial year ended 31 December 2017 (the "**2017 Annual Report**") in the English language, dated 12 February 2018.

Such documents shall be incorporated in and form part of this Prospectus, save that:

- (i) in relation to paragraphs (a) to (d) above, the information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Commission Delegated Regulation (EU) 2019/980 or is covered elsewhere in this Prospectus; and
- (ii) any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

The documents incorporated by reference in this Prospectus are available on the website of the Issuer (www.rcibs.com), and (with the exception of the 2019 Half-Year Financial Report and the Half-Year Pillar 3 Disclosure 2019) are available on the website of the AMF (www.amf-france.org). This Prospectus and any supplement thereto will also be available on the website of the AMF (www.amf-france.org).

The information on the website of the Issuer does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

The following table cross-references the pages of this Prospectus to the documents incorporated by reference with the main heading required under Annex 7 of the Commission Delegated Regulation (EU) 2019/980 implementing the Prospectus Regulation.

Information Incorporated by Reference

Commission Delegated Regulation 2019/980 – Part of Annex 7		Document incorporated by reference	Pages
4.	INFORMATION ABOUT THE ISSUER		
4.1.	History and development of the Issuer		
4.1.1.	The legal and commercial name of the Issuer	Annual Report 2018	216
4.1.2.	The place of registration of the Issuer, its registration number and legal entity identifier ('LEI')		
4.1.3.	The date of incorporation and the length of life of the Issuer, except where the period is indefinite		
4.1.4.	The domicile and legal form of the Issuer, the legislation under which the Issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the Issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference in the prospectus		
5.	BUSINESS OVERVIEW		
5.1	Principal activities		
5.1.1	A brief description of the Issuer's principal activities, including: (a) the main categories of products sold and/or services performed; (b) an indication of any significant new products or activities; (c) the principal markets in which the Issuer competes.	Annual Report 2018 Half-Year Financial Report 2019 Half-Year Pillar 3 Disclosure 2019	2-11; 14-35; 209-210 6-10 4; 19-21, 25, 36
5.2	The basis for any statements made by the Issuer regarding its competitive position	Annual Report 2018	55-59
6.	ORGANISATIONAL STRUCTURE		
6.1.	If the Issuer is part of a group, a brief description of the group and the Issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure	Annual Report 2018	218-219; 224-225
6.2.	If the Issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence	Annual Report 2018	221
9.	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES		
9.1.	Names, business addresses and functions within the Issuer of the following persons and an indication of the principal activities performed by them outside of that Issuer	Annual Report 2018	70-72

	where these are significant with respect to that Issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.		
10.	MAJOR SHAREHOLDERS		
10.1.	To the extent known to the Issuer, state whether the Issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused	Annual Report 2018	218-219
11.	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
11.1.	<u>Historical Financial Information</u>		
11.1.1	Audited historical financial information covering the latest two financial years (or such shorter period as the Issuer has been in operation), and the audit report in respect of each year	Annual Report 2018 Annual Report 2017	61-64; 143-214 63-66; 143-214
11.1.4	Where the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following: (a) the balance sheet; (b) the income statement; (c) the cash flow statement;	Annual Report 2018 Annual Report 2017 Annual Report 2018 Annual Report 2017 Annual Report 2018 Annual Report 2017	148 148 149 149 151 151
	(d) the accounting policies and explanatory Bonds.	Annual Report 2018 Annual Report 2017	152-214 152-214
11.1.5	Consolidated financial statements If the Issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	Annual Report 2018 Annual Report 2017	143-214 143-214

11.1.6	Age of financial information The balance sheet date of the last year of audited financial information statements may not be older than 18 months from the date of the registration document.	Annual Report 2018	143-214
11.2	Auditing of historical annual financial information		
11.2.1	The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU and Regulation (EU) No 537/2014. Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard. (b) if audit reports on the historical financial information contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.	Annual Report 2018 Annual Report 2017	144-147 144-147
11.2.3	Where financial information in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is not audited.	Half-Year Financial Report 2019	12-51
11.3	Legal and arbitration proceedings		
11.3.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	Annual Report 2018 Half-Year Financial Report 2019	188 26

TERMS AND CONDITIONS OF THE BONDS

The terms and conditions of the Bonds will be as follows:

The issue of €850,000,000 Fixed Rate Resetable Subordinated Bonds due 18 February 2030 (ISIN: FR0013459765; Common Code: 207870889) (the "**Bonds**") of RCI Banque S.A. (the "**Issuer**") was authorised by resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer dated 1 October 2019. The Issuer has entered into an agency agreement (the "**Agency Agreement**") dated 13 November 2019 with Citibank, N.A., London Branch, as fiscal agent and calculation agent and Citibank Europe Plc, France Branch as French paying agent. The fiscal agent, the calculation agent and the French paying agent for the time being are referred to in these Conditions as the "**Fiscal Agent**", the "**Calculation Agent**" and the "**Paying Agent**" respectively, each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement or any replacement or supplementary calculation agent appointment letter, as applicable, and are collectively referred to as the "**Agents**". References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

1. **Form, Denomination and Title**

The Bonds are issued on 18 November 2019 (the "**Issue Date**") in dematerialised bearer (*au porteur*) form in the denomination of €100,000 each. Title to the Bonds will be evidenced in accordance with Article L.211-3 *et seq* and R. 211-1 *et seq.* of the French *Code monétaire et financier* by book-entries (*inscription en compte*) in the books of Account Holders. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holders**" shall mean any authorised intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank SA/NV ("**Euroclear**") and the depositary bank for Clearstream Banking, SA ("**Clearstream**").

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books.

2. **Status of the Bonds**

2.1 *Status*

The principal and interest of the Bonds constitute and will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and *pari passu* with (a) any obligations or instruments of the Issuer that constitute Tier 2 Capital and (b) any other obligations of the Issuer that rank or are expressed to rank equally with the Bonds.

2.2 *Subordination*

Subject to applicable law, in the event of the voluntary liquidation of the Issuer, bankruptcy proceedings, or any other similar proceedings affecting the Issuer, the rights of the Bondholders in respect of principal and interest to payment under the Bonds will be:

2.2.1 subordinated to the full payment of:

- (a) the present and future unsubordinated or senior preferred or senior non-preferred creditors (including depositors) of the Issuer; and
- (b) Eligible Creditors of the Issuer, if any; and

2.2.2 subject to the payment in full set out in paragraph 2.2.1 above, paid in priority to any *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and other securities of the Issuer subordinate thereto, including share capital and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"*, i.e. *engagements subordonnés de dernier rang*).

The potential impact on the investment in the event of a resolution of the Issuer is detailed in Condition 9 (*Recognition of Bail-in and Loss Absorption*).

The Bonds are issued pursuant to the provisions of Article L. 228-97 of the French *Code de commerce*.

In these Conditions:

"**BRRD**" means Directive 2014/59/EU of the Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms as published in the Official Journal of the European Union on 12 June 2014, as amended from time to time or such other directive as may come in effect in the place thereof (including by the Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC);

"**CRD IV**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as published in the Official Journal of the European Union on 27 June 2013, as amended from time to time or such other directive as may come into effect in place thereof (including by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures);

"**CRD IV Implementing Measures**" means any regulatory capital rules implementing the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Relevant Regulator, which are applicable to the Issuer and which prescribe the requirements to be fulfilled by financial instruments for inclusion in the regulatory capital of the Issuer;

"**CRD IV Rules**" means any or any combination of the CRD IV, the CRR and any CRD IV Implementing Measures;

"**CRR**" means the Regulation 2013/575 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as published in the Official Journal of the European Union on 27 June 2013, as amended from time to time or such other directive as may come into effect in place thereof (including by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012);

"**Eligible Creditors**" means present and future creditors holding subordinated claims that rank or are expressed to rank senior to present and future obligations or instruments of the Issuer that constitute Ordinarily Subordinated Obligations;

"**Group**" means the Issuer and its consolidated subsidiaries taken as a whole.

"**Ordinarily Subordinated Obligations**" means any present and future subordinated obligations or other instruments issued by the Issuer which rank, or are expressed to rank, *pari passu* among themselves and with the Bonds, and are direct, unconditional, unsecured and subordinated obligations of the Issuer but in priority to *prêts participatifs* granted to the Issuer, *titres participatifs* issued by the Issuer and other securities of the Issuer subordinate thereto, including share capital and any deeply subordinated obligations of the Issuer (*obligations dites "super subordonnées"*, i.e. *engagements subordonnés de dernier rang*);

"**Relevant Regulator**" means the European Central Bank and any successor or replacement thereto, or other authority (including, but not limited to any resolution authority) having primary

responsibility for the prudential oversight and supervision of the Issuer or the application of the Relevant Rules to the Issuer and the Group;

"**Relevant Rules**" means at any time the laws, regulations, requirements, guidelines and policies of the Relevant Regulator relating to capital adequacy applicable to the Issuer from time to time including, for the avoidance of doubt, applicable rules contained in, or implementing the CRD IV Rules and/or the BRRD; and

"**Tier 2 Capital**" has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Relevant Rules.

2.3 *Waiver of Set-off*

Subject to applicable law, no Bondholder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Bonds, including any and all rights or claims of any Bondholder for deduction, set-off, netting, compensation, retention or counterclaim, and each Bondholder shall, by virtue of its holding of any Bond, be deemed to have waived all such right of set-off, compensation or retention.

3. **Negative Pledge**

There will be no negative pledge in respect of the Bonds.

4. **Interest**

4.1 *Interest Rate and Interest Payment Dates*

The Bonds will bear interest from (and including) 18 November 2019 (the "**Issue Date**") to (but excluding) 18 February 2025 (the "**Reset Date**") at a fixed rate of 2.625 per cent. *per annum* (the "**Initial Rate of Interest**"). From (and including) the Reset Date to (but excluding) 18 February 2030 (the "**Maturity Date**"), the Bonds will bear interest at the rate *per annum* equal to the aggregate of: (i) the 5 Year Mid-Swap Rate (as defined below) and (ii) the Reset Margin (as defined below), (the "**Reset Interest Rate**" and, together with the Initial Rate of Interest, each an "**Interest Rate**"), it being specified that the Reset Interest Rate may not be lower than zero.

Interest will be payable annually in arrear on 18 February (each an "**Interest Payment Date**") in each year up to (and including) the Maturity Date, commencing on 18 February 2020 (the "**First Interest Payment Date**"). There will be a short first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the First Interest Payment Date.

4.2 *Interest accrual*

The Bonds will cease to bear interest from and including their due date for redemption unless payment of the principal in respect of the Bonds is improperly withheld or refused.

In such event, interest will continue to accrue (as well after as before judgement) until whichever is the earlier of:

- (i) the date on which all amounts due in respect of the Bonds have been paid; and
- (ii) the date after the Fiscal Agent has notified the Bondholders in accordance with Condition 11 of receipt of all sums due in respect of all the Bonds up to that day.

4.3 *Determination of the Reset Interest Rate, publication of the 5 Year Mid-Swap Rate and amount of interest*

For the purposes of calculating the Reset Interest Rate and the amount of interest payable per Bond on an annual basis during the Reset Period, the Calculation Agent will, as soon as practicable after 11.00 a.m. (Central European time) on the day falling two Business Days prior to the Reset Date (the "**Mid-Swap Rate Determination Date**"), determine the 5 Year Mid-Swap Rate.

The Calculation Agent will cause the 5 Year Mid-Swap Rate and the amount of interest payable per Bond during the Reset Period, as determined by it, to be notified to the Issuer, the Fiscal Agent, the Paying Agent and to Euronext Paris or any other successor or replacement listing authority, stock exchange or quotation system (if any) by which the Bonds have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the Reset Date. Notice thereof shall also promptly be given to the Bondholders in accordance with Condition 11.

As used in these Conditions:

"5 Year Mid-Swap Rate" means:

- (a) the mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page as of 11.00 a.m. (Central European time) on the Mid-Swap Rate Determination Date; or
- (b) if such rate does not appear on the Screen Page at such time on the Mid-Swap Rate Determination Date, the Reset Reference Bank Rate on the Mid-Swap Rate Determination Date;

"5-year Mid-Swap Rate Quotations" means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

- (a) has a term of 5 years commencing on the Reset Date;
- (b) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and
- (c) has a floating leg (calculated on an Actual/360 day count basis) based on six-month EURIBOR.

"Business Day" means a day (other than a Saturday or a Sunday or any public holiday in France) (i) on which Euroclear France, Euroclear and Clearstream are operating, (ii) which is a TARGET Business Day and (iii) on which commercial banks and foreign exchange markets are open for general business in Paris;

"Reset Margin" means 2.85 per cent.;

"Reset Period" means the period from (and including) the Reset Date to (but excluding) the Maturity Date;

"Reset Reference Bank Rate" means, with respect to the Mid-Swap Rate Determination Date, the percentage rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately 11:00 a.m. (Central European time) on the Mid-Swap Rate Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided and subject to the occurrence of a Benchmark Event (in which case Condition 4.6 shall apply), the Reset Reference Bank Rate will be the last observable mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page, as determined by the Calculation Agent;

"Reset Reference Banks" means six leading swap dealers in the interbank market selected by the Issuer in consultation with the Calculation Agent; and

"Screen Page" means Reuters screen 'ICESWAP2/EURSFIXA' or any such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant 5 year Mid-Swap Rate.

4.4 *Notifications etc.*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent, the Paying Agent and the Bondholders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

4.5 *Calculation of interest amounts and any broken amounts*

The amount of interest payable per Bond in respect of each Bond for any period (an "**Accrual Period**", being the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due) shall be calculated by the Calculation Agent by:

- (i) applying the applicable Interest Rate to the Bond;
- (ii) multiplying the product thereof by (A) the actual number of days in the Accrual Period divided by (B) the actual number of days in the Interest Period in which the relevant Accrual Period falls; and
- (iii) rounding the resulting figure to the nearest cent (half a cent being rounded upwards) on any amount due and payable.

Where "**Interest Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

4.6 *Benchmark replacement*

References in this Condition 4.6 (and in the definitions of Adjustment Spread, Alternative Reference Rate, Benchmark Event, Relevant Nominating Body and Successor Rate) to the 5 Year Mid-Swap Rate shall be to the rate described in paragraph (a) of such definition in Condition 4.3 above.

If the Issuer (in consultation with the Calculation Agent) determines at any time prior to the Mid-Swap Rate Determination Date that a Benchmark Event has occurred in relation to the 5 Year Mid-Swap Rate, then for the purposes of determining the Reset Rate (or the relevant component part thereof) applicable to the Bonds, the following provisions shall apply to the Bonds:

4.6.1 Appointment of an Independent Adviser

The Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint at its own expense an independent adviser (the "**Independent Adviser**") to determine (A) a Successor Rate or, failing which, an Alternative Reference Rate, and (B) in either case, an Adjustment Spread (following consultation with the Issuer).

The Independent Adviser may be a leading bank, broker-dealer or financial advisory firm as appointed by the Issuer, provided that such entity is not an affiliate of the Issuer.

4.6.2 No Independent Adviser or failure of determination by the Independent Adviser

If, at the close of business on the day before the IA Determination Cut-Off Date (as defined below), the Issuer:

- (i) is unable to appoint an Independent Adviser; or
- (ii) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Reference Rate,

then the Issuer (following consultation with the Independent Adviser in the case of Condition 4.6.2(ii)) may determine a Successor Rate or, failing which an Alternative Reference Rate.

4.6.3 Replacement of the 5 Year Mid-Swap Rate

If a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with Condition 4.6.1 or 4.6.2 above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the 5 Year Mid-Swap Rate for the purposes of the calculation of the Reset Rate on the Mid-Swap Rate Determination Date (subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.6). If a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is not determined in accordance with Condition 4.6.1 or 4.6.2 above, the 5 Year Mid-Swap Rate shall be the last 5 Year Mid-Swap Rate observable on the Screen Page.

4.6.4 Adjustment Spread

If the Independent Adviser (following consultation with the Issuer) determines that an Adjustment Spread is required to be applied to the successfully determined Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (following consultation with the Issuer) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread.

4.6.5 Benchmark Amendments

If the Independent Adviser or, as the case may be, the Issuer (if an Independent Adviser has been appointed, following consultation with such Independent Adviser) determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and/or the Independent Adviser (following consultation with the Issuer) determines an Adjustment Spread in accordance with the above provisions, the Independent Adviser (following consultation with the Issuer) may, acting in good faith and in a commercially reasonable manner, also determine the changes required to the business day convention, the definition of Business Day, the Mid-Swap Reference Rate, the day count basis and any method for obtaining the Successor Rate or the Alternative Reference Rate (as applicable), including any adjustment needed to make such Successor Rate or Alternative Reference Rate comparable to the 5 Year Mid-Swap Rate, including, where applicable, to reflect any increased costs of the Issuer providing such exposure to the Successor Rate or Alternative Reference Rate (the "**Benchmark Amendments**").

4.6.6 Notice to the Bondholders

The Issuer shall promptly, following the successful determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable), give notice thereof to the Bondholders in accordance with Condition 11 and the Agents. Such notice shall specify the effective date for such Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any required Benchmark Amendment. For the avoidance of doubt, such notice must be made before the Mid-Swap Rate Determination Date (failing which, the last 5 Year Mid-Swap Rate observable on the Screen Page will apply). No consent or approval shall be required from the Bondholders in connection with the determination of a Successor Rate or Alternative Reference Rate, the calculation of any Adjustment Spread, any required Benchmark Amendment, or any other steps to be taken by the Issuer or the Agents (if required or useful).

4.6.7 Compliance with Relevant Rules

The determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable) and any Benchmark Amendment in accordance with Conditions 4.6.1 to 4.6.5 above shall only be made to the extent that it can be done in compliance with Relevant Rules.

4.6.8 Regulatory Capital

If:

- (x) the Issuer (in consultation with its professional advisers and, if necessary, the Relevant Regulator) determines that the replacement of the 5 Year Mid-Swap Rate or any required Benchmark Amendment would result in the Relevant Regulator treating the Reset Date as the effective maturity date of the Bonds, rather than the Maturity Date (if, for example,

the switch to the Successor Rate or Alternative Reference Rate (as applicable) would create an incentive to redeem the relevant Bonds that would be inconsistent with the relevant requirements necessary to maintain the regulatory status of the Bonds); or

- (y) the Issuer (in consultation with its professional advisers and, if necessary, the Relevant Regulator) determines that the replacement of the 5 Year Mid-Swap Rate or any required Benchmark Amendment would result in all or part of the aggregate nominal amount of the Bonds being excluded from the Tier 2 Capital of the Group or reclassified as a lower quality form of own funds of the Group,

then the Issuer shall decide that no Successor Rate and no Alternative Reference Rate (and therefore no Adjustment Spread) will be adopted and the 5 Year Mid-Swap Rate for the Reset Period in such case will be the last 5 Year Mid-Swap Rate observable on the Screen Page.

4.6.9 Definitions

For the purposes of this Condition 4.6:

"Adjustment Spread" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (following consultation with the Issuer) acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the Bondholders as a result of the replacement of the 5 Year Mid-Swap Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the 5 Year Mid-Swap Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (following consultation with the Issuer) acting in good faith and in a commercially reasonable manner, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the 5 Year Mid-Swap Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser (following consultation with the Issuer), in each case in its discretion and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

"Alternative Reference Rate" means the rate that the Independent Adviser or, as the case may be, the Issuer (following consultation with the Independent Adviser in the case of 4.6.2(ii) above), in each case acting in good faith and in a commercially reasonable manner, determines (taking into account any relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets) has replaced the 5 Year Mid-Swap Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in euro and of a five year duration, or, if the Independent Adviser or, as the case may be, the Issuer determines (following consultation with the Independent Adviser in the case of 4.6.2(ii) above) that there is no such rate, such other rate as the Independent Adviser or, as the case may be, the Issuer (following consultation with the Independent Adviser in the case of 4.6.2(ii) above) determines in its discretion is most comparable to the 5 year Mid Swap Rate;

"Benchmark Event" means:

- (i) the 5 Year Mid-Swap Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

- (ii) a public statement by the administrator of the 5 Year Mid-Swap Rate stating that it will, by a specified date on or prior to the Mid-Swap Rate Determination Date, cease to publish the 5 Year Mid-Swap Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the 5 Year Mid-Swap Rate); or
- (iii) a public statement by the supervisor of the administrator of the 5 Year Mid-Swap Rate stating that the 5 Year Mid-Swap Rate has been or will be, by a specified date on or prior to the Mid-Swap Rate Determination Date, permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the 5 Year Mid-Swap Rate stating that the 5 Year Mid-Swap Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case by a specified date on or prior to the Mid-Swap Rate Determination Date;
- (v) a public statement by the supervisor of the administrator of the 5 Year Mid-Swap Rate that, in the view of such supervisor, such rate is no longer representative of an underlying market or the methodology to calculate such rate has materially changed; or
- (vi) it has, or will on or prior to the Mid-Swap Rate Determination Date, become unlawful for the Calculation Agent, as the case may be, to calculate any payments due to be made to the Bondholders using the 5 Year Mid-Swap Rate;

"IA Determination Cut-Off Date" means no later than five Business Days prior to the Mid-Swap Rate Determination Date;

"Relevant Nominating Body" means, in respect of the 5 Year Mid-Swap Rate:

- (i) the central bank for euro, or any central bank or other supervisory authority which is responsible for supervising the administrator of the 5 Year Mid-Swap Rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for euro, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the 5 Year Mid-Swap Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof; and

"Successor Rate" means the rate that the Independent Adviser or, as the case may be, the Issuer (following consultation with the Independent Adviser in the case of 4.6.2(ii) above), in each case acting in good faith and in a commercially reasonable manner, determines is a successor to, or replacement of, the 5 year Mid-Swap Rate which is formally recommended by any Relevant Nominating Body.

5. **Redemption and Purchase**

The Bonds may not be redeemed otherwise than in accordance with this Condition 5.

5.1 *Final Redemption*

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed by the Issuer at their principal amount, together with accrued and unpaid interest, on the Maturity Date.

5.2 *Redemption at the Option of the Issuer*

Subject to Condition 5.6, the Issuer may, on the Reset Date, upon giving no less than fifteen (15) nor more than forty-five (45) calendar days' notice to the Agents and the Bondholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date for redemption), redeem all (but not some only) of the Bonds at their principal amount together with accrued and unpaid interest to, but excluding the date of redemption.

5.3 *Redemption for Taxation Reasons*

- 5.3.1 If the Issuer would, as a result of any change in, or in the official interpretation or administration of, any laws or regulations of France or any other authority thereof or therein be required to pay additional amounts as provided in Condition 7 (a "**Withholding Tax Event**"), the Issuer may, at any time but subject to Condition 5.6, upon giving no less than fifteen (15) nor more than forty-five (45) calendar days' notice to the Agents and the Bondholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date for redemption), redeem all, but not some only, of the Bonds then outstanding at their principal amount, together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer could make payment without withholding for such taxes or, if such date is already past, as soon as practicable thereafter.
- 5.3.2 If the Issuer would, on the next due date for payment of any amount in respect of the Bonds, be prevented by French law from making such payment notwithstanding the undertaking to pay additional amounts as provided in Condition 7 (a "**Gross-Up Event**"), the Issuer may, at any time but subject to Condition 5.6, upon giving no less than no less fifteen (15) nor more than forty-five (45) calendar days' notice to the Bondholders (in accordance with Condition 11) which notice shall be irrevocable and shall specify the date for redemption, redeem all, but not some only, of the Bonds then outstanding at their principal amount, together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date upon which the Issuer could make payment of the full amount of interest payable in respect of the Bonds or, if such date is already past, as soon as practicable thereafter.
- 5.3.3 If, as a result of any change in, or in the official interpretation or administration of, any laws or regulations of France or any other authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations becoming effective on or after the Issue Date, the tax regime applicable to any interest payment under the Bonds is modified and such modification results in the amount of the interest payable by the Issuer under the Bonds that is tax-deductible by the Issuer for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes being reduced (a "**Tax Deduction Event**"), the Issuer may, at any time but subject to Condition 5.6 below, upon giving no less than fifteen (15) nor more than forty-five (45) calendar days' notice to the Bondholders (in accordance with Condition 11) which notice shall be irrevocable and shall specify the date for redemption, redeem all, but not some only, of the Bonds then outstanding at their principal amount together with interest accrued to the date fixed for redemption, provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make such payment with interest payable being tax deductible for French corporate income tax (*impôts sur les bénéfices des sociétés*) purposes to the same extent as it was on the Issue Date or, if such date is already past, as soon as practicable thereafter.

5.4 *Redemption following a Capital Event*

Subject to Condition 5.6, upon the occurrence of a Capital Event, the Issuer may, at any time but subject to Condition 5.6, upon giving no less than no less than fifteen (15) nor more than forty-five (45) calendar days' notice to the Agents and the Bondholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date for redemption), redeem all, but not some only, of the Bonds then outstanding at their principal amount, together with interest accrued to the date fixed for redemption.

A "**Capital Event**" means the determination by the Issuer, that as a result of a change in the Relevant Rules becoming effective on or after the Issue Date, which change was not reasonably foreseeable by the Issuer as at the Issue Date, it is likely that all or part of the aggregate outstanding nominal amount of the Bonds will be excluded from the Tier 2 Capital of the Group or reclassified as a lower quality form of own funds of the Group.

5.5 *Purchases*

Subject to Condition 5.6 below, the Issuer may at any time purchase Bonds together with rights to interest relating thereto in the open market or otherwise at any price, subject to the applicable laws and/or regulations. Bonds so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Bonds.

Notwithstanding the above, the Issuer or any agent on its behalf shall have the right at all times to purchase the Bonds for market making purposes provided that: (a) the general prior permission of the Relevant Regulator shall be obtained; and (b) the total principal amount of the Bonds so purchased does not exceed the lower of (i) ten (10) per cent. of the initial aggregate principal amount of the Bonds and any further bonds issued under Condition 11 and (ii) three (3) per cent. of the Tier 2 Capital of the Issuer from time to time outstanding.

The Bonds so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations or cancelled.

5.6 *Conditions to Redemption and Purchase*

The Bonds may only be redeemed or purchased (as applicable) pursuant to Conditions 5.2 to 5.4 or Condition 5.5 (*Purchases*) (subject to the second paragraph thereof) if the Relevant Regulator has given its prior written approval to such redemption or purchase (as applicable) and the other conditions required by Articles 77 and 78 of the CRR (as amended, replaced or superseded from time to time) are met, it being understood that any refusal by the Relevant Regulator to give its prior written approval shall not constitute a default for any purpose.

As at the Issue Date, the following conditions are required by Articles 77 and 78 of the CRR:

- (a) on or before such purchase or redemption of the Bonds, the Issuer replaces the Bonds with own funds instruments of an equal or higher quality on terms that are sustainable for the Issuer's income capacity; or
- (b) the Issuer has demonstrated to the satisfaction of the Relevant Regulator that its own funds and eligible liabilities would, following such purchase or redemption exceed the requirements laid down in the CRD IV Rules and the BRRD by a margin that the Relevant Regulator considers necessary,

in the case of redemption of the Bonds before the Reset Date if:

- (i) the conditions listed in paragraphs (a) or (b) above are met; and
- (ii) in the case of redemption due to the occurrence of a Capital Event, (i) the Relevant Regulator considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Relevant Regulator that the Capital Event was not reasonably foreseeable at the time of the issuance of the Bonds; or
- (iii) in the case of redemption due to the occurrence of a Withholding Tax Event, a Gross-up Event or a Tax Deduction Event, the Issuer demonstrates to the satisfaction of the Relevant Regulator that such Withholding Tax Event, Gross-up Event or Tax Deduction Event is material and was not reasonably foreseeable at the time of issuance of the Bonds, and the Issuer has delivered a certificate signed by one of its senior officers to the Agents (and copies thereof will be available at the specified office of the Agents during normal business hours) not less than five (5) calendar days prior to the date set for redemption that such Withholding Tax Event, Gross-up Event or Tax Deduction Event has occurred or will occur no more than ninety (90) days following the date fixed for redemption, as the case may be.

"**Tier 1 Capital**" has the meaning given to it (or, if no longer used, any equivalent or successor term) in the Relevant Rules.

5.7 *Cancellation*

All Bonds which are redeemed or purchased pursuant to paragraphs 5.2 to 5.5 (subject to the applicable laws and/or regulations in respect of Condition 5.6) will forthwith be cancelled and accordingly may not be reissued or sold.

6. **Payments**

6.1 *Method of Payment*

Payments of principal and interest in respect of the Bonds will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System.

"**TARGET System**" means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Such payments shall be made for the benefit of the Bondholders to the Account Holders and all payments validly made to such Account Holders in favour of the Bondholders will be an effective discharge of the Issuer and the Paying Agent, as the case may be, in respect of such payments.

Payments of principal and interest on the Bonds will, in all cases, but without prejudice to the provisions of Condition 7, be subject to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and, as the case may be, (ii) any withholding or deduction imposed or required pursuant to an agreement described in section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, (the "**Code**") or otherwise imposed pursuant to sections 1471 through 1474 of the Code (or any regulations or agreements thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (any such withholding or deduction, a "**FATCA Withholding**").

6.2 *Payments on Business Days*

If any due date for payment of principal or interest in respect of any Bond is not a Business Day (as defined above), then the holder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the holder shall not be entitled to any interest or other sums in respect of such postponed payment.

No commission or expenses shall be charged to the Bondholders in respect of such payments.

6.3 *Agents*

The names of the initial Agents and their specified offices are:

Fiscal Agent and Calculation Agent

Citibank, N.A., London Branch

Citigroup Centre

Canada Square, Canary Wharf

London E14 5LB

United Kingdom

Paying Agent

Citibank Europe Plc, France Branch

Etoile Saint-Honoré

21-25 rue Balzac

75406 Paris Cedex 08

France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Paying Agent or the Calculation Agent and/or appoint additional or other paying agents or approve any change in the office through which any such Agent acts, provided that there will at all times

be a Fiscal Agent and a Paying Agent having a specified office in a European city. Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty-five (45) nor less than thirty (30) calendar days' notice thereof shall have been given to the Bondholders by the Issuer in accordance with Condition 11.

7. **Taxation**

7.1 *Withholding Tax*

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes or duties of whatever nature imposed, levied or collected by or on behalf of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

7.2 *Additional Amounts*

If, pursuant to French law, payments of principal, interest or other revenues in respect of any Bond become subject to withholding or deduction in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Bond, after such withholding or deduction, will receive the full amount then due and payable thereon in the absence of such withholding; provided, however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond to, or to a third party on behalf of a Bondholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with France other than the mere holding of such Bond.

Any references to these Conditions to principal, interest and other revenues shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 7.

Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

8. **Enforcement**

There will be no events of default (whether a cross default or otherwise) in relation to the Bonds.

However, each Bond shall immediately become, due and repayable at its principal amount together with interest accrued to the date of repayment, if any, in the event that an order is made or an effective resolution is passed for the liquidation (*liquidation judiciaire* or *liquidation amiable*) of the Issuer.

9. **Recognition of Bail-in and Loss Absorption**

9.1 *Acknowledgement*

By its acquisition of the Bonds, each Bondholder (which, for the purposes of this Condition 9, includes any current or future holder of a beneficial interest in the Bonds) acknowledges, accepts, consents and agrees:

9.1.1 to be bound by the effect of the exercise of the Bail-in or Loss Absorption Power (as defined below) by the Relevant Resolution Authority (as defined below), which may include and result in any of the following, or some combination thereof:

- (a) the reduction of all, or a portion, of the Amounts Due (as defined below);
- (b) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Bondholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Bonds, in which case the Bondholder agrees to accept in lieu

of its rights under the Bonds any such shares, other securities or other obligations of the Issuer or another person;

- (c) the cancellation of the Bonds; and/or
- (d) the amendment or alteration of the maturity of the Bonds or amendment of the amount of interest payable on the Bonds, or the date on which the interest becomes payable, including by suspending payment for a temporary period;

9.1.2 that the terms of the Bonds are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority.

For these purposes, the "**Amounts Due**" are the amounts payable and any accrued and unpaid interest on a Bond that has not been previously cancelled or otherwise is no longer due.

9.2 *Bail-in or Loss Absorption Power*

For these purposes, the "Bail-in or Loss Absorption Power" is:

- (i) any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of the BRRD, including without limitation pursuant to French decree-law No. 2015-1024 dated 20 August 2015 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (as amended from time to time, the "**20 August 2015 Decree Law**") ratified by the Law No. 2016-1691 of 9 December 2016;
- (ii) any power arising from Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (as amended from time to time, the "**Single Resolution Mechanism Regulation**"); or
- (iii) any power otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other person, whether in connection with the implementation of a bail-in tool following placement in resolution or otherwise.

A reference to a "**Regulated Entity**" is to any entity referred to in Section I of Article L.613- 34 of the French *Code monétaire et financier*, as amended, which includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France.

A reference to the "**Relevant Resolution Authority**" is to the *Autorité de contrôle prudentiel et de résolution*, the Single Resolution Board established pursuant to the Single Resolution Mechanism Regulation, and/or any other authority entitled to exercise or participate in the exercise of any Bail-in or Loss Absorption Power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism Regulation).

9.3 *Payment of Interest and Other Outstanding Amounts Due*

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of its group.

9.4 *No Event of Default*

Neither a cancellation of the Bonds, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Bonds will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Bondholder to any remedies which are hereby expressly waived.

9.5 *Notice to Bondholders*

Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority with respect to the Bonds, the Issuer will give notice to the Bondholders in accordance with Condition 11 as soon as practicable regarding such exercise of the Bail-in or Loss Absorption Power. The Issuer will also deliver a copy of such notice to the Paying Agent for information purposes, although the Paying Agent shall not be required to send such notice to Bondholders. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in or Loss Absorption Power nor the effects on the Bonds described in Condition 9.1 above.

9.6 *Duties of the Paying Agent*

Upon the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority, the Issuer and each Bondholder (including each holder of a beneficial interest in the Bonds) hereby agree that (a) the Paying Agent shall not be required to take any directions from Bondholders, and (b) the Agency Agreement shall impose no duties upon the Paying Agent whatsoever, in each case with respect to the exercise of any Bail-in or Loss Absorption Power by the Relevant Resolution Authority.

Notwithstanding the foregoing, if, following the completion of the exercise of the Bail-In Power by the Relevant Resolution Authority, any Bonds remain outstanding (for example, if the exercise of the Bail-In Power results in only a partial write-down of the principal of the Bonds), then the Paying Agent's duties under the Agency Agreement shall remain applicable with respect to the Bonds following such completion to the extent that the Issuer and the Paying Agent shall agree pursuant to an amendment to the Agency Agreement.

9.7 *Pro-rating*

If the Relevant Resolution Authority exercises the Bail-in or Loss Absorption Power with respect to less than the total Amounts Due, unless the Paying Agent is otherwise instructed by the Issuer or the Relevant Resolution Authority, any cancellation, write-off or conversion made in respect of the Bonds pursuant to the Bail-in or Loss Absorption Power will be made on a pro-rata basis.

9.8 *Conditions Exhaustive*

The matters set forth in this Condition 9 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and any holder of a Bond.

10. **Representation of the Bondholders**

The Bondholders will be grouped automatically for the defence of their common interests in a masse (the "**Masse**") which will be governed by the provisions of Articles L.228-46 *et seq.* of the French *Code de commerce* as amended by this Condition 10.

10.1 *Legal Personality of the Masse*

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through collective decisions of the Bondholders (the "**Collective Decisions**").

10.2 *Representative*

The following person is designated as Representative of the Masse:

MASSQUOTE S.A.S.U.
RCS 529 065 880 Nanterre
7bis rue de Neuilly
F-92110 Clichy

Mailing address:
33, rue Anna Jacquin
92100 Boulogne Billancourt
France
E-mail: massquote@gmail.com

The Issuer shall pay to the Representative of the Masse an amount equal to €450 (excluding VAT) *per annum* in relation to the Bonds.

In the event of death, liquidation, retirement, resignation or revocation of appointment of the Representative, another Representative may be appointed by a Collective Decision. Collective Decisions in relation to the appointment or replacement of the Representative shall be published in accordance with Condition 10.6.

10.3 *Powers of the Representatives*

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management necessary in order to defend the common interests of the Bondholders, with the capacity to delegate its powers.

All legal proceedings against the Bondholders or initiated by them, must be brought by or against the Representative.

10.4 *Collective Decisions*

Collective Decisions are adopted either (i) in a general meeting (the "**General Meeting**"), or (ii) by unanimous consent of the Bondholders following a written consultation (the "**Written Unanimous Decision**"), or (iii) by the consent of one or more Bondholders holding together at least 75 per cent. of the principal amount of the Bonds outstanding, following a written consultation (the "**Written Majority Decision**", and together with the Written Unanimous Decision, the "**Written Decisions**").

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Bondholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) of the name of such Bondholder as of 0:00 Paris time, on the second (2nd) business day in Paris preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 10.6.

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Bonds.

10.4.1 *General Meetings*

A General Meeting may be called at any time, either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth (1/30) of the principal amount of Bonds outstanding, may address to the Issuer and the Representative a demand for a General Meeting to be called. If such General Meeting has not been called within two (2) months after such demand, the Bondholders may commission one of them to petition the competent court to appoint an agent (*mandataire*) who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if the Bondholders present or represented hold at least one-fifth (1/5) of the principal amount of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions of the General Meetings shall be taken by a two-third (2/3) majority of votes cast by the Bondholders attending such meeting or represented thereat.

Notice of the date, time, place and agenda of any General Meeting will be published in accordance with Condition 10.6 not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and not less than five (5) calendar days prior to the date of the General Meeting on second convocation.

Each Bondholder has the right to participate in a General Meeting in person, by proxy or by correspondence. Each Bonds carries right to one vote.

Each Bondholder or representative thereof will have the right to consult or make a copy of the text of the resolutions which will be proposed and of the reports, if any, which will be presented at the General Meeting, all of which will be available for inspection by the relevant Bondholders at the registered office of the Issuer and at any other place specified in the notice of the General Meeting, during the fifteen (15) calendar day period preceding the holding of the General Meeting on first convocation, or during the five (5) calendar day period preceding the holding of the General Meeting on second convocation.

The General Meeting is chaired by the Representative. In the event of the absence of a representative at the start of a General Meeting and if no Bondholder is present or represented at the General Meeting, the Issuer may, notwithstanding the provisions of Article L.228-64 of the French *Code de commerce*, designate a provisional chairman until a new Representative has been appointed.

10.4.2 Written Decisions

At the initiative of the Issuer, Collective Decisions may also be taken by Written Unanimous Decisions or Written Majority Decisions.

(a) Written Unanimous Decision

Written Unanimous Decisions shall be signed by or on behalf of all the Bondholders. Approval of a Written Unanimous Decision may also be given by way of electronic communication allowing the identification of Bondholders in accordance with Article L.228-46-1 of the French *Code de commerce* ("**Electronic Consent**"). Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Bondholders. Such Written Unanimous Decision may be contained in one document, or in several documents in like form each signed by or on behalf of one or more of such Bondholders, and shall be published in accordance with Condition 10.6.

(b) Written Majority Decision

Notices seeking the approval of a Written Majority Decision will be published as provided under Condition 10.6 no less than 15 calendar days prior to the date set for the passing of such Written Majority Decision (the "**Written Majority Decision Date**"). Notices seeking the approval of a Written Majority Decision will contain the conditions of form and time limits to be complied with by the Bondholders who wish to express their approval or rejection of such proposed Written Majority Decision. Bondholders expressing their approval or rejection before the Written Majority Decision Date will undertake not to dispose of their Bonds until after the Written Majority Decision Date.

Written Majority Decisions shall be signed by one or more Bondholders holding together at least 75 per cent. of the principal amount of the Bonds outstanding. Approval of a Written Majority Decision may also be given by Electronic Consent. Any Written Majority Decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of the Bondholders. Such Written Majority Decisions may be contained in one document, or in several documents in like form each signed by or on one behalf of one or more of the Bondholders, and shall be published in accordance with Condition 10.6.

10.5 *Expenses*

The Issuer shall pay all expenses relating to the operations of the Masse, including all expenses relating to the calling and holding of Collective Decisions and, more generally, all administrative expenses resolved upon by Collective Decisions, it being expressly stipulated that no expenses may be imputed against interest payable under the Bonds.

10.6 *Notices to Bondholders for the purposes of this Condition 10.6*

Any notice to be given to Bondholders in accordance with this Condition 10.6 shall be published on the website of the Issuer (www.rcibs.com) and given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Bonds are for the time being cleared.

Any decision to proceed with a transaction, notwithstanding the failure to obtain Bondholders' approval, as contemplated by Article L.228-72 of the French *Code de commerce* will be notified to Bondholders in accordance with this Condition 10.6. Any Bondholder will then have the right to request redemption of its Bonds at par within thirty (30) calendar days of the date of notification, in which case the Issuer shall redeem such Bondholder within thirty (30) calendar days of the Bondholder's request for redemption.

If a merger or a spin-off is contemplated by the Issuer, the Issuer will have the option to submit the proposal for approval by a Collective Decision of the Masse or to offer redemption at par to Bondholders pursuant to Article L. 228-73 of the French *Code de commerce*. Such redemption offer shall be notified to Bondholders in accordance with this Condition 10.6. If the Masse does not approve the merger or spin-off proposal, any decision to proceed with the transaction will be notified to Bondholders in accordance with this Condition 10.6.

For the avoidance of doubt, in this Condition 10 (*Representation of Bondholders*), the term "outstanding" shall not include those Bonds that are held by the Issuer and not cancelled.

11. **Notices**

Any notice to the Bondholders will be valid if delivered to the Bondholders through Euroclear France, Euroclear or Clearstream, for so long as the Bonds are cleared through such clearing systems and published on the website of the Issuer (www.rcibs.com). Any such notice shall be deemed to have been given on the date of delivery of such notice to Euroclear France, Euroclear or Clearstream or, if delivered more than once or on different dates, on the first date of which such delivery is made, and if later, on the date of such publication on the website of the Issuer.

12. **Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall be prescribed and become void unless made within ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

13. **Further Issues**

Subject to the prior information of the Relevant Regulator, the Issuer may, from time to time without the consent of the Bondholders, issue further Bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such further Bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further Bonds shall provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated Bonds will, for the defence of their common interests, be grouped in a single *Masse* having legal personality.

14. **Governing Law and Jurisdiction**

The Bonds are governed by, and construed in accordance with, the laws of France.

The competent courts within the jurisdiction of the Court of Appeal of Paris have exclusive jurisdiction to settle any dispute arising out of or in connection with the Bonds.

USE OF PROCEEDS

The Bonds, following their date of issuance, are expected to form part of the Group's Tier 2 Capital. The net proceeds of the Bonds, amounting to approximately €843,931,000, will be used by the Issuer for general corporate purposes.

RECENT DEVELOPMENTS

On 25 September 2019, the Issuer issued €600,000,000 0.25% senior preferred notes due 8 March 2023 under its EMTN programme. The estimated net proceeds of the issuance were €596,592,000 and will be used for general corporate purposes.

On 9 October 2019, Renault announced the creation of RENAULT M.A.I. (Mobility as an Industry) to accelerate its development in new mobility services and build strategic partnerships. RCI Banque, which was previously involved in the development of the Group's new mobility services, intends to transfer ownership of related activities accordingly.

On 15 October 2019, the Issuer published the following press release:

"RCI Banque discloses binding MREL⁽¹⁾ requirement

RCI Banque has received the draft notification from the Single Resolution Board (SRB) of its binding minimum requirement for own funds and eligible liabilities (MREL). The requirement is in line with our expectations and RCI Banque made the decision not to exercise its « right to be heard ».

This MREL requirement has been set at 7.35% of the total liabilities and own funds (TLOF). This is equivalent to 12.27% of RCI Banque's risk weighted assets (RWA) and has been calibrated based on 2017 Overall Capital Requirement.

As of today, RCI Banque already complies with this MREL requirement. Future requirements will be subject to ongoing review.

⁽¹⁾ MREL: Minimum Requirement for own funds and Eligible Liabilities. The Bank Recovery and Resolution Directive (BRRD) requires European banks to maintain a minimum amount of Own Funds and Eligible Liabilities that could absorb losses and allow them to restore their capital position, allowing banks to continuously perform their critical economic functions during and after a crisis. MREL represents one of the key tools in enhancing banks' resolvability. The purpose of this buffer of own funds and eligible liabilities is to avoid banking authorities having to resort to public funds. The MREL is set by the Single Resolution Board (SRB) on a per institution basis. The MREL requirement for RCI Banque is defined at a consolidated level."

On 28 October 2019, S&P reaffirmed its rating of the Issuer as BBB (negative outlook).

SUBSCRIPTION AND SALE

Subscription Agreement

Citigroup Global Markets Europe AG (the "**Sole Global Coordinator and Structuring Advisor**") and BNP Paribas, Citigroup Global Markets Europe AG, Natixis and UniCredit Bank AG (the "**Joint Bookrunners**") and together with the Sole Global Coordinator and Structuring Advisor, the "**Managers**") have, pursuant to a Subscription Agreement dated 13 November 2019 (the "**Subscription Agreement**"), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Bonds at an issue price equal to 99.736 per cent. of the principal amount of the Bonds, less any applicable commission. The Issuer will pay certain costs incurred by it and the Managers in connection with the issue of the Bonds.

The Managers are entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Bonds. The Issuer has agreed to indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds.

General Restrictions

Each Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Bonds or have in its possession or distribute this Prospectus or any other offering material relating to the Bonds. No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Bonds, or the possession or distribution of this Prospectus or any other offering material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Bonds may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

Prohibition of Sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available the Bonds to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or both) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II and/or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

France

Each Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds in France other than to qualified investors as defined in Article L. 411-2 1° of the French *Code monétaire et financier* and in Article 2(e) of the Prospectus Regulation, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France, other than to qualified investors as described above, the Prospectus or any other offering material relating to the Bonds.

United Kingdom

Each Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the "FSMA")) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

United States

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. The Bonds may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each of the Managers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds within the United States. The Bonds are being offered and sold outside the United States only in offshore transactions as defined in, and in reliance on, Regulation S and in accordance with applicable law.

In addition, until 40 days after commencement of the offering, an offer or sale of Bonds within the United States by a dealer whether or not participating in the offering may violate the registration requirements of the Securities Act.

Japan

Each Manager has acknowledged that the Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "Financial Instruments and Exchange Act") and has agreed that it will not offer or sell any Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

Republic of Italy

The offering of the Bonds has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Manager has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Bonds or any copy of this Prospectus or any other offer document in the Republic of Italy ("**Italy**") except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998, as amended from time to time (the "**Financial Services Act**") and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 20307 of 15 February 2018, as amended ("**Regulation No. 20307**"), pursuant to Article 34-ter, paragraph 1, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"); or
- (ii) in other circumstances which are exempt from the rules on public offerings pursuant to Article 100 of the Financial Services Act and its implementing CONSOB regulations including Regulation No. 11971.

Any offer, sale or delivery of the Bonds or distribution of copies of this Prospectus or any other document relating to the Bonds in Italy under (i) or (ii) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the relevant provisions of the Italian Financial Services Act, Regulation No. 20307, Legislative Decree No. 385 of 1 September 1993 as amended (the "**Banking Act**") and any applicable laws or regulation;
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy; and

- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian authority.

Belgium

No Bonds shall be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

The offering may not be advertised and each of the Managers has represented and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Bonds and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Bonds, directly or indirectly, to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time.

Singapore

Each Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309B(1)(c) of the SFA— In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Bonds, the Issuer has determined the classification of the Bonds as prescribed capital markets products (as defined in the CMP Regulations 2018).

Australia

Each Manager has acknowledged that:

- (a) no "prospectus" or other "disclosure document" (each as defined in the Corporations Act) in relation to the Bonds has been or will be lodged with ASIC (as defined below) or any other government agency or authority; and
- (b) no action has been taken, or will be taken, by it in any jurisdiction which would permit a public offering of the Bonds, or possession or distribution of the Prospectus or any other offering material in relation to Bonds, in Australia.

Each Manager has represented and agreed that it:

- (i) has not made or invited, and will not make or invite, an offer of the Bonds for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (ii) has not distributed or published, and will not distribute or publish, the Prospectus, any prospectus, information memorandum or other offering material or advertisement relating to any Bonds in Australia,

unless (A) the aggregate amount payable on acceptance of the offer or invited by each offeree or invitee for the Bonds is a minimum amount (disregarding amounts, if any, lent by the person offering the Bonds or its associates (as defined in the Corporations Act)) of A\$500,000 (or its equivalent in another currency), or (B) the offer or invitation is otherwise an offer or invitation for which no disclosure is required to be made under Part 6D.2 or Chapter 7 of the Corporations Act, (ii) the offer or invitation does not constitute an offer to a "retail client" for the purposes of Section 761G of the Corporations Act, (iii) the offer, invitation or distribution complies with all applicable laws and regulations relating to the offer, sale and resale of the Bonds in the jurisdiction in which such offer, sale and resale occurs, and (iv) such action does not require any document to be lodged with the Australian Securities and Investments Commission ("**ASIC**").

Hong Kong

Each Manager has represented, warranted and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and in compliance with any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMPO)**") or which do not constitute an offer to the public within the meaning of the C(WUMPO); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors", as defined in the SFO and any rules made under the SFO.

GENERAL INFORMATION

1. The Legal Entity Identifier (LEI) of the Issuer is: 96950001W1712W7PQG45.
2. This Prospectus has been approved by the AMF in its capacity as competent authority under the Prospectus Regulation. The AMF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the quality of the Bonds and investors should make their own assessment as to the suitability of investing in the Bonds.
3. This Prospectus will be valid until the earlier of (i) the date of admission of the Bonds to trading on Euronext Paris or (ii) 12 months after its approval by the AMF, provided that it is completed by any supplement, pursuant to Article 23 of the Prospectus Regulation, following the occurrence of a significant new factor, a material mistake or a material inaccuracy relating to the information included (including incorporated by reference) in this Prospectus which may affect the assessment of the Bonds. After such date, this Prospectus will no longer be valid and the obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will no longer apply.
4. The Bonds have been accepted for clearance through Euroclear France, Clearstream and Euroclear. The International Securities Identification Number (ISIN) for the Bonds is FR0013459765. The Common Code number for the Bonds is 207870889.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

5. Application has been made for the Bonds to be admitted to trading on Euronext Paris on 18 November 2019. The estimated costs for the admission to trading of the Bonds are EUR 11,250.
6. The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of its obligations under the Bonds. The issue of the Bonds was authorised by a resolution of the Board of Directors (*conseil d'administration*) of the Issuer dated 1 October 2019.
7. The following documents:
 - (a) the *statuts* of the Issuer;
 - (b) this Prospectus together with any supplement to this Prospectus; and
 - (c) the documents incorporated by reference, including the 2018 Annual Report, the 2017 Annual Report, the Half-Year Financial Report 2019 and the Half-Year Pillar 3 Disclosure 2019,

can be inspected on the website of the Issuer (www.rcibs.com). The information on the website of the Issuer does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

This Prospectus, any supplement thereto and the documents incorporated by reference in this Prospectus (with the exception of the 2019 Half-Year Financial Report and the Half-Year Pillar 3 Disclosure 2019) are available on the website of the AMF (www.amf-france.org).

The Agency Agreement will be available for inspection during usual business hours on any week day except Saturdays, Sundays and public holidays at the primary business office of the Issuer.

8. Save as disclosed in the "Recent Developments" section and in the documents incorporated by reference herein, there has been no significant change in the financial performance or financial position of the Group since 30 June 2019 and there has been no material adverse change in the prospects of the Issuer since 31 December 2018.

9. Save as disclosed in the documents incorporated by reference herein, neither the Issuer nor any member of the Group is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer or the Group's financial position or profitability.
10. The Issuer has not entered into contracts outside the ordinary course of its business which could result in the Issuer or any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to holders of Bonds in respect of the Bonds being issued.
11. This Prospectus contains or incorporates by reference certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.
12. There are no potential conflicts of interest between the duties of the members of the Board of Directors (*conseil d'administration*) of the Issuer to the Issuer and their private interests or other duties.
13. KPMG S.A. of Tour EQHO, 2, avenue Gambetta, CS6055, 92066 Paris La Défense Cedex, France and Ernst & Young Audit of 1/2, place des Saisons, 92400 Courbevoie, Paris – La Défense 1, France are the statutory auditors of the Issuer. KPMG S.A. and Ernst & Young Audit have audited or reviewed, and rendered unqualified reports on, the consolidated financial statements of the Issuer as at, and for the two years ended, 31 December 2017 and 31 December 2018, and the half-year financial statements of the Issuer for the period ended 30 June 2019. KPMG S.A. and Ernst & Young Audit are registered as *Commissaires aux Comptes* (members of the *Compagnie Nationale des Commissaires aux Comptes*) and regulated by the *Haut Conseil du Commissariat aux Comptes*.
14. Save for any fees payable to the Managers, as far as the Issuer is aware, no person involved in the issue of the Bonds has an interest, including a conflict of interests, material to the issue.
15. The yield in respect of the Bonds is 2.681 per cent. per annum up to the Reset Date. The yield is calculated at the Issue Date on the basis of the issue price of the Bonds. It is not an indication of future yield.
16. In connection with the issue of the Bonds, Citigroup Global Markets Europe AG (the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of thirty (30) calendar days after the Issue Date and sixty (60) calendar days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or any person acting on behalf of the Stabilising Manager) to the extent and in accordance with all applicable laws and regulations.
17. Amounts payable under the Bonds from and including the Reset Date are calculated by reference to the 5-year Mid-Swap Rate which itself refers to ICESWAP2/EURSFIXA, which is provided by ICE Benchmark Administration Limited. The 5-year Mid-Swap Rate has a floating leg based on the 6-month EURIBOR rate. EURIBOR is provided by the European Money Markets Institute. As at the date of this Prospectus, ICE Benchmark Administration Limited and the European Money Markets Institute are included in the register of administrators and benchmarks established and

maintained by ESMA pursuant to Article 36 of Regulation (EU) No. 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "**Benchmark Regulation**").

18. Certain of the Managers (as defined under "*Subscription and Sale*" above) and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such short positions could adversely affect future trading prices of the Bonds. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best of the Issuer's knowledge, the information contained or incorporated by reference in this Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information.

RCI Banque
15 rue d'Uzès
75002 Paris
France

Duly represented by Jean-Marc Saugier, *Directeur Financements et Trésorerie*
signed in Paris
dated 13 November 2019



This Prospectus has been approved on 13 November 2019 under the approval number n°19-517 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Prospectus after having verified that the information it contains is complete, coherent and comprehensible.

This approval is not a favourable opinion on the Issuer and on the quality of the Bonds described in this Prospectus. Investors should make their own assessment of the opportunity to invest in such Bonds.

It is valid until the earlier of (i) the date of admission of the Bonds to trading on Euronext Paris or (ii) 12 months after its approval by the AMF and shall be completed until then by a supplement to the Prospectus following the occurrence of a significant new factor, a material mistake or a material inaccuracy.

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