RCI BANQUE SA

FINANCIAL REPORT 2015

SUMMARY

BUSINESS REPORT 2015

RCI BANK AND SERVICES OVERVIEW

In 2016, RCI Banque becomes RCI Bank and Services*.
The primary role of RCI Bank and Services is to act as a key driver for the Renault-Nissan Alliance brands. Taking into account each one's characteristics and anticipating the new challenges arising from auto-mobility, we are partners in each brand's marketing policy and work with them to win new customers and build loyalty.

Every day, across the world, RCI Bank and Services supports the growth of the Renault-Nissan Alliance brands (Renault, Renault Samsung Motors, Dacia, Nissan, Infiniti, Datsun) and their distribution networks, by offering their customers a comprehensive range of financing products, insurance and services.

A new identity for a new ambition

RCI Bank and Services is today committed to becoming an even more innovative and accessible bank, which makes everyday life easier for its customers by offering them appropriate automotive mobility solutions for their needs.

Three core customer bases, one guiding principle: an appropriate solution for each

RCI Bank and Services offers **Retail Customers** a range of products and services relevant to their projects and requirements, and helps them to acquire, maintain, insure and guarantee an Alliance brand vehicle.

Whatever the size of their vehicle fleet, RCI Bank and Services has a wide range of mobility solutions for **Corporate Customers**, which relieve the pressure of vehicle fleet management and leave them free to focus on their core business.

RCI Bank and Services provides active support to Alliance brand **Dealer Networks**, providing financing for inventories of new vehicles, used vehicles and spare parts, as well as short-term cash requirements.

The Savings business: a huge success

The Savings business was launched in 2012 and has now been rolled out in four markets, namely France, Germany, Austria and the United Kingdom.

In four years, the group has made savings deposits a key instrument in the diversification of its refinancing of its automotive loan operations for Renault-Nissan Alliance brands.

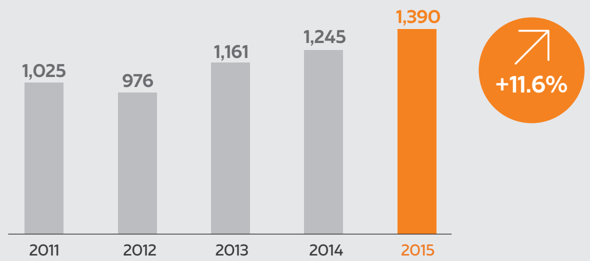
Deposits collected exceeded €10.2 billion, or 32% of outstandings at end-December 2015.

More than 3,000 employees over 5 continents

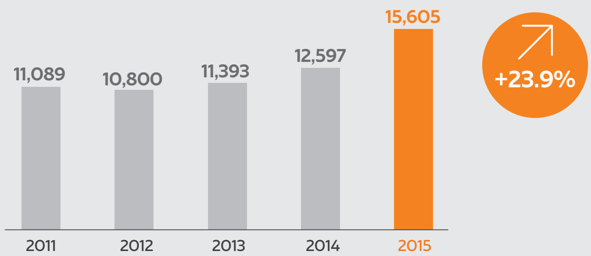
Our employees operate commercially in 36 countries, divided into 5 major world regions: Europe; Americas; Africa - Middle-East – India; Eurasia; Asia-Pacific.

* RCI Banque is adopting a new business identity by becoming RCI Bank and Services. Its corporate name, however, remains unchanged and is still RCI Banque SA.

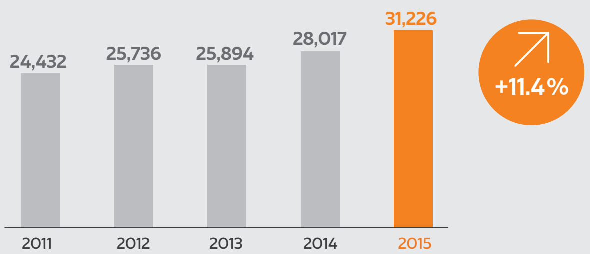
Total number of vehicle contracts
(in thousands)



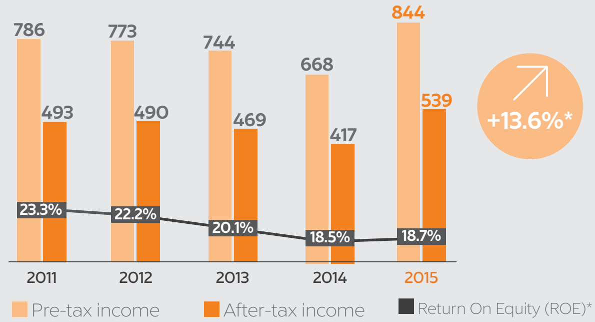
New financings
(excluding personal loans and credit cards / in million euros)



Net outstandings
(in million euros)



Results(1) (in million euros)
(parent company shareholder's share)



* Excluding non-recurring items

(1) The 2013 and 2014 consolidated financial statements have been restated following a correction pertaining to the spread of insurance commissions at RCI Banque SA Sucursal en España.

BUSINESS ACTIVITY IN 2015

RCI Banque saw record business activity in 2015 and financed 1,389,836 contracts, an increase of 11.6% over one year. The company continues its profitable growth momentum while providing support for the Alliance brands' commercial strategies.

This healthy performance is attributable to a rise in the overall penetration rate. It was also driven by growth in the European automotive market, despite the significant slump in vehicle sales in Brazil and Russia, and by the increasing market shares held by the Alliance brands. The penetration rate grew to 37.1%, against 35.2% in 2014. Excluding Turkey, Russia and India (companies consolidated for under the equity method), this rate was even higher at 40.0%, against 36.9% in 2014.

New financings (excluding cards and personal loans) increased for all Alliance brands to a volume of €15.6 billion, up 23.9% over one year.

Average performing outstandings (APO) increased by 11.1% compared to 2014, to €28.2 billion in 2015. Of this amount, €21.4 billion euros are directly attributable to the Retail Customer business, which posted a 14.1% rise.

The Services business, a pillar of the RCI Banque group's strategy, helps to promote customer satisfaction and increase loyalty to Alliance brands, and is also a key driver of the profitability of RCI Banque's operations. Its development is based on two main lines of action: diversification of the range of products and international expansion. This approach is proving successful, since the volume of new services contracts leapt 31.5% in one year, to near 2.9 million units (of which more than 60% in vehicle-related services).

On the geographical front, RCI Banque reaped the benefits of a buoyant automotive market in the Europe and Asia-Pacific Regions, strengthening its positions with an increase in its financing penetration rate.

Boosted by the increase in new registrations and the success of the Alliance manufacturers' new models, the number of new vehicle financing contracts rose considerably in the Europe Region: +23.0% in 2015. With a financing penetration rate of 40.2%, Europe posted a 3.8-point increase compared to the previous financial year.

Despite a highly competitive banking environment, the Asia-Pacific Region (South Korea) posted a 5.2-point improvement in its penetration rate, which came to 53.3% at end-2015.

The number of new contracts fell in the Americas Region, where Brazil's automotive market was affected by a slump. Thanks to growth in the financing penetration rate in Argentina, RCI Banque posted a stable and still high-level penetration rate for the Region as a whole, at 39.0%.

The Africa-Middle-East-India Region which, in 2015, saw the rollout of the Financing business in India, posted a penetration rate of 16.4%, down 13.2 points compared to 2014. Excluding India, the penetration rate was up 3.1 points to 32.8%.

In the Eurasia Region, the number of new contracts fell despite, in Turkey, an increase in the financing penetration rate (+2.6 points) and the very strong growth of the automotive market (+26.1%). In Russia, declining sales on the automotive market (-35.1%) led to a drop in the number of new contracts financed. In Romania, the financing penetration rate remained stable.

PC+LUV market*		Financing penetration rate (%)	New vehicle contracts processed (thousands)	New financings excluding cards and PL (€m)	Net outstandings at year-end (€m)	Of which customer outstandings at year-end (€m)	Of which dealer outstandings at year-end (€m)
Europe	**2015**	**40.2**	**1,053**	**13,054**	**27,642**	**20,069**	**7,573**
	2014	36.4	860	10,042	23,612	16,522	7,090
of which Germany	**2015**	**43.3**	**146**	**2,025**	**4,737**	**3,637**	**1,100**
	2014	43.6	138	1,840	4,229	3,105	1,124
of which Spain	**2015**	**49.0**	**118**	**1,271**	**2,558**	**2,039**	**519**
	2014	46.8	90	936	2,016	1,540	476
of which France	**2015**	**42.4**	**384**	**4,515**	**9,982**	**6,992**	**2,990**
	2014	38.0	326	3,745	9,268	6,375	2,893
of which Italy	**2015**	**52.4**	**124**	**1,577**	**3,187**	**2,406**	**781**
	2014	47.5	95	1,226	2,623	1,935	688
of which United Kingdom	**2015**	**34.5**	**133**	**2,219**	**4,079**	**3,243**	**836**
	2014	27.5	94	1,288	2,956	2,236	720
of other countries	**2015**	**28.3**	**147**	**1,447**	**3,099**	**1,752**	**1,347**
	2014	25.3	117	1,006	2,519	1,331	1,188
Asia-Pacific (South Korea)	**2015**	**53.3**	**55**	**814**	**1,160**	**1,143**	**17**
	2014	48.1	50	649	1,047	1,038	9
Americas	**2015**	**39.0**	**143**	**1,139**	**1,999**	**1,617**	**382**
	2014	38.9	169	1,409	2,966	2,259	707
of which Argentina	**2015**	**27.5**	**26**	**227**	**229**	**189**	**40**
	2014	16.3	18	90	315	198	117
of which Brazil	**2015**	**42.8**	**116**	**912**	**1,770**	**1,428**	**342**
	2014	45.1	151	1,318	2,652	2,062	590
Africa-Middle East-India	**2015**	**16.4**	**22**	**150**	**338**	**275**	**63**
	2014	29.6	13	106	306	238	68
Eurasia	**2015**	**24.2**	**117**	**448**	**87**	**82**	**5**
	2014	26.9	153	391	87	84	3
Total	**2015**	**37.1**	**1,390**	**15,605**	**31,226**	**23,186**	**8,040**
	2014	35.2	1,245	12,597	28,017	20,140	7,877

* Figures refer to passenger car and light utility vehicle markets.

Figures related to commercial activity (penetration rate, contracts processed, new financing) include pro-rata of equity method consolidated entities. Balance sheet figures (outstandings) exclude entities consolidated by the equity method.

CONSOLIDATED FINANCIAL HIGHLIGHTS 2015

In an economic environment characterized by a return to growth in Europe and a slowdown in emerging markets, RCI Banque records pre-tax income of €844 million.

Earnings

Net banking income (NBI) rose from €1,259 million in 2014 (excluding non-recurring items) to €1,362 million in 2015 (+8.2%). This increase is attributable to the growth in average performing outstandings (APO) to €28.2 billion (+11.1% compared to 2014) and to the growing contribution made by the margin on services, which accounted for 28.7% of NBI in 2015.

Operating expenses came to €429 million, or 1.52% of APO (1.51% of APO excluding non-recurring items), a 14-basis point decrease compared to 2014. The operating ratio improved to 31.5% for 2015. This performance demonstrates RCI Banque's ability to control its costs while rolling out its strategy and supporting the group's business growth and development plans.

The total cost of risk (including country risk) improved to 0.33% of APO (against 0.43% in 2014). The Customer cost of risk dropped to 0.40% of APO from 0.50% in 2014. The Dealer cost of risk came to 0.13% of APO, against 0.20% in 2014.

Excluding non-recurring items (-€1.4 million in 2015 compared to -€76.6 million in 2014), pre-tax income increased by 13.6%. Consolidated net income - parent company shareholders' share – came to €539 million in 2015, against €417 million in 2014, thus showing a rise of 29.3%.

Underpinned by its commercial growth and the continuing development of services, the RCI Banque group maintains profitability at a high level while continuing to implement a robust risk management policy.

Balance sheet

Good commercial performances, especially in Europe, drove historic growth in net outstandings to €31.2 billion compared to €28.0 billion at end-December 2014.

Consolidated equity amounted to €3,495 million at 31 December 2015 compared to €3,151 million at end-December 2014.

Deposits from retail customers in France, Germany, Austria and now the United Kingdom as well (sight and term deposit accounts) totaled €10.2 billion at end-December 2015, against €6.5 billion at end-December 2014, and represented 32% of outstandings.

Profitability

ROE rose to 18.7% from 16.4% in 2014, a year affected by non-recurring charges. Excluding the impact of these items, ROE was stable.

Solvency

We have clarified the methodology used to calculate the regulatory capital requirements with the regulator. This led to the exclusion of the additional capital requirement linked to the Basel I floor. As a result, CET1 solvency ratio reaches 15.6% at December end 2015, compared to 14.9% at year end 2014 with similar methodology.

Consolidated income statement* (in million euros)	12/2015	12/2014	12/2013
Net banking income	**1,362**	1,204	1,221
General operating expense[(1)]	**(429)**	(422)	(382)
Cost of risk	**(93)**	(109)	(102)
Share in net income (loss) of associates and joint ventures	**4**	(5)	7
Consolidated pre-tax income	**844**	668	744
Consolidated net income (parent company shareholders' share)	**539**	417	469

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

Consolidated balance sheet* (in million euros)	12/2015	12/2014	12/2013
Net total outstandings of which	**31,226**	28,017	25,894
• *Retail customer loans*	*16,316*	*14,068*	*12,094*
• *Financial Lease rentals*	*6,870*	*6,072*	*6,224*
• *Dealer loans*	*8,040*	*7,877*	*7,576*
Operational lease transactions net of depreciation and impairment	**558**	309	195
Other assets	**5,289**	3,697	3,419
Shareholders' equity of which	**3,507**	3,412	3,178
• *Equity (total)*	*3,495*	*3,151*	*2,917*
• *Subordinated debts*	*12*	*261*	*261*
Bonds	**13,096**	12,039	11,755
Negotiable debt securities (CD, CP, BT, BMTN)	**1,662**	952	802
Securitization	**2,776**	3,636	3,605
Customer savings accounts - ordinary accounts	**7,330**	5,102	3,549
Customer term deposit accounts	**2,901**	1,432	784
Banks, central banks and other lenders (including Schuldschein)	**3,636**	3,430	4,030
Other liabilities	**2,165**	2,020	1,805
TOTAL BALANCE SHEET	**37,073**	32,023	29,508

* The 2013 and 2014 consolidated financial statements have been restated following a correction pertaining to the spread of insurance commissions at RCI Banque SA Sucursal en España.

FINANCIAL POLICY

2015 saw divergent monetary policies in Europe and the United States. In January, the European Central Bank launched a quantitative easing program, consisting of combined purchases of public and private sector securities amounting to €60 billion each month, as well as long-term liquidity injections (TLTRO) benefiting banks who maintain or increase their lending to the real economy.

In December, the ECB announced that it would extend its asset purchase program for a further six months until March 2017. It also cut its deposit facility rate to -0.30%, thereby anchoring all short term rates in negative territory for some considerable time to come. A few days later, the US Federal Reserve announced its first rate hike since 2006, increasing the Fed Funds rate target to between 0.25% and 0.50%.

By and large, the ECB's policy helped to maintain interest rates at low levels, although they did show a certain degree of volatility during the year. In the second quarter, long-term rates shot up as negotiations on a third bailout plan for Greece were ongoing, before gradually dropping again. Later, there was a second period of temporary rises in interest rates in response to market disappointment after the ECB extended its asset purchase program. For example, the 5-year swap rate vs. 6-month Euribor ended the year down by 3 bps at 0.33% after hitting a high of 0.59% in June and a low of 0.15% in early December.

After being squeezed during the first four months of the year, credit margins on private sector bonds spread first in June when discussions on Greece were ongoing, and then in August on the back of the slowdown in growth in China.

In September, the revelation of the use by an automotive manufacturer of a system designed to artificially reduce vehicle emissions during emissions tests caused margins to expand across the whole of the sector. The spreads on the bonds issued by RCI Banque thus had a volatile year.

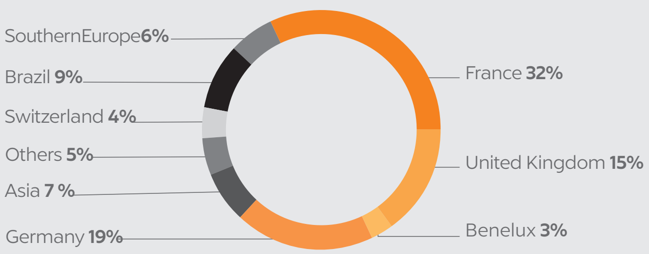
During the first half-year, and in very favorable market conditions, RCI Banque made three bond issues in public format. The first, a five-year bond for a total amount of €500 million, posted a 0.625% coupon rate, the lowest ever for the company. The following transaction was a €750 million bond with a maturity of three years and three months with a floating rate coupon. After that, the group issued a seven-year bond, a maturity first used in 2014, under a €750-million transaction.
In the second half-year, RCI Banque issued a five-year bond under a €500 million transaction.
At the same time, a large number of private placements were also made, for a total of €925 million and an average maturity of 1.6 years.

The UK subsidiary also issued GBP600 million in a private securitization offering backed by UK auto loans, to replace a transaction dating back to 2009 and being amortized since 2014.

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

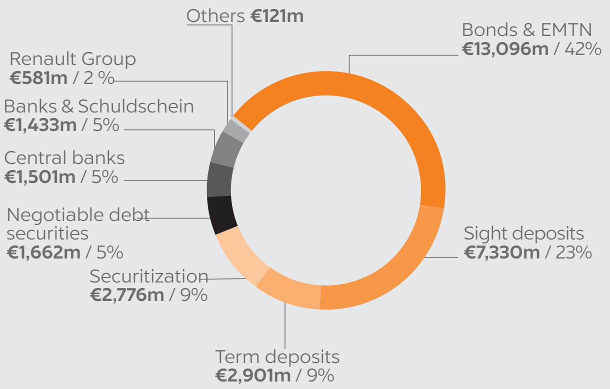
Outside Europe, the group's entities in Brazil, South Korea, Morocco and Argentina also tapped their domestic bond markets. The Brazilian subsidiary completed its first securitization transaction backed by auto loans for a total of BRL466 million.

Geographical breakdown of new resources with a maturity of one year or more (excluding deposits and TLTRO) as at 31/12/2015



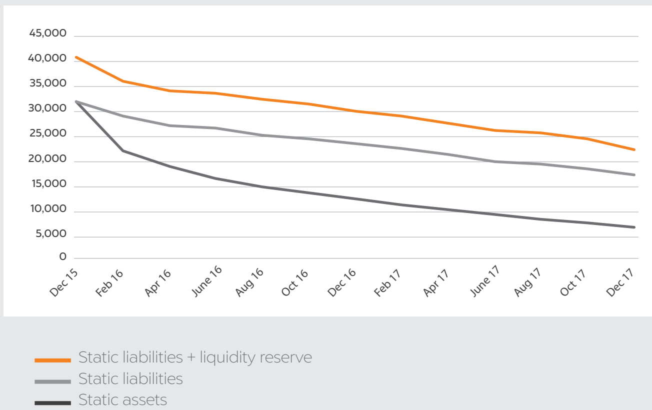
Structure of total debt

as at 31/12/2015



Static liquidity position*

(in million euros)



* Scope: Europe

FINANCIAL POLICY

The retail savings business, launched in France in 2012 and then in Germany followed by Austria, expanded into a new market in June, when operations started up in the United Kingdom.

At 31 December, retail customer deposits rose €3.7 billion to €10.2 billion, representing 32% of outstandings. The initial target to refinance 30% of commercial assets through deposits, set for 2016, has been achieved and exceeded one year ahead of schedule. The aim now is to collect deposits equivalent to approximately one third of the financing granted to customers.

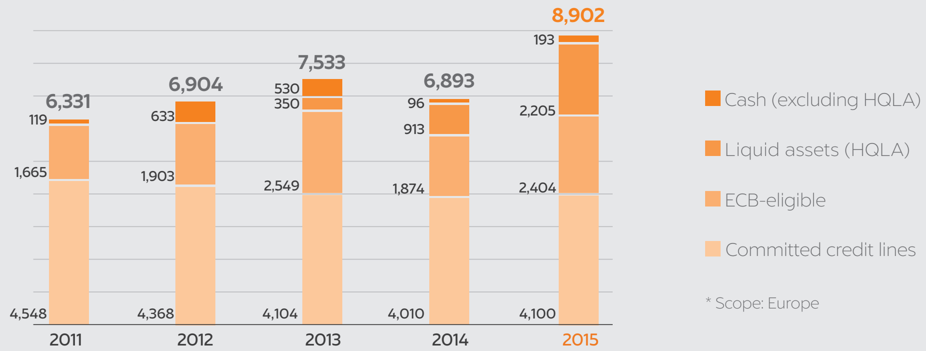
These resources, to which should be added, based on the European scope, €4.1 billion of undrawn committed credit lines, €2.4 billion of assets eligible as collateral in ECB monetary policy operations, €2.2 billion of high quality liquid assets (HQLA), and €0.2 billion of available cash, secure the continuity of RCI Banque's commercial business activity for eleven months without access to external sources of liquidity.

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

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

- Overall sensitivity to the interest rate risk remained below the €40 million limit set by the group.
- At 31 December 2015, a 100-basis point rise in rates would have an impact of :
  +€9.5 million in EUR, -€0.2 million in KRW,
  +€0.2 million in BRL, +€0.5 million in MAD,
  -€1.1 million in CHF, +€0.6 million in PLN,
  +€0.2 million in GBP, +€0.1 million in USD.
- The absolute sensitivity values in each currency totaled €12.9 million.
- The RCI Banque group's consolidated foreign exchange position totaled €17.5 million.

Liquidity reserve*
(in million euros)



* Scope: Europe

RCI Banque group's programs and issuances

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

Issuer	Instrument	Market	Amount	S & P	Moody's	Others
RCI Banque SA	Euro CP Program	Euro	€2,000m	**A-2** (negative outlook)	**P2** (stable outlook)	**R&I: A-2** (stable outlook)
RCI Banque SA	Euro MTN Program	Euro	€14,000m	**BBB** (negative outlook)	**Baa1** (stable outlook)	**R&I: BBB+** (stable outlook)
RCI Banque SA	CD Program	French	€4,500m	**A-2** (negative outlook)	**P2** (stable outlook)	
RCI Banque SA	BMTN Program	French	€2,000m	**BBB** (negative outlook)	**Baa1** (stable outlook)	
Diac S.A.	CD Program	French	€1,000m	**A-2** (negative outlook)		
Diac S.A.	BMTN Program	French	€1,500m	**BBB** (negative outlook)		
Rombo Compania Financiera SA	Bond Program*	Argentinian	ARS1,000m		**Aa2.ar**	Fix Scr: **AA (arg)** (negative outlook)
RCI Financial Services Korea Co Ltd	Bonds*	South Korean	KRW1,100bn			KR, KIS, NICE: **A+**
CFI RCI do Brazil	Bonds*	Brazilian	BRL3,149m		**Aa1.br**	
RCI Finance Maroc	BSF Program	Moroccan	MAD1,000m			

* Local ratings

RCI BANK AND SERVICES

This document and further information about RCI Banque are available on: www.rcibs.com
Finance & Treasury Division: 14, avenue du Pavé Neuf - 93168 Noisy-le-Grand Cedex - France

AUDITORS' REPORT

31 December 2015

KPMG S.A. ERNST & YOUNG Audit

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures.
This report also includes information relating to the specific verification of information given in the group's management report.
This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

RCI Banque

Year ended December 31, 2015

Statutory auditors' report on the consolidated financial statements

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ERNST & YOUNG Audit
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RCI Banque

Year ended December 31, 2015

Statutory auditors' report
on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annuals generals meetings, we hereby report to you, for the year ended December 31, 2015, on:

- the audit of the accompanying consolidated financial statements of RCI Banque;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Estimations

Your group sets aside allowances to cover the credit risks inherent to its business operations, as disclosed in notes 3-D, 3E, 7-4, 7-5.1, 7-5.2 and 7-6 to the consolidated financial statements. As part of our assessment of significant estimates taken into account in the financial statements, we reviewed the processes put in place by management to identify risks and their adaptation to the context of current economic situation, to evaluate them and to determine their level of coverage by provisions in the assets of the balance sheet. We assessed the analysis of risks incurred based on a sample of individual borrowers and, for a sample of portfolios evaluated collectively, the data and variables used by your group in documenting its estimates.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense, February 15, 2016

The statutory auditors
French original signed by

KPMG S.A.	ERNST & YOUNG Audit
Valéry Foussé	Bernard Heller

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2015

SUMMARY

CONSOLIDATED BALANCE SHEET

ASSETS - In millions of euros	Notes	12/2015	12/2014 Restated*
Cash and balances at central banks		1 937	465
Derivatives	2	374	298
Financial assets available for sale and other financial assets	3	643	756
Amounts receivable from credit institutions	4	851	750
Loans and advances to customers	5 et 6	31 579	28 397
Current tax assets	7	21	37
Deferred tax assets	7	105	109
Adjustment accounts and other assets	7	812	734
Investments in associates and joint ventures	8	72	50
Operating lease transactions	5 et 6	558	309
Tangible and intangible non-current assets	9	28	28
Goodwill	10	93	90
TOTAL ASSETS		**37 073**	**32 023**

LIABILITIES AND EQUITY - In millions of euros	Notes	12/2015	12/2014 Restated*
Central Banks	11.1	1 501	550
Derivatives	2	68	89
Amounts payable to credit institutions	11.2	1 433	2 110
Amounts payable to customers	11.3	10 933	7 304
Debt securities	11.4	17 534	16 627
Current tax liabilities	13	79	74
Deferred tax liabilities	13	324	339
Adjustment accounts and other liabilities	13	1 294	1 150
Provisions	14	112	141
Insurance technical provisions	14	288	227
Subordinated debt - Liabilities	16	12	261
Equity		3 495	3 151
- Of which equity - owners of the parent		*3 482*	*3 138*
Share capital and attributable reserves		*814*	*814*
Consolidated reserves and other		*2 295*	*2 023*
Unrealised or deferred gains and losses		*(166)*	*(116)*
Net income for the year		*539*	*417*
- Of which equity - non-controlling interests		*13*	*13*
TOTAL LIABILITIES & EQUITY		**37 073**	**32 023**

(*) The 2014 financial statements have been restated. Details of the adjustments made are given in section 3: "Accounting rules and methods".

CONSOLIDATED INCOME STATEMENT

In millions of euros	Notes	12/2015	12/2014 Restated*
Interest and similar income	24	1 878	1 914
Interest expenses and similar charges	25	(861)	(962)
Fees and commission income		23	23
Fees and commission expenses		(14)	(12)
Net gains (losses) on financial instruments at fair value through profit or loss	26	(6)	(4)
Net gains (losses) on AFS securities and other financial assets	27	1	2
Income of other activities	28	959	817
Expense of other activities	28	(618)	(574)
NET BANKING INCOME		**1 362**	**1 204**
General operating expenses	29	(423)	(417)
Depreciation and impairment losses on tangible and intangible assets		(6)	(6)
GROSS OPERATING INCOME		**933**	**781**
Cost of risk	30	(93)	(109)
OPERATING INCOME		**840**	**672**
Share in net income (loss) of associates and joint ventures	8	4	(5)
Gains less losses on non-current assets			1
PRE-TAX INCOME		**844**	**668**
Income tax	31	(271)	(216)
NET INCOME		**573**	**452**
Of which, non-controlling interests		34	35
Of which owners of the parent		539	417
Net Income per share (1) in euros		538,62	416,87
Diluted earnings per share in euros		538,62	416,87

(1) Net income - Owners of the parent compared to the number of shares

(*) The 2014 financial statements have been restated. Details of the adjustments made are given in section 3: "Accounting rules and methods".

CONSOLIDATED STATEMENT OF COMPREHENSIVE

In millions of euros	12/2015	12/2014 Restated*
NET INCOME	**573**	**452**
Actuarial differences on defined-benefit pension plans	3	(5)
Total of items that will not be reclassified subsequently to profit or loss	***3***	***(5)***
Unrealised P&L on cash flow hedge instruments	7	(1)
Exchange differences	(55)	16
Total of items that will be reclassified subsequently to profit or loss	***(48)***	***15***
Other comprehensive income	**(45)**	**10**
TOTAL COMPREHENSIVE INCOME	**528**	**462**
Of which Comprehensive income attributable to non-controlling interests	39	36
Comprehensive income attributable to owners of the parent	489	426

(*) The 2014 financial statements have been restated. Details of the adjustments made are given in section 3: "Accounting rules and methods"

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of euros	Share capital (1)	Attribut. reserves (2)	Consolid. reserves	Translation adjust. (3)	Unrealized or deferred P&L (4)	Net income (Shareholders of the parent company)	**Equity** (Shareholders of the parent company)	Equity (Non-controlling interests)	**Total Consolidated equity**
Equity at 31 December 2013*	**100**	**714**	**1 744**	**(128)**	**3**	**469**	**2 902**	**15**	**2 917**
Appropriation of net income of previous year			469			(469)			
Equity at 1 January 2014*	**100**	**714**	**2 213**	**(128)**	**3**		**2 902**	**15**	**2 917**
Change in value of financial instruments (CFH & AFS) recognized in equity					(2)		(2)	1	(1)
Actuarial differences on defined-benefit pension plans					(5)		(5)		(5)
Exchange differences				16			16		16
Net income for the year (before appropriation)						417	417	35	452
Total comprehensive income for the period				***16***	***(7)***	***417***	***426***	***36***	***462***
Dividend for the year			(210)				(210)	(17)	(227)
Repurchase commitment of non-controlling interests			20				20	(21)	(1)
Equity at 31 December 2014*	**100**	**714**	**2 023**	**(112)**	**(4)**	**417**	**3 138**	**13**	**3 151**
Appropriation of net income of previous year			417			(417)			
Restatement of Equity opening amount (5)			4				4		4
Equity at 1 January 2015	**100**	**714**	**2 444**	**(112)**	**(4)**		**3 142**	**13**	**3 155**
Change in value of financial instruments (CFH & AFS) recognized in equity					3		3	4	7
Actuarial differences on post-employment benefits					3		3		3
Exchange differences				(56)			(56)	1	(55)
Net income for the year (before appropriation)						539	539	34	573
Total comprehensive income for the period				***(56)***	***6***	***539***	***489***	***39***	***528***
Effect of acquisitions, disposals and other			1				1	(1)	(0)
Dividend for the year			(150)				(150)	(19)	(169)
Repurchase commitment of non-controlling interests								(19)	(19)
Equity at 31 December 2015	**100**	**714**	**2 295**	**(168)**	**2**	**539**	**3 482**	**13**	**3 495**

(1) The share capital of RCI Banque S.A. (100 million euros) consists of 1,000,000 fully paid up ordinary shares with par value of 100 euros each, of which 999,994 ordinary shares are owned by Renault S.A.S.

(2) Attributable reserves include the share premium account of the parent company.

(3) The change in translation adjustments at 31 December 2015 relates primarily to Brazil, Argentina, the United Kingdom and South Korea. At 31 December 2014, it related primarily to Argentina, Brazil, South Korea and the Russian Federation.

(4) Includes changes in the fair value of derivatives used as cash flow hedges and available-for-sale assets for €6.7m and IAS 19 actuarial gains and losses for -€5.2m at end-December 2015.

(5) Opening equity at first January 2015 has been restated for the impacts of IFRIC 21, for a total of +€4.4m.

(*) The 2014 and 2013 financial statements have been restated. Details of the adjustments made are given in section 3: "Accounting rules and methods".

CONSOLIDATED CASH FLOW STATEMENT

En millions d'euros	12/2015	12/2014 Restated*
Net income attributable to owners of the parent company	**539**	**417**
Depreciation and amortization of tangible and intangible non-current assets	5	5
Net allowance for impairment and provisions	27	19
Share in net (income) loss of associates and joint ventures	(4)	5
Deferred tax (income) / expense	(18)	(12)
Net loss / gain from investing activities		(2)
Net income attributable to non-controlling interests	34	35
Other (gains/losses on derivatives at fair value through profit and loss)	(18)	(27)
Cash flow	**565**	**440**
Other movements (accrued receivables and payables)	76	173
Total non-monetary items included in net income and other adjustments	***102***	***192***
Cash flows on transactions with credit institutions	406	(94)
- Inflows / outflows in amounts receivable from credit institutions	*(73)*	*348*
- Inflows / outflows in amounts payable to credit institutions	*479*	*(442)*
Cash flows on transactions with customers	(225)	237
- Inflows / outflows in amounts receivable from customers	*(3 860)*	*(1 941)*
- Inflows / outflows in amounts payable to customers	*3 635*	*2 178*
Cash flows on other transactions affecting financial assets and liabilities	1 260	(422)
- Inflows / outflows related to AFS securities and similar	*99*	*(665)*
- Inflows / outflows related to debt securities	*1 167*	*250*
- Inflows / outflows related to collections	*(6)*	*(7)*
Cash flows on other transactions affecting non-financial assets and liabilities	(170)	(111)
Net decrease / (increase) in assets and liabilities resulting from operating activities	**1 271**	**(390)**
Net cash generated by operating activities (A)	**1 912**	**219**
Flows related to financial assets and investments	(16)	(15)
Flows related to tangible and intangible non-current assets	(7)	(4)
Net cash from / (used by) investing activities (B)	**(23)**	**(19)**
Net cash from / (to) shareholders	(419)	(227)
- Outflows related to repayment of Equity instruments and subordinated borrowings	*(250)*	
- Dividends paid	*(169)*	*(227)*
Net cash from / (used by) financing activities (C)	**(419)**	**(227)**
Effect of changes in exchange rates and scope of consolidation on cash and cash equivale	**(43)**	**11**
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	**1 427**	**(16)**
Cash and cash equivalents at beginning of year:	955	971
- Cash and balances at central banks	*465*	*524*
- Balances in sight accounts at credit institutions	*490*	*447*
Cash and cash equivalents at end of year:	2 382	955
- Cash and balances at central banks	*1 937*	*465*
- Credit balances in sight accounts with credit institutions	*650*	*615*
- Debit balances in sight accounts with credit institutions	*(205)*	*(125)*
Change in net cash	**1 427**	**(16)**

(*) The 2014 financial statements have been restated. Details of the adjustments made are given in section 3: "Accounting rules and methods".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

RCI Banque S.A., the group's parent company, is a limited company (Société Anonyme under French law) with a Board of Directors and a fully paid up share capital of 100,000,000 euros. It is subject to all legislation and regulations applicable to credit institutions and is listed on the Bobigny Register of Trade and Companies under number 306 523 358.

RCI Banque S.A.'s registered office is located at 14, avenue du Pavé Neuf, 93168 Noisy-le-Grand Cedex, France.

RCI Banque S.A.'s main business is to provide financing for the Alliance brands.

The consolidated financial statements of the RCI Banque S.A. group as at 31 December relate to the Company and its subsidiaries, and to the group's interests in associates and jointly-controlled entities.

1. APPROVAL OF FINANCIAL STATEMENTS - DISTRIBUTIONS

The RCI Banque group's consolidated financial statements for the year 2015 were established by the Board of Directors on 8 February 2016 and will be presented for shareholder approval to the Annual General Meeting on 20 May 2016.

As a reminder, the General Meeting of 28 May 2015 set the dividend for 2014 at 150 euros per share, for a total distribution of €150m.

The consolidated financial statements are expressed in millions of euros unless otherwise indicated.

2. KEY HIGHLIGHTS

Changes in the scope of consolidation in 2015

- In May 2015, the RCI Bank UK branch was set up for the retail savings business in the United Kingdom..
- In September 2015, the business concern financing sales to retail customers and the dealer network in India, Nissan Renault Financial Services India Private Ltd, which is 30% owned by RCI Banque S.A. and 70% owned by Nissan, was added to the scope of consolidation and is accounted for under the equity method of consolidation. Goodwill on initial consolidation of this entity was insignificant.
- New FCT (Fonds Commun de Titrisation) issues:
    - ➢ In May 2015, Fundo de Investimento em Direitos Creditórios RCI Brasil I issued AAA-rated notes backed by customer auto loans.
    - ➢ In July 2015, Cars Alliance Auto Loans Italy 2015 s.r.l. issued AAA-rated notes and non-rated notes backed by customer auto loans and retained by RCI Banque Succursale Italiana for €955m.
- FCT CARS Alliance Auto Loans France F 2012-1 (Fonds commun de Titrisation) matured.
- FCT Cars Alliance Warehouse Italy SRL (Fonds commun de Titrisation) matured.
- FCT Cars Alliance Funding Italy SRL (Fonds commun de Titrisation) matured.
- In June 2015, the Cars Alliance Auto Loans UK private securitization transaction was redeemed early and the private FCT Cars Alliance Auto Loans UK 2015 Limited (Fonds commun de Titrisation) was issued.

3. ACCOUNTING RULES AND METHODS

In application of Regulation 1606/2002 adopted on 19 July 2002 by the European Parliament and European Council, the RCI Banque group has prepared its consolidated financial statements for 2015 in accordance with the IFRS (International Financial Reporting Standards) guidelines published by the IASB (International Accounting Standards Board) to 31 December 2015 and as adopted in the European Union by the statement closing date.

Following a correction related to the spread of insurance commissions at RCI Banque S.A. Sucursal en España, the 2013 and 2014 consolidated financial statements have been restated. Up until 2014, certain insurance policy marketing commissions were wrongly booked directly to income instead of being recognized over the lifespan of the policies concerned.

Restated 2013 financial statements:

Only the consolidated reserves have been restated, for -€6m, at the level of the consolidated statement of changes in equity.

Restated 2014 financial statements:

The following chart shows the impact of the restatements on the various items in the financial statements for the comparative period:

Line concerned	Restated amount in €m	Statements or notes concerned
Deferred tax assets	+ 4	Consolidated balance sheet and note 7
Adjustment accounts, liabilities	+ 14	Consolidated balance sheet and note 13
Equity - of which Consolidated reserves 31/12/2013 - of which 2014 net income	- 10 - 6 - 4	Consolidated balance sheet Statement of changes in equity Statement of changes in equity
Net income and expense of other activities: Incidental income from finance contracts	- 6	Consolidated income statement and note 28
Income tax: deferred taxes	+ 2	Consolidated income statement and note 31
Net income	- 4	Consolidated income statement Consolidated statement of comprehensive income Consolidated cash flow statement

A) Changes in accounting policies

At 31 December 2015, the group applied the following new standards, interpretations and amendments, as published in the Official Journal of the European Union, application of which is mandatory.

New standards, interpretations and amendments application of which became mandatory on 1 January 2015	
IFRIC 21	Levies
Improvements to various standards	Annual Improvements - Cycle 2011-2013

The only text with an impact on the financial statements as at 31 December 2015 is IFRIC 21 “Levies”, which concerns the date on which to recognize a liability for payment of levies other than income tax. From now on, a liability for a levy is recognized once and in full when the activity that triggers payment (obligating event), as identified by the relevant legislation, occurs. The impacts of this change are that annual levies whose obligating event is a single date (mainly concerns property tax, France's Contribution Sociale de Solidarité sur les Sociétés (C3S) and taxes specific to credit institutions) may no longer be recognized progressively, and that the liability now has to be recognized in the period in which the tax obligating event occurs, rather than in the period in which the factors determining the tax base are realized (concerns the C3S levy in France).

This interpretation is retrospectively applied. Its impact is insignificant at group level, as shown by the restated figures for 2014 shown below:

- Restated equity as at 31 December 2014 shows a €4.4m increase.
- La mise en œuvre d’IFRIC21 n’a pas d’impact sur le résultat de l’année complète.

The group has not applied the following amendments, published in the Official Journal of the European Union and application of which will be mandatory as of 1 January 2016 or later, in advance. The group does not expect application of these amendments to have any significant impact on the consolidated financial statements.

New standards, interpretations and amendments not applied in advance by the group (provisional depending on expected EFRAG adoption dates):
Amendment to IAS 1 – Disclosure Initiative
Amendment to IAS 19 – Defined Benefit Plans – Employee Contributions
Amendments to IAS 16 and 38 – Clarification of Acceptable Methods of Depreciation
Amendment to IFRS 11 – Accounting of Acquisitions of Interests in Joint Operations

The IASB has also published a number of major new standards that to date have not been adopted by the European Union. The group is currently conducting an examination of the impacts of these new standards on the financial statements.

New IFRS standards not adopted by the European Union		Application date according to the IASB
IFRS 9	Financial Instruments	1st January 2018
IFRS 15	Revenue from contracts with customers	1st January 2018

IFRS 9 - Financial Instruments will replace IAS 39. This standard introduces a new approach to the classification of financial instruments and an impairment model for financial assets based on expected losses, to replace the current model based on actual losses. This standard will have a significant impact on asset provisioning. The group is currently conducting an examination of implementation of this new standard and of its impacts on the financial statements.

IFRS 15 - Revenue from contracts with customers will replace IAS 11 and IAS 18. Analysis work is in progress. At this stage, the group does not expect any significant changes.

The group is not planning to apply these new standards in advance.

RCI Banque's consolidated financial statements are fully consolidated in those of the Renault Group.

B) Consolidation principles

Scope and methods of consolidation

The consolidated financial statements incorporate the accounts of companies over which the group directly or indirectly (subsidiaries and branches) exercises control, within the meaning of IFRS 10 (associate companies or joint control - joint ventures).

Associate companies and joint ventures are accounted for under the equity method (IFRS 11).

The securitized assets of Diac S.A., RCI FS Ltd, Companhia de Crédito Financiamento e Investimento RCI Brasil, and the Italian and German branches, as well as the loans granted to Renault Retail Group, inasmuch as the majority of the risks and benefits thereof are retained by the RCI Banque group, remain on the asset side of the balance sheet.

Significant transactions between consolidated companies are eliminated, as are unrealized intercompany profits.

For the most part, the companies included in RCI Banque's scope of consolidation are the Renault, Nissan, Dacia, Samsung and Datsun vehicle sales finance companies and the associated service companies.

Acquisition cost of shares and goodwill

Goodwill is measured at the acquisition date, as the excess of:

- The total amount transferred, measured at fair value, and any participation amount which does not give controlling interest in the acquired company

And

- The net carrying amounts of acquired assets and liabilities

Costs related to the acquisition such as broker's commissions, advisory fees, legal, accounting, valuation and other professional and consulting fees, are recorded as expenses for the periods when costs are incurred and services received.

Debt issuance or equity costs are accounted for under IAS 32 and IAS 39.

If the business combination generates a negative goodwill, it is recorded immediately in the profit and loss account.

An impairment test is performed at least annually and whenever there is an indication of a loss in value, by comparing the book value of the assets with their recoverable amount, the latter being the highest value between the fair market value (after deducting the cost of disposal) and the going concern value. The going concern value is based on a market approach and determined by using multiples for each group of cash-generating units, which comprise legal entities or groups thereof in the same country. A single discounting value is used for all cash- generating units thus tested, which is the risk-free 10-year forward rate augmented by the average risk premium for the sector in which they operate.

One-year data projections about profit or loss are used.

Goodwill is therefore measured at its cost less any accrued impairment losses. If impairment is found, the impairment loss is recognized in the income statement.

Transactions with non-controlling interests (purchases/ sales) are booked as capital transactions. The difference between the amount received or paid and the book value of the non-controlling interests sold or bought is recognized directly in equity.

Non-controlling interests

The group has granted buy-out commitments on the interests held by minority shareholders in fully consolidated subsidiaries. For the group, these buy-out commitments represent contractual obligations arising from the sales

of put options. The exercise price for these options is determined by estimating the price the RCI Banque group would have to pay out to the non-controlling interests if the options were exercised, taking into account future returns on the financing portfolio existing at the closing date and the provisions set out in the cooperation agreements concerning the subsidiaries.

In accordance with the provisions set out in IAS 32, the group has recognized a liability arising from put options sold to non-controlling interests of exclusively controlled entities for a total amount of €171m at 31 December 2015, against €203m at 31 December 2014. This liability is initially measured at the present value of the estimated exercise price of the put options.

The counterpart entries for this liability are booked as decreases in the non-controlling interests underlying the options and, for the balance, a decrease in equity attributable to the owners of the parent company. The obligation to recognize a liability even though the put options have not been exercised means that, in order to be consistent, the group has applied the same accounting treatment initially as that applied to increases in its proportionate interests in controlled entities.

If the options have not been exercised when this commitment expires, the previous entries are reversed.If the options are exercised and the buyout is made, the amount recognized as a liability is extinguished by the cash outlay associated with the buy-out of the non-controlling interests.

C) Presentation of the financial statements

The summary statements are presented in the format recommended by the Autorité des Normes Comptables (French Accounting Standards Authority) in its Recommendation 2013-04 of 7 November 2013 on the format of consolidated financial statements for banking sector institutions applying international accounting standards.

Operating income includes all income and expense directly associated with RCI Banque group operations, whether these items are recurring or result from one-off decisions or transactions, such as restructuring costs.

D) Estimates and judgments

In preparing its financial statements, RCI Banque has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain Notes. RCI Banque regularly reviews its estimates and assessments to take account of past experience and other factors deemed relevant in view of economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in RCI Banque's future financial statements could differ from current estimates. The main items in the financial statements that depend on estimates and assumptions are the recoverable value of loans and advances to customers and allowances for impairment and provisions.

These estimates are taken into account in each of the relevant Notes.

E) Loans and advances to customers and finance lease contracts

Measurement (excluding impairment) and presentation of loans and advances to customers

Sales financing receivables from end customers and dealer financing receivables come under the category of "Loans and advances issued by the company". As such, they are initially recorded at fair value and carried at amortized cost calculated according to the effective interest rate method.

The effective interest rate is the internal rate of return to maturity or, for adjustable-rate loans, to the nearest rate adjustment date. The discounted amount of amortization on any difference between the initial loan amount and the amount payable at maturity is calculated using the effective interest rate.

In addition to the contractual component of the receivable, the amortized cost of sales financing receivables includes interest subsidies received from the car maker or dealer as part of promotional campaigns, handling fees paid by customers, and commissions paid for referral of business. These items, which are all factors in the return on the loan, are either deducted from or added to the amount receivable. They are recognized in the income statement as a pro-rated portion discounted at the effective interest rate for the receivables to which they apply.

Finance lease contracts, as identified by the rules described in Part E, are in substance booked as sales financing receivables.

Income from the resale of vehicles at the end of finance lease contracts is included under "Net income / (expense) of other activities".

As a result, gains and losses on the resale of vehicles coming off performing lease agreements, amounts charged to or recovered from allowances for risks on residual values, and gains or losses resulting from damage to vehicles less any corresponding insurance settlements, are recorded under "Other income related to banking operations" and "Other expenses related to banking operations".

Identifying credit risk

The RCI Banque group currently uses a number of different internal rating systems:

- A group-wide rating for borrowers in the Dealer segment, which is used during the various phases of the relationship with the borrower (initial approval, risk monitoring, provisioning),
- A group-wide rating for bank counterparties, which is established on the basis of external ratings and each counterparty's level of capital,
- For "Customer" borrowers, different acceptance scoring systems are used; these vary by affiliate and by type of financing.

Whenever the full or partial collection of a receivable is in doubt, that receivable is classified in one of the following two categories:

- Doubtful loans: a receivable is classified as doubtful not later than when installments remain unpaid for more than three months. When a receivable is classified as doubtful, the full amount of credit outstanding to the customer concerned is transferred to the doubtful loan category.
- Compromised loans: a receivable is classified as compromised when the counterparty is declared to have defaulted on a loan or when a lease agreement is terminated due to deterioration in the counterparty's financial position. If there is no formal default or termination, the receivable is transferred to this category no

later than one year after it was classified as doubtful.

Because local management practices vary, default and termination do not occur at the same point in time in the different countries where the RCI Banque group operates. However, local practices do converge to a certain extent within the major geographical regions:

- Northern Europe: default or termination generally occurs within the three to four month period following the first unpaid installment,
- Southern Europe: default or termination generally occurs within the six to eight month period following the first unpaid installment,
- South America: default or termination generally occurs within the six to eight month period following the first unpaid installment.

A doubtful loan is reclassified as a performing loan once all overdue amounts have been paid.

Forborne exposures

The RCI Banque group uses the definition given by the European Banking Authority (EBA) in its ITS (Implementing Technical Standards) 2013/03 rev1 of 24.07.2014 to identify its forborne exposures (restructured loans).
Forbearance (loan restructuring) consists of concessions towards a debtor facing or about to face difficulties in meeting its financial commitments.
It thus refers to cases where there is:
• a modification of the terms and conditions of a contract in order to give the customer in financial difficulties the chance to meet their commitments (such as a change to the number of repayments, extension of term, change to installment amount, change to customer interest rate),
• a total or partial refinancing of a troubled debt contract (instead of terminating it) that would not have been granted had the customer not been in financial difficulties.

The classification of contracts as forborne exposures is separate from provisioning (for example, a contract that is forborne and returns to being considered as performing will not be provisioned and yet will be classified as a forborne exposure throughout the probation period).
Receivables whose characteristics have been commercially renegotiated with counterparties not in financial difficulties are not identified as forborne exposures.

The definition of forborne exposure is applied at the level of the individual contract ("facility") that is forborne, and not at the level of the third party (no contagion principle).
Financial difficulties however, are assessed at the debtor level.

The forbearance classification of a contract is discontinued when all of the following conditions are met:
• The contract is considered as performing and analysis of the financial condition of the debtor shows that they have recovered their creditworthiness and debt service ability,
• A minimum 2-year probation period has passed from the date the forborne exposure returned to being considered as performing,
• Regular and significant payments have been made by the debtor during at least half of the probation period,
• None of the exposures to the debtor is more than 30 days past-due at the end of the probation period.

Impairment for credit risk

Impairment allowances are established to cover risks of non-recovery. The amount of these allowances is determined on an individual basis (either case by case or via statistical risk analysis), or on a collective basis. These impairment allowances are recorded on the asset side of the balance sheet as deductions from the asset items with which they are associated.

<u>Customer lending</u>

A statistical approach on an individual basis is applied on loans to Customers. The aim is to estimate ultimate losses on doubtful loans, compromised loans and loans with missed or late payments. Customer loans are grouped into risk classes representative of the type of financing and goods financed.

The projected cash flows used for the statistical estimation of impairment are calculated by applying a periodic recovery factor based on the age of the receivable to the amount owed at the time of default. Recovery cash flows are projected over several years, and the last flow at the end of the period represents a lump-sum value of recoveries beyond that period. The recovery factors used are based on the observation of actual collections, smoothed over a twelve-month period.

The impairment allowance for doubtful loans is calculated by comparing the estimated recoverable value, which consists of the discounted projected collections, with the carrying value of the loans concerned. Bearing in mind the statistical nature of the method used to measure projected collections, the estimated recoverable value is not calculated individually for each loan, but on a collective basis for a given generation of loans.

Impairment charges on loans that are overdue but not doubtful are determined as a function of the probability that the loans will be reclassified as doubtful and the recovery factor that will apply if they are. This is "incurred loss", the established fact being a default on payment under 3 months.

Receivables that are delinquent and doubtful are monitored on a case by case basis. In the event that the individual approach is not appropriate, then impairment is determined statistically according to classification of the debtor companies and the stage reached in collection or other proceedings.

As soon as a financial asset or group of similar financial assets has been impaired following a loss in value, any later interest income items are recognized on the basis of the interest rate used to discount future cash flows in order to measure loss in value.

Dealer financing

Impairment allowances for credit risks on dealer financing are determined according to three types of receivable: delinquent, doubtful and performing. The factors and events triggering classification of a receivable as one of the aforementioned types and the principle used to determine impairment allowances are described hereafter.

A collective impairment allowance is determined for non- doubtful receivables (delinquent or performing) either by means of a statistical approach (last three years' history) or by means of an internal expert appraisal validated by the group Committee of Dealer Risk Experts, chaired by members of the Executive Board. Classification of a receivable as delinquent is triggered by such factors and events as a deterioration in the borrower's financial condition, a loss of profitability, erratic payment, or an inventory control anomaly.

Impairment allowances for doubtful receivables are determined individually and on a case-by-case basis, according to product outstandings (new vehicle, used vehicle, spare parts, cash, etc.) and to whether the debtor party has been classified as having pre-alert or alert status, and after a continued and critical deterioration of the abovementioned indicators by RCI Banque group line staff.

As regards non-doubtful and non-delinquent receivables that are therefore classified as performing receivables, collective impairment allowances based on the credit risks and systemic risks for each country assessed are made.

The impaired amounts are determined on the basis of the technical and segment parameters of the performing portfolio and are specific to each country. Impairment allowances for performing dealer financing assets that are recognized or reversed as systemic risks are combined under the "cost of dealer risk" item for the affiliates concerned in the consolidated income statement.

Country risk

Allowances for country risk are determined on the basis of the credit risk to which debtors in a country experiencing a continued and persistent deterioration in its economic situation are exposed.

Such allowances for impairment of assets are made for any non-euro zone country whose sovereign rating (Standard and Poor's) is lower than BBB+. With regard to the RCI Banque group's current portfolio, the following countries are concerned by this: Brazil, Argentina, Romania and Morocco.

The calculation consists in applying a projected default rate and a loss-given-default rate to non-current financing assets unimpaired on an individual basis and by country, but only with respect to outstandings from the Customer business. Dealer financing assets are already incorporated into impairment allowances for the dealer business on a similar calculation basis.

The projected default rate used depends on the residual term of the portfolio, the country's rating and the geographical area in which it is located (Emerging countries, Europe, North America). This default rate is an indicator of the probability of default (PD) of companies in the country concerned. The RCI Banque group uses the rates published by S&P for emerging countries and estimated on a historical basis using the period between 1996 and 2014. The loss-given-default (LGD) rate refers to that of Brazil and is calculated on a 12-month mean basis by internal expert appraisal according to the trend observed for the countries concerned. Should it prove necessary to take the particular situation of one or more countries into account, expert judgment approved internally beforehand is used.

On the balance sheet, impairment allowances for country risk are booked as deductions from the carrying value of loans and advances to customers. Such impairment allowances that are recognized or reversed as systemic risks are combined under the RCI Banque S.A. “Cost of Risk” item in the consolidated income statement.

Rules for writing off loans

When a receivable has presented an established risk for a period of three years and there is no evidence suggesting that it will ever be collected, the amount of the impairment allowance is reversed and the gross amount outstanding is transferred to receivables written off.

Impairment of residual values

The RCI Banque group regularly monitors the resale value of used vehicles across the board so as to optimize the pricing of its financing products.

In most cases, tables of quoted prices showing typical residual values based on vehicle age and mileage are used to determine the residual value of vehicles at the end of the contract term.

However, for contracts under which the trade-in value of the vehicle at the end of the contract term is not guaranteed by a third party outside the RCI Banque group, an impairment allowance is determined by comparing:

a) the economic value of the contract, meaning the sum of future cash flows under the contract plus the re-estimated residual value at market conditions on the measurement date, all discounted at the contract interest rate;

b) the carrying value on the balance sheet at the time of the measurement.

The projected resale value is estimated by considering known recent trends on the used vehicle market, which may be influenced by external factors such as economic conditions and taxation, and internal factors such as changes in the model range or a decrease in the car maker’s prices.

The impairment charge is not offset by any profit on resale.

F) Operating leases (IAS17)

In accordance with IAS 17, the RCI Banque group makes a distinction between finance leases and operating leases.

The general principle that the RCI Banque group uses to classify leases as one or the other is whether the risks and rewards incidental to ownership are transferred to another party. Thus, leases under which the leased vehicle will be bought back by an RCI Banque group entity at the end of the lease are classified as operating leases since most of the risks and rewards are not transferred to a third party outside the group. The classification as operating leases of lease contracts that contain a buy-back commitment from the RCI Banque group also takes into account the estimated term of such leases. This lease term is far shorter than the economic life of the vehicles, which is put by the Renault Group at an estimated seven or eight years, depending on the type of vehicle. Consequently, all leases with this buy-back clause are treated as operating leases.

The classification of battery leases for electric vehicles as operating leases is justified by the fact that the RCI Banque group retains the risks and rewards incidental to ownership throughout the automobile life of the batteries, which is put at between eight and ten years, and so is much longer than the lease agreements.

Operating leases are recognized as non-current assets leased out and are carried on the balance sheet at the gross value of the assets less depreciation, plus lease payments receivable and transaction costs still to be staggered. Lease payments and impairment are recognized separately in the income statement in “Net income (expense) of other activities”. Depreciation does not take into account residual values and is taken into the income statement on a straight line basis, as are transaction costs. Classification as an operating lease does not affect the assessments of counterparty risk and residual value risk.

Income from the resale of vehicles at the end of operating lease contracts is included in "Net income (or expense) of other activities”.

G) Transactions between the RCI Banque group and the Renault-Nissan Alliance

Transactions between related parties are conducted following terms equivalent to those prevailing in the case of transactions subject to conditions of normal competition if these terms can be substantiated.

The RCI Banque group helps to win customers and build loyalty to Renault-Nissan Alliance brands by offering financing and providing services as an integral part of the Alliance’s sales development strategy.

The main indicators and cash flows between the two entities are as follows:

- **Sales support**

At 31 December 2015, the RCI Banque group had provided €15,662m in new financing (including cards) compared with €12,659m at 31 December 2014.

- **Relations with the dealer network**

The RCI Banque group acts as a financial partner to ensure and maintain the sound financial health of the Renault-Nissan Alliance distribution networks.

At 31 December 2015, dealer financing net of impairment allowances amounted to €8,040m against €7,877m at 31 December 2014.
At 31 December 2015, direct financing of Renault Group subsidiaries and branches amounted to €628m against €585m at 31 December 2014.
At 31 December 2015, the dealer network had collected, as a business contributor, income of €489m against €405m at 31 December 2014.

Relations with the car makers

The RCI Banque group pays the car maker for vehicles delivered to dealers for which it provides financing.

Conversely, at the end of the contract, the Renault Group pays the RCI Banque group for vehicles taken back under financial guarantees made by the car maker. These transactions generate substantial cash flows between the two groups.

Under their trade policies and as part of promotional campaigns, the manufacturers help to subsidize financings granted to customers by the RCI Banque group. At 31 December 2015, this contribution amounted to €431m against €393m at 31 December 2014.

H) Recognition and measurement of the securities portfolio (IAS 39)

RCI Banque's portfolio of securities is classified according to the financial asset categories specified in IAS 39.

Securities held for trading purposes

These are securities intended to be sold in the very near future or held for the purpose of realizing capital gains.

These securities are measured at fair value (including accrued interest), and changes in value are recognized in the income statement.

Securities available for sale

By default, this category ("AFS securities") includes all securities that are not intended to be held to maturity and that are not held for trading purposes.

These securities are measured at fair value (including accrued interest), and changes in value (excluding accrued interest) are recognized directly in equity under a revaluation reserve. Accrued interest is recognized in the income statement. If there is an objective indication of the impairment of these securities, such as payment default, the increasing probability of borrower bankruptcy, or the disappearance of an active market, the aggregate loss that has been recorded directly under equity must be removed from equity and recognized in the income statement.

I) Non-current assets (IAS16/IAS36)

Non-current assets are carried and depreciated using the components approach. The components of an asset item, especially a complex asset, are treated as separate assets if their characteristics or useful lives are different, or if they generate economic benefits at different rates.

Property, plant and equipment is measured at historical acquisition cost less accumulated depreciation and impairment losses, if any.

Non-current assets other than land are generally depreciated on a straight-line basis over the following estimated useful lives:

- Buildings 15 to 30 years
- Other tangible non-current assets 4 to 8 years

J) Income taxes (IAS 12)

The restatements of the annual financial statements of companies included in the scope of consolidation, made to bring them into line with IAS standards for financial reporting purposes, and the tax deferrals allowed in the statutory statements filed for tax purposes, give rise to timing differences in the recognition of income for tax and financial reporting purposes. A timing difference is also recognized whenever the book value of an asset or liability differs from its value for tax purposes.

These differences give rise to the recognition of deferred taxes in the consolidated financial statements. Under the liability method used by RCI Banque, deferred tax expense is calculated by applying the last tax rate in effect at the closing date and applicable to the period in which the timing differences will be reversed. Within a given taxable entity (company, establishment, or tax consolidation group), deferred tax assets and liabilities are presented on a net basis whenever the entity is entitled to offset its tax receivables against its tax payables. Deferred tax assets are written down whenever their utilization is unlikely.

For fully consolidated companies, a deferred tax liability is recognized for taxes payable on advance dividend distributions by the group.

In accordance with the Order of 6 October 2009 in application of Article L.511-45 of France's Monetary and Financial Code (Code Monétaire et Financier), RCI Banque declares that it has a 95% holding in RCI Servicios Colombia S.A. in Colombia. The latter's business consists in receiving commissions on loans provided to a business partner. This affiliate's main management indicators are monitored on a monthly basis. At 31 December 2015, pre-tax income came to €0.6m.

K) Pension and other post-employment benefits (IAS 19)

Overview of plans

The RCI Banque group uses different types of pension and post-employment benefit plans:

Defined benefit plans:

Charges are booked to provisions for these plans to cover:

- Indemnities payable upon retirement (France),
- Supplementary pensions: the main countries using this type of plan are the United Kingdom, the Netherlands and Switzerland.
- Mandated savings plans: this type of plan is used in Italy.

Defined-benefit plans are in some cases covered by funds. Such funds are subject to periodic actuarial valuation by independent actuaries. The value of such funds, if any, is deducted from the corresponding liability.

The RCI Banque group affiliates that use external pension funds are RCI Financial Services Ltd, RCI Financial Services BV and RCI Finance SA.

Defined contribution plans:

In accordance with the laws and practices of each country, the group makes salary-based contributions to national or private institutions responsible for pension plans and provident schemes.

Such plans and schemes release the group from any later obligations, as the national or private institution is responsible for paying employees the amounts owed to them. Payments by the group are booked as expenses for the period to which they refer.

Valuation of liabilities for defined benefit plans

With respect to defined-benefit plans, the costs of post-employment benefits are estimated using the projected unit credit method. Under this method, benefit rights are allocated to periods of service according to the plan's vesting formula, taking into account a linearizing effect when rights are not vested uniformly over subsequent periods of service.

The amounts of future benefits payable to employees are measured on the basis of assumptions about salary increases, retirement age and mortality, and then discounted to their present value at a rate based on interest rates on the long-term bonds of top-grade issuers and on the estimated average term of the plan measured.

Actuarial gains or losses resulting from revision of the assumptions used in the calculation and experience-related adjustments are recognized as items of other comprehensive income.

The net expense of the period, corresponding to the sum of the cost of services rendered plus any past service costs, and to the cost of accretion of provisions less the return on plan assets is recognized in the income statement under personnel expenses.

L) Translation of financial statements of foreign companies

The presentation currency used by the group is the euro.

As a general rule, the functional currency used by foreign companies is their local currency. In cases where the majority of transactions are conducted in a currency other than the local currency, that currency is used.

To ascertain whether a country is in hyperinflation, the group refers to the list published by the AICPA's (American Institute of Certified Public Accountants) International Task Force. None of the countries in which RCI Banque does any significant amount of business features on this list.

The financial statements of the group's foreign companies are drawn up in their functional currency, and then translated into the group's presentation currency as follows:

- Balance sheet items other than equity, which are held at the historic exchange rate, are translated at closing exchange rates;
- Income statement items are translated at the average rate for the period, said rate being used as an approximation applied to underlying transactions, except in the event of significant fluctuations;
- Translation adjustments are included as a separate component of consolidated equity and do not affect income.

Goodwill and measurement differences realized when combining with a foreign company are treated as assets and liabilities of the acquired entity.

When a foreign company is disposed of, the translation differences in its assets and liabilities, previously recognized in equity, are recognized in the income statement.

M) Translation of foreign currency transactions

Transactions made by an entity in a currency other than its functional currency are translated and booked in the functional currency at the rate in effect on the date such transactions are made.

On the statement closing date, cash assets and liabilities in currencies other than the entity's functional currency are translated at the exchange rate in effect on that date. Gains or losses from such foreign currency translation are recorded in the income statement.

N) Financial liabilities (IAS 39)

The RCI Banque group recognizes financial liabilities consisting of bonds and similar obligations, negotiable debt securities, securities issued as part of securitization transactions and amounts owed to credit institutions.

Any issuance costs and premiums on financial liabilities are amortized on an actuarial basis over the term of the issue according to the effective interest rate method.

When first recognized, financial liabilities are measured at fair value net of transaction costs directly attributable to their issuance.

At each closing, financial liabilities are measured at amortized cost using the effective interest rate method, except when specific hedge accounting procedures are applicable. The financial expenses calculated in this way include issuance costs and issue or redemption premiums.

Financial liabilities covered by a fair value hedge are accounted for as described in: Derivatives and hedge accounting (IAS 39).

The group's medium-term and long-term issuance programs do not feature any clauses that might lead to acceleration of maturity of the debt.

O) Structured products and embedded derivatives (IAS 39)

The group engages in a small number of structured transactions. These issues are hedged by derivatives so as to neutralize the embedded derivative and thereby obt

ain a synthetic adjustable-rate liability.

The only embedded derivatives identified within the RCI Banque group correspond to indexing clauses contained in structured bond issues. When embedded derivatives are not closely related to the host contract, they are measured and recognized separately at fair value. Changes in fair value are then recognized in the income statement. The structured issue with the embedded derivative extracted, i.e. the host contract, is measured and recognized at amortized cost.

Structured issues are associated with swaps of assets, whose characteristics are strictly identical to those of the embedded derivative, thereby providing an effective economic hedge. However, because the use of one derivative to hedge another derivative is prohibited by IAS 39, embedded derivatives that are separated from the host contract and swaps associated with structured issues are accounted for as if held for trading purposes.

P) Derivatives and hedge accounting (IAS 39)

Risks

The RCI Banque group's management of financial risks (interest-rate risk, currency risk, counterparty risk and liquidity risk) is described in the "Financial risks" appendix of this document.

The RCI Banque group enters derivative contracts as part of its currency and interest-rate risk management policy. Whether or not these financial instruments are then accounted for as hedging instruments depends on their eligibility for hedge accounting.

The financial instruments used by RCI Banque can be classified as fair value hedges or cash flow hedges. A fair value hedge protects against changes in the fair value of the assets and liabilities hedged. A cash flow hedge protects against changes in the value of cash flows associated with existing or future assets or liabilities.

Measurement

Derivatives are measured at fair value when first recognized. Subsequently, fair value is re-estimated at each closing date.

In accordance with IFRS 13 "Fair Value Measurement", fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At initial recognition in the accounts, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability (exit price).

- The fair value of forward currency agreements and currency swaps is determined by discounting cash flows at market interest rates and exchange rates at the closing date. It also incorporates the measurement of interest rate and currency swap "base" effects.

- The fair value of interest-rate derivatives represents what the group would receive (or would pay) to unwind the running contracts at the closing date, taking into account unrealized gains or losses as determined by current interest rates at the closing date.

Credit adjustment

An adjustment is booked on the valuation of OTC derivative portfolios for counterparty credit risk (or CVA, Credit Valuation Adjustment) and own credit risk (or DVA, Debt Valuation Adjustment).

Exposure (EAD - Exposure At Default) is approximated by the mark-to-market (MTM) plus or minus an add-on, representing potential future risk and taking into account netting agreements with each counterparty. This potential future risk is estimated using the standard method recommended by French banking regulations (Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, Article 274 on capital adequacy requirements applicable to credit institutions and investment companies).

Loss Given Default (LGD) is estimated by default at 60%.

Probability of default (PD) is the probability of default associated with each counterparty's CDS (Credit Default Swaps). In certain countries, if this information is unavailable, the approximated probability of default is that of the counterparty's country.

Fair value hedge

RCI Banque has elected to apply fair value hedge accounting in the following cases:

- hedging interest-rate risk on fixed rate liabilities using a receive fixed/pay variable swap or cross currency swap;
- hedging foreign exchange risk on foreign currency assets or liabilities using a cross currency swap.

Fair value hedge accounting is applied on the basis of documentation of the hedging relation at the date of implementation and of the results of fair value hedge effectiveness tests, which are performed at each balance sheet date.

Changes in the value of fair value hedging derivatives are recognized in the income statement.

For financial liabilities covered by a fair value hedge, only the hedged component is measured and recognized at fair value, in accordance with IAS 39. Changes in the value of the hedged component are recognized in the income statement. The unhedged component of these financial liabilities is measured and recognized at amortized cost.

If the hedging relationship is terminated before the end of its term, the hedging derivative is classified as an asset or liability held for trading purposes and the item hedged is recognized at amortized cost in an amount equal to its last fair value measurement.

Cash flow hedge

RCI Banque has elected to apply cash flow hedge accounting in the following cases:

- Hedging interest-rate risk on variable rate liabilities using a receive/pay fixed swap, enabling them to be backed by fixed rate assets (macro-hedge from the economic perspective);
- Hedging future or probable cash flows in foreign currency.

Cash flow hedge effectiveness tests are performed at each balance sheet date to ensure that the relevant transactions are eligible for hedge accounting. For the second type of hedging, the test performed entails ascertaining that interest-rate exposure on the cash flows from reinvestment of non-derivative financial assets is indeed reduced by the cash flows from the derivatives used for hedging.

Changes in the value of the effective part of cash flow hedging derivatives are recognized in equity, in a special revaluation reserve account.

Trading transactions

This line item includes transactions not eligible for hedge accounting under IAS 39 and currency hedging transactions to which the RCI Banque group has preferred not to apply hedge accounting.

Changes in the value of these derivatives are recognized in the income statement.

These transactions mainly include:

- foreign exchange transactions with an initial maturity of less than one year,
- identified embedded derivatives that are part of the group's structured issues, and the associated swaps,
- swaps contracted in connection with securitization transactions,
- variable/pay variable swaps in a given currency to hedge interest-rate risk on variable-rate issues.

Q) Operating segments (IFRS 8)

Segment reporting is presented in the annual financial statements in accordance with IFRS 8 "Operating Segments".

RCI Banque is tasked with offering a comprehensive range of financing products and services to its two core markets: end Customers (Retail and Corporate) and the Renault, Nissan, Dacia, Samsung and Datsun brands Dealer network. These two segments have different expectations, needs and demands, and so each require a specific approach in terms of marketing, management processes, IT resources, sales methods and communication. Adjustments have been made to the group's organization to make it consistent with these two types of customer, to strengthen its management and support role and to increase its integration with Renault and Nissan, especially with respect to sales and marketing aspects.

In accordance with IFRS 8, segmentation by market has therefore been adopted as the operating segmentation method. This is in line with the strategic focus developed by the company. The information presented is based on internal reports sent to the group Executive Committee, identified as the "chief operating decision maker" under IFRS 8.

A breakdown by market is thus provided for the main income statement as well as for average performing loan outstandings in the corresponding periods.

Since 1 January 2009, as decided by the Executive Committee, the formerly separate Retail and Corporate segments have been consolidated into the single "Customer" segment. The breakdown of operating segments as required by IFRS 8 has followed the same segmentation.

The Dealer segment covers financing granted to the Renault-Nissan Alliance Dealer network.

The Customer segment covers all financing and related services for all customers other than Dealers.

Results are presented separately for each of these two market segments.

Refinancing and holding activities are grouped together under "Other activities".

Renault, Nissan, Dacia, Samsung and Datsun sales financing activities have been combined.

Business	Retail customers	Dealer network
Lending	✓	✓
Finance Lease	✓	NA
Operating Lease	✓	NA
Services	✓	NA

R) Insurance

The accounting policies and measurement rules specific to assets and liabilities generated by insurance contracts issued by consolidated insurance companies are established in accordance with IFRS 4.

Other assets held and liabilities issued by insurance companies follow the rules common to all of the group's assets and liabilities, and are presented in the same balance sheet and consolidated income statement items.

Technical liabilities on insurance contracts:

- Reserve for unearned premiums (non-life insurance): Technical reserves for unearned premiums are equivalent to the portion of the premiums relating to the period between the inventory date and the following endowment date. They are determined on a prorata basis.

- Policy reserves (life insurance): These are intended to cover the long-term obligations (or payment of benefits) resulting from the commitments given, and the costs of managing such contracts.
- Reserve for outstanding claims: the reserve for outstanding claims represents the estimation, net of outstanding recoveries, of the cost of all claims reported but not yet settled at the closing date.
- IBNR (Incurred But Not Reported) claim reserves: these are reserves for claims not yet reported, estimated on a statistical basis.

The guarantees offered cover death, disability, redundancy and unemployment as part of a loan protection insurance policy. These types of risk are controlled through the use of appropriate mortality tables, statistical checks on loss ratios for the population groups insured and through a reinsurance program.

Liability adequacy test: a goodness-of-fit test aimed at ensuring that insurance liabilities are adequate with respect to current estimations of future cash flows generated by the insurance contracts is performed at each statement of account. Future cash flows resulting from the contracts take into account the guarantees and options inherent therein. In the event of inadequacy, the potential losses are fully recognized in net income.

Income statement:

The income and expenses recognized for the insurance contracts issued by the RCI Banque group appear in the income statement in "Net income of other activities" and "Net expense of other activities".

4. ADAPTING TO THE ECONOMIC AND FINANCIAL ENVIRONMENT

In a mixed economic environment, RCI Banque continues to implement a prudent financial policy and reinforces its liquidity management and control system.

Liquidity

RCI Banque pays great attention to diversifying its sources of access to liquidity. Since the start of the financial crisis, the company has largely diversified its sources of funding. In addition to its traditional bond investor base in euros, new investment areas have also been successfully worked, resulting in access to bond markets in numerous currencies (USD, GBP, CHF, BRL, ARS, KRW, MAD, etc.), to fund European assets and support growth outside Europe.

Recourse to funding through securitization transactions in private and public format also helps to expand the investor base.

The retail savings business, launched in February 2012 and now rolled out in four countries, has added to diversification of the company's sources of funding and helped it to adjust to the liquidity requirements arising from Basel 3 standards.

RCI Banque's management of liquidity risk is based on several indicators or analyses, updated monthly on the basis of the latest in-force business forecasts (customer base and dealer network) and completed refinancing transactions. Very prudent assumptions about the outflow of deposits are used, with a multiplying factor applied to the stressed cash outflows adopted by the Basel Committee. The system underwent an internal audit in 2013, a review by the banking regulator (ACPR), and is reinforced by regular updating of internal procedures.

Credit business risk

By using the Probability of Default derived from scoring systems to manage new gross lending, portfolio quality across all major markets was maintained.

As the economic outlook remained uncertain, the centralized oversight of the approval policy introduced at the start of the crisis was maintained. Acceptance systems are adjusted according to stress tests updated quarterly for the main countries per market (retail customers, corporate customers). All in all, the quality of gross lending is in line with the objectives set.

In a constantly changing environment, RCI Banque's aim is to maintain overall credit risk at a level compatible with the expectations of the financial community and profitability targets.

Profitability

RCI Banque regularly reviews the costs of internal liquidity used to price customer transactions, thereby maintaining a margin on new lending in line with budget targets. Similarly, the pricing of financing granted to dealers is indexed on an internal base rate reflecting the cost of borrowed resources and liquidity cushions needed for business continuity. This method maintains a steady return for this business.

Governance

Liquidity indicators are the subject of particular scrutiny at each monthly financial committee meeting. The country management committees also monitor risk and instant projected margin indicators more systematically, thereby supplementing the routine assessments of subsidiary profitability

Exposure to non-commercial credit risk

Exposure to bank counterparty risk mainly arises from the investment of temporary cash surpluses as short-term deposits, and from interest-rate or forex hedging with derivatives.

Such transactions are made with first-class banks approved beforehand by the Counterparty Committee. RCI Banque pays close attention to diversifying its counterparties.

To meet regulatory requirements resulting from implementation of the 30-day liquidity coverage ratio (LCR),RCI

Banque now invests in liquid assets, mainly in EUR and GBP and as defined in the European Commission's Delegated Act. These liquid assets mainly consist of securities issued by governments or supranational European issuers held directly. The duration of this portfolio is less than one year.
In addition, RCI Banque has also invested in a fund whose assets consist of debt securities issued by European agencies and sovereigns and by supranational issuers.Targeted average exposure to credit risk is seven years with a limit at nine years. The fund is aiming for zero exposure to the interest rate risk with a maximum of two years.

5. REFINANCING

During the first half-year, and in very favorable market conditions, RCI Banque made three bond issues in public format. The first, a five-year bond for a total amount of €500 million, posted a 0.625% coupon rate, the lowest ever for the company. The following transaction was a €750 million bond with a maturity of three years and three months with a floating rate coupon. After that, the group issued a seven-year bond, a maturity first used in 2014, under a €750 million transaction. In the second half-year, RCI Banque issued a five-year bond under a €500 million transaction. At the same time, a large number of private placements were also made, for a total of €925 million and an average maturity of 1.6 years.

The UK subsidiary also issued GBP600 million in a private securitization offering backed by UK auto loans, to replace a transaction dating back to 2009 and being amortized since 2014.

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

Outside Europe, the group's entities in Brazil, South Korea, Morocco and Argentina also tapped their domestic bond markets. The Brazilian subsidiary completed its first securitization transaction backed by auto loans for a total of BRL466 million.

The retail savings business, launched in France in 2012 and then in Germany followed by Austria, expanded into a new market in June, when operations started up in the United Kingdom.

At 31 December, retail customer deposits rose €3.7 billion to €10.2 billion, representing 32% of loans outstanding.

These resources, to which should be added (for Europe) €4.1 billion of undrawn committed credit lines, €2.4 billion of assets eligible as collateral in ECB monetary policy operations, €2.2 billion of high quality liquid assets (HQLA), and €0.2 billion of available cash, secure the continuity of RCI Banque’s commercial business activity for eleven months without access to external sources of liquidity.

6. REGULATORY REQUIREMENTS

In accordance with the prudential banking regulations transposing EU Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV) and EU Regulation 575/2013 into French law, the RCI Banque group is subject to compliance with the solvency ratio and liquidity ratios, risk division ratio and balance sheet balancing (leverage ratio).

The ratios calculated in 2015 do not show any non-compliance with the regulatory requirements.

7. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 : Segment information

1.1 - Segmentation by market

In millions of euros	Customer	Dealer financing	Other	Total 12/2015
Average performing loan outstandings	21 363	6 885		28 248
Net banking income	1 064	199	99	1 362
Gross operating income	738	161	34	933
Operating income	654	152	34	840
Pre-tax income	654	152	38	844

In millions of euros	Customer	Dealer financing	Other	Total 12/2014
Average performing loan outstandings	18 717	6 698		25 415
Net banking income	937	188	79	1 204
Gross operating income	619	151	11	781
Operating income	523	138	11	672
Pre-tax income	524	138	6	668

A breakdown by market is provided for the main income statement as well as for average performing loan outstanding in the corresponding periods.

At the Net Banking Income level, given that most of the RCI Banque group's segment income comes from interest, the latter are shown net of interest expenses.

The earnings of each business segment are determined on the basis of internal or fiscal analytical conventions for intercompany billing and valuation of funds allocated. The equity allocated to each business segment is the capital effectively made available to the affiliates and branches and then divided among them according to internal analytical rules.

Average performing loan outstanding is the operating indicator used to monitor outstandings. As this indicator is the arithmetic mean of outstandings, its value therefore differs from the outstandings featuring in the RCI Banque group's assets, as presented in Notes 5 and 6: Customer finance transactions and similar/Customer finance transactions by business segment.

1.2 Segmentation by geographic region

In millions of euros	**Year**	**Net Loans outstandings at year-end (1)**	**of which Customers outstandings at year-end**	**of which Dealers outstandings at year-end**
Europe	2015	27 642	20 069	7 573
	2014	23 612	16 522	7 090
of which Germany	*2015*	*4 737*	*3 637*	*1 100*
	2014	4 229	3 105	1 124
of which Spain	*2015*	*2 558*	*2 039*	*519*
	2014	2 016	1 540	476
of which France	*2015*	*9 982*	*6 992*	*2 990*
	2014	9 268	6 375	2 893
of which Italy	*2015*	*3 187*	*2 406*	*781*
	2014	2 623	1 935	688
of which United-Kingdom	*2015*	*4 079*	*3 243*	*836*
	2014	2 956	2 236	720
of which other countries (2)	*2015*	*3 099*	*1 752*	*1 347*
	2014	2 519	1 331	1 188
Asia Pacific - South Korea	2015	1 160	1 143	17
	2014	1 047	1 038	9
America	2015	1 999	1 617	382
	2014	2 966	2 259	707
of which Argentina	*2015*	*229*	*189*	*40*
	2014	*315*	*198*	*117*
of which Brazil	*2015*	*1 770*	*1 428*	*342*
	2014	*2 652*	*2 062*	*590*
Africa, Middle East, India	2015	338	275	63
	2014	306	238	68
Eurasia	2015	87	82	5
	2014	87	84	3
Total RCI Banque group	**2015**	**31 226**	**23 186**	**8 040**
	2014	**28 017**	**20 140**	**7 877**

(1) Excluding operating lease business
(2) Belgium, Netherlands, Switzerland, Austria, Scandinavian countries, Poland, Czech Republic, Hungary, Slovenia; Ireland

Income from external customers is allocated to the different countries according to the home country of each of the entities. Each entity actually only books income from customers residing in the same country as that entity.

Note 2 : Derivatives

In millions of euros	12/2015		12/2014	
	Assets	Liabilities	Assets	Liabilities
Fair value of financial assets and liabilities recognized as derivatives held for trading purposes	**48**	**32**	**36**	**42**
Interest-rate derivatives		1		
Currency derivatives	48	27	36	39
Other derivatives		4		3
Fair value of financial assets and liabilities recognized as derivatives used for hedging	**326**	**36**	**262**	**47**
Interest-rate and currency derivatives: Fair value hedges	292	23	248	32
Interest-rate derivatives: Cash flow hedges	34	13	14	15
Total derivatives	**374**	**68**	**298**	**89**
(*) Of which related parties	*4*			

"Other derivatives" includes the adjustment for credit risk of -€3.8m at 31 December 2015, which breaks down into an income of €0.2m for the DVA and an expense of -€4.0m for the CVA.

These line items mainly include OTC derivatives contracted by the RCI Banque group as part of its currency and interest-rate risk hedging policy.

The transactions that give rise to entries under this heading are described in the accounting rules and methods in the following paragraphs: "Financial liabilities (IAS 39)" and "Derivatives and hedge accounting (IAS 39)".

Changes in the cash flow hedging instrument revaluation reserve

In millions of euros	Cash flow hedging	Schedule for the transfer of the CFH reserve account to the income statement		
		<1 year	1 to 5 years	+5 years
Balance at 31 December 2013	**4**		**4**	
Changes in fair value recognized in equity	(3)			
Transfer to income statement	2			
Balance at 31 December 2014	**3**	**(1)**	**4**	
Changes in fair value recognized in equity	(6)			
Transfer to income statement	9			
Balance at 31 December 2015	**6**	**3**	**3**	

With respect to cash flow hedging, the above table shows the periods during which RCI Banque expects cash flows to intervene and affect the income statement.

Changes in the cash flow hedging reserve result from changes in the fair value of the hedging instruments carried in equity, and from the transfer of the period to the income statement at the same rate as the item hedged.

Nominal values of derivative instruments by maturity and management intent

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2015	*Related parties*
Hedging of currency risk					
Forward forex contracts					
Sales	2 215			2 215	
Purchases	2 224			2 224	
Spot forex transactions					
Loans	12			12	
Borrowings	12			12	
Currency swaps					
Loans	694	863		1 557	*108*
Borrowings	606	769		1 375	*130*
Hedging of interest-rate risk					
Interest rate swaps					
Lender	3 345	6 443	900	10 688	
Borrower	3 345	6 443	900	10 688	

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2014	*Related parties*
Hedging of currency risk					
Forward forex contracts					
Sales	1 765			1 765	
Purchases	1 777			1 777	
Spot forex transactions					
Loans	112			112	
Borrowings	112			112	
Currency swaps					
Loans	94	1 241		1 335	*46*
Borrowings	117	1 172		1 289	*46*
Hedging of interest-rate risk					
Interest rate swaps					
Lender	5 820	5 579	350	11 749	
Borrower	5 820	5 579	350	11 749	

Note 3 : Financial assets available for sale and other financial assets

In millions of euros	12/2015	12/2014
Financial assets available for sale	**635**	**743**
Government debt securities and similar	411	455
Variable income securities	103	118
Bonds and other fixed income securities	121	170
Other financial assets	**8**	**13**
Interests in companies controlled but not consolidated	8	13
Total financial assets available for sale and other financial assets (*)	**643**	**756**
(*) Of which related parties	*8*	*13*

Note 4 : Amounts receivable from credit institutions

In millions of euros	12/2015	12/2014
Credit balances in sight accounts at credit institutions	**650**	**615**
Ordinary accounts in debit	626	586
Overnight loans	24	27
Accrued interest		2
Term deposits at credit institutions	**201**	**135**
Term loans	199	128
Reverse repurchase agreement or bought outright	1	3
Accrued interest	1	4
Total amounts receivable from credit institutions (*)	**851**	**750**
(*) Of which related parties	*130*	*114*

Credit balances in sight accounts are included in the “Cash and cash equivalents” line item in the cash flow statement.

Current bank accounts held by the FCTs (Fonds Commun de Titrisation) contribute in part to the funds' credit enhancement. They totaled €446m at year-end 2015 and are included in "Ordinary Accounts in debit".

Overnight loan transactions with the Central Bank are included in “Cash and balances at central banks”.

Note 5 : Customer finance transactions and similar

In millions of euros	12/2015	12/2014
Loans and advances to customers	**31 579**	**28 397**
Customer finance transactions	24 709	22 324
Finance lease transactions	6 870	6 073
Operating lease transactions	**558**	**309**
Total customer finance transactions and similar	**32 137**	**28 706**

The gross value of forborne loans outstanding, further to measures and concessions made towards borrowers experiencing financial difficulty (or likely to experience financial difficulty in the future), came to €39m and is impaired by €17m at 31 December 2015.

5.1 - Customer finance transactions

In millions of euros	12/2015	12/2014
Loans and advances to customers	**25 216**	**22 950**
Factoring	636	509
Other commercial receivables	1	
Other customer credit	23 620	21 387
Ordinary accounts in debit	276	319
Doubtful and compromised receivables	683	735
Interest receivable on customer loans and advances	**46**	**38**
Other customer credit	33	27
Ordinary accounts	3	2
Doubtful and compromised receivables	10	9
Total of items included in amortized cost - Customer loans and advances	**15**	**(76)**
Staggered handling charges and sundry expenses - Received from customers	(43)	(72)
Staggered contributions to sales incentives by manufacturer or dealers	(423)	(412)
Staggered fees paid for referral of business	481	408
Impairment on loans and advances to customers	**(568)**	**(588)**
Impairment on delinquent or at-risk receivables	(184)	(166)
Impairment on doubtful and compromised receivables	(350)	(397)
Impairment on residual value	(34)	(25)
Total customer finance transactions, net	**24 709**	**22 324**

The securitization transactions were not intended to result in derecognition of the receivables assigned. The assigned receivables as well as the accrued interest and impaired allowances continue to appear on the asset side of the group's balance sheet.

The factoring receivables result from the acquisition by the Group of the Renault-Nissan Alliance's commercial receivables.

5.2 - Finance lease transactions

In millions of euros	12/2015	12/2014
Finance lease transactions	**6 970**	**6 208**
Leasing and long-term rental	6 858	6 085
Doubtful and compromised receivables	112	123
Accrued interest on finance lease transactions	**7**	**7**
Leasing and long-term rental	5	5
Doubtful and compromised receivables	2	2
Total of items included in amortized cost - Finance leases	**(15)**	**(39)**
Staggered handling charges	(13)	(16)
Staggered contributions to sales incentives by manufacturer or dealers	(100)	(102)
Staggered fees paid for referral of business	98	79
Impairment on finance leases	**(92)**	**(103)**
Impairment on delinquent or at-risk receivables	(11)	(10)
Impairment on doubtful and compromised receivables	(80)	(89)
Impairment on residual value	(1)	(4)
Total finance lease transactions, net	**6 870**	**6 073**

Reconciliation between gross investment in finance lease contracts at the closing date and present value of minimum payments receivable

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2015
Finance leases - net investment	3 279	3 676	7	6 962
Finance leases - future interest receivable	205	159		364
Finance leases - gross investment	**3 484**	**3 835**	**7**	**7 326**
Amount of residual value guaranteed to RCI Banque group	1 627	1 740	3	3 370
Of which amount guaranteed by related parties	*1 202*	*994*	*3*	*2 199*
Minimum payments receivable under the lease (excluding amounts guaranteed by related parties, as required by IAS 17)	2 282	2 841	4	5 127

In millions of euros	< 1 year	1 year to 5 years	> 5 years	Total 12/2014
Finance leases - net investment	3 058	3 116	2	6 176
Finance leases - future interest receivable	209	178		387
Finance leases - gross investment	**3 267**	**3 294**	**2**	**6 563**
Amount of residual value guaranteed to RCI Banque group	1 451	1 406	1	2 858
Of which amount guaranteed by related parties	*1 009*	*806*	*1*	*1 816*
Minimum payments receivable under the lease (excluding amounts guaranteed by related parties, as required by IAS 17)	2 258	2 487	1	4 746

5.3 - Operating lease transactions

In millions of euros	12/2015	12/2014
Fixed asset net value on operating lease transactions	**564**	**308**
Gross value of tangible assets	656	346
Depreciation of tangible assets	(92)	(38)
Receivables on operating lease transactions	**4**	**4**
Accrued interest	1	1
Non-impaired receivables	5	3
Doubtful and compromised receivables	1	
Income and charges to be staggered	(3)	
Impairment on operating leases	**(10)**	**(3)**
Impairment on residual value	(10)	(3)
Total operating lease transactions, net	**558**	**309**

The amount of minimum future payments receivable under operating non-cancelable lease contracts is

In millions of euros	12/2015	12/2014
0-1 year	46	26
1-5 years	130	65
+5 years		
Total	**176**	**91**

5.4 - Maximum exposure to credit risk and indication concerning the quality of receivables deemed non impaired by the RCI Banque group

At 31 December 2015, the RCI Banque group's maximum aggregate exposure to credit risk stood at €38,053m. This exposure chiefly includes net loans outstanding from sales financing, sundry debtors, asset derivatives and irrevocable financing commitments on the RCI Banque group's off-balance sheet (see Note 22 Commitments received).

Amount of receivables due

In millions of euros	12/2015	of which non-impaired (1)	12/2014	of which non-impaired (1)
Between 0 and 90 days	440	408	455	416
Between 90 and 180 days	44		44	
Between 180 days and 1 year	21		27	
More than one year	289		314	
Receivables due	**794**	**408**	**840**	**416**

(1) Only includes fully or partially (on an individual basis) non-impaired sales financing receivables.

The risks on the quality of customer loans are assessed (using a score system) and monitored per type of business (Customer and Dealer). At the statement closing date, no component affected the credit quality of non-due and non-impaired sales financing receivables.

There is no significant concentration of risks within the sales financing customer base in line with regulatory requirements.

As at 31 December 2015, guarantees held on doubtful or delinquent receivables totaled €523m, against €469m at 31 December 2014.

5.5 - Residual values of risk carried by RCI Banque

The total risk on residual values carried by the RCI Banque group amounted to €1,649m at 31 December 2015 against €912m at 31 December 2014. It was covered by provisions totaling €15m at 31 December 2015 (essentially affecting the United Kingdom).

Note 6 : Customer finance transactions by business segment

In millions of euros	Customer	Dealer financing	Other	Total 12/2015
Gross value	**24 209**	**8 244**	**354**	**32 807**
Non-impaired receivables	23 737	7 911	351	31 999
Doubtful receivables	159	297	2	458
Compromised receivables	313	36	1	350
% of doubtful and compromised receivables	*1,95%*	*4,04%*	*0,85%*	*2,46%*
Impairment allowance on individual basis	**(425)**	**(135)**	**(1)**	**(561)**
Non-impaired receivables	(74)	(57)		(131)
Doubtful receivables	(96)	(42)	(1)	(139)
Compromised receivables	(255)	(36)		(291)
Impairment allowance on collective basis	**(40)**	**(69)**		**(109)**
Impairment	(9)	(69)		(78)
Country risk	(31)			(31)
Net value (*)	**23 744**	**8 040**	**353**	**32 137**
(*) Of which: related parties (excluding participation in incentives and fees paid	*15*	*628*	*254*	*897*

In millions of euros	Customer	Dealer financing	Other	Total 12/2014
Gross value	**20 932**	**8 090**	**378**	**29 400**
Non-impaired receivables	20 428	7 727	376	28 531
Doubtful receivables	178	324	1	503
Compromised receivables	326	39	1	366
% of doubtful and compromised receivables	*2,41%*	*4,49%*	*0,53%*	*2,96%*
Impairment allowance on individual basis	**(444)**	**(153)**	**(1)**	**(598)**
Non-impaired receivables	(59)	(53)		(112)
Doubtful receivables	(106)	(61)		(167)
Compromised receivables	(279)	(39)	(1)	(319)
Impairment allowance on collective basis	**(37)**	**(59)**		**(96)**
Impairment	(6)	(59)		(65)
Country risk	(31)			(31)
Net value (*)	**20 451**	**7 878**	**377**	**28 706**
(*) Of which: related parties (excluding participation in incentives and fees paid :	*25*	*585*	*273*	*883*

Business segment information is given in detail in note 1.

The “Other” category mainly includes buyer and ordinary accounts with dealers and the Renault Group.

The provision for country risk primarily concerns Argentina and Brazil, and to a lesser extent, Morocco and Romania.

Note 7 : Adjustment accounts and other assets

In millions of euros	12/2015	12/2014
Tax receivables	**315**	**243**
Current tax assets	21	37
Deferred tax assets	105	109
Tax receivables other than on current income tax	189	97
Adjustment accounts and other assets	**623**	**637**
Other sundry debtors	166	203
Adjustment accounts - Assets	33	29
Items received on collections	288	295
Reinsurer part in technical provisions	136	110
Total adjustment accounts – Assets and other assets (*)	**938**	**880**
(*) Of which related parties	*94*	*153*

Deferred tax assets are analysed in note 31.

Changes in the share of reinsurers in the technical reserves are analyzed as follows:

Changes in the part of reinsurance in the technical provisions

In millions of euros	12/2015	12/2014
Reinsurer part in technical provisions at the beginning of period	110	93
Increase of the technical provisions chargeable to reinsurers	34	24
Claims recovered from reinsurers	(8)	(7)
Reinsurer part in technical provisions at the end of period	**136**	**110**

Note 8 : Investments in associates and joint ventures

In millions of euros	12/2015		12/2014	
	Share of net assets	Net income	Share of net assets	Net income
Orfin Finansman Anonim Sirketi	17	2	17	1
RN SF B.V.	32	2	33	(6)
Nissan Renault Financial Services India Private Limited	23			
Total interests in associates	**72**	**4**	**50**	**(5)**

Note 9 : Tangible and intangible non-current assets

In millions of euros	12/2015	12/2014
Intangible assets: net	**3**	**4**
Gross value	35	34
Accumulated amortization and impairment	(32)	(30)
Property, plant and equipment: net	**25**	**24**
Gross value	116	114
Accumulated depreciation and impairment	(91)	(90)
Total tangible and intangible non-current assets	**28**	**28**

Note 10 : Goodwill

In millions of euros	12/2015	12/2014
Argentina	3	4
United Kingdom	43	40
Germany	12	12
Italy	9	9
South Korea	20	19
Czech Republic	6	6
Total goodwill from acquisitions by country	**93**	**90**

Impairment tests were performed on all goodwill (using the methods and assumptions described in Note B). These tests revealed no impairment risk at 31 December 2015.

Note 11 : Liabilities to credit institutions and customers & debt securities

11.1 - Central Banks

In millions of euros	12/2015	12/2014
Term borrowings	1 500	550
Accrued interest	1	
Total Central Banks	**1 501**	**550**

At 31 December 2015, the book value of the collateral presented to the Bank of France (3G) amounted to €4,655m in collateralized security entity shares and private account receivables.

11.2 - Amounts payable to credit institutions

In millions of euros	**12/2015**	**12/2014**
Sight accounts payable to credit institutions	**205**	**125**
Ordinary accounts	21	47
Overnight borrowings	52	
Other amounts owed	132	78
Term accounts payable to credit institutions	**1 228**	**1 985**
Term borrowings	1 148	1 846
Accrued interest	80	139
Total liabilities to credit institutions	**1 433**	**2 110**

Sight accounts are included in the “Cash and cash equivalents” line item in the cash flow statement.

Three overnight borrowings were made in Brazil on the last day of the year for €52m.

11.3 - Amounts payable to customers

In millions of euros	**12/2015**	**12/2014**
Amounts payable to customers	**10 885**	**7 280**
Ordinary accounts in credit	83	75
Term accounts in credit	571	671
Ordinary saving accounts	7 330	5 102
Term deposits (retail)	2 901	1 432
Other amounts payable to customers and accrued interest	**48**	**24**
Other amounts payable to customers	35	17
Accrued interest on ordinary accounts in credit	10	6
Accrued interest on term accounts in credit		1
Accrued interest on ordinary saving accounts	2	
Accrued interest on csutomers term accounts	1	
Total amounts payable to customers (*)	**10 933**	**7 304**
(*) Of which related parties	*600*	*677*

Term accounts in credit include a €550m cash warrant agreement given to RCI Banque S.A. by the manufacturer Renault, covering, without any geographical exceptions, against the risks of the Renault Retail Group defaulting.

RCI Banque launched its savings business in France in 2012, in Germany in February 2013 in Austria in April 2014 and in the United Kingdom in June 2015, marketing both savings accounts and term deposit accounts.

11.4 - Debt securities

In millions of euros	12/2015	12/2014
Negotiable debt securities (1)	**1 662**	**952**
Certificates of deposit	1 149	797
Commercial paper and similar	261	111
French MTNs and similar	228	10
Accrued interest on negotiable debt securities	24	34
Other debt securities (2)	**2 776**	**3 636**
Other debt securities	2 775	3 635
Accrued interest on other debt securities	1	1
Bonds and similar	**13 096**	**12 039**
Bonds	12 886	11 784
Accrued interest on bonds	210	255
Total debt securities (*)	**17 534**	**16 627**
(*) Of which related parties	*156*	*203*

(1) Certificates of deposit, commercial paper and French MTNs are issued by RCI Banque S.A., CFI RCI Brasil S.A. and DIAC S.A.

(2) Other debt securities consists primarily of the securities issued by the vehicles created for the French (Diac S.A.), Italian (RCI Banque Succursale Italiana), German (RCI Banque S.A. Niederlassung Deutschland), UK (RCI Financial Services Ltd) and Brazilian (Companhia de Crédito Financiamento e Investimento RCI Brasil) securitization offerings.

11.5 - Breakdown of liabilities by valuation method

In millions of euros	12/2015	12/2014
Liabilities valued at amortized cost - Excluding fair value hedge	**25 452**	**20 720**
Central Banks	1 501	550
Amounts payable to credit institutions	1 433	2 100
Amounts payable to customers	10 933	7 304
Debt securities	11 585	10 766
Liabilities valued at amortized cost - Fair value hedge	**5 949**	**5 871**
Amounts payable to credit institutions		10
Debt securities	5 949	5 861
Total financial debts	**31 401**	**26 591**

11.6 - Breakdown of financial liabilities by rate type before derivatives

In millions of euros	Variable	Fixed	12/2015
Central Banks		1 501	1 501
Amounts payable to credit institutions	808	625	1 433
Amounts payable to customers	8 033	2 900	10 933
Negotiable debt securities	421	1 241	1 662
Other debt securities	2 776		2 776
Bonds	3 596	9 500	13 096
Total financial liabilities by rate	**15 634**	**15 767**	**31 401**

In millions of euros	Variable	Fixed	12/2014
Central Banks		550	550
Amounts payable to credit institutions	1 011	1 099	2 110
Amounts payable to customers	5 728	1 576	7 304
Negotiable debt securities	452	500	952
Other debt securities	3 064	572	3 636
Bonds	2 409	9 630	12 039
Total financial liabilities by rate	**12 664**	**13 927**	**26 591**

11.7 - Breakdown of financial liabilities by remaining term to maturity

The breakdown of financial liabilities by maturity is shown in note 17.

Note 12 : Securitization

SECURITIZATION – Public issues								
Country	France	France	France	France	Italy	Germany	Germany	Brazil
Originator	DIAC SA	DIAC SA	DIAC SA	DIAC SA	RCI Banque Succursale Italiana	RCI Bank Niederlassung	RCI Bank Niederlassung	Companhia de Crédito, Financiamento e Investimento RCI Brasil
Securitized collateral	Auto loans to customers	Auto loans to customers	Auto loans to customers	Receivables independant dealers	Auto loans to customers	Auto loans to customers	Auto loans to customers	Auto loans to customers
Issuer	CARS Alliance Auto Loans France FCT Master	CARS Alliance Auto Loans France V 2012-1	CARS Alliance Auto Loans France V 2014-1	FCT Cars Alliance DFP France	Cars Alliance Auto Loans Italy 2015 s.r.l.	CARS Alliance Auto Loans Germany Master	CARS Alliance Auto Loans Germany V2013-1	Fundo de Investimento em Direitos Creditórios RCI Brasil I
Closing date	May 2012	November 2012	October 2014	July 2013	July 2015	March 2014	December 2013	May 2015
Legal maturity date	August 2030	February 2024	January 2026	July 2023	December 2031	March 2031	December 2024	April 2021
Initial purchase of receivables	715 M€	826 M€	700 M€	1 020 M€	1 234 M€	674 M€	977 M€	n.a.
Credit enhancement as at the closing date	Cash reserve for 1% Over-collateralization of receivables 15,1%	Cash reserve for 1% Over-collateralization of receivables 13,5%	Cash reserve for 1% Over-collateralization of receivables 11,5%	Cash reserve for 1% Over-collateralization of receivables 20,35%	Cash reserve for 1% Over-collateralization of receivables 22,6%	Cash reserve for 1% Over-collateralization of receivables 8%	Cash reserve for 1% Over-collateralization of receivables 12%	Cash reserve for 1% Over-collateralization of receivables 11%
Receivables purchased as of 31 December 2015	899 M€	157 M€	596 M€	1 060 M€	1 214 M€	1 856 M€	573 M€	146 M€
Notes in issue as at 31 December 2015 (including any units held by the RCI Banque group)	Class A Rating : AAA 765 M€	Class A Rating : AAA 55 M€	Class A Rating : AAA 532 M€	Class A Rating : AAA 750 M€	Class A Rating : AAA 955 M€	Class A Rating : AAA 1 553 M€	Class A Rating : AAA 440 M€	Class A Rating : AAA 108 M€
			Class B Rating : A+ 44 M€				Class B Rating : A 57 M€	
	Class B Non rated 137 M€	Class B Non rated 109 M€	Class C Non rated 34 M€		Class J Non rated 292 M€	Class B Non rated 136 M€	Class C Non rated 52 M€	Class B Non rated 13 M€
Period	Revolving	Amortizing	Amortizing	Revolving	Revolving	Revolving	Amortizing	Revolving
Transaction's nature	Retained	Market	Market	Retained	Retained	Retained	Market	Market

In 2015, the RCI Banque group carried out two public securitization transactions, one in Italy and the other in Brazil, by means of special purpose vehicles. The transaction to securitize loans to retail customers in Italy was retained by RCI Banque SA, thus providing securities eligible as ECB collateral.

In addition, and as part of its efforts to diversify its refinancing, a number of securitization transactions were financed with private investors. Customer receivables in the United Kingdom were securitized, as were leasing receivables and dealer receivables in Germany. As these transactions were private, their terms and conditions are not disclosed in the above table.

At 31 December 2015, the amount of financing obtained through private securitization totaled €1,607m. The amount of financing obtained through public securitization transactions placed on the markets totaled €1,174m.

The securitization transactions carried out by the group all meet the requirement under Article 405 of European Directive No. 575/2013 for a net economic interest of not less than 5% to be retained. These transactions were not intended to result in derecognition of the receivables transferred, and at 31 December 2015, the amount of the sales financing receivables thus maintained on the balance sheet totaled €8,835m (€7,724m at 31 December 2014), as follows:

- Securitization transactions placed on the market: €1,472m

- Retained securitization transactions: €5,028m

- Private securitization transactions: €2,335m

The fair value of these receivables was €8,793m at 31 December 2015.

Liabilities of €2,776m have been booked under "Other debt securities" for the securities issued during securitization transactions. The fair value of these liabilities was €2,793m at 31 December 2015.

The difference between the amount of receivables transferred and the amount of the aforementioned liabilities corresponds to the credit enhancement needed for these transactions and to the share of securities retained by the RCI Banque group serving as a liquidity reserve.

Note 13 : Adjustment accounts and other liabilities

In millions of euros	**12/2015**	**12/2014**
Taxes payable	**423**	**445**
Current tax liabilities	79	74
Deferred tax liabilities	324	339
Taxes payable other than on current income tax	20	32
Adjustment accounts and other amounts payable	**1 274**	**1 118**
Social security and employee-related liabilities	40	38
Other sundry creditors	1 011	875
Adjustment accounts - liabilities	216	200
Collection accounts	7	5
Total adjustment accounts - Liabilities and other liabilities (*)	**1 697**	**1 563**
(*) Of which related parties	*282*	*187*

Deferred tax assets are analyzed in note31.

Note 14 : Provisions

In millions of euros	12/2014	Charge	Reversals		Other (*)	12/2015
			Used	Not Used		
Provisions on banking operations	**270**	**213**	**(36)**	**(134)**	**4**	**317**
Provisions for litigation risks	20	7	(7)	(9)	(1)	10
Insurance technical provisions	227	202	(22)	(122)	3	288
Other provisions	23	4	(7)	(3)	2	19
Provisions on non-banking operations	**98**	**16**	**(15)**	**(5)**	**(11)**	**83**
Provisions for pensions liabilities and related	41	6	(4)		(3)	40
Provisions for restructuring	4		(2)	(2)	1	1
Provisions for tax and litigation risks	50	8	(9)	(1)	(9)	39
Other	3	2		(2)		3
Total provisions	**368**	**229**	**(51)**	**(139)**	**(7)**	**400**

(*) Other = Reclassification, currency translation effects, changes in scope of consolidation

The significant amount in "Other changes" in "Provisions for tax and litigation risks" is attributable to a very adverse exchange rate effect on the Brazilian Real.

Each of the known disputes in which RCI Banque or the group's companies are involved was reviewed at the closing date. On the advice of legal counsel, provisions were established when deemed necessary to cover estimated risks.

Every so often, the group's companies are subject to tax audits in the countries where they are based. Uncontested deficiency notices are booked by means of tax provisions. Contested deficiency notices are recognized case by case on the basis of estimates taking into account the merit of the claims against the company concerned and the risk that it may not prevail in its case.

Other provisions on banking operations mainly consist of the insurance technical provision for captive insurance company commitments towards policy holders and beneficiaries. The insurance technical provision came to €288m at end-December 2015.

Provisions for litigation risks on banking operations include the provision for the German branch (RCI Banque S.A. Niederlassung Deutschland), which came to €13m at end-December 2014 (of which €1m for the VAT-related tax audit and €12m for unfair administration/processing fees billed to retail customers, following the ruling by Germany's Supreme court), and the €5m provision for the Hungarian subsidiary (RCI ZRT) made further to a new law with retrospective effect on contracts in foreign currencies.

At end-December 2015, reversals (used) on these provisions are further to actual expensing of repayments already made:

- €8.2m for RCI Banque S.A. Niederlassung Deutschland, of which €0.6m under the provision for tax risk and €7.6m under the provision on banking operations relating to administration/processing fees;
- €5.0m for RCI ZRT.

A reversal (not used) for €6.3m was booked in Germany on the provision on banking operations relating to administration/processing fees billed to retail customers.

A net provision of €0.8m for interest refunds on foreign currency-denominated loans was booked in 2015 in Hungary. An additional provision of €5.9m was also booked in Germany under the provision on administration/ processing fees billed to business customers.

Insurance risk

The main risk to which the group is exposed in respect of insurance and re-insurance policies taken out is the risk that the actual total amount of claims and settlements and/or the rate of payment thereof may differ from estimations. The frequency of claims, their seriousness, the valuation of settlements paid out and the type of claims, some of whose development may be long term, all have an impact on the main risk to which the group is exposed. The group makes sure that its available reserves are sufficient to cover its commitments.

Exposure to risk is limited by diversifying the portfolio of insurance and re-insurance policies, and the geographical areas in which they are taken out. Fluctuations in the level of risk are also kept to a minimum through stringent policy selection, compliance with subscription guides and the use of re-insurance agreements.

The group makes use of re-insurance in order to limit risk. Policies are transferred under re-insurance agreements on a proportionate basis. Proportionate reinsurance treaties are signed in order to reduce the group's overall exposures for all businesses and in all countries. The amounts that may be recovered from re-insurers are determined in accordance with the claim reserves and with the reinsurance treaties. Re-insurance does not release the transferor from its commitments to policy holders and if for any reason the re-insurer is unable to meet its obligations, the group is exposed to a credit risk on the policies transferred. Re- insurance treaties are signed with A-rated counterparties and the group actively monitors each re-insurer's rating. The group has assessed the risks covered by reinsurance contracts and believes that no retrocession is required.

Key assumptions

The main assumption underlying estimations of liabilities is that the trend in future claims will follow exactly the same trend as in past claims.

The group has therefore factored in an ultimate loss rate in estimating the total cost of claims and of claim reserves (IBNR). Bearing in mind the reinsurance treaties that have been signed, any deterioration or improvement in this loss rate would have no significant impact on the year's results.

Provisions for pension and other post-employment benefits

In millions of euros	12/2015	12/2014
France	30	32
Rest of world	10	9
Total provisions	**40**	**41**

Subsidiaries without a pension fund

Main actuarial assumptions	France	
	12/2015	12/2014
Retirement age	67 years	67 years
Salary increases	2,06%	2,26%
Financial discount rate	2,10%	1,89%
Starting rate	5,40%	5,83%

Subsidiaries with a pension fund

Main actuarial assumptions	United Kingdom		Switzerland		Netherlands	
	12/2015	12/2014	12/2015	12/2014	12/2015	12/2014
Average duration	24 years	27 years	18 years	17 years	12 years	12 years
Rate of wage indexation	3,05%	3,00%	1,00%	1,00%	1,25%	1,25%
Financial discount rate	3,95%	3,80%	0,80%	1,50%	2,40%	2,60%
Actual return rate of hedge assets	0,40%	12,10%	2,00%	2,00%	2,40%	2,60%

Changes in provisions during the year

In millions of euros	Actuarial value of obligations (A)	Actuarial value of invested funds (B)	Obligations less invested funds (C)	Net liabilities of the defined-benefit pension plans (A)-(B)-(C)
Opening balance of the current period	**80**	**38**		**42**
Current service cost	4			4
Net interest on the net liability (asset)	2	1		1
Expense (income) recorded in the income statement	**6**	**1**		**5**
Actuarial gains and losses on the obligation resulting from changes in demographic assumptions	(3)			(3)
Actuarial gains and losses on the obligation resulting from changes in financial assumptions	(3)			(3)
Actuarial gains and losses on the obligation resulting from experience adjustme	3			3
Expense (income) recorded in Other components of comprehensive income	**(3)**			**(3)**
Employer's contributions to funds		1		(1)
Benefits paid	(3)	(1)		(2)
Effect of changes in exchange rates	1	2		(1)
Balance at the closing date of the period	**81**	**41**		**40**

Nature of invested funds

In millions of euros	12/2015		12/2014	
	Quoted on an active market	Not quoted on an active market	Quoted on an active market	Not quoted on an active market
Shares	10		9	
Bonds	26		25	
Others	5		4	
Total	**41**		**38**	

Note 15 : Impairments allowances to cover counterparty risk

In millions of euros	12/2014	Charge	Reversals		Other (*)	12/2015
			Used	Not Used		
Impairments on banking operations	**695**	**352**	**(238)**	**(130)**	**(9)**	**670**
Customer finance transactions (on individual basis)	598	327	(237)	(121)	(6)	561
Customer finance transactions (on collective basis)	96	25	(1)	(9)	(2)	109
Securities transactions	1				(1)	
Impairment on non-banking operations	**5**	**2**	**(1)**		**(1)**	**5**
Other impairment to cover counterparty risk	5	2	(1)		(1)	5
Impairment on banking operations	**20**	**7**	**(7)**	**(9)**	**(1)**	**10**
Provisions for litigation risks	20	7	(7)	(9)	(1)	10
Total provisions to cover counterparty risk	**720**	**361**	**(246)**	**(139)**	**(11)**	**685**

(*) Other = Reclassification, currency translation effects, changes in scope of consolidation

A breakdown by market segment of allowances for impairment of assets in connection with customer finance operations is provided in note 6.

Note 16 : Subordinated debt - Liabilities

In millions of euros	12/2015	12/2014
Liabilities measured at amortized cost		**251**
Subordinated debt		250
Accrued interest on subordinated debt		1
Hedged liabilities measured at fair value	**12**	**10**
Participating loan stocks	12	10
Total subordinated liabilities	**12**	**261**

The €250m subordinated debt securities issued to the public in 2005 matured in April 2015.

The remuneration on the participating loan stock issued in 1985 by Diac S.A. includes a fixed component equal to the money market rate and a variable component obtained by applying the rate of increase in the Diac sub-group's consolidated net income for the year compared to that of the previous year, to 40% of the money market rate.

Annual remuneration is between 100% and 130% of the money market rate, with a floor rate of 6.5%.

Note 17 : Financial assets and liabilities by remaining term to maturity

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2015
Financial assets	**10 989**	**10 561**	**13 500**	**334**	**35 384**
Cash and balances at central banks	1 937				1 937
Derivatives	46	137	167	24	374
Financial assets available for sale and other	275	196	62	110	643
Amounts receivable from credit institutions	720		131		851
Loans and advances to customers	8 011	10 228	13 140	200	31 579
Financial liabilities	**11 035**	**4 554**	**14 060**	**1 832**	**31 481**
Central Banks		1	1 500		1 501
Derivatives	9	29	30		68
Amounts payable to credit institutions	390	566	477		1 433
Amounts payable to customers	7 635	984	1 764	550	10 933
Debt securities	3 001	2 974	10 289	1 270	17 534
Subordinated debt				12	12

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2014
Financial assets	**9 034**	**9 762**	**11 589**	**281**	**30 666**
Cash and balances at central banks	465				465
Derivatives	41	21	214	22	298
Financial assets available for sale and other	124	399	101	132	756
Amounts receivable from credit institutions	685	5	60		750
Loans and advances to customers	7 719	9 337	11 214	127	28 397
Financial liabilities	**8 455**	**3 679**	**13 728**	**1 079**	**26 941**
Central Banks	150		400		550
Derivatives	17	38	34		89
Amounts payable to credit institutions	724	709	677		2 110
Amounts payable to customers	5 345	394	1 015	550	7 304
Debt securities	2 219	2 287	11 602	519	16 627
Subordinated debt		251		10	261

The group's cash surpluses, which are historically high as a result of the growth in retail customer savings deposits and buoyant car sales in Europe, were mainly invested as deposits with the Central Bank, where remuneration is higher than that of the alternatives (deposits with commercial banks, HQLA).

Central Bank borrowings correspond to the longer term refinancing operations (TLTRO) introduced at the end of 2014 and gradually being used by RCI Banque.

Note 18 : Breakdown of future contractual cash flows by maturity

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2015
Financial liabilities	**10 875**	**4 753**	**14 640**	**1 943**	**32 211**
Central Banks			1 500		1 500
Derivatives		25	7		32
Amounts payable to credit institutions	372	502	477		1 351
Amounts payable to customers	7 623	983	1 764	550	10 920
Debt securities	2 708	2 847	10 281	1 270	17 106
Subordinated debt				9	9
Future interest payable	172	396	611	114	1 293
Financing and guarantee commitments	**1 881**	**70**		**5**	**1 956**
Total breakdown of future contractual cash flows by maturity	**12 756**	**4 823**	**14 640**	**1 948**	**34 167**

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2014
Financial liabilities	**8 399**	**4 087**	**14 415**	**1 112**	**28 013**
Central Banks	150		400		550
Derivatives	13	27	25		65
Amounts payable to credit institutions	698	596	677		1 971
Amounts payable to customers	5 339	394	1 015	550	7 298
Debt securities	1 930	2 176	11 587	519	16 212
Subordinated debt		250		9	259
Future interest payable	269	644	711	34	1 658
Financing and guarantee commitments	**1 653**				**1 653**
Total breakdown of future contractual cash flows by maturity	**10 052**	**4 087**	**14 415**	**1 112**	**29 666**

The sum of the future contractual cash flows is not equal to the values in the balance sheet. This is because future contractual interest and non-discounted coupon payments on swaps are taken into account.

For liability derivatives, the contractual cash flows correspond to the amounts payable.

For the other non-derivative financial liabilities, the contractual cash flows correspond to the repayment of the par value and the payment of interest.

Interest for variable rate financial instruments has been estimated on the basis of the interest rate in effect at 31 December.

Note 19 : Fair value of assets and liabilities (in accordance with IFRS 7 & IFRS 13) and breakdown of assets and liabilities by fair value hierarchy

In millions of euros - 31/12/2015	Book Value	Fair Value				Gap (*)
		Level 1	Level 2	Level 3	FV (*)	
Financial assets	**35 384**	**635**	**3 162**	**31 615**	**35 412**	**28**
Cash and balances at central banks	1 937		1 937		1 937	
Derivatives	374		374		374	
Financial assets available for sale and other	643	635		8	643	
Amounts receivable from credit institutions	851		851		851	
Loans and advances to customers	31 579			31 607	31 607	28
Financial liabilities	**31 481**	**12**	**31 532**		**31 544**	**(63)**
Central Banks	1 501		1 501		1 501	
Derivatives	68		68		68	
Amounts payable to credit institutions	1 433		1 426		1 426	7
Amounts payable to customers	10 933		10 933		10 933	
Debt securities	17 534		17 604		17 604	(70)
Subordinated debt	12	12			12	

(*) FV : Fair value - Difference : Unrealized gain or loss

Financial assets available for sale classified as Level 3 are holdings in non-consolidated companies.

In millions of euros - 31/12/2014	Book Value	Fair Value				Gap (*)
		Level 1	Level 2	Level 3	FV (*)	
Financial assets	**30 666**	**742**	**1 513**	**28 542**	**30 797**	**131**
Cash and balances at central banks	465		465		465	
Derivatives	298		298		298	
Financial assets available for sale and other	756	742		14	756	
Amounts receivable from credit institutions	750		750		750	
Loans and advances to customers	28 397			28 528	28 528	131
Financial liabilities	**26 941**	**10**	**27 256**		**27 266**	**(325)**
Central Banks	550		550		550	
Derivatives	89		89		89	
Amounts payable to credit institutions	2 110		2 138		2 138	(28)
Amounts payable to customers	7 304		7 304		7 304	
Debt securities	16 627		16 924		16 924	(297)
Subordinated debt	261	10	251		261	

(*) FV : Fair value - Difference : Unrealized gain or loss

Assumptions and methods used:

The three-level hierarchy for financial instruments recognized on the balance sheet at fair value, as required by IFRS 7 is as follows:

- Level 1: measurements based on quoted prices on active markets for identical financial instruments.
- Level 2: measurements based on quoted prices on active markets for similar financial instruments or measurements for which all significant data are based on observable market data.
- Level 3: measurement techniques for which significant data are not based on observable market data.

Estimated fair values have been determined using available market information and appropriate valuation methods for each type of instrument.

However, the methods and assumptions used are by nature theoretical, and a substantial amount of judgment comes into play in interpreting market data. Using different assumptions and/or different valuation methods could have a significant effect on the estimated values.

Fair values have been determined on the basis of information available at the closing date of each period, and thus do not reflect later changes.

As a general rule, whenever a financial instrument is traded on an active, liquid market, its most recent quoted price is used to calculate market value. For instruments without a quoted price, market value is determined by applying recognized valuation models that use observable market parameters. If RCI Banque does not have the necessary valuation tools, including for complex products, valuations are obtained from leading financial institutions.

The main assumptions and valuation methods used are the following:

- **Financial assets**

Fixed-rate loans have been estimated by discounting future cash flows at the interest rates offered by RCI Banque at 31 December 2014 and at 31 December 2015 for loans with similar conditions and maturities.

Level 3 securities are non-consolidated holdings for which there is no quoted price.

- **Loans and advances to customers**

Sales financing receivables have been estimated by discounting future cash flows at the interest rate that would have applied to similar loans (conditions, maturity and borrower quality) at 31 December 2015 and at 31 December 2014.

Customer receivables with a term of less than one year are not discounted, as their fair value is not significantly different from their net book value.

- **Financial liabilities**

Fair value of financial liabilities has been estimated by discounting future cash flows at the interest rates offered to RCI Banque at 31 December 2014 and 31 December 2015 for borrowings with similar conditions and maturities. Projected cash flows are therefore discounted according to the zero-coupon yield curve, augmented by the spread specific to RCI Banque for issues on the secondary market against 3 months.

Note 20 : Netting agreements and other similar commitments

Master Agreement relating to transactions on forward financial instruments and similar agreements

The RCI Banque group negotiates its forward derivative agreements under International Swaps and Derivatives Association (ISDA) and FBF (Fédération Bancaire Française) Master Agreements.

The occurrence of an event of default entitles the non- defaulting party to suspend performance of its payment obligations and to payment or receipt of a settlement amount for all terminated transactions.

ISDA and FBF Master Agreements do not meet the criteria for offsetting in the financial statements. The RCI Banque group currently only has a legally enforceable right to offset booked amounts in the event of default or a credit event.

Synthesis of financial assets and liabilities agreements

In millions of euros - 31/12/2015	Gross book value before agreement	Netted gross amounts	Net amount in balance sheet	Non compensated amount			Net Exposure
				Financial instruments on the liability	Guarantees on the liability	Off-balance sheet guarantees	
Assets	**1 278**		**1 278**	**49**	**681**		**548**
Derivatives	374		374	49			325
Network financing receivables (1)	904		904		681		223
Liabilities	**68**		**68**	**49**			**19**
Derivatives	68		68	49			19

(1) The gross book value of dealer financing receivables breaks down into €547m for the Renault Retail Group, whose exposures are hedged for up to €542m by a cash warrant agreement given by the Renault manufacturer (see note 11.3), and €357m for dealers financed by Companhia de Crédito, Financiamento e Investimento RCI Brasil, whose exposures are hedged for up to €139m by pledge of letras de cambio subscribed by the dealers.

In millions of euros - 31/12/2014	Gross book value before agreement	Netted gross amounts	Net amount in balance sheet	Non compensated amount			Net Exposure
				Financial instruments on the liability	Guarantees on the liability	Off-balance sheet guarantees	
Assets	**1 419**		**1 419**	**66**	**724**		**629**
Derivatives	298		298	66			232
Network financing receivables (1)	1 121		1 121		724		397
Liabilities	**89**		**89**	**66**			**23**
Derivatives	89		89	66			23

(1) The gross book value of dealer financing receivables breaks down into €521m for the Renault Retail Group, whose exposures are hedged for up to €550m by a cash warrant agreement given by the Renault manufacturer (see note 11.3), and €600m for non-group dealers financed by Companhia de Crédito, Financiamento e Investimento RCI Brasil, whose exposures are hedged for up to €205m by pledge of letras de cambio subscribed by the dealers.

Note 21 : Commitments given

In millions of euros	12/2015	12/2014
Financing commitments	**1 952**	**1 645**
Commitments to customers	1 952	1 645
Guarantee commitments	**46**	**64**
Commitments to credit institutions	41	34
Customer guarantees	5	30
Total commitments given (*)	**1 998**	**1 709**
(*) Of which related parties	*6*	*11*

Note 22 : Commitments received

In millions of euros	12/2015	12/2014
Financing commitments	**4 492**	**4 812**
Commitments from credit institutions	4 492	4 812
Guarantee commitments	**8 629**	**8 051**
Guarantees received from credit institutions	146	146
Guarantees from customers	4 565	4 676
Commitments to take back leased vehicles at the end of the contract	3 918	3 229
Total commitments received (*)	**13 121**	**12 863**
(*) Of which related parties	*2 893*	*2 476*

At 31 December 2015, RCI Banque had €4,482m in unused confirmed lines of credit, as well as broadly diversified short-term and medium-term issuance programs. It also held €2,404m of receivables eligible as European Central Bank collateral (after haircuts and excluding securities and receivables already in use to secure financing at year-end).

Most of the commitments received from related parties concern the commitments to take back vehicles agreed with manufactures as part of finance leases.

Guarantees and collateral

Guarantees or collateral offer partial or total protection against the risk of losses due to debtor insolvency (mortgages, pledges, comfort letters, bank guarantees on first demand for the granting of loans to dealers and private customers in certain cases). Guarantors are the subject of internal or external rating updated at least annually.

With a view to reducing its risk-taking, the RCI Banque group thus actively and rigorously manages its sureties, among other things by diversifying them: credit insurance, personal and other guarantees.

Note 23 : Exposure to currency risk

In millions of euros - 12/2015	Balance sheet		Off balance sheet		Net position		
	Long position	Short position	Long position	Short position	Total	Of which monetary	Of which structural
Position USD		(1 144)	1 144				
Position GBP	1 195			(1 058)	137		137
Position CHF	422			(418)	4		4
Position CZK	87			(69)	18		18
Position ARS	9				9	(1)	10
Position BRL	88				88	(3)	91
Position PLN	317			(304)	13		13
Position HUF	6				6		6
Position RON		(2)			(2)	(2)	
Position KRW	167				167		167
Position MAD	25				25	(2)	27
Position DKK	103			(94)	9	9	
Position TRY	15				15		15
Position SEK	95			(95)			
Position AUD		(124)	124				
Position SGD		(31)	31				
Total exposure	**2 529**	**(1 301)**	**1 299**	**(2 038)**	**489**	**1**	**488**

In millions of euros - 12/2014	Balance sheet		Off balance sheet		Net position		
	Long position	Short position	Long position	Short position	Total	Of which monetary	Of which structural
Position USD		(1 006)	1 006				
Position GBP	1 156			(1 027)	129		129
Position CHF	121			(118)	3		3
Position CZK	48			(30)	18		18
Position ARS	14				14		14
Position BRL	121				121		121
Position PLN	216			(203)	13		13
Position HUF	6				6		6
Position KRW	162				162		162
Position MAD	26				26		26
Position DKK	71			(71)			
Position TRY	17				17		17
Position SEK	40			(40)			
Position NOK		(55)	55				
Position AUD		(125)	125				
Position RUB	45			(45)			
Position SGD		(30)	30				
Total exposure	**2 043**	**(1 216)**	**1 216**	**(1 534)**	**509**		**509**

The structural foreign exchange position corresponds to the value of foreign currency equity securities held by RCI Banque SA.

Note 24 : Interest and similar income

In millions of euros	12/2015	12/2014
Interests ans similar incomes	**2 266**	**2 252**
Transactions with credit institutions	22	27
Customer finance transactions	1 660	1 630
Finance lease transactions	465	496
Accrued interest due and payable on hedging instruments	110	98
Accrued interest due and payable on Financial assets available for sale	9	1
Staggered fees paid for referral of business:	**(388)**	**(338)**
Customer Loans	(322)	(271)
Finance leases	(66)	(67)
Total interests and similar income (*)	**1 878**	**1 914**
(*) Of which related parties	*545*	*560*

As the receivables assigned under the securitization transactions have not been derecognized, interest on those receivables continues to appear under interest and similar income in customer finance transactions.

Note 25 : Interest expenses and similar charges

In millions of euros	12/2015	12/2014
Transactions with credit institutions	(174)	(224)
Customer finance transactions	(114)	(103)
Finance lease transactions	(1)	(1)
Accrued interest due and payable on hedging instruments	(16)	(15)
Expenses on debt securities	(537)	(598)
Other interest and similar expenses	(19)	(21)
Total interest and similar expenses (*)	**(861)**	**(962)**
(*) Of which related parties	*(31)*	*(33)*

Note 26 : Net gains (losses) on financial instruments at fair value through profit or loss

In millions of euros	12/2015	12/2014
Net gains / losses on forex transactions	(24)	(38)
Net gains / losses on financial assets non trading derivatives		1
Net gains / losses on derivatives classified in trading securities	21	28
Net gains and losses on equity securities at fair value	(2)	(1)
Fair value hedges : change in value of hedging instruments	69	115
Fair value hedges : change in value of hedged items	(70)	(109)
Total net gains or losses on financial instruments at fair value	**(6)**	**(4)**

Note 27 : Net gains (losses) on AFS securities and other financial assets

In millions of euros	12/2015	12/2014
Dividends from non-consolidated holdings	1	3
Charges to (reversals of) impairment allowances		(1)
Total Net gains (losses) on financial assets available for sale and other (*)	**1**	**2**
(*) Of which related parties	*1*	*(1)*

Note 28 : Produits et charges nets des autres activités

In millions of euros	12/2015	12/2014
Other income from banking operations	**936**	**785**
Incidental income from finance contracts	313	294
Income from service activities	404	339
Income related to non-doubtful lease contracts	91	62
of which reversal of impairment on residual values	*13*	*3*
Income from operating lease transactions	95	44
Other income from banking operations	33	46
of which reversal of charge to reserve for banking risks	*18*	*18*
Other expenses of banking operations	**(600)**	**(558)**
Cost of services related to finance contracts	(129)	(134)
Cost of service activities	(198)	(167)
Expenses related to non-doubtful lease contracts	(103)	(53)
of which allowance for impairment on residual values	*(24)*	*(4)*
Distribution costs not treatable as interest expense	(83)	(84)
Expenses related to operating lease transactions	(61)	(26)
Other expenses of banking operations	(26)	(94)
of which charge to reserve for banking risks	*(3)*	*(13)*
Other operating income and expenses	**5**	**16**
Other operating income	23	32
Other operating expenses	(18)	(16)
Total net income (expense) of other activities (*)	**341**	**243**
(*) Of which related parties	*1*	*(8)*

Incidental income and cost of services related to finance contracts as well as income and expenses of service activities primarily concern insurance and maintenance contracts.

Income and expenses of service activities include the income and expenses booked for insurance policies issued by the group’s captive insurance companies.

Net income of own risk insurance activities

In millions of euros	12/2015	12/2014
Gross premiums issued	241	197
Net charge of provisions for technical provisions	(59)	(42)
Claims paid	(22)	(18)
Others contract charges including commissions paid	(2)	(2)
Claims recovered from reinsurers	8	7
Others reinsurance charges and incomes	(12)	(10)
Total net income of insurance activities	**154**	**132**

Note 29 : General operating expenses and personnal costs

In millions of euros	12/2015	12/2014
Personnel costs	**(232)**	**(221)**
Employee pay	(156)	(149)
Expenses of post-retirement benefits	(17)	(14)
Other employee-related expenses	(52)	(49)
Other personnel expenses	(7)	(9)
Other administrative expenses	**(191)**	**(196)**
Taxes other than current income tax	(29)	(24)
Rental charges	(11)	(11)
Other administrative expenses	(151)	(161)
Total general operating expenses (*)	**(423)**	**(417)**
(*) Of which related parties	*(2)*	*(3)*

Average number of employees	12/2015	12/2014
Sales financing operations and services in France	1 324	1 305
Sales financing operations and services in other countries	1 589	1 545
Total RCI Banque group	**2 913**	**2 850**

Other personnel expenses include amounts charged to and reversed from provisions for restructuring and for personnel-related risks.

In accordance with IFRS standards applicable to RCI Banque, the French CVAE tax (*Cotisation sur la Valeur Ajoutée des Entreprises*, a tax computed on the added value generated by the company) has been included in “Taxes other than current income tax”.

Note 30 : Cost of risk par catégorie de clientèle

In millions of euros	12/2015	12/2014
Cost of risk on customer financing	**(84)**	**(94)**
Impairment allowances	(213)	(235)
Reversal of impairment	231	274
Losses on receivables written off	(134)	(157)
Amounts recovered on loans written off	32	24
Cost of risk on dealer financing	**(10)**	**(13)**
Impairment allowances	(108)	(92)
Reversal of impairment	113	91
Losses on receivables written off	(15)	(13)
Amounts recovered on loans written off		1
Other cost of risk	**1**	**(2)**
Change in allowance for impairment of other receivables	1	(2)
Total cost of risk	**(93)**	**(109)**

This item includes the net increase (decrease) in impairment allowances, losses on receivables written off, and amounts recovered on receivables written off.

Note 31 : Income tax

In millions of euros	12/2015	12/2014
Current tax expense	**(289)**	**(228)**
Current tax expense	(289)	(228)
Deferred taxes	**18**	**12**
Income (expense) of deferred taxes, gross	18	12
Total income tax	**(271)**	**(216)**

Current tax expense is equal to the amount of income tax due and payable to tax authorities for the year, under the rules and tax rates applicable in each country.

Certain differences between companies’ income for tax purposes and their income for consolidated financial reporting purposes give rise to the recognition of deferred taxes. These differences result mainly from rules for accounting for lease-purchase and long-term rental transactions and for recognizing impairment on doubtful receivables.

Breakdown of net deferred taxes by major category

In millions of euros	12/2015	12/2014
Provisions	52	56
Provisions and other charges deductible when paid	13	14
Tax loss carryforwards	54	78
Other assets and liabilities	26	28
Lease transactions	(355)	(399)
Non-current assets	(4)	(1)
Impairment allowance on deferred tax assets	(5)	(6)
Total net deferred tax asset (liability)	**(219)**	**(230)**

Reconciliation of actual tax expense booked and theoretical tax charge

In %	12/2015	12/2014
Statutory income tax rate - France	**38,00%**	**38,00%**
Differential in tax rates of French entities	1,72%	0,53%
Differential in tax rates of foreign entities	-7,92%	-7,87%
Change in impairment allowance on deferred tax assets and losses on tax loss carryforwards		-0,02%
Effect of equity-accounted associates	-0,17%	0,33%
Other impacts	0,54%	2,27%
Effective tax rate	**32,17%**	**33,24%**

The French entities Diac S.A. and Diac Location S.A. are subject to the special contribution on corporation tax, the current rate of which is 10.7%, which brings their income tax rate to 38%

Deferred tax expense recognized in the other comprehensive income

In millions of euros	2015 change in equity			2014 change in equity		
	Before tax	Tax	Net	Before tax	Tax	Net
Unrealised P&L on cash flow hedge instruments	11	(4)	7	(1)		(1)
Unrealised P&L on AFS financial assets	1	(1)				
Actuarial differences	4	(1)	3	(7)	2	(5)
Exchange differences	(55)		(55)	16		16

Note 32 : Events after the end of the reporting period

No events occurred between the reporting period end date and 8 February 2015, when the Board of Directors approved the financial statements, that might have a significant impact on the financial statements for the year ended 31 December 2015.

8. FILIALES ET SUCCURSALES DU GROUPE

A) List of consolidated companies and foreign branches

	Pays	Direct interest of RCI	Indirect interest of RCI		% interest	
			%	Held by	2015	2014
PARENT COMPANY: RCI BANQUE S.A..						
Branches of RCI Banque:						
RCI Banque S.A. Niederlassung Deutschland	Germany					
RCI Banque Sucursal Argentina	Argentinia					
RCI Banque SA Niederlassung Osterreich	Austria					
RCI Banque S.A. Sucursal en Espana	Spain					
RCI Banque Sucursal Portugal	Portugal					
RCI Banque S.A. Bancna Podruznica Ljubljana	Slovenia					
RCI Banque Succursale Italiana	Italy					
RCI Banque Branch Ireland	Ireland					
Renault Finance Nordic, Bankfilial till RCI Banque S.A. Frankrike	Sweeden					
RCI Banque Spółka Akcyjna Oddział w Polsce	Poland					
RCI Bank UK*	United-Kingdom					
FULLY CONSOLIDATED COMPANIES:						
RCI Versicherungs Service GmbH	Germany	100			100	100
Rombo Compania Financiera S.A.	Argentinia	60			60	60
Courtage S.A.	Argentinia	95			95	95
RCI Financial Services SA	Belgium	100			100	100
AUTOFIN	Belgium	100			100	100
Administradora De Consorcio RCI Brasil Ltda.	Brasil	99,92			99,92	99,92
Banco RCI Brasil S.A	Brasil	-	100	Companhia de Credito, Financiamento e Investimento RCI	60,11	60,11
Companhia de Credito, Financiamento e Investimento RCI Brasil	Brasil	60,11			60,11	60,11
Corretora de Seguros RCI Brasil S.A.	Brasil	100			100	100
RCI Financial Services Korea Co, Ltd	South Korea	100			100	100
Overlease S.A.	Spain	100			100	100
Diac S.A.	France	100			100	100
Diac Location S.A.	France	-	100	Diac S.A.	100	100
RCI ZRT	Hungria	100			100	100
ES Mobility SRL	Italy	100			100	100
RCI Services Ltd	Malta	100			100	100
RCI Insurance Ltd	Malta	-	100	RCI Services Ltd	100	100
RCI Life Ltd	Malta	-	100	RCI Services Ltd	100	100
RCI Finance Maroc	Morocco	100			100	100
RDFM	Morocco	-	100	RCI Finance Maroc	100	100
RCI Financial Services B.V.	Netherlands	100			100	100
RCI Leasing Polska	Poland	100			100	100
RCI GEST - Instituiçào Financeira de Crédito, SA	Portugal	100			100	100
RCI GEST SEGUROS – Mediadores de Seguros, Lda	Portugal	-	100	RCI GEST - Instituiçào Financeira de	100	100
RCI Finance CZ s.r.o.	Czech Republic	100			100	100
RCI Financial Services s.r.o.	Czech Republic	50			50	50
RCI Finantare Romania	Romania	100			100	100
RCI Broker De Asigurare S.R.L.	Romania	-	100	RCI Finantare Romania	100	100
RCI Leasing Romania IFN S.A.	Romania	100			100	100
RCI Financial Services Ltd	United-Kingdom	100			100	100
OOO RN FINANCE RUS	Russia	100			100	100
RCI Finance S.A.	Switzerland	100			100	100
SPV						
CARS Alliance Auto Loans Germany Master**	Germany		(see note 12)	RCI Banque Niederlassung		
CARS Alliance Auto Loans Germany V2013-1	Germany		(see note 12)	RCI Banque Niederlassung		
CARS Alliance Auto Leases Germany	Germany			RCI Banque Niederlassung		
CARS Alliance DFP Germany 2014**	Germany			RCI Banque Niederlassung		
CARS Alliance Auto Loans France V 2014-1**	France		(see note 12)	Diac S.A.		
FCT Cars Alliance DFP France	France		(see note 12)	Diac S.A.		
CARS Alliance Auto Loans France FCT Master	France		(see note 12)	Diac S.A.		
CARS Alliance Auto Loans France V 2012-1	France		(see note 12)	Diac S.A.		
Cars Alliance Auto Loans Italy 2015 SRL*	Italy		(see note 12)	RCI Banque Succursale Italiana		
Cars Alliance Auto UK 2015 Limited*	United-Kingdom			RCI Financial Services Ltd		
Fundo de Investimento em Direitos Creditórios RCI Brasil I*	Brasil		(see note 12)	Companhia de Crédito, Financiamento e Investimento RCI Brasil		

	Pays	Direct interest of RCI	Indirect interest of RCI		% interest	
			%	Held by	2015	2014
COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD:						
RN SF B.V.**	Netherlands	50			50	50
BARN B.V.**	Netherlands	-	60	RN SF B.V.**	30	30
RN Bank**	Russia	-	100	BARN B.V.**	30	30
Orfin Finansman Anonim Sirketi	Turkey	50			50	50
Renault Crédit Car	Belgium	-	50,10	AUTOFIN	50,10	50,10
Nissan Renault Financial Services India Private Ltd*	India	30			30	

***** Entités entrées dans le périmètre en 2015

** Entités entrées dans le périmètre en 2014

B) Subsidiaries in which non-controlling interests are significant

The following table summarizes information about companies in the RCI Banque group that have significant minority interests, before intra-group elimination:

In millions of euros - 31/12/2015 - before intra-group elimination	Rombo Compania Financiera S.A.	Banco RCI Brasil S.A	CFI RCI Brasil
Country of location	Argentina	Brazil	Brazil
Percentage of capital held by non controlling interests	40,00%	39,89%	39,89%
Share in associates by non controlling interests	40,00%	39,89%	39,89%
Nature	Subsidiary	Subsidiary	Subsidiary
Consolidation method	Fully consolidated	Full consolidation	Full consolidation
Net Income: Share in net income (loss) of associates and joint ventures	10	9	12
Equity: Investments in associates and joint ventures			
Dividends paid to non controlling interests (minority shareholders)			17
Cash, due from banks	7	39	100
Net outstandings customers loans and lease financings	189	189	1 591
Other assets	2	20	198
Total assets	**198**	**248**	**1 889**
Due to banks, customer deposits and debt securities issued	122		1 597
Other liabilities	10	46	47
Net Equity	66	202	245
Total liabilities	**198**	**248**	**1 889**
Net banking income	**46**	**45**	**92**
Net income	25	24	31
Other components of comprehensive income	1		15
Total comprehensive income	**26**	**24**	**46**
Net cash generated by operating activities	2	(1)	56
Net cash generated by financing activities			(71)
Net cash generated by investing activities			(1)
Net increase/(decrease) in cash and cash equivalents	**2**	**(1)**	**(16)**

Percentages of voting rights are identical.
The amount of debt for puts on minority interests for the two Brazilian entities, Banco RCI Brasil S.A. and CFI RCI Brasil, is included under "Other liabilities" for €143m at 31 December 2015, against €175m at 31 December 2014.

The amount of debt for puts on minority interests for ROMBO Compania Financiera is included under "Other liabilities" for €29m at 31 December 2015, against €28m at 31 December 2014.

In millions of euros - 31/12/2014 - before intra-group elimination	Rombo Compania Financiera S.A.	Cia de Arrendamento Mercantil RCI Brasil	CFI RCI Brasil
Country of location	Argentina	Brazil	Brazil
Percentage of capital held by non controlling interests	40,00%	39,89%	39,89%
Share in associates by non controlling interests	40,00%	39,89%	39,89%
Nature	Subsidiary	Subsidiary	Subsidiary
Consolidation method	Fully consolidated	Full consolidation	Full consolidation
Net Income: Share in net income (loss) of associates and joint ventures	8	10	15
Equity: Investments in associates and joint ventures			
Dividends paid to non controlling interests (minority shareholders)			13
Cash, due from banks	13	10	96
Net outstandings customers loans and lease financings	198	315	2 355
Other assets	2	18	237
Total assets	**213**	**343**	**2 688**
Due to banks, customer deposits and debt securities issued	135	36	2 297
Other liabilities	14	63	61
Net Equity	64	244	330
Total liabilities	**213**	**343**	**2 688**
Net banking income	**39**	**50**	**105**
Net income	20	25	37
Other components of comprehensive income			10
Total comprehensive income	**20**	**25**	**47**
Net cash generated by operating activities	(11)	(7)	36
Net cash generated by financing activities			32
Net cash generated by investing activities			1
Net increase/(decrease) in cash and cash equivalents	**(11)**	**(7)**	**69**

C) Significant associates and joint ventures

In millions of euros - 31/12/2015 - before intra-group elimination	RN Bank	ORFIN Finansman Anonim Sirketi	Nissan Renault Financial Services India Private Ltd
Country of location	Russia	Turkey	India
Percentage of capital held	30,00%	50,00%	30,00%
Nature	Associate	Joint venture	Associate
Consolidation method	Equity method	Equity method	Equity method
Share in net income of associates and joint ventures	2	2	
Investments in associates and joint ventures	32	17	23
Dividends received from associates and joint ventures			
Cash, due from banks	60	104	4
Net outstandings customers loans and lease financings	535	542	88
Other assets	54	10	25
Total assets	**649**	**656**	**117**
Due to banks, customer deposits and debt securities issued	531	615	
Other liabilities	21	6	39
Net Equity	97	35	78
Total liabilities	**649**	**656**	**117**
Net banking income	**29**	**15**	**6**
Net income	6	4	1
Other components of comprehensive income			
Total comprehensive income	**6**	**4**	**1**
Net cash generated by operating activities	(70)	60	(92)
Net cash generated by financing activities			42
Net cash generated by investing activities			
Net increase/(decrease) in cash and cash equivalents	**(70)**	**60**	**(50)**

In millions of euros - 31/12/2014 - before intra-group elimination	RN Bank	ORFIN Finansman Anonim Sirketi
Country of location	Russia	Turkey
Percentage of capital held	30,00%	50,00%
Nature	Associate	Joint venture
Consolidation method	Equity method	Equity method
Share in net income of associates and joint ventures	(6)	1
Investments in associates and joint ventures	33	17
Dividends received from associates and joint ventures		
Cash, due from banks	151	49
Net outstandings customers loans and lease financings	354	429
Other assets	27	8
Total assets	**533**	**487**
Due to banks, customer deposits and debt securities issued	410	446
Other liabilities	13	7
Net Equity	110	34
Total liabilities	**533**	**487**
Net banking income	**23**	**7**
Net income	(15)	2
Other components of comprehensive income		
Total comprehensive income	**(15)**	**2**
Net cash generated by operating activities	(15)	(8)
Net cash generated by financing activities		
Net cash generated by investing activities		
Net increase/(decrease) in cash and cash equivalents	**(15)**	**(8)**

D) Significant restrictions

The group has no significant restrictions on its ability to access or use its assets and settle its liabilities, other than those resulting from the regulatory framework in which its subsidiaries operate. Local supervisory authorities may require bank subsidiaries to maintain a certain level of capital and liquidities, to limit their exposure to other parts of the group and to comply with other ratios.

APPENDIX 1: Information about locations and operations

In millions of euros - 31/12/2015

Geographical location	Company name	Nature of activities	Number of employees	Net banking income	Profit or loss before tax	Current tax expense	Deferred taxes	Public subsidies received
Corporate	RCI Banque S.A.	Holding	427	100,7	35,3	(27,6)	(5,9)	
Germany	RCI Banque S.A. Niederlassung Deutschland	Financing	333	153,0	103,1	(29,3)	(4,2)	
	RCI Versicherungs Service GmbH	Services						
Argentina	RCI Banque Sucursale Argentina	Financing	33	69,0	57,1	(20,6)	(0,4)	
	Rombo Compania Financiera S.A.	Financing						
	Courtage S.A.	Services						
Austria	RCI Banque S.A. Niederlassung Österreich	Financing	40	16,0	7,8	(2,2)	0,5	
Belgium	RCI Financial Services S.A.	Financing	28	9,9	6,4	(2,0)	0,1	
	Autofin	Financing						
	Renault Crédit Car	Financing						
Brazil	Administradora de Consórcio RCI Brasil Ltda	Financing	134	147,5	86,6	(38,9)	14,6	
	Banco RCI Brasil S.A	Financing						
	Companhia de Crédito, Financiamento e Investimento RCI Brasil	Financing						
	Corretora de Seguros RCI Brasil S.A.	Services						
South Korea	RCI Financial Services Korea Co. Ltd	Financing	94	55,7	38,8	(12,1)	3,8	
Spain	RCI Banque S.A. Sucursale en España	Financing	172	81,0	60,5	(11,7)	(8,7)	
	Overlease S.A.	Financing						
France	Diac S.A.	Financing	891	325,3	171,8	(81,6)	15,6	
	Diac Location S.A.	Financing						
Hungary	RCI Zrt	Financing	5	1,4	(0,8)	0,3	(0,4)	
India	Nissan Renault Financial Services India Private Limited	Financing	128		(0,3)			
Ireland	RCI Banque, Branch Ireland	Financing	24	7,2	3,7	(0,5)		
Italy	RCI Succursale Italiana	Financing	189	86,0	41,5	(15,2)	1,1	
	ES Mobility S.R.L.	Financing						
Malta	RCI Services Ltd	Holding	14	80,4	77,3	(8,9)	3,1	
	RCI Insurance Ltd	Services						
	RCI Life Ltd	Services						
Morocco	RCI Finance Maroc	Financing	30	19,3	11,4	(3,2)	(0,8)	
	RDFM	Services						
Netherlands	RCI Financial Service B.V.	Financing	35	12,4	10,7	(2,6)	(0,1)	
Poland	RCI Banque SPOLKA AKCYJNA W POLSCE	Financing	52	20,9	14,3	(6,8)	3,5	
	RCI Leasing Polska	Financing						
Portugal	RCI Succursal Portugal	Financing	40	12,5	6,9	(2,4)	0,3	
	RCI Gest - Instituição Financeira de Crédito, S.A.	Financing						
	RCI Gest Seguros - Mediadores de Seguros, Lda.	Services						
Czech Rep	RCI Finance C.Z., S.r.o.	Financing	21	9,4	6,9	(1,8)	0,4	
	RCI Financial Services, S.r.o.	Financing						
Romania	RCI Finantare Romania	Financing	65	10,9	8,0	(1,3)		
	RCI Broker de asigurare S.R.L.	Services						
	RCI Leasing Romania IFN S.A.	Financing						
United Kingdom	RCI Financial Services Ltd	Financing	226	110,2	75,7	(17,0)	(3,5)	
Russia	OOO RN Finance RUS	Financing	166	1,0	2,5	(0,3)	(0,6)	
	Sub group RNSF BV, BARN BV and RN Bank	Financing						
Slovenia	RCI Banque S.A. Bancna podruznica Ljubljana	Financing	24	4,0	0,5	(0,1)	(0,1)	
Sweden	Renault Finance Nordic Bankfilial till RCI Banque S.A. Frankrike	Financing	12	5,5	2,9	(0,3)	(0,3)	
Switzerland	RCI Finance S.A.	Financing	41	22,6	13,1	(2,9)		
Turkey	ORFIN Finansman Anonim Sirketi	Financing	48		2,1			
TOTAL			**3 272**	**1 362**	**844**	**(289)**	**18**	

APPENDIX 2: FINANCIAL RISKS

Refinancing and balance sheet management

The Finance and Cash Department is responsible for refinancing those of the group's entities that are eligible for centralized refinancing. It obtains the funds required to ensure continuity of business activity (issuance of bonds and other negotiable debt securities, securitization, money market borrowings, negotiation of confirmed lines of credit), balances assets and liabilities, and adjusts the cash positions of the group's companies, while managing and minimizing exposure to financial risks, through the use of interest rate swaps, currency swaps and spot and forward foreign exchange transactions.

The principles of the financial policy extend to all consolidated subsidiaries of the RCI Banque group and are adapted and applied in subsidiaries whose refinancing is not centralized.

All refinancing for subsidiaries in countries outside the Eurozone whose transfer and convertibility risk is deemed to be a material risk by RCI Banque is generally done locally to limit any cross-border risk. Group procedures do however allow the central refinancing office to grant occasional cross border funding to subsidiaries located in such countries if the funding is for a limited amount only or if there is an insurance policy covering the non-convertibility and non-transfer risk.

Such subsidiaries are also subject to the same financial risk monitoring requirements as other group subsidiaries. They must observe limits on interest rate risk and foreign exchange risk, monitor their liquidity risk, contain their counterparty risk and have in place specific monitoring of financial risk by means of a dedicated financial committee and special purpose reporting.

Transactions on financial instruments carried out by the RCI Banque holding are for the main part related to its central refinancing function for the group.

ORGANIZATION OF MARKET RISK MANAGEMENT

The specific market risk management system is part of the RCI Banque group's overall internal control system, and operates to standards approved by Renault as the shareholder. RCI Banque's Finance and Cash Department is responsible for managing market risks (aggregate risk arising from interest rate, liquidity and foreign exchange exposures) and for verifying compliance with allowable limits at the consolidated group level. The rules and ceilings are approved by the shareholder and are periodically updated. The Financial Risk team attached to the Permanent Control Department (Corporate Secretary's Office and Risk Management Department) is responsible for producing a daily report and overseeing the group's exposure to financial risks.

Foreign exchange instruments, interest rate instruments and currencies approved for use in managing market risks are specified on a list of authorized products validated by RCI Banque's Finance Committee.

MANAGING AGGREGATE INTEREST-RATE, FOREIGN EXCHANGE, COUNTERPARTY AND LIQUIDITY RISKS

INTEREST RATE RISK

The overall interest rate risk represents the impact of fluctuating rates on the future gross financial margin.

The RCI Banque group's aim is to mitigate this risk as far as possible in order to protect its mark-up.

In order to take account of the difficulty of precisely adjusting the structure of borrowings to that of loans, limited flexibility is accepted in interest rate hedging by each subsidiary.

This flexibility consists in a sensitivity limit being assigned to each subsidiary as approved by the finance committee, in an individual adaptation of part of the limit granted by Renault to the RCI Banque group.

Central refinancing limit:	€27m
Limit for sales financing subsidiaries:	€11m
Not assigned:	€2m
Total sensitivity limit in €m granted by Renault to RCI Banque:	€40m

The sensitivity thus defined consists in measuring at a given point in time (t) the impact of a change in interest rates on the market price of an entity's balance sheet flows.

The market price is determined by the discounting of future cash flows at the market rates at point t.

The scenario preferred by the RCI Banque group is a calculation of sensitivity at a uniform increase of 100 basis points in interest rates on all maturities. The calculation is based on average monthly asset and liability gaps.

Maturities of in-force business are determined by taking into account the contractual characteristics of transactions and the results of the modeling of historical customer behavior patterns (early repayment, etc.), supplemented by assumptions about certain aggregates (owners' equity, etc.).

Sensitivity is calculated daily per currency and per management entity (central refinancing office, French and foreign sales financing subsidiaries) and enables overall management of interest rate risk across the consolidated scope of the RCI Banque group. Monitoring is performed by the Financial Risk Team attached to the Permanent Control Department (Company Secretary's Office and Risk Management Department).

The situation of each entity with regard to its limit is checked daily, and immediate hedging directives are issued to the subsidiaries if circumstances so dictate.

The results of controls are the subject of monthly reporting to the finance committee, which checks that positions are in line with the group's financial strategy and with prevailing procedural memoranda.

At 31 December 2015, RCI Banque's overall sensitivity to the interest rate risk remained below the limit set by the group (€35m until 07/06, €40m since then).

At 31 December 2015, a 100-basis point rise in rates would have an impact of:

+€9.5m in EUR,

+€0.2m in BRL,

-€1.1m in CHF,

+€0.2m in GBP,

-€0.2m in KRW,

+€0.5m in MAD,

+€0.6m in PLN,

+€0.1m in USD,

The absolute sensitivity values in each currency totalled €12.9m.

Analysis of the structural rate highlights the following points:

- SALES FINANCING SUBSIDIARIES

Virtually all loans to customers by sales financing subsidiaries are granted at a fixed rate for terms of one to seventy-two months.

These loans are hedged by fixed-rate resources having the same structure. They are backed by macro-hedging and only generate a residual interest rate risk.

In subsidiaries where the resource is at a floating rate, interest rate risk is hedged by macro-hedging interest rate swaps.

- CENTRAL REFINANCING OFFICE

RCI Holding's main activity is to refinance the group's commercial subsidiaries.

The in-force business of the sales financing subsidiaries is backed by fixed-rate resources, some of which are micro-hedged by interest rate swaps and by variable rate resources.

Macro-hedging transactions in the form of interest rate swaps keep the sensitivity of the holding company below the limit set by the group (€22m until 26/06, €27m since then).

These swaps and the securities available for sale are measured at fair value by reserves in accordance with IFRS.

Monthly tests are carried out to ascertain:

- the effectiveness of the hedging of fixed-rate resources by the interest rate swaps assigned to micro-hedge them;
- the relevance of macro-hedging transactions, by setting them against the variable rate resources.

These data are calculated on the basis of simplified scenarios, working on the assumption that all positions run to maturity and that they are not readjusted to factor in new market conditions.

The sensitivity of reserves to a change in interest rates as presented above would in no way be representative of an impact on future results.

LIQUIDITY RISK

RCI Banque has a duty, at all times, to have sufficient funding to secure the sustainability and growth of its business.

For that purpose, RCI Banque imposes stringent internal standards on itself.

Four indicators are monitored monthly by the finance committee:

- Static liquidity

This indicator measures the difference (gap) between existing liabilities and assets at a given date without any assumptions as to the renewal of liabilities or assets. It gives a point-in-time snapshot of the liquidity position, or static liquidity gap. The RCI Banque group's static liquidity is analyzed using gaps updated monthly to follow balance sheet decreases.

- Liquidity reserve

The liquidity reserve is a source of emergency liquidity that can be used by RCI Banque in the event of necessity. It consists of High Quality Liquid Assets (HQLA) as defined by the Basel Committee for calculating the liquidity coverage ratio (LCR), short-term financial assets not recognized as HQLA by the Basel Committee, confirmed bilateral lines of credit and assets eligible as collateral in European Central Bank (ECB) transactions not already counted as HQLA or short-term financial assets.

- Intrinsic liquidity

Intrinsic liquidity consists of High Quality Liquid Assets (HQLA) as defined by the Basel Committee for calculating the liquidity coverage ratio (LCR), short-term financial assets not recognized as HQLA by the Basel Committee and assets eligible as collateral in European Central Bank (ECB) transactions not already counted as HQLA or short- term financial assets. It is equivalent to the liquidity reserve excluding confirmed bilateral lines of credit.

- Dynamic liquidity

A stress-scenario is used to calculate the number of days during which the RCI Banque group can, without any additional recourse to the market, have sufficient cash assets to cover its past and projected business. This calculation is based on assumptions or scenarios incorporating the continuation of business activity without access to new financing. This indicator measures how long RCI Banque can, on the basis of the most recent known forecasts, continue to carry out its business activities in a scenario where no new resources are available, by using its liquidity reserve.

In order to diversify its bank borrowings and limit total resources obtained from a single counterparty, the trading room maintains relations maintains relations with a large number of banks and intermediaries both in France and abroad.

FOREIGN EXCHANGE RISK

Since May 2009, RCI Banque has been authorized by France’s Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution - ACPR) to exclude durable and structural assets from its foreign exchange exposure, given its compliance with the conditions set out in Article 331 of the Order dated 20 February 2007.

Consequently, as its foreign exchange position is below the 2% of capital threshold set in Article 293-2 of the Order dated 20 February 2007, RCI Banque no longer calculates capital requirements for the foreign exchange risk.

- CENTRAL REFINANCING UNIT

The forex position of RCI Banque S.A., the central refinancing unit, which historically is very low, stayed under €3m throughout the year.

No position is accepted within the framework of refinancing management. In this respect, the trading room secures the systematic hedging of all flows concerned.

Residual and temporary positions in currencies, related to cash flow timing differences inherent in multi-currency cash management, may, however, remain. Any such positions are monitored daily and are subject to the same hedging concern.

Any other forex transactions (in particular for the anticipated hedging of projected dividends) may only be initiated further to the decision of the head of the Finance and Cash Department.

- SALES FINANCING SUBSIDIARIES

Sales financing subsidiaries are required to refinance themselves in their own currency and thus are not exposed.

By way of exception, limits are allocated to subsidiaries whose sales financing operations or refinancing are multi-currency, and to those that are authorized to invest some of their cash surpluses in a currency other than their domestic currency.

The RCI Banque group's overall limit granted by the Renault shareholder is €17m.

At 31 December 2015, the RCI Banque group's consolidated forex position was slightly above the limit, at €17.5m.

COUNTERPARTY RISK

Counterparty risk on market transactions is managed with a system of limits set by RCI Banque and then approved by Renault as part of the Group-wide consolidation of counterparty risks. Limits are set using an internal rating method (determined jointly with Renault as the shareholder), based on a combination of several factors: capital adequacy, solvency ratio, long and short-term ratings by credit rating agencies, qualitative appraisal of the counterparty.

Compliance with these limits is monitored daily. All the results of controls are communicated monthly to the RCI Banque finance committee and integrated into the consolidated monitoring of Renault Group counterparty risk. Counterparties on market transactions are selected French and international banks. Limits are assigned according to an internal rating system currently in effect for the whole of the Renault Group.

Cash surpluses are invested mainly in very short-term bank deposits with the Central Bank and in liquid assets (definition adopted by the European Parliament following Basel Committee recommendations).

The amounts and terms of such investments in liquid assets, which among other things are meant to provide the safety cushion needed for compliance with the liquidity coverage ratio, are subject to limits set by the RCI Banque group.

For example, RCI Banque S.A., the central refinancing unit, may invest directly or via investment funds in:

- treasury bills issued by Eurozone countries;

- bonds issued by supranational entities (European Financial Stability Facility, ESM, European Union) and development banks (European Investment Bank).

Occasional authorization is also granted to sales financing subsidiaries so that they can invest in treasury bills or Central Bank notes in their home countries.

Commitments on derivatives are weighted by much more conservative factors than those recommended by regulations. The risk of payment/delivery on forex transactions is monitored and subject to specific limits.

Bank guarantees received are subject to specific monitoring.

Two methods are used to monitor exposure in relation to counterparty risk on derivatives.

Fixed-rate method:

Exposure to counterparty risk is measured using weighting factors which depend on the type of instrument and the duration of the transaction.

Residual term	Rate factor (as a % of the nominal)	Initial Term	Foreign exchange factor (as a % of the nominal)
Between 0 et 1 year	2%	Between 0 et 1 year	6%
Between 1 et 2 years	5%	Between 1 et 2 years	18%
Between 2 et 3 years	8%	Between 2 et 3 years	22%
Between 3 et 4 years	11%	Between 3 et 4 years	26%
Between 4 et 5 years	14%	Between 4 et 5 years	30%
Between 5 et 6 years	17%	Between 5 et 6 years	34%
Between 6 et 7 years	20%	Between 6 et 7 years	38%
Between 7 et 8 years	23%	Between 7 et 8 years	42%
Between 8 et 9 years	26%	Between 8 et 9 years	46%
Between 9 et 10 years	29%	Between 9 et 10 years	50%

These factors are intentionally higher than those stipulated by capital adequacy regulations, which is a deliberately prudent and conservative approach given current market conditions. No netting is made between risks relating to positions that neutralize each other with the same counterparty.

“Positive mark to market + add-on” method:

This method is based on the so-called "major risks" regulatory method. Exposure for derivatives (rate and foreign exchange) is calculated as the sum of potential losses, calculated on the basis of the replacement value of the contracts with the counterparty without netting with potential gains, plus an “add-on” representing the potential future risk. This potential future risk is determined by French banking regulations (Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, Article 274) as follows:

Residual term	**Interest rate options (as a % of the nominal)**	**Foreign currency and gold options (as a % nominal)**
<= 1 year	0%	1%
1 year < term <= 5 years	0,50%	5%
> 5 years	1,50%	7,50%

According to the "positive mark to market + add-on” method, the equivalent counterparty risk was €483m at 31 December 2015, against €456m at 31 December 2014. According to the fixed-rate method, it was €1,302m at 31 December 2015, against €1,053m at 31 December 2014.

These figures only relate to credit institutions. They were determined without taking into account netting agreements, in accordance with the methodology described.