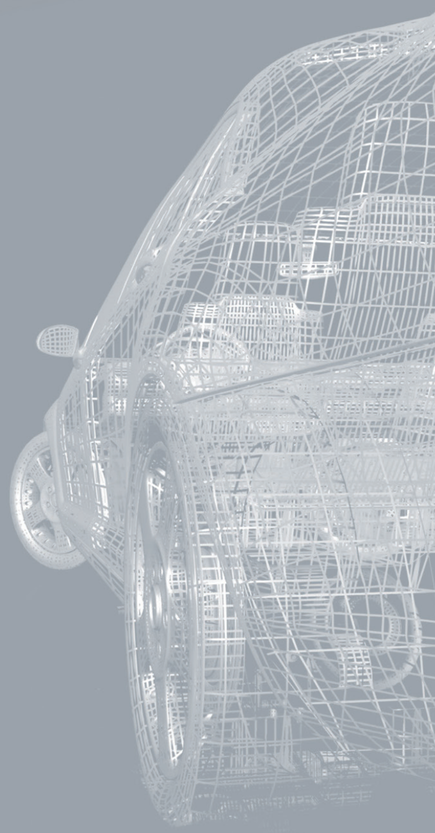
RCI Banque
groupe RENAULT

BUSINESS REPORT 2014



RCI BANQUE OVERVIEW

RCI Banque is the Alliance brand finance company and as such provides financing for Renault Group (Renault, Renault Samsung Motors and Dacia) sales worldwide and for Nissan Group (Nissan, Infiniti and Datsun) sales mainly in Europe, in Russia and in South America.

RCI BANQUE CONTINUES ITS INTERNATIONAL EXPANSION IN SUPPORT OF ALLIANCE BRAND GROWTH

The RCI Banque group now operates in 37 countries, having processed its first contracts in India in 2014 and now financing a new Alliance brand, Datsun.

Furthermore, the group adapted to the regional reorganization operated within the Renault Group. RCI Banque is now located in the following countries:

- **Europe:** France, Austria, Belgium, Croatia, Czech Republic, Denmark, Estonia, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom;
- **Americas:** Argentina, Brazil, Colombia;
- **Africa, Middle East, India:** Algeria, India, Morocco;
- **Eurasia:** Bulgaria, Romania, Russia, Turkey, Ukraine;
- **Asia-Pacific:** South Korea.

A CUSTOMER-ORIENTED ORGANIZATION

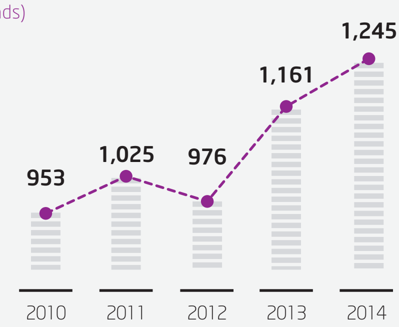
RCI Banque's primary purpose is to satisfy the specific needs of its three core customer bases: Retail Customers, Corporate and Brand Dealers. In order to facilitate access to Alliance brand vehicles, it offers appropriate solutions on the best possible terms to:

- **Retail Customers:** RCI Banque offers a wide range of loans, rental solutions and services for both new and used vehicles, to support retail customers and help them meet their varying mobility needs.
- **Corporate Customers (SMEs, multinationals):** RCI Banque has a set of appropriate and competitive solutions to meet the needs of all corporate customer segments, enabling them to focus on their core business and delegate management of their vehicle fleet to a sound and reliable partner.
- **Alliance Brand Dealer networks:** RCI Banque finances inventories of new vehicles, used vehicles and spare parts, as well as short-term cash requirements. Its ambition is to be the leading financial partner of all Alliance brand dealers. RCI Banque also has a role in advising dealer networks, the aim being to ensure their long-term viability through the implementation of financial standards and regular monitoring.

The Savings business

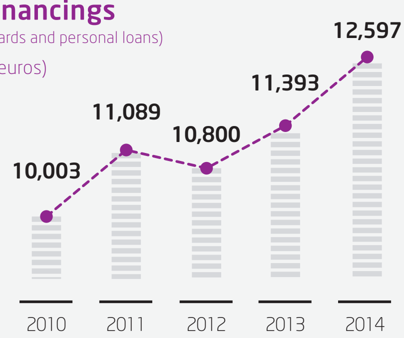
RCI Banque extended its savings business to Austria. Savings operations are now up and running in three European countries (France, Germany and Austria) and deposits collected amounted to €6.5 billion, almost 26% of its average performing loans outstandings (APO).

Total number of vehicle contracts
(in thousands)

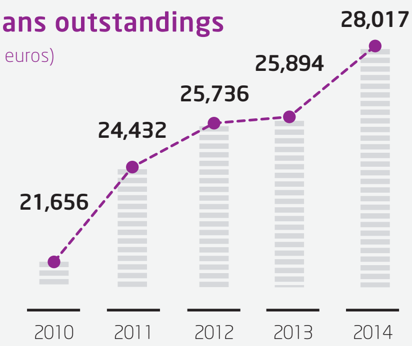


New financings
(excluding cards and personal loans)

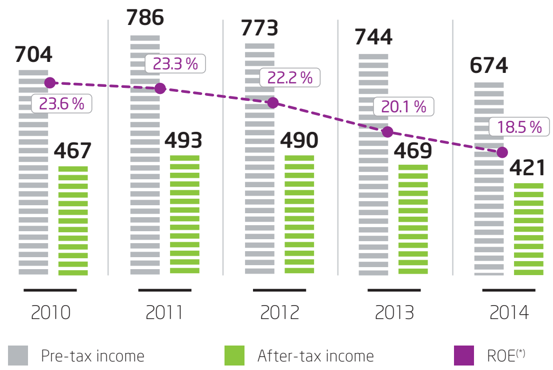
(in million euros)



Net loans outstandings
(in million euros)



Results
(in million euros)



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

BUSINESS ACTIVITY 2014

With more than 1,245,000 financing contracts processed, a 7.3% rise compared to the previous year, RCI Banque confirms its profitable growth momentum, providing stronger commercial support for all the Alliance brands.

Enjoying the benefit of the upturn in Europe's automotive market and despite the slight fall seen on its main emerging markets, RCI Banque financed a record 1,245,246 contracts.

Boosted by growth in Alliance brand sales, this performance was also sustained by a financing penetration rate that grew to 35.2% (against 34.6% in 2013).

Services, major focus of the strategy, continued to flourish, with 2,168,035 new contracts written (compared to 1,756,496 in 2013), bringing the total number in the portfolio to 5,350,804. The services penetration rate was up to 73.0%, compared to 62.7% in 2013.

New financings (excluding cards and personal loans) totaled €12.6 billion (up 10.6% compared to 2013) and were up across all Alliance brands.

Despite a negative foreign exchange effect on the Americas region, average performing loans outstanding (APO) still grew by 4.9% to €25.4 billion, of which €18.7 billion for the Customer business (up 5.6% compared to 2013) and €6.7 billion for the Dealer financing business.

PC+LUV MARKET[*]		MARKET SHARE		RCI BANQUE FINANCING PENETRATION RATE (%)	NEW VEHICLE CONTRACTS PROCESSED (Thousands)	NEW FINANCINGS EXCLUDING CARDS AND PL (€m)	NET LOANS OUTSTANDINGS AT YEAR-END (€m)	of which CUSTOMERS OUTSTANDINGS AT YEAR-END (€m)	of which DEALERS OUTSTANDINGS AT YEAR-END (€m)
		RENAULT GROUP BRANDS (%)	NISSAN GROUP BRANDS (%)						
Europe	**2014**	**10.3**	**3.4**	**36.4**	**860**	**10,042**	**23,612**	**16,522**	**7,090**
	2013	9.7	3.2	35.1	759	8,810	21,395	14,920	6,475
of which Germany	**2014**	**5.3**	**2.1**	**43.6**	**138**	**1,840**	**4,229**	**3,105**	**1,124**
	2013	5.1	1.9	36.3	107	1,356	3,710	2,718	992
of which Spain	**2014**	**13.2**	**4.6**	**46.8**	**90**	**936**	**2,016**	**1,540**	**476**
	2013	12.1	4.8	45.9	73	760	1,673	1,215	458
of which France	**2014**	**26.6**	**3.6**	**38.0**	**326**	**3,745**	**9,268**	**6,375**	**2,893**
	2013	25.4	3.3	36.9	304	3,650	9,023	6,266	2,757
of which Italy	**2014**	**8.9**	**3.6**	**47.5**	**95**	**1,226**	**2,623**	**1,935**	**688**
	2013	7.2	3.6	49.3	83	1,096	2,340	1,701	639
of which United Kingdom	**2014**	**3.9**	**5.3**	**27.5**	**94**	**1,288**	**2,956**	**2,236**	**720**
	2013	3.0	5.1	28.7	82	1,036	2,295	1,727	568
of other countries	**2014**	**9.6**	**2.5**	**25.3**	**117**	**1,006**	**2,519**	**1,331**	**1,188**
	2013	9.4	2.4	24.9	109	911	2,355	1,293	1,062
Asia-Pacific (South Korea)	**2014**	**4.9**	**0.4**	**48.1**	**50**	**649**	**1,047**	**1,038**	**9**
	2013	4.0	0.3	47.4	39	446	954	946	8
Americas	**2014**	**8.1**	**1.8**	**38.9**	**169**	**1,409**	**2,966**	**2,259**	**707**
	2013	8.4	1.7	42.7	211	1,781	3,170	2,148	1,022
of which Argentina	**2014**	**12.9**	**-**	**16.3**	**18**	**90**	**315**	**198**	**117**
	2013	15.4	-	25.4	42	265	511	295	216
of which Brazil	**2014**	**7.1**	**2.2**	**45.1**	**151**	**1,318**	**2,652**	**2,062**	**590**
	2013	6.6	2.2	50.5	170	1,516	2,660	1,853	807
Africa, Middle East, India[**]	**2014**	**37.0**	**-**	**29.6**	**13**	**106**	**306**	**238**	**68**
	2013	38.9	-	30.5	14	116	283	215	68
Eurasia[**]	**2014**	**10.9**	**5.5**	**26.9**	**153**	**391**	**87**	**84**	**3**
	2013	10.4	4.2	24.9	138	241	92	89	3
TOTAL	**2014**	**9.7**	**3.2**	**35.2**	**1,245**	**12,597**	**28,017**	**20,140**	**7,877**
	2013	9.3	2.9	34.6	1,161	11,393	25,894	18,318	7,576

[*] Figures refer to passenger car and light utility vehicle market.
[**] Without India and 2013: pro forma.

CHANGES IN GOVERNANCE IN 2014

On 1 October 2014, RCI Banque's governance structure was modified to comply with changes in European banking regulations. Consequently, the roles of Chairman of the Board of Directors and of Chief Executive Officer have been split:

Dominique THORMANN retains his position as Chairman of the Board of Directors;

Gianluca DE FICCHY is appointed Chief Executive Officer;

Patrick CLAUDE is appointed Company Secretary and Chief Risk Officer. He is also Deputy CEO.

The French Banking Supervisory Authority ratified the « Senior Manager » status for Gianluca DE FICCHY and Patrick CLAUDE.

CONSOLIDATED FINANCIAL HIGHLIGHTS 2014

EARNINGS

Pre-tax profit fell by 9.4% to €674 million compared to 2013. This decrease is attributable to a number of non-recurring items, among which:

- the impact of a court ruling with retroactive effect (period of ten years) pertaining to handling fees and affecting the majority of auto loan operators in Germany, for €52 million;
- a VAT-related tax adjustment in Germany, for €17 million;
- the effect of a new law on foreign denominated currency loans in Hungary, with a retroactive period of ten years, for €5 million.

Net banking income, excluding non-recurring items, rose by €44 million to €1,265 million, despite a negative foreign exchange effect on the Americas region.

Operating expenses, excluding non-recurring items, amounted to 1.58% of APO compared to 1.56% in 2013, confirming RCI Banque's ability to control its costs while continuing to implement its development strategy.

The total cost of risk remained stable and below the group's structural level at 0.43% of APO (against 0.42% in 2013).
The Customer cost of risk remained under control at 0.50% of APO (+3 basis points compared to 2013), demonstrating the effectiveness and strength of RCI Banque's underwriting policy and the efficiency of the debt collection system. The Dealer cost of risk was 0.20% of APO against 0.26% in 2013.

CONSOLIDATED INCOME STATEMENT (in million euros)	12/2014	12/2013	12/2012
Net banking income	**1,210**	1,221	1,238
General operating expense(*)	**(422)**	(382)	(383)
Cost of risk	**(109)**	(102)	(91)
Share in net income (loss) of associates and joint ventures	**(5)**	7	9
Consolidated pre-tax income	**674**	744	773
CONSOLIDATED NET INCOME (parent company shareholders' share)	**421**	469	490

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

BALANCE SHEET

Good commercial performances drove to an increase in net loans outstandings to €28.0 billion compared to €25.9 billion at end-2013.

At the same time, APO grew to €25.4 billion compared to €24.2 billion at end-2013.

Consolidated equity amounted to €3,161 million compared to €2,923 million at end-2013.

Deposits from retail customers in France, in Germany and in Austria (savings and term deposit accounts) totaled €6.5 billion compared to €4.3 billion at end-2013 and represented almost 26% of APO.

CONSOLIDATED BALANCE SHEET (in million euros)	12/2014	12/2013	12/2012
Net total outstandings of which	**28,017**	25,894	25,736
• *Retail customer loans*	***14,068***	*12,094*	*12,007*
• *Financial Lease rentals*	***6,072***	*6,224*	*6,589*
• *Dealer loans*	***7,877***	*7,576*	*7,140*
Operational lease transactions net of depreciation and impairment	**309**	195	124
Other assets	**3,693**	3,416	2,907
Shareholders' equity of which	**3,422**	3,184	2,940
• *Equity*	***3,161***	*2,923*	*2,681*
• *Subordinated debts*	***261***	*261*	*259*
Bonds	**12,039**	11,755	11,638
Negotiable debt securities (CD, CP, BT, BMTN)	**952**	802	2,994
Securitization	**3,636**	3,605	3,902
Customer savings accounts - ordinary accounts	**5,102**	3,549	893
Customer term deposit accounts	**1,432**	784	–
Banks and other lenders (including Schuldschein)	**3,430**	4,030	4,656
Other liabilities	**2,006**	1,796	1,744
TOTAL BALANCE SHEET	**32,019**	29,505	28,767

PROFITABILITY

Due to non-recurring items, ROE was down to 16.4%. Excluding the impact of these items however, it remained at a high level, at 18.5%.

SOLVENCY

According to Basel III standards, the Core Tier 1 solvency ratio was 11.4% compared to 11.7% at end-December 2013 (both years calculated on the same basis). Excluding requirements under the floor level provisions, it was 14.8%.

FINANCIAL POLICY

2014 saw striking contrasts in economic performances across the world. The United States and United Kingdom both enjoyed a recovery, while the Eurozone continued to stagnate and growth slowed in emerging countries. Central banks adjusted their monetary policies accordingly.

The US Federal Reserve suspended its monetary creation measures, thereby stabilizing its balance sheet, but without starting to remove the liquidity injected in the past.

The end of quantitative easing in the United States led to the repatriation of funds, a factor in the depreciation of some emerging currencies with the exception of the Chinese Yuan. A number of central banks in the countries affected subsequently raised their interest rates. Monetary policies grew tougher and there was a sharp slowdown in lending compared to the 2011 high.

In contrast to this, the ECB (European Central Bank) launched a set of monetary policy measures designed to support the European recovery and get inflation moving. Interest rates were reduced to record lows, and for the first time ever cut into negative territory at their bottom end. In order to increase market liquidity, the ECB launched long-term liquidity injections in the form of TLTROs (Targeted Longer-Term Refinancing Operations). These long-term preferential rate operations are granted to banks funding the economy. The central bank also pressed ahead with an assets purchase program (covered bonds and ABS).

In this context, bond spreads continued to tighten over 2014. Euro rates, affected by the ECB's decisions, also went down. For example, the three-year swap rate dropped almost 50 basis points over the year to 0.24%.

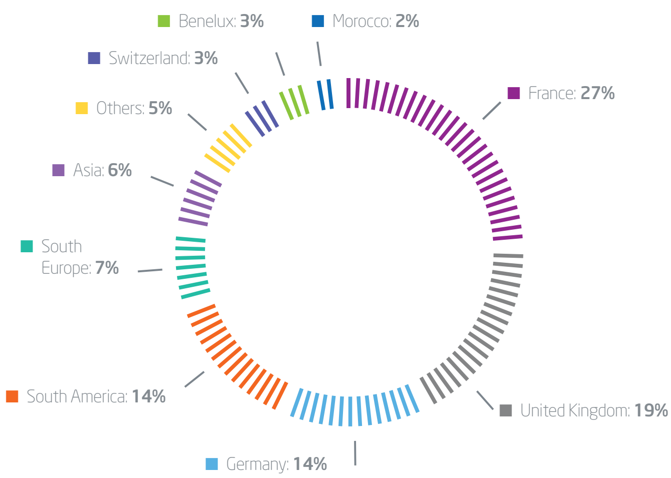
RCI Banque made the most of these excellent market conditions and extended the maturity of its debt by issuing a seven-year bond, under a €500 million transaction that reached out to new investors looking for longer-term assets. RCI Banque also took advantage of the reopening of the floating rate market, and launched two issues under this format that had been used since the financial crisis began. RCI Banque also issued a fixed-rate five-year bond. Finally, following its first issue on the GBP market in 2013, the group confirmed its access to liquidity in this currency with two further debt offering in 2014 of GBP 250 million each (a five-year bond followed by a three-year bond).

Outside Europe, the Moroccan subsidiary made its first issue in February and then confirmed its ability to access market funding with a second issue in June. The group's entities in Argentina, Brazil and South Korea also borrowed on their respective domestic bond markets.

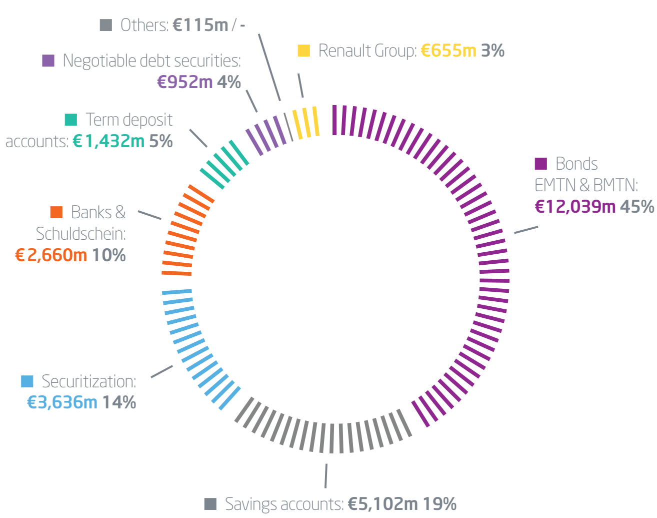
On the structured finance segment, RCI Banque carried out a €644 million securitization transaction in public format backed by customer loans in France and renewed its private securitization of dealer receivables in Germany.

Following the launch of a range of savings and term deposit account products for retail customers in France and in Germany in 2012 and 2013, the group continued to grow its savings operations in 2014 in Austria.

Geographical breakdown of new resources with a maturity of one year or more (deposits excluded) as at 31/12/2014

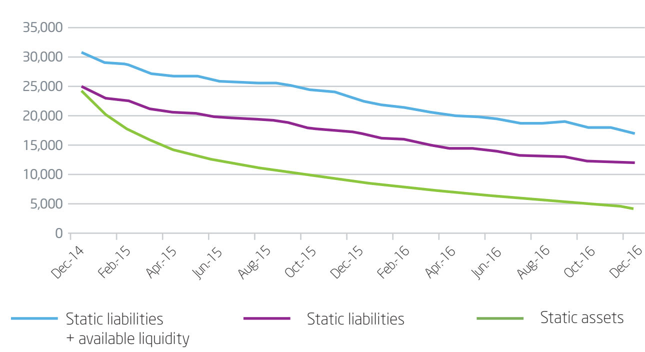


Structure of total debt as at 31/12/2014



RCI Banque group liquidity position(*)

(in million euros)



(*) Scope: Europe

FINANCIAL POLICY

At end-December 2014, retail deposits totaled more than €6.5 billion (€5.1 billion in savings accounts and €1.4 billion in term deposits), showing an increase of more than 50% over the last twelve months.

These resources, to which should be added, based on the European scope, €4.0 billion of undrawn committed credit lines, €1.9 billion of assets eligible as collateral in ECB monetary policy operations, €913 million of high quality liquid assets (HQLA) and €96 million of available cash, secure the continuity of RCI Banque's commercial business activity for more than eleven months without access to external sources of liquidity.

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

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

- RCI Banque's overall sensitivity to the interest rate remained below the €35 million limit set by the group;
- at 31 December 2014, a 100-basis point rise in rates would have an impact of:

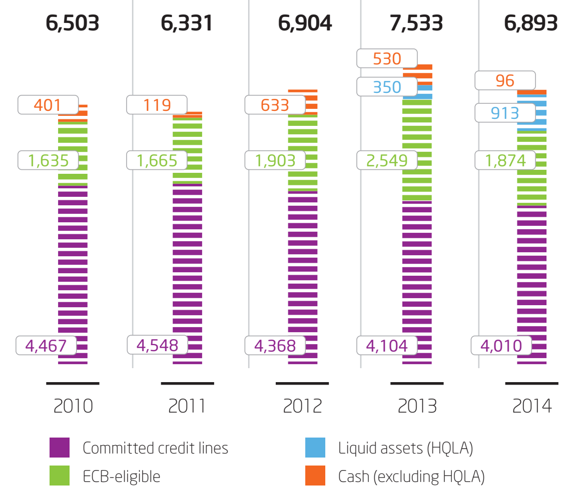
+€1.0 million in EUR; +€0.9 million in GBP ; +€0.5 million in MAD;

+€0.4 million in CHF; -€0.5 million in BRL; -€0.3 million in KRW;

- the absolute sensitivity values in each currency totaled €4.5 million;
- the consolidated foreign exchange position of the RCI Banque group totaled €6.5 million.

RCI Banque's available liquidity(*)

(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 FS K (South Korea), CFI (Brazil) and RCI Finance Maroc.

ISSUER	INSTRUMENT	MARKET	AMOUNT	S&P	MOODY'S	OTHERS
RCI Banque	Euro CP Program	Euro	€2,000m	A-2 (negative outlook)	P3	R&I: a-2
RCI Banque	Euro MTN Program	Euro	€12,000m	BBB (negative outlook)	Baa3	R&I : BBB+
RCI Banque	CD Program	French	€4,500m	A-2 (negative outlook)	P3	
RCI Banque	BMTN Program	French	€2,000m	BBB (negative outlook)	Baa3	
Diac	CD Program	French	€1,000m	A-2 (negative outlook)		
Diac	BMTN Program	French	€1,500m	BBB (negative outlook)		
Rombo Compania Financiera S.A.	Bond Program*	Argentinian	ARS 1,000m	raBB+ (negative outlook)	Aa2.ar	Fix Scr : AA (negative outlook)
RCI Financial Services Korea Co Ltd	Bonds*	South Korean	KRW 875bn			KR, KIS, NICE : A+
CFI RCI do Brasil	Bonds*	Brazilian	BRL 3,155m		Aa1	
RCI Finance Maroc	BSF	Morrocan	MAD 1,000m			

(*) Local ratings.