RCI BANK AND SERVICES

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.

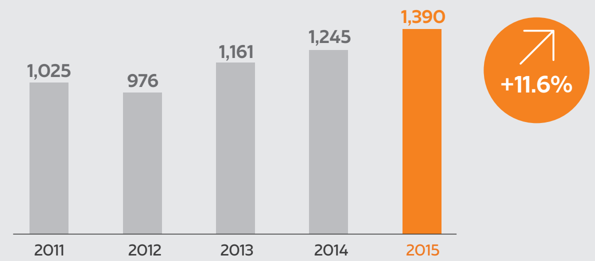
Deposits collected exceeded €10.2 billion, or 32% of outstandings at end-December 2015.

More than 3,000 employees over 5 continents

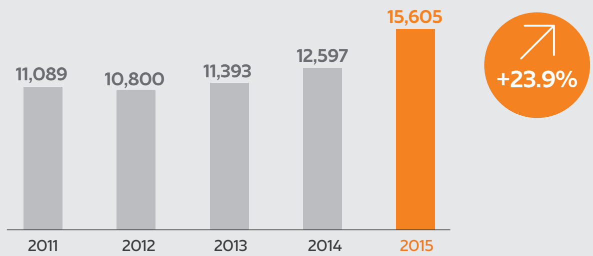
Our employees operate commercially in 36 countries, divided into 5 major world regions: Europe; Americas; Africa - Middle-East – India; Eurasia; Asia-Pacific

* 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..

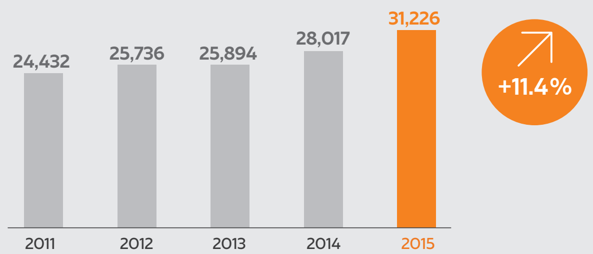
Total number of vehicle contracts
(in thousands)



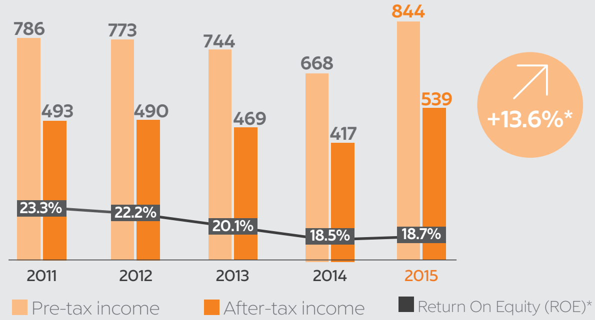
New financings
(excluding personal loans and credit cards / in million euros)



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.

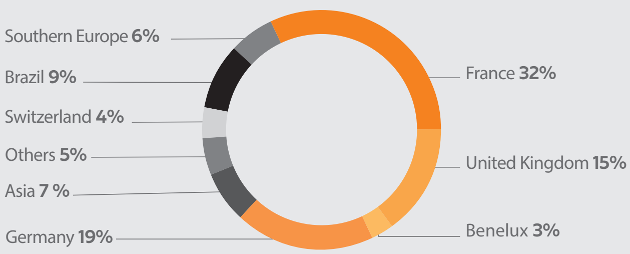
During the first half-year, and in very favorable market conditions, RCI Banque made three bond issues in public format. The first, a five-year bond for a total amount of €500 million, posted a 0.625% coupon rate, the lowest ever for the company. The following transaction was a €750 million bond with 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.

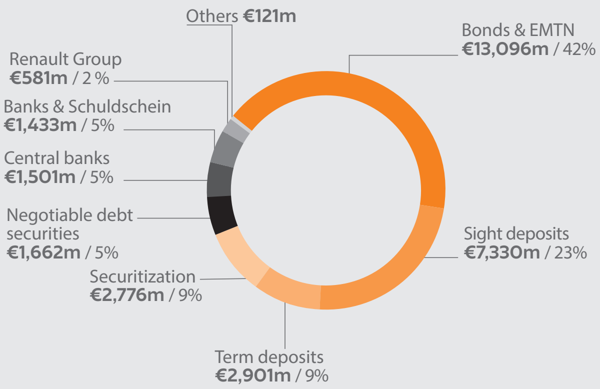
Outside Europe, the group's entities in Brazil, South Korea, Morocco and Argentina also tapped their domestic bond markets. The Brazilian subsidiary completed its first securitization transaction backed by auto loans for a total of BRL466 million.

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



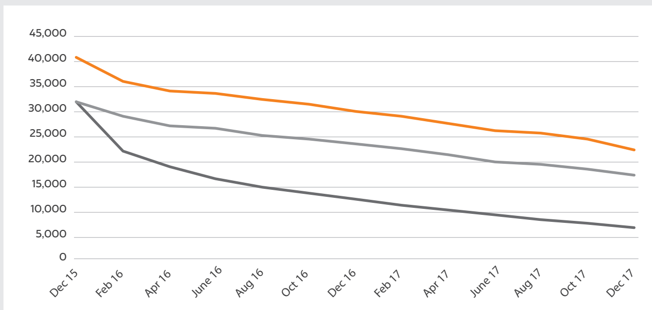
Structure of total debt

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.

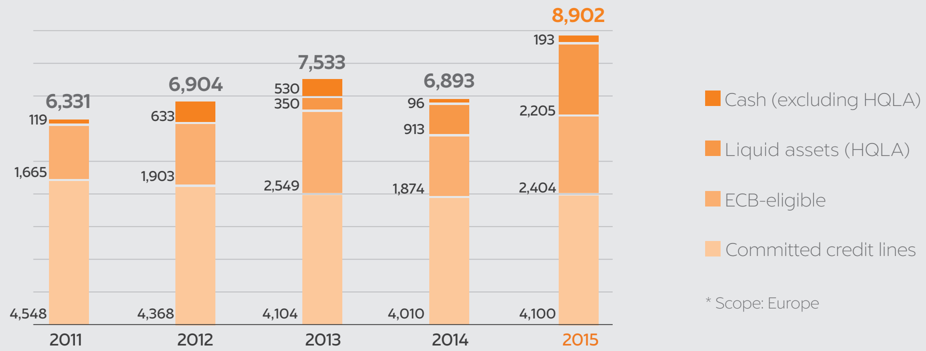
In a complex and volatile environment, the conservative financial policy implemented by the group for a number of years proved especially justified. This policy protects the commercial margin of each entity while securing the refinancing required for its business activities. It is defined and implemented 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)



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