RCI BANK AND SERVICES

ANNUAL REPORT **2015**

10

A 2015 YEAR RICH IN NEW DEVELOPMENTS

International developments, new product and service offers, international partnerships: our business highlights in 2015.

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RCI BANQUE UNVEILS ITS NEW IDENTITY

A new company name for a major ambition: more than a simple bank, an accelerator of mobility for our customers.

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ENHANCED AND INNOVATIVE PRODUCTS AND SERVICES

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FINANCIAL AND CSR REPORTS

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MORE THAN JUST A BANK: A DRIVER OF MOBILITY

Every day, around the world, our 3,000 employees support the development of the Renault-Nissan Alliance brands and their dealer networks.
Our role is both simple and fascinating. We give our end customers access to automotive mobility through a full range of solutions in financing, insurance and services. For both individuals and companies, our line of conduct is the same: to deliver differentiated, competitive solutions for smooth and sustainable access to mobility.

Requirements are changing; and so are we

In 2016, we are unveiling our new commercial identity. RCI Banque is becoming RCI Bank and Services. This change reflects our ambitions:

1. Develop increasingly innovative, user-friendly solutions in auto-mobility in order to deliver a smoother, richer experience for our customers.

2. Be even more active in supporting the Renault-Nissan Alliance brands in their international growth.

Our business name, however, remains the same: RCI Banque SA.

OUR PROMISE

1 Provide easy access to cars with solutions tailored to the needs and resources of each customer.

2 Make the use of cars simpler by developing innovative and intuitive solutions.

3 Enrich and personalize the auto-mobility experience for each of our customers.

3,000
EMPLOYEES

35
COUNTRIES ON 5 CONTINENTS

6 BRANDS
RENAULT, RENAULT SAMSUNG MOTORS, DACIA, NISSAN, INFINITI, DATSUN

100% SUBSIDIARY
OF RENAULT SAS

37%
OF ALLIANCE BRAND REGISTRATIONS FINANCED UNDER THE SCOPE OF RCI BANQUE

1,39 MILLION
OF NEW CONTRATS

€15.6 BILLION
OF NEW FINANCING CONTRACTS

€844 MILLION
IN BEFORE-TAX INCOME

€1.36 BILLION
IN NET BANKING INCOME

€31.2 BILLION
IN NET OUTSTANDINGS

Individual, customized support, collective peace of mind

Individuals

With expertise in both the finance and automotive sectors, RCI Bank and Services is able to ensure the mobility of each customer. Through our offering in products and services, each consumer is able to find a solution reflecting their projects and constraints in order to acquire, service, insure and guarantee their vehicle as part of a simple process.

Companies

RCI Bank and Services works with companies to satisfy their auto-mobility requirements from a business standpoint. We provide a wide range of competitive services tailored to self-employed people, small- and medium-sized companies and large groups. Our aim is to free customers from the constraints of managing their vehicle fleet so that they can focus on their core business.

Networks

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.

Competitive solutions for customer savings

In 2012, we expanded our deposit collecting activities to private customers. Our reliable, high-performance savings products are now available in four European countries: France, Germany, Austria and the UK.
Retail deposits directly benefit Alliance customers and brand networks. They are used exclusively for our vehicle loan financing business.
For RCI Bank and Services, deposit collecting is now a major refinancing lever: net retail deposits totalled over €10 billion or 32% of outstandings at end-December 2015.

MANIFESTO

UNLEASHING MOBILITY
MEANS MAKING LIFE EASIER: A SOURCE OF PRIDE FOR US

RCI Bank and Services operates at the crossroads of two challenging and exciting worlds: cars and banking. Two worlds that have been ours for over 90 years. In our business of vehicle financing, we are recognized as a benchmark player.

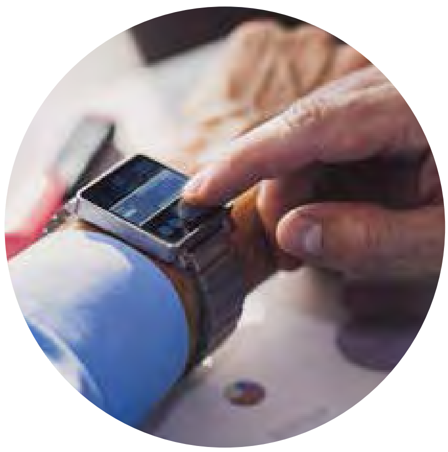
Every day, our 3,000 employees actively pursue our shared ambitions: to support the development of the Renault-Nissan Alliance brands by bringing their customers a full range of financing and insurance solutions and services, tailored ever more closely to their needs.

Each individual, each company, and each Alliance network distributor relies on us to deliver the right solution for the success of their automotive projects. This is our sole line of conduct. This is our promise.

The way we use cars is changing, reinventing itself as part of a process driven in particular by the digital revolution. So RCI Bank and Services is changing too and reviewing its ambitions.

Looking beyond our role as an expert finance company, able to boost the market success of the Alliance and to ensure the profitability of the capital invested by our shareholder, RCI Bank and Services aims to be a bank that is attentive to the new needs of its customers.

A bank seeking to become even more accessible. An innovative, strong bank, with the expertise to develop simple, attractive and personalized solutions so that everybody can enjoy the benefits of auto-mobility to the full.



A MANAGEMENT TEAM DEDICATED TO OVERCOMING **NEW CHALLENGES**

EXECUTIVE COMMITTEE

Patrick Claude
Vice President,
Company Secretary
and Chief Risk Officer

Daniel Rebbi
Vice President,
Sales and Marketing

Umberto Marini
Vice President,
Information Systems

Hélène Tavier
Vice President,
Human Resources

Gianluca De Ficchy
Chief Executive Officer

Jean-Marc Saugier
Vice President,
Finance and
Group Treasurer

Laurent David
Vice President,
Accounting and
Performance Control

Patrice Cabrier
Vice President,
Chief Digital Officer

Jean-Philippe Vallée
Vice President,
Customers and Operations

BOARD OF DIRECTORS

Dominique Thormann
Chairman of the Board

Farid Aractingi

Gianluca De Ficchy
Chief Executive Officer

Clotilde Delbos

Bernard Loire

Jérôme Stoll

Stéphane Stoufflet

It was an eventful year, with international developments, new products and services, international partnerships, and more. We review the highlights of our activity in 2015.

RCI MOBILITY

FOUNDING OF RCI MOBILITY

The founding of RCI Mobility in July 2015 and the roll-out of its car-sharing activities reflects our ambition to bring companies simple, agile, user-friendly mobility solutions, tailored to both the business and personal needs of their employees. Car-sharing is the first step for RCI Mobility, which will also be promoting other services in auto-mobility.

Paolo Colurcio
Chief Executive Officer of RCI Mobility

€10.2 billion IN DEPOSITS COLLECTED AT END-DECEMBER

SAVINGS: GOOD MORNING UK!

The retail deposit activity is gaining ground in Europe. After France, Germany and Austria, RCI Bank and Services launched its deposit-collecting activity in the UK in 2015. It is the only financial subsidiary of a vehicle manufacturer to do this in the UK market.

SOUTH KOREA ADOPTS THE **"ALL-IN-ONE" SERVICE**

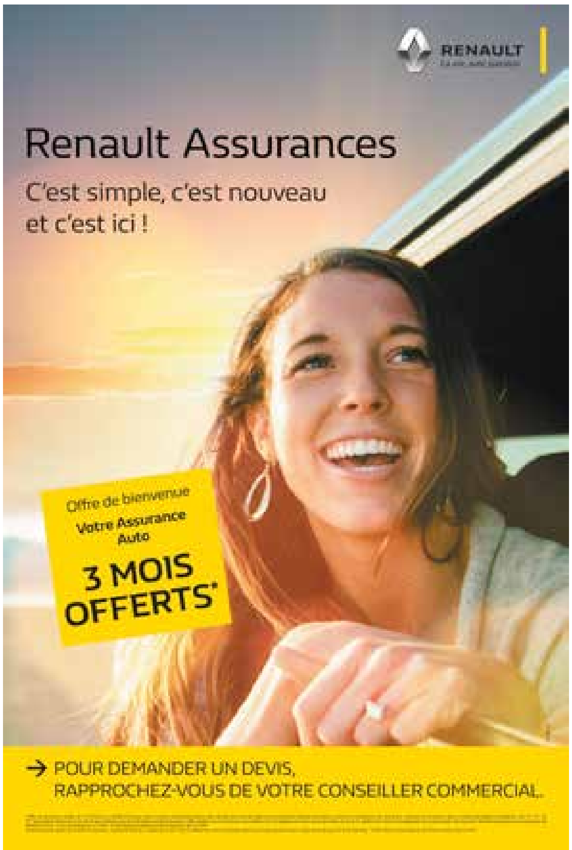
South Korean fans of QM3, the urban crossover by Renault Samsung Motors (RSM), can now acquire the vehicle of their dreams as part of a simple approach. In August 2015, RCI Financial Services Korea introduced the Value Box: a new package comprising a loan, insurance and three services. More good news: the Value Box was extended to the complete RSM range at end-2015.

OUTSTAN-DINGS: RCI BANQUE TOPS THE **€30 BN MARK**

At end-December 2015, RCI Banque had more than €30 billion in outstandings. As a result, from January 1, 2016, RCI banque joins the largest banks in the euro zone and is now supervised by the European Central Bank.

2.9 million

SERVICES SOLD IN 2015



DIAC AND AMAGUIZ JOIN FORCES

DIAC, a French subsidiary of RCI Banque and Amaguiz, a subsidiary of Groupama, are joining forces to market a vehicle insurance service for customers of the Renault and Dacia networks. A complete, competitive and digital solution with a host of advantages:

- Available for both new vehicles and used vehicles.
- Accessible when the vehicle is purchased, at the point of sale.
- Full online subscription and management in a dedicated customer area.

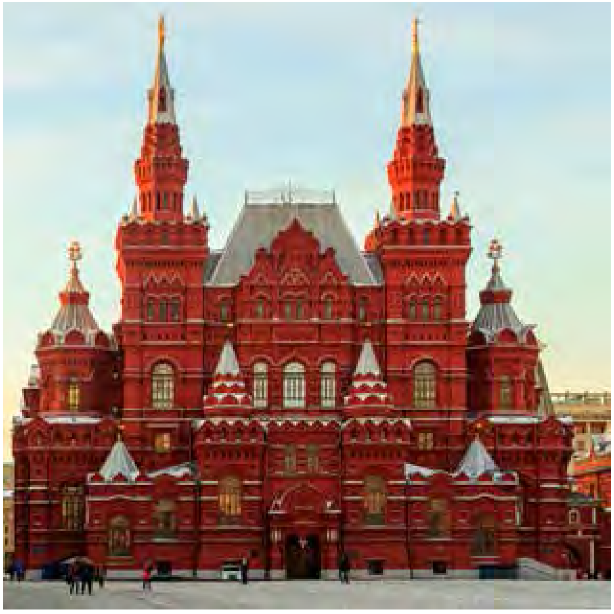
START-UP OF RETAIL FINANCING ACTIVITY IN INDIA

RCI Bank and Services is continuing to conquer the Indian market. After rolling out its Networks activity at end-2014, the group launched its first financing offers for consumers on January 19, 2015.

More than

230.000

used cars financed in 2015: **a rise of 18%** on 2014



RN BANK A STRONG ALLY FOR THE ALLIANCE **IN RUSSIA**

Eighteen months after launch, RN Bank (a joint-venture between RCI Banque, Nissan and UniCredit) is establishing itself as the leading finance company run by a car maker in Russia, in terms of outstandings.

RCI FINANCE MOROCCO

MAKING LIFE EASIER FOR BUSINESS CUSTOMERS

A first in Morocco. On May 14, 2015, RCI Finance Morocco rolled out an innovative offer for business customers: the *Box Pro*, a package combining a financing solution with services. Depending on their needs and their budget, customers choose one of five packs available *(Box Pro Classic, Confort, Sérénité, Relax or Premium)*. Based on the principle of one-stop shopping, the *Box Pro* gives customers access to all services, with just one purchase, one contact and one monthly payment.

RCI BANQUE IS **AHEAD OF TARGET** WITH ITS 2014-2016 STRATEGIC PLAN

In 2015, RCI Banque continued to grow and to diversify its activities, while achieving a high level of profitability. Chairman Dominique Thormann, and CEO Gianluca De Ficchy review events in 2015 and tell us more about the factors expected to support our business in 2016.

How would you sum up your activity in 2015?

Dominique Thormann: 2015 was a good year. RCI Banque increased its penetration rate, as well as its new and used vehicle financing volumes and services penetration rate.

Gianluca De Ficchy: We have already met some of the targets set in our 2014-2016 strategic plan one year ahead of schedule. Our penetration rate, for example, was 40% in 2015, excluding companies accounted for under the equity method (Russia, Turkey, India). We also met our target for the proportion of outstandings covered by savings: retail deposits already made up more than 30% of outstandings at end-December, at €10.2 billion.
In international markets, our deployment is compliant with our market plan, as illustrated by our arrival in India in 2015 and the scheduled launch of our activities in Colombia in 2016.
Finally, service contracts have seen strong growth. Following a 23% rise in 2014, volumes increased by a further 32% in 2015.

Which were the most dynamic regional markets?

Dominique Thormann: It was a year of mixed fortunes for the automotive market. Registrations continued to pick up in Europe, offsetting downturns in our main markets outside Europe, particularly Brazil and Russia.

How is your diversification policy progressing?

Gianluca De Ficchy: Last July, RCI Banque founded RCI Mobility, a company dedicated to the development of BtoB car-sharing services and, more broadly, any services able to simplify access to auto-mobility. The activities of this subsidiary, which is fully owned by RCI Banque, will benefit all Renault-Nissan Alliance brands and their customers, in both France and international markets.

Dominique Thormann
Chairman

What about the digital component of your strategy?

Gianluca De Ficchy: Alongside the founding of RCI Mobility, the digital component of our strategic plan is also taking shape with the gradual introduction of paperless processes and the deployment of e-signatures. By implementing simple, innovative tools, RCI Banque is seeking to modernize relations with its customers for a smoother sales experience. This is also a pre-requisite for the development of our digital activities. Finally, by rethinking our customer spaces, we are paving the way for a broader distribution of our services on digital media.

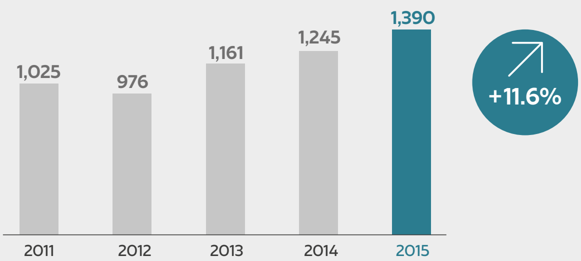
In what way is RCI Banque contributing to the financial performance of the Alliance?

Dominique Thormann: RCI Banque is a major contributor to the operating margin of the Renault-Nissan Alliance, and to the commissions paid to their networks. However, our role goes far further. Our investments also contribute directly to improving the image of each of the Alliance brands. Our Services activity, for example, can be effectively leveraged to win new customers and build loyalty.

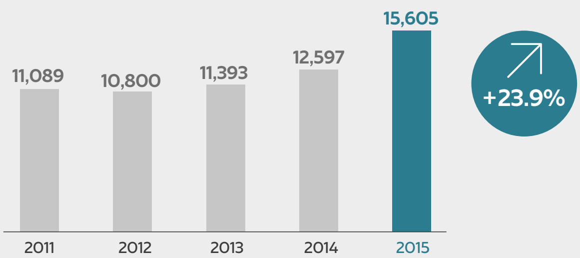
You recently created a new commercial brand, RCI Bank and Services. For what reason?

Dominique Thormann: The financial industry as a whole is undergoing a major transformation with the arrival of digital. We wanted to illustrate our ambition to focus on customer expectations. Today, customers are looking for far more than just financing. RCI Bank and Services is showing that services and innovation are part of our DNA.
Our new identity also reflects our ambition to become a key player in auto-mobility. We want to deliver a smoother experience in vehicle use for Alliance brand customers, by developing innovative, connective and personalized services.

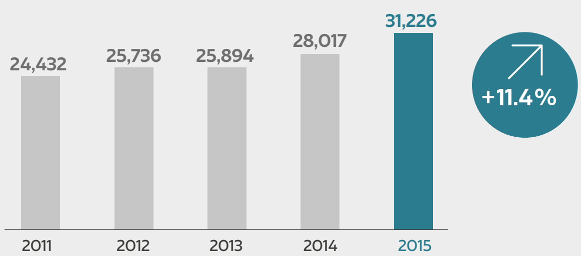
Total number of vehicle contracts
(in thousands)



New financing contracts
(excluding personal loans and credit cards / in € millions)



Net outstandings at year-end
(in € millions)



Which developments in your markets are behind this change?

Dominique Thormann: Major changes are under way, particularly from a digital standpoint, and the pace of emergence is growing. We are facing competition from new entrants in sectors other than banking or cars, so we need to be agile and innovative.

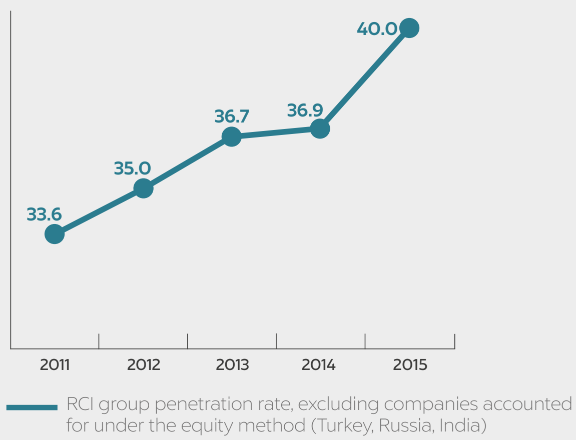
Whether we're talking about autonomous cars, safety, assistance or entertainment, the cars of the future will be connected. RCI Banque must be able to meet these needs.

What comments would you make on the last year of your three-year plan?

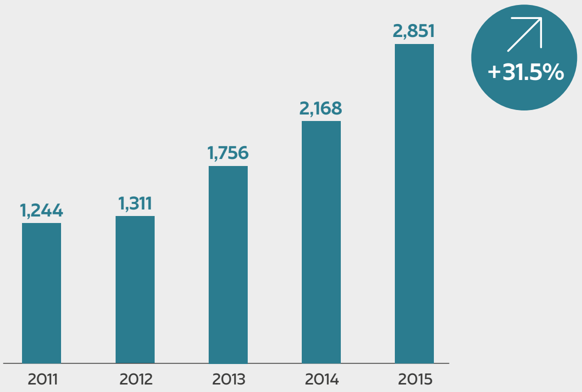
Gianluca De Ficchy: We need to implement and exploit all the opportunities arising in our various markets, and to anticipate and manage risk in order to meet all the objectives of this strategic plan, which comes to an end this year. 2016 must also be the year in which we deploy our new identity inhouse.
With this new identity, we aim to engage our 3,000 employees around our values and our ambition.

Dominique Thormann: We are expecting automotive sales to rise by 1.5% in Europe and 2% globally. At the same time, the new vehicle launches scheduled by Alliance manufacturers will support our activity, particularly as they are winning market share in many of the countries where we are present.

Penetration rate, all brands
(excluding companies accounted for under the equity method - As a percentage)



Service contracts
(in thousands of units, insurance and other services)



2.9
MILLION SERVICES

32%
OF OUTSTANDINGS IN COLLECTED DEPOSITS

Major changes are under way, particularly from a digital standpoint, and the pace of emergence is growing. We are facing competition from new entrants in sectors other than banking or cars, so we need to be agile and innovative.

What is your visibility in financial terms?

Dominique Thormann: We will probably continue to reap the benefits of low interest rates and ample liquidity. In 2015, we also diversified our financing sources. And we must keep our cost of risk low.

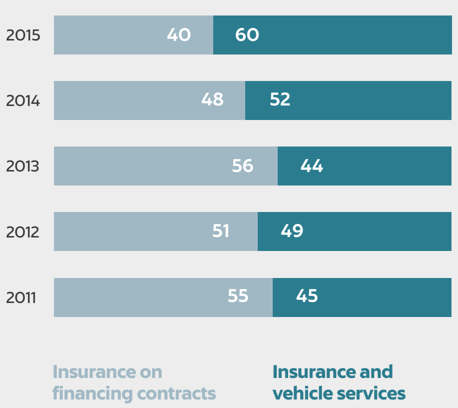
How do you plan to attract savers in 2016?

Gianluca De Ficchy: We expect to see strong growth in vehicle loan activities for the Renault-Nissan Alliance brands and would like to maintain deposits at a level equivalent to one-third of outstandings. To this end, we have a number of innovative products.

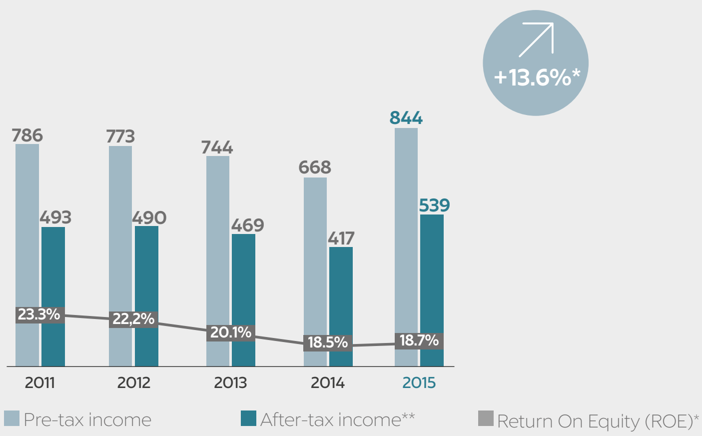
Do you plan to launch new services?

Gianluca De Ficchy: Yes. In our business, we need to innovate continuously in order to meet the challenges of auto-mobility.

Service mix
(as a percentage)



Results[1]
(in million euros)



* Excluding non-recurring items ** Parent company shareholder's share

(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.

PROUD TO BE THERE FOR THEM

"In April 2014, following a call for bids, SNCF awarded Overlease[1] an initial long-term rental contract concerning 1,500 Renault PC and LCV vehicles[2]. One year later, the company has decided not just to renew the contract but to extend it to 5,000 vehicles. And we are doing everything to continue driving this success forwards...
Three points set us apart from the rest: our responsiveness, our understanding of the specific activities of SNCF and our ability to adapt to those activities in our range of solutions. Supplying SNCF with thousands of vehicles means working together with 40 fleet managers and 350 correspondents at establishments across France. The strength of the Renault network is a key asset in meeting their requirements. With 40 Corporate managers, over 50 of our distributors referenced by SNCF and our ability to mobilize coachbuilder and conversion partners across France, we provide real close and local service. And we can respond quickly to demand: just 15 days went by between the signature of the contract with SNCF and the first vehicle orders. To better support our customer, we also recruited staff and comprehensively overhauled our vehicle reservation and reporting tools. The improvements made to those tools today benefit not just SNCF but all our key account customers."

Florent Charlot-Le-Pober
Key Accounts Manager, Overlease[1], France

[1] Overlease is the Key Accounts specialist in long-term rental and vehicle fleet management of the RCI Banque group in France.
[2] PC: passenger car – LCV: light commercial vehicle.

AN **EXTENDED** OFFER OF PRODUCTS AND SERVICES

The acceleration in services initiated in 2014 was confirmed in 2015. The financing and services offer has been enhanced to better respond to the need of motorists. Meanwhile, the collection of deposits as part of the Savings business was crowned with success.

In 2015, 37.1% of the registrations of the Renault-Nissan Alliance brands were financed by RCI Banque. This remarkable sales performance supports the business of the carmakers. Total new financing came to €15.6 billion, up 23.9%.

Meanwhile, the Services activity, a key focus in the strategy of the group continued to develop at a sustained pace with the aim of attracting and gaining the loyalty of Alliance brand customers while ensuring additional profitability. This strategy is producing results, with 2.5 million new service contracts signed in 2015, up 31.5%. Another reason for satisfaction is that each financed vehicle is now accompanied by an average of two corresponding services.

The service offers are extremely broad, covering insurance (car, financial loss, civil responsibility), maintenance, warranty extensions and assistance.

Rapid growth for the Box concept

With the “Box” offers (highly elaborate packages), customers no longer have to make compromises between an attractive interest rate and additional services. The offers are modular, so customers choose their options in line with their needs and budget. “Box” offers are having a positive effect on the increase in penetration rates, especially in Southern Europe and Asia-Pacific.

Impressive collection

Thanks to the appeal of its major savings offer, RCI Banque has met its objective of covering 30% of its outstandings through savings deposits one year ahead of schedule. After France, Germany and Austria, the UK launched its savings offer in 2015.

In four years, RCI Banque has made the collection of deposits a competitive tool for refinancing its automotive credit business for the Renault-Nissan Alliance brands.

Gianluca De Ficchy
CEO

MAKING MOBILITY BROADLY ACCESSIBLE THROUGH **FINANCING SOLUTIONS**

RCI Bank and Services considerably extended its range of products and services in 2015, placing the emphasis on innovative solutions for professionals. Package offers are in full expansion while the deposits collection policy has more than met Group objectives.

The group posted record activity in 2015 with 1,389,836 new vehicles financed, up 11.6% year on year. France remained the number-one country in terms of contract volumes, with nearly 293,000 new vehicle financing contracts, ahead of Italy (114,000) and Germany (nearly 110,000).

The number of used vehicle financing contracts also increased, by 18%, with over 233,000 contracts signed. Particularly strong performances were achieved in Italy (+28%), the UK (+35%), France (+19%), Spain (+23%) and Turkey (+49%). This market segment is set for further growth in the coming years.

New services available

To encourage access to Alliance brand vehicles, RCI Bank and Services is bringing customers financing and service offers that help them to better manage their costs, be it in insurance, warranties or maintenance.

To further gain the loyalty of Alliance brand customers, the Group proposes a broad range of financing solutions that round out the credit offer, including lease financing and long-term rental. These offers are dedicated to vehicle use and help customers to optimize their budgets through lower monthly payments. And to successfully initiate the shift to sustainable mobility, RCI Bank and Services designs "bespoke" offers such as battery hire for electric vehicles.

Successful packaged offers

Packaged deals were rolled out successfully in 2015. Proposed by the Renault brand in France, the "all-in-one" lease financing offer launched under the "Easy Pack" name contributed to the sales momentum with a +4.4% increase in the share of vehicles financed by RCI Banque. The new deal responds to a growing expectation on the part of customers for a simple and comprehensive solution to meet their need for auto-mobility.

The all-in-one *"Box"* concept has been successfully rolled out in seven countries:

- Each country generated outstanding performances in 2015 with nearly one in two vehicles financed (52% in Italy, 49% in Spain and 53% in South Korea).
- In Portugal in 2015, the *"Box"* helped to increase the Dacia penetration rate by 13 points to a full 35% of registrations.

Strong momentum with professionals

In the fleet segment, overall performance grew by a sharp 30% year on year. RCI Banque internalized its business in 2014 in Spain, Italy and the UK to develop corporate financing internationally. In light commercial vehicles, RCI Banque finalized 127,000 financing contracts in 2015, up 25%.

In July 2015, RCI Banque created RCI Mobility, a wholly-owned subsidiary tasked with developing B2B carsharing services as well as any other car-related mobility services. The activities of RCI Mobility are set to develop to the benefit of all the Renault-Nissan Alliance brands in France and internationally.

Optimized refinancing

RCI Banque has since 2012 brought private individuals an attractive savings offer and committed to reinvesting the funds collected in its automotive loans business for the Renault-Nissan Alliance brands. The first finance company to initiate a deposits activity in France with the Zesto savings account, RCI Banque now operates in four countries. Outstandings came to €10.2 billion at end-2015, up 56.3% on end-2014. Net collection came to €3.7 billion, representing 40% of the stable resources borrowed by RCI Banque for the year (in Europe).

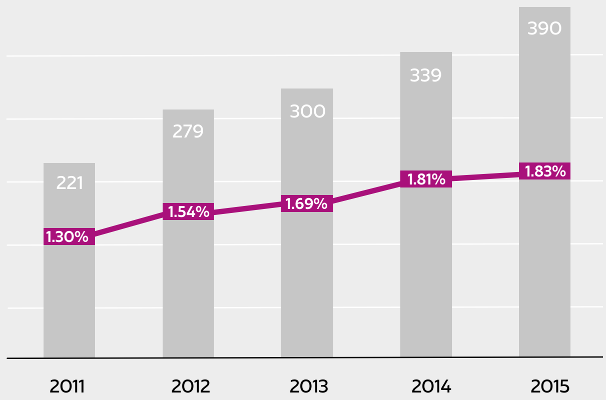
By introducing a simple, efficient and secure range of savings products, RCI Banque has attracted nearly 266,000 customers in France, Germany, Austria and the UK.

With strong growth in its automotive credit business for the Renault-Nissan Alliance brands, RCI Banque is seeking to maintain a level of deposits equivalent to roughly one-third of its loan outstandings.

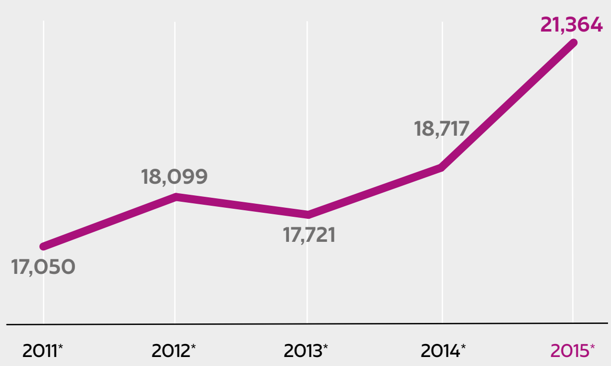
ELECTRIC VEHICLES TAKE OFF

Some 23,000 electric vehicles were sold in 2015, up 33%. Packaged deals boosted the financing rate to 65%. At end-2015, the number of electric vehicle batteries managed on an operational leasing basis by RCI Banque for the Alliance reached 80,000 units.

Margin on services
(in million euros and in % of Customer APO)

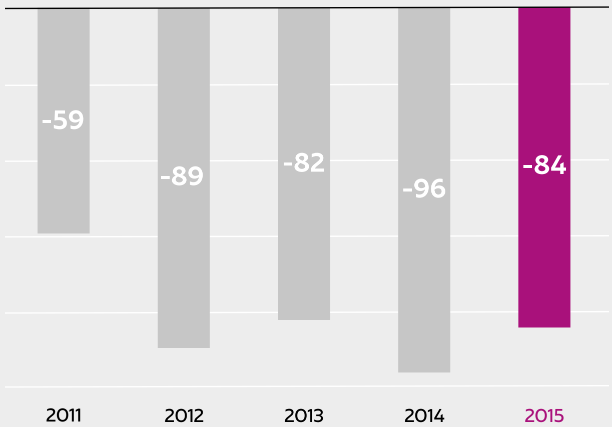


Customer Average Performing Outstandings
(in million euros)

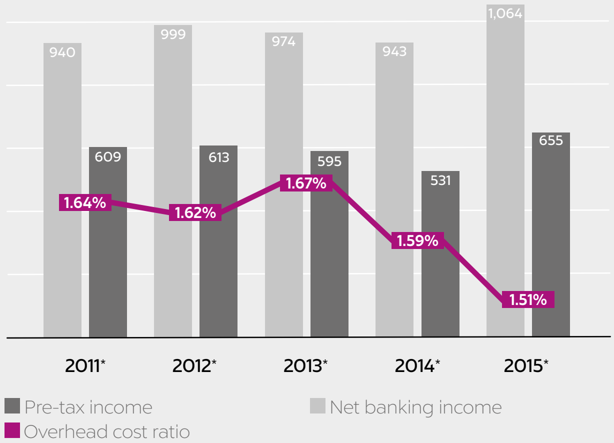


(*) Average performing loans outstandings, excluding operating lease business

Customer cost of risk
(in million euros and excluding country risk)



Results and operating costs
(in million euros and in % of Customer APO)



(*) Average performing loans outstandings, excluding operating lease business

DEALER NETWORKS **CENTRAL TO GROUP STRATEGY**

The sales performance of the Alliance brands hinges to a large extent on the strength of the dealer networks. This is why RCI Banque is committed to supporting dealers in each step of their activities through specific financing.

As a financial partner of the Alliance networks, RCI Banque supports the brands in their international expansion. That role includes several responsibilities:

- Ensuring the sound financial health of the Alliance dealer networks in all countries.
- Managing, monitoring and controlling the financial risk of Alliance dealerships in full independence.

RCI Banque provides active support by financing inventories (of new and used vehicles and spare parts) and short-term cash flow needs.

To take things further, RCI Banque also develops digital tools and services to simplify the everyday lives of dealerships and those of their customers. For example, the introduction of the electronic financing contract is a real strength, as it makes for a more seamless customer relationship and optimizes financing request response time.

Specific financing for all needs

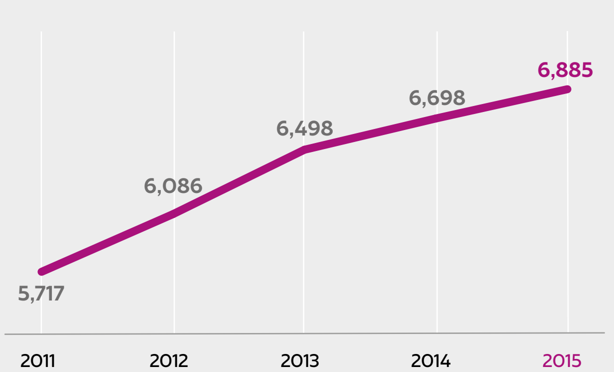
RCI Banque's network financing business extended to 27 countries in 2015. The Group pursued its policy of supporting carmakers and their dealer networks by rolling out financing solutions adapted to their needs.

For the business scope in question, average outstandings increased +2.8% to €6.9 billion. The trend was largely driven by the brands' strong momentum in Europe, especially in Germany, Spain and Italy.

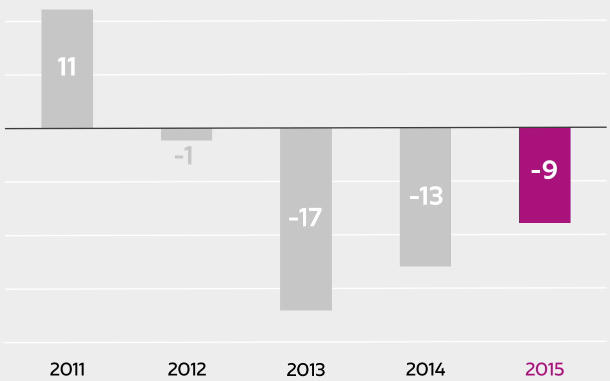
Despite the economic crisis in Brazil, the cost of risk for the dealers (excluding country risk) fell once again in 2015, to 0.13% of average outstandings.

For the Renault brand in Colombia, as well as for Infiniti in Germany and the UK, RCI Banque is planning to roll out a dealer financing offer. Start-ups are planned for first-half 2016.

Dealers Average Performing Outstandings
(in million euros)



Dealers cost of risk
(in million euros and excluding country risk)



27 COUNTRIES

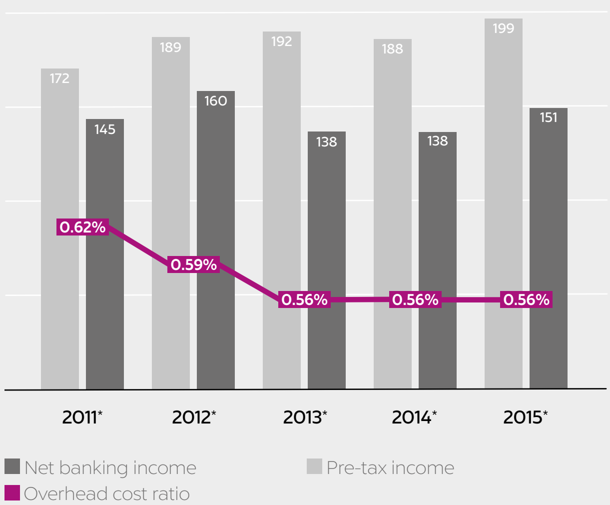
GEOGRAPHICAL SCOPE OF THE DEALER FINANCING BUSINESS IN 2015

+2.8%

INCREASE IN AVERAGE PERFORMING OUTSTANDINGS VS. 2014

Results and operating costs

(in million euros and in % of Dealer APO)



(*) Average performing loans outstandings, excluding operating lease business

PROUD TO BE THERE FOR THEM

"DIAC, a French subsidiary of RCI Banque S.A., distributes a complete range of financings and services to the Renault, Dacia and Nissan dealer networks to promote vehicle sales and ensure brand loyalty. My task is to roll out these offers as effectively as possible with the sales forces in the dealer networks.
As a business facilitator, I like to work as a partner, advising and setting them on the path to performance. That's what my job is about. My responsibilities include training salespeople, coordinating sales teams, managing their activity, negotiating, and ensuring the satisfaction of my professional partners.
In my day-to-day work, I need to be a real professional, but human relations are vital, too. Four out of five days every week I dialogue with dealers so that I can respond to their demands as well as support them in meeting their financing objectives.
For example, I may have to redesign an existing monitoring tool to meet the specific expectations of a dealer. I also remember adapting locally a national campaign to correspond to the particularities of one of our biggest business introducers. And how satisfying it was to see that what started out as a quite complex campaign ended up being a major commercial success!
These few examples neatly sum up the saying that strength lies in unity: the Alliance brands – RCI Bank and Services – Network."

Hugues FICHET
Group Business Manager, DIAC, France

ANOTHER **YEAR OF PROFITABLE** GROWTH FOR RCI BANQUE

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.

Steep rise in Finance and Services businesses

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).

Growth dynamic in Europe and Asia-Pacific

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.

Results more varied in other regions

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%.

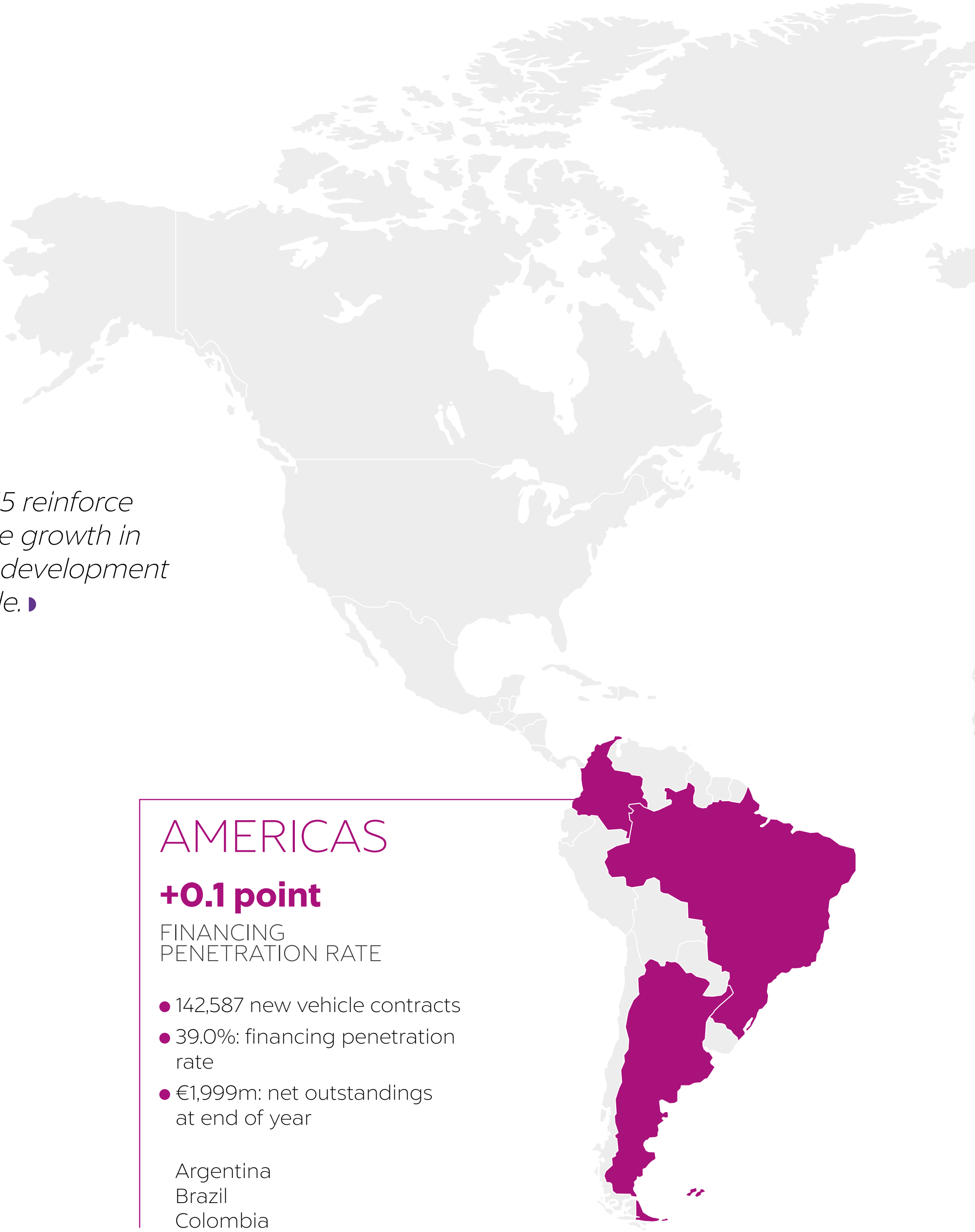
In the Eurasia Region, the number of new contracts fell despite, in Turkey, an increase in the financing penetration rate (+2.6 points) and the very strong growth of the automotive market (+26.1%). In Russia, declining sales on the automotive market (-35.1%) led to a drop in the number of new contracts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

A RECORD YEAR, DRIVEN BY STRONG MOMENTUM IN **EUROPE AND ASIA-PACIFIC**

In 2015, our support for the brands of the Renault-Nissan Alliance internationally resulted in a record performance, with 1.39 million new financing contracts, up 11.6% year on year. The performance was driven in particular by strong momentum in the Asia-Pacific (excluding India) and Europe regions.

The strong results in 2015 reinforce our strategy of profitable growth in support of the business development of the Alliance worldwide.

Gianluca De Ficchy
CEO



AMERICAS

+0.1 point
FINANCING PENETRATION RATE

- 142,587 new vehicle contracts
- 39.0%: financing penetration rate
- €1,999m: net outstandings at end of year

Argentina
Brazil
Colombia

EUROPE

+3.8 points

FINANCING PENETRATION RATE

- 1,052,621 new vehicle contracts
- 40.2%: financing penetration rate
- €27,642m: net outstandings at end of year

France
Germany
Austria
Belgium
Croatia
Denmark
Spain
Estonia
Hungary
Ireland
Italy
Latvia
Lithuania
Luxembourg
Netherlands
Poland
Portugal
Czech Republic
United-Kingdom
Serbia
Slovakia
Slovenia
Sweden
Switzerland

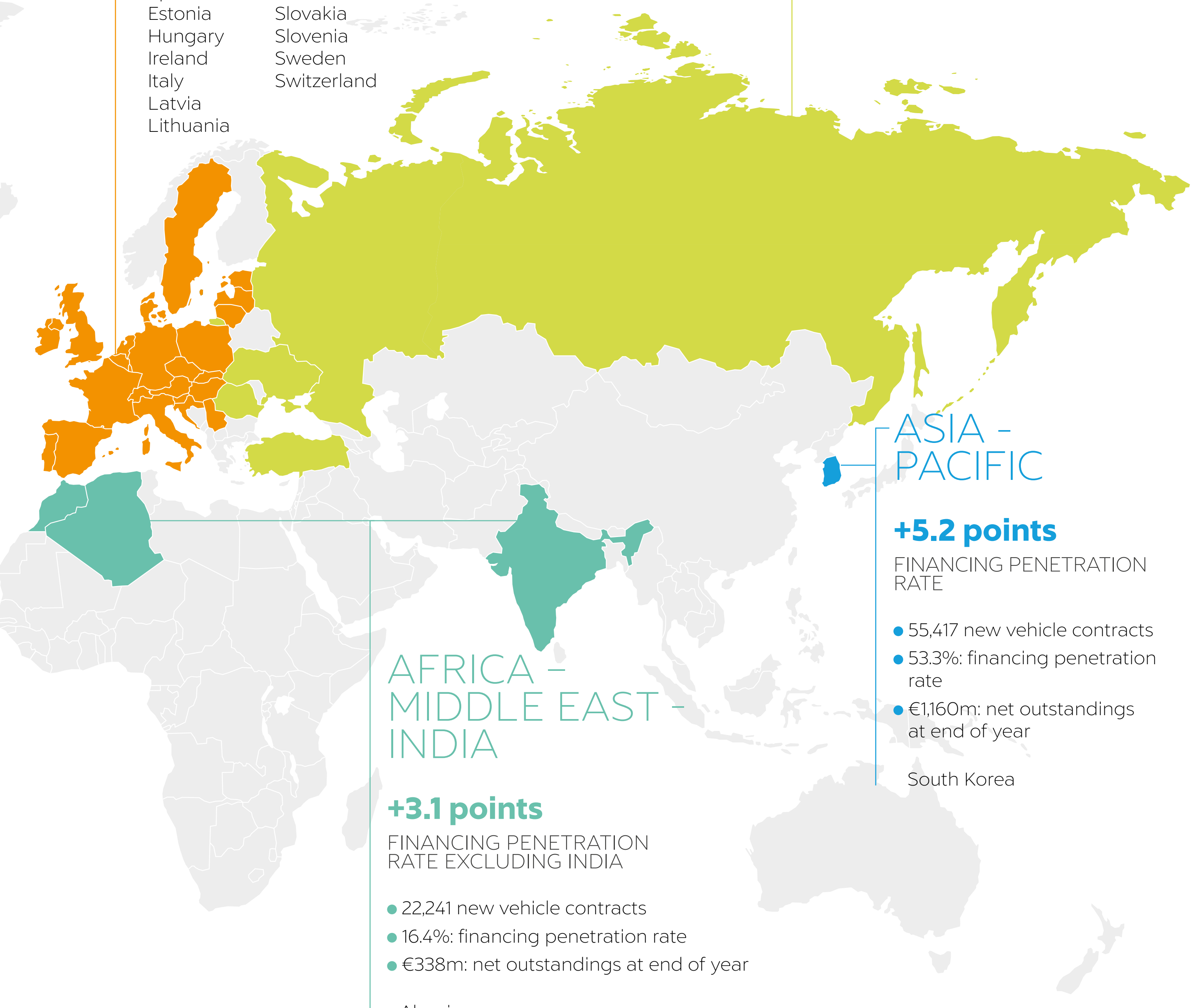
EURASIA

-2.7 points

FINANCING PENETRATION RATE

- 116,970 new vehicle contratcs
- 24.2%: financing penetration rate
- €87m: net outstandings at end of year

Romania
Russia
Turkey
Ukraine



ASIA - PACIFIC

+5.2 points

FINANCING PENETRATION RATE

- 55,417 new vehicle contracts
- 53.3%: financing penetration rate
- €1,160m: net outstandings at end of year

South Korea

AFRICA – MIDDLE EAST – INDIA

+3.1 points

FINANCING PENETRATION RATE EXCLUDING INDIA

- 22,241 new vehicle contracts
- 16.4%: financing penetration rate
- €338m: net outstandings at end of year

Algeria
India
Morocco

EUROPE

ALL INDICATORS **GREEN**

All Renault-Nissan Alliance brands benefited from the substantial rise in the European automobile market in 2015. And all increased their market share. Against this favourable backdrop, RCI Banque also raised its penetration rates.

In two Southern European countries, RCI Banque achieved record penetration rates: 52.4% in Italy and 49.0% in Spain, across all brands together.

In Spain, Italy and Ireland, one in two Renault newly registered is financed by RCI Banque. The proportion approaches four in every ten cars throughout the rest of Europe.

On Dacia sales, RCI Banque raised its penetration rate by more than 19 points in the UK, by 15 points in Austria and by 13 points in Portugal. Across Europe (excluding France), the penetration rate stands at 45.5%.

For Nissan, RCI Banque closed the year with a penetration rate of 34.7% in Europe (excluding France), a significant increase of 3.6 points on 2014. The increase was most pronounced in the UK, up 9.2 points.

In France, rates increased for all Alliance brands, driven in part by the launch of new packages such as the all-inclusive Easy Pack for Renault. Dacia topped the 2015 penetration-rate ranking with 43.4%, just ahead of Renault with 43.3% and Nissan with 35.7%.

RCI Banque also financed the purchase of more than 91,000 used vehicles in France, a significant increase on the 2014 figure.

+4.4 point increase

IN PENETRATION RATE IN FRANCE VS 2014

more than 91,000

USED VEHICLES FINANCED IN FRANCE

110,000

USED VEHICLES FINANCED IN OTHER EUROPEAN COUNTRIES

52.4%: ITALY HOLDS THE RECORD FOR PENETRATION RATE IN EUROPE

High performance across the wide range of Dacia vehicles, with a record penetration rate of 45.5%.

AMERICAS & AFRICA - MIDDLE-EAST - INDIA

A POSITIVE YEAR, DESPITE SOME DIFFICULT MARKET CONDITIONS

In the Americas Region, performance varied considerably with country and manufacturer.

Renault met with significant success in Colombia and Argentina. In Argentina, finance volumes on new vehicle purchases rose by 58.0%, largely in response to highly competitive new packages. A further reason for satisfaction here is that vehicles were sold with an average of two packaged services.

In Brazil, on the other hand, business was hit by the troubled automobile market. On a market down by 25.0%, the number of contracts financed for Renault fell by 26.6%. Even so, the penetration rate was steady at the high level of 42.3%. Nevertheless, RCI Banque Brazil managed to increase its penetration rate by 1.3 points for Nissan retail customers, up to 44.3% at end-December 2015.

Across the Americas region as a whole, RCI Banque finished the year at a steady 39.0%.

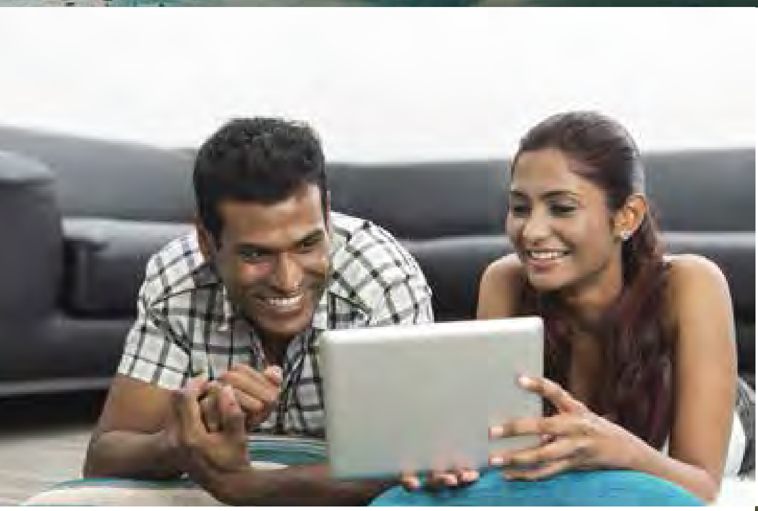
39%

PENETRATION RATE IN THE AMERICAS REGION

N°1: RCI ARGENTINA HAS BECOME THE LEADING OPERATOR ON THE FINANCE MARKET, IN VOLUME AND PENETRATION

In the Africa - Middle-East - India Region, 2015 saw the launch of RCI Banque's Finance business in India. More than 3,600 finance contracts have been signed for Renault so far, representing a penetration rate of 8.1%.

In Morocco, finance volumes rose by more than 23% for Renault and Dacia, to reach record penetration rates of 29.6% and 33.9% respectively. This successful performance owes much to two innovations: launch of a 0% package (new in Morocco) and the all-inclusive *Box Pro* package for business customers.



100%

IN INDIA, THE JOINT VENTURE BETWEEN NISSAN AND RCI BANQUE SUCCEEDED IN ROLLING OUT ITS OFFERING TO 100% OF THE DEALER NETWORK, FROM YEAR-ONE

EURASIA / ASIA-PACIFIC

VARIED PERFORMANCE

In the Eurasia Region, RCI Banque business in 2015 suffered from conditions on the Russian automobile market, which saw a 35.0% decline in new vehicle sales. Even so, after just 18 months in operation, RN Bank (joint venture between RCI Banque, Nissan and UniCredit) has become the leading operator on the Russian automotive finance market in terms of the number of loans managed.

Good results on the Romanian and Turkish markets were not able to offset the fall in finance contracts in Russia.

In Romania, the automobile market grew by close to 20% for the second year running. Alliance brands hold a high share of the Romanian market, at 41.3%. Finance contract volumes follow the same trend, rising by more than 20.0%.

In Turkey, despite the political and geopolitical tensions behind the heavy devaluation of the Turkish lire, the automobile market reached a record high, at 968,000 new vehicle registrations. Finance volumes for both Renault and Dacia rose substantially: up 34% for Renault and 38% for Dacia.

1ST: RN BANK IS THE LEADING PLAYER ON THE RUSSIAN MARKET IN TERMS OF OUTSTANDINGS MANAGED

+35% INCREASE IN THE NUMBER OF RENAULT AND DACIA FINANCE CONTRACTS IN TURKEY IN 2015

In the Asia-Pacific Region (South Korea), RCI Banque experienced a very bright year.

Though new vehicle registrations for Renault Samsung Motors were steady, finance volumes rose by 11.0%, with penetration increasing by 5 points up to 54.0%.

For the Alliance brands, business benefitted from the launch of packaged offerings combining credit plus services and insurance.

54%

OF RENAULT SAMSUNG MOTORS (RSM) CUSTOMERS FINANCED BY RCI BANQUE IN SOUTH KOREA

INTERNATIONAL GROWTH DYNAMIC

PASSENGER CAR AND LIGHT UTILITY VEHICLE MARKET		FINANCING PENETRATION RATE (%)	NEW VEHICLE CONTRACTS PROCESSED (THOUSANDS)	NEW FINANCINGS EXCLUDING CARDS AND PL (€M)
EUROPE	**2015**	**40.2**	**1,053**	**13,054**
	2014	36.4	860	10,042
OF WHICH GERMANY	**2015**	43.3	**146**	**2,025**
	2014	43.6	138	1,840
OF WHICH SPAIN	**2015**	**49.0**	**118**	**1,271**
	2014	46.8	90	936
OF WHICH FRANCE	**2015**	**42.4**	**384**	**4,515**
	2014	38.0	326	3,745
OF WHICH ITALY	**2015**	**52.4**	**124**	**1,577**
	2014	47.5	95	1,226
OF WHICH UNITED KINGDOM	**2015**	**34.5**	**133**	**2,219**
	2014	27.5	94	1,288
OF WHICH OTHER COUNTRIES	**2015**	**28.3**	**147**	**1,447**
	2014	25.3	117	1,006
ASIA-PACIFIC (SOUTH KOREA)	**2015**	**53.3**	**55**	**814**
	2014	48.1	50	649
AMERICAS	**2015**	**39.0**	**143**	**1,139**
	2014	38.9	169	1,409
OF WHICH ARGENTINA	**2015**	**27.5**	**26**	**227**
	2014	16.3	18	90
OF WHICH BRAZIL	**2015**	**42.8**	**116**	**912**
	2014	45.1	151	1,318
AFRICA, MIDDLE EAST, INDIA	**2015**	**16.4**	**22**	**150**
	2014	29.6	13	106
EURASIA	**2015**	**24.2**	**117**	**448**
	2014	26.9	153	391
TOTAL RCI BANQUE GROUP	**2015**	**37.1**	**1,390**	**15,605**
	2014	35.2	1,245	12,597

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

NET OUTSTANDINGS AT YEAR-END (€M)	OF WHICH CUSTOMER OUTSTANDINGS AT YEAR-END (€M)	OF WHICH DEALER OUTSTANDINGS AT YEAR-END (€M)	AVERAGE PERFORMING OUTSTANDINGS(1) (€M)	NET BANKING INCOME(1) (€M)	PRE-TAX INCOME(1) (€M)
27,642	**20,069**	**7,573**	**24,374**	**1,058**	**638**
23,612	16,522	7,090	21,243	892	461
4,737	**3,637**	**1,100**	**4,328**	**153**	**103**
4,229	3,105	1,124	3,810	95	33
2,558	**2,039**	**519**	**2,296**	**81**	**60**
2,016	1,540	476	1,777	65	39
9,982	**6,992**	**2,990**	**8,782**	**325**	**172**
9,268	6,375	2,893	8,523	321	169
3,187	**2,406**	**781**	**2,722**	**86**	**41**
2,623	1,935	688	2,325	71	24
4,079	**3,243**	**836**	**3,594**	**110**	**76**
2,956	2,236	720	2,569	91	64
3,099	**1,752**	**1,347**	**2,652**	**303**	**185**
2,519	1,331	1,188	2,239	250	133
1,160	**1,143**	**17**	**1,106**	**56**	**39**
1,047	1,038	9	948	53	41
1,999	**1,617**	**382**	**2,396**	**216**	**144**
2,966	2,259	707	2,864	220	146
229	**189**	**40**	**269**	**69**	**57**
315	198	117	285	56	46
1,770	**1,428**	**342**	**2,127**	**147**	**87**
2,652	2,062	590	2,578	163	100
338	**275**	**63**	**291**	**19**	**11**
306	238	68	275	18	7
87	**82**	**5**	**80**	**12**	**13**
87	84	3	85	22	13
31,226	**23,186**	**8,040**	**28,248**	**1,362**	**844**
28,017	20,140	7,877	25,415	1,204	668

PROUD TO BE THERE FOR THEM

“My role is to coordinate our group’s digital transformation in Italy. Our customers are increasingly looking for seamless and personalized contacts. This is demonstrated by the number of requests treated per year, having risen from 140,000 in 2013 to 256,000 in 2015. In 2016, we expect to top the mark of 300,000.
To simplify the customer experience and bring them increasingly individualized solutions, we are using all digital platforms. For example, we have designed a web space where customers can quickly update their contracts and even be guided by an advisor via an online chat service. In 2016, we will be launching a smartphone app that each customer can use at any time to access the details of their contract and receive customized offers to renew or insure their vehicle.
We are also using digital media to provide better support to Alliance dealer networks. We have already designed a financial simulation tool to help them qualify their proposals to end customers. At some dealerships –
in Italy, Spain, Germany and the UK – we are going to install digital posters that will enhance the customer experience through interactive content on our products and services. A number of other projects are under review, notably on making full use of the connected equipment on board Alliance vehicles. Very soon, we will be able to use this equipment to make a detailed analysis of the mobility of each driver and offer them truly bespoke solutions.”

Gianluca ANCILLI
Customer Relationship Manager, RCI Bank and Services, Succursale Italiana, Italy

FINANCIAL POLICY

RCI BANQUE IS STEPPING UP THE **DIVERSIFICATION OF ITS FUNDING SOURCES**

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.

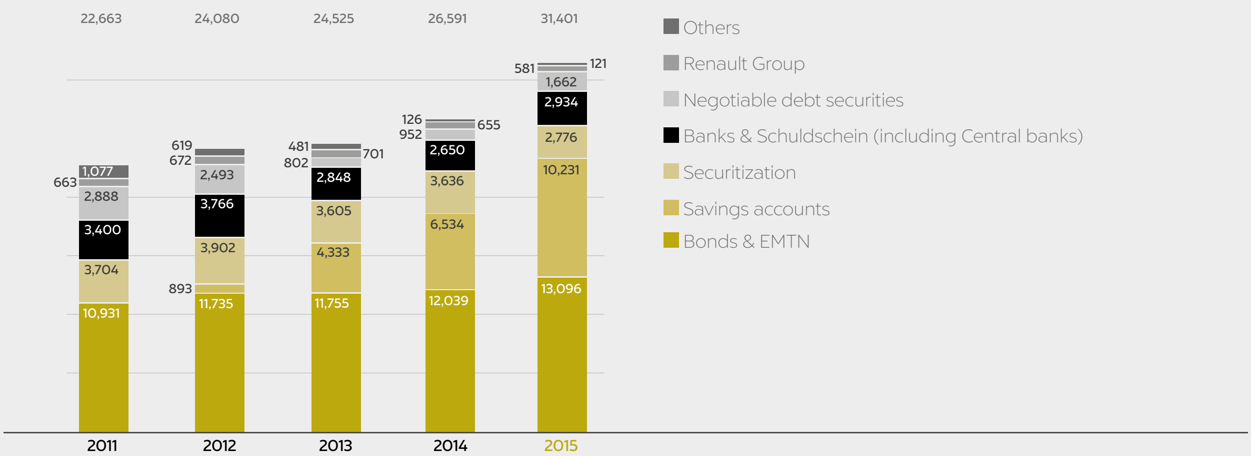
In December, the ECB announced that it would extend its asset purchase program for a further six months until March 2017. It also cut its deposit facility rate to -0.30%, thereby anchoring all short term rates in negative territory for some considerable time to come. A few days later, the US Federal 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 spreads on private sector bonds widened 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.

Changes in the structure of total debt
(in million euros)



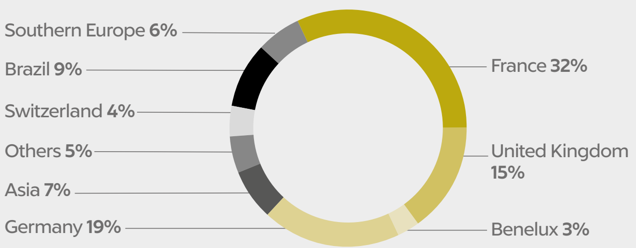
In the second half-year, RCI Banque issued a €500 million bond with a 5 years maturity.
At the same time, a large number of private placements were also made, for a total of €925 million and an average maturity of 1.6 years.

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.

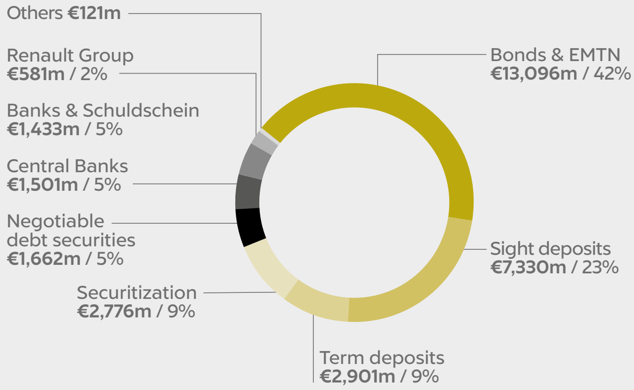
This combination of maturities, types of coupon and issue formats is part of the strategy implemented by the group for a number of years to diversify its sources of funding and reach out to as many investors as possible.

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.

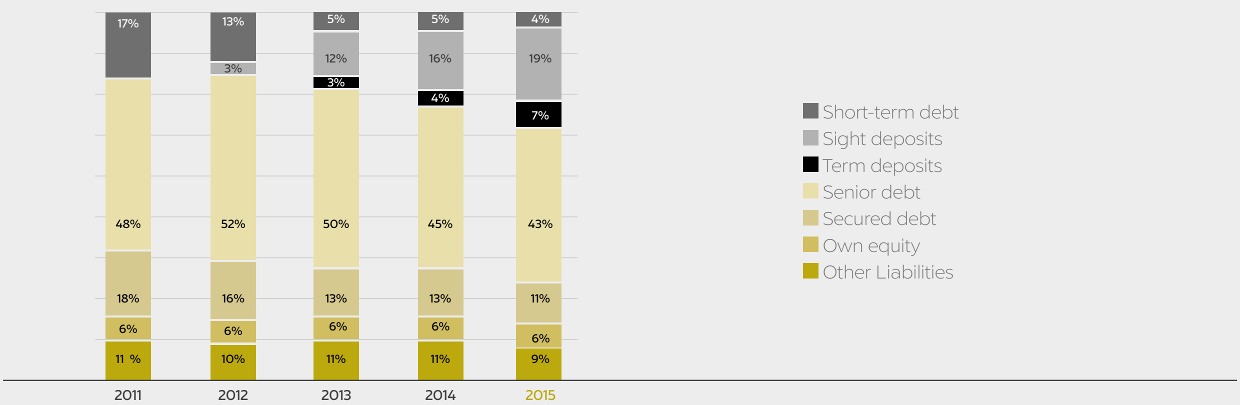
Geographical breakdown of new resources with a maturity of one year or more
(excluding deposits and TLTRO) as at 31/12/2015



Structure of total debt
as at 31/12/2015



Breakdown of liabilities
as at 31/12/2015



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 2015, 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.

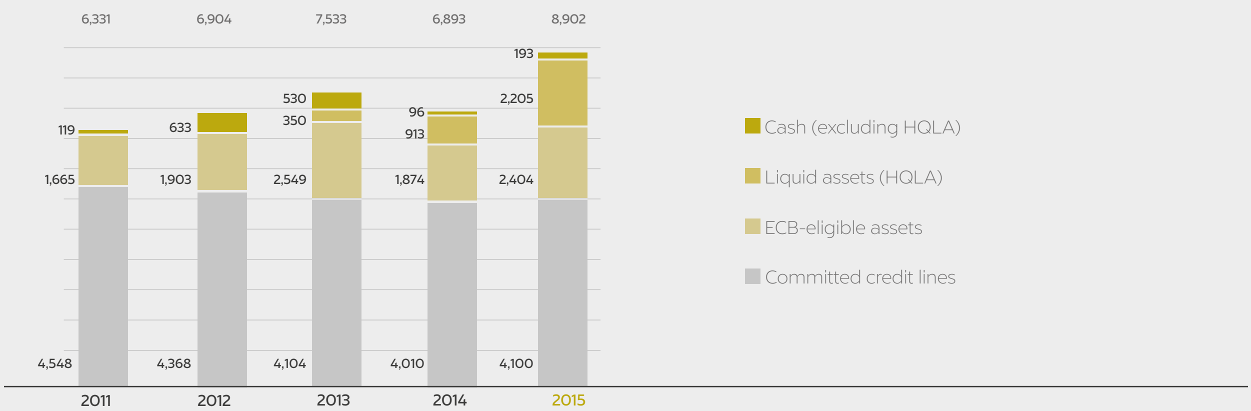
The strength of the group's balance sheet is also evidenced by very low market risks (interest rate, currency and counterparty risks), which are monitored daily on a consolidated basis:

- 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:

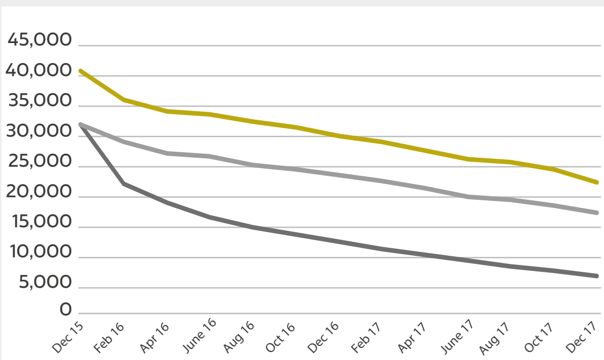
+€9.5 million in EUR,	-€0.2 million in KRW,
+€0.2 million in BRL,	+€0.5 million in MAD,
-€1.1 million in CHF,	+€0.6 million in PLN,
+€0.2 million in GBP,	+€0.1 million in USD;

- 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 millions euros)

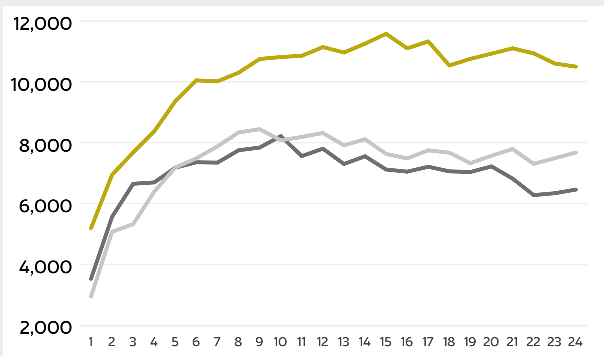


Static liquidity position(*)
(in millions euros)



Static liabilities + liquidity reserve
Static liabilities
Static assets

Static liquidity gap(*)
(in millions euros)



December 2015
December 2014
December2013

* 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 Brasil	Bonds*	Brazilian	BRL3,149m		**Aa1.br**	
RCI Finance Maroc	BSF Program	Moroccan	MAD1,000m			

(*) Local ratings

PROUD TO BE THERE FOR THEM

"RCI Bank and Services launched its savings products in France in 2012. They have already attracted over 50,000 people. Our 'Zesto' account in particular is a major success, with one of the highest-performance interest rates on the market.
In my work I have a sole priority: the satisfaction of our customers. Every year we receive tens of thousands of requests from private individuals, account holders or not. My role is to make sure everyone receives an adapted response, and more globally to do everything I can to enhance the quality of our customer relations, the key words being availability, closeness, responsiveness and efficiency.
To more accurately identify expectations, we have decided to regularly carry out customer surveys. The first, in July 2015, proved highly instructive. For example, it showed that our customers want to be able to follow on line the combined total of the interests on their investment. So we adapted our website. Now, in their personal spaces, each customer can follow their savings in real time. We also noticed a strong demand for a Zesto smartphone app – which was launched last November. Our customers can now manage their account using their mobiles, whenever they like.
These surveys also provide invaluable indicators on the overall quality of our offers and services. The initial results are very encouraging, with the large majority of savers having a good opinion of RCI Bank and Services, saying that they are satisfied with its products and appreciate our approach to customer relations. It is up to us to keep making progress in that direction!"

Eveline HALM
Head of Customer Relations, Savings Division France, RCI Bank and Services, France

FINANCIAL AND CSR REPORTS

RISKS

In keeping with current European Directives, RCI Banque's governance structure is as follows: the Chairman along with the Board of Directors and its specialized committees oversee a business itself managed and run by the Chief Executive Officer, Management Committee and Operational Committees. In that regard, the Company Secretary and Head of Risk Management relies on staff directly under him (Permanent Control department, Legal department, Taxation department) or functionally responsible to them (the DCSI Risk and Compliance unit). Risk monitoring is implemented and centralized within the OCSRC's Permanent Control department, which also makes sure that the system as a whole is compliant.

The Company Secretary and Chief Risk Officer:

- ensures that the risk policy is consistent and that the bank's risk measurement, monitoring, and control systems are efficient;
- makes sure that the level of risk incurred is compatible with the aims of the business and with the relevant limits set by RCI Banque's Board of Directors;
- reports on his work to RCI Banque's Board of Directors and Risk Committee, and to RCI Banque's Executive Committee; he warns them about any situation that might have a significant impact on risk control.

To this end, he puts in place systems and procedures designed to capture all of the risks associated with banking and nonbanking activities overall, especially credit, market and liquidity risks, operational risks, and risks related to IT systems and to the Insurance business. He is also responsible for implementing a plan to restore the group's financial situation in the event of any significant deterioration therein.

Under the management of the CSRC, the Permanent Control department is tasked with overseeing the internal control system. It ensures that processes are reliable and under control, and that risk measurement and monitoring operations are efficient and in line with best practices. It tracks the progress made on all action plans, regardless of whether those plans are the result of permanent controls, periodic controls or controls performed by the supervisory authorities. It is accountable for emergency and business continuity plans for the whole of the group, and also monitors changes in regulatory requirements affecting related systems such as the system for fighting money-laundering.

In areas where risk control is exercised within an operating entity, the CSRC brings in designated officers. In the Customer Operations Division for example, which is accountable for transaction performance and for the efficiency of organizational solutions and information systems, the IT security and compliance officer intervenes in the control system. Similarly, the Credit Risk Department oversees the subsidiaries' cost of risk and implements action plans to achieve the targets set. Loan approval terms are subject to strict central rules, and the management of financings and of their collection is monitored in a structured and in-depth manner. Outcomes are thus effectively controlled by the means of combined expertise and centralized oversight by an independent and segregated function.

RCI Banque's Executive Committee confirms that the risk management systems in place are appropriate to maintain the bank's liquidity and solvency in accordance with its strategy. To fulfill its strategy of continuing growth, RCI Banque aims to have sufficient liquidity to enable it to maintain normal business for at least six months in a total market closure scenario.

At end 2015, the liquidity cushion amounted to €8.9bn, enabling the bank to ensure the continuity of its business for eleven months without access to external liquidity.

Risks that might affect the capital are strictly managed and controlled, starting with the two main risks which are credit risk and the risk of interest rate variations. Credit risk, for which targets remain in line with levels attained in recent years (about 0.5% of APO), is managed for both the portfolio and new production. Interest rate variation risk is contained within a daily sensitivity limit of €40m in the event of a rate variation of 100 bp.

Other risks that could affect the capital (risk of non-compliance, hacking, residual values, etc.) are identified, subject to oversight and reviewed by specialist committees.

This policy, which is in line with the Board of Directors' guidelines, is reported on quarterly to the Board's Risk Committee for the most critical risks.

1 - CREDIT RISK

In both the Customer and Dealer businesses, the credit risk prevention policy is aimed at ensuring that the cost-of-risk objectives set as part of the budget process for each country, for each of its brands and for each of its main markets are achieved.

CUSTOMER RISK MANAGEMENT

To this end, the underwriting policy is adjusted and the tools (scores and other rules) regularly optimized. The resources and strategy implemented for the collection of delinquent receivables or receivables in default are also adjusted in line with the type of customer segment and the difficulties encountered.

The process of contract termination may also be speeded up if in the very short term there is a risk that the receivable might become impossible to recover. At the Corporate level, the Credit Risk department oversees the subsidiaries' cost of risk and implements action plans to achieve the targets set. Loan approval terms are subject to strict central rules, and the management of financings and of their collection is monitored in an in-depth manner.

DEALER RISK MANAGEMENT

At the level of each individual subsidiary, the Dealer sector is monitored continuously and daily by means of short and long-term indicators, which identify very early on any business presenting a risk of partial or full non-recovery. At the central Corporate level, the Dealer Financing Department compiles risk control procedures. Customers identified as risky are classified and given delinquent, pre-alert or alert status and are then reviewed at risk committee meetings within the subsidiaries, which bring together local car manufacturer and RCI Banque managements connected with the network, to decide on action plans and precautionary measures to control risks.

2015 OUTCOME FOR THE CUSTOMER BUSINESS

In 2015, the overall cost of risk on Customer financing reached 0.40% of average performing outstandings, showing a slight decrease from the 0.50% recorded in 2014. After the crisis, since 2009, the cost of risk has never exceeded 0.60%, reflecting sound management control of the risk chain both upstream at the level of acceptance processes, and downstream at the debt collection stage.

- In **France**, the cost of risk remained stable, decreasing from 0.42% in 2014 to 0.41% in 2015. The number of accounts referred to collection and new defaults continued to fall for both Diac and Diac Location. A slight increase in LGD was seen for Diac (from 31% in 2014 to 32% in 2015) and also for Diac Location (up 0.3%).
- In **Germany**, the cost of risk increased from 0.07% to 0.14%. This rise is the result of a fall in collection on the stock of charged-off contracts, not a deterioration in risk. The number of accounts referred to collection fell compared to last year, and this had a positive impact on new defaults, which also fell to 1.15%. LGD increased very slightly by 0.1% to 19%.
- In **Spain**, for the third time in four years there was a reversal of provisions for €1.2m, giving a cost of risk at -0.07% of average performing outstandings. The result is attributable to the good performance seen in collection, both on new defaults (with LGD stable despite the strong decrease in defaults) and on the stock of doubtful loans and loan charge-offs (portfolio assignment with a positive net result of €2.4m). New defaults continued to fall, from 0.87% to 0.55%. The outcome in Spain reflects the high level of management control over the risk chain after the crisis, since 2009.
- In **Italy**, at 0.65%, the cost of risk was down compared to 2014 (0.80%). Efforts to reorganize debt collection and improve the approval process are bearing fruit, with an improvement in all risk indicators: new defaults were down to a record low of 1.43% and LGD was at the same low level as in 2014, at 32%.
- In the **United Kingdom**, the cost of risk is very good at 0.05%.
- In **South Korea**, the cost of risk was up to 0.55% but this does not reflect a deterioration in risk. This is because the cost of risk in 2014 at 0.29% was very low, due in particular to a debt obligation disposal. The 2015 outcome is at the average level seen since 2008. Risk indicators improved, with fewer referrals to collection (7.52% against 8.03% in 2014) and a fall in new defaults (1.42% against 1.60% in 2014). LGD remained at 47% despite the decision not to assign any receivables in 2015.
- In **Brazil**, despite the worsening economic environment, the cost of risk remained under control at 1.46%, lower than in 2014. The country improved collection through legal proceedings with a positive impact on LGD (which fell to 44%) and on the cost of risk. However, we saw a negative macroeconomic impact on new defaults which rose from 3.42% to 3.74%, with an increase in pace over the second half-year.

Doubtful loans continued to fall in 2015, amounting to 1.9% of total receivables at year-end 2015 against 2.4% at end-2014. The decrease is due firstly to debt obligation disposals and secondly to better control of approvals and an improvement in recovery in most subsidiaries.

The provisioning rate for doubtful outstandings was 75% at year-end 2015, down slightly compared to 2014 (77%), which clearly reflects the purging of the old doubtful loan portfolio.

2015 OUTCOME FOR THE DEALER BUSINESS

RCI Banque maintained its policy of supporting car makers and their distribution networks by providing appropriate financing solutions. As such, managing inventories in cooperation with the car makers and ensuring appropriate levels thereof in relation to current market conditions remained a priority throughout 2015.

The cost of risk on Dealer financing amounted to 0.13% of average performing outstandings, or €8.8m. This was down compared to 2014.

2 - FINANCIAL RISKS

Essentially all of the transactions in financial instruments carried out by the RCI Banque holding company are related to its function as centralized refinancing office for the RCI Banque group.

The soundness of RCI Banque's balance sheet is especially underpinned by the control and management of market risks. Aggregate liquidity, interest rate, currency and counterparty risks are managed daily on a consolidated basis.

Details of financial risks and their specific control system are described in the Management Report, consolidated financial statements, "Financial Risks".

3 - COUNTRY RISK

The RCI Banque group is active in a number of countries and as such, is subject to the risks associated with the conduct of business on an international scale. These risks include such things as economic and financial instability, and changes in government, social and central bank policies. RCI Banque's future results may be negatively affected by any one or more of these factors.

The RCI Banque group's decisions with respect to its geographical locations are made within the framework of its growth strategy and support for the manufacturers and take into account the risks of instability, which are incorporated into an overall approach.

The scope of the group's financial policy extends to all consolidated finance entities of the RCI Banque group, including those for which refinancing is not done centrally. Refinancing for subsidiaries located in countries outside the eurozone whose transfer and convertibility risk is deemed to be a material risk by RCI Banque (particularly Brazil and Argentina) is generally done locally to limit any cross-border risk or covered by specific insurance (for example, Russia).

4 - OPERATIONAL RISKS

The operational risk management system is described in the Financial Security chapter. Details about the cross-business risks affecting the sales financing activity are provided below.

LEGAL AND CONTRACTUAL RISKS

Any changes to legislation impacting the marketing of loans and insurance at the point of sale may, like any other changes to regulations governing the banking and insurance businesses, affect the RCI Banque group.

RCI Banque has legal analyses performed on all new products marketed and regularly monitors all regulations to which is subject so that it can comply with them fully.

TAX-RELATED RISKS

Because of its exposure to international markets, RCI Banque is subject to a range of different national tax legislations, all of which are liable to amendments that might have an effect on its business, its financial situation and its results.

RCI Banque has a system in place for monitoring tax-related matters and a review chart listing all tax issues relevant to the Group. Any tax disputes or challenges that RCI Banque may have to deal with are monitored closely and if necessary, provisions are booked to hedge the estimated risk.

IT-RELATED RISK

Through its security policy, technical architectures and processes, RCI Banque's Information Systems Division helps to combat IT-related risk (risks to infrastructures, cybercrime, risks of non-compliance, etc.).

THESE RISKS ARE MANAGED AND CONTROLLED AS FOLLOWS:

At the operational level:

- Through the monitoring and prevention of the various subsidiaries' IS operational risks;
- Through implementation, monitoring and consolidation of Business Recovery Plan (BRP) testing for RCI subsidiaries;
- Through designated IT Safety and Security Officers, coordinated by internal control and reporting to RCI's Company Secretary and Chief Risk Officer;
- Through actions, support and checks carried out by the RCI IS Security Officer, who is backed up by a network of IT Security Officers for each subsidiary ISD;
- Through the level of protection of the group's IT network.

At the organizational and governance level:

- By Internal Control Committees – Operational Risks – RCI Group Compliance, overseen by RCI Permanent Control, in collaboration with the RCI Periodic Control and Audit department, and that bring together members of the RCI Management Committee (Group level), or members of the ISD Committee (ISD level);
- By IS Security Committees overseen by RCI IT Security, bringing together the RCI ISD Committee, and that oversee and monitor the efficient implementation of IT security measures, in accordance with the Information Systems Security Policy and best practices;
- By action to raise awareness and training in security (e-learning, communications, etc.).

INSURANCE COVER OF RISKS

PROPERTY AND CASUALTY, BUSINESS INTERRUPTION

The RCI Banque group's French companies are affiliated with the worldwide program of insurance against property damage and business interruptions taken out by Nissan Motor Co. Ltd and Renault s.a.s.

The risk prevention policy is characterized by:

- implementation of effective safety and security systems;
- staff training (to heighten employees' awareness of their role in preventing damage to property);
- installation of back-up facilities to keep operations going, inasmuch as production by the group depends heavily on properly functioning IT systems.

The RCI Banque group's foreign entities negotiate insurance policies with local insurance companies, which are subject to monitoring by centralized functions to ensure that they are appropriate and adequately capture the risks to be covered.

CIVIL LIABILITY

Civil operating liability (company's liability for damages caused to third parties during the course or conduct of its business activities, in any place, by the insured person, staff, buildings or equipment used for those business activities) of the French affiliates has been covered by the Renault Group's worldwide program of insurance since January 2010.

Only liability after delivery and/or professional civil liability (damage resulting from mismanagement or non-compliance with a binding obligation towards a third party) specific to the RCI Banque group's activities is still covered by particular insurance policies specific to the RCI Banque group:

- A specific insurance policy covers the liability after delivery and/or professional civil liability of the Diac group as regards long-term rentals and vehicle fleet management services;
- A specific insurance policy covers the Diac and Diac Location affiliates for the financial consequences of the civil liability that may be incumbent upon them in their capacity as the owners or leasers of vehicles and automotive equipment on account of the activities covered under the said policy, namely leasing, rental with purchase option and long-term rental, it being stipulated that this is a secondary insurance policy intended to be called upon only in the event that the lessee is uninsured or inadequately insured;
- As regards insurance intermediation (insurance policies offered as an addition to financing and leasing products) RCI Banque and the Diac and Diac Location affiliates are insured by specific professional civil liability policies combined with a financial guarantee, in accordance with Articles L.512-6, L.512-7, R.512-14 and A.512-4 of France's Insurance Code (Code des Assurances), a set of regulations resulting from the French Act of 15 December 2005 transposing the European Directive of 9 December 2002.

Regarding RCI Banque affiliates and branches outside France, insurance contracts covering civil operating liability and professional civil liability, including the insurance intermediary's professional liability, are negotiated with local insurers and comply with local regulations resulting from the transposition of the European Directive of 9 December 2002 for European countries, or from other equivalent regulations for non-EEC countries.

Since 1 January 2015, a new overall professional civil liability insurance policy (Master insurance policy) for the RCI Banque group has been effective, in addition to local policies (with the exception of Turkey and Russia).

Under this policy, the insurer will pay out for the financial consequences (civil defense costs) of any claim made by a third party arising out of professional negligence or errors committed within the limits of the insured business activities only, as described hereafter, and that entail the professional civil liability of one or more insured parties (RCI Banque group affiliates).

The program covers:

- "Regulated" activities (those for which professional civil liability insurance is required by law): insurance intermediation activities and, for certain countries, bank transaction intermediation activities, defined as "activity which consists in presenting, proposing or helping to enter into insurance contracts, or banking transactions or payment services, respectively, or in carrying out other work in preparation for entering into them"; and
- "Non-regulated" activities (those for which there is no obligation under the regulations to take out professional civil liability insurance): activities in the banking, stock market, financial, real estate, insurance and reinsurance areas.

5 - OTHER RISKS

RISKS ON RESIDUAL VALUES

Residual value is the estimated value of a vehicle at the end of its financing. Developments on the used vehicle market may lead to a risk for the carrier of such residual values, in that a commitment is made to take back vehicles at the end of their financing period at a price set at the start of that period. This risk may be carried by RCI, by the vehicle manufacturer, or by a third party (dealers in particular).

Developments on the used vehicle market are monitored closely, which in conjunction with the manufacturer's range and pricing policy, helps to keep this risk to a minimum, especially in cases where RCI Banque buys back vehicles on its own account.

Breakdown of risk related to residual values

In millions of euros	Residual values								Provision for residual values							
	2015	2014	2013	2012	2011	2010	2009	2008	2015	2014	2013	2012	2011	2010	2009	2008
Corporate segment:	**123**	**28**	**0**	**3**	**16**	**46**	**109**	**133**	**4**	**1**	**0**	**0**	**2**	**4**	**11**	**20**
- France	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
- European Union (excluding France)	123	28	0	3	16	46	109	133	4	1	0	0	2	4	11	19
- Europe excluding European Union	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retail segment:	**1,525**	**884**	**569**	**460**	**397**	**273**	**188**	**189**	**11**	**4**	**2**	**2**	**2**	**0**	**1**	**1**
- European Union (excluding France)	1,525	884	569	460	397	273	188	189	11	4	2	2	2	0	1	1
Total risk on residual values	**1,649**	**912**	**569**	**463**	**413**	**319**	**297**	**322**	**15**	**6**	**2**	**3**	**4**	**5**	**12**	**21**

Risks related to residual values not carried by the RCI Banque group

In millions of euros		Residual values					
	2015	2014	2013	2012	2011	2010	2009
Corporate and Retail segments:							
- Commitments received from the Renault Group	2,343	1,908	1 ,472	1,510	1,414	1,384	1,306
- Commitments received from others (Dealers and Customers)	1,575	1,321	1,720	1,776	1,656	1,498	1,987
Total risk on residual values	**3,918**	**3,229**	**3,192**	**3,286**	**3,070**	**2,882**	**3,293**

INSURANCE RISK

Customer insurance activities, in which the risk is carried by RCI Banque, could suffer losses if available reserves are insufficient to cover claims made.

The size of the reserves is determined on the basis of statistical information with a view to addressing expected losses. During the 2015 financial year, the change in technical provisions for our life and non-life insurance companies came to €58m for €241m of premiums written. 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. The group applies strict selection procedures to its policies, has underwriting manuals, and uses re-insurance agreements.

The insurance risk management system is described more fully in the Financial Statements section of the Notes to the "Consolidated Financial Statements".

6 - CAPITAL ADEQUACY WITH RESPECT TO RISKS

INTERNAL CAPITAL

The internal capital requirement is RCI Banque's assessment of the own equity required to address all of its risks (Pillar 1 +Pillar 2 risks).

It is equivalent to the lowest value in terms of capital that the group's management considers to be needed to cover its risk profile and strategy.

In addition, simulations of forecast activities, acquisitions and disposals are produced to determine any additional equity requirements, thus ensuring that future prudential ratios are complied with.

The objective of the RCI Banque group's capital management policy is to optimize the use of equity in order to maximize the short and long-term return for the shareholder, while maintaining a capital adequacy ratio (Core Tier 1 ratio) in keeping with the target rating required to optimize refinancing.

SOLVENCY RATIO (CAPITAL AND REQUIREMENTS) AND LEVERAGE RATIO

The overall "Pillar 1" solvency ratio was 15.74% at 31 December 2015 (of which 15.64% Core Tier One) compared with 15.23% at 31 December 2014 (of which 14.90% Core Tier One). Total equity was above the "Basel1" floor level.

The leverage ratio, which is equal to the non-weighted ratio of assets to equity, came to 8.50% at 31 December 2015 compared to 8.47% at 31 December 2014; it is calculated in accordance with the methodology set out in Regulation (EU) No 575/2013.

Prudential capital requirements are determined in accordance with Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms).

COMMON EQUITY TIER 1 (CET 1)

Common equity consists of the company's share capital and the related share premium accounts, reserves, retained earnings net of tax and accumulated other comprehensive income, and minority interests after application of transitional provisions for prudential filters.

The main Basel III prudential filters applicable to the group are:

- the exclusion of fair value reserves related to gains or losses on cash flow hedges;
- the exclusion of gains or losses on liabilities of the institution that are valued at faire value that result from changes in the own credit standing of the institution;
- the gradual deduction of the exclusion of minority interests;
- the gradual deduction of deferred tax assets that rely on future profitability arising from tax loss carry backs.

Deductions include intangible assets and goodwill.

Holdings of more than 10% in financial sector entities and deferred tax assets that rely on future profitability and arise from timing differences are, once the threshold has been applied, below the pooled 17.5% allowance and therefore receive weighting on the asset side of 250%.

NB. RCI Banque's CET 1 represents 97.9% and 99.4% of its total prudential own funds for 2014 and 2015 respectively.

ADDITIONAL TIER 1 (AT1)

Additional Tier 1 items are perpetual debt instruments with no incentive or obligation to redeem (in particular step-ups).

The RCI Banque group had no instruments of this type as at 31 December 2015.

COMMON EQUITY TIER 2 (CET 2)

CET 2 items are subordinated debt instruments with a minimum term of five years and no early redemption during the first five years.

These instruments are discounted during the five-year period preceding their maturity.

The RCI Banque group lists the Diac participating loan stock for €12m at year-end 2015 in this category. The subordinated securities to which annual amortization of €50m was applied and the net amount of which taken into account at year-end 2014 was €17m, matured in April 2015.

Likewise, under the advanced approach to credit risk, any negative difference between total provisions and total expected losses is deducted from the capital. If the sum of the expected losses is less than the valuation adjustments and collective impairment allowances, the balance is added to the Tier 2 capital, up to a maximum of 0.6% of the weighted risks of exposures assessed by the "internal rating based" method.

BASEL III - PILLAR III

In millions of euros	31/12/2015	31/12/2014
Tier 1 capital(*)	**3,326**	**2,856**
Equity under IFRS	3,495	3,161
- Share capital + Share premium accounts	814	814
- Carryforward and group income	1,556	1,231
- Other reserves	1,111	1,102
- Reserves + Minority income	14	14
Planned dividend distribution	0	(150)
Prudential adjustments	(169)	(155)
- Restated unrealized gains or losses (of which CFH)	(1)	0
- Intangible non-current assets and goodwill	(97)	(94)
- Other prudential deductions	(11)	(3)
- Negative difference between valuation adjustments and expected losses	(60)	(58)
Tier 2 capital(*)	**20**	**62**
Subordinated liabilities +Participating loan stock	12	27
Positive difference between valuation adjustments and expected losses up to 0.6% of assets risk-weighted under the internal rating method	8	35
Total prudential capital(*)	**3,346**	**2,918**

(*) Following a change to the provisional dividend for 2014.

RISK-WEIGHTED ASSETS

Prudential requirements are determined in accordance with the texts and transitional provisions applicable as from 1 January 2014 to credit institutions and investment firms, published in the Official Journal of the European Union on 26 June 2013: Regulation (EU) No 575/2013 and EU Directive 2013/36/ EU transposed by Order No 2014-158 of 20 February 2014.

In millions of euros	31/12/2015	31/12/2014
	Risk-weighted assets	Risk-weighted assets
Credit risk	**19,061**	**17,013**
1) Internal rating based (IRB) method	***10,435***	***8,668***
- Corporates	3,933	3,461
- Retail	6,502	5,207
2) Standardized method	***8,626***	***8,345***
- Central governments and central banks	219	304
- Institutions	581	647
- Corporates	3,896	3,664
- Retail	3,276	3,276
- Shares	8	20
- Other non-credit obligation assets	646	434
Market risk	**-**	**-**
Credit valuation adjustment risk	**108**	**111**
Operational risk	**2,097**	**2,038**
Total risk-weighted assets(*)	**21,266**	**19,162**
Total prudential capital(*)	**3,346**	**2,918**
Core Tier 1 capital	**3,326**	**2,856**
Overall solvency ratio	**15.74%**	**15.23%**
Core Tier 1 solvency ratio	**15.64%**	**14.90%**

(*) Following a change to the provisional dividend for 2014 and after clarification with the Supervisory Authority of the method of calculating the capital requirement, which lead to setting aside the additional transitional requirements linked to the Basel I lower limit.

PRUDENTIAL SCOPE

The prudential scope used when calculating the solvency ratio is identical to the scope of consolidation described in the Notes to the IFRS financial statements, with the exception of the insurance companies based in Malta and accounted for prudentially using the equity method.

Consolidated entities accounted for using the proportionate consolidation method prior to application of IFRS 11 and now consolidated in the books using the equity method, are still consolidated prudentially using the proportionate consolidation method. Information about these entities and the method which is used to account for their consolidation is given in Note 8 to the consolidated financial statements.

RCI Banque has not opted for the so-called "conglomerates" option; therefore the solvency ratio is calculated "without insurance", eliminating contributions from the group's insurance companies from both the denominator of the capital ratio and its numerator.

In September 2007, RCI Banque was granted a waiver by France's Prudential Control and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution - ACPR*) exempting the French credit institution Diac S.A. and RCI Banque S.A. from solo supervision, as the group satisfies the conditions for exemption stipulated by Article 4-1 of CRBF Regulation 2000-03.

The switch to Directive 2013/36/EU (CRD IV) does not affect the individual exemptions granted by France's Prudential Control and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution - ACPR) prior to 1 January 2014 on the basis of preexisting regulations.

RCI Banque continues to comply with the regulatory framework set out in Article 4-2 of CRBF Regulation 2000-03:

- there is no obstacle to the transfer of capital between subsidiaries;
- the risk measurement and control procedures within the meaning of the Order of 3 November 2014 relating to internal control are implemented on a consolidated basis, including subsidiaries.

Consequently, the RCI Banque group is exempt from respecting prudential ratios on an individual basis for each of its French financial companies. RCI Banque monitors changes in the group's consolidated solvency ratio monthly.

MARKET RISK

In the absence of a trading book, the whole of the RCI Banque group's market risk comes from its foreign exchange exposure. The latter is mainly linked to structural foreign exchange exposure on equity securities of affiliates outside the Euro zone.

In May 2009, RCI Banque was granted authorization 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. Consequently, as its foreign exchange exposure is below the 2% of the capital threshold set in Article 351 of Regulation (EU) No 575/2013, RCI Banque no longer calculates capital requirements for the foreign exchange risk.

RCI Banque's objectives and strategies with respect to the foreign exchange risk are described in the "Financial Risks" section of the Management Report.

OPERATIONAL RISK

Operational risk is assessed using the Standardized method. The equity requirement is worked out using the mean Net Banking Income observed over the last three years, broken down into two business lines (Retail Banking and Commercial Banking), the regulatory coefficients for which are 12% and 15% respectively.

The operational risk management system is described in the "Financial Security" chapter.

CREDIT AND COUNTERPARTY RISK

In its letter dated 28 January 2008, France's Prudential Control and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution - ACPR*) granted RCI Banque authorization to use its advanced internal rating based system (AIRB) to assess its credit risks from 1 January 2008 onwards.

INFORMATION ABOUT CREDIT RISK ASSESSMENT USING THE AIRB APPROACH

RCI Banque has opted for the most advanced methods proposed by the Basel II/III reform for measuring and monitoring its credit risks; all parameters are thus estimated internally. Valuations are applied to the calculation of Retail, Corporate and Dealer customer risk exposures. Six large countries (Germany, Spain, France, Italy, South Korea and the United Kingdom) are treated using the advanced internal rating based approach. Four countries were initially approved for AIRB treatment at the start of 2008. The approach was then rolled out to the United Kingdom in 2010, followed in 2011 by South Korea for the Retail business, and for factoring in France.

In the most recent period, work done mainly concerned the plan to roll out internal rating systems in Brazil (Retail, Corporate and Dealer businesses).

Organization

The tools and processes used to calculate credit risk-weighted assets, and the publication of reports used to optimize the supervision of credit risks, are the responsibility of Customer Operations and Credit Risk.

The Accounts and Performance Control Division is responsible for consolidating the solvency ratio, producing regulatory reports and internal capital assessment.

Information system

The Common Database for Risk compiles credit risk-related data sourced from underwriting, management and accounting software applications, on the three markets and for the most significant countries.

The Common Database for Risk provides input for a decision support environment through which risk analyses can be performed and the Risk AuthoritY (RAY) software package calculates the solvency ratio. RAY also receives data from the KTP Cristal refinancing operations management system and the Sycomore Business Object Finance consolidation tool. Since June 2010, Risk AuthoritY (RAY) has also published the regulatory reports.

The data collected and computed in these information systems are controlled, technically and functionally, throughout the production process, from the collection of information from upstream systems through to the end results. These quality controls are monitored monthly and action plans may be introduced to improve them.

The information system in place provides the elements needed to analyze the ratio. For example, monthly reports display the components of the risk-weighted assets calculated under the AIRB method (Probability of Default, Loss Given Default, Exposure, Expected losses, etc.) according to a number of criteria:

- breakdown of performing loans and non-performing loans, by type of financing;
- separation between balance sheet exposures and off-balance sheet exposures;
- breakdown by country;
- breakdown by customer category: private individuals, business individuals, small, medium and large-sized companies (based on turnover), very large-sized entities and the dealer network);
- breakdown by characteristics: customer characteristics (age of the customer or business, business sector, etc.), financing characteristics (initial term, amount of personal/business contribution, etc.) and the characteristics of the good financed (new or used vehicle, model, etc.).

These elements are also used for the monthly analysis of the management risk cost, which is assessed on the basis of actual recorded defaults and LGDs.

Exposure classes treated under the AIRB method

All quantified data pertaining to credit risk exposures relate to gross exposure, i.e. exposure prior to application of Credit Conversion Factors and Credit Risk Mitigation Techniques.

The average weighting rates (risk-weighted assets/exposures) come to 37% for the Customer portfolio and to 45% for the overall Corporate portfolio (of which 28% for Dealers).

The equity requirement for credit risk takes into account the financial guarantee (in the form of a cash warranty agreement) granted by Renault, totaling €550m. This guarantee protects RCI Banque against the risk of default by the Renault Retail Group.

The conversion factors applied to individual off-balance sheet exposures are the regulatory rates (0%, 20%, 50% and 100%). The average rates calculated are 100% for Customer financing commitments (representing €930m), and 90% for authorizations with respect to Dealers (representing €110m), depending on their nature.

Borrower - Probability of Default (PD) parameter

The internal rating methodology developed from 2004 for the purposes of reassessing customer risk on a monthly basis uses:

- a model for ranking the risk of default;
- a method for quantifying the associated PD.

Risk ranking model

Counterparty risk is ranked using a score that incorporates both the customer's characteristics and his payment behavior. The methodology is adjusted to each customer typology to take into account the kind of information available and normally used by business experts to assess risk.

The following table shows how the models developed are mapped.

Allocation to a risk class and quantification of the PD associated with each class

The rating scales include a number of classes adjusted to the granularity of each portfolio. The Retail portfolio is divided into ten classes for the performing portfolio, and one defaulted class; the Corporate portfolio is broken down into seven performing classes and one defaulted class.

The requirement for reliable internal rating has, however, led to a specific breakdown for each "country / customer segment" portfolio. Thus, for any given segment, the risk for any given class in France, measured by its representative PD is not the same as the risk for that same class in Spain.

The calculation of the PD associated with each class takes into account historically observed default rates.

Testing of PD models

In many countries, back-testing of PD models has highlighted the continuing effectiveness of the models in risk class prioritization over time, but also an overestimation of the PD level per class.

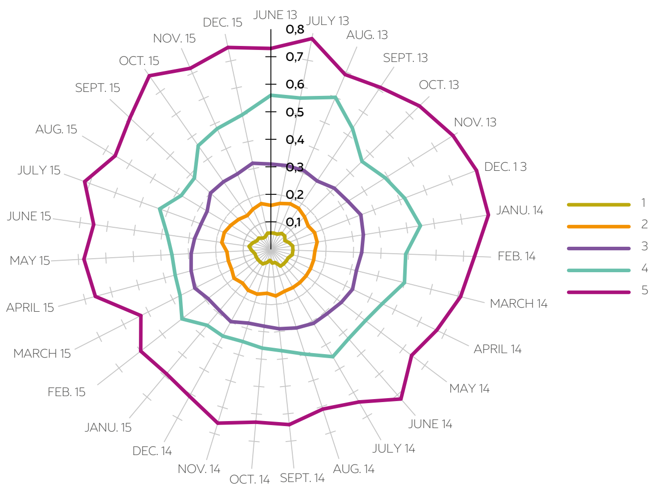
This situation is illustrated by the graphs hereafter.

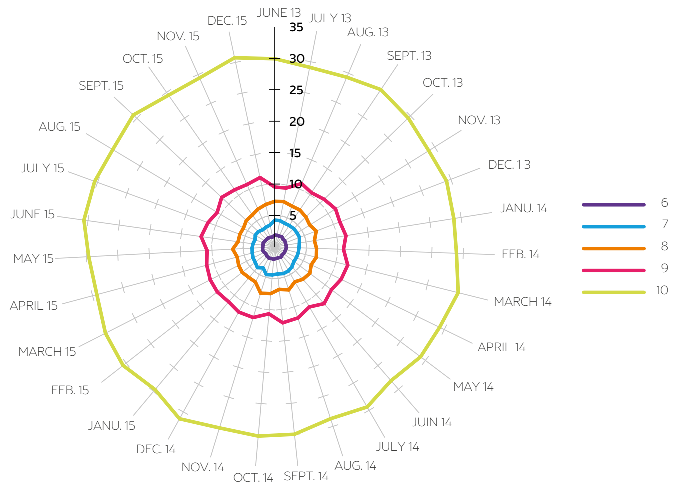
Credit exposures under the AIRB method

In millions of euros	Credit exposures under the AIRB method
Corporate	**8,739**
- of which Dealers	6,501
Retail customers	**17,503**
- of which small or medium sized entities	1,959
Total exposures under the airb method	**26,242**

Exposure classes	IRBA country	Population group covered by the model	Model type (statistical/ combined)	Kind of model (Internal/External)
Retail	Germany	Individuals	Statistical	Internal
	Spain			
	France			
	Italy			
	United Kingdom			
	South Korea			
SME	Germany	Companies	Statistical	Internal
	Spain			
	France			
	Italy			
Corporate	France	Very large-sized companies	Combined	Internal +External rating
	France	Factoring	Combined	Internal +External rating
	All affiliates	Dealer	Statistical	Internal

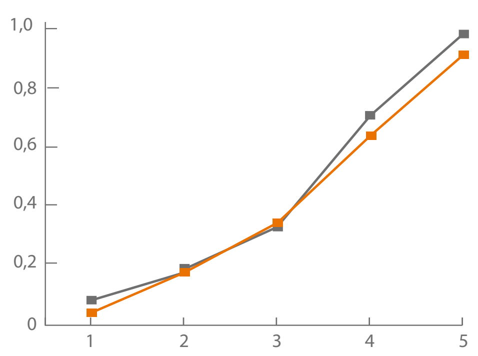
History of default rate by class



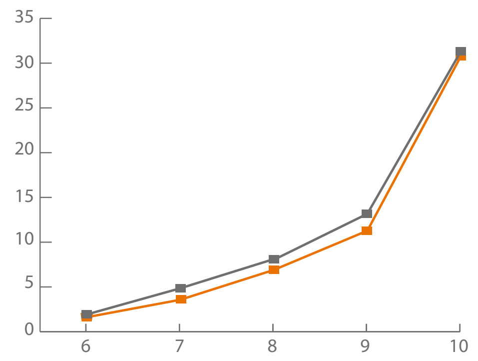


Back test - Retail Germany PD model at end-December 2015

Class 1 to 5



Class 6 to 10



Actual default rate at end 12/2015

Forecast PD at end 12/2014

Transaction - Loss Given Default (LGD) parameter

Economic losses are estimated from discounted recovery cash flows for the Retail and Corporate sectors, and from loan charge-offs for the Dealer network, on the basis of historical data generally going back more than ten years. Charges attributable to debt collection are taken into account according to the stages of management gone through. Analysis has been conducted to group the transactions into segments representative of uniform levels of loss.

The quantification of these losses by segment is the outcome of a statistical model whose main vectors are the generational analysis of recoveries, speed of collection and consideration of trends. Expert opinion is also used to confirm the proposed estimates to gain the best possible insight into the effects of economic cycles.

Average LGD on the performing portfolio came to 46% for Retail Customers and 37% for the Corporate segment. The latter breaks down into 44% for non-dealer Corporates and 10% for Dealers.

Exposure classes	IRBA country	Population group covered by the model	Population group Segmentation	Type of model (statistical/ expert/ combined/ other)	Kind of model (internal/ external)	Available historical depth	Calculate parameters
Retail	France	Individuals + Companies	Credit Leasing	Statistical	Internal	Since January 1997	LGD on non-default LGD default BEEL default
	Germany		NV Credit UV Credit Leasing			Since April 1999	
	Spain		NV Credit			Since November 1994	
			UV Credit			Since May 1998	
			Leasing			Since January 1996	
	Italy		Time ≤48 months			Since January 2008	
			Time >48 months			Since January 2008	
	United Kingdom		Single segment			Since August 1998	
	South Korea		Single segment			Since March 2006	
Corporage	All subsidiaries	Dealers	NV Stock Other products	Case by case	Internal	Since 1988	LGD BEEL

Internal rating monitoring procedures

The results and the main data used in the internal rating system are monitored on a monthly basis.

On a quarterly basis, the changes observed are analyzed following a standard protocol. These analyses ensure that the models are in keeping with the operational processes (underwriting and collection) and provide regular input used to enhance rating models.

The differences between forecast and actual are set out in a report that also includes the quantified impact on capital requirements.

A specific presentation of rating model performance is given once a year to the Executive Committee during a Risks and Operations Committee meeting.

Operational use of internal rating systems

Customers

Loan approval policy

In the Customer segment, customers applying for financing are systematically rated. This situation pre-existed on certain market segments, especially for private individuals, before Basel rating systems came in, but was implemented across the board with the introduction of Basel II. Rating provides initial guidance in the decision-making process, with the examination process then concentrating on "intermediate" risks. Beyond the operational process, the underwriting policy is regularly adjusted in line with default rates and the analysis of the profit rates per PD and LGD level.

Debt collection

The statistical models used in calculating weighted risks and expected loss enable monthly updating of the Probability of Default used at loan approval via incorporation of the customer's payment behavior. This updating, which provides a clear overview of the expected loss on the portfolio as part of the "Budget process" is also increasingly used as a tool for forecasting the activity of the debt collection platforms. "Collection scoring" based on the same customer information has been rolled out for Spain and South Korea to improve process efficiency.

Dealers

In the Dealer segment, all counterparties are systematically rated. This rating system and all of its component sections are integrated into the key operational processes of underwriting, management and business and risk monitoring.

Provisioning for the Dealer financing activity is based on categorizing the counterparties individually and by examining objective impairment indicators. The component sections of the internal rating system form the basis for this differentiation.

INFORMATION RELATING TO CREDIT RISK TREATED UNDER THE STANDARDIZED METHOD

Credit risk exposures treated under the standardized method consist primarily of the sales financing outstandings of affiliates not treated under the AIRB method, debts towards credit institutions and central banks, and all other consolidated assets that are not credit obligation assets.

When calculating the equity requirement for credit risk under the standardized method, RCI Banque uses the external rating agency Moody's to assess its sovereign and bank exposures and complies with the regulatory mapping with these external assessments.

As far as the Corporate portfolio is concerned, the RCI Banque group applies the regulatory weightings to unrated exposures. This treatment is justified by the generally modest size of the group's corporate customers in countries other than France, Germany, Italy and Spain, who cannot have an external assessment by an accredited rating agency.

Equity requirements for credit risk under the standardized method take into account a financial guarantee (in the form of *Letras de Cambio*) totaling €139m at end-December 2015 protecting the Brazilian affiliate CFI RCI Brasil against the risk of default by its dealership network.

Moody's rating	Banque de France rating	Credit exposures treated under the standardized method in million euros
Long term		
Aaa	1	3,346
Less than Aaa	2 to 6	614
Unrated exposure	7	9,686
Short term		
P-1	1	123
P-2 / P-3	2 to 3	53
NP	4	5
Total credit exposures treated under the standardized method		**13,827**
- of which Corporates		4,156
- of which Retail		4,586
- of which other exposure categories		5,085

CREDIT ADJUSTMENT

For all OTC derivatives other than those recognized as reducing credit risk-weighted exposure amounts, the RCI Banque group determines an equity requirement for CVA (Credit valuation adjustment) risk.

This requirement is calculated using the method described in Article 384 "Standardized Method" of Regulation (EU) No 575/2013.

MAIN BASEL II/III INDICATORS

Breakdown of gross exposures (standardized and advanced method)

In millions of euros	Corporate	Retail	Other exposure categories	Total
Average credit exposures in 2015	11,233	20,966	4,452	36,651
France	5,789	5,549	2,951	14,289
Germany	1,307	3,842	389	5,538
Spain	880	1,873	150	2,903
Italy	1,074	2,420	237	3,731
United Kingdom	732	3,544	604	4,880
South Korea	116	1,178	90	1,384
Other countries	2,997	3,683	664	7,344
Credit exposure balance	**12,895**	**22,089**	**5,085**	**40,069**
Residual maturity less than 3 months	5,786	3,467	2,797	12,050
From 3 months to 1 year	5,596	3,343	1,867	10,806
From 1 to 5 year	1,102	14,220	324	15,646
More than 5 years	411	1,059	97	1,567

EAD includes on- and off-balance sheet credit exposures. The prudential scope is not the same as the accounting scope of consolidation.

Consequently, the valuation of credit exposures shown in the table above is different to that shown in Note 17 of the Notes to the Consolidated Financial Statements on Financial Assets and Liabilities by Remaining Term to Maturity.

Gross exposures to loans in default and valuation adjustments

In millions of euros	Corporate	Retail	Total
France	67	217	284
Germany	27	17	44
Spain	28	28	56
Italy	34	55	89
United Kingdom	23	26	49
South Korea	0	34	34
Other countries	183	74	257
Total exposures to payments in arrears or in default	**362**	**451**	**813**
2014/12			
Balance of valuation adjustments on the balance sheet	256	340	596
Balance of collective provisions on the balance sheet	63	34	97
Total balance of collective provisions and valuation adjustments	319	374	693
2015/12			
Balance of valuation adjustments on the balance sheet	81	470	551
Balance of collective provisions on the balance sheet	37	72	109
Total balance of collective provisions and valuation adjustments	118	542	660

Exposures to loans in default and valuation adjustments on “other exposure categories” are not significant.

Segmentation of gross credit exposures treated under the AIRB method

In millions of euros	Corporate	Retail	Total
PD < 1%	1,236	12,396	13,632
1% <= PD < 5%	5,422	3,749	9,171
5% <= PD < 10%	734	471	1,205
10% <= PD < 20%	778	317	1,095
20% <=PD < 100%	400	218	618
PD = 100%	169	352	521
Credit exposures treated under the AIRB method (A)	**8,739**	**17,503**	**26,242**
LGD rate	**17%**	**43%**	**34%**
Weighted exposures (B)	**3,934**	**6,502**	**10,436**
Average weighting rate (B) / (A)	**45%**	**37%**	**40%**

(UN) ENCUMBERED ASSETS

Certain liability items are secured by assets. This mainly means securitizations and financing sourced from the Central Bank. Securitization is a financial technique whereby receivables are transferred to a special purpose vehicle that issues debt. The cash flows generated on the assets held by the special purpose vehicle are then used to service its debt.

Au 31 December 2015, assets encumbered by transfer to a securitization vehicle or by submission as collateral totaled €6,389m.

Financial information concerning asset encumbrance

Template A - Assets In millions of euros	Carrying amount of encumbered assets	Fair value of encumbered assets	Book value of unencumbered assets	Fair value of unencumbered assets
Assets of the reporting institution	**6,389**		**30,736**	
Loans on demand	404		2,204	
Equity instruments	0	0	110	0
Debt securities	0	0	430	0
Loans and advances other than loans on demand	5,985		26,068	
Other assets	0		1,924	

Template B - Collateral received In millions of euros	Fair value of encumbered collateral received or encumbered own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
Collateral received by the reporting institution	**0**	**689**
Loans on demand	0	689
Equity instruments	0	0
Debt securities	0	0
Loans and advances other than loans on demand	0	0
Other collateral received	0	0
Own debt securities issued other than own covered bonds or asset-backed securities	**0**	**0**

Template C - Encumbered assets/collateral received and associated liabilities In millions of euros	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and assetbacked securities encumbered
Carrying amount of selected financial liabilities	**4,282**	**6,389**

THE LEVERAGE RATIO

The main purpose of the leverage ratio introduced by the Basel 3/CRD IV regulations is to act as a supplementary measure to risk-based capital requirements.

Article 429 of the Capital Requirements Regulation (CRR), specifying the methods for calculating the leverage ratio was amended and replaced by the Delegated Act 62/2015 of 10 October 2014. The delegated act was published in the OJEU on 18 January 2015. Public disclosure of the leverage ratio at least once a year has been mandatory since 1 January 2015.

The leverage ratio is calculated as Tier 1 capital divided by total exposures, which include on-balance sheet assets and off-balance sheet items measured using a prudential (non-risk weighted) approach.

At the end of the current observation period, banking institutions will be required to comply with a minimum leverage ratio from 1 January 2018 onwards, which the Basel Committee has mentioned might be 3%.

The RCI Banque group's leverage ratio estimated in accordance with CRR/CRD IC regulations, incorporating the delegated act adopted in October 2014, was 8.50% at 31 December 2015.

Template 1: Summary reconciliation of accounting assets and leverage ratio exposures

	In millions of euros
Total assets as per published financial statements	37,073
Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	47
Adjustments for derivative financial instruments	120
Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,970
Other adjustments	(101)
Leverage ratio total exposure measure	**39,109**

Template 2: Leverage Ratio

	In millions of euros
On-balance sheet exposures	
On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	36,813
(Asset amounts deducted in determining Tier 1 capital)	(168)
Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)	**36,645**
Derivative exposures	
Replacement cost associated with all derivatives transactions (net of eligible cash variation margin)	494
Total derivatives exposures	**494**
Other off-balance sheet exposures	
Off-balance sheet exposures at gross notional amount	1,997
(Adjustments for conversion to credit equivalent amounts)	(27)
Other off-balance sheet exposures	**1,970**
Capital and total exposure mesure	
Tier 1 capital	**3,326**
Leverage ratio total exposure measure	**39,109**
Leverage ratio	
Leverage ratio Bâle III	**8.50%**

DISCLOSURE ON THE LIQUIDITY COVERAGE RATIO (LCR)

The *Liquidity Coverage* Ratio (LCR) sets a minimum standard for bank liquidity. It aims to ensure that a bank maintains an adequate stock of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs during 30 calendar days in a liquidity stress scenario. The LCR is defined as the ratio of HQLA to the total net cash Outflows for the next 30 days.

RCI Banque liquidity is managed by the Finance and Treasury Division that centralizes funding for European entities and oversees balance sheet management for all group entities throughout the world.

The following table shows the average value of HQLA, Inflows and Outflows based on month-end values for the months of October, November and December 2015.

During the 3 months ending December 2015, the bank maintained an average of €1,793 million in HQLA that were mainly constituted of deposits with the European Central Bank and securities issued by European governments or supranational. The duration of the bond portfolio was less than one year.

In addition, RCI Banque also invested in a fund whose assets are made of debt securities issued by European agencies, sovereigns and supranational issuers. Its 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.

During that period, EUR and GBP denominated HQLA amounted to respectively 93% and 7% of total HQLA.

RCI Banque Inflows are mainly coming from commercial and financial assets, while Outflows are mostly explained by debt repayment and deposit run-off factor.

Liquidity requirement linked to derivative transactions is very limited. RCI Banque has not signed Credit Support Annex (CSA) with the counterparties it engages into interest rate swaps, cross currency swaps or FX swaps in order to manage its global interest rate and foreign exchange risk. Securitization swaps may however be subject to bilateral margin calls which remain however non-material.

Monthly average LCR for the 3 months ending December 2015 was 418%. This strong level is explained by a high amount of HQLA. Since commercial banks with which RCI usually invests short term cash surplus were offering deposit rates below the Central Bank deposit rate, cash surplus was left on RCI account at the Banque de France and therefore accounted as HQLA instead of Inflows.

In millions of euros	TOTAL UNWEIGHTED VALUE (average)	TOTAL WEIGHTED VALUE (average)
HIGH-QUALITY LIQUID ASSETS		
Total high-quality liquid assets (HQLA)		**1,793**
CASH OUTFLOWS		
Retail deposits and deposits from small business customers, of which:	**7,129**	**737**
Stable deposits	-	-
Less stable deposits	7,129	737
Unsecured wholesale funding, of which:	**626**	**498**
Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
Non-operational deposits (all counterparties)	213	85
Unsecured debt	413	413
Secured wholesale funding		**-**
Additional requirements, of which:	**137**	**137**
Outflows related to derivative exposures and other collateral requirements	62	62
Outflows related to loss of funding on debt products	75	75
Credit and liquidity facilities	-	-
Other contractual funding obligations	**297**	**297**
Other contingent funding obligations	**1,963**	**98**
TOTAL CASH OUTFLOWS		**1,767**
CASH INFLOWS		
Secured lending (e.g. reverse repos)	**-**	**-**
Inflows from fully performing exposures	**3,883**	**2,298**
Other cash inflows	**292**	**292**
TOTAL CASH INFLOWS	**4,175**	**2,590**

		TOTAL ADJUSTED VALUE
TOTAL HQLA		**1,793**
TOTAL NET CASH OUTFLOWS		**442**
LIQUIDITY COVERAGE RATIO (%)		**418%**

FINANCIAL SECURITY

STATUTORY AUDITORS' REPORT, PREPARED IN ACCORDANCE WITH ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE *("CODE DE COMMERCE")*, ON THE REPORT PREPARED BY THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY RCI BANQUE

Year ended 31 December 2015

To the shareholders,

In our capacity as Statutory Auditors of RCI Banque, and in accordance with Article L.225-235 of the French Commercial Code *("Code de commerce")*, we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the French Commercial Code for the year ended 31 December 2015.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-37 particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L.225-37 of the French Commercial Code *("Code de commerce")*, it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;

- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Board in accordance with Article L.225-37 of the French Commercial Code *("Code de commerce").*

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37) of the French Commercial Code *("Code de commerce").*

Paris La Défense, on the 15 février 2016

KPMG Audit
Département de KPMG S.A.
Valéry Foussé
Partner

ERNST & YOUNG Audit

Bernard Heller
Partner

REPORT OF THE CHAIRMAN OF THE BOARD ON CORPORATE GOVERNANCE AND INTERNAL CONTROL

RCI Banque is regulated by France's Prudential Control and Resolution Authority *(Autorité de Contrôle Prudentiel et de Résolution* - ACPR) and, since the start of 2016, has also been regulated by the European Central Bank. The RCI Banque group's internal control system is structured in accordance with regulations on banking and finance.

Its main purposes are to:

- ensure that the instructions and strategy set by senior management are implemented;
- preserve the capital and asset value of the Company;
- limit the effects of uncontrollable variations in business activity and anticipate their impact;
- ensure compliance with applicable laws and regulations;
- keep the governing bodies and the Board informed of risks, and the level at which they are mastered;
- generate fair and reliable accounting and financial information.

RCI Banque has an internal control and risk management system that complies with the regulations on banking and finance and is aimed at reducing the probability of occurrence of the risks to which the company is exposed, through the implementation of appropriate action plans.

This section describes, in the following order:

- organization of the RCI Banque group,
- the general internal control and risk management framework of the RCI Banque group,
- the bodies and people involved, and,
- the special-purpose organization that oversees the preparation of financial and accounting information.

It has been prepared by the divisions concerned (Corporate Secretary's Office, Risk Control division, Accounts and Performance Control division) and was examined and approved by the Board of Directors during its meeting of 8 February 2016.

I - ORGANIZATION OF THE RCI BANQUE GROUP

The aim of the organization put in place by the RCI Banque group is to boost its business action in both the financing of Alliance manufacturers' sales and associated services. It gives the support functions a more comprehensive role to play in supporting international expansion. Oversight of this organization is delivered in three ways:

Hierarchical line

- the Executive Committee, as the body in charge of managing the RCI Banque group, directs the group's policy and strategy, under the Board of Directors;
- the management committees, both central and in the controlled subsidiaries and branches, implement the actions needed to meet the objectives set by the Executive Committee.

Functional line

The functional departments play the role of "technical parent" for the following purposes:

- establishing specific policies and rules of operation for IT systems, human resources, financial policy, credit risk management, etc.);
- providing the operational departments with support and ensuring that established policies are implemented as they should be by those departments. The group also has standardized mapping of all of the company's processes.

Supervision

In 2014, in accordance with the act implementing CRD IV and the Order of 3 November on internal control, supervision of the group was reinforced by separating the role of Chairman (Dominique Thormann) from that of Chief Executive Officer (Gianluca De Ficchy - effective manager). A risk control division (Patrick Claude - effective manager) was also created to replace the risk function.

Since 2015, this stronger supervision has been even more tangible, as the Board of Directors has been backed up by five Board committees: a Risk Committee, an Audit and Accounts Committee a Remuneration Committee, a Nominations Committee and a Strategic Committee.

II - GENERAL INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORK OF THE RCI BANQUE GROUP

RCI Banque has an overall internal control system aimed firstly at listing, analyzing and controlling the main identifiable risks with respect to the company's objectives (see "Risks" section of RCI's Annual Report). The group Internal Control Committee has approved the general framework of the RCI Banque internal control system, as set forth in the internal control charter.

This charter, which establishes the model system that applies throughout the group, mainly covers:

- the general internal control oversight system;
- the systems used locally by subsidiaries and affiliates, branches and joint ventures;
- the specific systems used in different functional areas.

The most significant parts of the overall internal control system are detailed hereafter.

II.1 - FORECASTING AND REPORTING PROCESSES

The forecasting process is based on strategic goals incorporated into a three-year plan for the group and for each individual entity.

Based on the objectives and directives set by senior management and on economic forecasts (growth forecast, exchange rates, refinancing interest rates, automobile manufacturer markets), each group entity prepares an annual forecast that includes:

- a quantitative projection of its business and financial indicators to the end of the following year;
- an action plan describing how it will fulfill its contribution to meeting objectives.

The group consolidates the input from the different entities, which enables it to check the financial outcomes for consistency with the profitability and balance sheet targets set by senior management and to take corrective steps if necessary in the context of forecast updating.

Forecast updating and reporting processes are based on rules and tools to ensure that management receives reliable, usable information broken down by business segment (Customers, Dealers) and by brand (Renault, Renault Samsung Motors, Dacia, Nissan and Infiniti).

II.2 - CLEARLY DEFINED RESPONSIBILITIES AND INTERNAL DELEGATIONS

A system of internal delegation of authority has been put in place and helps to control deployment of group policies at the basic operational level. Areas of responsibility and delegations are determined by:

Definitions of functions

The organization of the group is set out in an official organization chart. Responsibilities are defined at each level of the organization, with the scope and limits of each individual's responsibilities detailed in a job description.

Internal delegation of authority

The decision-making process within the RCI Banque group is based on a system for delegating decision-making powers from the Chairman on down, to meet two objectives:

- facilitate empowerment and accountability of line personnel;
- ensure that commitments are made at the appropriate level.

This system sets precise boundaries by level on the scope of decisions that line personnel are authorized to make and thus serves as a benchmark by which proper application can subsequently be verified.

Channels for recommendations and approvals ensure that commitment and investment decisions are made at the appropriate level.

The group has three decision-making forms: the IPM (Internal Procedure Memorandum), the DM (Decision Memorandum) and the IPC (Investment Project Contract).

The system also includes a set of limits for financial and credit risks, established with the approval of the shareholder.

II.3 - PROCEDURES AND OPERATING PROCESSES

The RCI Banque group has developed a general system of procedures and set forth a framework for the preparation of affiliate and group procedures.

All group employees have access to all procedures via a viewing, management and updating tool.

The main business processes within RCI Banque (loan approval, collections and delinquencies, refinancing, system security, physical asset security, risk monitoring, accounting, etc.) are covered by procedures based in particular on the principles of internal delegations and segregation of duties.

II.4 - THE DIFFERENT LEVELS OF INTERNAL CONTROL

The RCI Banque group's overall internal control system comprises three levels at which controls are applied:

PERMANENT CONTROL

• First-level control

First-level controls consist of the self-monitoring procedures followed by each department and each geographical unit. These entities are responsible for applying existing procedures in their respective field of operations, and for performing all controls specified by those procedures. First-level control is primarily operational control and therefore performed by process owners who have been trained for this purpose within each affiliate. This first-level control covers the main operational risks.

• Second-level control

The Permanent Control Department is responsible for oversight of second-level control, and the local internal controllers are responsible for implementation. The latter, who are independent of the operational units, carry out inspections to ensure that all transactions are proper and compliant.

PERIODIC CONTROL OR THIRD-LEVEL CONTROL

This is performed by independent oversight bodies (supervisory bodies, independent auditors, statutory auditors, etc.) and by the RCI Banque group's Audit and Periodic Control Department, which implements the annual audit plan approved by the Audit and Accounts Committee. Periodic control covers transaction compliance, compliance with procedures, the level of risk actually run, and the effectiveness and appropriateness of the permanent control system.

The Statutory Auditors assess the degree of internal control in the processes of preparing and processing accounting and financial information insofar as is necessary for the performance of their audit, and where appropriate issue recommendations.

II.5 - OPERATIONAL RISK MANAGEMENT

The operational risk management system covers the RCI Banque group's macro-processes and includes the following tools:

- **Operational risk mapping,** deployed in all consolidated subsidiaries of the RCI Banque group, identifies major operational risks that are periodically managed and inspected. This operational risk mapping is updated annually by the functional departments and is assessed by the process owners.
- **Systems closely connected with operational risks** have been put in place for the following risks:

• Non-compliance risk:

  - a framework procedure for compliance control, transposed locally by each affiliate into a local procedures, includes approval procedures for new products, the channels used to monitor regulatory developments and the people responsible for such monitoring, and the implementation of a whistleblowing system;
  - a compliance committee meets each quarter, in line with the internal control committees and operational risk committees. During its meetings, the internal controller presents forthcoming regulatory changes, actions to be implemented and those that are in progress.

• Internal fraud risk;

• Risk related to the outsourcing of critical or key services;

• Money laundering and terrorist financing risk;

• Risk of bribery and corruption.

The incident database identifies data on operational risk incidents so that the requisite corrective and preventive action can be introduced and so that regulatory, oversight and management reports can be produced. The system sets the thresholds beyond which certain incidents must be reported to the Executive Committee, the Board of Directors, the Renault Group's Ethics and Compliance Committee and to France's Prudential Control and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution* - ACPR).

Key risk indicators are used to monitor certain critical operational risks and, according to the warning levels set, to implement preventive measures in order to pre-empt the unexpected occurrence of incidents. These are defined for the "corporate and retail customer", "dealer lending", "refinancing", "accounting" and "IT" processes.

II.6 - ACTION PLAN MONITORING

A database centralizes all action plans adopted by the affiliates in response to the assessment of operational risk mapping, incident collection, inspections carried out by internal controllers and audits carried out by the Audit Department. Progress reports and indicators for audits and action plans are made available to line personnel and oversight functions, ensuring oversight and follow-through. Quarterly progress reports are sent to the group Internal Control Committee.

II.7 - APPROPRIATE INFORMATION SYSTEMS IN LINE WITH THE GROUP'S OBJECTIVES

RCI Banque applies the Renault Group's information system security policy, in addition taking banking requirements into account and placing particular emphasis on administration of access to its applications, the protection of personal and sensitive data, and business continuity.

The RCI Banque group's business continuity plan ensures that it is able to continue providing the company's essential products and services in the event of a severe shock resulting from IT or telecommunication system outages, circumstances that render business premises unavailable, or events that deprive the group of a critical supplier's services.

The back-up plan for the most vital functions, such as refinancing and other cash flows, is tested each year. A business continuity plan is in place in most RCI Banque affiliates. The RCI Banque group's Business Continuity Plan is tested at least once a year.

Business Recovery Plans – *IS part of the business continuity plan* - are operational on all local and deployed applications used in the RCI Banque group. They are tested at least once a year.

Under their contracts, Information System Users are required to comply with the rules governing use of RCI Banque's IT tools and system. RCI ensures that the same high degree of protection is maintained when developing new areas of business (electric vehicles, rollout to new geographical areas, etc.).

The IT operating resources of all countries are for the most part hosted on the "C2" (main center) and "C3" (back-up center) data centers, so that we can ensure the best possible protection and availability of our systems and applications.

III - BODIES AND PEOPLE INVOLVED

III.1 - BODIES

III.1.1 BOARD OF DIRECTORS

Under the Order of 3 November 2014, the role and responsibilities of the Board of Directors, a supervisory body, are as follows:

- it determines the broad lines of the company's business activities and oversees implementation, by the effective managers and the Executive Committee of supervisory systems so as to ensure effective and prudent management;
- it approves and regularly reviews the strategies and policies governing the taking, management, monitoring and reduction of risks;
- it reviews the governance system, periodically assesses its effectiveness and ensures that corrective measures are taken to remedy any shortcomings;
- it controls the publication and disclosure process, and the quality and reliability of the information intended for publication and disclosure by the company.

The Board of Directors devotes at least one annual meeting to a review of the internal control system and approves the Annual Report on Internal Control sent to France's Prudential Control and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution* - ACPR).

Under the by-laws, the Board also carries out all inspections and verifications that it considers appropriate, deals with all matters relating to the conduct of the company's business and decides all pertinent issues through its deliberations. It also has the power to authorize transactions affecting the share capital, bond issues, the signature or termination of agreements with other undertakings that entail commitments affecting the company's future, and major transactions likely to alter significantly the scope of business or capital structure of the company and the group it controls.

The Board of Directors relies in particular on the work of the different Board Committees to help it fulfill its duties (see below).

In order to present and describe the working methods and decision-making processes of the governing bodies and the distribution of powers among them, information is presented on the following:

- composition of the Board of Directors, management procedures and scope of senior management powers;
- manner of preparation for Board meetings;
- the Board's activities during 2015.

III.1.1.1 COMPOSITION OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT POWERS

III.1.1.1.1 COMPOSITION OF THE BOARD OF DIRECTORS

At 31 December 2015, the Board of Directors of RCI Banque S.A. consisted of seven directors elected for terms of six years, except in the case of co-option.

The directors have been appointed to the Board of Directors on the basis of their good repute, their knowledge of the company's activity and lines of business, their technical and general expertise and, in some cases, the experience acquired in performing their duties in the shareholder companies.

Collectively, the members of the Board of Directors and the effective managers have the knowledge, expertise and experience needed to understand all of the company's business activities, and the main risks to which it is exposed.

On the recommendation of the Nominations Committee, the Board of Directors has defined the notion of independent director as follows: "An RCI director is independent when he or she has no relationship of any kind whatsoever with either the RCI group or its management that might color his or her judgment. Accordingly, an independent director is understood to be not only a non-executive director, i.e. one not performing management duties in the RCI group, but also one devoid of any particular bonds of interest (significant shareholder, employee, other) with them." On this basis, it has identified five directors as being independent (see below).

In accordance with Article L.225-37 of France's Commercial Code (*Code de Commerce*), the group of seven directors, of which one woman member, confirms that it has read and understood the French Act 2011-103 of 27 January 2011, amended by Act 2014-873 of 4 August 2014, pertaining to the balanced representation of men and women on Boards of Directors. The provisions of this Act, and in particular those gradually establishing this gender balance, are under close study and will be complied with in accordance with the time frame set by the legislator.

First name / Laste name	Position in the company	Date elected or re-elected	Current term expires	Number of shares	% of capital
Dominique Thormann	Chairman of the Board	23/07/2014	May 2018	1	0.01%
Farid Aractingi	Independent Director	21/05/2012	May 2018	1	
Gianluca De Ficchy	Director and Chief Executive Officer	21/11/2014	May 2020	-	
Clotilde Delbos	Independent Director	21/11/2014	May 2020	1	
Bernard Loire	Independent Director	21/05/2012	May 2018	1	
Jérôme Stoll	Independent Director	28/05/2015	May 2021	1	
Stéphane Stoufflet	Independent Director	28/05/2015	May 2021	1	
Shareholder as at 31 December 2015					
RENAULT S.A.S				999,994	99.99%

Directors may or may not own shares in the company.

Directors receive no compensation for serving on the Board.

Any remunerations and perquisites granted to officers and directors are determined at the Renault Group level. They are subject to examination by the Remuneration Committee, which verifies that they are in line with the company's business strategy, objectives, values and long-term interests so as to prevent conflicts of interest and promote sound and effective risk management.

Mr. Patrick Claude, Company Secretary and Deputy CEO and Mr. Laurent David, VP Accounts and Performance Control, and any other individual whose expertise might be useful, may take part in meetings of the Board upon proposal by its Chairman.

III.1.1.1.2 SENIOR MANAGEMENT AUTHORITY AND SCOPE OF POWERS

The Senior Management and effective management of the company, within the meaning of Article L.511-13 of France's Monetary and Financial Code (*Code Monétaire et Financier*), are the responsibility of the CEO, Mr. Gianluca De Ficchy, and of the Deputy CEO, Mr. Patrick Claude.

The CEO is vested with the widest powers to act in the Company's name in all circumstances, within the purview of the Company's corporate purpose, and subject to those that are specifically granted by law to shareholders' meetings and to the Board of Directors. The CEO has the authority to grant sub-delegations or substitute powers of attorney for one or more specified transactions or categories of transactions.

However, the CEO must obtain authorization from the Board of Directors to acquire, sell or mortgage buildings, the Board intending to retain authority in such matters.

The Deputy CEO has the same powers as the CEO with regard to third parties.

III.1.1.2 PREPARATION OF BOARD OF DIRECTORS' MEETINGS

The Board of Directors meets as often as the interest of the Company requires, upon notice duly served adequately in advance, by any means, by the secretary of the Board appointed by the Chairman, in accordance with the provisions of the by-laws.

In accordance with Article L.823-17 of France's Commercial Code (*Code de Commerce*), the statutory auditors are invited to all meetings of the Board of Directors examining or preparing the annual or interim financial statements, and if relevant, to other meetings at the same time as the Directors themselves.

All technical documents and information required for the directors to fulfill their responsibilities are sent to them in compliance with the applicable provisions of the law and the Company's by-laws.

The Chairman of the Board of Directors organizes and oversees the work of the Board, reporting to the General Meeting thereon, and implements its decisions. He supervises the company's structures to ensure that they function well and ensures that the directors are able to accomplish their task.

III.1.1.3 ACTIVITY OF THE BOARD OF DIRECTORS DURING 2015

The Board of Directors met five times in 2015:

- On 4 February 2015, the Board met to examine the 2014 business report and to approve the single-entity and consolidated financial statements as at 31 December 2014, to be submitted to the Annual General Meeting on 28 May 2015; it also approved the 2015 budget, and on the recommendation of the Remuneration Committee, the RCI group variable component system for the 2015 financial year.
- On 9 April 2015, the Board amended its initial proposal for the allocation of earnings for the 2014 financial year.
- On 9 June 2015, the Board approved the creation of a commercial company in France, and the creation of a finance company in Colombia.

- On 23 July 2015, the Board examined the business report for the first six months of 2015 and approved the consolidated interim financial statements as at 30 June 2015. It also authorized new upper limits for bond issues and renewed the relevant delegations of authority through to the end of the 2015 financial year. The Board also decided to put a proposed amendment to the by-laws to the Extraordinary General Meeting to be held on 30 September 2015, removing the requirement for each member of the Board of Directors to hold at least one share and simplifying the procedure for convening meetings of the Board and calculating its quorum. On the recommendation of the Risk Committee, the Board approved the 2014 Report on Internal Control.
- On 1 December 2015, the Board analyzed the refinancing transactions completed in 2015 and the funding plan for 2016. It then authorized issues for the 2016 financial year and renewed the relevant delegations of authority through to 31 December 2016. The Board also examined and approved the planned merger by absorption of RCI Gest – Instituição Financeira De Crédito S.A (Portugal) by RCI Banque. On the recommendation of the Risk Committee, it approved the changes made to risk indicators and limits. On the recommendation of the Nominations Committee, it approved the definition of "independent director", the identification of such directors within the Board of Directors, and the changes to the members of the Audit and Accounts Committee. Finally, it duly recorded the resignation of Mr. Patrice Cabrier from his office as director, and the change of RCI Banque's status to that of major Bank under ECB supervision as from 1 January 2016.

The director attendance rate at these meetings was 87% across the year.

The meetings of the Board of Directors were held at 13-15, Quai Le Gallo, 92512 Boulogne-Billancourt, France, at the head office of Renault S.A.S, RCI Banque's parent company.

The minutes of each Board of Director's meeting were drawn up by the secretary of the Board, approved at the following meeting, and transferred to a register held at the company's head office and available for inspection by the directors.

III.1.1.4 SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS

The **Audit and Accounts Committee** met twice in 2015. Its main duties were to present and monitor the financial statements and preparation thereof, to monitor the statutory audits of the annual and consolidated financial statements, to monitor the independence of the statutory auditors, to monitor the effectiveness of the internal control and risk management systems, to review the audit plan and to analyze the audits performed.

The **Risk Committee** met four times in 2015. Its main duties were to review risk mapping and validate the definition of risks, and to analyze and validate the RCI group's limits on risk in keeping with the Board's risk appetite, and, with a view to assisting the Board, in terms of control. It was also in charge of action plan analysis in the event of limit or threshold overrun and of reviewing product and service pricing systems. Without prejudice to the duties of the Remunerations Committee, the Risk Committee is also responsible for checking that the company's remuneration policy is compatible with its risk exposure.

The **Remunerations Committee** met three times in 2015. Its main duties were to review the remuneration granted to officers and directors and to the Chief Risk Officer, and to prepare decisions for the Board of Directors concerning individuals with an impact on risk and risk management. It was also tasked with examining the signature of the collective agreement, defining principles and rules for determining remuneration for officers and directors, and the annual review of remuneration policy.

The **Nominations Committee** met three times in 2015. Its main duty was to recommend members for the Board of Directors. It was also tasked with the annual review of the Board of Directors, and in particular with reviewing its structure, its make-up, the diversity of knowledge, expertise and experience of its members, and its gender balance objectives. The Committee was also asked to submit a proposal for the definition of "independent director" and to recommend nominations for consideration by the Board of Directors for the positions of Effective Manager, CEO, Deputy CEOs and Chief Risk Officer.

The **Strategic Committee** met four times in 2015. Its main duties were to analyze the rollout of the strategic plan, and to examine and approve various strategic projects.

III.1.2 EXECUTIVE COMMITTEE

The RCI Banque group's Executive Committee, which is the group's senior management body, directs RCI Banque's policy and strategy. Its members are the group's two effective managers, the Chief Executive Officer of RCI Banque (Gianluca De Ficchy) and the Company Secretary & Chief Risk Officer (Patrick Claude), plus the Senior V.P. Information Systems (Umberto Marini), the Chief Digital Officer (Patrice Cabrier), the Senior V.P. Accounts & Performance Control (Laurent David), the Senior V.P. Human Resources (Bertrand Lange), the Senior V.P. Sales Operations (Daniel Rebbi), the Senior V.P. Customers and Operations (Jean-Philippe Vallée), the Senior V.P. Territories (Gianluca De Ficchy) and the Senior V.P. Finance and group Treasurer (Jean-Marc Saugier).

It oversees the group's risk management via the following committees:

- the **Finance Committee**, which reviews the following: economic analyses and forecasts, resource cost, liquidity, interest rate and counterparty risks across the group's different scopes and subsidiaries. Changes in RCI Holding's balance sheet and income statement are also analyzed so that the necessary adjustments to intra-group transfer prices can be made;
- the **Credit Committee**, which validates commitments that are beyond the authority of the subsidiaries and group Commitments Officer;
- the **Customer Risks and Operations Committee**, which assesses the quality of customer lending and subsidiary collection performances in relation to objectives set. With respect to the Dealer business, changes in outstandings and stock rotation indicators, as well as changes in dealership and loan classification are reviewed;
- the **Regulations and Basel III Committee** which reviews major regulatory changes in prudential supervision and action plans, and validates internal rating models and the related management system;
- the **Internal Control, Operational Risks and Compliance Committee** oversees the whole of the group's internal control system, checks its quality and its related systems, and adjusts means, systems and procedures accordingly. It defines, oversees and monitors the principles of t he operational risk management policy, and the principles of the compliance control system. It monitors progress made on the action plans. This body is transposed in the subsidiaries.

III.2 - FOCUS ON INTERNAL CONTROL BODIES

III.2.1 PERMANENT CONTROL BODIES

The Head of the Permanent Control Department (PCD), who reports to the Chief Risk Officer, is responsible for ongoing control, for control of compliance with standards, legislation and regulations, and for implementation of the general internal control system across the whole of the group.

For internal control oversight within RCI Banque group subsidiaries, the Permanent Control Department relies on internal controllers, who report to it functionally and directly to the subsidiary's managing director. The internal controllers' primary responsibilities within the subsidiary are to:

- lead and oversee deployment of the internal control system (chair of the subsidiary's internal control committee, procedure management, action plan follow-up);
- carry out the second-level controls;
- monitor and measure operational risks;
- detect and prevent internal fraud and money laundering;
- ensure efficiency of the business continuity plan;
- ensure deployment of the group's code of ethics;
- manage the local compliance control system.

Similarly, the Permanent Control Department relies on designated officers within the oversight functions to watch over the internal control system within RCI Banque group divisions.

Lastly, process owners have been designated for each macro process and made accountable for the accomplishment and updating of procedures and first-level controls.
They implement internal control principles (due observance of segregation of duties, internal delegation of authority and the implementation of automated controls), and compliance with group and official rules and regulations (for example, CNIL data protection regulations, data purging, confidentiality).

Regulatory monitoring officers are responsible for monitoring and analyzing any changes in regulatory requirements affecting RCI Banque, and for informing line staff thereof, as part of the compliance control system implemented to ensure the company is properly managed.

Software and Datawarehouse business managers ensure proper observance of the IT security policy and access rules, in particular the management of clearance levels (clearance level arrangements, the definition of business profiles and the related application permissions).

III.2.2 PERIODIC CONTROL BODIES

The RCI Banque group's Head of Audit and Periodic Control reports to the CEO and is independent of the permanent control function. He performs audits in the different RCI Banque group entities according to an annual audit plan approved by the Audit and Accounts Committee. Audit findings are documented in written reports the recommendations of which are communicated to the Internal Control Committee and to the Audit and Accounts Committee. The Board of Directors is also informed of the audits carried out, and they are presented in the annual report on internal control sent to France's Prudential Control and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution* - ACPR) as required under banking regulations.

IV - ORGANIZATION AND PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

The RCI Banque group prepares consolidated financial statements using a single consolidation tool and a set of consolidation entries common to all entities. The consolidation tool generates accounting and management reports from a single stream reporting system, thereby ensuring data consistency between the financial statements and the various in-house performance indicators.

The RCI Banque company prepares single-company financial statements by compiling the head office's financial statements and those of its branches. To do this, it uses the elements given in the common consolidation tool and converts them into French accounting standards.

IV.1 - PREPARATION OF FINANCIAL STATEMENTS

The consolidating entity, RCI Banque, defines, manages and supervises the preparation of accounting and financial information. Responsibility for preparing single-entity financial statements and accounts restated for consolidation purposes lies with each subsidiary's administrative and financial directors, acting under the authority of the subsidiary's chairman and chief executive officer.

The following general policies govern financial statement preparation at all levels within the group:

- all transactions must be accounted for and reconciled;
- transactions must conform to the accounting policies that govern the entire group. A set of reference documents disseminated to all group entities establishes measurement and presentation standards as well as charts of account. These standards help to ensure consistency in the financial information that management receives;
- assets, liabilities and off-balance sheet items (receivables, borrowings, derivatives, cash and equivalents, etc.) are periodically reviewed to reconcile the accounts with the group's operational, account validation and inventory systems. In addition, the group's internal control and operational risk management organization described above applies to the process of preparing accounting and financial information.

A group procedure sets out the principles for account validation throughout the RCI Banque group. This procedure applies to the single-entity statements and group statements of RCI Banque group entities and thus helps to control the risks related to the organization of accounting and the processing of information.

Effective linking of financial reporting to the group's operational systems is the keystone of the organizational scheme for preparing accounting and financial information. The group must rely on powerful, controlled information systems that can cope with the large volume of data to be processed, process that data to the requisite quality standard, and meet the short 4-day deadlines for financial reporting.

IV.2 - INFORMATION SYSTEMS AND ORGANIZATION

IV.2.1 USE OF AN INTEGRATED SOFTWARE PACKAGE

For accounting, the RCI Banque group has chosen to implement a widely recognized software application (Enterprise Resource Planning, or ERP). This highly structured, integrated application enables the group to implement its own internal control policies and ensure data consistency and reliability. In particular, the ability to define and monitor user profiles helps in complying with rules governing separation of responsibilities.

This software package, combined with a group-wide accounting interpretation tool, has been designed to incorporate the specific features of the group's various activities through the use of different modules.

Reliability of financial and accounting information is ensured mainly by controlling and standardizing the basic transactions processed by the operational systems, following group guidelines. These basic transactions feed data through interfaces to the group-wide accounting interpretation tool, which in turn sends the accounting translation of management events or inventory data to the ERP system.

Control over accounting output is reinforced by the centralized maintenance of the accounting system (accounting interpretation tool and ERP) by a team of functional and technical experts.

IV.2.2 OPERATIONAL SYSTEMS AND CONTROL

Initial controls are performed via the major operational systems used for financing, service and refinancing transactions under the responsibility of the main lines of business (approval, collections/delinquencies, services, refinancing). Each of the tools used for approval, finance and service contract management, customer and supplier relationship management, administration of refinancing, purchase order follow-up, and human resources management entails its own specific control approach. These form part of the operational procedures used to manage physical and financial transactions, in compliance with group procedures for authorization and delegation.

The financial and accounting teams play close attention to transfers of transaction data between the accounting systems and non-integrated operational systems.

For example, at the group level:

- account balances and movements are cross-checked against stock and flow data to ensure that data in the financing, services, receivables and payables management systems are consistent, and any discrepancies are analyzed and monitored;
- invoices are checked against purchase orders and investments recognized on the books to ensure consistency with the purchasing and capital expenditure tracking systems.

Accounts are kept in accordance with group-wide standards, with a single operational accounting plan (group-wide accounting plan enhanced to meet country-specific requirements). However, accounting operations in keeping with local standards are possible, allowing financial statements to be prepared in accordance with both group standards and local standards.

All financial data required to produce the RCI Banque group's consolidated financial statements is collected and managed by a single tool. The control process built into this tool and its maintenance, which is performed by a dedicated unit, ensure that affiliate data is accurate and consistent.

IV.2.3 ROLES OF ACCOUNTING AND MANAGEMENT TEAMS

The accounting units of the affiliates assisted by the centralized support functions analyze the accounts and explain changes in financial data from one accounting period to the next, working in conjunction with the local and central management controllers, who analyze performance in comparison with budget and revised forecast data. If the analysis of budget or forecast variances or any other verification procedure reveals shortcomings in the quality of data emanating from the associated accounting or operational system, action plans are implemented with the active involvement of line personnel and the finance function to eliminate the root causes of the anomalies.

IV.2.4 ROLE OF THE GROUP ACCOUNTING CONTROL UNIT

To complement this existing process (internal control, RCI Banque audit, Statutory Auditors, etc.) with a view to enhancing the ongoing reliability of financial information, the group accounting control unit, which reports to the Permanent Control department, conducts audits to assess the quality of internal control of accounting. The objective is for the unit to control the consolidated affiliates' books on a regular basis. This system helps to promote knowledge of the group's accounting principles and improve implementation thereof.

IV.2.5 MANAGEMENT OF THE ACCOUNTING FUNCTION

The person appointed to spearhead the accounting function verifies the conditions under which the accounts are prepared and supported, through information provided by indicators, as per the Period-End Closure framework procedure. These indicators are filled in by each affiliate's financial officer four times a year.

Each year, the Finance Departments of the different entities assess their accounting and financial risk control mechanisms in relation to the group's management policy. This assessment is part of the RCI Banque group's overall risk assessment process.

All information arriving from the affiliates is analyzed and controlled at the central level.

Progress made on action plans (related to accounting control) and on rectifying any shortcomings observed in accounting risk control systems is monitored.

IV.2.6 PUBLICATION OF FINANCIAL STATEMENTS

The RCI Banque group publishes financial information for the six months ended 30 June and for the full year ended 31 December. In anticipation of these statements, pre-closings are performed twice a year, at 31 May for the June statement and at 31 October for the December statement.

Management (mainly Financial) then holds wrap-up meetings with the external auditors.

The RCI Banque group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) guidelines published by the International Accounting Standards Board (IASB) for which a rule requiring adoption has appeared in the Official Journal of the European Union by the statement closing date.

CONSOLIDATED FINANCIAL STATEMENTS

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Siège social
Tour EQHO
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92066 Paris La Défense Cedex
France

ERNST & YOUNG Audit
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92400 Courbevoie - Paris-La Défense 1
France

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

RCI BANQUE GROUP
Year ended December 31, 2015

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.

1. 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.

2. 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.

3. 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 SA
Valéry Foussé

ERNST & YOUNG Audit
Bernard Heller

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 and 6	31,579	28,397
Current tax assets	7	22	37
Deferred tax assets	7	104	109
Adjustment accounts & miscellaneous assets	7	812	734
Investments in associates and joint ventures	8	72	50
Operating lease transactions	5 and 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 & miscellaneous 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 INCOME

In millions of euros	12/2015	12/2014 Restated*
NET INCOME	**573**	**452**
Actuarial differences on post-employment benefits	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
Of which 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 consoli-dated 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)	
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

In millions of 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 equivalents (D)	**(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.
- Implementation of IFRIC21 had no impact on the full year result.

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 identifiable 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.

Customer lending

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 (IAS 17)

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 (IAS 16/ IAS 36)

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 obtain 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 12/2015
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 analyzed as follows

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 CREDI 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 for referrals)	*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 for referrals)	*25*	*585*	*273*	*883*

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 & MISCELLANEOUS 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				Italy	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	€715m	€826m	€700m	€1,020m	€1,234m	€674m	€977m	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	€899m	€157m	€596m	€1,060m	€1,214m	€1,856m	€573m	€146m
Notes in issue as at 31 December 2015 (including any units held by the RCI Banque group)	Class A Rating: AAA €765m	Class A Rating: AAA €55m	Class A Rating: AAA €532m	Class A Rating: AAA €750m	Class A Rating: AAA €955m	Class A Rating: AAA €1,553m	Class A Rating: AAA €440m	Class A Rating: AAA €108m
			Class B Rating: A+ €44m				Class B Rating: A €57m	
	Class B Non rated €137m	Class B Non rated €109m	Class C Non rated €34m		Class J Non rated €292m	Class B Non rated €136m	Class C Non rated €52m	Class B Non rated €13m
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.

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NOTE 13: ADJUSTMENT ACCOUNTS & MISCELLANEOUS 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 note 31.

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 adjustments	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 regment 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 12/2015
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: NET INCOME (EXPENSE) OF OTHER ACTIVITIES

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 BY CUSTOMER CATEGORY

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. GROUP SUBSIDIARIES AND BRANCHES

A) LIST OF CONSOLIDATED COMPANIES AND FOREIGN BRANCHES

	Country	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	Argentina					
RCI Banque S.A. Niederlassung Osterreich	Austria					
RCI Banque S.A. Sucursal en España	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	Sweden					
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. Argentina	Argentina	60			**60**	60
Courtage S.A.	Argentina	95			**95**	95
RCI Financial Services S.A.	Belgium	100			**100**	100
AUTOFIN	Belgium	100			**100**	100
Administradora De Consorcio RCI Brasil Ltda.	Brazil	99,92			**99.92**	99.92
Banco RCI Brasil S.A	Brazil	-	100	Companhia de Credito, Financiamento e Investimento RCI Brasil	**60.11**	60.11
Companhia de Crédito, Financiamento e Investimento RCI Brasil	Brazil	60,11			**60.11**	60.11
Corretora de Seguros RCI Brasil S.A.	Brazil	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	Hungary	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

	Country	Direct interest of RCI	Indirect interest of RCI		% interest	
			%	Held by	2015	2014
RCI Leasing Polska	Poland	100			100	100
RCI GEST - Instituiçâo Financeira de Crédito, SA	Portugal	100			100	100
RCI GEST SEGUROS – Mediadores de Seguros, Lda	Portugal	-	100	RCI GEST - Instituiçâo Financeira de Crédito, SA	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 Deutschland		
CARS Alliance Auto Loans Germany V2013-1	Germany		(see note 12)	RCI Banque Niederlassung Deutschland		
CARS Alliance Auto Leases Germany	Germany			RCI Banque Niederlassung Deutschland		
CARS Alliance DFP Germany 2014**	Germany			RCI Banque Niederlassung Deutschland		
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*	Brazil		(see note 12)	Companhia de Crédito, Financiamento e Investimento RCI Brasil		
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	

* Entities added to the scope in 2015
** Entities added to the scope in 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	Full consolidation	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	Full consolidation	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

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 RCI Versicherungs Service GmbH	Financing Services	333	153.0	103.1	(29.3)	(4.2)	
Argentina	RCI Banque Sucursale Argentina Rombo Compania Financiera S.A. Courtage S.A.	Financing Financing Services	33	69.0	57.1	(20.6)	(0.4)	
Austria	RCI Banque S.A. Niederlassung Österreich	Financing	40	16.0	7.8	(2.2)	0.5	
Belgium	RCI Financial Services S.A. Autofin Renault Crédit Car	Financing Financing Financing	28	9.9	6.4	(2.0)	0.1	
Brazil	Administradora de Consórcio RCI Brasil Ltda Banco RCI Brasil S.A Companhia de Crédito, Financiamento e Investimento RCI Brasil Corretora de Seguros RCI Brasil S.A.	Financing Financing Financing Services	134	147.5	86.6	(38.9)	14.6	
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 Overlease S.A.	Financing Financing	172	81.0	60.5	(11.7)	(8.7)	
France	Diac S.A. Diac Location S.A.	Financing Financing	891	325.3	171.8	(81.6)	15.6	
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 ES Mobility S.R.L.	Financing Financing	189	86.0	41.5	(15.2)	1.1	
Malta	RCI Services Ltd RCI Insurance Ltd RCI Life Ltd	Holding Services Services	14	80.4	77.3	(8.9)	3.1	
Morocco	RCI Finance Maroc RDFM	Financing Services	30	19.3	11.4	(3.2)	(0.8)	
Netherlands	RCI Financial Service B.V.	Financing	35	12.4	10.7	(2.6)	(0.1)	

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
Poland	RCI Banque SPOLKA AKCYJNA W POLSCE RCI Leasing Polska	Financing Financing	52	20.9	14.3	(6.8)	3.5	
Portugal	RCI Succursal Portugal RCI Gest - Instituição Financeira de Crédito, S.A. RCI Gest Seguros - Mediadores de Seguros, Lda.	Financing Financing Services	40	12.5	6.9	(2.4)	0.3	
Czech Rep	RCI Finance C.Z., S.r.o. RCI Financial Services, S.r.o.	Financing Financing	21	9.4	6.9	(1.8)	0.4	
Romania	RCI Finantare Romania RCI Broker de asigurare S.R.L. RCI Leasing Romania IFN S.A.	Financing Services Financing	65	10.9	8.0	(1.3)		
United Kingdom	RCI Financial Services Ltd	Financing	226	110.2	75.7	(17.0)	(3.5)	
Russia	OOO RN Finance RUS Sub group RNSF BV, BARN BV and RN Bank	Financing Financing	166	1.0	2.5	(0.3)	(0.6)	
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 totaled €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 and 1 year	2%	Between 0 and 1 year	6%
Between 1 and 2 years	5%	Between 1 and 2 years	18%
Between 2 and 3 years	8%	Between 2 and 3 years	22%
Between 3 and 4 years	11%	Between 3 and 4 years	26%
Between 4 and 5 years	14%	Between 4 and 5 years	30%
Between 5 and 6 years	17%	Between 5 and 6 years	34%
Between 6 and 7 years	20%	Between 6 and 7 years	38%
Between 7 and 8 years	23%	Between 7 and 8 years	42%
Between 8 and 9 years	26%	Between 8 and 9 years	46%
Between 9 and 10 years	29%	Between 9 and 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 % of the 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.

SOCIAL AND ENVIRONMENTAL INFORMATION

SOCIAL AND ENVIRONMENTAL INFORMATION

Corporate	Summary	Comments
EMPLOYMENT		
The total number and distribution of employees by gender and by geographical area	p. 146-147	
Hiring and firing of employees	p. 146-147	The exercise was carried out over the fourteen main countries in terms of number of employees. Together, these eight countries employ 95% of the group's total workforce.
Current salaries and salary progression	p. 150-151	
WORK ORGANIZATION		
Working time organization	p. 147	Working time and working hours are organized and determined as locally as possible, for example using framework agreements (e.g. France and Spain).
Absenteeism	p. 147	
LABOR RELATIONS		
Organization of social dialogue	p. 154	
Collective bargaining agreements	p. 154	
HEALTH AND SAFETY		
Occupational health and safety conditions	p. 152	
Agreements signed with trade union and staff representative organizations	-	Health and safety are a matter for staff representative bodies (such as the health, Safety and working conditions committee in France). No corporate agreements on health and safety have been signed.
Occupational accidents (including frequency/severity,) and occupational diseases and illnesses	-	Because of the nature of the RCI Banque group's business activities, this indicator is of little relevance.
TRAINING		
Training policies implemented	p. 148-149	
Total number of training hours	p. 148-149	
DIVERSITY AND EQUAL OPPORTUNITIES/EQUAL TREATMENT		
Measures taken to promote equality between men and women	p. 153	
Measures taken to promote the employment and integration of disabled persons	p. 153	
Measures taken to prevent discrimination	p. 153	

PROMOTION AND ENFORCEMENT OF THE INTERNATIONAL LABOR ORGANIZATION'S BASIC CONVENTIONS		
Elimination of discrimination in employment	-	
Freedom of association and right to collective bargaining	-	
Elimination of forced or compulsory labor	-	The RCI Banque group is firmly committed to the four basic principles set out here. moreover, compliance with them is basically a requirement by law in the countries where the group operates.
Abolition of child labor	-	

Social	Summary	Comments
TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITIES		
On employment and regional development	p. 154-155	
On neighboring and local populations	p. 154-155	
RELATIONS WITH INDIVIDUALS OR ORGANIZATIONS INTERESTED IN THE COMPANY'S ACTIVITIES		
Conditions of dialogue with these individuals or organizations	p. 154-155	In addition to its business relations with its different customers, the RCI Banque group also maintains relations with its local fabric.
Partnership or corporate philanthropy	p. 154-155	
SUBCONTRACTING AND SUPPLIERS		
Taking into account social and environmental issues in purchasing policies	p. 155	
Importance of outsourced work, suppliers and subcontractors and the inclusion of their social and environmental responsibilities	-	Purchases made by the RCI Banque group are a very small component in expenditure terms.
LOYALTY PRACTICES		
Action taken to prevent corruption	p. 156	
Measures taken to promote consumers' health and safety	p. 155	
OTHER ACTION TAKEN TO PROMOTE HUMAN RIGHTS		
Action taken to promote human rights	-	The RCI Banque group is committed to respecting human rights in all countries where it operates.

STATUTORY AUDITORS' REPORT

Year ended 31 December 2015

Independent verifier's report on consolidated social, environmental and societal information presented in the management report.

To the shareholders,

In our quality as an independent verifier accredited by the COFRAC[1], under the number n° 3-1050, and as a member of the network of one of the statutory auditors of the company RCI Banque, we present our report on the consolidated social, environmental and societal information established for the year ended on the 31 December 2015, presented in chapter "Social and societal information" of the management report, hereafter referred to as the "CSR Information," pursuant to the provisions of the article L.225-102-1 of the French Commercial Code *(Code de commerce).*

Responsibility of the company

It is the responsibility of the Board of Directors to establish a management report including CSR Information referred to in the article R. 225-105 of the French Commercial Code *(Code de commerce)*, in accordance with the protocols used by the company which are instructions for HR reporting (hereafter referred to as the "Criteria"), and available on request at the company's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements, the Code of Ethics of our profession as well as the provisions in the article L.822-11 of the French Commercial Code *(Code de commerce).* In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Responsibility of the independent verifier

It is our role, based on our work:

- to attest whether the required CSR Information is present in the management report or, in the case of its omission, that an appropriate explanation has been provided, in accordance with the third paragraph of R.225-105 of the French Commercial Code *(Code de commerce)* (Attestation of presence of CSR Information);
- to express a limited assurance conclusion, that the CSR Information, overall, is fairly presented, in all material aspects, in according with the Criteria.

Our verification work was undertaken by a team of three people between November 2015 and February 2016 or an estimated duration of four weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 2013 determining the conditions under which an independent third-party verifier conducts its mission, and in relation to the opinion of fairness, in accordance with the international standard ISAE 3000[2].

1. Attestation of presence of CSR Information

Interviews with the management of relevant departments allowed us to obtain an understanding of the company's strategy on sustainable development based on the social and environmental consequences linked to the company's activities and related its societal commitments, as well as, where appropriate, resulting actions or programmes.

We have compared the information presented in the management report with the list as provided for in the Article R.225-105-1 of the French Commercial Code *(Code de commerce)*.

In the absence of certain consolidated information, we have verified that the explanations were provided in accordance with the provisions in Article R.225-105-1, paragraph 3, of the French Commercial code *(Code de commerce)*.

We verified that the information covers the consolidated perimeter, namely the entity and its subsidiaries, as aligned with the meaning of the Article L.233-1 and the entities which it controls, as aligned with the meaning of the Article L.233-3 of the French Commercial Code *(Code de commerce)* with the limitations specified in the management report, such as the limited reporting scope to 95% of the Group's workforce, and the dispensation for limited information about environmental issues.

Based on this work, and given the limitations mentioned above we confirm the presence in the management report of the required CSR information.

2. Limited assurance on CSR Information

Nature and scope of the work

We undertook several interviews with the people responsible for the preparation of the CSR Information in various departments, namely General Secretary, Management Control and Human Resources, the people in charge of the data collection process and, if applicable, with the people responsible for internal control processes and risk management, in order to:

- Assess the suitability of the Criteria for reporting, in relation to their relevance, completeness, reliability, neutrality, and understandability, taking into consideration, if relevant, industry standards;
- Verify the implementation of the process for the collection, compilation, processing and control for completeness and consistency of the CSR Information and identify the procedures for internal control and risk management related to the preparation of the CSR Information.

We determined the nature and extent of our tests and inspections based on the nature and importance of the CSR Information, in relation to the characteristics of the Company, its social and environmental issues, its strategy in relation to sustainable development and industry best practices.

For the CSR Information which we considered the most important[3]:

- At the level of the entity, we consulted documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and the compilation of the information, and also verified their coherence and consistency with the other information presented in the management report;
- For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

Eventually, we assessed the relevance of the explanations provided, if appropriate, in the partial or total absence of certain information.

We consider that the sample methods and the sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the CSR Information cannot be entirely eliminated

Conclusion

Based on our work, we have not identified any significant misstatement that causes us to believe that the CSR Information, taken together, has not been fairly presented, in compliance with the Criteria.

Paris-La Défense, the 12 February 2016

French original signed by:

Independent Verifier
ERNST & YOUNG et Associés

Eric Mugnier
Partner,
Cleantech & Sustainability

Olivier Durand
Partner

(1) Scope available at www.cofrac.fr

(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

(3) **Social information:** employment (total headcount and breakdown, hiring and terminations, remunerations and their evolution), organisation of working time, absenteeism, training policies, number of training hours, employment and inclusion of disabled people.
Societal information: territorial economic and social impact (employment, regional development, impact on regional and local populations), relation with stakeholders (conditions for dialogue, partnership or sponsorship), business ethics (actions undertaken to prevent bribery and corruption, measures undertaken in favour of consumers' health and safety).

I - 2015 GRENELLE II

The following chapter meets the provisions of the Grenelle II Act.

It relates to action by the RCI Banque group in relation to its corporate commitment towards its employees, and its broader commitment towards the society within which it operates and to the environment.

The RCI Banque group's prime responsibility is to its employees.

It has always put people at the heart of the business, and firmly believes that the men and women who work for the group are its most important asset.

The RCI Banque group's human resources policy focuses on four key areas:

• developing skills and talents;
• optimizing management of the wage and salary bill;
• promoting high quality management;
• strengthening individual motivation and commitment.

These areas were considered in detail during the development phase of the RCI Banque group's "Drive for Business" (D4B) strategy for the three-year period 2014-2016.

The D4B strategy has four key pillars:

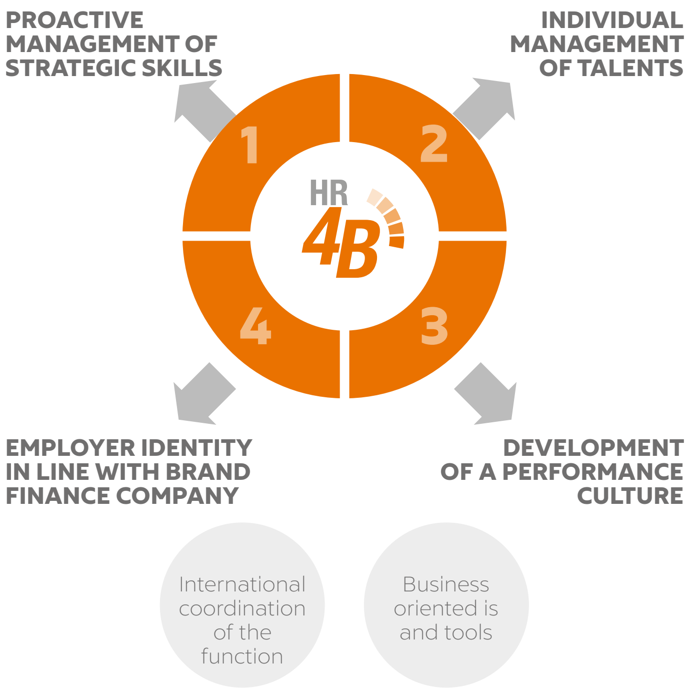
- Expand the product line-up and step up the pace on **services;**
- Step up the pace of digital innovation in order to build **customer** value;
- Bring about changes to the **organization** in order to develop a performance culture;
- Support the Alliance in its **international** expansion.

The RCI Banque group has developed an HR strategy to underpin its D4B strategy. This "Human Resources for Business" (HR4B) strategy has four priority areas:

- Proactive management of strategic skills;
- Individual management of talents;
- Development of a performance culture;
- Assertion of an employer identity.

The RCI Banque group's HR4B strategy is explicitly designed to strengthen employee motivation and performance.

The different sections in this document describe a selection of achievements already made in these four areas.



1. CORPORATE PROVISIONS AND COMMITMENT TOWARDS EMPLOYEES

RCI BANQUE'S HUMAN RESOURCES

KEY FIGURES

Workforce

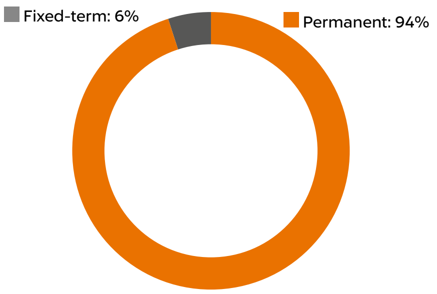
The consolidated group has employees in 23 countries, which are grouped together into five regions:

Number of employees by region(*)	Dec-14	% of total	Dec-15	% of total	Change in % of total
Europe	2,515	88	2,668	89	1
of which France	*1,291*	*45*	*1,363*	*45*	*1*
Asia-Pacific	74	3	85	3	10
Americas	181	6	151	5	-20
Africa, Middle East, India	25	1	31	1	18
Eurasia	70	2	67	2	-9
Total	**2,865**	**100**	**3,002**	**100**	**5**

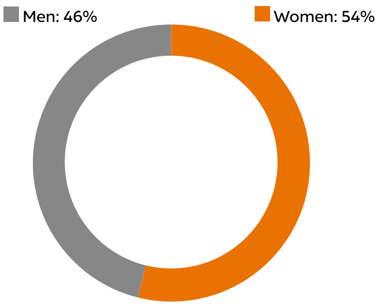
*Note: unlike the 2014 figure, the number of employees for Europe in 2015 includes the insurance subsidiaries located in Malta.

Distribution of employees

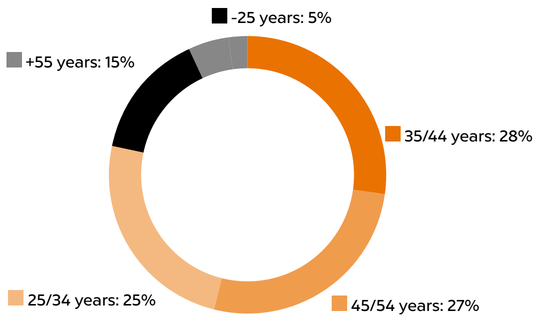
By type of employment contract



By gender
Fixed-term + Permanent

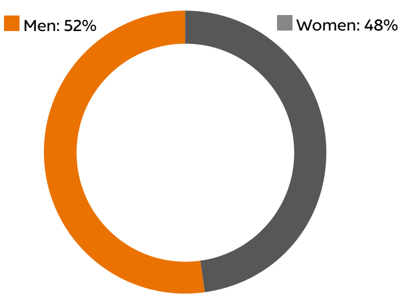


By age
Fixed-term + Permanent

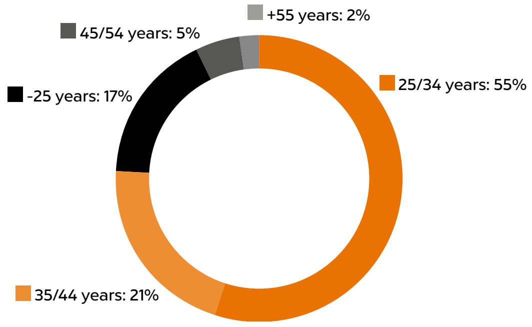


Distribution of appointments

Permanent by gender



Permanent by age

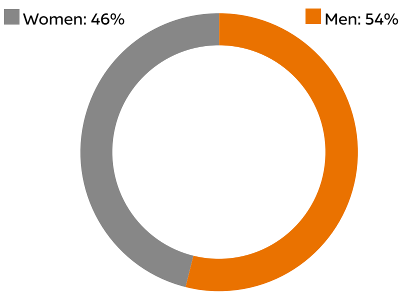


During the course of 2015, RCI Banque appointed 351 employees (against 189 in 2014) on permanent employment contracts, equivalent to 11.7% of the total workforce in the main countries.

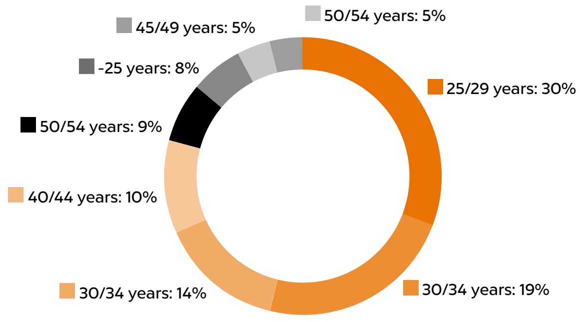
DISTRIBUTION OF DEPARTURES

During the course of 2015, 230 employees on permanent employment contracts left the RCI Banque group, of which 44 redundancies, which is equivalent to 7.7% of the total workforce in the main countries.

Permanent by gender



Permanent by age



Absenteeism

Distribution of absenteeism. This rate includes absences for illness and occupational accidents. It does not include paid annual leave, family events or unpaid leave.

Country	2014 Absenteeism rate	2015 Absenteeism rate
Germany	9.1	6.6
Austria	4.0	5.4
Belgium	3.5	1.4
Brazil	2.7	1.3
South Korea	7.7	7.9
Spain	1.4	3.5
France	3.7	3.0
Netherlands	5.0	2.8
Italy	3.0	3.8
Poland	9.0	3.9
Portugal	3.5	1.1
Romania	3,1	3.5
Switzerland	1.4	1.6
United Kingdom	2.1	1.1
Argentina	Not reported	0.7
Total	**4.37**	**3.47**

The overall absenteeism rate for 2015 was 3.5% over the scope considered..

Theoretical length of the working week in the main countries

Country	Length of the working week
Germany	39
Austria	38.5
Belgium	39
Brazil	40
South Korea	40
Spain	36
France	38.75
Netherlands	38
Italy	39
Poland	40
Portugal	37.75
Romania	40
Switzerland	41
United Kingdom	37.5
Argentina	45

1.1. GOVERNANCE

Before detailing the achievements characterizing the RCI Banque group's commitment to its employees in 2015, it should be remembered that significant changes to its governance structure, pursuant to the Capital Requirements Directive IV (new European banking regulations), its transposition into France's Monetary and Financial Code (*Code Monétaire et Financier*) and the subsequent changes made to CRBF (*Comité de la réglementation bancaire et financière* - France's banking and finance regulatory body) regulations, have been effective since 1 October 2014.

Hence, the RCI Banque group, previously under the responsibility of a single Chairman and Chief Executive Officer, has, since that date, had a separate Chairman and CEO. Changes have also been brought to the group's governance bodies, with the creation of and/or adjustments made to the Board of Directors and the following governance bodies: Accounts and Audit Committee, Risk Committee, Nomination Committee, Remuneration Committee. This new organization became fully effective on 1 January 2015.

Within this framework, in 2015 three Nomination Committee meetings and three Remuneration Committee meetings were held, attended by representatives from the RCI Banque group's Board of Directors.

1.2. DEVELOPMENT OF SKILLS AND TALENTS

In 2014, RCI Banque implemented new French legislation requiring a specific meeting of the Works Council to be dedicated to the company's strategic policy. This provision was, of course, again applied in 2015. The Works Council meeting dedicated to this issue gave rise to in-depth discussions with employee representatives, who furthermore, at the end of the consultation emphasized the high quality of the information and documents delivered to them prior to the meeting. Attention focused in particular on the changing workplace in relation to the rollout of D4B, with discussions about, for example, CRM, the digital world, the customer relationship and information systems.

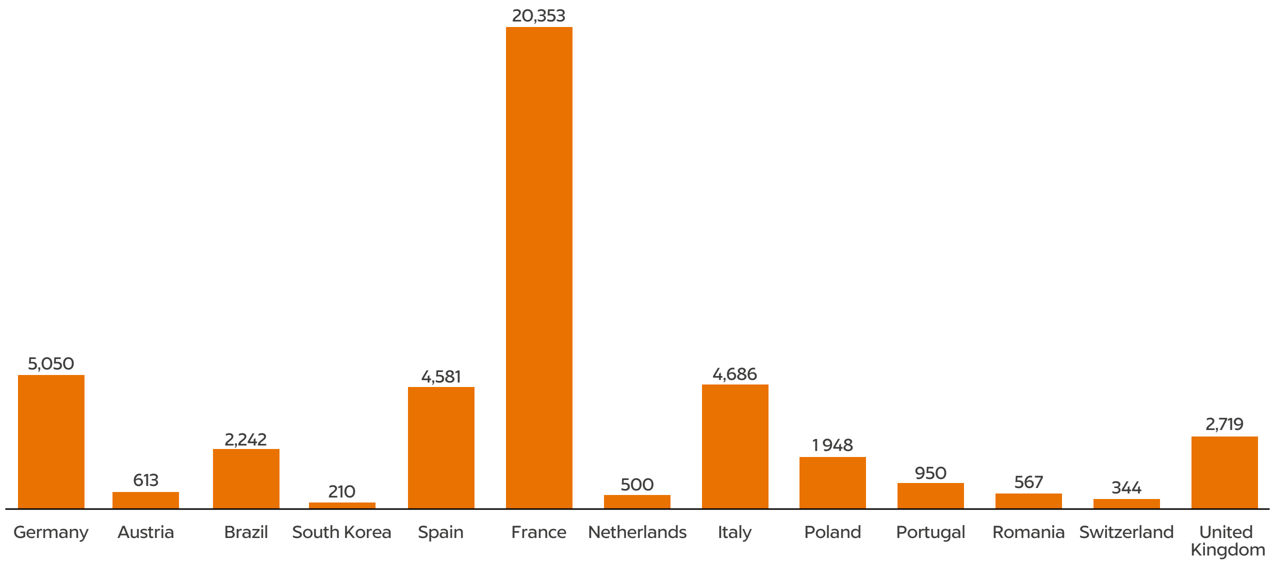
Training

RCI Banque makes every effort to provide training for each and every one of its employees, regardless of their age, status or position within the group.

With that aim in mind, the group's offer covers all areas of vocational training, from specific training for each area of work, job and profession in the company, to more individual action geared towards personal development or the acquisition of language or cross-disciplinary skills.

The aggregate number of hours of paid training received by employees comes to a total of approximately 48,200 hours, of which approximately 44,800 hours in the main countries.

Hours of paid training per country in 2015



Continuing on from the initiatives seen in 2014, a number of important training programs were launched in 2015 in connection with the development of the new businesses and lines of work resulting from D4B. These programs, designed for both employees working in RCI Banque's Corporate Departments and those doing related jobs in the subsidiaries, were in addition to the more traditional training programs available.

For instance, a comprehensive training course was set up for the Chief Financial Officers of RCI's subsidiaries worldwide. Two modules have already been taught, in May and November 2015 respectively. Jointly facilitated by a specialist external organization and business experts from the Corporate divisions, these modules were rated as excellent by the beneficiaries. The operation is to continue in 2016.

RCI Banque has also committed to an ambitious digital change program. In June 2015, a Learning Expedition to the west coast of the United States was organized, during which a number of the group's top managers were able to find out more about leading trends in the digital field. As a result of this mission, RCI Banque's Executive Committee selected a set of change projects, one of which is called "Disruptive HR".

During the various tours carried out as part of the Learning Expedition, human resources policy emerged as a key competitive advantage. It was decided, after in-depth work to identify requirements, that one of the actions included in the "Disruptive HR" project would be to launch a major program to "culturally adapt" the RCI Banque group's employees worldwide to digital change. A pilot group was set up for this purpose. The scheme will be rolled out from 2016 onwards and include innovative educational methods. It will also be extended gradually to the fields of customer satisfaction and innovation.

Appraisal by means of individual reviews

At RCI Banque, the individual review is an important time for dialogue between each employee and his or her line manager. It provides an opportunity to review the employee's performance over the past year, to set objectives for the coming year and to explain their contribution to the company's performance. During their individual reviews, employees also have a chance to formally express their training needs and to discuss their career development prospects in detail with their line manager.

In this area, a new information system dedicated to talent development (Talent@Renault) has been introduced at RCI Banque. The first module, which enables individual reviews to be carried out online, was rolled out in five countries in 2013 and then extended to all RCI Banque group entities in 2015.

Besides digitalizing the annual individual review process, this new tool is also used as support in the collective assessment by managers of a/ how employees bring their knowledge and skill to their job, and b/ their career development potential. This evaluation process, known as a "people review", is carried out pre-individual review campaign. Its collective nature helps to bring objectivity to the assessments of employees by managers during individual reviews. Managers express their great satisfaction with the tool, which is now in widespread use in RCI.

If necessary, it also enables comparisons to be made with other entities in the Renault Group where it is used.

Career development and mobility

A new Talent@Renault module has recently been rolled out, which concerns the management of job mobility. From February 2016, it will provide access to new tools for:

- documenting career reviews between managers and employees;
- publishing internal vacancies;
- applying directly for internal vacancies, including with the Renault Group.

This development will help positions to be filled and promote internal mobility, while improving the match between the company's requirements and employees' wishes.

To boost internal mobility still further, a "career gateway matrix" was produced in 2015. This matrix is a guide for managers and meets several objectives:

- Clarify possible career pathways;
- Promote and facilitate job mobility, including cross-disciplinary mobility;
- Ensure success of internal job mobility.

As things currently stand, the career gateway matrix brings together the Corporate and France functions as well as those represented in the subsidiaries' management committees.

It is based on job grading (see below) and includes all jobs assessed in this way (i.e. in France, management/executive jobs). These are arranged in rows and columns in the matrix, making it easy to work out:

- starting from a source job (i.e. the employee's current job), which jobs an employee might hope to do;
- starting from a target job (i.e. the position targeted by the employee), which jobs lead to that position;
- by combining these two methods, it is possible to build one or more career paths by identifying the intermediate positions between an employee's current job and the targeted position.

These gateways are identified according to their difficulty:

- move possible in return for light training/adaptation and including a short adaptation period (logical development);
- move possible in return for training/adaptation over a period of less than two years;
- move difficult (lengthy training/adaptation);
- no gateway possible or non-relevant move.

More than 800 gateways have already been identified by the HR function and validated by the RCI Banque group's business experts. Both the trade union organizations and Management have warmly welcomed their unveiling.

The matrix is mainly intended to be used during people reviews, and in preparation for individual reviews and career committee meetings.

Selection and management of high potential employees

Every year, the RCI Banque group carries out a selection process to single out high potential employees. Candidates are put forward by HR Directors and Managers from Corporate and subsidiary departments to the group's Executive Committee meeting as the Career Committee, for examination and approval.

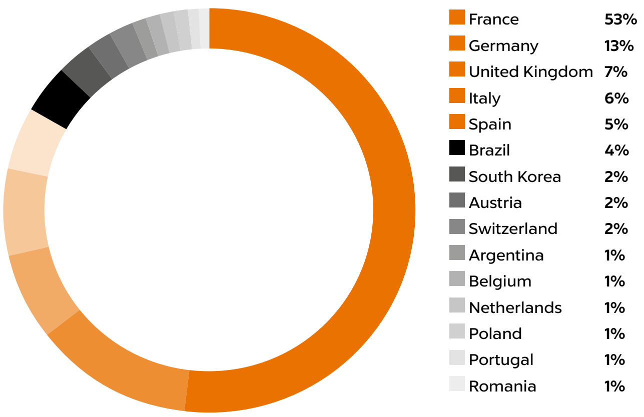
Employees selected and included on the list of high potential employees are monitored very carefully and benefit from special career path and salary progression measures.

Specific events and activities are also organized for them. For example, in 2010, the first "HPP Convention" (High Potential and Performer Convention) was held. The HPP Convention is a regular two-day seminar bringing together all of the group's high potential employees, at which they able to meet the group's senior management and build up their professional networks.

The most recent HPP Convention was held in March 2014. In light of its success, a new convention may be held in 2016.

1.3. MANAGEMENT OF THE WAGE AND SALARY BILL AND REMUNERATION POLICY

In 2015, personnel costs came to a total of €231.2m, of which €224.9m for the main countries.



With regard to France, the main components of pay are as follows:

- employee pay consists on an individual basis of a fixed regular amount plus a variable component, and on a collective basis, of profit-sharing;
- the fixed regular salary reflects the responsibilities of the post concerned, the command the holder has of that post and the development potential of the interested party. In this regard, the salary reviews held in the Spring of 2015, were based on the conclusions of the people reviews carried out in the Autumn of 2014 (see above and below). The variable component (e.g. group incentive bonus, performance-related bonus, sales bonuses) is an expression of the annual performance achieved by the individual employee. Profit sharing (e.g. the "participation" in France) recognizes collective performance;
- remuneration policy: every year, RCI Corporate defines an annual pay variation for each country, and each country then draws up its pay policy within that framework. For example, it may decide to award general (collective) pay increases and individual increases according to different categories (e.g. non managers/managers) and national legislation, as well as bonuses. In France more particularly, the pay policy includes mandatory annual negotiations (négociation annuelle obligatoire, or NAO) required by law. In 2014, in line with the performance culture that is a key feature of D4B and HR4B, the principle of general pay increases, which non-management staff had previously enjoyed, was not renewed. The switch from general pay increases to individual pay reviews was confirmed in 2015.

At the crossroads between the individual management of talents and the development of a performance culture (two of the four priorities of HR4B), in 2014, the RCI Banque group, with the Renault Group, developed a "levels of responsibility" reference base.

Under this reference base, all jobs in RCI are classified, or graded, according to the "weight" of the responsibilities or accountabilities they entail. This is known as "job grading", which could be summarized as the mapping of job levels. The reference base was developed using the methodology promoted by the Hay group, an organization that is particularly well known in the job evaluation and grading field.

This job grading system, which is already widely used by a number of large companies worldwide, has a number of key advantages. For example, it delivers:

1 - greater clarity and consistency to the **organization;**

2 - facilitation of career paths, by providing individuals with input for thought about their **career development and mobility;**

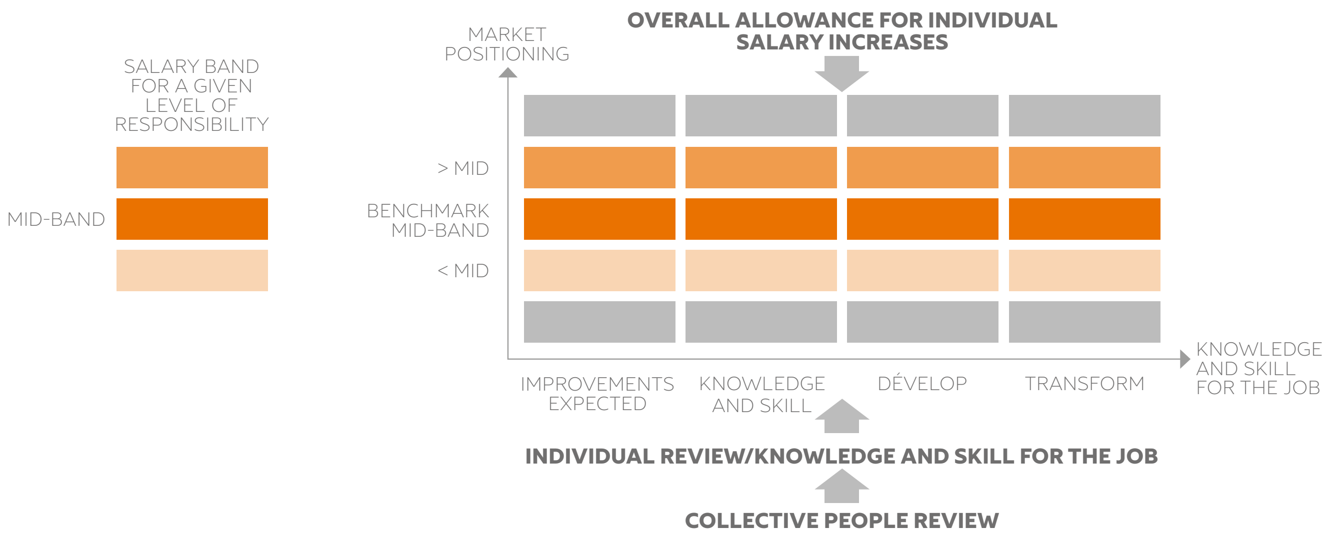
3 - clarification of the link between responsibility/ accountability, performance and reward, and therefore greater transparency and fairness in employee **salaries**.

For each level of responsibility/accountability (job grade), there is a salary band benchmarked against the market in the country under consideration. Market positioning enables salaries for jobs with the same level of responsibility/ accountability to be compared with local salary levels.

In countries where the levels of responsibility/accountability (job grading) reference base has been rolled out, such as in France for employees with executive/management status, the salary reviews that took place in 2015 used this system.

Managers in this way have a decision support tool, enabling them to award relevant individual salary reviews based on 1/ the overall allowance allocated by the company for individual salary increases, 2/ the positioning of the employee's salary in the benchmark salary band for his/her level of responsibility/ accountability (job grade) and 3/ the employee's level of knowledge and skill for the job. Use of this tool has been confirmed for the coming years.

The following diagram summarizes this process:



In conclusion, with the new HR evaluation and remuneration processes and tools used within the RCI Banque group, the company is equipping itself with a more efficient reward system:
- the level of responsibility/accountability determines the salary for the job;
- knowledge and skill for the job determines the individual's basic salary;
- the results achieved in relation to the targets set determine the reward paid for performance;
- these three components combined form the overall individual salary.

Employee savings

Diac's (RCI Banque in France) company savings plan (Plan Épargne Entreprise) is intended to encourage the build-up of a collective reserve and offer Diac group employees the chance to build up a portfolio of securities.

The company savings plan has four unit trusts for employees to choose from in addition to an inaccessible special-purpose current account, as follows

- Amundi Label Monétaire F;
- Amundi Label Equilibre Solidaire F;
- CPR ES Croissance;
- Amundi Label Dynamique F.

Employees are able to make voluntary payments into the plan of up to 25% of their annual pay. They receive a bonus contribution from the company of 27.5% of those voluntary payments, up to a maximum of €1,210 gross per year.

1.4. PROMOTION OF HIGH-QUALITY MANAGEMENT

The Renault Group has had a management charter entitled the “Renault Management Way” (RMW), for a number of years. Based on the values of the Renault Group, this charter underlines the roles and responsibilities of managers as “leaders, coaches and pathfinders”. All managers in the RCI Banque group have received training to ensure that they grasp and embrace the principles of RMW.

In addition to its inclusion in the Renault system, RCI Banque has established its “Managerial Gatherings” in France, the purpose of which is to examine in greater depth the values of the RMW using original approaches. These gatherings consist of conferences given by outside speakers (from the worlds of sport, culture and business, etc.) on a quarterly basis, and are usually attended by around one hundred people. Research conducted among audiences after each managerial gathering confirms not only that they are greatly interested in such events, but also that they make a useful contribution to their daily management work. Events in 2015 included:

- a conference on the theme of "Why are optimistic managers creators of opportunity?", facilitated by Philippe Gabilliet, research lecturer at the ESCP Europe business school, who specializes in motivation and the mental strategies that drive success.
- a talk on "Challenges in digital transformation" by Françoise Gri, previously Chairman and Managing Director of Manpower France and Europe du Sud then CEO of the Pierre et Vacances - Center Parcs group.

1.5. REINFORCEMENT OF INDIVIDUAL MOTIVATION AND COMMITMENT

The RCI Banque group pays very special attention to the wellbeing of its employees in the workplace, and in this respect, agrees with the expectations expressed by employees in internal surveys.

Health cover

At the end of 2011 and before any legal requirement for it to do so, Diac decided to introduce a mandatory insurance policy for its employees with a *mutuelle* (insurance company providing complementary health cover), and to pay a contribution towards the premiums payable. This came into effect in January 2012.

The company, consulting fully with the unions and employee representatives, made the decision to introduce this mandatory health insurance, a solution that offers greater flexibility to employees already present in the company, on a unilateral basis.

Discussions were also held with the unions and employee representatives about the level of cover and the contribution to be made by the company, as a result of which it currently pays between 32% and 45% of the premiums payable.

At year-end 2015, some 740 employees had signed up for this new complementary health cover. The beneficiaries of this measure particularly appreciate the level of services and cover provided for the premiums paid.

DIAC has proved to be a forerunner in this field, as only now does French legislation require companies to make complementary health cover available to their employees (mandatory since 1 January 2016).

Wellbeing in the workplace

RCI Banque attaches great importance, particularly in France, to the prevention of psychosocial risks in the workplace.

Various surveys have been carried out among all employees on all sites in France in order to measure stress factors and their impact on employees.

Surveys to measure occupational stress carried out first in 2010 and then again 2012 (by a specialist firm) showed that the level of “overstress” experienced was within reasonable limits and less than the average seen in the sector.

Using the findings of these surveys as a basis, Diac developed its occupational stress prevention action plan, which was approved by all trade union organizations.

This plan includes three levels of prevention:

- **Primary:** reduce and even remove sources of occupational stress;
- **Secondary:** correct the effects of stress;
- **Tertiary:** take care of individuals who are particularly concerned by occupational stress.

Within this framework, several kinds of action have been put in place:

- creation of stress, anxiety and depression medical monitoring (*Observatoire médical du stress, de l’anxiété et de la dépression,* or OMSAD): this is an assessment questionnaire which each employee is asked to fill in at the time of their annual medical and is then analyzed on an individual basis with the doctor carrying out the medical;
- introduction of relaxation workshops run by nurses.

In 2013, the psychosocial risk prevention plan saw a new development, with psychological support for individuals suffering from stress provided by specialists supervised by the occupational medical officer. This system has now been made permanent.

The psychosocial risk prevention plan is regularly assessed and consequently updated in cooperation with the trade unions and employee representative bodies.

Inclusion in employment of disabled people

Summary of the number of disabled individuals employed in the countries mentioned in this report:

	Number of disabled individuals 2014	Number of disabled individuals 2015
Germany	8	7
Austria	1	1
Brazil	3	2
Spain	2	2
France	28	27
Italy	13	8
TOTAL	**57**	**47**

Equality between men and women in the workplace and work-life balance

RCI Banque is also very careful to ensure equality between its male and female employees in the workplace, and that they are all able to achieve a balance between their work and private lives.

In France, as the 2011 agreement on "equality between women and men in the workplace and on reconciliation of work and family live" signed with all trade union organizations has been implemented, its effects have gradually been reinforced. The agreement includes a number of particularly significant measures, including:

- salary realignment for female employees. Under this provision, 23 female employees were repositioned in 2015, following an analysis of their career histories;
- RCI Banque's participation in a network of inter-company nurseries. This scheme allows young parents to apply for and be awarded nursery places at public nursery prices. In 2015, fifteen infant places were offered and taken up. At a follow-up meeting on the agreement with the trade union organizations, the latter again underlined how satisfied the families benefiting from this measure were.

The 2011 agreement, which was initially signed for a three-year period, was renegotiated at the end of 2014. Management and the trade union organizations restated their determination to actively promote equality between women and men in the workplace and the reconciliation of work and family life.

The new agreement was signed on 19 March 2015 by Management and the CFDT and SNB trade union organizations. One of the measures introduced in 2015 is the possibility for employees to "donate" their days off to colleagues responsible for a child with a particularly serious illness, disability or injury requiring constant attention and care. To show its solidarity, the company contributes an equivalent number of days off to the employee to that donated by his/her colleagues.

In the Netherlands, RCI Banque was recognized as a family-friendly company by Secretary of State Van Rijn at the Hague on 10 November 2015. According to the minister, the subsidiary plays a leading role in the automotive sector in terms of social wellbeing, particularly in respecting its employees' work-life balance.

RCI Banque Spain has been certified "Fundación Mas Familia" by AENOR, under the "Conciliation" program. The task of this organization is to design solutions in the social field, for instance to prevent social inequality or promote a health work-life balance.

Teleworking is also an aspect of RCI's efforts to help its employees achieve a better work-life balance.

At the end of the experimental initiative stage, which particularly concerned the IT and Human Resources Departments, on 20 December 2013 Management and the trade union organizations signed a company-wide agreement aimed at gradually extending teleworking within the company and making it more widespread. This agreement was followed by a number of new applications from employees wishing to work from home, and RCI Banque now has a total of eighty-three employees in teleworking arrangements in France.

A number of other countries, for example Spain and the Netherlands, are also engaged in action in this area.

At year-end 2015, a total of 215 RCI employees worldwide enjoyed the benefit of teleworking arrangements.

1.6. QUALITY OF LABOR RELATIONS

As shown by the company agreements already mentioned in this document (see above), good relations and dialogue with trade unions and employee representative bodies are a strong tradition within the RCI Banque group.

In 2015, a process was initiated by the management of Diac to amend and renew the company agreement signed in 1983. This agreement brings together a set of measures governing the company in such areas as compensation and benefits, leave, and general conditions of work.

It is believed that the company agreement needs refreshing firstly because over time, the measures included in it have become obsolete and need updating, and secondly because Management wants to engage the company in a process of modernization and to promote a stronger performance culture.

A joint group was set up to achieve this outcome. However, at the end of its work, no positive conclusion had been reached because of differences of opinion between Management and the trade unions. Consequently, Management found itself forced to terminate the 1983 agreement by legal means in November 2015. Active discussions with the unions will continue in the coming months so that a replacement agreement is reached by the parties in 2016.

II - SOCIAL PROVISIONS AND COMMITMENT TO SOCIETY

2.1. CORPORATE SOCIAL RESPONSIBILITY PROJECTS

In 2015, the RCI Banque group led a number of Corporate Social Responsibility (CSR) projects.

These projects were mainly in the areas of road safety and sustainable mobility, education and culture, health and humanitarian aid.

Sustainable mobility and road safety

In 2015, RCI Banque led a number of operations to promote sustainable mobility and safety.

In the Netherlands, Management encouraged employees to purchase electric vehicles, with chargers designed for home use. The operation was conducted nationwide and helped to decrease the carbon footprint left by employees.

The Dutch subsidiary lent a vehicle worth €14,000 to a training center for guide dogs for the blind, to help the animals get used to electric cars, which are quieter than fuel engine cars. Another such loan will be made in 2016.

Education

In order to contribute to the cultural and professional development of the countries in which it operates, RCI Banque bank gets involved in education.

In **France**, DIAC has traditionally had an ambitious " Young Persons Policy", characterized by the acceptance of students on sandwich course placements and internships. In 2015, 73 young people were awarded apprenticeship or professional development contracts with RCI Banque. Twenty-two young people with two to five years' higher education were awarded internships, and six secondary pupils were accepted on work experience placements.

Similarly, the Dutch subsidiary is offering an increasing number of opportunities to students, who are trained with a view to then becoming employees of the company.

Health

The RCI Banque group believes health to be a key issue for today's society and in 2015 developed a number of initiatives in this area.

In **Romania**, the subsidiary helped to fund *Little People*, a not-for-profit organization helping some 1,600 children suffering from cancer and encouraging their inclusion in society.

In **Russia**, the group's employees donated the money initially intended for purchasing gifts for partners, to *BELA Butterfly Children*, a charity helping children with incurable illnesses. The children drew pictures which were then used to make gift cards for customers and suppliers.

To help in the fight against cancer, a race was organized by the Dutch subsidiary, together with other sponsors. The team raised some €3,000 for cancer charities. Similarly, no Christmas cards were sent to the subsidiary's partners. Instead, the money saved was donated to a charity supporting sick children.

Humanitarian aid

France and the Belgian subsidiary are committed to helping the less fortunate, and during the course of the year, took practical steps in this direction.

In **France**, as in previous years, the Management of Diac and its Works Council jointly organized a food collection for the "*Les Restos du Cœur*" charity, which helps homeless people. This operation, which was suggested by a company employee, collected 25% more food in volume terms than in 2014 (nineteen boxes and eleven big bags of food).

As in 2014, the **Belgian** subsidiary lent vehicles to not-for-profit organizations including the Red Cross, Unicef and Promove, helping them to conduct their humanitarian work, such as supporting victims and collecting donations. To ensure consistency, the subsidiary intends to lend vehicles again in 2016.

2.2. PROVISIONS DIRECTLY RELATED TO THE RCI BANQUE GROUP'S CUSTOMER BUSINESS ACTIVITIES

Regulatory compliance

Like all lenders, RCI Banque is required to abide by strict rules and regulations concerning the information that must be given to its customers, and more especially to consumers, before they take out a loan, and the processing of their confidential data. These rules and regulations result from the transposition of EC Directives or are introduced by local legislators. RCI Banque has put in place a system that ensures its compliance in this area:

- each subsidiary or branch has a structure that monitors changes in regulations, through reference to newsletters sent out by legal firms and auditors, membership of professional organizations, and by reading regulatory texts, etc.
- the monitoring structure keeps the line staff concerned continuously informed about any changes in the regulations. The latter are then responsible for taking the relevant and necessary action;
- a compliance committee made up of members of the management committee meets quarterly in each subsidiary or branch to review changes in the regulations and the progress made on the requisite action plans. Any major events or problems are reviewed by the group Compliance Committee;
- the Permanent Control department carries out inspections to ensure independent assessment of the situation.

Underwritting policy

As part of its role and responsibilities towards its shareholder, RCI Banque endeavors to facilitate access to financing and vehicle purchase while being careful not to expose its customers to difficulties as a result of over-borrowing and at the same time securing expected profitability.

RCI Banque also makes sure that it complies with any current regulations governing checks on a potential customer's solvency (gathering of information and documentary evidence, dialogue with the customer, record checks, use of decision-support scores, etc.). Processes, tools and training for dealership staff and sales employees are continuously improved in order to secure the best possible performance.

In France, this results in a loan approval rate of about 90% of customers on average over each business cycle. The figures do of course differ from one country to another, but management and oversight of loan approval and debt collection follow the same method.

Pricing

Pricing has to cover the cost of the resource, distribution costs, operating expenses and the cost of risk, while securing the return on equity demanded by the shareholder and investors and required to comply with prudential ratios. It also needs to be competitive in comparison to that applied by rival lenders. Consequently pricing will vary from one country to another and take into account the loan term, personal contribution and type of good financed (new or used vehicle), to ensure that the aforementioned objectives are achieved.

When running special promotional campaigns, manufacturers or dealers may make a contribution to the rate of return so that they can advertise particularly attractive interest rates for customers.

Insurance and related services

The RCI group also offers a comprehensive range of insurance products covering borrower (payment protection) and auto risks, and services related to vehicle use.

To summarize, these provisions concerning the range of products and services, risk management and pricing show the RCI group's ability to facilitate access to vehicle use and achieve a high penetration rate on sales by Alliance brands (37.1%) while keeping the cost of risk down (0.40% of average performing customer loans outstanding) both in its own interest and in the interest of its customers.

The RCI Banque group is continuing to grow its services with an increase of 31.5% in the number of services sold, taking our Services penetration rate to 91.5%. This growth is even more significant for services geared towards automobile use (insurance, servicing and extended warranty contracts, assistance, etc.).

Corruption

As a result of its status as a banking institution, RCI Banque is subject to current banking regulations, including those concerning the Internal Control Function (compliance with CRBF Regulation 97-02) and more recently, the Order of 3 November 2014 concerning the internal control of banking sector companies).

All RCI Banque group employees have received a copy of the Renault Group's Charter of Ethics.

Similarly, anti-money laundering e-learning training has been provided by a number of subsidiaries (France, Portugal, Belgium, Netherlands and Spain).

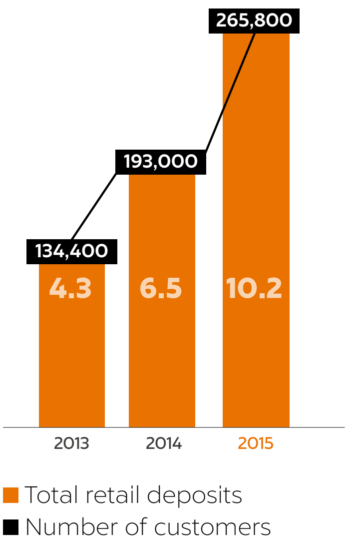
2.3. PROVISIONS DIRECTLY RELATED TO THE SAVINGS BUSINESS

RCI Banque, France's first car finance company to offer savings accounts, launched its retail savings business in France in February 2012, before rolling it out in Germany a year later, in Austria in 2014 and in the United Kingdom in 2015. The offering in all four countries consists of an instant access account plus one or more term deposit accounts.

With deposits totaling more than 10.2 billion euros at end-December 2015, net savings collected by RCI Banque were up some 56.6% compared with end-2014 and represented more than 32.8% of loans outstanding at year-end 2015.

By committing to reinvest the funds collected in auto loans marketed to customers of Renault-Nissan Alliance brands, and by offering a straightforward, safe and high-performance range of savings products, RCI Banque has attracted some 266,000 customers in the four countries where the business has been rolled out.

Changes in the retail savings business



2.4. PROVISIONS SPECIFICALLY RELATED TO INNOVATIVE MOBILITY

RCI is fully committed to the group's aim of delivering innovative and universally accessible mobility. This is particularly evident in two areas of its business: firstly, in the Alliance manufacturers' electric vehicle program, and secondly, in the rollout of new mobility offers focusing on use rather than ownership, through the launch of a car sharing operation.

RCI plays a part in defining the electric vehicle business model by financing vehicle batteries so that they are marketed competitively in relation to the rest of the range. This lease offer currently covers six electric vehicles marketed by the Alliance. In 2015, RCI thus financed 31,367 new battery contracts, up 30.7% compared with 2014, taking the number of batteries managed to 73,278 units.

In July 2015, RCI Banque created RCI Mobility, a fully owned subsidiary, to develop B2B car sharing services and other car-related mobility services.

In creating RCI Mobility, RCI Banque confirms its intention to move into position as a car-related mobility services operator and thereby help companies to offer their employees straightforward, flexible and user-friendly mobility solutions meeting their business and personal needs.

III - ENVIRONMENTAL PROVISIONS

ENVIRONMENTAL PROVISIONS

It is considered that the environmental information required by the Grenelle 2 Act is not relevant to RCI Banque as its activities are based on the sale of financing and services and so do not generate any major impacts on the environment. RCI's own impacts are related to its offices worldwide and to its employees. The reporting in place only allows an estimation of these impacts: energy, water, paper, waste, etc.

IV- REMUNERATION POLICY AND PRACTICE FOR CATEGORIES OF EMPLOYEE WHOSE PROFESSIONAL ACTIVITIES HAVE A SIGNIFICANT IMPACT ON THE RISK PROFILE IN THE RCI BANQUE GROUP

The remuneration policy is presented to and approved by the Remuneration Committee and Board of Directors. As at 31 December 2015, the members of the Remuneration Committee were D. Thormann, C. Delbos and J. Stoll. The Remuneration Committee met three times in 2015.

The fixed component of pay reflects the level of responsibility of the post held. The variable component of pay is intended to reward the performance achieved. This variable component depends heavily on the consolidated financial and commercial results achieved by the RCI Banque group, and can amount to up to 45% of the fixed component.

The criteria used to measure performance are the operating margin, the sales margin on new financing and services contracts, and the individual contribution assessed by the employee's line manager. The operating margin, which is affected by the risks to which RCI Banque is exposed, is a key factor in the variable pay system. If the targeted operating margin is not achieved, the ceiling on the variable pay distributed is reduced to 9% of the fixed component.

If on the other hand this target is reached, the sales performance is factored in. The parameters above have been selected to a/ reward the achievement of a sales target, and b/ take into consideration the financial result, which incorporates all costs borne by the company and in particular those related to risks taken.

Over the 2015 financial year, there were eighty individuals with a significant impact on the risk profile. Their fixed pay for 2015 came to a total of €9,230,006. Their variable pay for 2015 represents a total of €1,963,795. To the extent that RCI Banque's activities focus solely on financing and automotive services, there is no reason to break down these amounts by sector of activity.

No employee receives an annual salary of more than €1,000,000.

As from the 2016 financial year, part of the variable pay will be deferred over three years.

RCI Banque does not award shares or stock options.

GENERAL INFORMATION

I - GENERAL INFORMATION ABOUT THE COMPANY

A - GENERAL PRESENTATION

NAME AND REGISTERED OFFICE

Corporate name: RCI Banque S.A.
Trade name: RCI Bank and services
Nationality: French
Registered office: 14, avenue du Pavé Neuf
93168 Noisy-le-Grand CEDEX - France
Tel.: + 33 (0)1 4932 8000

LEGAL FORM

Société anonyme à Conseil d'administration (a limited company with a Board of Directors, under French law).

GOVERNING LAW

The Company is governed by the provisions of the *Code de Commerce* (French Commercial Code).

Since it was granted its banking license by the *Banque de France* on 7 March 1991, RCI Banque has also been subject to all the laws and regulations applicable to credit institutions, in particular those incorporated into France's Monetary and Financial Code *(Code Monétaire et Financier).*

DATE CREATED AND TERM

The company was created on 9 April 1974, and registered with the Paris Commercial Court on 4 June 1974. It began operating on 21 August 1974, for a term of 99 years, i.e. until August 2073.

CORPORATE PURPOSE

The main purpose of RCI Banque is to engage in credit and banking operations of all kinds, in France and abroad, directly or indirectly, on its own behalf or on behalf of third parties, for the purposes of:

- financing the acquisition of goods or services or for other purpose; in particular, long-term credit transactions as well as issuance or management of payment systems in connection with such transactions;
- conducting studies of all kinds relating to the formation, expansion and transformation of industrial, commercial, financial and service undertakings;
- conducting full or partial studies, and engaging in consulting and negotiating activities in economic, financial, commercial and managerial areas;
- conducting research on designing and improving managerial, organizational and financial systems;
- carrying out projects resulting from the aforementioned studies, or contributing to the execution thereof by any appropriate means, including taking equity interests in existing or new entities;
- financing business entities, in particular by acquiring holdings of their equity or debt securities, using the Company's own funds or borrowed funds;
- providing investment services as defined by the French Financial Activities Modernization Act (96-597) of 2 July 1996;
- managing the portfolio of securities resulting from these activities, in particular by carrying out all purchase, sale, exchange and transfer transactions in securities of all kinds;
- doing business as an insurance intermediary within the meaning of the French law of 15 December 2005 transposing the European Directive of 9 December 2002, acting as agent, commissioner or broker;
- more generally, carrying out any industrial, commercial, financial or property transactions directly or indirectly related to the corporate purpose or to any similar or connected purposes useful to, or facilitating the realization and development of that purpose.

REGISTRATION AND IDENTIFICATION NUMBER

The Company is registered with the Bobigny Register of Companies under SIREN number: 306 523 358, SIRET number: 306 523 358 00068, ORIAS number: 07023704, and APE code 6419Z (business activity code).

ACCESS TO LEGAL DOCUMENTS

Legal documents pertaining to the issuer may be consulted at the Company's registered office.

FINANCIAL YEAR

The Company's financial year starts on 1 January and ends on 31 December of each calendar year.

B - SPECIAL BY-LAW PROVISIONS

STATUTORY ALLOCATION OF EARNINGS

(Article 36 – distribution of dividends)

Net income consists of net revenues for the year, less overhead costs and other corporate expenses, and after depreciation, amortization and impairment allowances. At least five percent of net income less any prior-year losses is appropriated to fund the legal reserve. Once the amount of the legal reserve is equal to one-tenth of the share capital, this appropriation is no longer mandatory. It is resumed in the event that the legal reserve falls below one tenth of the share capital for any reason. Distributable income consists of the current year's net income less any prior-year losses, the aforementioned appropriation, and any other transfers required by applicable law, plus unallocated retained earnings brought forward from previous years. From this income, the Ordinary General Meeting may decide to distribute dividends. Such dividends shall be appropriated first from the distributable income generated in the current year. From the available surplus, the Ordinary General Meeting may appropriate any amounts it deems appropriate, to be carried over to one or more general or special reserve accounts to be allocated or used as it sees fit.

GENERAL MEETINGS

(Articles 27 to 33 of the by-laws)

Types of general meeting

Each year, the shareholders convene in an Annual General Meeting, which must be held within five months of the end of the financial year. In addition, the shareholders may hold Ordinary General Meetings that meet on an extraordinary basis, or Extraordinary General Meetings when their purpose is to amend the by-laws, except as otherwise provided for by law, may also be held.

The General Meeting, duly constituted, represents all shareholders. Its decisions, taken in accordance with law and the Company's by-laws, are binding on all shareholders, even those who are absent, incapable of attending or in disagreement.

Shares held in treasury by the Company are not counted when calculating the quorum for the various meetings.

Two members of the works council, appointed by that council, one representing engineers and managerial staff and the other representing support staff, may attend general meetings.

The Board of Directors may decide that shareholders will be able to take part in and vote at general meetings by videoconference or any other means of telecommunication that permits them to be identified as required by law.

Notice of meetings

The Board of Directors calls the shareholders to General Meetings by means of a notice indicating the date, time and place of meeting.

General meetings may also be convened by:

- the Statutory Auditors;
- a representative appointed by order of the presiding judge of a French commercial court ruling in summary proceedings at the petition either of any interested party, or of one or more shareholders who together own at least 5% of the share capital;
- the receivers.

Quorum – Majority

Ordinary and Extraordinary General Meetings are subject to the quorum and majority requirements prescribed by law and exercise the powers allocated to them by law.

Composition of meetings

All shareholders, regardless of the number of shares they own, may attend general meetings, participate in the proceedings and vote. Owners of registered shares who have requested that such shares be duly recorded in the Company register at least five days before the meeting are admitted upon presentation of identification. Shareholders may be represented by another shareholder, or by their spouse. Proxies prepared in accordance with the law must be received at the registered office at least five days before the date of the meeting.

All shareholders, regardless of the number of shares they own, may attend Extraordinary Meetings, take part in the proceedings and vote. The right to vote in Ordinary General Meetings belongs to the beneficial owner of the shares to which the right is attached; the right to vote in Extraordinary General Meetings belongs to the named legal owner. When a general meeting has been called, the Company shall, at its own expense, deliver or send a mail ballot and attachments thereto, to any shareholder who so requests by registered mail (return receipt requested). The Company must honor any request received by its registered office no later than six days before the date of the meeting.

The mail ballot must include certain information as stipulated by Articles R.225-76 et seq. of the *Code de Commerce* (French Commercial Code). It must clearly notify the shareholder that abstention from voting or failure to indicate voting instructions on any item shown on the form will be treated as a vote against the proposed resolution.

The form may be included in the same document as the proxy form, if applicable. In this event, the applicable provisions are those of Article R.225-78 of the *Code de Commerce* (French Commercial Code). The documents stipulated by the aforementioned Article R.225-76 must be attached to the mail ballot.

A mail ballot sent to the Company for a given General Meeting is also valid for any subsequent meetings convened to address the same agenda. Mail ballots must be received by the Company at least three days before the date of the meeting. If a proxy is returned with a mail ballot, the proxy is taken into consideration subject to the votes indicated in the mail ballot.

Meeting officers - Attendance sheet

The General Meeting is chaired by the Chairman of the Board of Directors or, in his absence, by the Vice Chairman, if one has been named, or by a director appointed by the board. If the meeting has been convened by the Statutory Auditors, by a court-appointed representative or by the receivers, one of their members chairs the meeting. The votes are counted by the two largest shareholders, either acting on their own behalf or as representatives, or, if they decline, by the next largest shareholders, and so on, until this responsibility is accepted. These officers appoint the secretary of the meeting, who need not be a member of the meeting. An attendance sheet containing all information required by law and regulation is drawn up at shareholders' meetings.
The meeting's officers may attach to the attendance sheet all proxy or mail ballots showing the last name, usual first name and address of each shareholder represented or casting a mail ballot, the number of shares that he or she owns, and the number of votes attached to those shares. In this case, the meeting's officers shall indicate the number of proxies and mail ballots attached to the attendance sheet, together with the number of shares and voting rights associated with such proxies and mail ballots. Proxies and mail ballots shall be submitted at the same time and under the same conditions as the attendance sheet. The accuracy of the attendance sheet, duly initialed by the shareholders in attendance and by shareholders' representatives, is certified by the meeting's officers. The responsibilities of the officers relate exclusively to the holding of the meeting and proper conduct thereof; their decisions are always provisional and remain subject to a vote by the meeting itself. Any interested party may initiate such a vote.

Agenda

The meeting's agenda is established by the Board of Directors or by the person who convenes the General Meeting.

However, under the conditions prescribed by law, one or more shareholders may request that certain draft resolutions not concerning the presentation of candidates for the Board of Directors be included on the agenda.

Minutes

The proceedings of general meetings are recorded in minutes that are entered in a special numbered and initialed register and signed by the meeting's officers. The minutes may be drawn up on sequentially numbered, initialed loose-leaf sheets.

Copies or extracts of the minutes to be provided for legal or other purposes are duly certified either by the Chairman of the Board of Directors or by a director serving as chief executive or by the meeting's secretary. Such copies or extracts are valid with respect to third parties provided that the signatures thereon are valid.

C - GENERAL INFORMATION ABOUT THE SHARE CAPITAL

C.1 - GENERAL PRESENTATION

Share capital

The share capital, which was initially 2,000,000 French francs, was subsequently altered by capital increases and by conversion into euros. Following these changes, the share capital has stood at €100,000,000 since 22 November 2000. It is divided into 1,000,000 fully paid shares of €100 each.

C.2 - CURRENT SHARE CAPITAL OWNERSHIP AND VOTING RIGHTS

Shareholders

At 31 December 2015, Renault S.A.S. owned all of the share capital (apart from six shares granted to Directors).

Changes in share capital ownership over the past three years

Following an amendment to the by-laws decided upon by the Extraordinary General Meeting of 30 September 2015, the number of shareholders was reduced to its minimum, i.e. to seven shareholders.

Individuals or legal entities that exercise or may exercise control over RCI Banque

Renault S.A.S. owns 99.99% of RCI Banque.

Organization – issuer's position within a group

The Renault Group consists of two separate and distinct branches:

- the automobile branch;
- the sales financing branch composed of the RCI Banque group. Through its status as a bank, its independent access to financial markets and its inclusion in Renault's marketing policy, RCI Banque offers a competitive range of automobile financing products and related services to Renault Group brand dealership networks worldwide and to Nissan brand dealership networks in Europe. The organization of the RCI Banque group is described on the back cover of this document.

C.3 - MARKETS FOR ISSUER'S SECURITIES

The Company's shares are not listed on any stock exchanges.

Securities listings

Publicly traded debt securities of the RCI Banque group are listed on the Luxembourg and Paris stock exchanges.

D - BOARD OF DIRECTORS EXECUTIVE BODIES

The Board of Directors met five times in 2015.

At this time:

- There are no conflicts of interest between the duties of members of the governing and executive bodies and their private interests with regard to the RCI Banque group;
- There are no service contracts binding any member of the Board of Directors to RCI Banque or any of its affiliates and providing for rewards to be granted at the end of the contract;
- Independently of the regulated agreements, there are no arrangements or agreements with principal shareholders, customers, suppliers or others under which any member of the Board of Directors has been selected.

Details concerning the composition of the Board of Directors are given in the chapter on Financial Security, paragraph III.1.1.1.1 "Composition of the Board of Directors".

E - COMPENSATION PAID TO OFFICERS

For 2015, compensation paid by the RCI Banque group to its main senior managers totaled €2,008,866, compared with €1,673,442 in 2014.

F - EMPLOYEE PROFIT SHARING SCHEME

In accordance with Articles L.442-1 et seq. of the Code du travail (French Labor Code), a profit-sharing agreement was signed on 2 June 2003. Profit-sharing is allocated to all group employees in proportion to the gross salary received by each eligible individual during the relevant year, up to the limits set by law. Each beneficiary may choose to allocate this amount:

- either to a current account in his or her name on the Company's books, or;
- to units in a unit trust.

The RCI Banque group does not have a stock option plan for its employees, officers and directors.

	2015	2014	2013	2012	2011
Profit-sharing (in €m)	7,5	7,5	7,5	7,3	7,2
Beneficiaries	1,447	1,393	1,407	1,399	1,418

G - FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

In thousands of euros	ERNST&YOUNG Statutory auditors network				KPMG Statutory auditors network				DELOITTE TOUCHE TOHMATSU Statutory auditors network				OTHERS Statutory auditors network			
	2015		2014		2015		2014		2015		2014		2015		2014	
	HT	%	HT	%	HT	%	HT	%	HT	%	HT	%	HT	%	HT	%
1- Audit fees																
Statutory auditing, certification, examination of single-company and consolidated financial statements	942	99	925	100	1,140	100	1,073	100	-	-	-	-	112	93	85	100
Other audit and audit-related engagements	8	1	-	-	-	-	-	-	-	-	-	-	8	7	-	-
Total audit fees	**950**	**100**	**925**	**100**	**1,140**	**100**	**1,073**	**100**	-	-	-	-	**120**	**100**	**85**	**100**
2- Other services																
Legal, tax and employment matters	-	-	-	-	-	-	66	56	-	-	-	-	-	-	7	18
Information systems	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (inventory checks, etc.)	-	-	-	-	-	-	51	44	-	-	-	-	-	-	31	82
Total fees for other services	-	-	-	-	-	-	**117**	**100**	-	-	-	-	-	-	**38**	**100**
GRAND TOTAL	**950**		**925**		**1,140**		**1,190**		-		-		**120**		**123**	

H - EXTERNAL AUDITORS

KPMG S.A

2 Avenue Gambetta Tour EQHO
92066 Paris La Défense CEDEX - France
Société Anonyme (limited company under French law) listed on the Nanterre Register of Companies under no. 775 726 417
Statutory Auditor
Member, Compagnie régionale de Versailles
Term of office: six years
Term expires: Accounting year 2019
Represented at 31 December 2015 by Mr. Valery Fousse.

ERNST & YOUNG AUDIT

Tour First - TSA 14444 - 1/2 Place des Saisons
92037 Paris La Défense CEDEX - France
S.A.S. *à capital variable* (variable capital simplified joint stock company under French law) listed on the Nanterre Register of Companies under no. 344 366 315
Statutory Auditor
Member, Compagnie régionale de Versailles
Term of office: six years
Term expires: Accounting year 2015
Represented at 31 December 2015 by Bernard Heller.

II - BACKGROUND

RCI Banque is the result of the merger on 1 January 1990 between:

- Diac, created in 1924 to finance sales of Renault vehicles in France;
- and Renault Credit International, established in 1974 to finance sales of Renault vehicles in Europe. Under the terms of the agreement of 27 March 1999 between Renault and Nissan, the RCI Banque group acquired Nissan's sales financing subsidiaries in five European countries.
- Those subsidiaries have been consolidated by RCI Banque since 1 July 1999. At 31 December 2002, all shares were held by Compagnie Financière Renault, which in turn was wholly owned by Renault S.A. Compagnie Financière Renault served as the umbrella for all Renault Group finance companies. From 20 June 2003, as a result of its merger with Renault S.A.S., Compagnie Financière Renault stopped being a director and shareholder of RCI Banque and since then, 99.9% of the share capital has been held by Renault S.A.S.

A - DEPENDENCE

RCI Banque provides financing to Renault Group and Nissan sales Dealers and Customers. RCI Banque is not subject to any patents, licenses, industrial supply contracts, commercial or financial sourcing agreements or agreements regarding new manufacturing processes.

B - INVESTMENT POLICY

Main investments and disposals over the last five financial years..

	Disposals – dissolutions – mergers	Acquisitions	Creations
2015	**Belgium:** Dissolution of RCI FINANCIAL SERVICES LUXEMBOURG, branch of RCI FINANCIAL SERVICES S.A		**France:** RCI MOBILITY S.A.S created **United Kingdom:** RCI BANK UK (branch) opened
2014	**France:** Merger by absorption of SOGESMA S.A.R.L by DIAC S.A		
2013	**France:** Fusion absorption de COGERA S.A par DIAC S.A **United Kingdom**: Dissolution of R.F.S and of RENAULT ACCEPTANCE LTD **Italy:** Dissolution of OVERLEASE S.R.L **Mexico:** Transfer to NISSAN of the 15% interest in NRFINANCE MEXICO S.A **Poland:** Merger by absorption of RCI BANK POLSKA by RCI Banque S.A **Turkey:** Transfer of 50% of RCI PAZARLAMA VE DANISMANLIK HIZMETLERI LTD SIRKETI which becomes ORF KIRALAMA PAZARLAMA DANISMANLIGI ANOMIM SIRKETI		**South Korea:** RCI INSURANCE SERVICE KOREA created **India:** NISSAN RENAULT SERVICES FINANCIAL SERVICES INDIA PRIVATE LIMITED created **Netherlands:** RNSF B.V. et BARN B.V HOLDINGS created under the partnership with NISSAN & UNICREDIT for the creation of RN BANK in RUSSIA. **Russia:** RN BANK created **Poland:** RCI Banque SPOLKA AKCYJNA ODDZIAL W POLSCE (branch) opened
2012		**France:** Buy-out by DIAC S.A. of the 5.19% interest in COGERA held by S.A. RENAULT S.A.S	
2011	**Austria:** Merger by absorption of RCI BANQUE GmbH **France:** Merger by absorption of SIGMA Services S.A. by DIAC LOCATION S.A.		**Austria:** RCI BANQUE S.A. NIEDERLASSUNG OSTERREICH (branch) opened **Hungary:** RCI SERVICES KFT (sales company) created **Italy:** ES MOBILITY S.R.L created Ireland: RCI BANQUE BRANCH IRELAND (branch) opened **Turkey:** ORFIN FINANSMAN ANONIM SIRKETI (financing subsidiary) created

III - STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL REPORT

I hereby declare that, to the best of my knowledge, the in- formation contained in this document is correct, and that all reasonable steps have been taken to that end. There are no omissions likely to alter the scope of this information, which is a fair and true reaction of the group's business development and results, and provides a description of the principal risks that the group may face.

I declare that the financial statements, prepared in accordance with applicable accounting standards, give a true and fair picture of the group's assets and liabilities, financial position, and profit or loss.

March 15, 2016

Chairman of the Board of directors

Dominique THORMANN

NOTES

NOTES

DOCUMENTS AVAILABLE TO THE PUBLIC

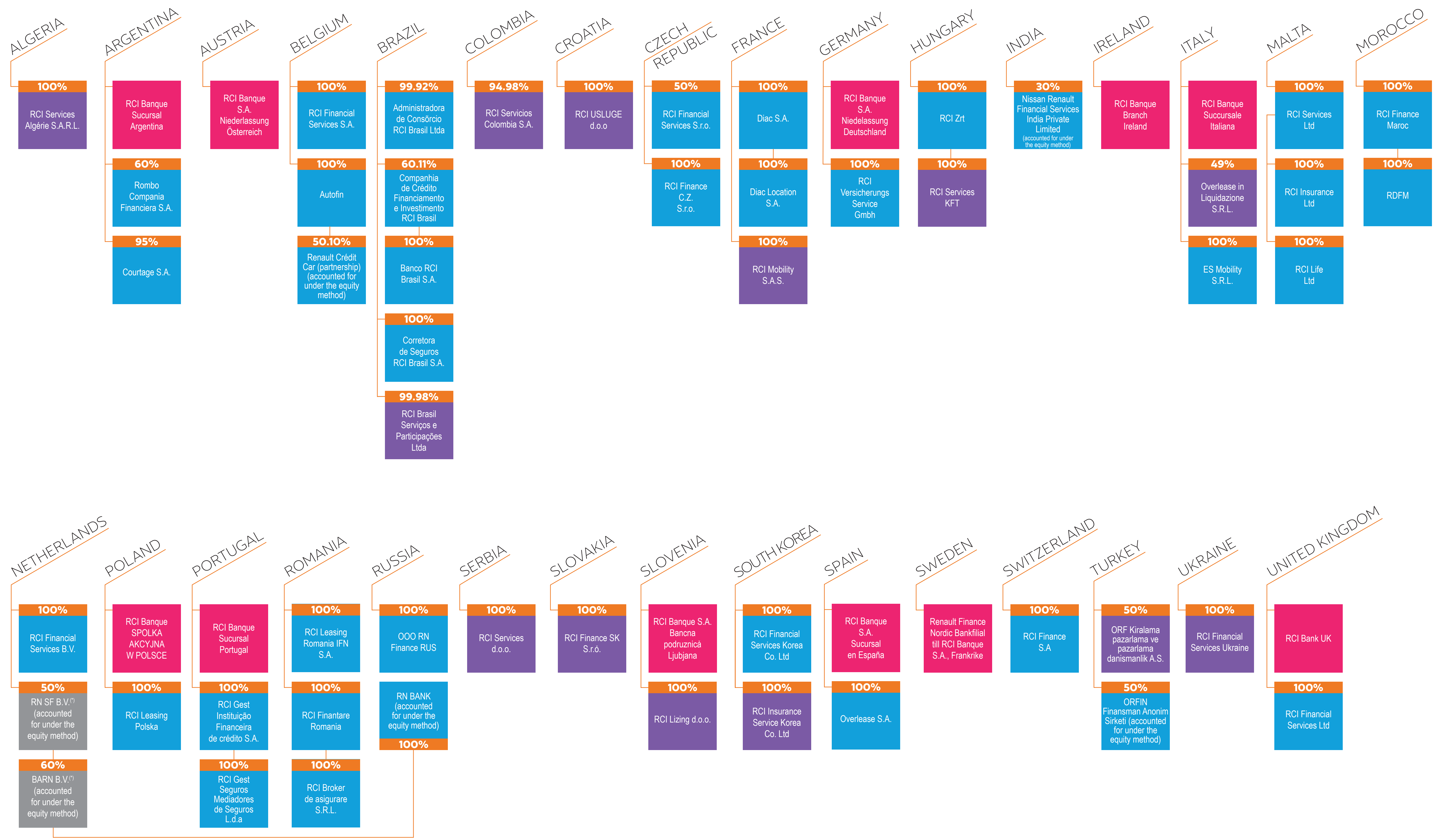
This document is available on the RCI Banque website www.rcibs.com.

Anyone wishing for further information about the RCI Banque group may, without obligation, request documents:

RCI Banque
Direction Financements et Trésorerie
API LPN 45
14, avenue du Pave Neuf
93168 Noisy-le-Grand CEDEX - France

ORGANIZATION CHART RCI BANQUE 2015

RENAULT S.A.S. 〉 100% **RCI BANQUE S.A.**



CHANGES IN 2015
France: Creation of RCI Mobility S.A.S.
India: Change from «non-consolidated» to «accounted for under the equity method»
Belgium: Closure of RCI Financial Services Luxembourg, a branch of RCI Financial Services S.A.
United Kingdom: Creation of RCI Bank UK
Slovenia: Creation of RCI Lizing d.o.o.

Subsidiary | Branch | Non-consolidated subsidiary

(*) Organization of the activity in Russia

BANK
AND
SERVICES

RCI Banque - S.A. with share capital of €100,000,000
Registered office: 14, avenue du Pavé Neuf – 93168 Noisy-le-Grand Cedex
Siren 306 523 358 RCS Bobigny
www.rcibs.com

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