RCI Banque
groupe RENAULT

BUSINESS REPORT

FIRST HALF 2015

RCI BANQUE OVERVIEW

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

AN INTERNATIONAL BASE

The RCI Banque group provides sales financing and associated services in 36 countries:

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

AN ORGANIZATION GEARED TOWARDS 3 CUSTOMER BASES

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

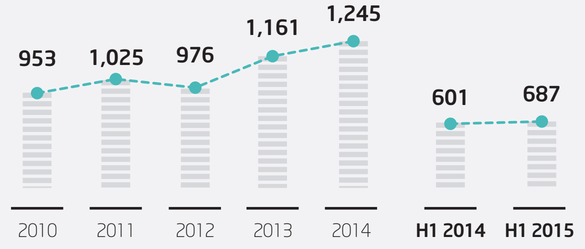
- **Retail Customers:** RCI Banque offers a wide range of loans, rental solutions and services for both new and used vehicles, to support retail customers and help them meet their varying mobility needs;
- **Corporate Customers (SMEs, multinationals):** RCI Banque has a set of appropriate and competitive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

The savings business

RCI Banque's savings business operates in 4 markets: France, Germany, Austria and now the United Kingdom. On 30 June 2015, deposits collected amounted to €7 billion, more than 25% of its average performing loans outstandings (APO).

Total number of vehicle contracts

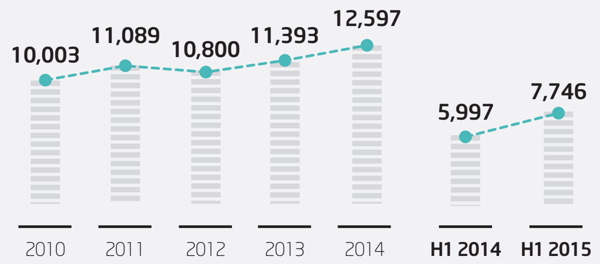
(in thousands)



New financings

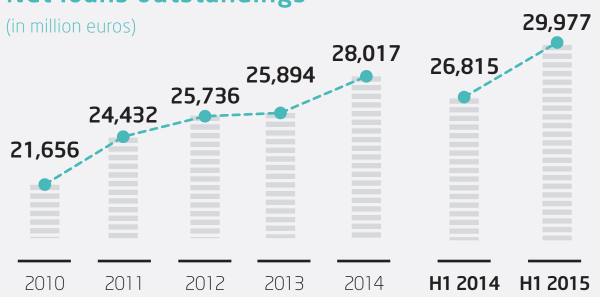
(excluding cards and personal loans)

(in million euros)



Net loans outstandings

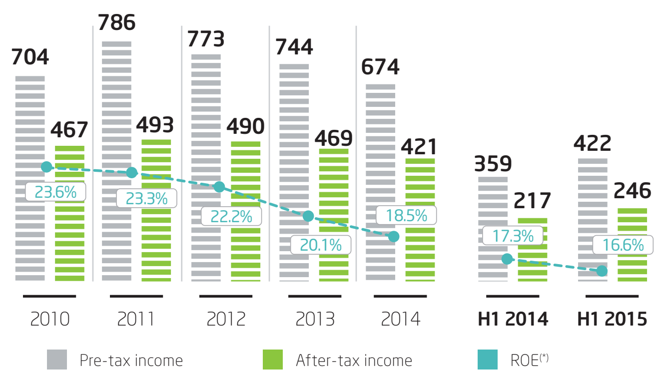
(in million euros)



Results

(parent company shareholders' share)

(in million euros)



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

BUSINESS ACTIVITY IN THE FIRST HALF OF 2015

RCI Banque continues to provide commercial support for all of the Alliance's brands, posting a 14.4% increase in new financing contracts over one year. The group steps up growth in Services with 1,360,000 contracts sold during the first six months of 2015.

The RCI Banque group is pushing ahead with its growth strategy, which is focused on improving its performance in new and used vehicle financing, on rolling out new services and on its international expansion.

With strong growth in new Alliance brand registrations in Europe making up for the fall seen on the main emerging markets (Russia, Argentina and Brazil), RCI Banque financed 686,872 new contracts.

RCI Banque's financing penetration rate improved by 3.1 points compared to end-June 2014, to 36.5%. This performance, achieved naturally in a growing automotive market, resulted in a 29.2% increase in total new financings compared to end-June 2014. Average performing loans outstandings now stand at 27.6 billion euros, up 11.1% compared to end-June 2014.

Services, a key area of strategic focus for the group, saw strong growth over the first half year. The number of contracts increased by 32.2% to 1.36 million units.

This area of business helps to promote customer satisfaction and loyalty to Alliance brands. It increases the profitability of RCI Banque's operations while at the same time being part of the company's efforts to diversify its range of products.

PC+LUV MARKET(*)		MARKET SHARE RENAULT GROUP BRANDS (%)	MARKET SHARE NISSAN GROUP BRANDS (%)	RCI BANQUE FINANCING PENETRATION RATE (%)	NEW VEHICLE CONTRACTS PROCESSED (Thousands)	NEW FINANCINGS EXCLUDING CARDS AND PL (€m)	NET LOANS OUTSTANDINGS AT HALF-YEAR-END (€m)	of which CUSTOMERS OUTSTANDINGS AT HALF-YEAR-END (€m)	of which DEALERS OUTSTANDINGS AT HALF-YEAR-END (€m)
Europe	**H1 2015**	**10.4%**	**3.8%**	**38.3%**	**533**	**6,509**	**25,809**	**18,865**	**6,944**
	H1 2014	10.4%	3.4%	33.4%	418	4,862	22,466	15,865	6,601
of which Germany	**H1 2015**	**5.0%**	**2.2%**	**43.9%**	**73**	**995**	**4,338**	**3,357**	**981**
	H1 2014	5.4%	2.1%	44.0%	70	929	3,911	2,895	1,016
of which Spain	**H1 2015**	**13.0%**	**5.2%**	**45.4%**	**58**	**604**	**2,507**	**1,876**	**631**
	H1 2014	12.2%	4.3%	39.0%	37	392	1,845	1,382	463
of which France	**H1 2015**	**26.9%**	**3.7%**	**37.6%**	**186**	**2,137**	**9,650**	**6,722**	**2,928**
	H1 2014	27.3%	3.6%	33.1%	155	1,816	9,465	6,427	3,038
of which Italy	**H1 2015**	**9.2%**	**3.8%**	**50.7%**	**66**	**832**	**2,763**	**2,252**	**511**
	H1 2014	8.5%	3.5%	44.5%	47	601	2,348	1,844	504
of which United Kingdom	**H1 2015**	**4.0%**	**5.8%**	**34.7%**	**69**	**1,158**	**3,745**	**2,997**	**748**
	H1 2014	3.8%	5.3%	26.4%	46	600	2,592	1,979	613
of which other countries	**H1 2015**	**10.0%**	**3.0%**	**29.0%**	**80**	**783**	**2,806**	**1,661**	**1,145**
	H1 2014	9.9%	2.6%	25.0%	63	525	2,306	1,339	967
Asia-Pacific (South Korea)	**H1 2015**	**4.4%**	**0.5%**	**52.2%**	**26**	**382**	**1,114**	**1,097**	**17**
	H1 2014	4.7%	0.4%	45.2%	22	271	961	951	10
Americas	**H1 2015**	**7.7%**	**1.9%**	**40.0%**	**68**	**578**	**2,650**	**2,046**	**604**
	H1 2014	8.4%	1.6%	40.1%	85	689	3,004	2,337	667
of which Argentina	**H1 2015**	**10.6%**	**-**	**23.7%**	**10**	**79**	**327**	**207**	**120**
	H1 2014	14.4%	-	18.5%	12	56	286	227	59
of which Brazil	**H1 2015**	**7.0%**	**2.4%**	**44.4%**	**59**	**499**	**2,323**	**1,839**	**484**
	H1 2014	7.0%	2.0%	48.1%	74	632	2,718	2,110	608
Africa, Middle-East, India(**)	**H1 2015**	**38.4%**	**-**	**33.5%**	**8**	**65**	**323**	**259**	**64**
	H1 2014	37.4%	-	32.2%	8	61	295	237	58
Eurasia	**H1 2015**	**11.6%**	**5.8%**	**22.2%**	**52**	**213**	**81**	**76**	**5**
	H1 2014	10.5%	5.6%	26.2%	68	115	90	86	4
TOTAL	**H1 2015**	**9.9%**	**3.5%**	**36.5%**	**687**	**7,746**	**29,977**	**22,343**	**7,634**
	H1 2014	9.8%	3.2%	33.4%	601	5,997	26,815	19,475	7,340

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.

(*) Figures refer to passenger car and light utility vehicle market.
(**) Without India.

In the Europe, Asia-Pacific and Africa-Middle-East-India Regions, RCI Banque improved its financing penetration rates over the first six months of 2015.

The Americas Region, which was weakened by a significant downturn in the automotive market, maintained a high performance level, achieving a 40.0% financing penetration rate (on a par with June 2014).

In the Eurasia Region, RCI Banque had to deal with a very mixed environment. The Russian automotive market plummeted, reeling under the impact of rising interest rates. Against this backdrop, the penetration rate shrank at the start of the year before returning to a pre-crisis level at end-June. All in all, the rate was on average 19.5% over the half-year. In Turkey, RCI Banque enjoyed the benefit of an upturn in the automotive market, increasing its penetration rate by 7.8 points compared to 2014, to 28.0%. Thus, the Eurasia Region posted an overall financing penetration rate of 22.2%, down 4.0 points compared to the first half-year 2014.

CONSOLIDATED FINANCIAL HIGHLIGHTS

Amid a mixed economic environment, with a return to growth in Europe and an economic slowdown in emerging markets, RCI Banque records a 17.5% increase in pre-tax income to €422 million.

EARNINGS

Net banking income (NBI) increased by 6.6% to €674 million, or 4.93% of average performing loans outstandings (APO). This increase is due to both the increase in outstandings (up 11.1% compared to the first half-year 2014) and the growing contribution made by services, which account for 29.3% of NBI (against 27.0% for the first half-year 2014).

The total cost of risk (including country risk) improved to 0.31% of average performing loans outstandings, against 0.47% at end-June 2014.

Operating expenses amounted to 1.54% of APO, showing a 4-basis-point fall. The stability of the ratio shows RCI Banque's ability to control its costs while continuing to roll out its ambitious strategic plan.

Pre-tax income came to €422 million at end-June 2015, a 17.5% increase reflecting the reduced cost of risk and the increase in net banking income.

Consolidated net income – parent company shareholders' share – came to €246 million, compared to €217 million for the first half-year 2014.

BALANCE SHEET

Good commercial performances, particularly in Europe, drove a record increase in net financing outstandings to €30.0 billion, compared to €26.8 billion at end-June 2014.

At the same time, APO also grew, to €27.6 billion compared to €24.8 billion for the first half-year 2014.

Consolidated equity amounted to €3,313 million against €2,947 million at end-June 2014.

Deposits from retail customers in France, Germany, Austria and the United Kingdom (launched in June 2015) as well reached a total of €7.0 billion at end-June 2015 compared to €5.1 billion at end-June 2014, representing more than 25% of APO.

PROFITABILITY

ROE* slipped to 16.6% from 17.3% at end-June 2014, affected mainly by the increase in consolidated average shareholders' equity over the period.

SOLVENCY

At 30 June 2015, the Core Tier One solvency ratio calculated according to Basel III standards came to 11.3%, versus 11.7% at end-June 2014. Excluding requirements under the floor level provisions, it was at 14.8%.

CONSOLIDATED INCOME STATEMENT (in million euros)	06/2015	06/2014	12/2014	12/2013
Net banking income	**674**	632	1,210	1,221
General operating expenses (*)	**(212)**	(211)	(422)	(382)
Cost of risk	**(42)**	(58)	(109)	(102)
Share in net income (loss) of associates and joint ventures	**2**	(4)	(5)	7
Consolidated pre-tax income	**422**	359	674	744
CONSOLIDATED NET INCOME (parent company shareholders' share)	**246**	217	421	469

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

CONSOLIDATED BALANCE SHEET (in million euros)	06/2015	06/2014	12/2014	12/2013
Net total outstandings of which	**29,977**	26,815	28,017	25,894
• *Retail customer loans*	***15,680***	*13,105*	*14,068*	*12,094*
• *Finance lease transactions*	***6,663***	*6,370*	*6,072*	*6,224*
• *Dealer loans*	***7,634***	*7,340*	*7,877*	*7,576*
Operational lease transactions net of depreciation and impairment	**449**	219	309	195
Other assets	**4,030**	3,076	3,693	3,416
Shareholders' equity (including net income for the year) of which	**3,325**	3,208	3,422	3,184
• *Equity*	***3,313***	*2,947*	*3,161*	*2,923*
• *Subordinated debt*	***12***	*261*	*261*	*261*
Bonds	**13,716**	12,017	12,039	11,755
Negotiable debt securities (CD, CP, BT, BMTN)	**1,213**	877	952	802
Securitization	**3,438**	3,311	3,636	3,605
Customer savings accounts - ordinary accounts	**5,105**	4,001	5,102	3,549
Customer term deposit accounts	**1,921**	1,132	1,432	784
Banks and other lenders (including Schuldschein)	**3,706**	3,731	3,430	4,030
Other liabilities	**2,032**	1,833	2,006	1,796
TOTAL BALANCE SHEET	**34,456**	30,110	32,019	29,505

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

FINANCIAL POLICY

A new and historic shift in the European Central Bank's monetary policy was seen on 22 January 2015, when it announced the launch of a Quantitative Easing program (QE) under which the combined monthly purchase of public and private sector securities between March 2015 and September 2016 will amount to €60 billion.

Quantitative easing measures, which were implemented several years ago by the Bank of Japan, the Federal Reserve and the Bank of England, are aimed at bringing inflation up to the ECB's target of 2%. After Mario Draghi's speech in July 2012, in which he said that the ECB was ready to do «whatever it takes», this new step confirms the change of course towards a more interventionist monetary policy.

With this decision in place, the downward movement in interest rates continued until April, when more than 40% of debt issued by European governments showed negative yields. Then, a technical correction, the effects of which were heightened by concerns about a possible Greek exit from the eurozone caused the markets to turn. Medium-term and long-term swap rates shot up in May and June to levels close to those seen in the summer of 2014.

Bond spreads saw similar movements to those of interest rates, tightening during the first four months of 2015 and then widening substantially in May and June back to similar levels to those in June 2014.

RCI Banque made three bond issues in public format during the first half year. The first, a 5-year bond for a total amount of €500 million, posted a 0.625% coupon rate, the lowest ever paid by the group in euros. 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 7-year fixed-rate bond, a maturity first used in 2014, under a €750-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.

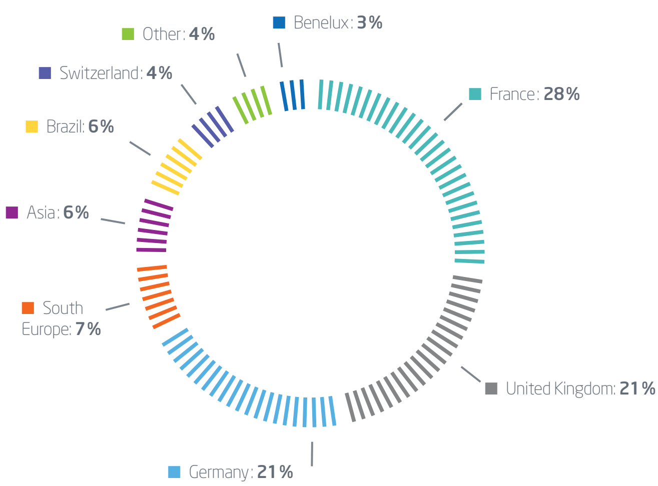
A private securitization transaction backed by auto loans for GBP600 million was also put in place by the UK subsidiary, to replace a transaction dating back to 2009.

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

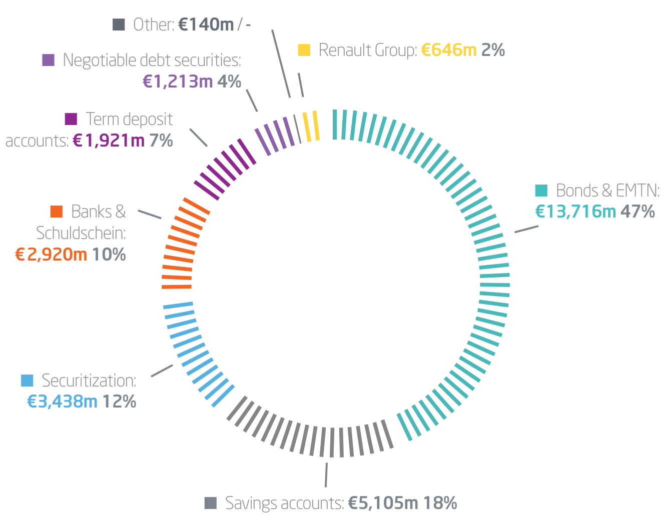
Outside Europe, the group's entities in Brazil and South Korea also borrowed on their respective domestic bond markets. The Brazilian subsidiary also launched its first auto loan-backed securitization transaction for BRL466 million.

The retail savings business launched in France in 2012 and then in Germany followed by Austria, moved into a fourth market in June, when operations started up in the UK.

Geographical breakdown of new resources with a maturity of one year or more (deposits excluded) as at 30/06/2015

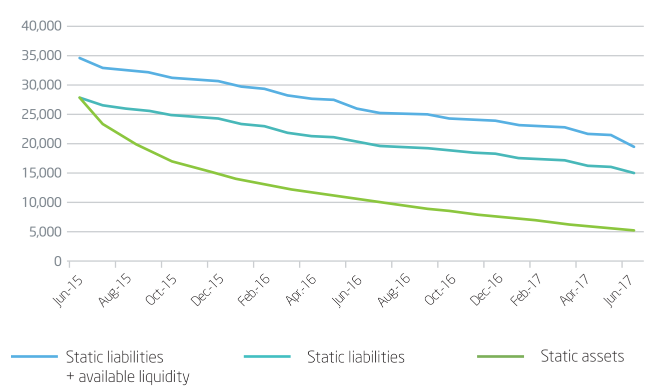


Structure of total debt as at 30/06/2015



RCI Banque group liquidity position(*)

(in million euros)



(*) Scope: Europe

FINANCIAL POLICY

At end-June, retail deposits totaled €7 billion (of which €5.1 billion in sight deposits and €1.9 billion in term deposits), showing an increase of 8% compared to 31 December 2014.

Theses resources, to which should be added, based on the European scope, €4.1 billion of undrawn committed credit lines, €1.8 billion of assets eligible as collateral in European Central Bank (ECB) monetary policy operations, €841 million of high quality liquid assets (HQLA), and €100 million of available cash, secure the continuity of RCI Banque's commercial business activity for more than 11 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:

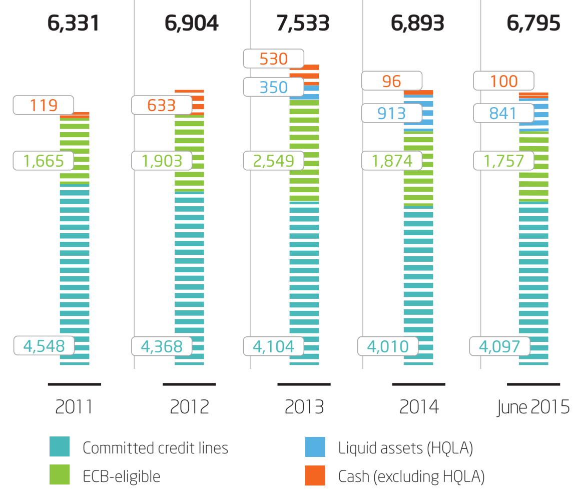
- RCI Banque's aggregate sensitivity to interest rate risk remained below the limit set by the group (€35 million up to June 7th 2015, €40 million since that date).
- At 30 June 2015, a 100-basis-point rise in rates would have an impact of:

+€8.2 million in EUR, -€0.6 million in BRL +€0.1 million in CHF,
+€1.3 million in GBP, +€0.1 million in KRW, +€0.7 million in MAD,
+€0.1 million in USD.

- The absolute sensitivity values in each currency totaled €11.7 million.
- The RCI Banque group's consolidated foreign exchange position totaled €7.6 million.

RCI Banque's available liquidity(*)

(in million euros)



(*) Scope: Europe

RCI BANQUE GROUP'S PROGRAMS AND ISSUANCES

The group's issuances are concentrated on six issuers: RCI Banque, DIAC, Rombo Compania Financiera (Argentina), RCI Financial Services Korea (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	Euro CP Program	Euro	€2,000m	A-2 (negative outlook)	P2 (stable outlook)	R&I: a-2
RCI Banque	Euro MTN Program	Euro	€12,000m	BBB (negative outlook)	Baa1 (stable outlook)	R&I : BBB+
RCI Banque	CD Program	French	€4,500m	A-2 (negative outlook)	P2 (stable outlook)	
RCI Banque	BMTN Program	French	€2,000m	BBB (negative outlook)	Baa1 (stable outlook)	
Diac	CD Program	French	€1,000m	A-2 (negative outlook)		
Diac	BMTN Program	French	€1,500m	BBB (negative outlook)		
Rombo Compania Financiera S.A.	Bond Program*	Argentinian	ARS 1,000m		Aa2.ar	Fix Scr : AA (negative outlook)
RCI Financial Services Korea Co Ltd	Bonds*	South Korean	KRW 1,105bn			KR, KIS, NICE : A+
CFI RCI do Brasil	Bonds*	Brazilian	BRL 3,141m		Aa1	
RCI Finance Maroc	BSF Program	Morrocan	MAD 1,000m			

(*) Local ratings.

RCI Banque
groupe RENAULT