RCI BANK AND SERVICES

BUSINESS REPORT

FIRST HALF 2016

RCI BANK AND SERVICES OVERVIEW

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

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

A new identity for a new ambition

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

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

RCI Bank and Services offers **Retail Customers** a range of products and services relevant to their projects and requirements, and helps them to acquire, maintain, insure and guarantee an Alliance brand vehicle. Whatever the size of their vehicle fleet, RCI Bank and Services has a wide range of mobility solutions for **Corporate Customers**, which relieve the pressure of vehicle fleet management and leave them free to focus on their core business.

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

The Savings business: a huge success

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

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

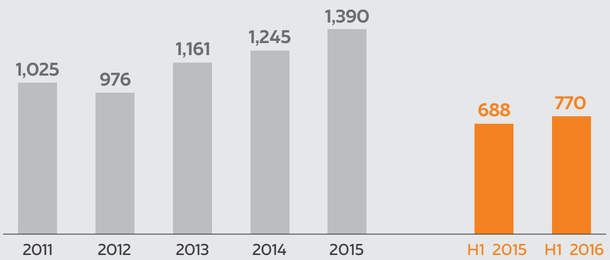
Deposits collected exceeded €11.8 billion, or 34.1% of outstandings at end-June 2016.

Almost 3,000 employees over 4 continents

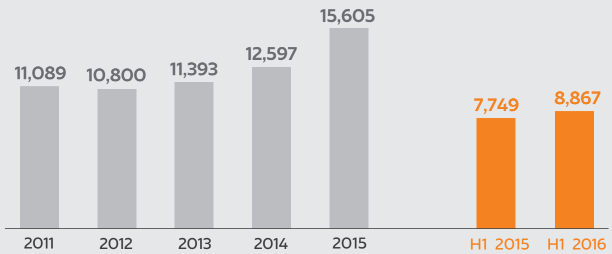
Our employees operate commercially in 36 countries, divided into 5 major world regions: Europe; Americas; Africa-Middle East-India; Eurasia; Asia-Pacific.

* At the beginning of 2016, RCI Banque adopted a new business identity by becoming RCI Bank and Services. Its corporate name, however, remains unchanged and is still RCI Banque SA.

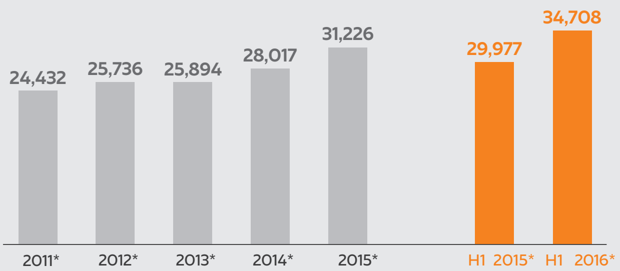
Total number of vehicle contracts
(in thousands)



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

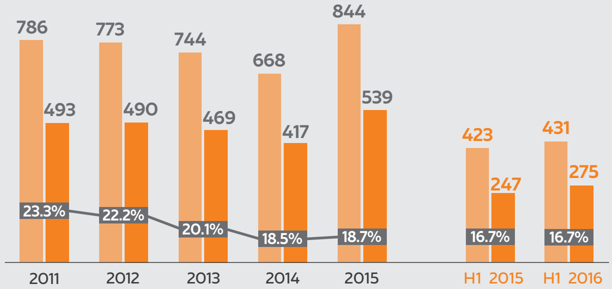


Net outstandings
(in million euros)



*Excluding operational lease

Results
(in million euros)



Pre-tax income
After-tax income (parent company shareholder's share)
Return On Equity (ROE)*
* Excluding non-recurring items

BUSINESS ACTIVITY IN THE FIRST HALF OF 2016

With a record 770,305 contracts financed at end-June 2016, a 12.0% increase on the first half of 2015, RCI Banque confirms its profitable growth momentum and strengthens its strategy for supporting Alliance brand sales.

This healthy performance was driven both by growth in the automotive market, particularly in Europe where the rise in sales of new vehicles made up for the fall recorded in Brazil and in Russia, and by the increasing market shares held by the Alliance brands. The group's penetration rate was up 0.9 point compared to end-June 2015, at 36.5%. Excluding Turkey, Russia and India (companies accounted for under the equity method), it was 39.3%, against 38.5% in June 2015.

New financings (excluding cards and personal loans) increased for all Alliance brands to a volume of €8.9 billion, up 14.4% over one year.

Average performing assets (APA*) grew 14.4% compared to end-June 2015, to €31.9 billion. Of this amount, €24.0 billion are directly attributable to the Retail Customer business, which posted a 14.2% rise.

The Services business, a pillar of the RCI Banque group's strategy, helps to promote customer satisfaction and increase loyalty to Alliance brands. Its development is based on two main lines of action: profitable diversification of the range of products and international expansion. This business line continued to grow over the first half of 2016, posting a 21.7% leap in the volume of new contracts to near 1.7 million units (of which more than 60% in vehicle-related services).

On the geographical front, RCI Banque reaped the benefits of both a buoyant automotive market, particularly in Europe, and the good sales momentum enjoyed by the Alliance brands, which was fuelled by the success of their new models.

In the Europe Region, the number of new vehicle financing contracts increased by 13.6% compared to end-June 2015. The financing penetration rate for the Region improved 1.2 points compared to the first six months of 2015, to 39.5%.

In the Asia-Pacific region, more than one in two new vehicles sold by Renault Samsung Motors was financed by RCI Banque, which enjoyed the benefit of the manufacturer's healthy sales performance. The financing penetration rate was 51.1%, showing a slight 1.1-point drop.

The Americas Region was affected by the slump in the Brazilian automotive market, which was down 25.1% compared to the first half-year 2015. The financing penetration rate for the Region as a whole was sustained by the business performance in Argentina, and held at a high 37.8% (a 2.2-point fall compared to June 2015).

The Africa-Middle East-India region posted a penetration rate of 17.0%, showing a 3.7-point improvement on June 2015. In India, the rollout of the Financing business in 2015 drove a 9.6-point increase in the penetration rate to 11.7%, compared to June 2015.

In the Eurasia Region, the number of financing contracts rose 0.8% by comparison with the first half-year 2015. The penetration rate saw a 2.2-point increase to 24.4%. In Russia, where automotive sales are declining, the penetration rate improved by 5.1 points, returning to its pre-crisis level of 24.7%. In Turkey, where the automotive market is showing growth, the penetration rate was down 4 points to 24.0%.

* Average performing assets : average performing outstandings, including operational lease assets.

PC+LUV market*		Financing penetration rate (%)	New vehicle contracts processed (thousands)	New financings excluding cards and PL (€m)	Net outstandings at end (€m)	Of which customer outstandings at end (€m)	Of which dealer outstandings at end (€m)
Europe	**H1 2016**	**39.5%**	**610**	**7,734**	**30,856**	**22,440**	**8,416**
	H1 2015	38.3%	533	6,509	25,809	18,865	6,944
of which Germany	**H1 2016**	**39.2%**	**75**	**1,061**	**5,297**	**3,973**	**1,324**
	H1 2015	43.9%	73	995	4,338	3,357	981
of which Spain	**H1 2016**	**49.3%**	**67**	**770**	**3,199**	**2,397**	**802**
	H1 2015	45.4%	58	604	2,507	1,876	631
of which France	**H1 2016**	**38.6%**	**209**	**2,593**	**10,889**	**7,751**	**3,138**
	H1 2015	37.6%	186	2,137	9,650	6,722	2,928
of which Italy	**H1 2016**	**56.2%**	**90**	**1,155**	**3,639**	**2,966**	**673**
	H1 2015	50.7%	66	832	2,763	2,252	511
of which United Kingdom	**H1 2016**	**34.7%**	**77**	**1,189**	**4,238**	**3,258**	**980**
	H1 2015	34.7%	69	1,158	3,745	2,997	748
of other countries	**H1 2016**	**29.8%**	**92**	**966**	**3,594**	**2,095**	**1,499**
	H1 2015	29.0%	80	783	2,806	1,661	1,145
Asia-Pacific (South Korea)	**H1 2016**	**51.1%**	**30**	**401**	**1,211**	**1,193**	**18**
	H1 2015	52.2%	26	382	1,114	1,097	17
Americas	**H1 2016**	**37.8%**	**59**	**435**	**2,184**	**1,789**	**395**
	H1 2015	40.0%	68	578	2,650	2,046	604
of which Argentina	**H1 2016**	**26.3%**	**13**	**90**	**305**	**188**	**117**
	H1 2015	23.7%	10	79	327	207	120
of which Brazil	**H1 2016**	**42.6%**	**46**	**345**	**1,879**	**1,601**	**278**
	H1 2015	44.4%	59	499	2,323	1,839	484
Africa-Middle East-India	**H1 2016**	**17.0%**	**19**	**100**	**355**	**291**	**64**
	H1 2015	13.3%	9	68	323	259	64
Eurasia	**H1 2016**	**24.4%**	**52**	**198**	**102**	**96**	**6**
	H1 2015	22.2%	52	213	81	76	5
Total	**H1 2016**	**36.5%**	**770**	**8,867**	**34,708**	**25,809**	**8,899**
	H1 2015	35.6%	688	7,749	29,977	22,343	7,634

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

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

CONSOLIDATED FINANCIAL HIGHLIGHTS

In a mixed economic environment, with growth in Europe, a slowdown in emerging markets and adverse changes in exchange rates, RCI Banque records pre-tax income of €431 million.

Earnings

Net banking income (NBI) rose by 3.4% compared to end-June 2015, coming to €698 million. This increase is due to the growth in average performing assets (APA) to €31.9 billion (up 14.4% on the first half-year 2015) and to a 2.3% higher margin on services. The contribution made by services now accounts for almost one third of NBI.

Operating expenses amounted to €224 million, or 1.41% of APA, showing a fall of almost 11 basis points over the first six months of 2016. With an operating ratio of 32.0%, RCI Banque demonstrated its ability to control its costs while continuing to support strategic plans and the growth of its business.

The total cost of risk (including country risk) stayed well under control at 0.30% of APA, against 0.31% at end-June 2015. The cost of risk on Customer financing improved significantly, from 0.38% to 0.31% of APA at end-June 2016. The cost of risk on Dealer financing came to 0.23% of APA over the first six months of 2016, against -0.01% at end-June 2015.

Pre-tax income came to €431 million at end-June 2016, showing a 1.9% increase that continues to reflect the high level of performance achieved by the group despite an adverse exchange rate effect of -€27 million mainly concentrated on the Americas Region.

Consolidated net income –parent company shareholders' share – came to €275 million, against €247 million in the first half-year 2015.

Balance sheet

Good commercial performances, particularly in Europe, drove a record increase in net financing outstandings to €34.7 billion, against €30.0 billion at end-June 2015.

Consolidated equity amounted to €3,735 million, against €3,304 million at end-June 2015.

Deposits from retail customers in France, Germany, Austria and the United Kingdom (savings accounts and term deposits) reached a total of €11.8 billion at end-June 2016, against €7 billion at end-June 2015, representing 34.1% of outstandings at the end-June 2016.

Profitability

ROE* was 16.7%, stable compared to end-June 2015.

Solvency

The Core Tier One solvency ratio** came to 15.1% at end-June 2016, against 14.3% at end-June 2015. The calculation at the end-June 2015 includes an adjustment of the methodology on the capital requirement for operational risk. Excluding the impact of this adjustment, the ratio was 14.8 % at end-June 2015.

** ROE: Return On Equity (excluding non-recurring items)*
*** Ratio including interim profits for the first half-year 2016, subject to regulator's approval in accordance with Article 26(2) of Regulation (EU) No 575/2013.*

Consolidated income statement* (in million euros)	**06/2016**	**06/2015**	**12/2015**	**12/2014**
Net banking income	**698**	675	1,362	1,204
General operating expense[1]	**(224)**	(212)	(429)	(422)
Cost of risk	**(47)**	(42)	(93)	(109)
Share in net income (loss) of associates and joint ventures	**4**	2	4	(5)
Consolidated pre-tax income	**431**	423	844	668
Consolidated net income (parent company shareholders' share)	**275**	247	539	417

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

Consolidated balance sheet* (in million euros)	**06/2016**	**06/2015**	**12/2015**	**12/2014**
Net total outstandings of which	**34,708**	29,977	31,226	28,017
• Retail customer loans	*17,834*	*15,680*	*16,316*	*14,068*
• Financial Lease rentals	*7,975*	*6,663*	*6,870*	*6,072*
• Dealer loans	*8,899*	*7,634*	*8,040*	*7,877*
Operational lease transactions net of depreciation and impairment	**652**	449	558	309
Other assets	**4,618**	4,034	5,289	3,697
Shareholders' equity of which	**3,747**	3,316	3,507	3,412
• Equity (total)	*3,735*	*3,304*	*3,495*	*3,151*
• Subordinated debts	*12*	*12*	*12*	*261*
Bonds	**13,236**	13,716	13,096	12,039
Negotiable debt securities (CD, CP, BT, BMTN)	**1,557**	1,213	1,662	952
Securitization	**3,240**	3,438	2,776	3,636
Customer savings accounts - ordinary accounts	**8,263**	5,105	7,330	5,102
Customer term deposit accounts	**3,558**	1,921	2,901	1,432
Banks, central banks and other lenders (including Schuldschein)	**4,094**	3,706	3,636	3,430
Other liabilities	**2,283**	2,045	2,165	2,020
TOTAL BALANCE SHEET	**39,978**	34,460	37,073	32,023

(*) December 2014 and June 2015 consolidated financial statements have been restated following a correction pertaining to the spread of insurance commissions at RCI Banque SA Sucursal en España.

FINANCIAL POLICY

During the first six months of 2016, the ECB (European Central Bank) continued with its expansionary monetary policy, while the Fed (Federal Reserve) temporarily suspended the rate tightening cycle it had initiated in December 2015. Despite good growth and employment figures in the United States, the Fed decided to wait before taking any further action on account of the very accommodating monetary policies implemented by the ECB and Bank of Japan, and in light of the uncertain international environment (growth in emerging countries and the referendum on the United Kingdom's exit from the European Union).

In March 2016, the ECB unveiled a new series of monetary policy measures to boost Europe's economic recovery and raise inflation. Key rates were cut to record lows, with the lowest among them down to -0.40%, and a further round of long-term liquidity injections in the shape of TLTROs (Targeted Longer Term Refinancing Operations) was introduced. The ECB also launched the Corporate Sector Purchase Program (CSPP) under which it started buying corporate bonds issued by European companies.

In the last days of June, the vote by the British people to take the United Kingdom out of European Union created huge volatility in the markets.

Spreads on the bonds issued by RCI Banque saw mixed fortunes in the first half-year. After widening suddenly in early January when investors' attention was focused on pollutant emissions in the automotive sector, they entered into a phase of narrowing and this process accelerated when the ECB announced its private bond purchase program. Their levels at the end of the first six months of 2016 were similar to those at the end of the first half-year 2015, nearing record lows.

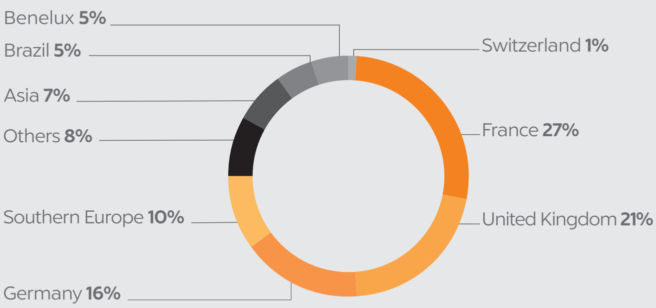
During the first half-year, RCI Banque made three bond issues in public format. The first, a three-year bond for a total amount of €500 million, posted a floating rate coupon. The following transaction, for a total amount of €600 million, was the group's third seven-year issue and confirmed its access to long maturities. The final transaction was a €750 million bond with a maturity of three years and one month, and a 0.375% coupon rate, the lowest ever paid by the group in euros. At the same time, a two-year private placement was also made, for a total of €300 million.

RCI Banque also carried out a public securitization transaction backed by German auto loans, of which €500 million were placed with investors. This transaction replaced one dating back to 2013 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.

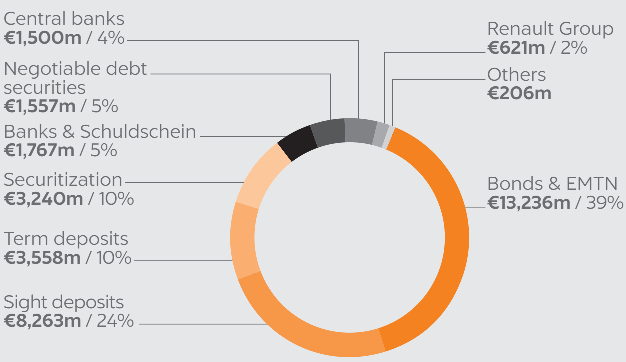
Outside Europe, the group's entities in Brazil, South Korea, Morocco and Argentina also tapped their domestic bond markets.

Geographical breakdown of new resources with a maturity of one year or more (excluding deposits and TLTRO) as at 30/06/2016



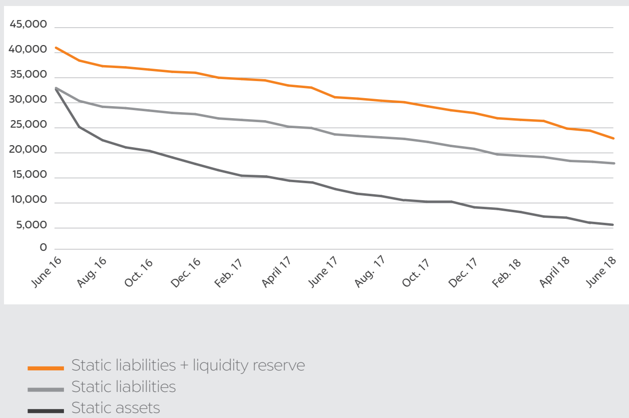
Structure of total debt

as at 30/06/2016



Static liquidity position*

(in million euros)



* Scope: Europe

FINANCIAL POLICY

Retail customer deposits increased €4.8 billion to €11.8 billion at 30 June, representing 34.1% of outstandings, in line with the company's goal of collecting retail deposits equivalent to approximately one third of the financing granted to its customers.

These resources, to which should be added, based on the European scope, €4.1 billion of undrawn committed credit lines, €2.6 billion of assets eligible as collateral in ECB monetary policy operations, €1.1 billion of high quality liquid assets (HQLA), and €0.3 billion of short term financial assets, enable RCI Banque to maintain the financing granted to its customers for more than 11 months without access to external sources of liquidity.

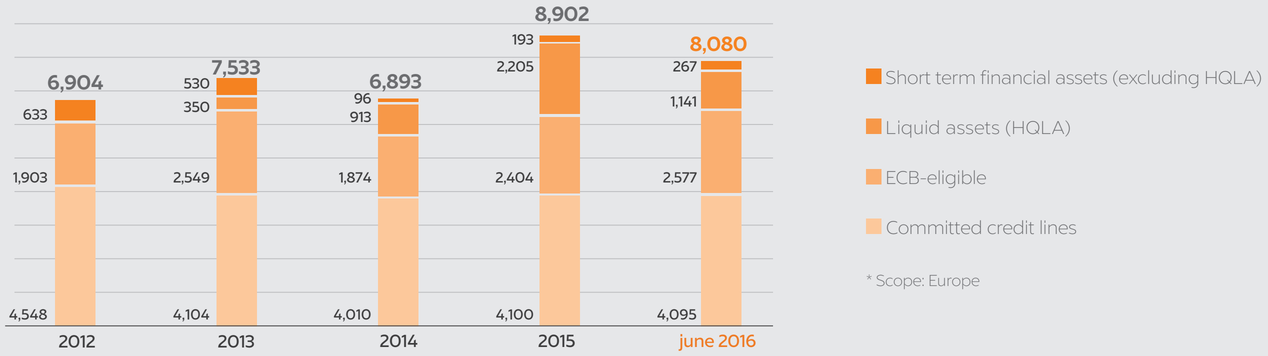
In a complex and volatile environment, the conservative financial policy implemented by the group for a number of years proved especially justified. This policy protects the commercial margin of each entity while securing the refinancing required for its business activities. It is defined and implemented 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 overall sensitivity to the interest rate risk remained below the €40 million limit set by the group.
- At 30 June 2016, a 100-basis point rise in rates would have an impact of:

  +€12.0 million in EUR,
  -€0.5 million in BRL,
  +€0.7 million in CHF,
  -€0.7 million in GBP,
  -€0.6 million in KRW,
  +€1.0 million in MAD,
  -€0.02 million in PLN,
  +€0.1 million in USD.
- The absolute sensitivity values in each currency totaled €16.2 million.
- The RCI Banque group's consolidated foreign exchange position totaled €11.7 million.

Liquidity reserve*
(in million euros)



RCI Banque group's programs and issuances

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

Issuer	Instrument	Market	Amount	S & P	Moody's	Others
RCI Banque SA	Euro CP Program	Euro	€2,000m	**A-2** (stable outlook)	**P2** (stable outlook)	**R&I: A-2** (stable outlook))
RCI Banque SA	Euro MTN Program	Euro	€14,000m	**BBB** (stable outlook)	**Baa1** (stable outlook)	**R&I: BBB+** (stable outlook)
RCI Banque SA	EU CP* Program	French	€4,500m	**A-2** (stable outlook)	**P2** (stable outlook)	
RCI Banque SA	NEU MTN** Program	French	€2,000m	**BBB** (stable outlook)	**Baa1** (stable outlook)	
Diac S.A.	NEU CP* Program	French	€1,000m	**A-2** (stable outlook)		
Diac S.A.	NEU MTN** Program	French	€1,500m	**BBB** (stable outlook)		
Rombo Compania Financiera SA	Bond Program***	Argentinian	ARS1,400m		**Aa2.ar** (stable outlook)	Fix Scr: **AA** (stable outlook)
RCI Financial Services Korea Co Ltd	Bonds***	South Korean	KRW1,120bn			KR, KIS, NICE: **A+**
CFI RCI do Brasil	Bonds***	Brazilian	BRL3,695m		**Aaa.br**	
RCI Finance Maroc	BSF Program	Moroccan	MAD1,000m			

* Negotiable European Commercial Paper' (NEU CP), new name for Certificates of Deposit
** Negotiable European Medium-Term Note' (NEU MTN), new name for Negotiable Medium-Term Notes
*** Local rating

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