

Investor Presentation

2011

RCI Banque

groupe **RENAULT**

March 2011 Update



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- Business Model
- RCI Banque activity and results
- Financial policy



100% owned by Renault, RCI Banque is an autonomous Business Unit specialized in car financing and related services

- ◆ French Bank under supervision of French “*Autorité de Contrôle Prudentiel (ACP)*” with all implications on governance (underwriting, lending limits, liquidity, internal control, reporting, ...)
- ◆ 2 main targets:
 - ROE > 12 %
 - Integration in the marketing of Renault/Nissan Alliance’s brands
- ◆ 2 markets:
 - Customer (Retail and Corporate)
 - Dealer
- ◆ 85% of assets in western European countries
- ◆ “Stand alone” rating (two notches higher than Renault SA):
 - Moody’s : C- / Baa2 (positive outlook) / P2
 - S&P : BBB / A2
- ◆ Independent risk management and very limited financial exposure to the Renault group.



A simple management of profitability

◆ Customer financing (1.8 to 2 years WAL)

- Pricing is based on “cost + margin” approach to achieve ROE/ROA target ;
- Variation of liquidity cost is transferred to the customer ;
- Diversified sources of funds enable to mitigate bond market costs ;
- Promotional Campaign : the difference between the pricing target and the customer’s rate is subsidized and paid up-front by the Car-makers ;

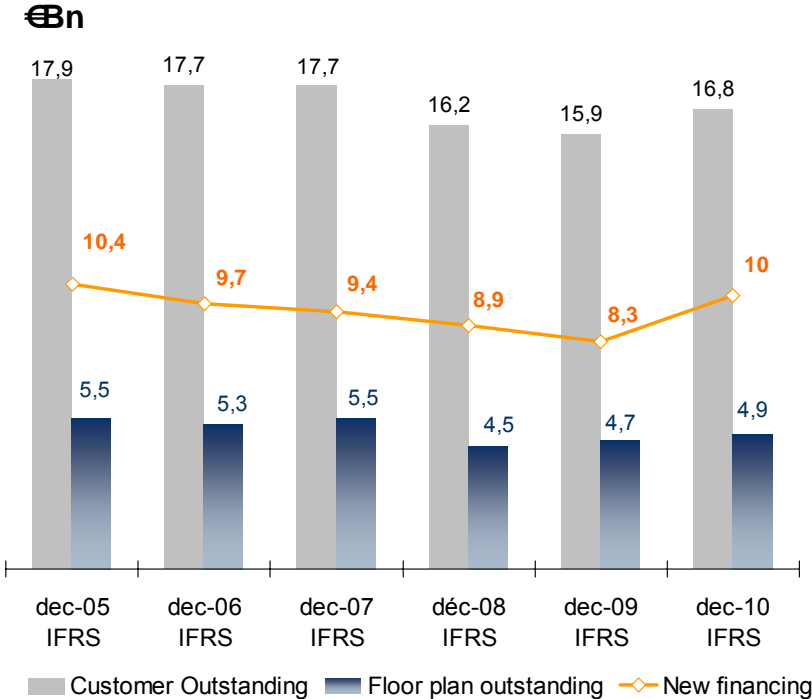
◆ Dealer Financing

- Pricing of dealer financing shifted from “Euribor 3 month + margin” to “internal base rate”, including liquidity costs and updated each month.

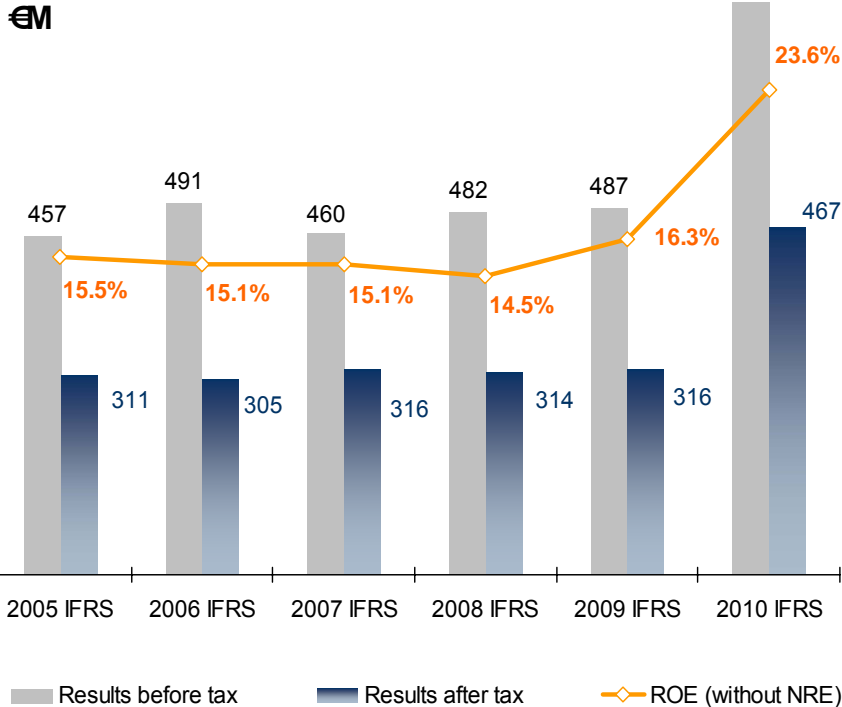


- Business Model
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Increase in the outstanding Exceptional year results

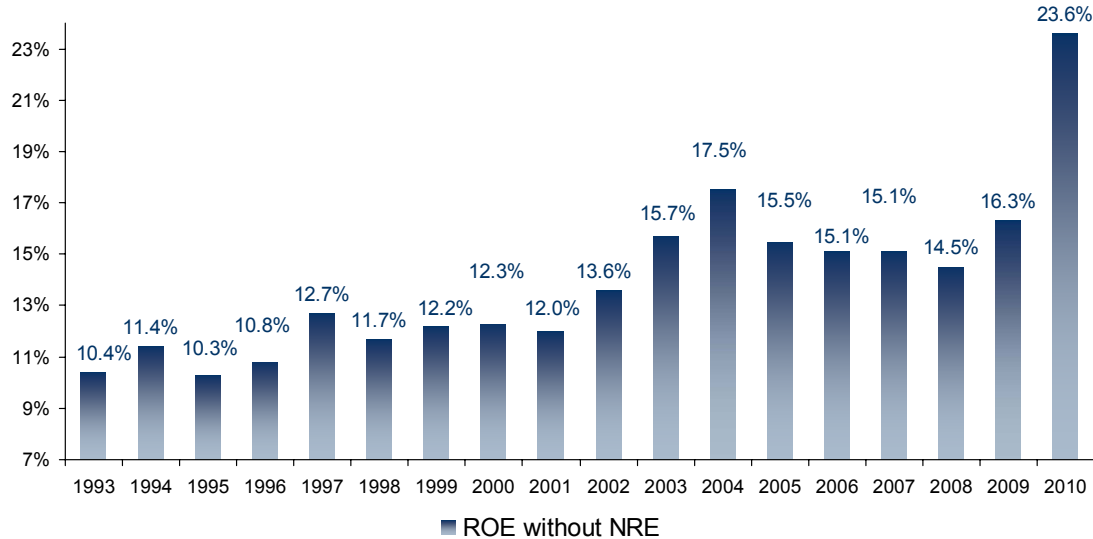
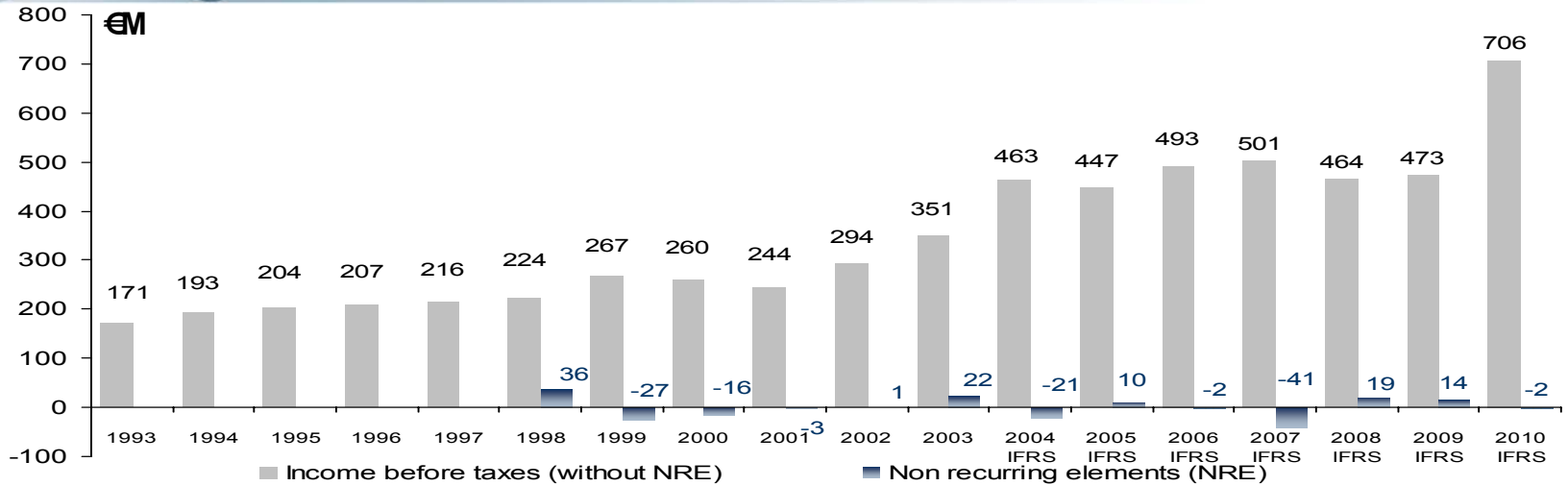


- ◆ In a recovering car market, RCI Banque outstanding have increased by 1 billion euros over the last 12 months.



- ◆ Strong increase in profitability vs historical performances thanks to increase of margins and reduction in cost of risk.

RCI Banque had very little volatility in its results and its profitability over the last 15 years



Gross financial margin and pre-tax income (as % of average outstanding) keep on improving

In M€ & % of average performing loan outstanding	2007 IFRS	2008 IFRS	2009 IFRS	2010 IFRS
Gross financial margin	4.38%	4.35%	4.91%	5.16%
Services and other products	1.30%	1.39%	1.48%	1.52%
Intermediation fee	-1.18%	-1.16%	-1.21%	-1.28%
Net banking income	4.50%	4.58%	5.17%	5.40%
Cost of risk	-0.68%	-0.87%	-0.99%	-0.40%
Operating expenses	-1.78%	-1.57%	-1.71%	-1.64%
Pre-tax income (with NRE*)	2.01%	2.13%	2.41%	3.35%
Cost income ratio (Operating expenses / Net Banking Income)	39%	34%	33%	30%



- ◆ Strong improvement of the gross financial margin;
- ◆ Rise in margins on services ;



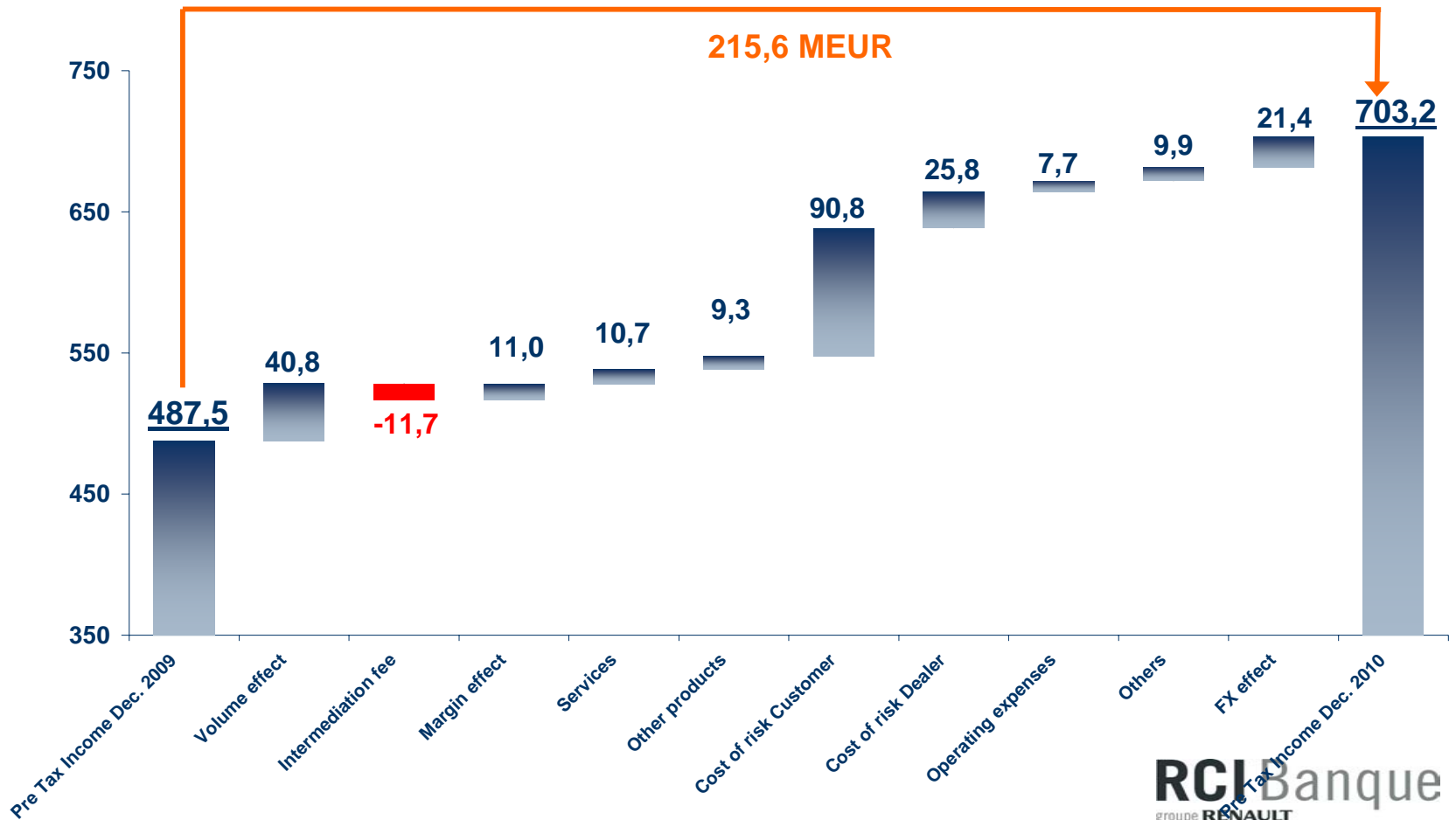
- ◆ Very strong reduction in cost of risk, especially in Spain;

*NRE: non recurring elements **In €m

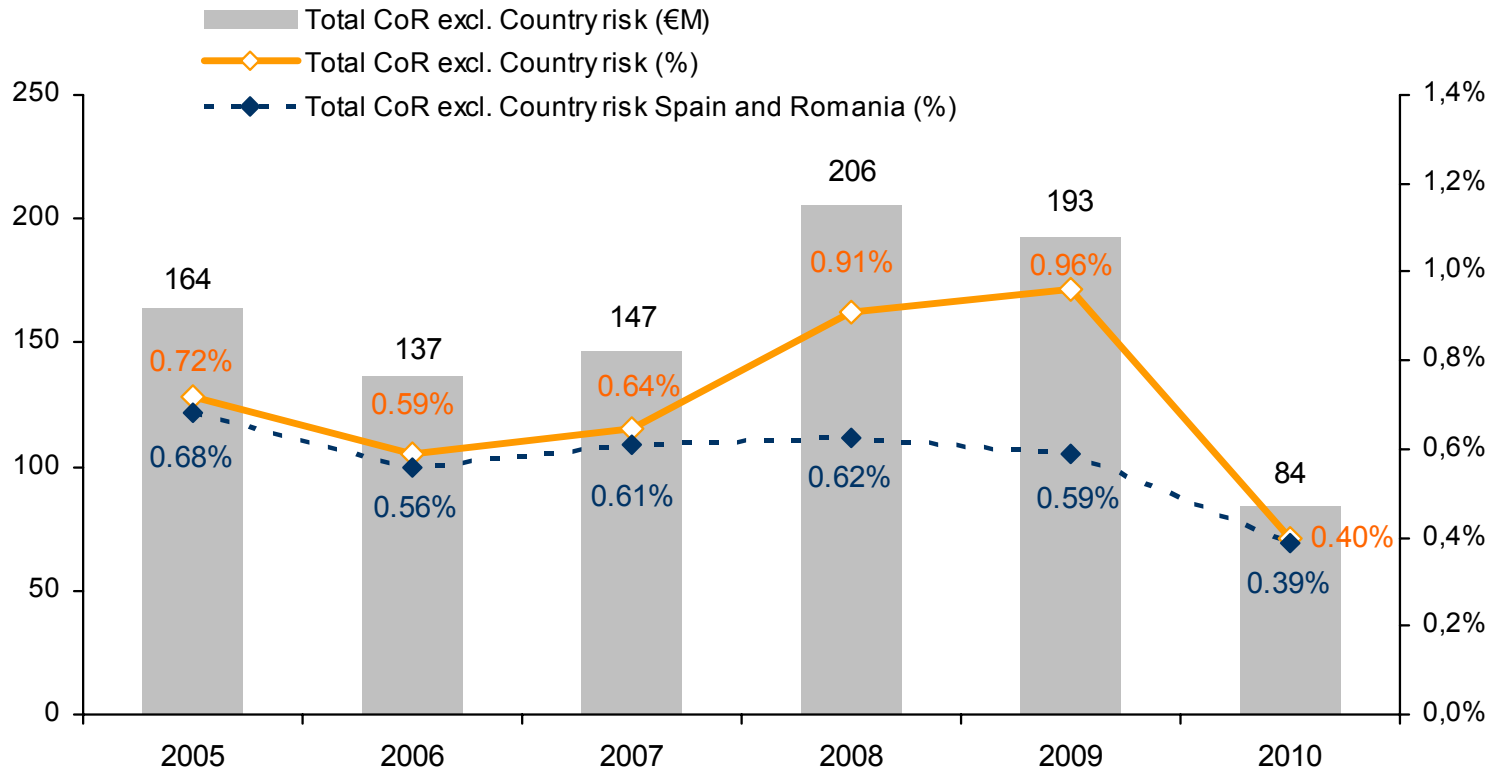
PreTax Income analysis 2010 vs 2009

Pre tax Income Variation 2010 vs 2009

€M

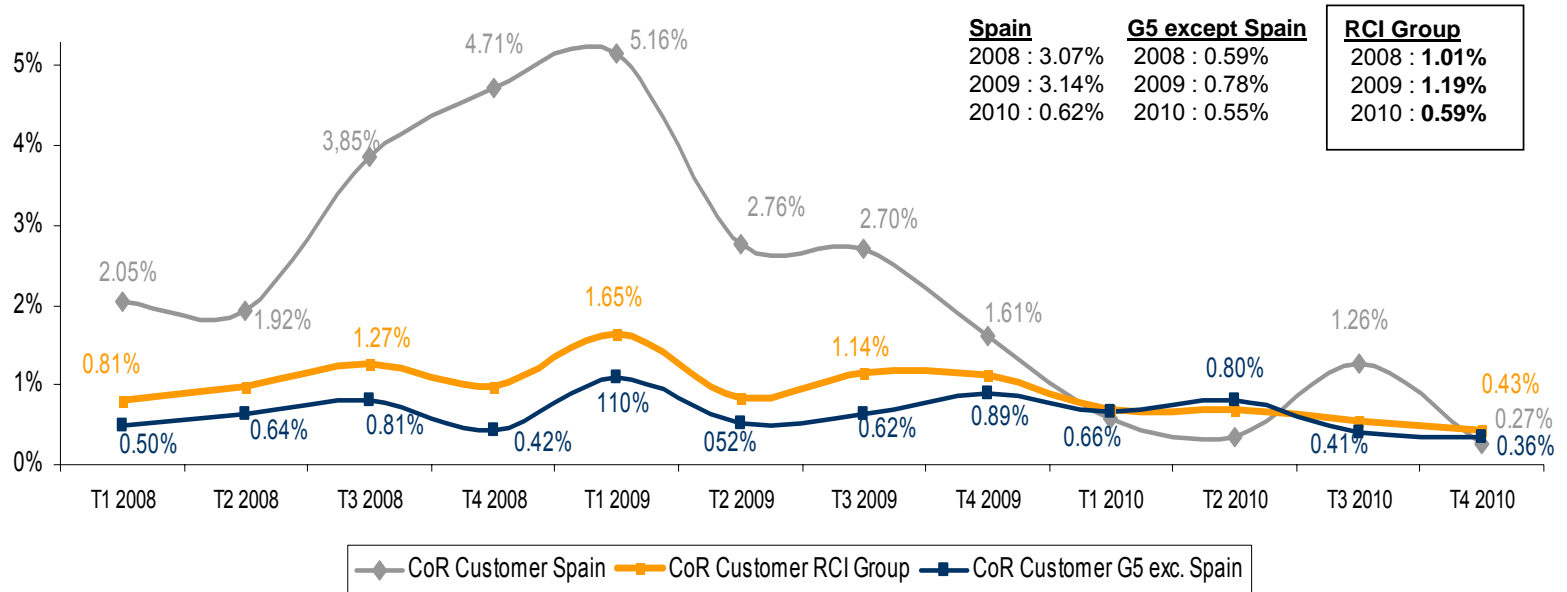


Strong reduction in cost of risk



Net reduction in cost of risk due to the reinforced management in recoveries and origination policy, especially in Spain.

Customer cost of risk: quarterly average



<u>Spain</u>	<u>G5 except Spain</u>	<u>RCI Group</u>
2008 : 3.07%	2008 : 0.59%	2008 : 1.01%
2009 : 3.14%	2009 : 0.78%	2009 : 1.19%
2010 : 0.62%	2010 : 0.55%	2010 : 0.59%

Actions taken in 2009 on acceptance and recovery lead to improvement in the retail portfolio cost of risk.

Low exposure on Residual Values (RV)

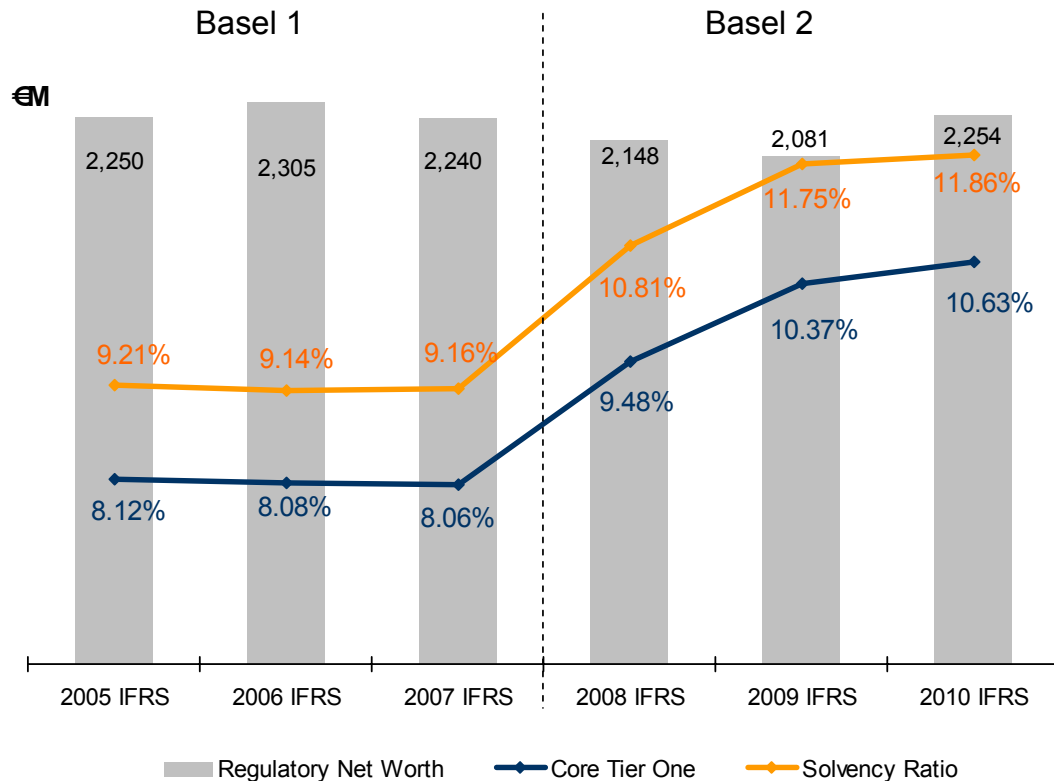
Marginal exposure policy of RCI Banque on residual values Risks carried by carmakers or dealers

CORPORATE	31/12/08	31/12/09	31/12/10
Residual value risk (€M)	133	109	46
Provisions (€M)	20	11	4
% provision	14.7%	10.3%	9.38%

RETAIL	31/12/08	31/12/09	31/12/10
Residual value risk (€M)	189	188	273
Provisions (€M)	1.5	0.6	0.4
% provision	0.8%	0.3%	0.14%

- ◆ RV set at “market price” for corporate (Germany, Spain, France, UK);
- ◆ RV set below “market price” for individuals (UK);
- ◆ RCI Banque will not be exposed to RV on batteries.

Strong Core Tier One Equity



- ◆ Dividend policy aims to maintain a Core Tier One at 10% (previously 8% in Basel 1 methodology);
- ◆ In December 2010 : 10.63% of Core Tier One (Basel 2) corresponds to 8.63 % (Basel 1) ;
- ◆ Without transitory floor requirements (maintained in 2010 at 80% of Basel 1 ratio), the Core Tier One solvency ratio would have been at 13.10%.



- Business Model
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A prudent financial policy

Aiming at protecting commercial margin

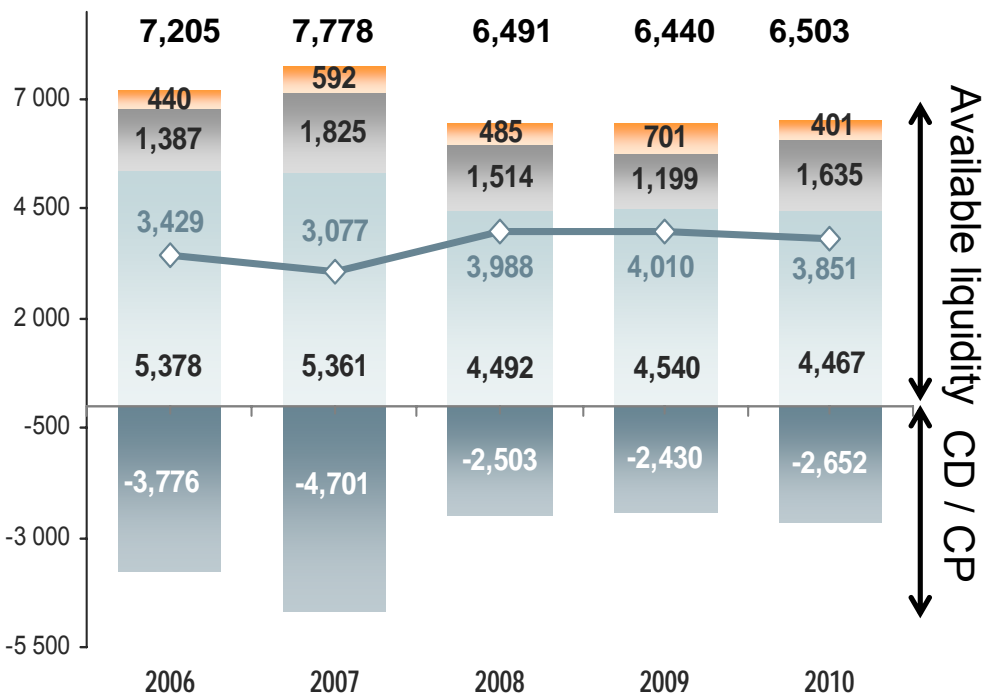
- ◆ No exposure (direct or indirect) to “toxic” assets ;
- ◆ Interest Rate risk maintained at low level ;
- ◆ No FX risk exposure ;
- ◆ Centralized funding only in “single A” minimum rated countries (Transfer & Convertibility Risk).

While maintaining a permanent liquidity reserve deriving from

- ◆ Assets being funded with longer dated liabilities ;
- ◆ Bilateral committed credit lines – no binding conditions ;
- ◆ ECB eligible collateral ;
- ◆ Positive cash balance invested in short term bank deposits only ;
- ◆ “Master Trust” ABS programs : Outstanding increases or investor bond redemptions are funded through new issues bought by RCI Banque and refinanced at the ECB.

Liquidity reserve maintained at a high level

€M



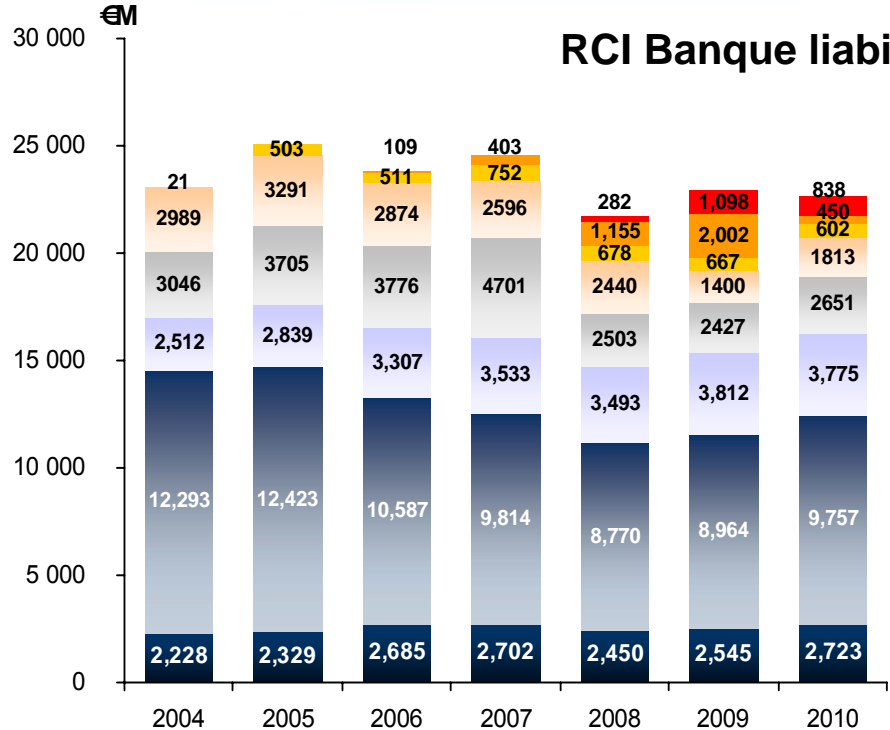
Available liquidity breakdown:

- ◆ Available bilateral committed lines:
 - Provided by approximately 26 international banks from 12 countries.
 - No binding conditions: no negative pledge, no ownership, no pari passu, no cross default, no material adverse change, no rating triggers.
- ◆ Bonds retained (securitization) eligible at ECB
- ◆ Cash.

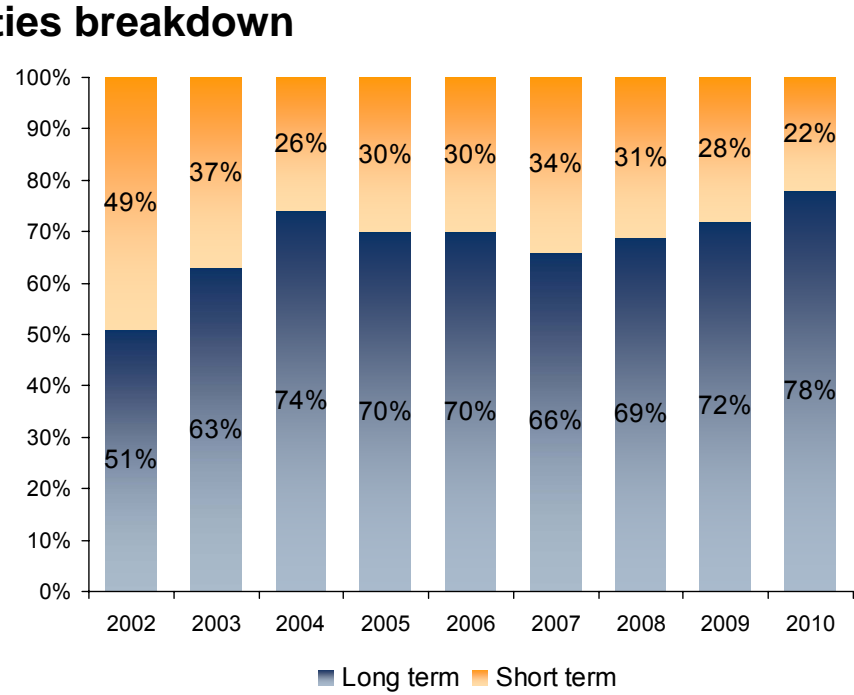
Liquidity Reserve = Available Liquidity - CD/CP Outstanding



A balanced liabilities profile split between different sources and maturities

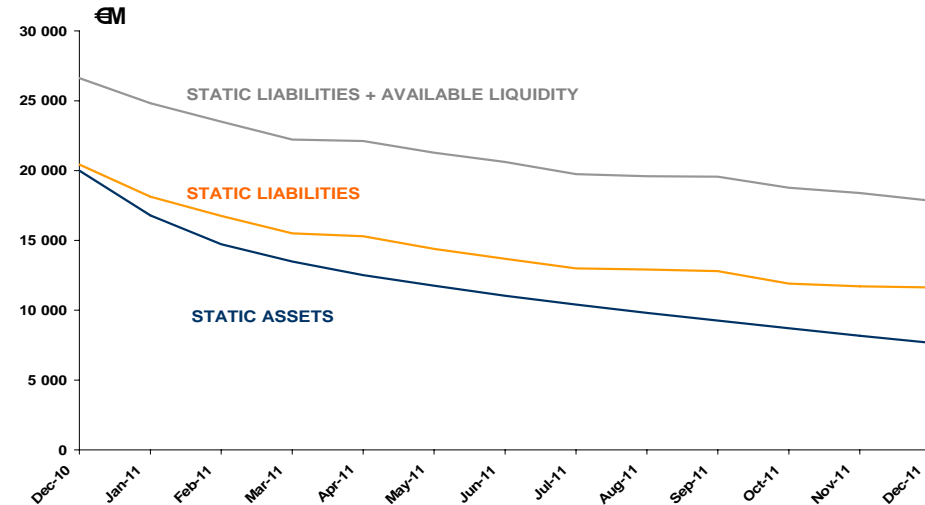


- SFEF
- ECB
- Renault Group
- Bank short term borrowings
- Commercial paper
- ABS (on balance sheet)
- Long term (bonds, MTN, banks long term, SSD)
- Shareholders equity

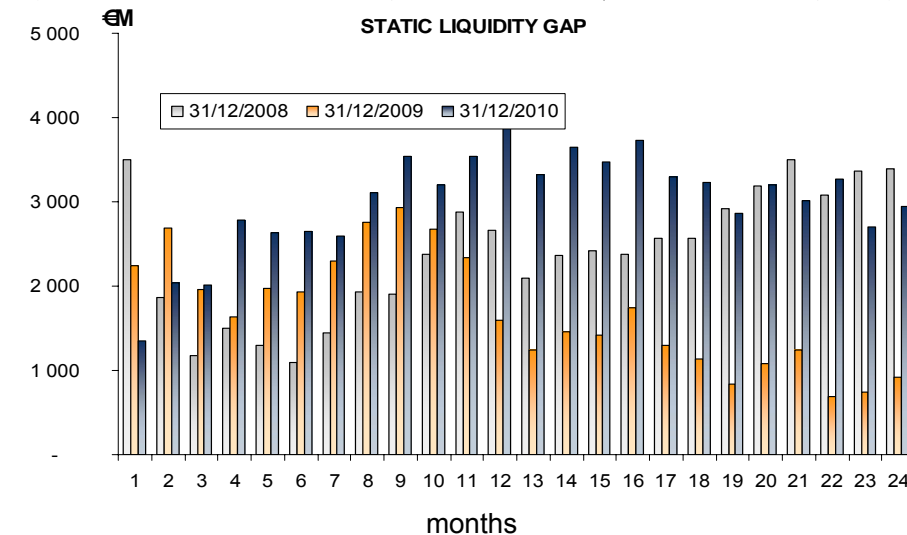


- ◆ Stand alone funding (without any support from Renault);
- ◆ 8 consolidated ABS programs leading to a diversified refinancing (investors, conduits, ECB, SFEF).

Positive static liquidity position

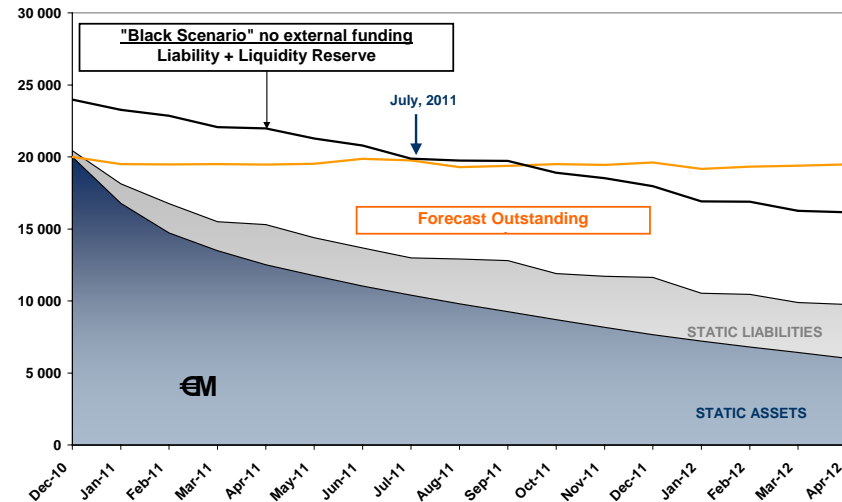


- ◆ Assets are funded with longer dated liabilities.



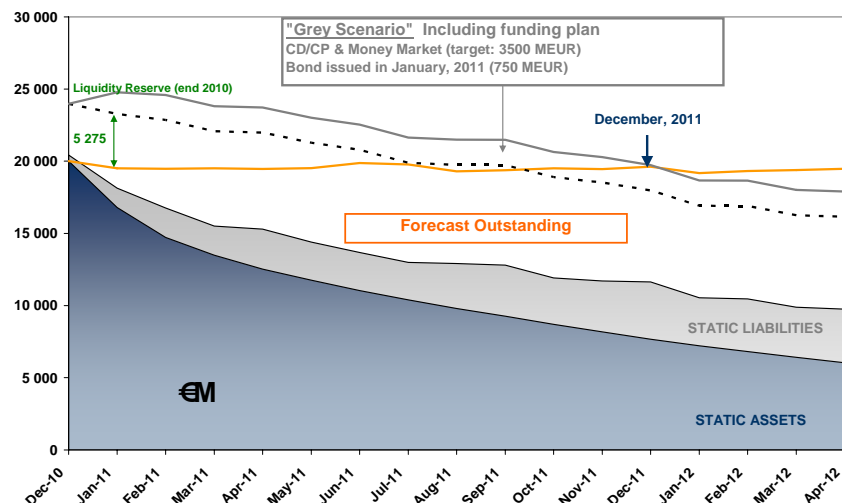
- ◆ Increase in liabilities duration following 2010 bond issuances.

Liquidity Stress Scenarios



“Black” Stress Scenario

- ◆ Maximum stress test scenario based on continued commercial activity with no access to any new funding (full use of existing liquidity reserve starting day one) ;
- ◆ Visibility = 7 months of activity.



“Grey” Stress Scenario

- ◆ Scenario based on continuity of commercial activity, use of liquidity reserve and funding plan updated with:
 - no new unsecured funding except present CD/CP and short-term money market loans ;
 - no new access to bond market.
- ◆ Visibility = 12 months of activity.

2011 Long Term funding plan

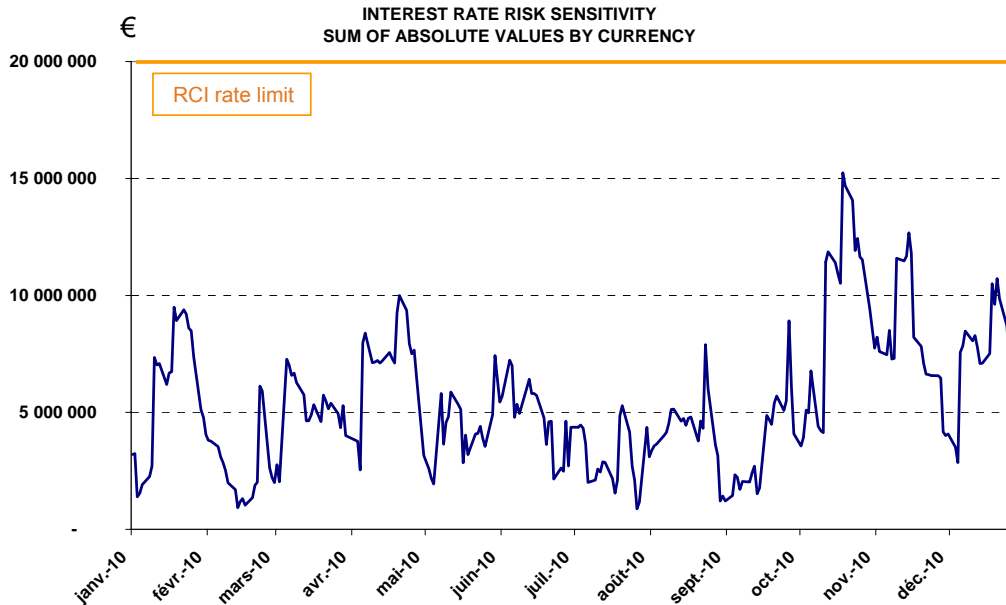
€m	2007	2008	2009	2010	2011 Forecast
New Customer Financings (A)	9,438	8,896	8,283	8,785	9,000
Customer Outstanding	17,389	16,183	15,878	15,151	15,142
Senior debt redemption				3,332	2,940
ABS redemptions				1,050	1,671
Total redemptions				4,382	4,611

€m	2007	2008	2009	2010	2010 Refocusing
Total Long Term Refinancing (B)	3,455	3,588	4,401	4,994	4,600
EMTN (*)	1,774	1,279	2,839	3,917	3,700 / 4,100
LT Money Market, Schuldchein & others	490	1,365	286	78	
BMTN+ CD (+360 days)	316	663	26	24	0
SFEF (french government support)	0	281	802	0	
Asset-Backed (public or conduit)	875	0	448	975	500 / 900

(*) : not including EMTN Puttable financing

- ◆ “Theoretical” 2011 LT funding needed at around €4,600m ;
- ◆ Realized as of March 4:
 - Bonds: €1600m ;
 - ABS: €500m.

Low market risk exposure



- ◆ Interest rate risk:
A 100-basis point rise in interest rates would have an impact of:
 - - €4.8 million in EUR
 - + €1.7 million in CHF
 - - €0.5 million in GBP
- ◆ Foreign exchange risk:
Low foreign exchange exposure due to assets being funded in their own currency
(FX exposure on December 31 2010: €7.6m) ;
- ◆ Counterparty risk:
99% of exposure with counterparties rated “single A” or above.

Distinct rating from Renault SA

Agencies	RCI Banque			Renault
	ST	LT	FS	LT
S&P	A2	BBB (stable)		BB+ (stable)
Moody's	P2	Baa2 (positive)	C- (stable)	Ba1 (positive)

- ◆ S&P and Moody's provide stand alone analysis of RCI Banque ;
- ◆ 2 notches gap between RCI Banque and Renault's ratings by S&P and Moody's ;
- ◆ Long Term rating above automotive company, in particular due to:
 - ◆ Strong financial profile (results, cost of risk, capitalization) ;
 - ◆ Banking Status ;
 - ◆ Stand alone and conservative funding.



APPENDIX

RCI Banque within the Renault Group

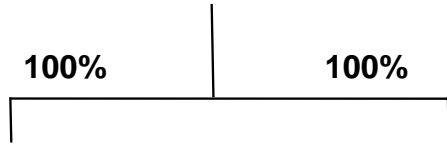


RCI Banque
groupe RENAULT

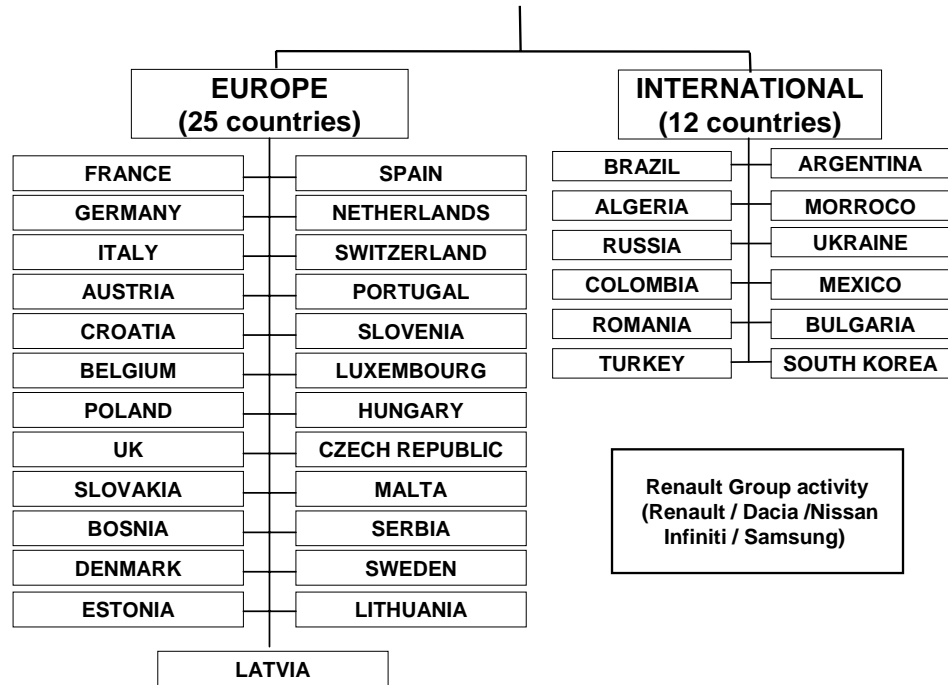
RENAULT sas

100%

100%



RCI Banque AUTOMOTIVE DIVISION
groupe RENAULT

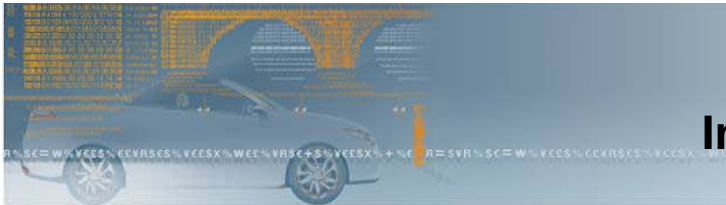


- ◆ RCI Banque contributes directly to Renault consolidated operational margin.

- ◆ RCI Banque finances brands of the Renault Group (Renault, Samsung, Dacia) worldwide and Nissan (Nissan, Infiniti) mainly in Europe ;
- ◆ RCI Banque operates in 37 countries.

RCI Banque in the world

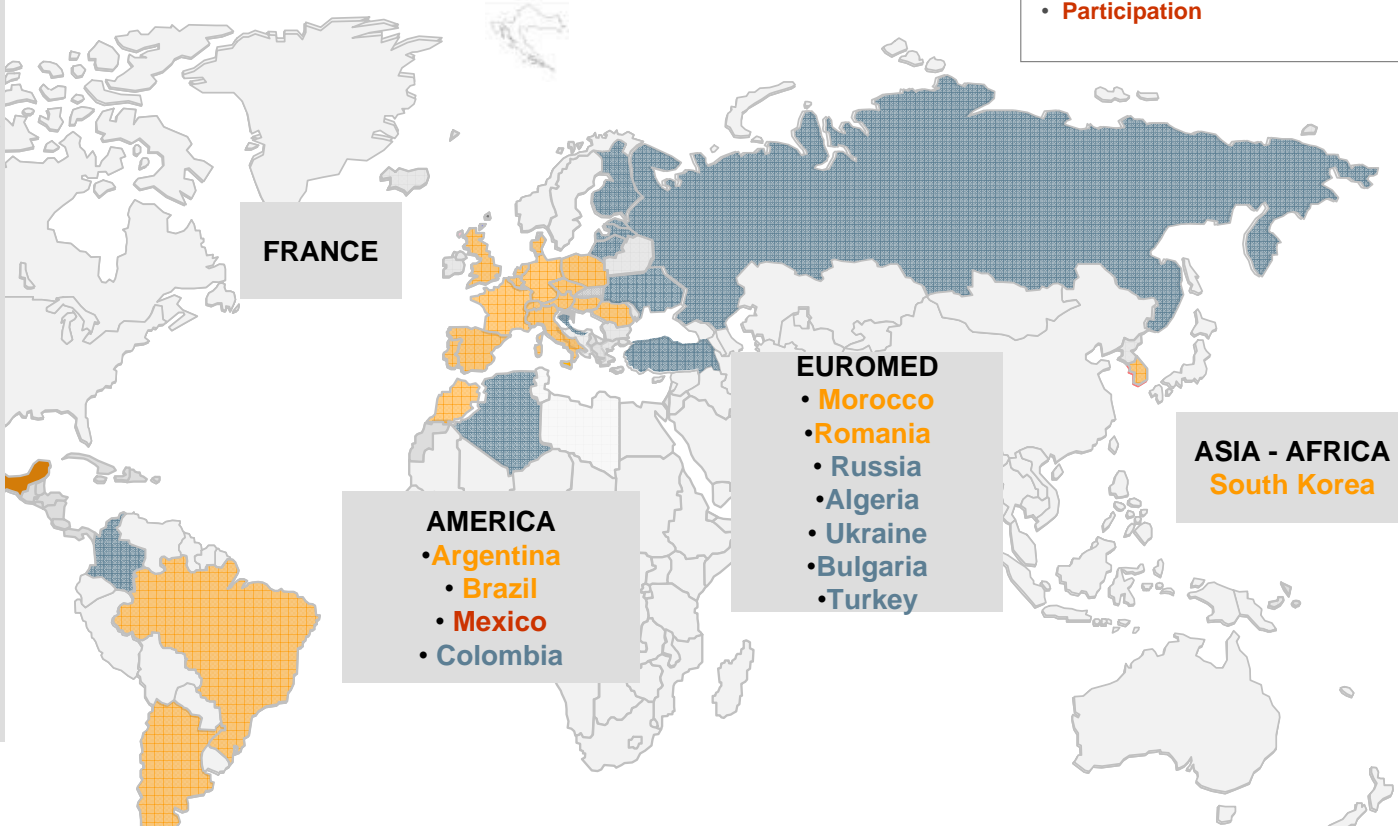
International development by supporting Renault



Outstanding outside western Europe rose to €3,297m in December 2010 from €114m in 2000.

- **Subsidiary, Branch or JV** 
- **Commercial Agreement** 
- **Participation** 

- EUROPE**
- **Germany**
 - **Austria**
 - **Belgium**
 - **Croatia/Serbia/Bosnia**
 - **Denmark**
 - **Spain**
 - **UK**
 - **Hungary**
 - **Italy**
 - **Baltic countries**
 - **Luxembourg**
 - **Malta**
 - **Netherlands**
 - **Poland**
 - **Portugal**
 - **Czech republic**
 - **Scandinavia**
 - **Slovakia**
 - **Switzerland**
 - **Slovenia**



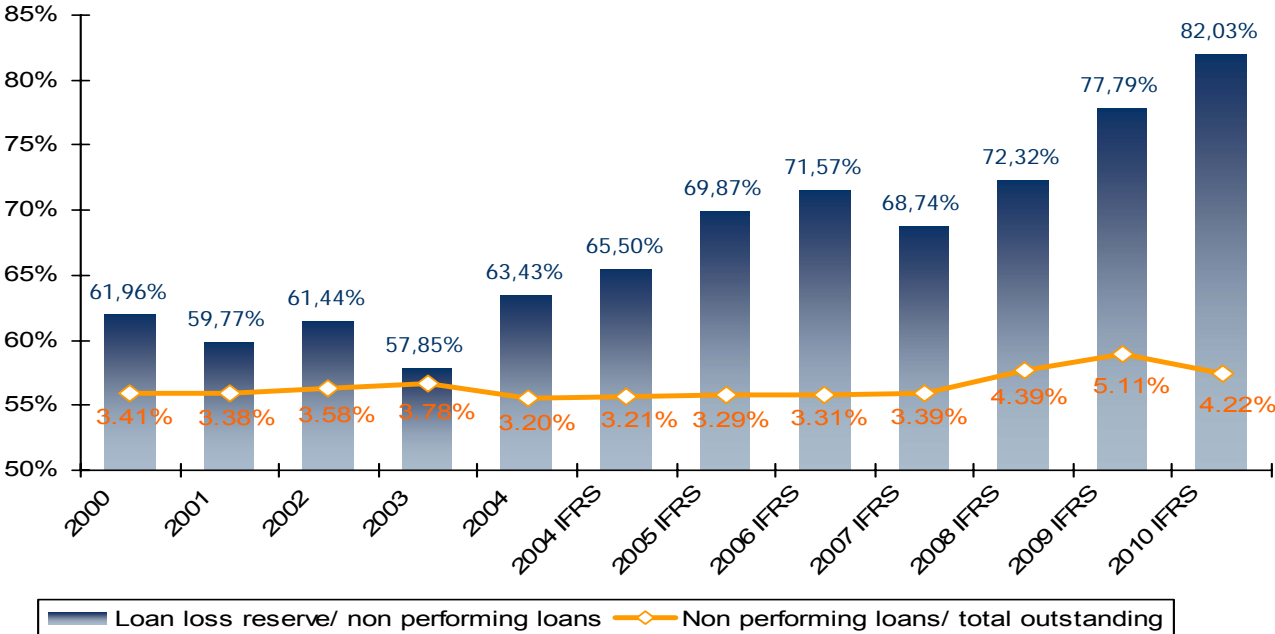
RCI Banque presence in :	14 countries in 2000	37 countries in 2010
Of which subsidiaries, branches or joint ventures :	12	18

Cost of customer and dealer risk excluding provisions for country risk

	2006 IFRS	2007 IFRS	2008 IFRS	2009 IFRS	2010 IFRS
Customer average outstanding (€ bn)	17.72	17.39	16.76	15.31	15.91
Customer cost of risk	(0.65%)	(0.69%)	(1.05%)	(1.15%)	(0.59%)
Dealer average outstanding (€ bn)	5.41	5.47	5.94	4.88	5.07
Dealer cost of risk	(0.40%)	(0.51%)	(0.51%)	(0.35%)	0.21%
Customer and dealer cost of risk	(0.59%)	(0.64%)	(0.91%)	(0.96%)	(0.40%)

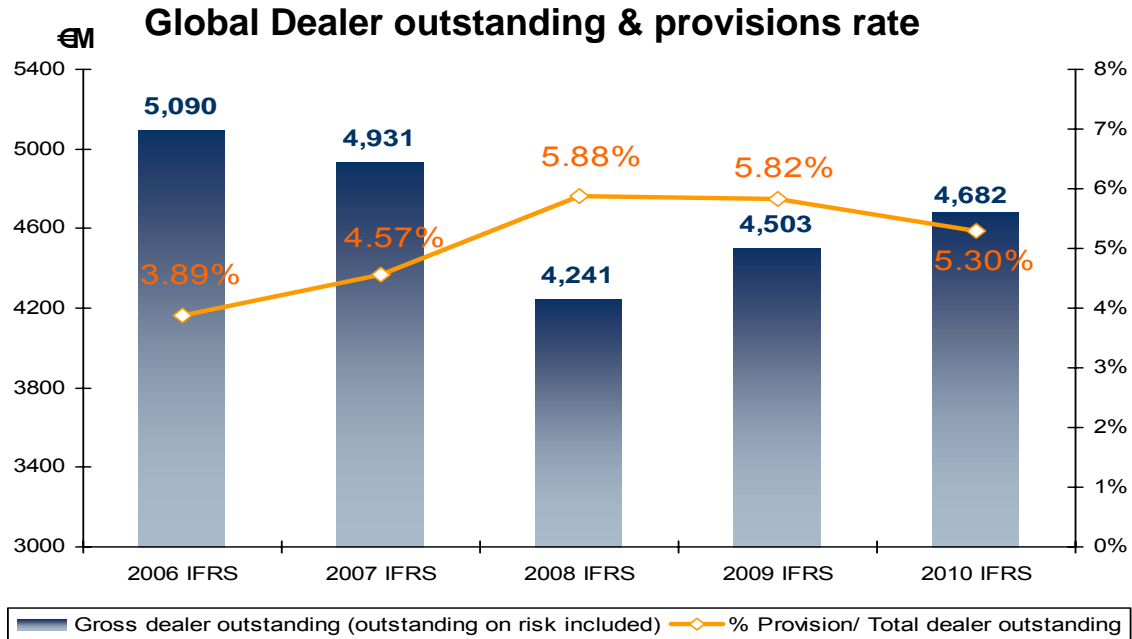
- Statistical provisioning on customer outstanding.
- Sectorial provisioning maintained for dealer financing for many years.

Customer cost of risk



	2003	2004	2005 IFRS	2006 IFRS	2007 IFRS	2008 IFRS	2009 IFRS	2010 IFRS
Loan loss reserve/ Non performing loans	57.85%	63.43%	69.87%	71.57%	68.74%	72.32%	77.79%	82.03%
Non performing loans / Total outstanding	3.78%	3.20%	3.29%	3.31%	3.39%	4.39%	5.11%	4.22%

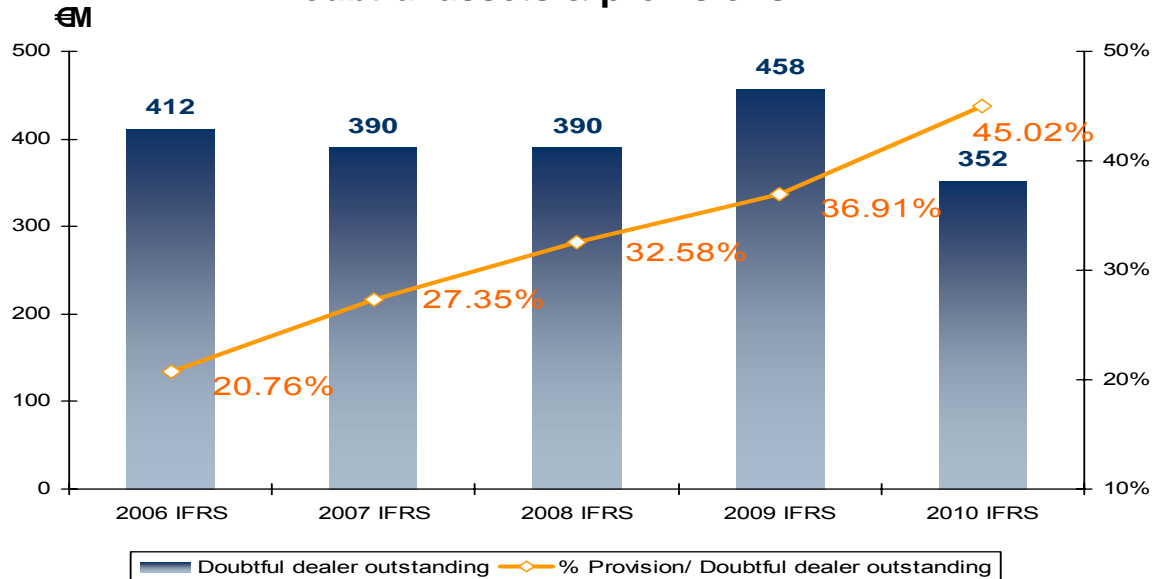
Dealer cost of risk



	2006 IFRS	2007 IFRS	2008 IFRS	2009 IFRS	2010 IFRS
Gross dealer outstanding (risk carried)	5,090	4,931	4,241	4,503	4,682
Provisions	198	225	249	262	248
% provisions / Total gross outstanding	3.89%	4.57%	5.88%	5.82%	5.30%

Dealer cost of risk

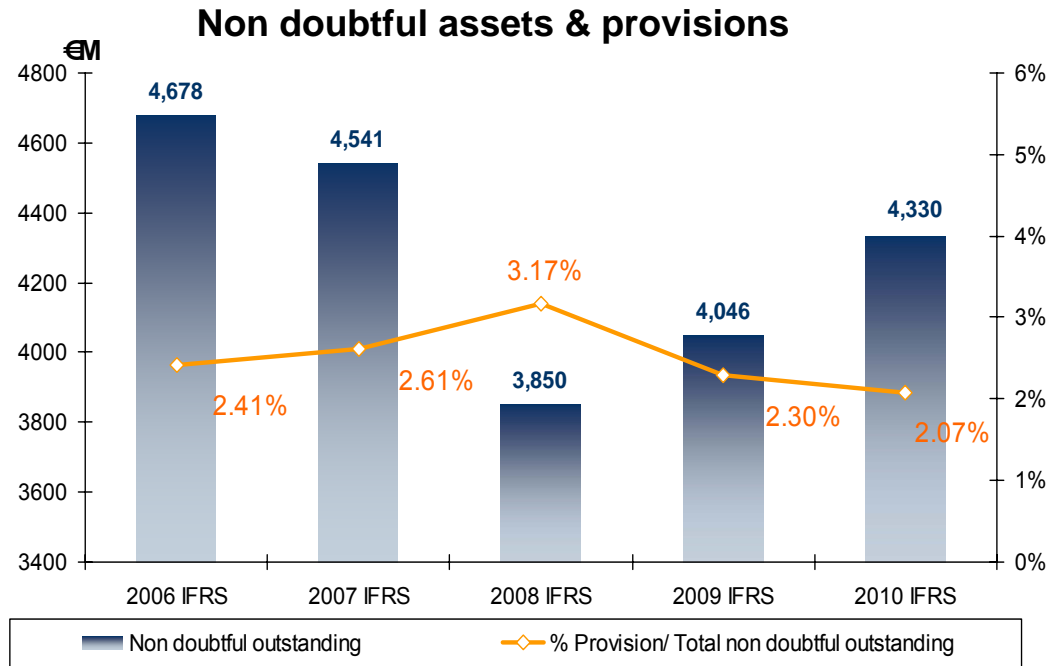
Doubtful assets & provisions



	2006 IFRS	2007 IFRS	2008 IFRS	2009 IFRS	2010 IFRS
Doubtful dealer outstanding	412	390	390	458	352
Provisions	85	107	127	169	158
% provisions / Total doubtful dealer outstanding	20.76%	27.35%	32.58%	36.91%	45.02%

The doubtful classification does not generally result from an unpaid installment but rather from an internal decision to put a dealer on watch list due to the worsening of its financial conditions (profitability, indebtedness, equity, etc.).

Dealer cost of risk



	2006 IFRS	2007 IFRS	2008 IFRS	2009 IFRS	2010 IFRS
Non doubtful outstanding	4,678	4,541	3,850	4,046	4,330
Provision on non doubtful outstanding	113	119	122	93	90
% provisions / non doubtful outstanding	2.41%	2.61%	3.17%	2.30%	2.07%

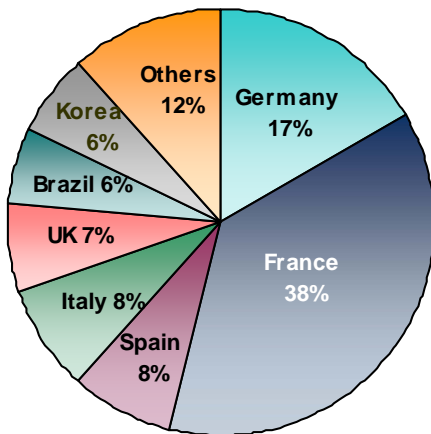
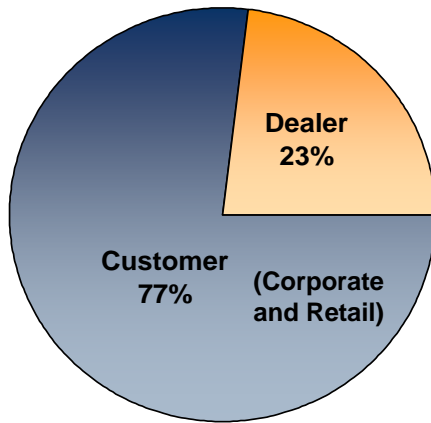
RCI Banque has maintained a very cautious provisioning policy on non doubtful outstanding for several years.

Commercial activity December 2010 vs December 2009

PASSENGER CAR & LIGHT UTILITY VEHICLE MARKET *		RENAULT GROUP BRANDS MARKET SHARE %	NISSAN MARKET SHARE %	RCI BANQUE PENETRATION RATE %	NUMBER OF NEW VEHICLE CONTRACTS PROCESSED	NEW FINANCINGS (€ M) excluding cards and PL	NET LOANS OUTSTANDING AT YEAR-END (€M)	OF WHICH DEALERS (€M)
Western Europe	2010	11.3%	2.9%	30.9%	719,504	8,067	18,430	4,308
	2009	10.0%	2.5%	29.1%	643,168	7,032	18,233	4,262
<i>of which Germany</i>	2010	5.5%	2.0%	34.1%	111,929	1,344	3,595	755
	2009	6.0%	1.7%	31.3%	127,336	1,398	3,687	728
<i>of which Spain</i>	2010	11.4%	4.4%	34.5%	65,114	722	1,821	342
	2009	10.9%	4.1%	35.9%	66,678	716	2,197	399
<i>of which France</i>	2010	27.9%	2.3%	32.0%	325,317	3,731	8,151	1,932
	2009	26.0%	2.0%	29.1%	276,324	3,230	8,114	2,001
<i>of which UK</i>	2010	5.0%	4.2%	24.8%	69,701	740	1,449	271
	2009	3.4%	3.9%	23.4%	51,742	526	1,273	199
<i>of which Italy</i>	2010	6.6%	2.8%	37.2%	76,718	883	1,724	412
	2009	5.3%	2.5%	32.8%	61,404	644	1,476	388
Brazil	2010	4.8%	1.1%	35.7%	72,998	723	1,232	313
	2009	3.9%	0.8%	35.6%	52,192	417	845	276
South Korea	2010	10.1%	0.4%	46.1%	77,331	855	1,199	12
	2009	9.3%	0.3%	47.4%	65,767	613	825	3
Rest of the world **	2010	11.2%	1.3%	25.5%	83,277	357	866	283
	2009	11.0%	1.0%	23.0%	65,027	221	739	208
TOTAL RCI BANQUE GROUP	2010	10.1%	2.2%	31.6%	953,110	10,003	21,727	4,916
	2009	9.2%	1.9%	30.0%	826,154	8,283	20,642	4,749

* Figures refers to the passenger car and light utility vehicle markets, ** Rest of the world : Poland, Czech Republic, Slovenia, Hungary, Romania, Argentina and Morocco.

Retail activity accounts for 77% of the average outstanding



CUSTOMER

- ◆ Retail financing
- ◆ Leasing
- ◆ Balloon financing packages
- ◆ Revolving cards
- ◆ Personal loans
- ◆ Debit/credit card

DEALER FINANCING

- ◆ Financial lease with a buy-back given by the dealer
- ◆ Operational lease with residual value risk borne mainly by the Renault Group or dealers
- ◆ Fleet Management (services and management without financing)
- ◆ Inventories (new cars, second hand cars, spare parts)
- ◆ Standard loans: cash facilities, medium term loans, overdrafts

SERVICES

- ◆ Maintenance contracts
- ◆ Extended warranties
- ◆ Insurance (credit, damage...)
- ◆ Roadside assistance
- ◆ Replacement vehicles

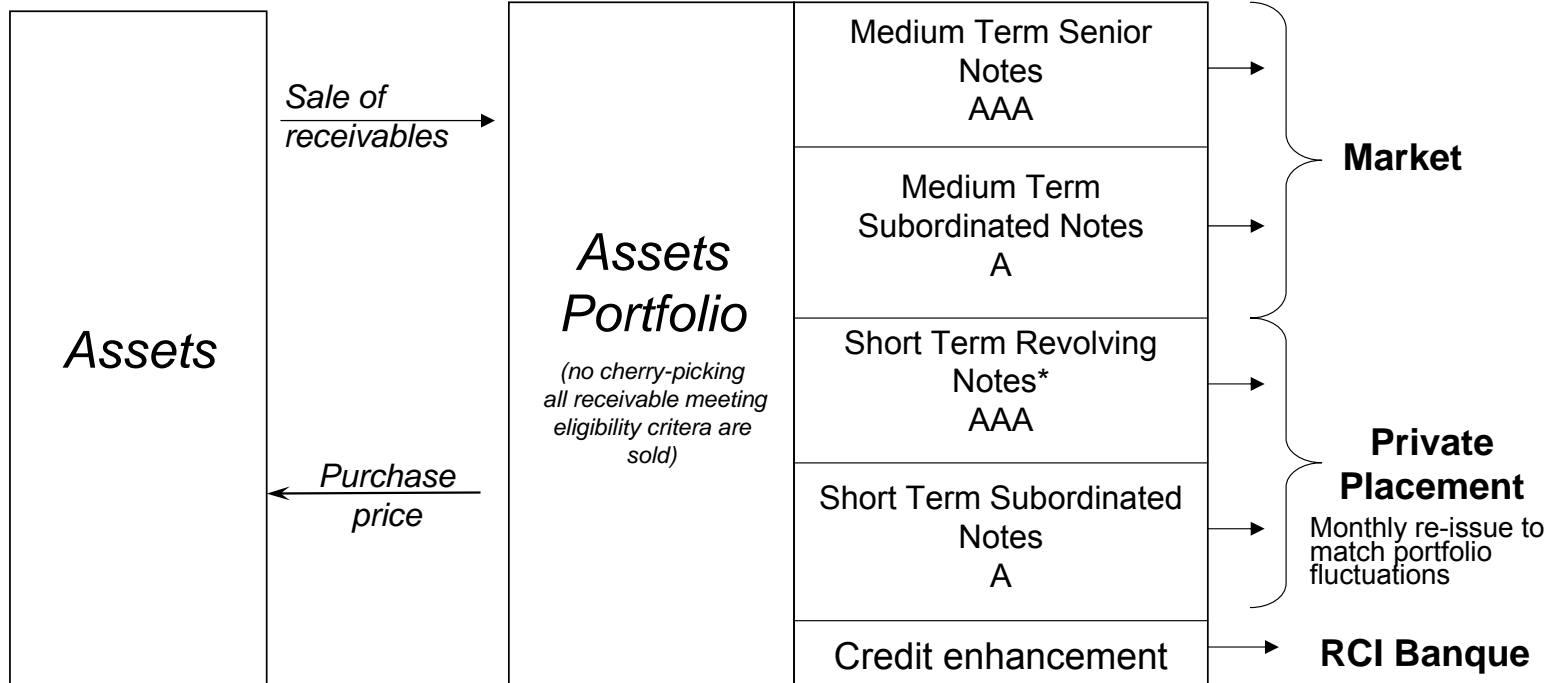
Total performing loan outstandings (December 2010) : €21,7 bn.

Securitization is used both for funding and increasing asset liquidity

ABS fully consolidated, first losses are kept by RCI Banque

Issuer

SPV



* Generally kept by RCI Banque as ECB collateral

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