RCI Banque

ANNUAL REPORT 2010

EXECUTIVE COMMITTEE

Philippe Buros
Senior V.P., Sales Operations

Patrice Cabrier
Senior V.P., Customer Operations

Isabelle Landrot
Senior V.P., Accounts and Management Control

Bertrand Lange
Senior V.P., Human Resources

Michel Lucas
Senior V.P., International Projects and Partnerships

Jean-Marc Saugier
Senior V.P., Finance and Group Treasurer

Éric Spielrein
Senior V.P., Corporate Secretary and Risk functions

Dominique Thormann
Chairman & Chief Executive Officer

BOARD OF DIRECTORS

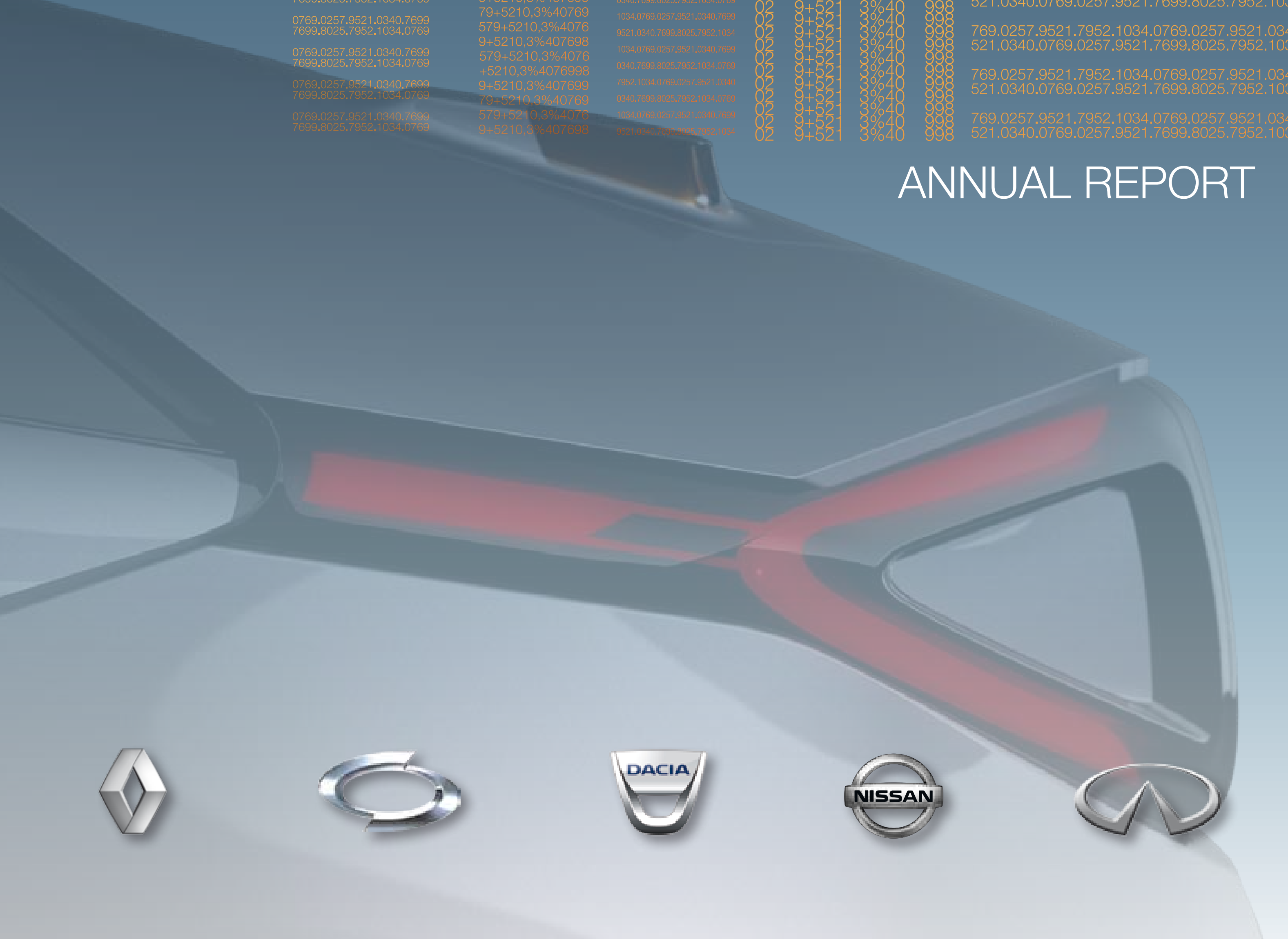
Philippe Buros
Patrice Cabrier
Laurence Dors
Éric Spielrein
Jérôme Stoll
Simon Thomas
Dominique Thormann
Chairman of the Board

Philippe Gamba
Gilbert Guez
Honorary Chairmen

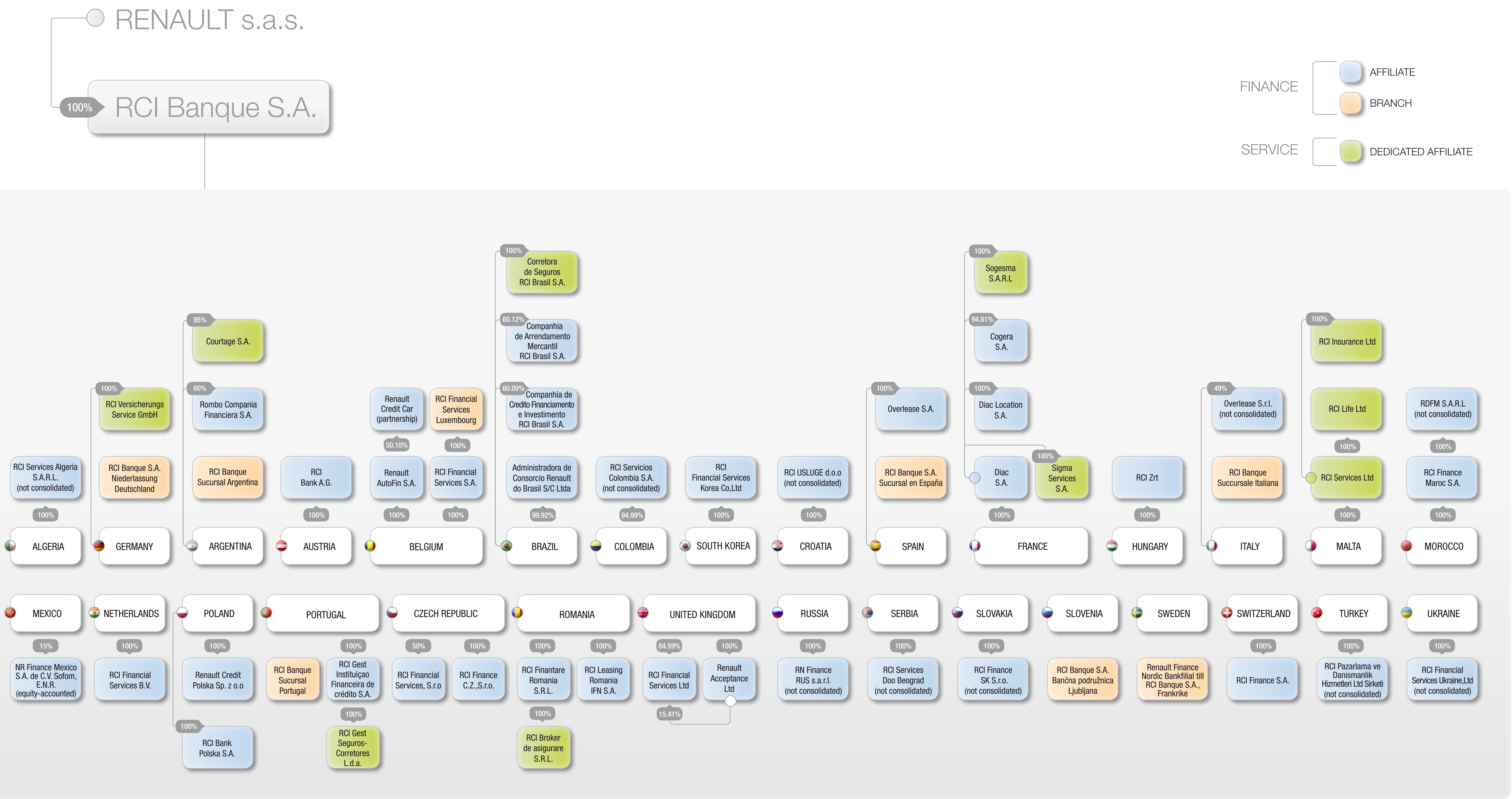
AUDITORS

Deloitte & Associés
Ernst & Young Audit

ANNUAL REPORT



ORGANIZATION CHART 2010



RCI Banque is the Renault Nissan Alliance's captive finance company and as such, finances sales of Renault Group brands (Renault, Renault Samsung Motors (RSM), and Dacia) worldwide and of Nissan Group brands (Nissan, Infiniti) mainly in Europe and in South America.

The RCI Banque group is active in 37 countries:

- **in Europe:** Austria, Belgium, Bosnia-Herzegovina, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland and the United Kingdom;
- **in Americas:** Argentina, Brazil, Colombia and Mexico;
- **in the Euromed region:** Algeria, Bulgaria, Morocco, Romania and Turkey;
- **in Eurasia:** Russia and Ukraine;
- **in Asia:** South Korea.

As a captive finance company, the task of the group is to offer a comprehensive range of financings and services:

- to Customers (Retail and Corporate customers), to whom the RCI Banque group offers new and used car loans, rentals with options to buy, leases and long-term rentals. It also provides related services such as maintenance, extended warranties, insurance, roadside assistance, fleet management and credit cards;
- to brand Dealers. The RCI Banque group finances inventories of new vehicles, used vehicles and spare parts, as well as short-term cash requirements.

BUSINESS REPORT

MANAGEMENT REPORT

All financial and business information reports are available on our website:

www.rcibanque.com

LETTER FROM THE CHAIRMAN

Following an unprecedented crisis, 2010 was a record year for the automotive industry, with more than 70 million vehicles sold worldwide. This 11.8% increase was driven by strong growth on emerging markets and by the bounce-back seen on a number of more mature markets, assisted by government support measures to prop up demand.

RCI Banque experienced a return to growth in 2010, with new financings up by over 15%, average performing loans outstanding up by 3.9%, and the overall penetration rate up by more than 1.6 points. This increase in the penetration rate was achieved through an improvement in performance across all five Alliance brands (Renault, Dacia, Renault Samsung Motors, Nissan and Infiniti).

A number of decisive factors helped the group to achieve this growth. It stepped up its pace of international expansion in 2010, especially in Brazil and South Korea, which account for more than 15% of new production, widened the range of services offered and put in place a new organization more clearly pulled by the customer.

During the year 2010, the financial markets went through two successive periods of risk aversion, reacting to concerns about sovereign debt, interspersed with periods when rates and risk premiums were greatly relaxed. Amid this, RCI Banque demonstrated its ability to act swiftly and took advantage of periods of positive market feeling to issue for a total of 3.9 billion euros on the bond markets.

The company also embarked upon a process of geographical and investor base diversification. It launched its first public issue in Swiss Francs and called on a number of local markets via its subsidiaries, such as in Argentina and in South Korea, where the first issue in Wons was distributed.

RCI Banque also placed an €873 million auto loan-backed securitization in Germany, the largest post-crisis transaction for this type of asset.

In view of its sound liquidity profile and the quality and consistency of its financial results, the rating agency Standard & Poor's revised RCI Banque's credit rating upwards to BBB/A-2.

It was also crucial to keep operating expenses under control. 2010 saw a decrease in overheads of almost 2 million euros compared to 2009, to 343.9 million euros, while average performing loans outstanding rose.

RCI Banque also reversed the upward trend in the cost of risk recorded during the crisis, more than halving it in comparison with its 2009 level, to 0.4% of average performing loans outstanding.

All of these factors helped RCI Banque to achieve a pre-tax result of €704 million euros, showing an increase of 44%, with ROA at 3.35% of average performing loans outstanding and ROE at 23.6%.

In 2011, the global automotive market is expected to continue growing, driven by the key contribution of emerging countries, the recovery in the US economy and stability in Europe, despite the declining French market.

The purpose of RCI Banque will not change. The group will play its part in making the Alliance car makers' new three-year plans a success, while at the same time sustaining its high-level financial contribution.

This will involve extending our range of products and introducing innovative services that satisfy the needs of our customers. RCI Banque will play a key role in the marketing of the Alliance's electric vehicles, which pave the way to a whole new world of services and mobility.

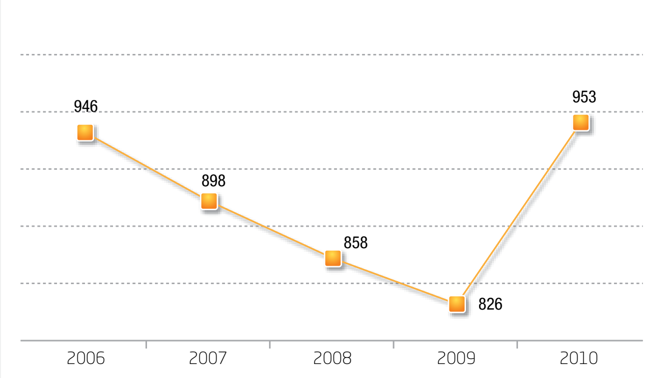
RCI Banque will also continue to expand its businesses outside France, with the opening of a branch in Ireland and the launch of a Joint Venture in Turkey with our partner Oyak in 2011.

I have every confidence in the ability of RCI Banque, which will continue to use all of its resources to promote the Alliance manufacturers' growth.

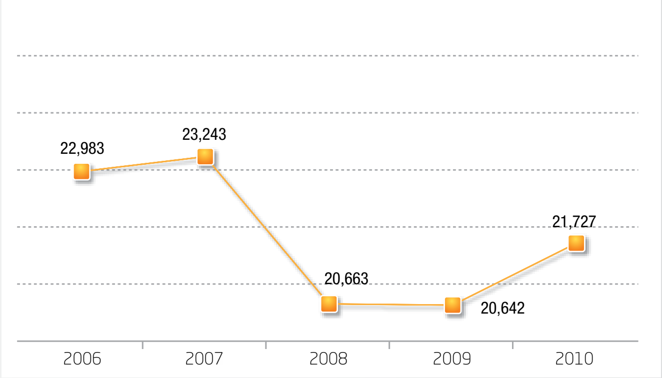
Dominique Thormann

Key figures

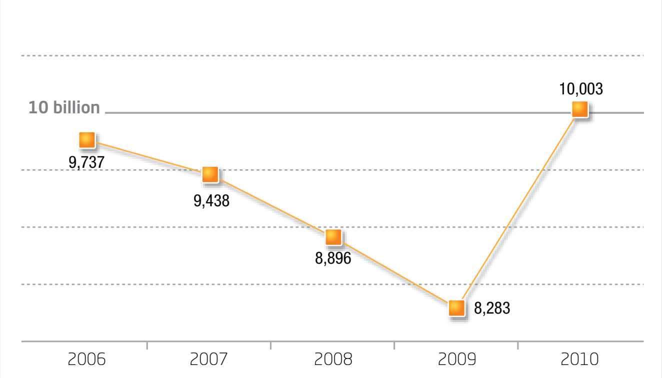
Total number of vehicle contracts
in thousands



Net loans outstanding at year-end
in million euros



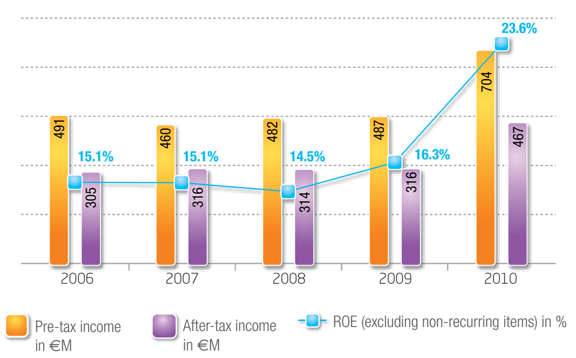
New financings (excluding cards and personal loans)
in million euros



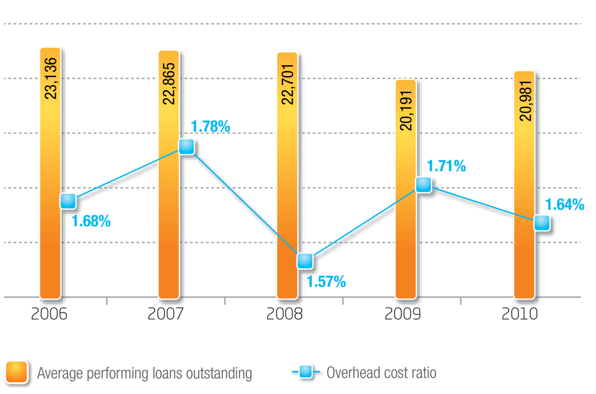
RESULTS 2010

In a recovering economic environment, the RCI Banque group achieved excellent financial results. Pre-tax profit came to €704m, and ROE* to 23.6%.

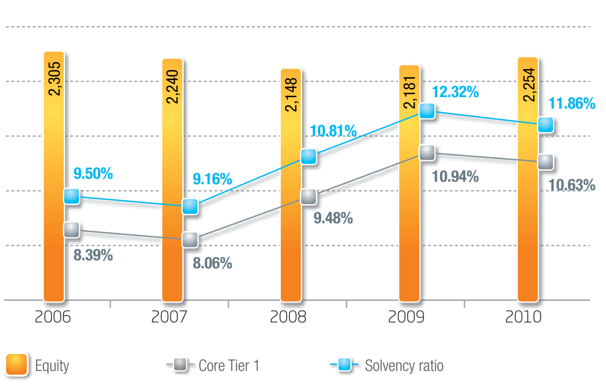
Results



Average performing loans outstanding & overhead cost ratio
in million euros



Prudential capital
in million euros



The return to business growth, the continuing development of services and the success of the risk control and management plans put in place during the financial and economic crisis, enabled historical growth in group profitability.

RCI Banque's pre-tax profit rose by 44.6% compared with December 2009. At the same time, average performing loans outstanding (APO) grew by €790 to €21 billion in 2010.

This performance is primarily accounted for by:

- net banking income up to 5.40% of APO (5.17% in 2009), particularly due to a 7.9% increase in the gross financial margin and a 7.9% rise in the margin on services;
- a significant decrease in the total cost of risk to 0.40% of APO (0.99% in 2009), due partly to the strengthening of recovery processes and partly to the tightening up of the loan underwriting policy from the second half-year 2009 onwards;
- stabilization of operating expenses through continuing action to optimize the group's structures across Western Europe, which helped to offset the increase in growth-related costs outside Europe.

Net consolidated income – group share – came to €467 million at year-end 2010, against €316 million at the end of December 2009 (up 47.8%).

Buoyant trading in the second half of 2009, but above all the excellent performance achieved in 2010 as a whole boosted loans outstanding by €1.1 billion (of which €322 million from a positive exchange rate effect) to €21.7 billion in December 2010 (an increase of 5.3%).

At year-end 2010, the RCI Banque group's shareholders' equity amounted to €2.7 billion, compared with €2.5 billion at the end of December 2009. This change is primarily attributable to the net profit –group share – of €467 million, the €400 million of dividends paid out in 2010 and to the improvement in conversion reserves and future cash flow hedges, up by €67 million and €45 million respectively.

Profitability

ROE* increased to 23.6% at year-end 2010, from 16.3% at year-end 2009.

** excluding non-recurring items*

HIGHLIGHTS

In a transitional economic environment, RCI returned to growth in 2010 and recorded a strong improvement in performances.

PERFORMANCES

With 953,110 contracts signed and more than €10 billion in new financings, the group achieved its best performance level for five years.

In Europe, the RCI group, underpinned by excellent performances by vehicle manufacturers and a pioneering and competitive product offering, recorded 15% growth in new financings, attributable in particular to the success of the packaged products policy (Spain, Germany, Italy, Switzerland, etc.).

The development of RCI Banque's partnership with Nissan also had a very significant impact on the penetration rate in Europe. Numerous "loyalty-building" offers were put in place, especially at the launch of the brand's new flagship models, such as the *Juke*.

Outside Europe, growth was marked by the performances of the Latin American affiliates (86% increase in new financings) and of South Korea (up by 39%).

DEVELOPMENTS

- **In Russia:** in 2010, the group initiated the process of creating a sales office. The aim is to establish a finance company geared towards providing credit for both dealers and, in the long term, customers.
- **In Nordic countries:** the Renault Group ceased its direct activities in Finland and Norway, transfering the distribution of its brands into the hands of an importer. The consequence of this was the withdrawal of RCI Banque's activities from both countries.
- **Malta:** The insurance activities of the Diac group and of RCI Italy were transferred to the Maltese subsidiary in January 2010 and September 2010 respectively.

OUTLOOK

The year 2011 will be marked by the growing contribution made by RCI subsidiaries outside Europe.

The RCI Banque group will evolve in a recovering global economic environment, after the slowdown seen in the second half-year 2010. Growth promises to be sustained – albeit slower – in emerging countries, and moderate in developed economies, with household consumption expenditure limited by a fall in purchasing power and a lifeless job market.

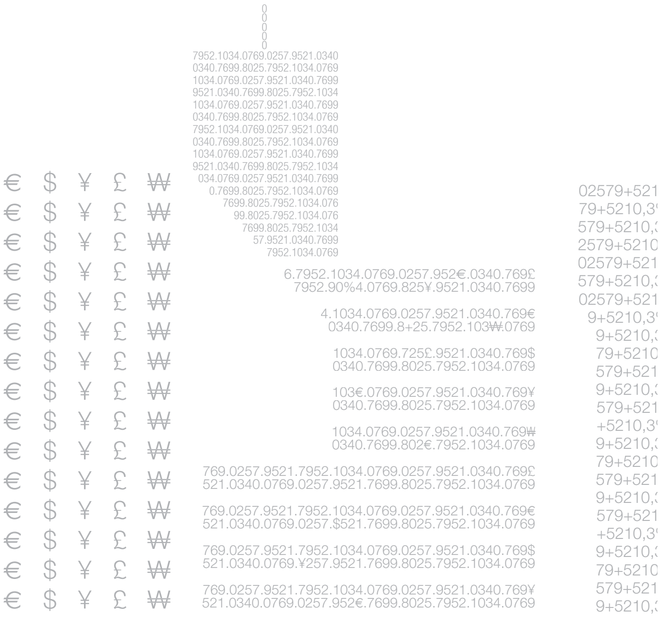
RCI Banque's aim is to maintain the growth momentum recorded in 2010, with a further increase in the penetration rate on sales of new vehicles by the Alliance's brands.

New steps are expected to be taken on the international stage, with the materialization of two key projects in Turkey and Russia.

The contribution made by services will also continue to be a significant driver of profitability.

The conservative financial policy followed by the group for a number of years proved especially justified in 2010, and will continue to protect the gross margin of each entity while securing refinancing.

The group also intends to pursue its action to improve its competitiveness, to maintain its strict underwriting policy and to continue monitoring changes in the cost of risk very closely.



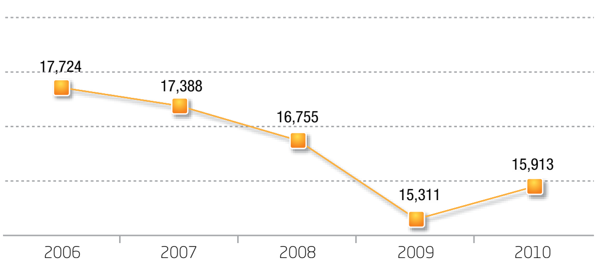
A CUSTOMER-ORIENTED ORGANIZATION

As a captive finance company, the task of the group is to support Renault Group (Renault, Dacia, Renault Samsung Motors) and Nissan Group (Nissan and Infiniti) brands by offering a comprehensive range of financing products and services to Alliance brand Customers (Retail and Corporate) and Dealers.

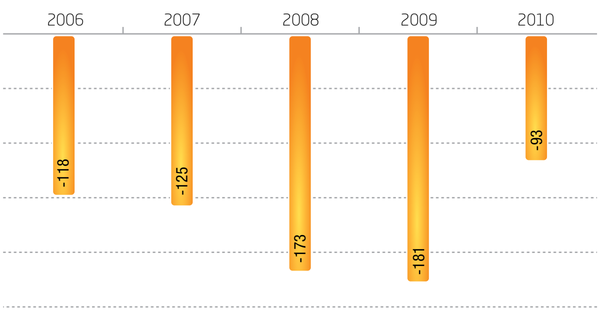
Customer financing

The RCI Banque group offers new and used car loans, rentals with options to buy, leases and long-term rentals. It also provides related services such as maintenance, extended warranties, insurance, roadside assistance, fleet management and credit cards.

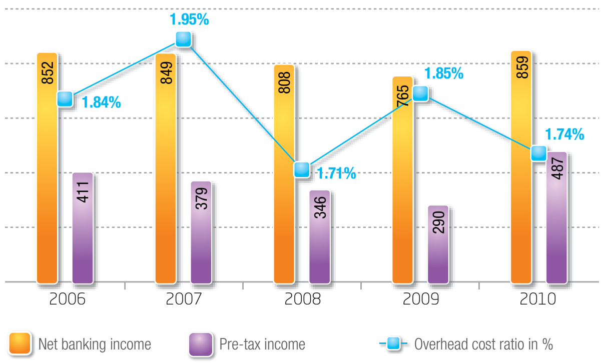
Average performing loans outstanding
in million euros



Cost of risk
in million euros



Results and operating costs
in million euros



Products and services

The RCI Banque group's strategy is to develop a "mobility" concept, by rounding out its finance product offering with an extended range of appropriate services.

This policy has been in place for a number of years, and has translated into a regular increase in the contribution made by services to the group's results, proving that the strategy adopted is in line with and meets customer demand.

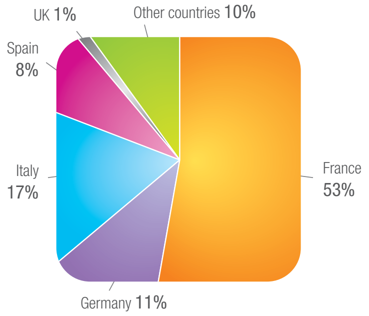
RCI Banque:

- strengthened its range of package offers and increased customer satisfaction and loyalty, with such products as *New Deal* in France, *Box* in Spain, and *Relax* in Germany. These products can be used to create flexible offers combining financial products with services such as warranty extension, maintenance, roadside assistance, personal insurance and car insurance;
- launched a number of new services:
  - car insurance for private individuals and small businesses in Algeria, Poland and Romania,
  - extended warranties for used cars in France, Germany and Italy,
  - excess waiver in Portugal,
  - financial loss in Morocco and in Poland;
- extended loan protection insurance (death, disability, redundancy, unemployment, financial loss, etc.) to new countries (Russia, Nordic countries);
- introduced a "green driving" service (Car +) for Corporate customers on the French market, which was given the "Best Service 2010" award by the specialist publication *L'Automotive et L'Entreprise;*
- began proposing a number of innovative offers on utility vehicles to meet SME demand, particularly in Romania (subsidized rate loan combined with a 6-year warranty) and in Italy (Total Pack Security Leasing).

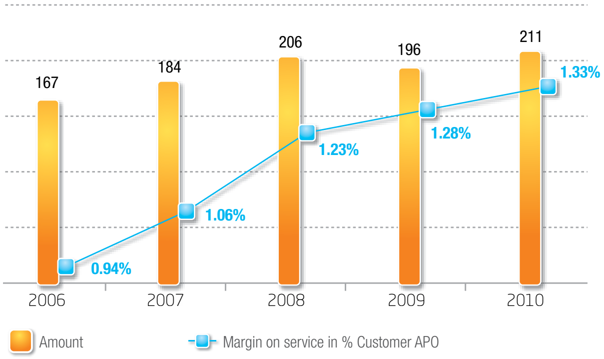
To promote the development of these new offerings:

- a Dacia Brand Development Division has been set up within the Renault Group. Its purpose is to help all Group entities concerned to adopt a specific approach to Dacia customers. RCI Banque's role within this cross-business division is to detail appropriate financing offerings as the main driver of volume growth for Dacia;
- RCI Banque has strengthened its Insurance Division as an expression of its determination to improve its position on the car insurance market in association with the car makers, and to increase synergies within the Renault-Nissan Alliance framework.

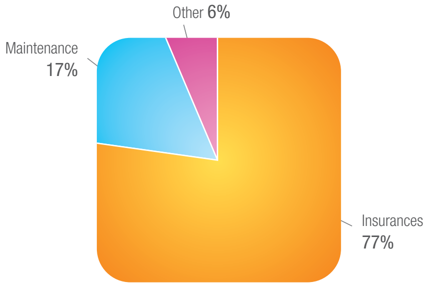
Breakdown of margin on services by country



Margin on services
in million euros



Distribution of the margin on services by product



Customers contact

In 2010, RCI Banque continued to roll out its *e-one stop shopping* strategy with the Alliance manufacturers, making financing a key step in the online vehicle configuration process. Loan and service simulation tools have been added to more than 20 Car Maker websites and some fifty Dealer websites. Two new features were also added in 2010:

- for prospects, the possibility of applying for a financing online;
- for brand customers, the creation of a personal space with secure access, where they can view essential information about their contracts.

E-move project

To support the launch of the Alliance's electric vehicles under the *e-move* project, RCI Banque is developing a range of innovative products and services for private and corporate customers covering a number of areas:

- new forms of mobility: car-sharing, car clubs and multi-modal mobility (a global mobility offer incorporating several different types of means of transportation, such as bus, train and car);
- services impacted by the new telematics-type technologies developed by the car makers, and by the shift towards "Private Individual" customers of certain services more traditionally intended for the "Corporate" market;
- the electric vehicle, which because of its particular technological features, will require a new kind of automotive management and be more similar to the provision of a service than the possession of a vehicle.

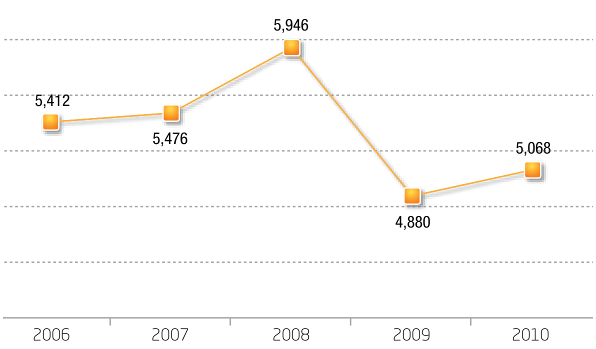
The RCI Banque group's outlook therefore revolves around:

- rolling out these services worldwide;
- setting up services based on mobility;
- providing support to the car makers with respect to their electric vehicle offerings.

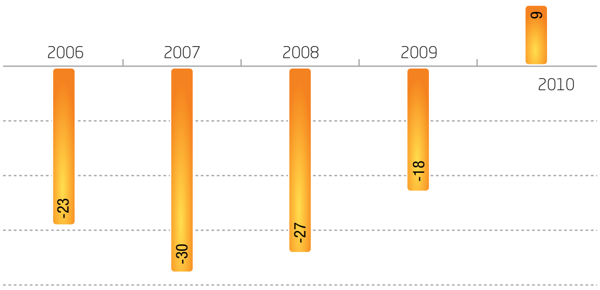
A CUSTOMER-ORIENTED ORGANIZATION

Dealer financing

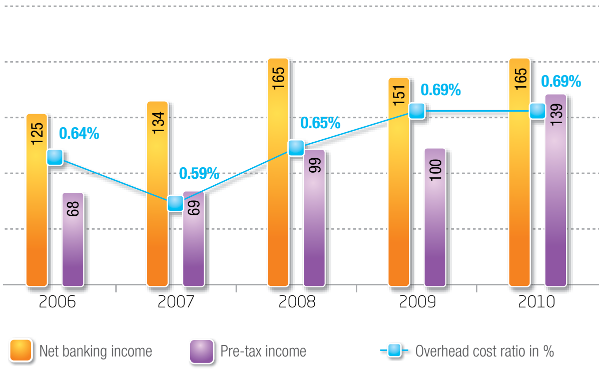
Average performing loans outstanding
in million euros



Cost of risk
in million euros



Results and operating costs
in million euros



The RCI Banque group finances inventories of new vehicles, used vehicles and spare parts as well as short-term cash requirements.

Sustained business and controlled risk

In 2010, the Alliance's brands outperformed a generally stable European market, and took full advantage of growth in Latin America.

Working in conjunction with the manufacturers to manage inventories and ensure appropriate levels for each market situation remained a priority throughout the year.

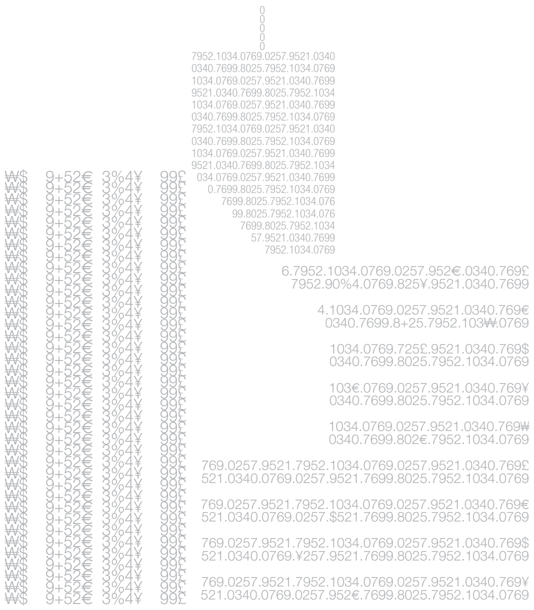
The brand dealership networks confirmed the improvement in their profitability and financial structures. Against this backdrop, the cost of risk (excluding country risk) switched from being a charge of 0.35% in 2009 to an income of 0.21% of average performing Dealer loans outstanding in 2010.

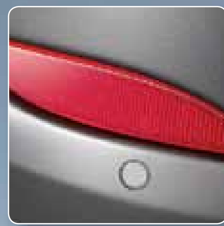
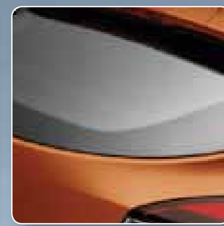
New international bases

In the first quarter of 2010, dealer financing for the Nissan and Infiniti networks was launched in certain Central European countries (Hungary, Slovakia and the Czech Republic) where RCI Banque previously only operated alongside Renault.

Dealer financing projects are in progress in Croatia for the Renault and Nissan brands, and in Ireland for the Renault network, with start-up planned for the first half-year 2011.

The project to introduce dealer financing in Russia for the Renault, Nissan and Infiniti brands is also being rolled out.

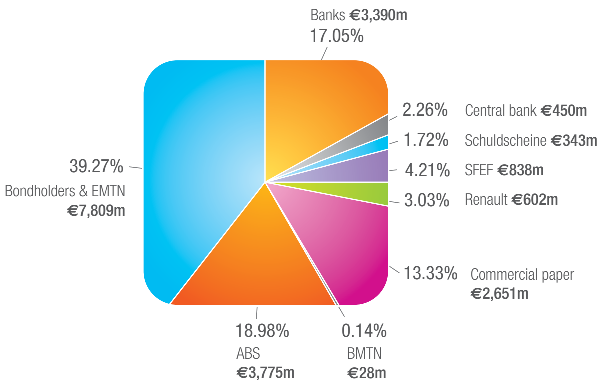


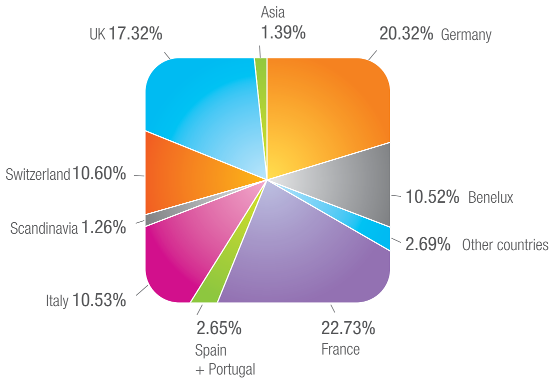
FINANCIAL POLICY

During the year 2010, the markets went through two successive periods of risk aversion, reacting to concerns about Greece's sovereign debt (second quarter) and then Ireland's (fourth quarter). In a still volatile environment, the conservative financial policy followed by the group for a number of years proved especially justified. This policy protects the gross 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 of the group's sales financing entities.

Structure of total debt
as at 31/12/2010



Geographical breakdown of funding sources with a term of one year and above
as at 31/12/2010



The RCI Banque group's programs (ratings at 01/03/2011)

The RCI Banque group's programs are concentrated on three issuers (RCI, Diac and Rombo Compania Financiera S.A.) and represent a total of approximately 24 billion euros.

ISSUER	PROGRAM	MARKET	AMOUNT	S & P	MOODY'S	R & I
RCI Banque	Euro CP	Euro	2,000 €M	A-2	P2	a-2
RCI Banque	Euro MTN	Euro	12,000 €M	BBB (stable)	Baa2 (Pos.)	BBB+
RCI Banque	CD	French	4,500 €M	A-2	P2	
RCI Banque	BMTN	French	2,000 €M	BBB (stable)	Baa2 (Pos.)	
Diac	CD	French	1,000 €M	A-2	P2	
Diac	BMTN	French	1,500 €M	BBB (stable)	Baa2 (Pos.)	
RCI Banque + Overlease + Renault AutoFin (RCI guarantee)	CP	Belgian	500 €M	A-2	P2	
Rombo Compania Financiera S.A.	Bonds	Argentine	400 $aM	raAA-*		

* Local ratings

The policy consisting in financing assets with longer-term liabilities and thus maintaining a positive liquidity gap position was sustained throughout the year. Resources borrowed with a term of one year or more[1] amounted to €5,0bn, and were thus greater than theoretical funding requirements. These are calculated as being the sum of long-term maturing resources (€4,4bn) plus the increase in Customer assets in countries under centralized refinancing (approximately €300m excluding the exchange rate effect).

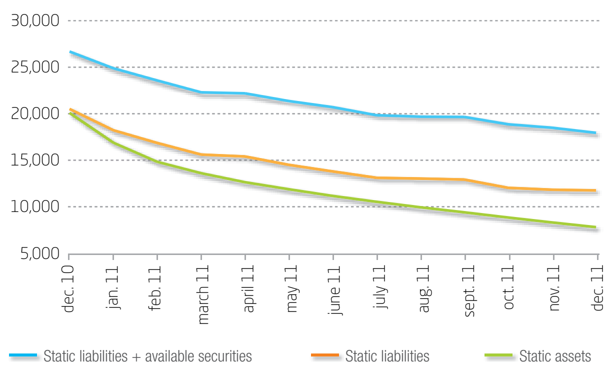
The static liquidity profile, quantified for each future monthly period by the surplus of liabilities in relation to assets as of any date, remained at a positive level, indicating a situation in which new loans are refinanced with funds borrowed several months earlier. In 2010, the continuous improvement in refinancing conditions enabled RCI Banque to extend the tenors of its debt with the launch of two 5-year bond issues for a total of €1.3bn. Consequently, the average term of the issued debt rose to 3.1 years, thus adding to the soundness of RCI Banque's balance sheet.

In addition to its positive static liquidity position, the group also had €6,5bn in available securities, consisting of unutilized confirmed lines of credit with no covenants (€4,5bn), €1,6bn (after haircut) in European Central Bank eligible collateral and a cash surplus of €401m.

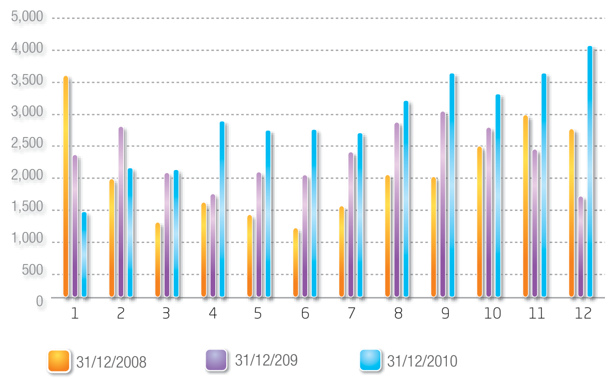
Temporary excess of cash is invested in the European Central Bank or in very short-term bank deposits with banks having a high credit rating, identified and approved beforehand by a specific committee.

[1] *RCI Banque and affiliates included within the scope of centralized refinancing*

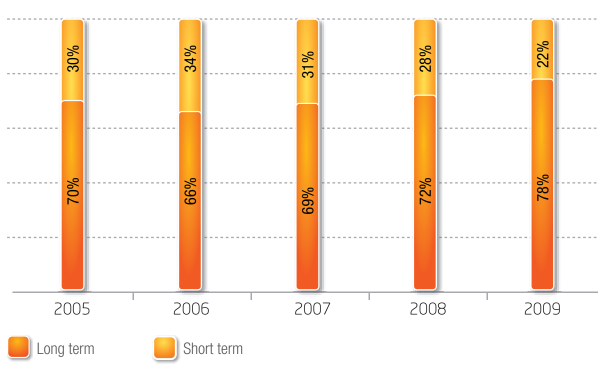
RCI Banque group liquidity position
in million euros



Static liquidity gap
in million euros



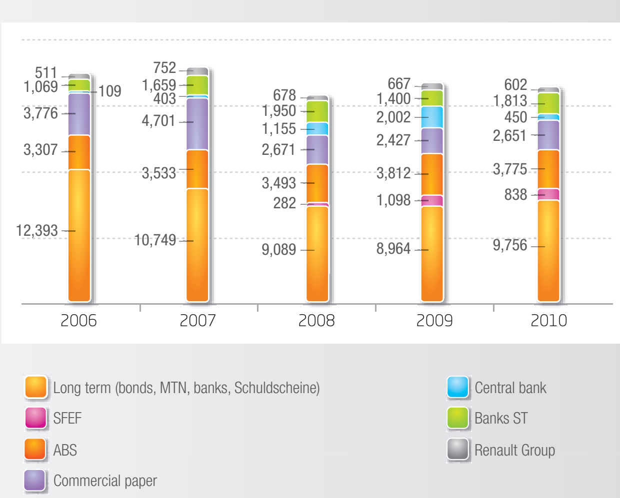
RCI Banque – Breakdown of liabilities



FINANCIAL POLICY

Liquidity reserve
in million euros

Changes in the structure of total debt
in million euros



The liquidity reserve, expressed as being the difference between available liquidity on the one hand, and certificates of deposit and commercial paper outstandings on the other, remained at a high level, at €3.9bn. It measures the company's ability to call on confirmed funds while complying with rating agencies' requirements on covering short-term debt securities through alternative funding sources.

During the year 2010, RCI Banque demonstrated its ability to act swiftly and took advantage of periods of positive market feeling to launch six public bond issues and a tap in Euros, for a total of €3,6bn. RCI Banque also embarked upon a process of diversifying its investor base, launching its first public issue in Swiss Francs for CHF250m. The group's subsidiaries also called on local markets in Argentina and South Korea, where the first issue in Wons was distributed.

RCI Banque also placed an €873m auto loan-backed securitization in Germany. This transaction (the largest post-crisis auto loan securitization) confirmed the re-opening of this source of funding for this type of assets. The funding through conduit securitization of the UK portfolio has been extended for an additionnal year and the amount raised increased by €102m.

The continuous fall in absolute rates (2-year swap average down from 1.87% in 2009 to 1.47% in 2010) and the squeeze on credit margins drove refinancing costs down to an all-time low.

As a matter of group policy, assets outside Western Europe held in countries rated less than "single A" (non-transfer risk) are financed by sources of funds borrowed locally in the same currency. Part of the Romanian subsidiary's financing requirements in Euros is provided by the group, which has Coface insurance against currency transfer and convertibility risk.

RCI Banque continued to respond proactively and regularly revised the costs of internal liquidity used to price Customer operations, so as to work with the changes in credit margins seen on markets. These credit margins fluctuated significantly and after peaking in mid-2010, started to fall continuously.

In addition to maintaining its central role in refinancing for subsidiaries in Western Europe, RCI Banque continues to develop the treasury and cash management services it offers the group's entities. A specialist team working from head office is now responsible for balancing the current accounts of the group's European subsidiaries, and also works on adapting group tools to the new SEPA (Single European Payment Area) payment methods. Through this organization, RCI Banque is thus able to ensure the availability of the funds each entity needs and to optimize the cost of resources in such areas as the back office, cash and accounting processing of transactions, and financial risk management.

BUSINESS ACTIVITY

Following 2009, a year marked by continuing economic and financial turmoil, the RCI Banque Group returned to growth in 2010 and achieved a record €10 billion in new financings. The overall penetration rate on Alliance brand sales came to 31.6%, a 1.6-point increase compared with 2009.

In a transitional global economic environment, 2010 was a record year for the Renault Group, which sold 2.6 million vehicles, a rise of 14%, giving it a 3.7% share of the market.

The Renault Group posted strong growth in emerging countries (up 26% and 983,000 units sold). In Latin America especially, sales grew by 39%, increasing the Group's market share by 0.9 points to over 5%.

In Western Europe, growth remained sustained (up 7.4%) despite the downturn in the markets following the end of government support schemes in a certain number of countries. Driven by the success of the Dacia brand and its launch of the *Duster* in March, and the recent renewal of the *Megane* and utility vehicle ranges, the Renault Group posted a 1.1-point increase in its market share.

In this environment, the RCI Banque group enjoyed a record year, passing the symbolic threshold of €10 billion in new financings (excluding cards and personal loans), a 20.7% increase compared with 2009. Over the year, the number of new financing contracts grew by 15.4%.

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 Excluding cards and PLs (€M)	Net loans outstanding at year-end (€M)
Western Europe	**2010**	**11.3%**	**2.9%**	**30.9%**	**719,504**	**8,067**	**18,430**
	2009	10%	2.5%	29.1%	643,168	7,032	18,233
of which Germany	**2010**	**5.5%**	**2.0%**	**34.1%**	**111,929**	**1,344**	**3,595**
	2009	6%	1.7%	31.3%	127,336	1,398	3,687
of which Spain	**2010**	**11.4%**	**4.4%**	**34.5%**	**65,114**	**722**	**1,821**
	2009	10.9%	4.1%	35.9%	66,678	716	2,197
of which France	**2010**	**27.9%**	**2.3%**	**32.0%**	**325,317**	**3,731**	**8,151**
	2009	26%	2%	29.1%	276,324	3,230	8,114
of which United Kingdom	**2010**	**5.0%**	**4.2%**	**24.8%**	**69,701**	**740**	**1,449**
	2009	3.4%	3.9%	23.4%	51,742	526	1,273
of which Italy	**2010**	**6.6%**	**2.8%**	**37.2%**	**76,718**	**883**	**1,724**
	2009	5.3%	2.5%	32.8%	61,404	644	1,476
Brazil	**2010**	**4.8%**	**1.1%**	**35.7%**	**72,998**	**723**	**1,232**
	2009	3.9%	0.8%	35.6%	52,192	417	845
South Korea	**2010**	**10.1%**	**0.4%**	**46.1%**	**77,331**	**855**	**1,199**
	2009	9.3%	0.3%	47.4%	65,767	613	825
Rest of the world *	**2010**	**11.2%**	**1.3%**	**25.5%**	**83,277**	**357**	**866**
	2009	11%	1%	23%	65,027	221	739
TOTAL RCI BANQUE GROUP	**2010**	**10.1%**	**2.2%**	**31.6%**	**953,110**	**10,003**	**21,727**
	2009	9.2%	1.9%	30%	826,154	8,283	20,642

* Rest of the world (consolidated scope): Poland, Czech Republic, Slovenia, Hungary, Romania, Argentina, Morocco and Nordic countries.

The group's aggregate penetration rate rose by 1.6 points compared with 2009. This increase concerned all brands, particularly Dacia, on which the penetration rate increased from 22.9% in 2009 to 25.5% in 2010, and Nissan, on which it increased from 20.4% in 2009 to 25.8% in 2010, and to a lesser extent the Renault brand, on which the penetration rate rose by 0.7 points to 33%.

Net outstandings from sales financing rose by 5.3%, with net outstandings on Customer loans up by 5.8% on 2009 to €16.8bn.

Of which net Dealer loans outstanding at year-end (€M)	Average performing loans outstanding (€M)	Net banking income (€M)	Pre-tax income (€M)
4,308	**18,109**	**781**	**454**
4,262	18,162	727	271
755	**3,586**	**155**	**106**
728	3,836	155	81
342	**2,046**	**70**	**24**
399	2,436	74	-35
1,932	**7,951**	**357**	**203**
2,001	7,802	324	143
271	**1,426**	**61**	**27**
199	1,304	56	23
412	**1,583**	**78**	**58**
388	1,360	63	40
313	**999**	**98**	**75**
276	637	65	55
12	**1,019**	**60**	**47**
3	589	36	25
283	**855**	**83**	**51**
208	802	81	35
4,916	**20,981**	**1,133**	**703**
4,749	20,191	1,044	488

EUROPE

GERMANY

The year 2010 was marked by the recovery in the German economy, which saw the highest level of growth in GDP (up by 3.6%) since the country's reunification. However, the automotive market shrank, with sales falling by 21.7% to 3.1 million vehicles, from the exceptional level seen in 2009 (and which was driven by the vehicle scrappage scheme).

New registrations of Alliance brand vehicles came to 234,970 units (down 23.9% compared with 2009), giving the Alliance a market share of 7.5% (Renault 4.2%, Dacia 1.3% and Nissan 2.0%) against 7.7% in 2009.

RCI Germany recorded a rise in its penetration rate from 31.3% in 2009 to 34.1% in 2010 (Renault up 0.4 points to 38.7%, Dacia up 3.3 points to 30.0%, and Nissan up 6.3 points to 27.3%). However new Customer net financings fell slightly to €1,344m (down 3.9% from 2009).

Pre-tax income grew by €25m, an increase mainly attributable to:

- The fall in the cost of risk (down by €8.7m) resulting from control over and management of the underwriting policy and debt collection in a positive economic environment;
- Continuing efforts to optimize operating expenses (down €4.7m).

in thousands euros (excluding rate and unit)	2010	2009
Number of new contracts processed	111,929	127,336
New Customer financings, net	1,344,334	1,398,383
BALANCE SHEET		
Gross outstandings	3,668,669	3,776,489
Allowance for impairment	-74,069	-89,656
Net outstandings	**3,594,600**	**3,686,833**
of which receivable from Dealers	*754,655*	*728,354*
Available-for-sale securities	2,231,698	2,551,733
Other assets	39,188	64,657
Debt	5,376,887	5,879,628
Other liabilities	305,123	274,900
Provisions for risks and charges	9,917	18,906
Equity	173,559	129,789
BALANCE SHEET TOTAL	**5,865,486**	**6,303,223**
Income statement		
Net banking income (excluding non-banking income)	155,312	155,321
Pre-tax income	106,061	80,692
Net income	75,900	57,864

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AUSTRIA

In 2010, the automotive market in Austria recorded a 3.3% rise in sales, and new registrations of Alliance brand vehicles rose by 9.6% to 30,687 units. Renault and Nissan's market shares remained stable at 5.2% and 1.7% respectively. New registrations of Dacia vehicles increased by 28%, giving it a 1.7% market share, compared with 1.4% in 2009.

In this environment, RCI Austria's penetration rate grew to 17.8% against 17.2% in 2009. The number of new vehicle contracts processed over the year saw a 9.3% increase to 8,370 units. New financings grew by 11% compared with 2009.

Average performing Customer loans outstanding amounted to €162m, down 3.2% on 2009. However average performing Dealer loans outstanding were up slightly by 1.9% to €93m.

Pre-tax income came to €5.2m (up €0.9m on 2009), as a result of the rise in net banking income (up €0.5m) and control over the cost of risk (up €0.3m).

in thousands euros (excluding rate and unit)	2010	2009
Number of new contracts processed	8,370	7,655
New Customer financings, net	82,910	74,672
BALANCE SHEET		
Gross outstandings	280,685	257,009
Allowance for impairment	-7,730	-7,677
Net outstandings	**272,955**	**249,332**
of which receivable from Dealers	*105,166*	*83,874*
Available-for-sale securities	5,237	6,445
Other assets	4,865	2,181
Debt	242,352	218,548
Other liabilities	5,934	5,320
Provisions for risks and charges	541	501
Equity	34,230	33,589
BALANCE SHEET TOTAL	**283,057**	**257,958**
Income statement		
Net banking income (excluding non-banking income)	11,055	10,513
Pre-tax income	5,226	4,286
Net income	3,969	3,215

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BELGIUM

The automotive market in Belgium recorded a 13% rise in sales compared to 2009. The Renault Group increased its market share by 1.8 points to 12.9%, thereby confirming its position as the leading car manufacturer on the Belgian market. Nissan's market share increased slightly by 0.2 points to 2.8%.

In this environment, RCI Belgium's penetration rate on Renault sales fell by 6 points, with manufacturer discounts more attractive than financing. On the other hand, penetration rates on Dacia and Nissan sales continued to rise, by 1 point and 5 points respectively as compared with 2009.

With more than 24,600 financing contracts booked, 2010 was a record year. Pre-tax income came to €5.4m (up €0.7m compared to 2009).

in thousands euros (excluding rate and unit)	2010	2009
Number of new contracts processed	24,627	22,264
New Customer financings, net	124,266	111,679
BALANCE SHEET		
Gross outstandings	315,881	268,364
Allowance for impairment	-7,839	-6,401
Net outstandings	**308,042**	**261,963**
of which receivable from Dealers	*106,088*	*85,269*
Available-for-sale securities	4,465	2,094
Other assets	21,945	19,532
Debt	310,505	267,239
Other liabilities	3,617	6,449
Provisions for risks and charges	1,192	1,219
Equity	19,138	8,682
BALANCE SHEET TOTAL	**334,452**	**283,589**
Income statement		
Net banking income (excluding non-banking income)	9,683	8,108
Pre-tax income	5,372	4,629
Net income	4,556	3,202

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SPAIN

The automotive market in Spain recorded an 11% drop in sales compared with 2009, to 1.1 million vehicles. This fall was a consequence of the end of the vehicle scrappage incentive scheme in the second half-year.

In this environment, Renault posted a market share of 9.3% (down by 0.6 points relative to 2009), while Nissan stood at 4.4% (up 0.5 points) and Dacia at 2% (up 1.2 points).

RCI Spain posted an overall penetration rate of 34.8%, a 1-point fall compared with 2009. Its penetration rate on Renault sales came to 40.5% (41.8% in 2009), while on Nissan sales it remained stable at 24%. On Dacia sales however, it rose to 32.5% from 22.8%, driven by sales and marketing operations linked to the *Duster* launch.

New financings remained stable (up €5m).

In the second quarter 2010, RCI Spain sold its long-term rental portfolio and signed an agreement with Arval covering this business.

Average performing loans outstanding fell by 16% to €2bn.

The pre-tax result for 2010 was a profit of €24.4m compared with a loss of €35m in 2009. This performance is attributable to the cost of risk, which came to €8m, showing a strong improvement of €63.8m relative to 2009 as a result of the performance of the debt collection chains and an improvement in the quality of new Customer financings, which broadly offset:

- the fall in net banking income (down €3.8m on 2009). The excellent performance in services did not make up for the fall in outstandings;
- a €1.4m deterioration in "Other income and exceptional charges", brought about by a restructuring plan initiated at the end of 2010.

in thousands euros (excluding rate and unit)	2010	2009
Number of new contracts processed	65,114	66,678
New Customer financings, net	721,725	716,313
BALANCE SHEET		
Gross outstandings	2,050,756	2,448,469
Allowance for impairment	-230,242	-251,701
Net outstandings	**1,820,514**	**2,196,768**
of which receivable from Dealers	*341,769*	*399,419*
Available-for-sale securities	52,351	54,603
Other assets	126,418	120,452
Debt	1,879,463	2,272,014
Other liabilities	34,543	33,265
Provisions for risks and charges	7,030	5,324
Equity	78,247	61,220
BALANCE SHEET TOTAL	**1,999,283**	**2,371,823**
Income statement		
Net banking income (excluding non-banking income)	70,385	74,216
Pre-tax income	24,364	-35,040
Net income	17,026	-24,541

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EUROPE

FRANCE

The highly competitive French market was boosted by the vehicle scrappage incentive scheme in 2010 and enjoyed its best year since 2001. In this context, the Renault Group achieved the strongest market growth of all general car manufacturers, with a rise of over 55,500 vehicles compared to the previous year. This is especially attributable to Dacia which, with 110,076 new registrations, increased its sales by more than 67% (success of the *Sandero* and *Duster* models). Registrations of new Nissan vehicles increased by 17.5% to 61,393 units, driven by the success of *Qashqai*, *Juke* and the new *Micra*.

The Diac group's financing volumes on the Customer segment increased by some 49,000 contracts compared with 2009, with a penetration rate of 32% (up 2.9 points).

Services continued to grow with the launch of the no-finance used car extended warranty offer and the introduction of direct marketing operations aimed at selling additional services across the portfolio under management.

New financings increased by 15.5% compared with 2009 (up €500m). Average performing Customer loans outstanding came to €5.9 billion (up 3.5%).

Average performing Dealer loans outstanding came to €2.1bn (down by 2.3% on 2009).

Pre-tax income increased to €203.1m in 2010, up €59.7m relative to 2009, reflecting both the rise in outstandings and financial margins, and control over the cost of risk and operating expenses (which came to 1.52% of average performing loans outstanding, down on 2009).

in thousands euros (excluding rate and unit)	2010	2009
Number of new contracts processed	325,317	276,324
New Customer financings, net	3,731,144	3,230,242
BALANCE SHEET		
Gross outstandings	8,465,236	8,445,084
Allowance for impairment	-314,442	-331,184
Net outstandings	**8,150,794**	**8,113,900**
of which receivable from Dealers	*1,931,605*	*2,000,781*
Available-for-sale securities	392,458	1,825,439
Other assets	352,918	308,271
Debt	7,504,833	8,950,465
Other liabilities	711,741	715,164
Provisions for risks and charges	48,187	52,845
Equity	631,409	529,136
BALANCE SHEET TOTAL	**8,896,170**	**10,247,610**
Income statement		
Net banking income (excluding non-banking income)	356,710	324,134
Pre-tax income	203,110	143,448
Net income	131,913	92,956

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HUNGARY

In 2010, the Hungarian automotive market declined for the sixth year running, with sales dropping by 26% in comparison with 2009. This fall was concentrated on the first six months of the year, and was partially offset by a return to growth in the second part of year.

However Renault's market share increased by 2.6 points to 8.7%. Dacia's market share also improved from 0.7% in 2009 to 1.1% in 2010. Despite the success of the *Qashqai* model, Nissan saw a 0.5-point fall in its share to 3.6%.

RCI Hungary's penetration rate fell to 35.6% on Renault sales (48.9% in 2009) and to 37.1% on Dacia (51.8% in 2009). The launch of the Nissan Customer business translated into a penetration rate of 11.3%.

The year was marked by the start-up of the Dealer Credit business for Nissan. Thus, average performing Dealer loans outstanding rose by 53% to €14m. Average performing Customer loans outstanding amounted to €30.6m, continuing to decrease at their natural rate. This activity is managed through a sales agreement with Unicredit Leasing Hungary since the second quarter 2009.

The pre-tax result was a profit of €1.2m compared with a loss in 2009, attributable in particular to a 30% reduction in operating expenses and control over the cost of risk.

in thousands euros (excluding rate and unit)	2010	2009
Exchange rate (year-end)	277.9500	270.4200
Exchange rate (average)	275.3551	280.5433
Number of new contracts processed	2,183	2,450
New Customer financings, net	-	5,593
BALANCE SHEET		
Gross outstandings	48,419	46,875
Allowance for impairment	-3,364	-3,446
Net outstandings	**45,055**	**43,429**
of which receivable from Dealers	*20,111*	*6,301*
Available-for-sale securities	540	2,840
Other assets	3,012	3,923
Debt	38,039	39,309
Other liabilities	1,452	2,078
Provisions for risks and charges	820	795
Equity	8,296	8,010
BALANCE SHEET TOTAL	**48,607**	**50,192**
Income statement		
Net banking income (excluding non-banking income)	3,221	4,359
Pre-tax income	1,238	-50
Net income	1,496	-93

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ITALY

Following the end of the vehicle scrappage incentive scheme, the Italian automotive market shrank by 1.6% in 2010 (2.1 million units). Renault recorded a 5.6% market share up from 4.4% in 2009. Dacia continued its conquest of the market, achieving a 1.1% market share (up 0.1 points on 2009). Nissan improved its performance by 0.3 points to 2.8% in 2010.

In this environment, RCI Italy's penetration rate grew from 32.8% in 2009 to 37.2% in 2010, due in particular to the new sales policy implemented across Dealer networks and to the success of its offers in the Retail and Corporate markets. The 37% increase in new financings compared with 2009, is its best business performance since 2005.

RCI Italy also continued to develop services and its customer loyalty scheme. The number of services contracts increased by 22.9% compared with 2009, to 125,000 units.

Average performing loans outstanding rose to €1.6 billion in 2010 from €1.4 billion in 2009. This increase was a result of strong growth in the Customer business in 2010.

Net banking income for 2010 came to 4.9% of average performing loans outstanding (up by 0.26 points from 2009), partly due to the €9m increase in the contribution made by services and insurance.

Pre-tax income for 2010 came to €58.4m, a rise of 40.6% compared with 2009. This increase is attributable to control over the cost of Customer risk (0.45% of average performing loans outstanding compared with 0.92% in 2009) and over operating expenses (down by €1.2m compared with the previous year).

in thousands euros (excluding rate and unit)	2010	2009
Number of new contracts processed	76,718	61,404
New Customer financings, net	883,183	643,580
BALANCE SHEET		
Gross outstandings	1,784,024	1,542,817
Allowance for impairment	-59,884	-66,494
Net outstandings	**1,724,140**	**1,476,323**
of which receivable from Dealers	*412,156*	*388,382*
Available-for-sale securities	240,682	141,582
Other assets	852,424	952,053
Debt	2,703,286	2,458,353
Other liabilities	41,610	46,597
Provisions for risks and charges	15,570	18,345
Equity	56,780	46,663
BALANCE SHEET TOTAL	**2,817,246**	**2,569,958**
Income statement		
Net banking income (excluding non-banking income)	77,722	63,206
Pre-tax income	58,362	40,211
Net income	40,850	32,440

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MALTA

2010 was the second year of business for RCI Life and RCI Insurance Ltd. After taking over management of RCI Germany's borrower insurance business in 2009, French policies were transferred to RCI Malta from January 2010 onwards, and Italian policies from September.

All in all, 158,873 policies were taken out in 2010, of which 94,508 in France, 49,241 in Germany and 14,624 in Italy, and a total of €41.7m in premiums was collected (a 70% increase compared with 2009).

The rate of claims remained lower than expected, with some 500 claims processed and settled in 2010.

The pre-tax result was a loss of €2.5m, an improvement of €1m in comparison with 2009.

in thousands euros (excluding rate and unit)	2010	2009
Number of new contracts processed		
New Customer financings, net		
BALANCE SHEET		
Gross outstandings	-	-
Allowance for impairment	-	-
Net outstandings	**-**	**-**
of which receivable from Dealers	-	-
Available-for-sale securities	33,032	16,171
Other assets	47,470	18,886
Debt	-	-
Other liabilities	23,159	6,603
Provisions for risks and charges	51,832	22,239
Equity	5,511	6,215
BALANCE SHEET TOTAL	**80,502**	**35,057**
Income statement		
Net banking income (excluding non-banking income)	-1,025	-1,394
Pre-tax income	-2,501	-3,521
Net income	-739	-2,833

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NORDIC COUNTRIES

In a rising automotive market (up 31.4%), new registrations of Renault Group vehicles increased by 73.3% compared with 2009. The combined market share of the Renault and Dacia brands increased to 3.9% in 2010 from 2.9% in 2009.

In this environment, RCI Nordic recorded an overall penetration rate of 34.1% compared with 31.4% in 2009, i.e. 47.9% in Sweden (up 2.3 points), 11.9% in Finland (down 7.8 points), 2.4% in Denmark (stable) and 3.8% in Norway (stable). 14,123 new financing contracts were processed, an increase of 48.4% compared with 2009.

For its third year in business, average performing Dealer loans outstanding amounted to €53.3m (€38.8m in 2009).

Pre-tax income came to €1.6m.

The end of 2010 was marked by Renault's decision to focus its business on its two most successful Nordic markets, Sweden and Denmark and to transfer to an importer the development of the business in Finland and in Norway. RCI adapted its activity accordingly.

in thousands euros (excluding rate and unit)	2010	2009
Exchange rate (year-end)	8.9655	10.2520
Exchange rate (average)	9.5473	10.6200
Number of new contracts processed	14,123	9,519
New Customer financings, net	-	-
BALANCE SHEET		
Gross outstandings	52,566	62,821
Allowance for impairment	-1,469	-1,264
Net outstandings	**51,097**	**61,557**
of which receivable from Dealers	*51,097*	*61,557*
Available-for-sale securities	5,171	1,567
Other assets	328	452
Debt	55,098	63,473
Other liabilities	795	606
Provisions for risks and charges	0	0
Equity	703	- 503
BALANCE SHEET TOTAL	**56,596**	**63,576**
Income statement		
Net banking income (excluding non-banking income)	3,446	3,070
Pre-tax income	1,629	754
Net income	1,200	529

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NETHERLANDS

In a buoyant economic environment, the automotive market grew by 21% compared with 2009. The Renault Group's market share rose to 8.6% in 2010 (7,6% in 2009), while Nissan's remained steady at 2.4%.

Against this backdrop, RCI Netherlands' penetration rate on Renault sales increased by 1.3 points to 17.2%, on Dacia sales by 5.7 points to 15.2%, driven by the success of promotional campaigns in the second half-year, and on Nissan sales by 0.6 points to 19.1%.

Following the implementation of an action plan, the financial structure of the Renault and Nissan Dealer networks was significantly strengthened and the financing period considerably reduced. The average performing Dealer loans outstanding decreased from €167m in 2009 to €137m.

Pre-tax income came to €8.8m, compared with a loss of €1.6m in 2009. The cost of risk was kept well under control on the Dealer segment.

in thousands euros (excluding rate and unit)	2010	2009
Number of new contracts processed	12,598	9,487
New Customer financings, net	100,717	73,016
BALANCE SHEET		
Gross outstandings	344,215	351,089
Allowance for impairment	-34,094	-35,345
Net outstandings	**310,121**	**315,744**
of which receivable from Dealers	*154,407*	*160,284*
Available-for-sale securities	3,519	6,255
Other assets	3,334	9,699
Debt	300,238	318,964
Other liabilities	5,933	6,948
Provisions for risks and charges	3,285	4,857
Equity	7,518	929
BALANCE SHEET TOTAL	**316,974**	**331,698**
Income statement		
Net banking income (excluding non-banking income)	13,357	12,969
Pre-tax income	8,827	-1,596
Net income	6,589	-1,181

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POLAND

The revival in economic growth translated into a 3.3% increase in Poland's automotive market (all brands combined) compared with 2009, with almost 375,000 vehicles sold. The end of the year was marked by anticipation of the VAT rise in January 2011.

Renault's market share increased in comparison with 2009 to 6.3% (up 0.4 points), Dacia's to 1.6% (up 0.8 points), and Nissan's to 3.5% (up 0.2 points).

RCI Poland's very strong integration into the car manufacturers' sales operations enabled it to increase its penetration rate on Renault sales to 36.1% (up 2 points compared with 2009) and on Dacia sales to 21.1% (up 1 point). The penetration rate on Nissan sales went up to 32.5%, showing a sharp rise of 23.3 points.

With 14,563 new loan and lease contracts, RCI Poland posted a 54% rise in its business activity.

Average performing Customer loans outstanding amounted to €134m, a 26% increase on 2009 (16% excluding the exchange rate effect).

Pre-tax income rose to €8.8m from €7.5m in 2009. Excluding the exchange rate effect, it grew by 7%, an increase attributable to the fact that margins held up well and Customer risk was kept under control.

in thousands euros (excluding rate and unit)	2010	2009
Exchange rate (year-end)	3.9750	4.1045
Exchange rate (average)	3.9950	4.3298
Number of new contracts processed	14,563	9,429
New Customer financings, net	129,830	72,361
BALANCE SHEET		
Gross outstandings	273,219	211,981
Allowance for impairment	-9,002	-8,666
Net outstandings	**264,217**	**203,315**
of which receivable from Dealers	*101,961*	*89,085*
Available-for-sale securities	14,112	18,856
Other assets	15,946	12,041
Debt	217,287	163,211
Other liabilities	4,600	2,641
Provisions for risks and charges	3,371	585
Equity	69,017	67,775
BALANCE SHEET TOTAL	294,275	234,212
Income statement		
Net banking income (excluding non-banking income)	16,441	14,334
Pre-tax income	8,764	7,539
Net income	6,829	6,028

RENAULT CREDIT POLSKA
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PORTUGAL

The automotive market in Portugal recorded a 34.6% rise in sales to 269,235 new registrations. The Renault Group's market share rose to 13.0% in 2010 from 12.2% in 2009, and the brand held on to its top spot on the passenger and utility vehicle market. Nissan's market share increased from 2.8% to 3.5%.

In this favorable environment, RCI Portugal's penetration rate edged up by 2.2 points to 25.8%.

The year 2010 was mainly marked by the partnership set up with ALD Automotive, paving the way for RCI's return to the long-term rental market. The services business was also boosted by the launch of the "Excess Waiver" service, thus growing the car insurance portfolio.

New financings increased by 19.6% to €151m especially because of the resumption of financing to short-term rental companies.

In total, average performing loans outstanding came to €316m, a rise of €23m compared with 2009 mainly attributable to the Dealer business (€105m in average performing loans outstanding compared with €85m in 2009).

Pre-tax income came to €4.2m in 2010, compared with €5.1m in 2009.

in thousands euros (excluding rate and unit)	2010	2009
Number of new contracts processed	12,540	10,541
New Customer financings, net	150,906	126,169
BALANCE SHEET		
Gross outstandings	384,448	350,482
Allowance for impairment	-36,590	-37,793
Net outstandings	**347,858**	**312,689**
of which receivable from Dealers	*102,505*	*93,471*
Available-for-sale securities	7,440	7,575
Other assets	15,253	22,466
Debt	326,199	299,648
Other liabilities	12,498	11,036
Provisions for risks and charges	3,524	3,465
Equity	28,330	28,581
BALANCE SHEET TOTAL	370,551	342,730
Income statement		
Net banking income (excluding non-banking income)	11,452	10,797
Pre-tax income	4,178	5,109
Net income	4,081	2,920

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EUROPE

CZECH REPUBLIC

In a growing economic environment, the automotive market remained steady with sales of some 171,000 vehicles.

Renault took a 7.4% market share (up 0.6 points on 2009) and confirmed its position as the 4th biggest car manufacturer on the market. Dacia's market share also increased by 0.5 points to 2%, but Nissan's slipped back by 0.3 point to 1.2%.

In this context, RCI's penetration rate in the Czech Republic hit a record level of 58% on Renault sales (44.4% in 2009), and increased by 7.9 points on Dacia sales to 45.8%. The start-up of financing on Nissan sales translated into a penetration rate of 15%.

Average performing Customer loans outstanding rose slightly to €61.8m (€60.5m in 2009). Average performing Dealer loans outstanding also went up to €33.3m, an increase of 30.8% compared with 2009 mainly attributable to the launch of financing for the Nissan network.

Pre-tax income came to €5m, compared with €3.6m in 2009. This increase was due in particular to the rise in new high-return financings, the sustained contribution made by the Insurance business, and the positive shift in the cost of risk.

in thousands euros (excluding rate and unit)	2010	2009
Exchange rate (year-end)	25.0610	26.4730
Exchange rate (average)	25.2944	26.4549
Number of new contracts processed	9,730	6,953
New Customer financings, net	31,474	23,827
BALANCE SHEET		
Gross outstandings	102,978	80,282
Allowance for impairment	-2,042	-1,968
Net outstandings	**100,936**	**78,314**
of which receivable from Dealers	*34,546*	*19,356*
Available-for-sale securities	223	2,461
Other assets	2,125	956
Debt	59,155	45,111
Other liabilities	6,943	5,392
Provisions for risks and charges	0	0
Equity	37,186	31,228
BALANCE SHEET TOTAL	**103,284**	**81,731**
Income statement		
Net banking income (excluding non-banking income)	6,760	5,536
Pre-tax income	5,053	3,591
Net income	4,160	2,938

RENAULT LEASING CZ s.r.o
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UNITED KINGDOM

Against a backdrop of fragile economic recovery, the UK automotive market grew by 3% compared with 2009, with sales of 2.26 million vehicles.

Following the end of the government's vehicle scrappage incentive scheme in the first quarter 2010, the Alliance manufacturers introduced their own incentive offers to boost sales. Nissan's market share increased by 0.4 points, driven partly by the success of its *Qashqai* model and partly by its new *Juke* model, which was launched in September. Renault achieved its market share target of 5%, a rise of 1.7 points compared with 2009.

RCI FS's (RCI Financial Services) overall penetration rate came to 24.8%, showing a 1.4-point increase. Its penetration rate on Renault sales fell to 25.2% from 27.1% in 2009, but rose on Nissan sales to 24.3% from 20.1% in 2009. RCI FS recorded a 34.7% increase in new contracts.

Driven by a healthy business performance, average performing Customer loans outstanding steadied at €1.1bn, after several years of decline. Average Dealer loans outstanding grew, increasing from €213m in 2009 to €299m in 2010.

Pre-tax income came to €27.5m, compared with €23m in 2009. This increase is mainly attributable to the sales growth and to control over operating expenses, and is reduced as a result of a change in the Customer provision calculation method.

in thousands euros (excluding rate and unit)	2010	2009
Exchange rate (year-end)	0.8608	0.8810
Exchange rate (average)	0.8881	0.8916
Number of new contracts processed	69,701	51,742
New Customer financings, net	740,062	526,219
BALANCE SHEET		
Gross outstandings	1,529,996	1,344,859
Allowance for impairment	-81,402	-71,877
Net outstandings	**1,448,594**	**1,272,982**
of which receivable from Dealers	*270,607*	*198,527*
Available-for-sale securities	117,555	102,168
Other assets	67,844	64,968
Debt	1,386,660	1,221,293
Other liabilities	49,852	38,426
Provisions for risks and charges	1,376	2,657
Equity	196,105	177,742
BALANCE SHEET TOTAL	**1,633,993**	**1,440,118**
Income statement		
Net banking income (excluding non-banking income)	61,082	56,043
Pre-tax income	27,488	23,042
Net income	26,217	14,903

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SLOVENIA

The automotive market (all brands combined) in Slovenia recorded a 6% rise in sales to 64,609 units. The Alliance brands increased their share of the market by 1 point to 18.0% for Renault, 1.2% for Dacia and 2.2% for Nissan.

RCI Slovenia's penetration rate on new vehicle sales fell sharply by 13 points to 49.9%, a drop mainly concentrated on Renault sales (penetration rate down to 50.4% from 66.7% in 2009). On the other hand, the penetration rate on Nissan sales increased by 6 points to 46.7% and on Dacia sales by 7 points to 48.0%.

Average performing Dealer loans outstanding increased to €25.6m (up 32% compared with 2009).

Pre-tax income came to €1.1m, showing a slight fall of €0.2m compared with 2009, attributable to the rise in operating expenses.

in thousands euros (excluding rate and unit)	2010	2009
Number of new contracts processed	8,459	9,610
New Customer financings, net	-	-
BALANCE SHEET		
Gross outstandings	26,271	26,551
Allowance for impairment	-926	-688
Net outstandings	**25,345**	**25,863**
of which receivable from Dealers	*25,345*	*25,863*
Available-for-sale securities	55	34
Other assets	577	421
Debt	24,582	25,089
Other liabilities	732	619
Provisions for risks and charges	0	0
Equity	663	610
BALANCE SHEET TOTAL	**25,977**	**26,318**
Income statement		
Net banking income (excluding non-banking income)	2,476	2,459
Pre-tax income	1,132	1,273
Net income	925	906

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SWITZERLAND

The automotive market in Switzerland recorded a 10% rise in sales to 309,195 vehicles, and new registrations of Alliance brand vehicles increased by 25% compared with 2009. Renault's market share edged up by 0.1 point to 6.5%, Dacia's by 0.8 point to 1.8% and Nissan's by 0.4 points to 2.8%.

Against this backdrop, RCI Switzerland's penetration rate increased significantly by 4 points to 29.6% compared with 2009, driven in particular by the success of its packaged offers. The penetration rate on Renault Group sales rose by 4 points to 31.6% and on Nissan sales by 5 points to 23.7%.

RCI Switzerland posted a 29% increase in new financing contracts compared with 2009, and a 43.1% increase in new financings (up 31% excluding the exchange rate effect).

Average performing loans outstanding totaled €348m, up by 22% on 2009 (up 12% excluding the exchange rate effect), with healthy business performances seen in both the Customer (up 23% on 2009) and Dealer segments (up 20%).

RCI Switzerland's pre-tax income came to €10.7m, up sharply by 78% on 2009 (up 63% excluding the exchange rate effect), due mainly to the improvement in the cost of risk (change in accounting methods) and to the growth in financing volumes.

in thousands euros (excluding rate and unit)	2010	2009
Exchange rate (year-end)	1.2504	1.4836
Exchange rate (average)	1.3824	1.5119
Number of new contracts processed	12,590	9,737
New Customer financings, net	187,830	131,248
BALANCE SHEET		
Gross outstandings	408,571	294,029
Allowance for impairment	-6,791	-8,656
Net outstandings	**401,780**	**285,373**
of which receivable from Dealers	*77,971*	*61,881*
Available-for-sale securities	10,262	23,309
Other assets	15,997	9,864
Debt	357,172	264,586
Other liabilities	15,863	10,070
Provisions for risks and charges	1,347	1,052
Equity	53,657	42,838
BALANCE SHEET TOTAL	**428,039**	**318,546**
Income statement		
Net banking income (excluding non-banking income)	14,147	11,352
Pre-tax income	10,676	6,001
Net income	8,337	4,614

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EUROMED

MOROCCO

The automotive market totaled 103,436 units sold in 2010, a 6% fall in comparison with 2009.

The Renault Group's overall market share remained steady at 33.8%. The fall in Renault's share (16.3% compared with 17.3% in 2009) was made up for by the increase in Dacia's (17.5% compared with 16.5% in 2009).

In a highly competitive automotive financing market, RCI Morocco's overall penetration rate increased by 2.5 points to 17.5% (14.6% on Renault sales, 20.8% on Dacia sales).

Average performing loans outstanding (all businesses combined) grew by 25% compared with 2009, to €98m. Average performing loans outstanding for the Dealer segment rose by 14%.

RCI Morocco posted pre-tax income of €3m. The 21% decrease in comparison with the 2009 result is due to a deterioration in the cost of risk and operating expenses.

in thousands euros (excluding rate and unit)	2010	2009
Exchange rate (year-end)	11.1361	11.3147
Exchange rate (average)	11.1397	11.2270
Number of new contracts processed	6,245	5,768
New Customer financings, net	45,086	41,486
BALANCE SHEET		
Gross outstandings	114,988	101,607
Allowance for impairment	-3,627	-2,125
Net outstandings	**111,361**	**99,482**
of which receivable from Dealers	*25,509*	*24,677*
Available-for-sale securities	12,245	5,509
Other assets	4,112	2,203
Debt	107,003	90,540
Other liabilities	5,172	3,483
Provisions for risks and charges	0	0
Equity	15,543	13,171
BALANCE SHEET TOTAL	**127,718**	**107,194**
Income statement		
Net banking income (excluding non-banking income)	7,027	6,982
Pre-tax income	2,998	3,776
Net income	2,161	2,397

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ROMANIA

The economic situation in Romania deteriorated in 2010, and the automotive market posted a 20% fall in sales, despite government support measures being maintained. Despite this context, the combined market share of Renault, Dacia and Nissan rose to 40.8% (36.8% in 2009).

RCI Romania's penetration rate fell by 10.1 points (11.1% compared with 21.2% in 2009), as a result of the tighter underwriting policy. It financed 12.2% of Renault sales, 10.4% of Dacia sales and 20.3% of Nissan sales.

The total number of finance contracts plummeted by 53% from the 2009 level.

New financings fell by 36% compared with 2009, which is the main reason why average performing loans outstanding fell by 34% to €132m.

Pre-tax income came to €11.6m, recording a significant rise of €9.3m. The €14.7m improvement in the cost of risk, attributable to the healthy performance in debt collection, more than offset the €4.8m fall in net banking income and the €0.6m rise in operating expenses.

in thousands euros (excluding rate and unit)	2010	2009
Exchange rate (year-end)	4.2620	4.2363
Exchange rate (average)	4.2107	4.2396
Number of new contracts processed	5,647	11,918
New Customer financings, net	23,594	37,025
BALANCE SHEET		
Gross outstandings	120,836	195,333
Allowance for impairment	-6,333	-16,178
Net outstandings	**114,503**	**179,155**
of which receivable from Dealers	*1,129*	*937*
Available-for-sale securities	48,982	16,071
Other assets	3,324	2,928
Debt	137,819	163,729
Other liabilities	6,429	7,058
Provisions for risks and charges	0	0
Equity	22,561	27,367
BALANCE SHEET TOTAL	**166,809**	**198,154**
Income statement		
Net banking income (excluding non-banking income)	19,589	24,381
Pre-tax income	11,583	2,238
Net income	8,778	2,092

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AMERICAS

ARGENTINA

The improvement in economic activity that started in the final quarter of 2009 continued in 2010.

Against this backdrop, the automotive market saw a return to growth, with 634,268 vehicles sold (up 28% compared to 2009). Renault's market share increased by 0.6 points to 13.0%, while Nissan's went up from 0.8% in 2009 to 1.6% in 2010.

RCI Argentina's penetration rate grew by 9.4 points to reach 20.9%, reflecting adjustments to its sales and marketing policy in line with the return to a positive economic environment.

New financings amounted to €127.5m, up by 213% compared with the year 2009.

Total average performing loans outstanding increased to €161.4m from €124.1m in 2009. Average performing Customer loans outstanding rose by 21% to €109m and average performing Dealer loans outstanding by 55% to €52m.

Pre-tax income rose to €18.5m, an increase due in particular to portfolio growth, the low cost of risk, high financial margins and shrinking overheads.

Two series of bond issues for a total of €19m were completed in 2010. Issue outstandings stood at €25m at year-end 2010 for a program of $a400m or €75m. The latter is rated raA by Fitch Ratings and raA- by Standard & Poor's.

in thousands euros (excluding rate and unit)	2010	2009
Exchange rate (year-end)	5.3026	5.4455
Exchange rate (average)	5.1842	5.1698
Number of new contracts processed	22,327	9,380
New Customer financings, net	127,472	40,771
BALANCE SHEET		
Gross outstandings	234,299	131,999
Allowance for impairment	-3,881	-3,055
Net outstandings	**230,418**	**128,944**
of which receivable from Dealers	*81,513*	*46,122*
Available-for-sale securities	17,476	10,418
Other assets	10,147	10,106
Debt	190,316	91,530
Other liabilities	22,144	17,852
Provisions for risks and charges	69	56
Equity	45,512	40,030
BALANCE SHEET TOTAL	**258,041**	**149,468**
Income statement		
Net banking income (excluding non-banking income)	24,307	19,972
Pre-tax income	18,526	16,145
Net income	9,251	8,187

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BRAZIL

Boosted by economic growth, Brazil became the world's fourth largest automotive market in 2010, with 3.3 million vehicles sold (an increase of 11% compared with 2009). Renault moved up to fifth place in the car manufacturer rankings, taking a 4.8% share of the market (an increase of 0.9 points) and posting a 36% increase in its number of new registrations (up to 160,297 units). Nissan's market share increased by 0.3 points to 1.1%.

In a context of stronger competition, RCI Brazil's penetration rate on Renault sales fell to 33.4% in 2010 from 39.1% in 2009. However, the penetration rate on Nissan sales rose from 17.9% in 2009 to a record 46.1% in 2010.

The number of new contracts also reached record levels, posting a 40% increase compared with 2009 to 72,998 units.

Aggregate average performing loans outstanding increased by 57% (32% excluding the exchange rate effect) to almost €1 billion.

The take-up rate on insurance products also improved; on death, disability, redundancy and unemployment insurance, it increased by 19 points to 35% of all granted financings.

The €32.9m increase in net banking income is chiefly attributable to business growth; the €4.6m increase in overheads conceals an improvement in productivity (costs/outstandings ratio at 1.58% compared with 1.75% in 2009); the €8.3m deterioration in the cost of risk is for the most part due to a change in the method of calculating provisions for the Customer segment.

Pre-tax income came to €74.8m, an increase of €20.1m compared with 2009.

in thousands euros (excluding rate and unit)	2010	2009
Exchange rate (year-end)	2.2177	2.5113
Exchange rate (average)	2.3345	2.7707
Number of new contracts processed	72,998	52,192
New Customer financings, net	723,223	417,331
BALANCE SHEET		
Gross outstandings	1,250,825	886,118
Allowance for impairment	-19,122	-40,659
Net outstandings	**1,231,703**	**845,459**
of which receivable from Dealers	*312,926*	*275,969*
Available-for-sale securities	142,479	12,707
Other assets	32,083	19,389
Debt	960,760	535,621
Other liabilities	210,979	155,991
Provisions for risks and charges	10,831	5,523
Equity	223,695	180,420
BALANCE SHEET TOTAL	**1,406,265**	**877,555**
Income statement		
Net banking income (excluding non-banking income)	98,085	65,148
Pre-tax income	74,776	54,674
Net income	28,861	21,552

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ASIA

SOUTH KOREA

Boosted by one of the most vigorous economic revivals seen in OECD countries, the South Korean automotive market grew by 7% relative to 2009, with 1.5 million vehicles sold.

Renault Samsung Motors improved its market share by 0.8 points, thanks to the huge success of the new *SM5* and *SM3*. The Nissan Group, present in the country with the Infiniti and Nissan brands, also posted strong growth of 45% in its volumes.

In an environment marked by a return to the intense competition seen in pre-crisis times, RCI Korea managed to maintain a high 46.1% penetration rate by continuing its ambitious “products” policy and strengthening its cooperative ties with the car manufacturers. It booked 77,331 new financing contracts in 2010 (up 18% compared with 2009).

This business performance helped average performing loans outstanding to rise by €429m to €1 billion.

Pre-tax income came to €46.8m (up €22.1m compared with 2009), driven by the fact that margins held up well and the cost of risk and operating expenses were kept under control.

The year 2010 was also marked by the first bond issue launched by the subsidiary on the local market. This 3-year 100-billion Won (€67m) issue was an important step in the subsidiary’s diversified funding strategy, and was rated AA0 (local rating) thanks to the RCI Banque warranty.

in thousands euros (excluding rate and unit)	**2010**	2009
Exchange rate (year-end)	1499.0600	1666.9700
Exchange rate (average)	1532.5693	1772.8013
Number of new contracts processed	77,331	65,767
New Customer financings, net	854,758	613,070
BALANCE SHEET		
Gross outstandings	1,217,476	836,754
Allowance for impairment	-18,113	-11,439
Net outstandings	**1,199,363**	**825,315**
of which receivable from Dealers	*11,949*	*3,293*
Available-for-sale securities	107,738	20,259
Other assets	20,096	17,243
Debt	1,018,867	687,890
Other liabilities	97,491	17,219
Provisions for risks and charges	1,076	764
Equity	209,763	156,944
BALANCE SHEET TOTAL	**1,327,197**	**862,817**
Income statement		
Net banking income (excluding non-banking income)	60,173	35,651
Pre-tax income	46,784	24,679
Net income	36,401	19,134

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2010

RISKS

RISKS 2010

RISKS

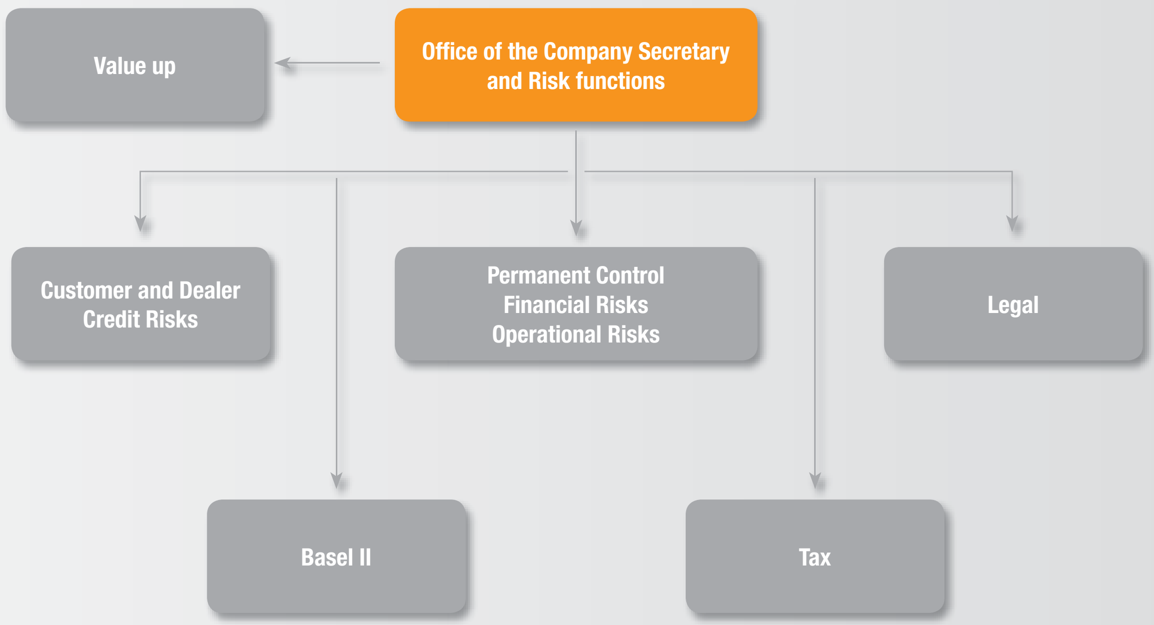
On 1 June 2010, RCI Banque made a number of adjustments to its Senior Management, aimed at strengthening its business operations and transactions with its customers, and at giving the support functions a more widespread and overall role. As part of this, and in application of the Order of 19 January 2010 amending CRBF Regulation 97-02, the RCI Banque Group's Corporate Secretary became responsible for the Risk management functions, thus providing the bank with a position equivalent to the "chief risk officer" recommended in the governance principles set out by the Basel committee. The Audit department reports directly to the Chairman and Chief Executive Officer. The new organization ensures that the Risk management functions have the independence they need from the entities in charge of the operational management of risk so that they can fulfill their oversight role, and gives them a more cross-disciplinary and wide-reaching scope. For this reason, the responsibilities previously allocated to the Credit Risk Division are now divided up between the Risk Functions and the Customer Division. However, the group's risk management system remains unchanged.

The Risk Function Officer

- ensures that the risk policy is consistent and that the establishment'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 the Board of Directors;
- reports on his work to the whole of the Executive Committee, the Audit Committee and the Board of Directors; he warns them about any situation that might have a significant impact on risk control.

To this end, the Risk Function Officer puts in place systems and procedures designed to capture all of the risks associated with banking and non-banking activities overall, especially credit risk, market risk, aggregate interest rate risk, intermediation risk, settlement risk, liquidity risk and operational risk. For its part, the Customer Division is accountable for transaction performance and for the efficiency of organizational solutions and information systems.

Organization of the Office of the Company Secretary and of the Risk Functions





The Corporate Secretary is the Risk Function Officer, responsible for the Risk Functions, which consist of:

- The **Customer and Dealer Credit Risk Department,** which oversees credit risk. Its remit is to monitor subsidiaries' cost of risk and to propose or validate action plans aimed at achieving the targets set. It develops and monitors the performance of the Probability of Default and Loss Given Default statistical models used either at loan approval or for the purposes of credit risk oversight. It is also in charge of the operational management of approval systems in certain countries.
- The **Basel II** department brings together IT and credit risk skills under the same functional responsibility, to ensure the production of the European solvency ratio, to oversee Basel II projects and to manage customer credit risk reporting.
- The Permanent Control department is tasked with overseeing the whole of the internal control and operational risk and financial risk monitoring system.

He monitors 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. He also monitors changes in regulatory requirements affecting the internal control system and other related systems (operational risks, fight against money-laundering).

He is accountable for the operational risk management system and for business continuity plans.

He is also in charge of market, interest rate, counterparty and liquidity risk control for the whole of the group.

The RCI Banque group's risk monitoring bodies are as follows:

- The Corporate Credit Risk Committee defines management standards and processes and validates the action plans submitted by the countries. An identical committee meets at the level of each individual country.
- The Corporate Credit Committee's role is to accept loan applications that do not fall within the Customer Department's delegation limits, and to validate new establishments.
- The Basel II Committee is accountable for the Basel II system, in particular for changes in that system, and for monitoring the relevance and soundness of the models used.
- The Internal Control and Operational Risks Committee reviews the periodic control and permanent control tasks performed. It monitors the progress made on resulting action plans, the review of operational risks, the review of compliance and anti-money laundering systems, and monitors the consequences of changes in regulatory requirements.
- The Finance Committee reports on oversight of the refinancing process and the monthly financial risk review.

RISKS

BASEL II

1 THE RCI BANQUE GROUP'S INTERNAL CAPITAL MANAGEMENT POLICY

The internal capital requirement is RCI Banque's assessment of the own funds 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 is needed to cover its risk profile and strategy.

In addition, simulations of forecast activities, acquisitions and disposals are produced so as to determine any additional own funds 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 own funds 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 for market activities.

2 OWN FUNDS AND CAPITAL REQUIREMENTS

Prudential capital is determined in accordance with CRBF Regulation 90-02.

Tier 1 capital (core) is calculated on the basis of the group's consolidated equity under IFRS, from which are deducted unrealized or differed gains or losses, planned dividend distribution, and intangible non-current assets and goodwill.

Tier 2 (supplementary) capital includes subordinated liabilities and equity interests. As the latter all have a maturity of more than five years, no discount is applied. In accordance with Article 4 point d) of CRBF Regulation 90-02 on capital requirements, a repayment plan has been in place since 2010 for subordinated liabilities redeemable in 2015.

Constituent components of equity in non-consolidated holdings of more than 10% in credit institutions and insurance companies, and the values of equity-accounted companies are deducted from the capital on the basis of 50% for the Tier 1 capital and 50% for the Tier 2 capital.

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.

RCI Banque's core capital (Core Tier 1) represented 88% and 90% of its total prudential capital in 2009 and 2010 respectively.

Own funds (90-02)

in million euros	12/2010	12/2009
Core capital (Core Tier one)	**2,021**	**1,836**
Equity under IFRS	2,460	2,284
Planned dividend distribution	-351	-402
Restated unrealized or differed gains or losses (including CFH)	6	51
Intangible non-current assets and goodwill	-84	-81
Other prudential deductions	-10	-16
Tier 2 (supplementary capital)	**233**	**245**
Subordinated liabilities	228	260
Other prudential deductions	-10	-15
Positive difference between valuation adjustments and expected losses up to 0.6% of assets risk-weighted under the IRB method	15	-
Tier 3 capital	**-**	**-**
TOTAL PRUDENTIAL CAPITAL	**2,254**	**2,081**
Details of other prudential deductions (CRD: 50% Tier 1, 50% Tier 2)	*-20*	*-31*
Negative difference between valuation adjustments and expected losses	-	-11
• Equity interests in credit institutions	-10	-10
• Equity interests in insurance companies	-10	-10

Further to the proposed transposition of the European CRD system (Capital Requirements Directive 2006-48-CE and 2006-49-CE) into French law, the Order dated 20 February 2007, amended on 11 September 2008 set out the "capital requirements for credit institutions and investment firms". In accordance with these provisions, in 2008 the RCI Banque group incorporated the impacts of the switch to the new European CRD directive into its management of capital and risks. This Directive sets out procedures for calculating the solvency ratio as from 1 January 2008.

In accordance with Article 4 of the Decree of 13 December 2010, RCI Banque is continuing to calculate its Tier 2 Supplementary capital requirements until 31 December 2011, to take into account the 80% capital requirement floor determined in accordance with Regulations 91-05 and 95-02 as effective prior to 1January 2007.

Capital requirements (CRD)

in million euros	12/2010	12/2009
Credit risk	**1,094**	**1,107**
1) Internal rating based (IRB)	*585*	*569*
- Corporates	225	199
- Retail	360	370
2) Standard method	*510*	*538*
- Central governments and central banks	6	2
- Institutions	28	41
- Corporates	203	206
- Retail	260	275
- Shares	1	1
- Other non-credit obligation assets	11	13
Market risk	**-**	**0**
Operational risk	**143**	**140**
"Transitional requirements under the floor levels (80% of the Basel I requirement in 2009)"	283	169
TOTAL PRUDENTIAL CAPITAL REQUIREMENTS (A)	**1,520**	**1,416**
TOTAL PRUDENTIAL CAPITAL (B)	**2,254**	**2,081**
Overall solvency ratio (B-CRD /A)*8%	**11.86%**	**11.75%**
Core Tier one solvency ratio (C- CRD /A)*8%	**10.63%**	**10.37%**

Not including transitional requirements under the floor level provisions, the overall "Pillar 1" solvency ratio was 14.6% at 31 December 2010 (including Core Tier one: 13.1%).

3 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 two new insurance companies based in Malta.

RCI Banque has not opted for the so-called "conglomerates" option; consequently 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 the Commission bancaire (French Banking Commission) exempting the French credit institutions Diac SA and Cogéra SA from solo supervision, as the group satisfies the conditions for exemption stipulated by Article 4-1 of CRBF Regulation 2000-03.

RCI Banque also remains within 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 Regulation 97-02 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.

4 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 the Autorité de Contrôle Prudentiel (Prudential Control Authority) 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 exposure 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.

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

5 OPERATIONAL RISK

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

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

6 CREDIT RISK

In its letter dated 28 January 2008, the Prudential Control Authority granted RCI Banque authorization to use its advanced internal rating based system (AIRB) to assess its credit risks from 1 January 2008 onwards.

RISKS (BASEL II)

6.1 Information about credit risk assessment using the AIRB approach

RCI Banque has opted for the most advanced methods proposed by the Basel II 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. The five largest countries (Germany, Spain, France, Italy and the United Kingdom) are treated using the advanced internal rating based approach. The first four of these countries were approved for AIRB treatment at the start of 2008, the United Kingdom joined them in 2010 and the approach will gradually be phased in for other affiliates. Rollout has already been initiated in South Korea where the approach will be brought into practice in 2011.

6.2 Main steps in the work carried out in 2010

In 2010, work was done in two main areas:

- The rollout of internal rating models in the United Kingdom, incorporated into regulatory reporting from June 2010, and in South Korea, where collection of the requisite data from information systems was finalized;
- Use of the collected data and Basel concepts to improve the oversight and management of credit risks in the Customer business.

The ratio is produced monthly within the best possible time, with high quality standards of data and calculations achieved.

The annual audit demonstrated the robustness of the models, processes and information system involved in calculating the ratio, and the fitness-for-purpose of the system's governance.

6.3 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 the Basel II unit, part of the Office of the Corporate Secretary and Risks Functions.

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

6.4 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 five most significant countries.

The Common Database for Risk provides input for a decision-support environment through which risk analyses can be performed and the Fermat software package calculates the solvency ratio. Fermat also receives data from the KTP Cristal refinancing operations management system and the Sycomore Business Object Finance consolidation tool.

Since June 2010, Fermat has also published the COREP 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 loan 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..



6.5 Segmentation of exposures treated under the AIRB method

All quantified data pertaining to credit risk exposures relate to gross exposure, i.e. exposure prior to application of CCFs and Risk Reduction Techniques.

in million euros	Credit exposures under the AIRB method
Corporates	5,843
* of which Dealers	4,141
Retail	12,120
* of which small or medium-sized entities	1,817
TOTAL EXPOSURES UNDER THE AIRB METHOD	**17,963**

Scope: Balance sheet and off-balance sheet, performing and non-performing exposures under the AIRB method, for Germany, Spain, France, Italy and the United Kingdom.

The average rates of Basel II rating (weighted risks/exposures) come to 37% for the Customer portfolio and to 49% for the overall Corporate portfolio (of which 26% for Dealers).

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

The only netting on exposures concerns the credit and debt positions (given in detail where applicable) for a given customer, of a given RCI Banque group company.

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 €904 million), and 69% for authorizations with respect to Dealers (representing €149 million), depending on their nature.

6.6 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.

In 2010, a specific model was developed for the Retail market in the United Kingdom. With regard to the Dealer sector, the model was updated with the incorporation of data concerning the United Kingdom and so now takes into account data for the five largest countries.

The following table shows how the models developed are mapped.

in million euros	IRBA country	Population group covered by the model	Model type (statistical / combined)	Kind of model (Internal / External)
RETAIL	**Germany**	Retail	Statistical	Internal
	Spain	Retail	Statistical	Internal
	Italy	Retail	Statistical	Internal
	France	Corporate	Statistical	Internal
SME	**Germany**	Corporate	Statistical	Internal
	Spain	Corporate	Statistical	Internal
	Italy	Corporate	Statistical	Internal
CORPORATE	**France**	Very large-sized corporate	Combined	Internal + External rating
	All subsidiaries	Dealer	Statistical	Statistical

RISKS (BASEL II)

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 uses scales with ten classes for the performing (non-default) portfolio, and one non-performing (default) class; the Corporate portfolio is broken down into seven performing (non-default) classes and one non-performing (default) 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.

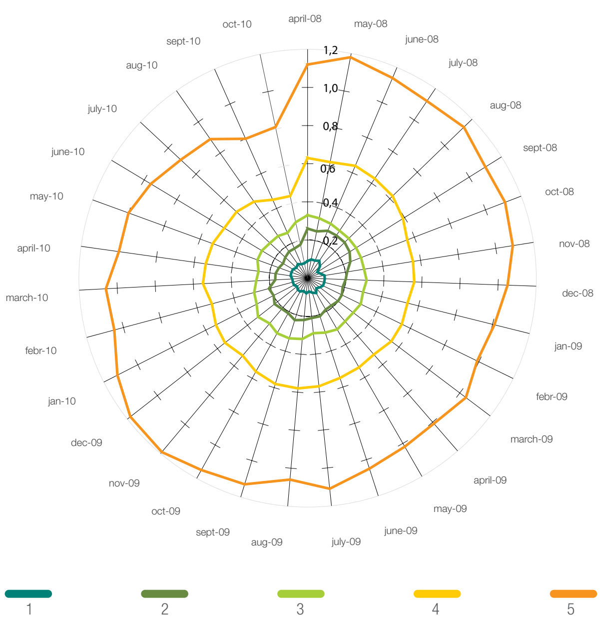
The calculation of the PD associated with each class takes into account historically observed default rates.

Testing of PD models

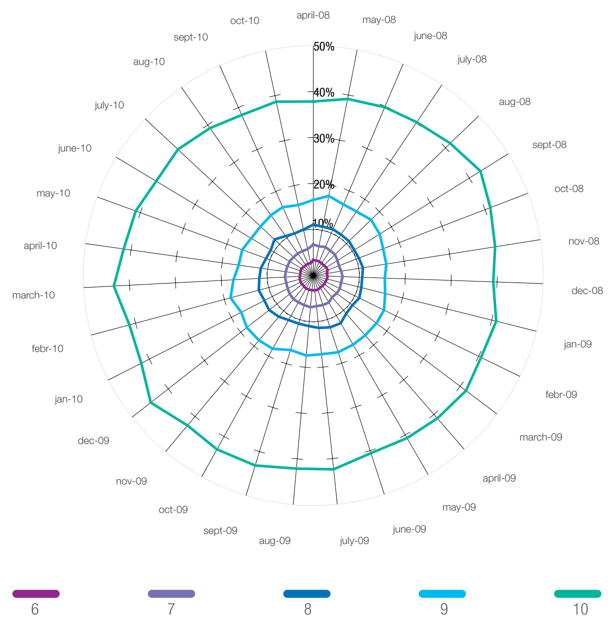
The effectiveness of the models (continuing appropriateness of risk class prioritization over time) and the quality of the forecasts of the PD level per class are subject to detailed quarterly back-testing, as illustrated by the graphs hereafter.

The year 2010 was marked by an improvement in customer solvency and a widespread decrease in default rates per risk class across the different countries and customer segments. In many countries, PD model back-testing highlighted the seamless ability of the models to rank risks, but also an over-estimation of PDs per class. This situation is illustrated in the following charts.

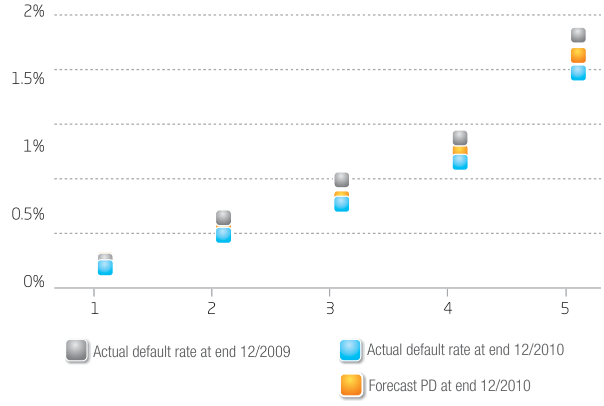
History of default rate by class (1 to 5)



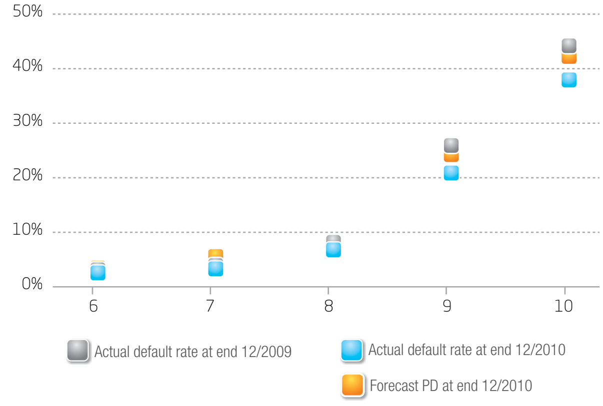
History of default rate by class (6 to 10)



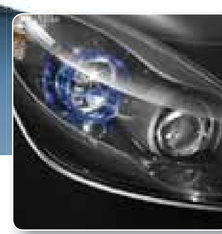
Back test - Retail Germany PD model | Classes 1 to 5

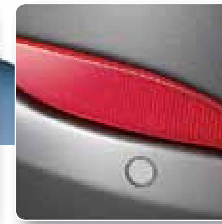


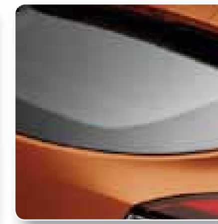
Back test - Retail Germany PD model | Classes 6 to 10



In this example, it can be seen that the forecast established at the end of 2008 for 2009 (forecast PD at end 2009) was slightly underestimated, as default rates increased sharply between the end of 2008 and the end of 2009.







6.7 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 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.

As indicated previously, in 2009 further work was carried out on the quantification of LGDs so as to gain a better insight into the effects of economic cycles and confirm the need to select the most prudent estimations. In 2010, a slight deterioration was seen in Customer LGDs in all IRBA countries except Spain. The financial crisis had already caused an increase in the LGD rate in Spain from 2008 onwards and its Customer LGD rate remained above the average LGD for the other countries in 2010.

Average LGD on the performing (non-default) portfolio is 38% for Retail Customers and 19% for the Corporate segment (the latter breaks down into 41% for non-dealer Corporate and 9% for Dealers).

EXPOSURE CATEGORY	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	Calculated parameters
RETAIL	France	Retail + Corporate	Credit	Statistical	Internal	since 01/1997	LGD on non-default LGD default BEEL default
			Leasing				
	Germany		Credit VN			since 04/1999	
			Credit VO				
			Leasing				
	Spain		Credit VN			since 11/1994	
			Credit VO			since 05/1998	
			Leasing			since 01/1996	
	Italy		Single segment			since 04/1998	
CORPORATE	All subsidiaries	Dealer	Stock VN	Case by case	Internal	since 1988	LGD BEEL
			Other products				

6.8 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 thereof on own funds requirements.

6.9 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.

RISKS (BASEL II)

• 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 risk monitoring.

Provisioning for the Dealer financing activity is based on categorizing the counterparties individually and by examining objective impairment indicators.

The constituent components of Basel II rating form the basis for this distinction.

Likewise, the probabilities of default and expected losses derived from the Basel work are used for provisioning.

6.10 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 own funds 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 mapping between Moody's external credit assessments and those published by the Banque de France (Bank of France).

As far as the Corporate portfolio is concerned, the RCI Banque applies the regulatory weightings to unrated exposures. This treatment is justified by the generally modest size of the group's corporate customers in non-G5 countries, who cannot have an external assessment by an accredited rating agency.

Segmentation of credit exposures treated under the standardized method

Moody's rating	Banque de France rating	Credit exposures treated under the standard method in million of euros
Aaa	1	1,685
Less than Aaa	2 at 6	508
Unrated exposure	7	7,094
TOTAL CREDIT EXPOSURES TREATED UNDER THE STANDARD METHOD		**9,287**
* of which Corporates		2,642
* of which Retail		4,456
* of which Other exposure categories		2,189



7 MAIN BASEL II INDICATORS

7.1 Breakdown of gross exposures (standardized and advanced method)

in million euros	Corporates	Retail	Other exposure categories	TOTAL
Average credit exposures in 2010	**8,148**	**16,033**	**2,386**	**26,567**
France	4,380	5,354	879	**10,613**
Germany	895	3,117	297	**4,309**
Spain	640	1,590	71	**2,301**
Italy	566	1,424	258	**2,248**
United Kingdom	301	1,321	167	**1,789**
Other countries	1,702	3,770	518	**5,990**
Credit exposure balance	**8,484**	**16,576**	**2,190**	**27,250**
Residual maturity less than 3 months	3,448	2,146	822	**6,416**
from 3 months to 1 year	2,999	2,748	538	**6,286**
from 1 to 5 years	1,594	11,111	755	**13,460**
more than 5 years	444	570	75	**1,089**

7.2 Gross exposures to loans in default and valuation adjustments

in million euros	Corporates	Retail	TOTAL
France	151	305	**457**
Germany	67	36	**102**
Spain	44	185	**230**
Italy	25	42	**67**
United Kingdom	11	69	**80**
Other countries	133	67	**200**
Total exposures to payments in arrears or in default	**432**	**704**	**1,136**
2009.12			
Balance of valuation adjustments on the balance sheet	220	730	**950**
Balance of collective provisions on the balance sheet	32	39	**71**
Total balance of collective provisions and valuation adjustments	252	769	**1,021**
2010.12			
Balance of valuation adjustments on the balance sheet	263	612	**875**
Balance of collective provisions on the balance sheet	37	34	**71**
Total balance of collective provisions and valuation adjustments	300	646	**946**

Exposures in default and valuation adjustments for “Other exposure categories” are negligible.

RISKS (BASEL II)

7.3 Segmentation of gross credit exposures treated under the AIRB method

in million euros	Corporates	Retail	TOTAL
PD < 1%	643	6,416	**7,059**
1%<= PD < 5%	3,252	3,977	**7,229**
5%<= PD < 10%	716	588	**1,303**
10%<= PD < 20%	771	325	**1,096**
20%<=PD < 100%	172	243	**415**
PD = 100%	290	571	**861**
Credit exposures treated under the AIRB method (A)	**5,843**	**12,120**	**17,963**
LGD rate	18%	40%	**33%**
Weighted exposures (B)	2,810	4,500	**7,310**
Average weighting rate (B) / (A)	48%	37%	**41%**

RISKS

CREDIT RISK

1 CREDIT RISK MANAGEMENT POLICY

1.1 Customer risk management

The customer credit risk prevention policy is aimed at ensuring that the cost-of-risk objectives set as part of the budget process for each country and each of its main markets (new passenger vehicles and used passenger vehicles segment, and the corporate segment) are achieved. 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.

1.2 Dealer risk management

The dealer credit risk prevention policy is aimed at ensuring that the cost-of-risk objectives set as part of the budget process for each country are achieved.

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 Corporate level, the Customer and Dealer Credit Risk Unit 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 maker and RCI Banque managements connected with the network, to decide on action plans and precautionary measures to control risks.

2 CUSTOMER RISK

In 2010, the cost of risk on Customer financing reached 0.59% of average performing loans outstanding, a sharp decrease compared with the level of 1.15% recorded in 2009. The cost of risk was brought under control to this high degree as a result of action undertaken in 2009 in the areas of loan underwriting and debt recovery.

In Spain, the cost of risk fell back from 3.1% to 0.62% of average performing loans outstanding. The tighter loan underwriting rules, the steering of new lending by means of the Probability of Default parameter and the healthy performance of the amiable debt recovery process halved the amount of new defaults compared with 2009. The overhaul of the litigation process helped to improve the Loss Given Default (LGD) rate by 10 points. The excellent quality of lending in 2010 points to a cost of risk in 2011 on a par with the level seen in 2010.

In Romania, the cost of risk fell back to 2.55% (9.1% in 2009), due to the tougher underwriting policy introduced in May 2009 and to the establishment of efficient debt collection processes.

In France, the cost of risk was 0.55% in 2010 compared to 0.86% in 2009. This improvement is attributable to the fall in the number of loans transferred to litigation, itself due to the effectiveness of the amiable recovery process, and to the improvement in the level of recoveries made through the litigation process. The product policy was brought in line with the economic context in the country, which was less positive than that seen in Germany. The high quality of lending in 2010 is expected to ensure a cost of risk in 2011 similar to the 2010 level.

Germany also saw a pronounced improvement in its cost of risk (0.29% in 2010 compared with 0.42% in 2009) in a positive economic environment that generated high quality lending.

In Brazil and South Korea, the RCI Banque group's two main markets outside Europe, the positive economic conditions in 2010 translated into huge growth in Customer outstandings. The Brazilian and South Korean subsidiaries have efficient loan underwriting and debt collection tools, enabling them to maintain excellent control over the risk chain.

At the central level, the oversight and management of credit risk were reinforced by the provision of new reports from the Central Database for Risk. These reports are used to perform detailed analyses by market segment and by loan generation of the quality of subsidiaries' portfolios in France, Italy, Spain, Germany and the United Kingdom.

Doubtful loan amounts decreased sharply at the end of 2010 to 4.2% of total receivables (5.1% at year-end 2009), returning to a similar level to that recorded at year-end 2008. This €100m decrease in doubtful loan amounts is mainly attributable to Spain (-€23m), France (-€22m) and Romania (-€18m). The provisioning rate for doubtful outstandings stood at 82% at year-end 2010 compared with 78% at year-end 2009, with doubtful loan provisioning for Spain reaching 90% of doubtful outstandings.

RISKS (CREDIT RISK)

3 DEALER RISK

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 2010.

In 2010, the cost of risk on Dealer financing amounted to -0.17% of average performing outstandings, in other words an €8.8m reversal of charge to reserve brought about by the improvement in the financial situation of dealerships. This improvement is a reflection of the sustained performance achieved by the Alliance's brands and dealers in 2010 in all countries where RCI Banque has Dealer financing operations.

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 risk is managed daily on a consolidated basis.

Details of financial risks and their specific control system are described in the management report notes (see page 81 of the management report, Note 2 to the consolidated financial statements).

RISKS ON RESIDUAL VALUES

Breakdown of risk related to residual values

in thousands of euros	Residual values					Provision for residual values				
	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006
Corporate segment:	**46,027**	**133,066**	**160,932**	**222,038**	**222,038**	**4,315**	**11,224**	**19,560**	**15,681**	**21,882**
France	24	70	158	883	883	24	40	70	158	476
European Union (excluding France)	46,003	132,996	160,774	221,155	221,155	4,291	11,184	19,490	15,523	21,406
Europe (excluding European Union)	-	-	-	-	-	-	-	-	-	-
Retail segment:	**273,012**	**189,225**	**279,993**	**201,813**	**201,813**	**379**	**589**	**1,468**	**1,917**	**1,460**
European Union (excluding France)	273,012	189,225	279,993	201,813	201,813	379	589	1,468	1,917	1,460
TOTAL RISK RELATED TO RESIDUAL VALUES	**319,039**	**322,291**	**440,925**	**423,851**	**423,851**	**4,695**	**11,812**	**21,028**	**17,598**	**23,342**

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

in thousands of euros	Residual values				
	2010	2009	2008	2007	2006
Corporate and Retail segments:					
Commitments received from the Renault Group	1,384	1,306	959	915	1,011
Commitments received from others (Dealer and Customer)	1,498	1,987	2,025	1,574	1,649
TOTAL RISK RELATED TO RESIDUAL VALUES	**2,882**	**3,293**	**2,984**	**2 489**	**2,660**

RISKS

INSURANCE

1 PROPERTY & CASUALTY, BUSINESS INTERRUPTION

RCI Banque's French companies are affiliated with the Renault Group's worldwide program of insurance against property damage and business interruptions. Self-insurance is a significant component of this program because deductibles are high for each type of coverage (€20,000 for property damage and three days of production for business interruptions). The self-insurance component entails a risk prevention policy:

- 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 affiliates 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.

At the end of 2009, a survey was ordered in order to check that insurance cover at the international level was adequate, improve it if necessary and if possible, integrate it into the Renault Group's worldwide program of insurance, like the French subsidiaries' property damage and business interruption cover.

This survey was finalized during the 2010 financial year and may be exploited in 2011 once its findings have been examined by the Renault Group's insurance division.

2 CIVIL LIABILITY

Civil operating liability (company officer's liability) of the French affiliates is covered under a policy taken out by the RCI Banque group, with a rider extending professional liability to those business activities in which such coverage is necessary (long-term rentals and vehicle fleet management services).

Changes in the regulations have led to compliance with new insurance intermediation requirements, in particular the need to extend the scope of mandatory coverage (Civil Liability and Financial Guarantee) at the national and international levels for insurance products attached to financing and rental products.

At the end of 2009, negotiations were held as a result of which civil operating liability was incorporated into the Renault Group's worldwide program of insurance from January 2010 onwards. Only professional liability specific to the RCI Banque group's activities is still covered by insurance policies specific to the RCI Banque group.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

DELOITTE & ASSOCIÉS
185, avenue Charles-de-Gaulle - BP 136
92524 Neuilly-sur-Seine Cedex
S.A. with share capital €1,723,040
Statutory Auditor
Member, Compagnie Régionale de Versailles

ERNST & YOUNG Audit
Faubourg de l'Arche - 11, allée de l'Arche
92037 Paris-La Défense Cedex
S.A.S. with variable capital
Statutory Auditor
Member, Compagnie Régionale de Versailles

RCI Banque

Year ended 31 December 2010

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meetings, we hereby report to you, for the year ended 31 December 2010, on:

- the audit of the accompanying consolidated financial statements of RCI Banque;
- the justification of our assessments;
- the specific verification required by French 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.

I. 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 31 December 2010 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.

II. 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:

Accounting estimates

- As disclosed in paragraphs 2-D, 5-5, 5-6, 5-15 and 5-29 of the notes to the consolidated financial statements, your company sets aside allowances to cover the credit risks inherent to its business operations.
- 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, evaluate them and determine their level of coverage by provisions in the assets or liabilities 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 the company 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.

III. 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.

Neuilly-sur-Seine and Paris-La Défense, 25 February 2011

The statutory auditors

DELOITTE & ASSOCIES
Damien Leurent

ERNST & YOUNG Audit
Micha Missakian

MANAGEMENT REPORT 2010

2010

MANAGEMENT REPORT

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS - in million euros	Notes	12/2010	12/2009
Cash and balances at central banks and PCAs		375	646
Derivatives	2	81	95
Financial assets available for sale and other financial assets	3	25	18
Amounts receivable from credit institutions	4	992	2,013
Loans and advances to customers	5 and 6	21,951	20,754
Operating lease transactions	5 and 6	72	126
Adjustment accounts - Assets	7	473	459
Interests in associates	8	34	26
Tangible and intangible non-current assets	9	25	29
Goodwill	10	82	79
TOTAL ASSETS		**24,110**	**24,245**

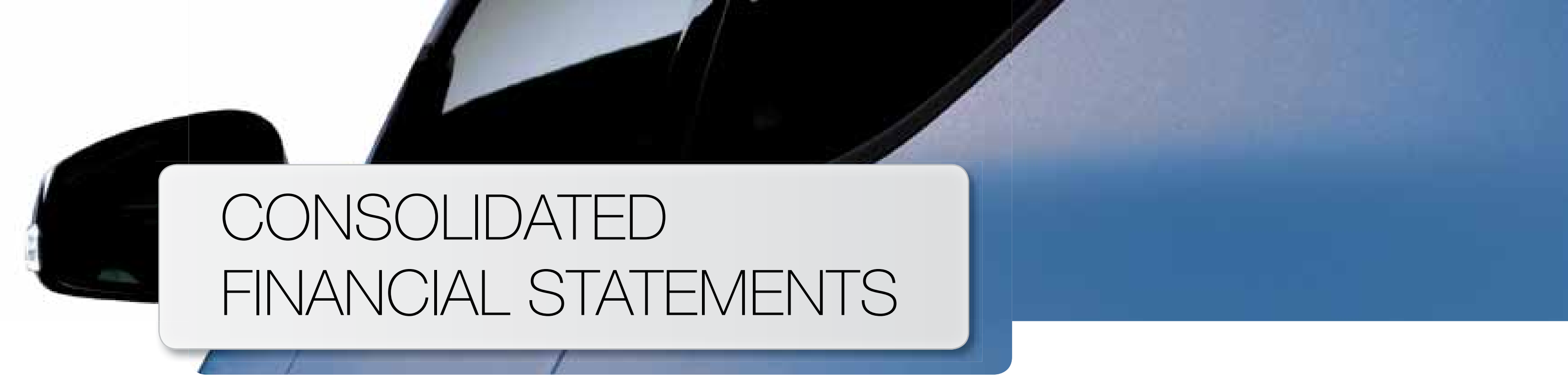
LIABILITIES AND EQUITY - in million euros	Notes	12/2010	12/2009
Derivatives	2	137	182
Amounts payable to credit institutions	11.2	4,107	6,743
Amounts payable to customers	11.3	656	665
Debt evidenced by certificates	11.4	15,124	12,965
Adjustment accounts - Liabilities	13	1,201	1,005
Provisions for risk and charges	14	110	118
Insurance technical provisions	14	52	22
Subordinated debt - Liabilities	16	263	261
Equity		2,460	2,284
- Of which equity - owners of the parent		*2,457*	*2,281*
Share capital and attributable reserves		*814*	*814*
Consolidated reserves and other		*1,198*	*1,286*
Unrealized or differed gains and losses		*(22)*	*(135)*
Net income for the year		*467*	*316*
- Of which equity - non-controlling interests		*3*	*3*
TOTAL LIABILITIES & EQUITY		**24,110**	**24,245**

CONSOLIDATED INCOME STATEMENT

in million euros	Notes	12/2010	12/2009
Interest and similar income	23	1,782	1,742
Interest expenses and similar charges	24	(816)	(859)
Fees and commission income		26	26
Fees and commission expenses		(7)	(8)
Net gains (losses) on financial instruments at fair value through profit or loss	25	(2)	1
Net gains (losses) on AFS securities and other financial assets	26	1	3
Net income (expense) of other activities	27	150	139
Net banking income		1,134	**1,044**
General operating expenses	28	(339)	(353)
Depreciation and impairment losses on tangible and intangible assets		(8)	(9)
Gross operating income		787	**682**
Cost of risk	29	(85)	(199)
Operating income		702	**483**
Share of net income of equity method companies	8	2	5
Gains less losses on non-current assets			(1)
Pre-tax income		704	**487**
Income tax	30	(214)	(154)
Net income		490	**333**
Of which, non-controlling interests		23	17
Of which owners of the parent		467	316
NET INCOME PER SHARE (*) IN EUROS		**466.84**	**315.94**

(*) Net income - Owners of the parent compared to the number of shares

in million euros	12/2010	12/2009
Net income	**490**	**333**
Other comprehensive income (**)	113	93
Unrealised P&L on cash flow hedge instruments	46	18
Other unrealized or differed P&L	(1)	1
Actuarial differences on defined-benefit pension plans	1	(1)
Exchange differences	67	75
Comprehensive income	**603**	**426**
Of which Comprehensive income attributable to non-controlling interests	23	30
Comprehensive income attributable to owners of the parent	580	396
(**) Of which share of the other comprehensive income of equity method companies	*5*	*(2)*



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in million euros	Share capital (1)	Attribut. reserves (2)	Consolid. reserves	Translation adjust. (3)	Unrealized or differed P&L (4)	Net income attributable to equity holders of the parent	Equity shareholders of the parent company	Equity share of part non-controlling interests	Total Consolidated equity
Equity at 31 December 2008	**100**	**714**	**1,271**	**(144)**	**(71)**	**314**	**2,184**	**4**	**2,188**
Appropriation of net income of previous year			314			(314)			
Equity at 1 January 2009	**100**	**714**	**1,585**	**(144)**	**(71)**		**2,184**	**4**	**2,188**
Change in value of financial instruments and non-current assets recognized in equity					19		19		19
Actuarial differences on defined-benefit pension plans					(1)		(1)		(1)
Exchange differences				62			62	13	75
Net income for the year (before appropriation)						316	316	17	333
Total comprehensive income for the period				***62***	***18***	***316***	***396***	***30***	***426***
Effect of acquisitions and disposals			1				1	11	12
Effect of change in share capital								(1)	(1)
Dividend for the year			(300)				(300)	(4)	(304)
Repurchase commitment of non-controlling interests								(37)	(37)
Equity at 31 December 2009	**100**	**714**	**1,286**	**(82)**	**(53)**	**316**	**2,281**	**3**	**2,284**
Appropriation of net income of previous year			316			(316)			
Equity at 1 January 2010	**100**	**714**	**1,602**	**(82)**	**(53)**		**2,281**	**3**	**2,284**
Change in value of financial instruments and non-current assets recognized in equity					45		45		45
Actuarial differences on defined-benefit pension plans					1		1		1
Exchange differences				67			67		67
Net income for the year (before appropriation)						467	467	23	490
Total comprehensive income for the period				***67***	***46***	***467***	***580***	***23***	***603***
Effect of acquisitions, disposals and others			(1)				(1)	(1)	(2)
Dividend for the year			(400)				(400)	(6)	(406)
Repurchase commitment of non-controlling interests			(3)				(3)	(16)	(19)
Equity at 31 December 2010	**100**	**714**	**1,198**	**(15)**	**(7)**	**467**	**2,457**	**3**	**2,460**

(1) The share capital of RCI Banque SA (100 million euros) consists of 1,000,000 fully paid up shares with par value of 100 euros each, of which 999,992 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 2010 relates primarily to Brazil, South Korea and Switzerland. At 31 December 2009, the change mainly related to the United Kingdom, Brazil and to South Korea.
(4) Includes changes in the fair value of derivatives used as cash flow hedges and IAS 19 actuarial gains and losses (for €1.5m).
(5) Non-controlling interests consisted essentially of the stake held in Cogera by Renault s.a.s.

CONSOLIDATED CASH FLOW STATEMENT

in million euros	12/2010	12/2009
Net income attributable to owners of the parent company	**467**	**316**
Depreciation and amortization of tangible and intangible non-current assets	7	8
Net allowance for impairment and provisions	(70)	141
Share of net income of associates	(2)	(5)
Differed tax (income) / expense	56	27
Net loss / gain from investing activities		1
Net income attributable to non-controlling interests	23	17
Other (gains/losses on derivatives at fair value through profit and loss)	114	127
Cash flow	**595**	**632**
Other movements (accrued receivables and payables)	80	58
Total non-monetary items included in net income and other adjustments	**208**	**374**
Cash flows on transactions with credit institutions	(2,841)	1,143
- Increases / decreases in Amounts receivable from credit institutions	*(144)*	*75*
- Increases / decreases in Amounts payable to credit institutions	*(2,697)*	*1,068*
Cash flows on transactions with customers	(730)	213
- Increases / decreases in Amounts receivable from customers	*(721)*	*199*
- Increases / decreases in Amounts payable to customers	*(9)*	*14*
Cash flows on other transactions affecting financial assets and liabilities	1,977	113
- Inflows / outflows related to AFS securities and similar	*(6)*	*(6)*
- Inflows / outflows related to debts evidenced by certificates	*1,965*	*197*
- Inflows / outflows related to collections	*18*	*(78)*
Cash flows on other transactions affecting non-financial assets and liabilities	(167)	(168)
Net decrease / (increase) in assets and liabilities resulting from operating activities	**(1,761)**	**1,301**
Net cash generated by operating activities (A)	**(1,086)**	**1,991**
Flows related to financial assets and investments		(14)
Flows related to tangible and intangible non-current assets	(4)	(4)
Net cash from / (used by) investing activities (B)	**(4)**	**(18)**
Net cash from / (to) shareholders	(406)	(305)
- Dividends paid	*(406)*	*(304)*
- Inflows / outflows related to non-controlling interests		*(1)*
Net cash from / (used by) financing activities (C)	**(406)**	**(305)**
Effect of changes in exchange rates and scope of consolidation on cash and cash equivalents (D)	**8**	**4**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(1,488)**	**1,672**
Cash and cash equivalents at beginning of year:	2,507	835
- Cash and balances at central banks and PCAs	*646*	*356*
- Balances in sight accounts at credit institutions	*1,861*	*479*
Cash and cash equivalents at end of year:	1,019	2,507
- Cash and balances at central banks and PCAs	*375*	*646*
- Credit balances in sight accounts with credit institutions	*808*	*1,977*
- Debit balances in sight accounts with credit institutions	*(164)*	*(116)*
CHANGE IN NET CASH	**(1,488)**	**1,672**

“Cash and cash equivalents” consist of sight deposits and overnight fiunds. The items included in this line item are presented in notes 4 and 11.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 APPROVAL OF FINANCIAL STATEMENTS - DISTRIBUTIONS

The RCI Banque group's consolidated financial statements for the year 2010 were established by the Board of Directors on 3 February 2011 and will be presented for shareholder approval to the Annual General Meeting on 20 May 2011. An annual dividend of 350 euros per share, for a total distribution of 350 million euros, will also be proposed at that meeting.

For comparison, the General Meeting of 25 May 2010 set the dividend for 2009 at 400 euros per share, for a total distribution of 400 million euros.

The consolidated financial statements are expressed in millions of euros unless otherwise indicated.

2 ACCOUNTING METHODS

In application of Regulation 1606/2002 adopted on 19 July 2002 by the European Parliament and European Council, the RCI group has prepared its consolidated financial statements for 2010 in accordance with the IFRS (International Financial Reporting Standards) guidelines published by the IASB (International Accounting Standards Board) to 31 December 2010 and as adopted in the European Union by the statement closing date.

The following standards, interpretations and amendments, as published in the Official Journal of the European Union at the time of the annual closing, have been applied for the first time in accounting year 2010:

- Standard IFRS 3 "Business Combinations", revised in 2008(1);
- Standard IAS 27 "Consolidated and Separate Financial Statements", revised in 2008(1);
- Improvements to 2009 international financial reporting standards;
- The 2008 improvement to standard IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations";
- Amendment to standard IFRS 2 "Share-based Payment", for group cash-settled share-based payment transactions;
- Amendment to IAS 39 "Financial Instruments: Recognition and Measurement" for eligible hedged items;
- Interpretation IFRIC 12 "Service Concession Arrangements";
- Interpretation IFRIC 15 "Agreements for the Construction of Real Estate";
- Interpretation IFRIC 16 "Hedge of a Net Investment in a Foreign Operation";
- Interpretation IFRIC 17 "Distribution of Non-cash Assets to Owners";
- Interpretation IFRIC 18 "Transfers of Assets from Customers".

(1)Revised standards IFRS 3 and IAS 27 are applicable to business combinations after 1 January 2010.

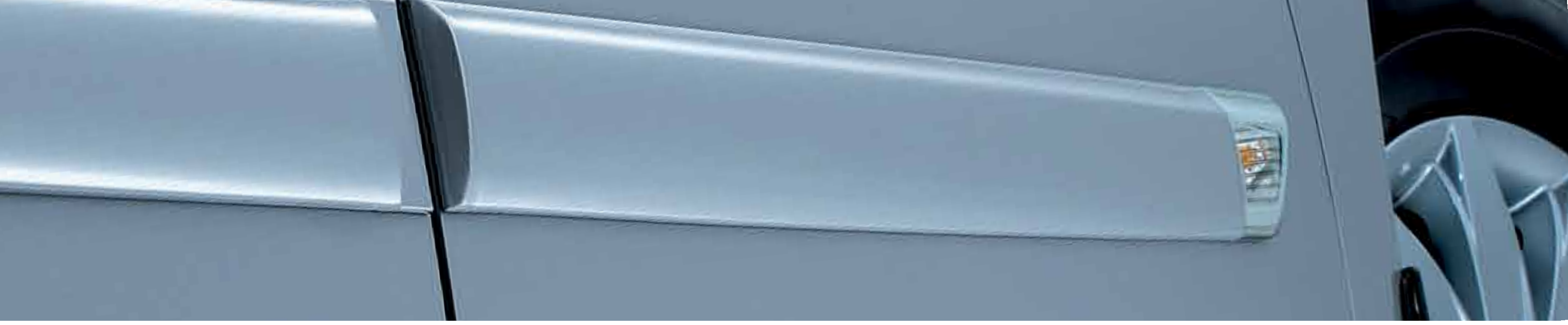
First-time application of these standards, interpretations and amendments had no significant impact on the group's financial statements at 31 December 2010.

The group has not made early application of the following standards, interpretations and amendments published in the Official Journal of the European Union by 31 December 2010, application of which was not mandatory in 2010:

- Revised standard IAS 24 "Related Party Disclosures", mandatory as from 1 January 2011;
- Amendment to standard IAS 32 "Financial Instruments: Presentation – Classification of Rights Issues", mandatory as from 1 January 2011;
- Interpretation IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments", mandatory as from 1 January 2011;
- Amendment to interpretation IFRIC 14 "IAS19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction – Prepayment of a Minimum Funding Requirement", mandatory as from 1 January 2011.

The group does not expect there to be any significant impact on its consolidated financial statements when these new standards, interpretations and amendments are adopted.

RCI Banque's consolidated financial statements are fully consolidated in those of the Renault group.



A – Consolidation

Scope and methods of consolidation

In addition to RCI Banque SA and its foreign branches, the scope of consolidation includes subsidiaries over which RCI Banque exercises exclusive control, entities over which it exercises joint control (joint ventures) and companies over which it exercises significant influence (associated companies). Companies over which RCI Banque exercises exclusive control are fully consolidated.

The securitized assets of Diac, Cogera, RCI FS Ltd and the Italian and German branches, and the loans made to Renault Retail Group, inasmuch as a majority of the risks and benefits thereof are retained by the RCI Banque group, remain on the asset side of the balance sheet.

Entities over which the RCI Banque group exercises joint control are proportionately consolidated.

Companies over which the RCI Banque group exercises significant influence are accounted for under the equity method.

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 and Dacia 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 assets and liabilities.

Costs related to the acquisition such as introducing 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 under IAS 32 and IAS 39.

If the business combination generates a negative goodwill, it is recorded immediately in profit and loss account.

Goodwill relating to fully or proportionately consolidated companies on the RCI Banque group's balance sheet is not amortized.

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.

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 the 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 RCI Banque group has awarded the non-controlling interests in some fully consolidated subsidiaries commitments to buy out their holdings. 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 standard IAS 32, the group has recognized a liability arising from put options sold to the non-controlling interests of exclusively controlled entities for a total amount of €177 million at 31 December 2010, compared to €141 million at 31 December 2009. This liability is measured initially 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.

B – Presentation of the financial statements

The summary statements are presented in the format recommended by the Conseil National de la Comptabilité (French National Accounting Council) in its Recommendation 2009-R-04 on the "format of summary financial statements for credit institutions and investment firms 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.

C – 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.

D – Loans and advances to customers and finance lease contracts

Measurement (excluding impairment) and presentation

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 eight to twelve month period following the first unpaid installment,
- South America: default or termination generally occurs at the end of the fifteenth month following the first unpaid installment, when the loan is written off.

Cancellation fees and late interest on doubtful and compromised loans are recognized and fully provisioned until received.

A doubtful loan is reclassified as a performing loan once all overdue amounts have been paid.

Impairment

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.

In the event that determining impairment allowances on an individual basis using the statistical approach is not relevant, impairment allowances for delinquent and doubtful receivables are determined on a case-by-case basis according to the classification of the debtor company and the stage reached in collection or other proceedings.

Interest accrued and receivable on doubtful loans is provisioned in full. The impairment allowances are deducted from the corresponding interest income items.

Dealer financing

For the largest outstandings, such as dealer receivables, impairment allowances for doubtful amounts are determined individually on a case-by-case basis, according to the classification of the debtor company and the stage reached in collection or other proceedings.

An approach based on a case-by-case review and collective review of credit risk is used for non-doubtful receivables.

Non-doubtful receivables found upon case-by-case review to be associated with an objective impairment indicator are classified separately from other non-doubtful receivables in the delinquent loan category created for this purpose. Any deterioration in the borrower's financial condition, profitability or payment pattern will trigger the reclassification of the receivable as delinquent and a consequent impairment charge. Delinquent receivables are written down by an impairment charge based on the impairment ratio for doubtful loans weighted by the percentage of delinquent receivables that subsequently become doubtful.

Based on information available on the individual borrower, write-downs for delinquent receivables may also be based on an expert appraisal.

Non-doubtful receivables reviewed on a case-by-case basis and found not to be associated with an objective impairment indicator are classified as performing loans. They are subject to a collective review of credit risk as assessed for the sector. In each country where RCI Banque provides dealer financing, the long-term macroeconomic factors that explain risk on dealer financing operations are identified and correlated with historical losses. Whenever the benchmark macroeconomic indicators show a deterioration suggesting an increase in risk, the impairment allowance for the performing loan portfolio as a whole is adjusted accordingly. The impairment ratio reflects the loss ratio associated with the observed deterioration.

Country risk

Allowances for country risk are determined on the basis of the systemic credit risk to which debtors are exposed in the event of a continued and persistent deterioration in the economic and general situation of the countries included in this base.

The provision concerns subsidiaries with locations in countries where economic conditions are unstable. The calculation consists in applying a projected default rate and a loss ratio in the event of default to individual non-current financing assets grouped together per country, at period-end. The result obtained is compared to the net situation of the subsidiary concerned, which represents the maximum loss possible in the country. The projected default rate is an indicator of a country's default probability and is the result of a cross between a rating depending on changes in macro-economic indicators and the maturity of the loans outstanding.

On the balance sheet, impairment allowances for country risk are booked as deductions from the carrying value of loans and advances to customers.

Impairment allowances for such risks that are recognized or reversed are combined under the "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 second-hand 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 calculated with no allowance for any profit on resale.

E – Operating leases (IAS17)

In accordance with IAS 17, the RCI Banque group makes a distinction between finance leases and operating leases.

The main criterion 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 a buy-back clause are treated as operating leases.

Operating leases are recognized on the balance sheet as non-current assets leased out and are carried at the gross value of the assets leased out less depreciation, plus lease payments receivable and staggered transaction costs yet to be taken to the income statement. Lease payments and depreciation are also recognized separately in the income statement.

Transaction costs are taken to income on a straight-line basis. Classification as an operating lease does not affect the assessments of counterparty risk and residual value risk.

The accounting treatment of vehicle resale transactions at the end of operating lease contracts is identical to that described for finance leases in: Loans and advances to customers and finance lease contracts.

F – 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

In 2010, the RCI Banque group provided €10,096m in new financing (including credit cards), compared with €8,383 in 2009.

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 2010, dealer financing net of impairment allowances amounted to €4,916m compared with €4,749m at 31 December 2009.

At 31 December 2010, direct financing of Renault Group affiliates and branches amounted to €520m, compared with €559m at 31 December 2009.

At 31 December 2010, the dealer network has collected, as business contributor, income of 232 million euros against 170 million at 31 December 2009.

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, manufacturers are participating in the subsidy of financings granted to customers by RCI Banque. At 31 December 2010, this participation amounts to 359 million euros against 374 million euros at 31 December 2009.

G – 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 to maturity

These are securities that the company intends to hold until maturity. They are measured and carried at amortized cost. Except in exceptional circumstances, they may not be sold before maturity.

Impairment allowances are booked only when there is a strong probability that the issuer will default.

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.

H – 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.

Non-current assets other than land are generally depreciated on a straight-line basis over the following estimated useful lives:

- Buildings...15 to 40 years
- Other tangible non-current assets ....4 to 8 years

I – 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 differed taxes in the consolidated financial statements. Under the liability method used by RCI Banque, differed 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), differed tax assets and liabilities are presented on a net basis whenever the entity is entitled to offset its tax receivables against its tax payables. Differed tax assets are written down whenever their utilization is unlikely.

For fully consolidated companies, a differed tax liability is recognized for taxes payable on advance dividend distributions by the group.

J – 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 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. The group has no liabilities in respect of such plans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

When the assumptions used in the calculation are revised, actuarial differences result which are recognized in equity, in line with the option offered by the amendment to IAS 19.

The net expense of the period, corresponding to the sum of the cost of services rendered, the excess of the cost of accretion over the expected return on the plan assets, and the spreading of past service costs, is recognized in full in personnel expenses.

K – 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;
- 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.

L – 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.

M – Financial liabilities (IAS 39)

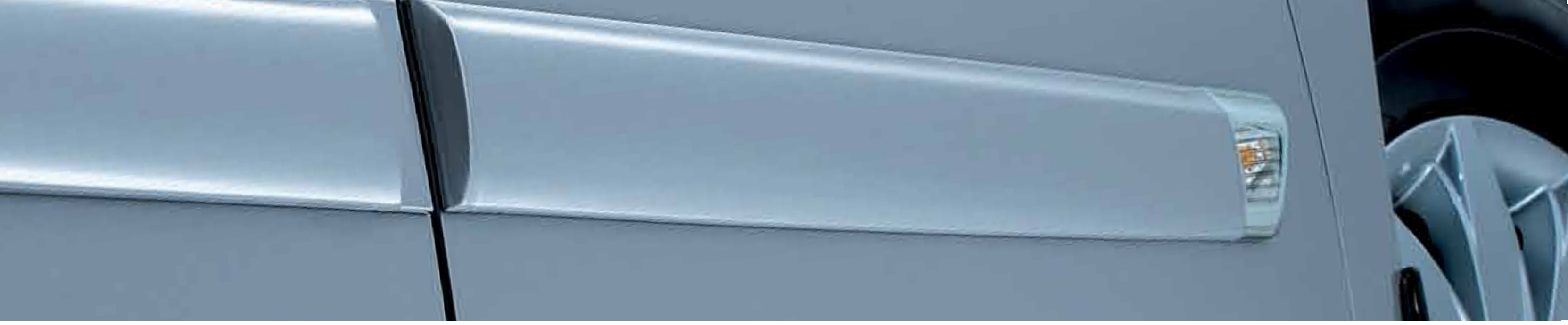
The RCI Banque group recognizes financial liabilities consisting of bonds and similar obligations, negotiable debt securities, securities issued as part of securitization transactions and amounts owed to credit institutions.

Any issuance costs and premiums on financial liabilities are amortized 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).



N – 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.

O – 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 risk management chapter 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.

- 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.
- The fair value of interest-rate derivatives represents what the group would receive (or would pay) to unwind the contracts at the closing date, taking into account unrealized gains or losses as determined by current interest rates at the closing date.

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 currency 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 of the tests of fair value hedge effectiveness, 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 linked to 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,
- receive variable/pay variable swaps in a given currency to hedge interest-rate risk on variable-rate issues.

P – Information pertaining to counterparty risks on derivatives

Aggregate counterparty risk on all derivatives contracted by the RCI Banque group is measured according to a standard internal method.

The credit equivalent is calculated using weighting coefficients by type of instrument (3% per year for transactions involving a single currency and 12% per year for transactions involving two currencies) and the term of the transaction. These coefficients are intentionally set higher than those stipulated by the capital adequacy regulations, making this a deliberately prudent and conservative approach under current market conditions. Risks on positions that are offset with the same counterparty are not netted.

Monitoring of risk on a given party is based on the method described above. Settlement risk is taken into account. The method relies on an internal rating system determined jointly with the Renault Group, which links the limit allocated to each counterparty with a score based on a number of weighted risk factors: level of equity, solvency ratio, long-term and short-term ratings from rating agencies, and qualitative assessment of the counterparty.

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 and Renault Samsung Motors brand 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 and Dacia multi-brand sales financing activities have been combined.

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 pro rata 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".

3 GROUP STRUCTURE

Changes in the scope of consolidation in 2010

In 2010, there was no change in the Group's scope of consolidation

Changes in the scope of consolidation in 2009

The structure of the group was affected in 2009 by the following events:

- The two Maltese captive insurance companies, RCI Insurance Ltd and RCI Life Ltd, and their sub-holding company RCI Services Ltd, were brought into RCI Banque's scope of consolidation on 1 January 2009,
- RCI Banque S.A. Niederlassung Deutschland absorbed RCI Leasing Gmbh on 15 July 2009, backdated to 1 January 2009,
- Deconsolidation of RCI Finance SK S.R.O. (Slovakia) on 1 January 2009 (initially fully consolidated),
- Deconsolidation of Overlease S.r.l. (Italy) on 1 April 2009 (initially 49% proportionately consolidated)
- Takeover by RCI holding of 99% of shares in the RCI Brazil broker (Corretora de Seguros RCI do Brasil S.A.) previously held by Administradora Consorcio Renault do Brasil S/C Ltda,
- Deconsolidation of RFS Ltd on 1 January 2009.

Foreign affiliates that do not have a tax agreement with France

- In accordance with the Order of 6 October 2009 in application of Article L. 511-45 of the *Code monétaire et financier* (French Monetary and Financial Code), 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 lending provided to a business partner. This affiliate's main management indicators are monitored on a monthly basis. In 2010, pre-tax income came to €1.7m.

4 ADAPTING TO THE NEW ECONOMIC AND FINANCIAL ENVIRONMENT

In a drastically changing economic environment, RCI Banque has adapted its method of operation to the current financial climate.

Liquidity

RCI Banque's management of liquidity risk is founded on several indicators or analyses, which are updated monthly on the basis of the latest loan forecasts (customers and dealerships) and completed refinancing transactions.

Static liquidity: RCI Banque's aim is to achieve positive static liquidity. Assets generated in the past have been financed by debts with longer maturity.

Predictive liquidity, the "worst case scenario": this indicator factors in projections of new business activity in a maximum stress test context that predicts no access to any new resources. This scenario is the indicator used in external reporting, especially to rating agencies, which demand a clear view of liquidity over at least a 6-month period. It is used to establish two indicators:

- The number of possible business days without access to the market, only making use of confirmed bank lines and funds raised from the ECB (internal monitoring and external reporting indicator),
- Liquidity pool (internal monitoring and external reporting indicator).

Predictive liquidity, the "grey" stress scenario: this is achieved on the basis of assumptions of constrained financing: closure of bond markets, restricted access to short term funding, access to securitization (ECB and conduit corporations). This analysis is completed by simulating the changes in the projected liquidity pool.

The liquidity pool stands at €3,851m. This represents available liquidity surplus to the certificates of deposit and commercial paper outstandings. The group has a duty to maintain sources of alternative liquidity above the level of its short-term negotiable debt securities.

Credit business risk

Following the strengthening of the recovery structures between the end of 2008 and early 2009, recovery performances improved from the first quarter 2009 onwards. By taking the Probability of Default derived from scoring systems into account in the management of new gross lending, portfolio quality across all major markets was improved.

In 2010, as a result of the combination of a well-scaled acceptance policy with an efficient recovery system, the cost of risk on the business activity portfolio hit a record low, reaching a level below that seen prior to the start of the financial crisis.

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 the stress tests, which are updated quarterly for the main countries per segment (private customers, corporate customers). All in all, the quality of gross lending was in line with the objectives set.

In an uncertain economic climate and changing environment, RCI Banque remains on the alert with the aim of maintaining the overall cost of risk at a level compatible with the expectations of the financial community and yield targets.

Profitability

The credit margins observed on the markets have undergone significant changes. In such a volatile context, RCI Banque responds very promptly and regularly revises 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 the borrowed resources and liquidity cushions needed for business continuity. This method maintains a steady return for this business.

Governance

The static liquidity position, predictive liquidity position in a stress scenario of total freezing of new sources of funding, and the liquidity pool have been the subject of particular scrutiny at each monthly Financial Committee meeting.

The country management committees have also monitored risk and instant projected margin indicators more systematically, thereby completing the routine assessments of subsidiary profitability.

Exposure to credit risk (excluding business activity)

Because of its structural position as a borrower, the RCI Banque group's exposure to credit risk (excluding the commercial portfolio) is limited to the investment of temporary liquidity surpluses in very short term deposits in leading banking establishments, subject to prior authorization from the Counterparty Committee.

5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – Segment information

1.1 Segmentation by market

in million euros	Customer	Dealer financing	Other	TOTAL
12/2010				
Average performing loan outstandings	15,913	5,068		**20,981**
Net banking income	859	165	110	**1,134**
Gross operating income	578	130	79	**787**
Operating income	484	139	79	**702**
Pre-tax income	487	139	78	**704**
12/2009				
Average performing loan outstandings	15,311	4,880		**20,191**
Net banking income	765	151	128	**1,044**
Gross operating income	466	117	99	**682**
Operating income	285	99	99	**483**
Pre-tax income	290	100	97	**487**

A breakdown by market is provided for the main income statement as well as for average performing loan outstandings 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 outstandings 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

Information about financial and commercial performance in the main geographic regions is presented in the "Group operations" table appended to this document.

Note 2 – Derivatives

in million euros	12/2010		12/2009	
	Assets	Liabilities	Assets	Liabilities
Fair value of financial assets and liabilities recognized as derivatives held for trading purposes	**1**	**84**	**40**	**8**
Interest-rate derivatives			1	1
Currency derivatives	1	84	39	7
Fair value of financial assets and liabilities recognized as derivatives used for hedging	**80**	**53**	**55**	**174**
Interest-rate and currency derivatives: Fair value hedges	75	15	53	
Interest-rate derivatives: Cash flow hedges	5	38	2	174
TOTAL DERIVATIVES	**81**	**137**	**95**	**182**

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: Financial liabilities (IAS 39) and Derivatives and hedge accounting (IAS 39).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Changes in the cash flow hedging instrument revaluation reserve

in million 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 2008	**(69)**	**(43)**	**(26)**	
Changes in fair value recognized in equity	(105)			
Transfer to income statement	123			
Balance at 31 December 2009	**(51)**	**(47)**	**(4)**	
Changes in fair value recognized in equity	(25)			
Transfer to income statement	71			
Balance at 31 December 2010	**(5)**	**(5)**		

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.

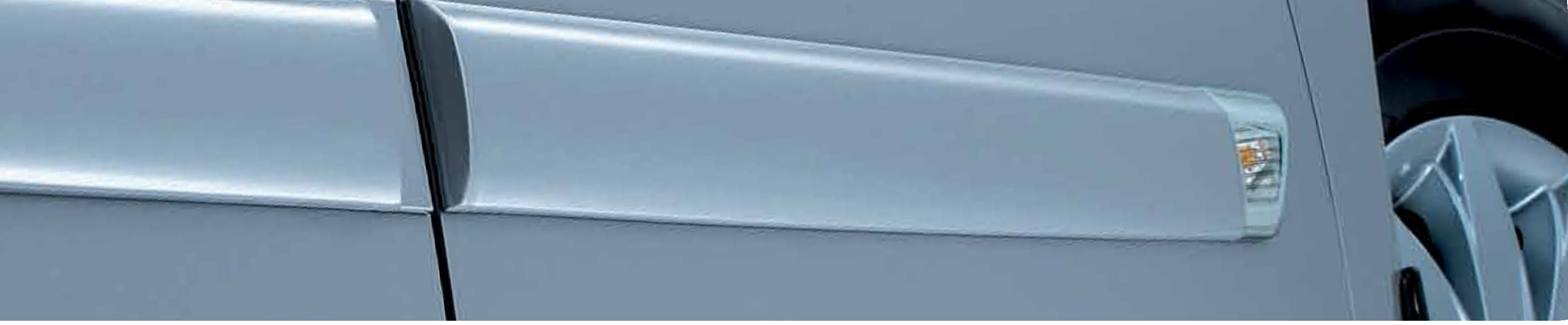
Changes in the cash flow hedging reserve result from changes in the fair value of the hedging instruments carried in equity, and from the transfer of the period to the income statement at the same rate as the item hedged.

Nominal values of derivative instruments by maturity and management intent

in million euros	0-1 year	1-5 years	+5 years	TOTAL
12/2010				
HEDGING OF CURRENCY RISK				
Forex transactions				
Currency loaned, not yet delivered				
Currency borrowed, not yet received	1			**1**
Forward forex contracts				
Sales	533			**533**
Purchases	524			**524**
Currency swaps				
Loans	578	529		**1,107**
Borrowings	602	541		**1,143**
HEDGING OF INTEREST-RATE RISK				
Forward Rate Agreement (F.R.A)				
Sales (Loans)				
Purchases (borrowings)	1,100			**1,100**
Interest rate swaps				
Lender	3,362	3,463	600	**7,425**
Borrower	3,362	3,463	600	**7,425**

in million euros	0-1 year	1-5 years	+5 years	TOTAL
12/2009				
HEDGING OF CURRENCY RISK				
Forex transactions				
Currency loaned, not yet delivered				
Currency borrowed, not yet received	55			**55**
Forward forex contracts				
Sales	616			**616**
Purchases	620			**620**
Currency swaps				
Loans	645	519	11	**1,175**
Borrowings	587	515	8	**1,110**
HEDGING OF INTEREST-RATE RISK				
Forward Rate Agreement (F.R.A)				
Sales (Loans)	400			**400**
Purchases (borrowings)	400			**400**
Interest rate swaps				
Lender	4,651	2,906	20	**7,577**
Borrower	4,651	2,906	20	**7,577**

At 31 December 2010, the counterparty risk equivalent stood at €1,503m, compared with €1,146m at 31 December 2009. This amount only applies to credit institutions and was calculated without taking netting agreements into account.



Note 3 – Financial assets available for sale and other financial assets

in million euros	12/2010	12/2009
Financial assets available for sale	**16**	**10**
Government debt securities and similar	15	7
Bonds and other fixed income securities	1	3
Other financial assets	**9**	**8**
Interests in companies controlled but not consolidated	9	8
TOTAL FINANCIAL ASSETS AVAILABLE FOR SALE AND OTHER FINANCIAL ASSETS	**25**	**18**

Note 4 – Amounts receivable from credit institutions

in million euros	12/2010	12/2009
Credit balances in sight accounts at credit institutions	**809**	**1,979**
Ordinary accounts in debit	798	1,944
Overnight loans	10	33
Accrued interest	1	2
Term deposits at credit institutions	**183**	**34**
Term loans	182	31
Reverse repurchase agreement or bought outright		3
Doubtful receivables	1	
TOTAL AMOUNTS RECEIVABLE FROM CREDIT INSTITUTIONS	**992**	**2,013**

Credit balances in sight accounts are included in the “Cash and cash equivalents” line item in the cash flow statement.

Note 5 – Customer finance transactions and similar

in million euros	12/2010	12/2009
Loans and advances to customers	**21,951**	**20,754**
Customer finance transactions	16,269	15,473
Finance lease transactions	5,682	5,281
Operating lease transactions	**72**	**126**
TOTAL CUSTOMER FINANCE TRANSACTIONS AND SIMILAR	**22,023**	**20,880**

5.1 Customer finance transactions

in million euros	12/2010	12/2009
Loans and advances to customers	**17,263**	**16,478**
Factoring	397	538
Other commercial receivables	112	114
Other customer credit	15,711	14,677
Ordinary accounts in debit	140	63
Doubtful and compromised receivables	903	1,086
Interest receivable on customer loans and advances	**49**	**49**
Other customer credit	28	29
Ordinary accounts	1	
Doubtful and compromised receivables	20	20
Total of items included in amortized cost - Customer loans and advances	**(252)**	**(233)**
Staggered handling charges and sundry expenses - Received from customers	(108)	(85)
Staggered contributions to sales incentives by manufacturer or dealers	(349)	(318)
Staggered fees paid for referral of business	205	170
Impairment on loans and advances to customers	**(791)**	**(821)**
Impairment on delinquent or at-risk receivables	(148)	(161)
Impairment on doubtful and compromised receivables	(624)	(648)
Impairment on residual value	(19)	(12)
TOTAL CUSTOMER FINANCE TRANSACTIONS, NET	**16,269**	**15,473**

The securitization transactions were not intended to result in derecognition of the receivables assigned. The assigned receivables as well as the accrued interest and impairment allowances on them 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.2 - Finance lease transactions

in million euros	12/2010	12/2009
Finance lease transactions	**5,871**	**5,485**
Leasing and long-term rental	5,711	5,284
Doubtful and compromised receivables	160	201
Accrued interest on finance lease transactions	**9**	**21**
Leasing and long-term rental	4	10
Doubtful and compromised receivables	5	11
Total of items included in amortized cost - Finance leases	**(48)**	**(42)**
Staggered handling charges	(9)	(10)
Staggered contributions to sales incentives by manufacturer or dealers	(99)	(86)
Staggered fees paid for referral of business	60	54
Impairment on finance leases	**(150)**	**(183)**
Impairment on delinquent or at-risk receivables	(16)	(20)
Impairment on doubtful and compromised receivables	(126)	(153)
Impairment on residual value	(8)	(10)
TOTAL FINANCE LEASE TRANSACTIONS, NET	**5,682**	**5,281**

Reconciliation between gross investment in finance lease contracts at the closing date and present value of minimum payments receivable

in million euros	0-1 year	1-5 years	+5 years	TOTAL
12/2010				
Finance leases - net investment	2,829	2,997	6	**5,832**
Finance leases - future interest receivable	236	157		**393**
Finance leases - gross investment	**3,065**	**3,154**	**6**	**6,225**
Amount of residual value guaranteed to RCI Banque group	1,273	1 522	5	**2,800**
Of which amount guaranteed by related parties	*665*	*694*	*1*	***1,360***
Minimum payments receivable under the lease (excluding amounts guaranteed by related parties, as required by IAS 17)	2,400	2,458	6	**4,864**
12/2009				
Finance leases - net investment	2,660	2,797	7	**5,464**
Finance leases - future interest receivable	210	149	1	**360**
Finance leases - gross investment	**2,870**	**2,946**	**8**	**5,824**
Amount of residual value guaranteed to RCI Banque group	1,529	1,697	5	**3,231**
Of which amount guaranteed by related parties	*668*	*622*	*1*	***1,291***
Minimum payments receivable under the lease (excluding amounts guaranteed by related parties, as required by IAS 17)	2,202	2,325	6	**4,533**

5.3 Operating lease transactions

in million euros	12/2010	12/2009
Operating lease transactions	**80**	**141**
Non-current assets, net of security deposits	74	130
Doubtful non-current assets and Doubtful and compromised receivables	6	11
Impairment on operating leases	**(8)**	**(15)**
Impairment on doubtful and compromised lease contracts	(4)	(8)
Impairment on residual value	(4)	(7)
TOTAL OPERATING LEASE TRANSACTIONS, NET	**72**	**126**

The amount of minimum future payments receivable under simple non-cancelable lease contracts is analyzed as follows

in million euros	0-1 year	1-5 years	+5 years	TOTAL
12/2010				
Operating leases - Gross investment	64	23		**87**
Residual value not guaranteed	11	7		**18**
Minimum payments receivable under the lease	53	16		**69**
12/2009				
Operating leases - Gross investment	85	75	0	**160**
Residual value not guaranteed	24	44	0	**68**
Minimum payments receivable under the lease	61	31	0	**92**

5.4 - Maximum exposure to credit risk and indication concerning the quality of receivables deemed non-impaired by the RCI Banque group.

At 31 December 2010, the RCI Banque group's maximum aggregate exposure to credit risk stood at €25,875m. This exposure chiefly includes the 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 21: Commitments received).

Amount of receivables due

in million euros	12/2010	*of which non-impaired (1)*	12/2009	*of which non-impaired (1)*
Receivables due	**723**	**21**	**802**	**2**
Between 0 and 90 days	93	21	92	**2**
Between 90 and 180 days	56		81	
Between 180 days and 1 year	45		127	
More than one year	529		502	

(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.

As at 31 December 2010, guarantees held on doubtful or delinquent receivables totaled €462m, compared with €607m at 31 December 2009.

5.5 - Residual values

The total risk on residual values carried by the RCI Banque group amounted to €319m in 2010 against €297m in 2009. Impairment allowances on residual value totaled €5m in 2010, against €12m in 2009 (decrease in the impairment allowance in Spain, Poland, Portugal and the United Kingdom).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6 – Customer finance transactions by business segment

in million euros	Customer	Dealer	Other	TOTAL
12/2010				
Gross value	**17,503**	**5,171**	**298**	**22,972**
Non-impaired receivables	16,779	4,806	293	21,878
Doubtful receivables	164	316	3	483
Compromised receivables	560	49	2	611
Impairment allowance on individual basis	**(654)**	**(222)**	**(2)**	**(878)**
Non-impaired receivables	(61)	(63)		(124)
Doubtful receivables	(98)	(112)	(1)	(211)
Compromised receivables	(495)	(47)	(1)	(543)
Impairment allowance on collective basis	**(38)**	**(33)**		**(71)**
Impairment	(21)	(27)		(48)
Country risk	(17)	(6)		(23)
NET VALUE(*)	**16,811**	**4,916**	**296**	**22,023**
(*) Of which: related parties (excluding participation in incentives and fees paid for referrals)	*15*	*520*	*106*	*641*
12/2009				
Gross value	**16,645**	**5,014**	**240**	**21,899**
Non-impaired receivables	15,820	4,515	237	20,572
Doubtful receivables	235	440	1	676
Compromised receivables	590	59	2	651
Impairment allowance on individual basis	**(711)**	**(235)**	**(2)**	**(948)**
Non-impaired receivables	(72)	(67)		(139)
Doubtful receivables	(149)	(117)	(1)	(267)
Compromised receivables	(490)	(51)	(1)	(542)
Impairment allowance on collective basis	**(41)**	**(30)**		**(71)**
Impairment	(23)	(26)		(49)
Country risk	(18)	(4)		(22)
NET VALUE(*)	**15,893**	**4,749**	**238**	**20,880**
(*) Of which: related parties (excluding participation in incentives and fees paid for referrals)	*33*	*559*	*42*	*634*

Business segment information is given in detail in note 1.

Other than the Renault Group, there is no single counterparty to which the RCI Banque group has credit commitments representing more than 10% of its equity.

The "Other" category includes refinancing and holding activities.

The impairment allowances for country risk only concern Argentina, Brazil, Romania, Morocco and Hungary.

Note 7 – Adjustment accounts - Assets

in million euros	12/2010	12/2009
Tax receivables	**153**	**188**
Current tax assets	20	50
Differed tax assets	85	106
Tax receivables other than on current income tax	48	32
Adjustment accounts and other assets	**320**	**271**
Social Security and employee-related receivables		1
Other sundry debtors	108	103
Adjustment accounts - Assets	32	48
Other assets	1	
Items received on collections	143	104
Reinsurer part in technical provisions	36	15
TOTAL ADJUSTMENT ACCOUNTS – ASSETS AND OTHER ASSETS (*)	**473**	**459**
(*) Of which related parties	*63*	*58*

Differed tax assets are analyzed in note 30.

Changes in the share of reinsurers in the technical reserves are analyzed as follows:

Changes in the part of reinsurance in the technical provions

in million euros	12/2010	12/2009
Reinsurer part in technical provisions at the beginning of period	**15**	
Increase of the technical provisions chargeable to reinsurers	22	15
Claims recovered from reinsurers	(1)	
REINSURER PART IN TECHNICAL PROVISIONS AT THE END OF PERIOD	**36**	**15**

Note 8 – Interests in associates

in million euros	Share of net assets	Net income
12/2010		
Nissan Renault Finance Mexico (Customer financing)	34	2
TOTAL INTERESTS IN ASSOCIATES	**34**	**2**
12/2009		
Nissan Renault Finance Mexico (Customer financing)	26	5
TOTAL INTERESTS IN ASSOCIATES	**26**	**5**

Note 9 – Tangible and intangible non-current assets

in million euros	12/2010	12/2009
Intangible assets: net	**2**	**2**
Gross value	29	28
Accumulated amortization and impairment	(27)	(26)
Property, plant and equipment: net	**23**	**27**
Gross value	109	109
Accumulated amortization and impairment	(86)	(82)
TOTAL TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS	**25**	**29**

Note 10 – Goodwill

in million euros	12/2010	12/2009
Germany	12	12
United Kingdom	36	35
Italy	9	9
Argentina	8	8
Korea	17	15
TOTAL GOODWILL FROM ACQUISITIONS BY COUNTRY	**82**	**79**

Given the slump in the Hungarian business, this country's goodwill was fully impaired in 2008.

Note 11 – Liabilities to credit institutions and customers, and debt evidenced by certificates

11.1 Liabilities by measurement method

in million euros	12/2010	12/2009
Liabilities measured at amortized cost	**17,574**	**19,812**
Amounts payable to credit institutions	3,938	6,567
Amounts payable to customers	656	665
Debt evidenced by certificates	12 980	12,580
Liabilities measured at fair value hedge	**2,313**	**561**
Amounts payable to credit institutions	169	176
Debt evidenced by certificates	2,144	385
TOTAL FINANCIAL DEBTS	**19,887**	**20,373**

11.2 Amounts payable to credit institutions

in million euros	12/2010	12/2009
Sight accounts payable to credit institutions	**164**	**116**
Ordinary accounts	65	64
Overnight borrowings	2	
Other amounts owed	97	52
Term accounts payable to credit institutions	**3,943**	**6,627**
Term borrowings	3,899	4,577
Securities covered by repurchase agreements or sold outright		2,000
Accrued interest	44	50
TOTAL LIABILITIES TO CREDIT INSTITUTIONS (*)	**4,107**	**6,743**
(*) Of which related parties	*99*	*92*

Sight accounts are included in the "Cash and cash equivalents" line item in the cash flow statement.
The book value of receivables provided as collateral to the Société de financement de l'économie française (SFEF) by RCI Banque totaled €1,658 million at 31 December 2010, in exchange for a refinancing of €824 million.

Moreover, the book value of the collateral presented to the Banque Centrale (3G) amounted to €2,832m at 31 December 2010, including €83m of private accounts receivable and €2,749m in collateralized security entity shares. The balance of the funding provided by the European Central Bank in exchange for assigned accounts receivable amounts to €450m, now listed under the above heading "Term borrowings", in accordance with French Banking Federation (FBF) recommendations (previously listed under "Securities covered by repurchase agreements").

11.3 Amounts payable to customers

in million euros	12/2010	12/2009
Amounts payable to customers	**648**	**649**
Ordinary accounts in credit	95	93
Term accounts in credit	553	556
Other amounts payable to customers and Accrued interest	**8**	**16**
Other amounts payable to customers	7	15
Accrued interest on ordinary accounts in credit	1	1
TOTAL LIABILITIES TO CUSTOMERS (*)	**656**	**665**
(*) Of which related parties [(1)]	*599*	*581*

(1) Term accounts in credit include a €550m cash warrant agreement given to RCI Banque by the manufacturer Renault, covering, without any geographical exceptions, against the risks of the Renault Retail Group defaulting. This cash warrant agreement replaces the two existing agreements.

11.4 Debt evidenced by certificates

in million euros	12/2010	12/2009
Interbank market securities [(1)]	**824**	**424**
Interbank securities	763	396
Accrued interest on interbank market securities	61	28
Negotiable debt securities [(2)]	**2,716**	**2,616**
Certificates of deposit	2,553	2,239
Commercial paper and similar	126	213
French MTNs and similar	28	160
Accrued interest on negotiable debt securities	9	4
Other debt evidenced by certificates [(3)]	**3,775**	**3,812**
Other debt evidenced by certificates	3,772	3,810
Accrued interest on other debt evidenced by certificates	3	2
Bonds and similar	**7,809**	**6,113**
Bonds	7,698	6,034
Accrued interest on bonds	111	79
TOTAL DEBT EVIDENCED BY CERTIFICATES	**15,124**	**12,965**

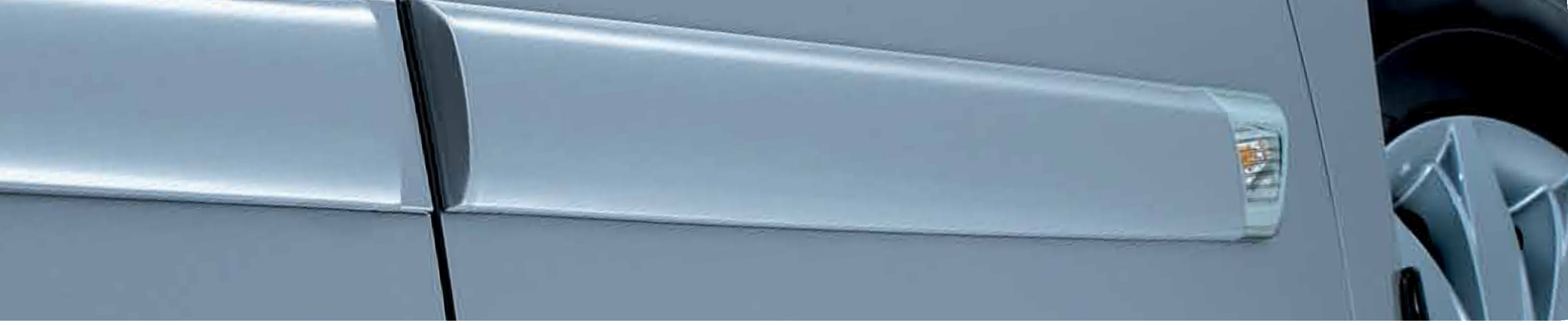
(1) Interbank securities are issued by CFI Renault Do Brasil.
(2) Certificates of deposit, commercial paper and French MTNs are issued by RCI Banque and DIAC.
(3) Other debt evidenced by certificates consists primarily of the securities issued by the vehicles created for the French (Diac and Cogera), Italian (RCI Succursale), German (RCI Banque Niederlassung) and UK (RCI Financial Services Ltd) securitizations.

11.5 Breakdown of financial liabilities by rate type before derivatives

in million euros	Variable	Fixed	TOTAL
12/2010			
Amounts payable to credit institutions	944	3,163	4,107
Amounts payable to customers	606	50	656
Interbank market securities	457	367	824
Negotiable debt securities	927	1,789	2,716
Other debt evidenced by certificates	3,547	229	3,776
Bonds	1,107	6,701	7,808
TOTAL FINANCIAL LIABILITIES BY RATE	**7,588**	**12,299**	**19,887**
12/2009			
Amounts payable to credit institutions	2,030	4,713	**6,743**
Amounts payable to customers	619	46	**665**
Interbank market securities	229	194	**423**
Negotiable debt securities	405	2,211	**2,616**
Other debt evidenced by certificates	3,159	654	**3,813**
Bonds	2,501	3,612	**6,113**
TOTAL FINANCIAL LIABILITIES BY RATE	**8,943**	**11,430**	**20,373**

11.6 Breakdown of financial liabilities by maturity

The breakdown of financial liabilities by maturity is shown in note 17.



Note 12 – Securitization

in million euros	SECURITIZATION – public issues				
Ceding entity	**Diac SA**	**Cogera SA**	**RCI Banque Succursale Italiana**	**RCI Niederlassung**	**RCI Niederlassung**
Country	France	France	Italy	Germany	Germany
Start date	October 2006	April 2010	July 2007	November 2008	July 2010
Maximum term of fund	October 2020	October 2015	October 2023	April 2023	April 2023
Assets SPV	Cars Alliance Auto Loans France FCC	FCT Cars Alliance DFP France	Alliance Auto Loans Italy SPV Loi 130	Cars Alliance Auto Leases Germany FCT	Cars Alliance Auto Loans Germany FCT
Initial purchase of receivables	2,323	1,235	1,402	942	1,793
Kind of purchased receivables	Auto loans to customers	Receivables independent dealers	Auto loans to customers	Leases to customers	Auto loans to customers
Receivables purchased as of 31/12/10	1,839	1,256	1,149	705	1,857
Credit enhancement at 31/12/10	Cash reserve for 0.10% Over-collateralization of receivables 4.5%	Cash reserve for 1% Over-collateralization of receivables 13.6%	Over-collateralization of receivables 1.75%	Cash reserve for 0.30% Over-collateralization of receivables 25.8%	Cash reserve for 1% Over-collateralization of receivables 12.7%
Issuing SPV	Cars Alliance Auto Loans France FCC	FCT Cars Alliance DFP France	Cars Alliance Funding PLC Irlande	Cars Alliance Auto Leases Germany FCT	Cars Alliance Auto Loans Germany FCT
Public issues Medium-term Notes in issue at 31/12/10 (including any units held by the RCI Banque group)	Class A rating AAA 1507.2	Series 2010-1 Class A Rating AAA 750.0	Séries 2007-1 Class A Rating AAA 838.5	Class A Rating AAA 376.7	Class A Rating AAA 873.0
	Class B Rating A 94.3	Séries 2005-1 Class B Not Rated 36.5	Series 2007-1 Class B Rating A 35.5	Class B Rating A 48.0	Class B Rating A 28.0
Listed private placement	Class R	Series 2005-2 Class A		Class R	Class R
Short term	rating AAA	Rating AAA		Rating AAA	Rating AAA
Notes in issue at 31/12/10	129.6	70.0		120.6	744.3

The RCI Banque group carried out a number of securitization transactions (France, Italy and Germany) securitizing amounts receivable from the distribution network and final customer credits, by means of special purpose vehicles.

These securitization transactions were not intended to result in derecognition of the receivables transferred, as the whole of the risk is kept by the group. At 31 December 2010, the amount of the sales financing receivables thus maintained on the balance sheet was €7,247m (€7,441m at 31 December 2009). Liabilities of €3,775m have been booked under 'Other debt evidenced by certificates', corresponding to the securities issued during these securitization transactions. The difference between the amount of receivables purchased and the amount of the aforementioned liabilities corresponds to the credit enhancement needed for these transactions and to the share of securities kept by RCI Banque, serving as a liquidity reserve.

In accordance with the rules of consolidation, any residual units and short-term units held by RCI Banque have been eliminated from the consolidated financial statements.

In addition, and as part of its efforts to diversify its refinancing, certain transactions are secured by conduit:

- in 2006: €630m of dealer receivables in Germany
- in 2010: £684.5m of customer receivables in the United Kingdom

As these issues were private, their terms and conditions are not disclosed in the above table. All securitized receivables, including accrued interest not yet due, remain on the asset side of the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13 – Adjustment accounts - Liabilities

in million euros	12/2010	12/2009
Taxes payable	**360**	**271**
Current tax liabilities	58	30
Differed tax liabilities	275	218
Taxes payable other than on current income tax	27	23
Adjustment accounts and other amounts payable	**841**	**734**
Social security and employee-related liabilities	48	41
Other sundry creditors	625	535
Adjustment accounts - liabilities	151	137
Collection accounts	17	21
TOTAL ADJUSTMENT ACCOUNTS - LIABILITIES AND OTHER LIABILITIES (*)	**1,201**	**1,005**
(*) Of which related parties	*91*	*78*

Differed tax assets are analyzed in note 30.

Note 14 – Provisions for risk and charges and insurance technical provisions

in million euros	12/2009	Charge	Reversals		Other (*)	12/2010
			Used	Not used		
Provisions on banking operations	**59**	**47**	**(6)**	**(15)**	**(1)**	**84**
Provisions for litigation risks	6		(1)			5
Other provisions	53	47	(5)	(15)	(1)	79
Provisions on non-banking operations	**81**	**31**	**(16)**	**(19)**	**1**	**78**
Provisions for pensions liabilities and related	26	4	(1)	(1)	(1)	27
Provisions for restructuring	18	4	(8)	(2)	1	13
Provisions for tax and litigation risks	33	22	(5)	(16)	1	35
Other	4	1	(2)			3
TOTAL PROVISIONS	**140**	**78**	**(22)**	**(34)**		**162**

(*) Other = Reclassement, currency translation effects, changes in scope of consolidation.

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.

At year-end 2010, the provisions for restructuring mainly concerned Germany, Spain, the Netherlands and the United Kingdom.

Changes in the actuarial reserves for contracts issued by captive insurance companies break down as follows:

Changes in the insurance technical provisions

in million euros	12/2010	12/2009
Liabilities relative to insurance contracts in the beginning of period	**22**	
Allowance for insurance technical provisions	31	22
Services paid	(1)	
LIABILITIES RELATIVE TO INSURANCE CONTRACTS AT THE END OF PERIOD	**52**	**22**

Provisions for pension and other post-employment benefits

in million euros	12/2010	12/2009
France	22	20
Rest of world	5	6
TOTAL PROVISIONS	**27**	**26**

Principal actuarial assumptions	12/2010	12/2009
Retirement age	67 years	65 years
Salary increases	2.90%	3.06%
Financial discount rate	4.16%	5.07%
Starting rate	4.49%	4.79%

Changes in provisions during the year

in million euros	Actuarial value of obligations	Actuarial value of invested funds	Obligations less invested funds	Unrecognized actuarial gains/ losses	Provision on balance sheet
Balance at 31 December 2008	**40**	**(16)**	**24**		**24**
Net charge for the year 2009	3		3		3
Benefits and contributions paid	(2)		(2)		(2)
Actuarial differences	3	(1)	2	(1)	1
Translation adjustment	1	(1)		1	1
Projected return on assets		(1)	(1)		(1)
Balance at 31 December 2009	**45**	**(19)**	**26**		**26**
Net charge for the year 2010	4		4		4
Benefits and contributions paid	(2)		(2)		(2)
Actuarial differences (1)	2	(3)	(1)		(1)
Translation adjustment	1	(1)		1	1
Projected return on assets		(1)	(1)		(1)
BALANCE AT 31 DECEMBER 2010	**50**	**(24)**	**26**	**1**	**27**

(1) of which €0.5m in actuarial value of obligations resulting from effects of experience

Expected rates of return on invested funds in 2010 are 6.60 in the United Kingdom, 5.18 in the Netherlands and 2.75 in Switzerland.

Amounts recognized in the income statement for pension obligations

in million euros	12/2010	12/2009
Cost of services rendered	2	1
Cost of accretion	2	2
NET CHARGES	**4**	**3**

Note 15 – Provisions for impairment allowances to cover counterparty risk

in million euros	12/2009	Charges	Reversals		Other (*)	12/2010
			Used	Not used		
Provisions for impairment on banking operations	**1,051**	**421**	**(269)**	**(244)**	**17**	**976**
Customer finance transactions (on individual basis)	951	402	(269)	(225)	16	875
Customer finance transactions (on collective basis)	71	19		(19)		71
Securities transactions	29				1	30
Provisions for impairment on non-banking operations	**9**	**1**	**(1)**	**(1)**		**8**
Other provisions to cover counterparty risk	9	1	(1)	(1)		8
TOTAL PROVISIONS TO COVER COUNTERPARTY RISK	1,060	422	(270)	(245)	17	984

(*) Other = Reclassement, currency translation effects, changes in scope of consolidation

A breakdown by market segment of allowances for impairment of assets in connection with customer finance operations is provided in note 6.

In 2010, the RCI Banque group used the historical data put in place by Basel II to tweak the provisioning rates for customers in the United Kingdom. Statistical exploitation of these historical data led to the provisioning rates being revised upwards. Consequently, an €8m charge to the reserve has been recorded for this country in the accounts.

Note 16 – Subordinated debt - Liabilities

in million euros	12/2010	12/2009
Liabilities measured at amortized cost	**252**	**251**
Subordinated debt	250	250
Accrued interest on subordinated debt	2	1
Hedged liabilities measured at fair value	**11**	**10**
Participating loan stock	11	10
TOTAL SUBORDINATED LIABILITIES	263	261

The €250m subordinated debt securities issued to the public in 2005 have the following characteristics:

- Maturity: in ten years (redeemable on 07/04/2015),
- Currency: euro,
- Interest rate: 3-month Euribor + 0.90.

The remuneration on the participating loan stock issued in 1985 by Diac 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.

Note 17 – Financial assets and liabilities by remaining term to maturity

in million euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	TOTAL
12/2010					
Financial assets	**6,826**	**7,114**	**9,137**	**44**	**23,121**
Derivatives	12	30	39		**81**
Financial assets available for sale and other financial assets	2	2	12	9	**25**
Amounts receivable from credit institutions	984	8			**992**
Loans and advances to customers	5,807	7,041	9,068	35	**21,951**
Operating lease transactions	21	33	18		**72**
Financial liabilities	**5,191**	**5,661**	**8,176**	**1,259**	**20,287**
Derivatives	36	63	23	15	**137**
Amounts payable to credit institutions	2,212	640	1,252	3	**4,107**
Amounts payable to customers	103	3		550	**656**
Debt evidenced by certificates	2,840	4,954	6,650	680	**15,124**
Subordinated debt		1	251	11	**263**
12/2009					
Financial assets	**7,983**	**6,381**	**8,589**	**53**	**23,006**
Derivatives	7	72	15	1	95
Financial assets available for sale and other financial assets	3		7	8	18
Amounts receivable from credit institutions	2,012	1			2,013
Loans and advances to customers	5,941	6,267	8,502	44	20,754
Operating lease transactions	20	41	65		126
Financial liabilities	**6,451**	**5,394**	**8,680**	**291**	**20,816**
Derivatives	51	70	61		182
Amounts payable to credit institutions	2,624	1,829	2,280	10	6,743
Amounts payable to customers	109	456	100		665
Debt evidenced by certificates	3,666	3,039	6,239	21	12,965
Subordinated debt	1			260	261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

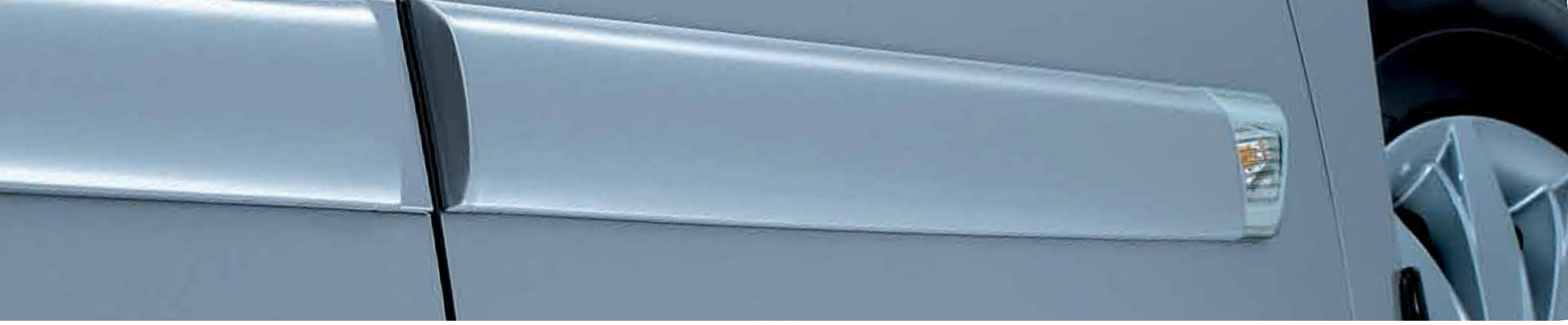
Note 18 – Breakdown of future contractual cash flows by maturity

in million euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	TOTAL
12/2010					
Financial liabilities	**5,353**	**5,771**	**8,759**	**1,256**	**21,139**
Derivatives	83	92	112	3	**290**
Amounts payable to credit institutions	2,207	599	1,252	3	**4,061**
Amounts payable to customers	102	3		550	**655**
Debt evidenced by certificates	2,856	4,741	6,650	680	**14,927**
Subordinated liabilities			250	11	**261**
Future interest payable	105	336	495	9	**945**
Financing and guarantee commitments to customers	1,992				**1,992**
TOTAL BREAKDOWN OF FUTURE CONTRACTUAL CASH FLOWS BY MATURITY	**7,345**	**5,771**	**8,759**	**1,256**	**23,131**
12/2009					
Financial liabilities	**6,537**	**5,572**	**9,010**	**308**	**21,427**
Derivatives	162	129	63	1	**355**
Amounts payable to credit institutions	2,606	1,793	2,280	10	**6,689**
Amounts payable to customers	108	456	100		**664**
Debt evidenced by certificates	3,629	2,942	6,239	21	**12,831**
Subordinated liabilities				261	**261**
Future interest payable	32	252	328	15	**627**
Financing and guarantee commitments to customers	2,128				**2,128**
TOTAL BREAKDOWN OF FUTURE CONTRACTUAL CASH FLOWS BY MATURITY	**8,665**	**5,572**	**9,010**	**308**	**23,555**

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 financial assets and liabilities (under IFRS 7)

19.1 Nature hierarchy breakdown

in million euros	12/2010			12/2009		
	NBV (*)	FV (*)	Difference (*)	NBV (*)	FV (*)	Difference (*)
Financial assets	**23,121**	**23,292**	**171**	**23,006**	**23,096**	**90**
Derivatives	81	81		95	95	
Financial assets available for sale and other financial assets	25	25		18	18	
Amounts receivable from credit institutions	992	992		2,013	2,013	
Loans and advances to customers	21,951	22,122	171	20,754	20,844	90
Operating lease transactions	72	72		126	126	
Financial liabilities	**20,287**	**20,602**	**(315)**	**20,816**	**20,839**	**(23)**
Derivatives	137	137		182	182	
Amounts payable to credit institutions	4,107	4,066	41	6,743	6,724	19
Amounts payable to customers	656	656		665	665	
Debt evidenced by certificates	15,124	15,476	(352)	12,965	13,002	(37)
Subordinated debt	263	267	(4)	261	266	(5)

(*) NBV : Net book value - FV : Fair value - Difference : Unrealized gain or loss

Assumptions and methods used:

Estimated fair values have been determined using available market information and appropriate valuation methods for each type of instrument. However, the methods and assumption 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 not traded on such a market, market value is determined by applying recognized valuation models that use observable market parameters. If RCI Banque does not have the necessary valuation tools necessary, as 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 to RCI Banque at 31 December 2010 and at 31 December 2009 for loans with similar conditions and maturities.

• 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 2010 and at 31 December 2009.

Customer receivables with a term of less than one year are not discounted, as their fair value is not significantly different from 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 2010 and 31 December 2009 for borrowings with similar conditions and maturities. Projected cash flows are discounted according to the zero-coupon yield curve augmented by the spread specific to RCI Banque.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19.2 – Level hierarchy breakdown

in million euros	Level 1	Level 2	Level 3	Total 12/2010
Assets measured at fair value	**16**	**81**		**97**
Financial assets available for sale and other financial assets	16			16
Derivatives		81		81
Liabilities measured at fair value	**11**	**137**		**148**
Participating loan stock	11			11
Derivatives		137		137

The three-level hierarchy for financial instruments recognized on the balance sheet at fair value, as required by IFRS, 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.

Debts measured at amortized-fair value hedge cost are only fair-value measured up to the limit of the hedged item, and so are now excluded from the level hierarchy breakdown shown above.

Note 20 – Commitments given

in million euros	12/2010	12/2009
Financing commitments	**1,981**	**2,223**
Commitments to customers	1,981	2,223
Guarantee commitments	**18**	**22**
Customer guarantees	18	22
Commitments on securities	**80**	**20**
Other securities receivable	80	20
TOTAL COMMITMENTS GIVEN (*)	**2,079**	**2,265**
(*) Of which related parties	*18*	*27*

The contractual terms and conditions governing the financing limits granted to dealers have been reviewed in-depth and/or renegotiated with the latter. Consequently, non-confirmed commitments and commitments revocable by RCI Banque at any time were derecognized during 2010: -€308m for France, -€139m for Italy, -€61m for Poland and -€58m for Brazil.

Customer commitments increased by €95m in Germany following the introduction of new local regulations leading to changes to contracts and an extension of the binding period.

Following the withdrawal of the car scrappage scheme in France on 31/12/2010, Diac pre-management financing increased by €121m.

Note 21 – Commitments received

in million euros	12/2010	12/2009
Financing commitments	**4,572**	**4,734**
Commitments from credit institutions	4,571	4,733
Commitments from customers	1	1
Guarantee commitments	**5,799**	**5,626**
Guarantees received from credit institutions	127	117
Guarantees from customers	2,790	2,216
Commitments to take back leased vehicles at the end of the contract	2,882	3,293
TOTAL COMMITMENTS RECEIVED (*)	**10,371**	**10,360**
(*) Of which related parties	*1,991*	*1,920*

At 31 December 2010 RCI Banque had €4,567m in unutilized confirmed lines of credit as well as broadly diversified short-term and medium-term issuance programs. RCI Banque also held €1,635m of receivables eligible as central bank collateral (excluding securities and receivables already in use to secure financing at year-end).

Note 22 – Exposure to currency risk

in million euros	Balance sheet		Off balance sheet		Net position		
	Long position	Short position	Long position	Short position	TOTAL	Of which monetary	Of which structural
12/2010							
Position USD		(57)	57				
Position GBP	465			(366)	**99**		99
Position JPY		(92)	92				
Position CHF	158			(154)	**4**		4
Position CZK	30			(10)	**20**		20
Position ARS	26				**26**		26
Position BRL	139				**139**		139
Position PLN	74			(16)	**58**		58
Position HUF	7				**7**		7
Position RON	1				**1**	1	
Position KRW	143				**143**		143
Position MAD	11				**11**		11
Position DKK	5			(5)			
Position SEK	37			(37)			
TOTAL EXPOSURE	**1,096**	**(149)**	**149**	**(588)**	**508**	**1**	**507**
12/2009							
Position USD	-	(62)	62	-	**-**	-	-
Position GBP	534	-	-	(439)	**95**	-	95
Position JPY	-	(85)	85	-	**-**	-	-
Position CHF	78	-	-	(76)	**2**	(1)	3
Position CZK	-	(22)	41	-	**19**	-	19
Position ARS	25	-	-	-	**25**	-	25
Position BRL	123	-	-	-	**123**	-	123
Position PLN	98	-	-	(42)	**56**	-	56
Position HUF	7	-	-	-	**7**	-	7
Position RON	-	(4)	-	-	**(4)**	(4)	-
Position KRW	129	-	-	-	**129**	-	129
Position MAD	11	-	-	-	**11**	-	11
Position DKK	12	-	-	(12)	**-**	-	-
Position SEK	15	-	-	(15)	**-**	-	-
Position NOK	7	-	-	(7)	**-**	-	-
TOTAL EXPOSURE	**1,039**	**(173)**	**188**	**(591)**	**463**	**(5)**	**468**

The structural foreign exchange position corresponds to the value of foreign currency equity securities held by RCI Banque.
Throughout the year, the consolidated RCI Banque group's foreign exchange position remained below the €11m limit imposed by the Renault Group. Consequently, the sensitivity of the income statement to changes in exchange rates is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 23 – Interest and similar income

in million euros	12/2010	12/2009
Interests and similar incomes	**1,976**	**1,927**
Transactions with credit institutions	14	34
Customer finance transactions	1,319	1,263
Finance lease transactions	489	486
Operating lease transactions	30	49
Accrued interest due and payable on hedging instruments	114	93
Accrued interest due and payable on Financial assets available for sale	10	2
Staggered fees paid for referral of business:	**(194)**	**(185)**
Customer Loans	(149)	(143)
Finance leases	(45)	(42)
TOTAL INTERESTS AND SIMILAR INCOMES (*)	**1,782**	**1,742**
(*) Of which related parties	*438*	*385*

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 24 – Interest expenses and similar charges

in million euros	12/2010	12/2009
Transactions with credit institutions	(218)	(258)
Customer finance transactions	(6)	(10)
Operating lease transactions	(19)	(30)
Accrued interest due and payable on hedging instruments	(179)	(230)
Expenses/debt evidenced by certificates	(385)	(324)
Other interest and similar expenses	(9)	(7)
TOTAL INTEREST AND SIMILAR EXPENSES (*)	**(816)**	**(859)**
(*) Of which related parties	*(18)*	*(19)*

Note 25 – Net gains (losses) on financial instruments at fair value through profit or loss

in million euros	12/2010	12/2009
Net gains (losses) on derivatives classified as transactions in trading securities	**(2)**	**1**
Net gains / losses on forex transactions	112	128
Net gains / losses on derivatives classified in trading securities	(113)	(127)
Net gains and losses on equity investments at fair value	(1)	(2)
Fair value hedges: change in value of hedging instruments	(7)	(227)
Fair value hedges: change in value of hedged items	7	229
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE	**(2)**	**1**

Note 26 – Net gains (losses) on AFS securities and other financial assets

in million euros	12/2010	12/2009
Financial assets available for sale		**(1)**
Dividends		(1)
Other financial assets	**1**	**4**
Dividends	1	4
TOTAL NET GAINS (LOSSES) ON FINANCIAL ASSETS AVAILABLE FOR SALE AND OTHER	**1**	**3**

Note 27 – Net income (expense) of other activities

in million euros	12/2010	12/2009
Other income from banking operations	**534**	**494**
Incidental income from finance contracts	336	308
Income from service activities	115	102
Income related to non-doubtful lease contracts	60	56
of which reversal of impairment on residual values	*8*	*15*
Other income from banking operations	23	28
of which reversal of charge to reserve for banking risks	*4*	*14*
Other expenses of banking operations	**(395)**	**(367)**
Cost of services related to finance contracts	(165)	(150)
Cost of service activities	(75)	(64)
Expenses related to non-doubtful lease contracts	(58)	(59)
of which allowance for impairment on residual values	*(7)*	*(6)*
Distribution costs not treatable as interest expense	(75)	(59)
Other expenses of banking operations	(22)	(35)
of which charge to reserve for banking risks	*(6)*	*(13)*
Other income and expenses of non-banking operations, net	**11**	**12**
Other income from non-banking operations	20	23
Other expenses of non-banking operations	(9)	(11)
TOTAL NET INCOME (EXPENSE) OF OTHER ACTIVITIES (*)	**150**	**139**
(*) Of which related parties	*(1)*	*(2)*

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 services activities include the income and expenses booked for insurance contracts issued by the group's captive insurance companies as detailed hereafter:

Net income of insurance activities

in million euros	12/2010	12/2009
Gross premiums written	42	25
Net charge of provisions for technical provisions	(30)	(22)
Claims paid	(1)	
Claims recovered from reinsurers	1	
Others reinsurance charges and incomes	5	10
TOTAL NET INCOME OF INSURANCE ACTIVITIES	**17**	**13**

Note 28 – General operating expenses

in million euros	12/2010	12/2009
Personnel costs	**(200)**	**(210)**
Employee pay	(135)	(135)
Expenses of post-retirement benefits	(15)	(14)
Other employee-related expenses	(41)	(40)
Other personnel expenses	(9)	(21)
Other administrative expenses	**(139)**	**(143)**
Taxes other than on current income tax	(16)	(22)
Rental charges	(13)	(13)
Other administrative expenses	(110)	(108)
TOTAL GENERAL OPERATING EXPENSES (*)	**(339)**	**(353)**
(*) Of which related parties	*2*	

in million euros	12/2010	12/2009
Average number of employees		
Sales financing operations and services in France	1,293	1,319
Sales financing operations and services in other countries	1,549	1,671
TOTAL	**2,842**	**2,990**

Other personnel expenses include amounts charged to and reversed from provisions for restructuring and for personnel-related risks.

In accordance with Renault Group standards, 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 29 – Cost of risk by customer category

in million euros	12/2010	12/2009
Cost of risk on customer financing	**(94)**	**(175)**
Impairment allowances	(315)	(388)
Reversal of impairment	389	297
Losses on receivables written off	(179)	(95)
Amounts recovered on loans written off	11	11
Cost of risk on dealer financing	**9**	**(14)**
Impairment allowances	(82)	(127)
Reversal of impairment	97	119
Losses on receivables written off	(6)	(6)
Other cost of risk		**(10)**
Change in allowance for country risk	(1)	(6)
Change in allowance for impairment of other receivables	1	(4)
TOTAL COST OF RISK	**(85)**	**(199)**

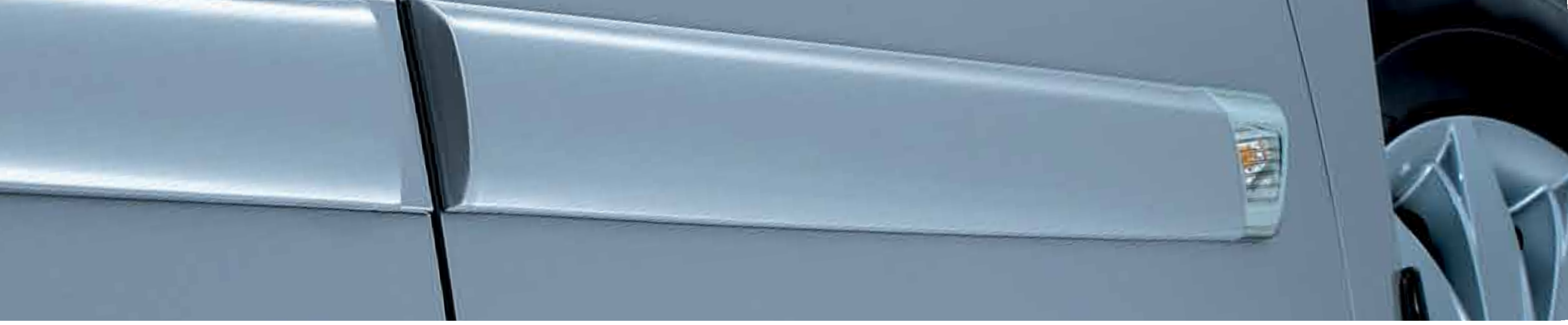
This item includes the net increase (decrease) in impairment allowances, losses on receivables written off, and amounts recovered on receivables written off.

Note 30 – Income tax

in million euros	12/2010	12/2009
Current tax expense	**(158)**	**(127)**
Current tax expense	(158)	(127)
Differed taxes	**(56)**	**(27)**
Differed taxes	(56)	(29)
Change in allowance for impairment of differed tax assets		2
TOTAL INCOME TAX	**(214)**	**(154)**

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 differed 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 differed taxes by major category

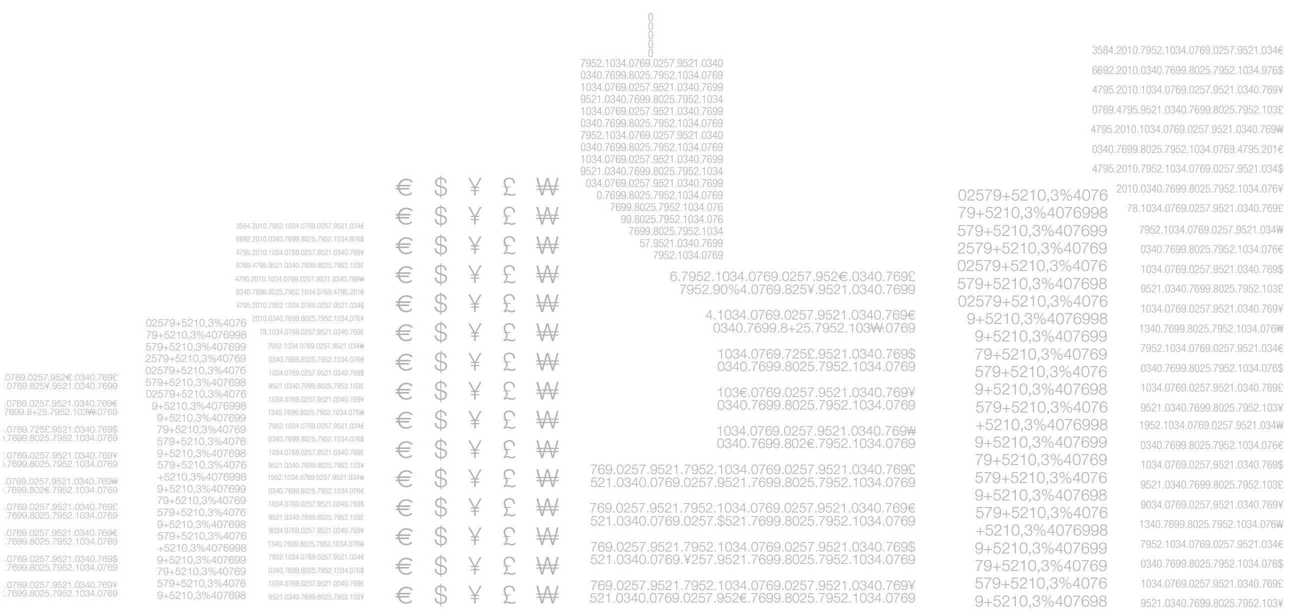
in million euros	12/2010	12/2009
Impairment	65	64
Provisions and other charges deductible when paid	18	33
Tax loss carryforwards	33	18
Other assets and liabilities	(27)	5
Lease transactions	(278)	(224)
Non-current assets	5	(2)
Impairment allowance on differed tax assets	(6)	(6)
TOTAL NET DIFFERED TAX ASSET (LIABILITY)	(190)	(112)

Reconciliation of actual tax expense booked and theoretical tax charge

In %	12/2010	12/2009
Statutory income tax rate - France	**34.43**	**34.43**
Differential in tax rates of french entities	0.24	0.76
Differential in tax rates of foreign entities	-4.06	-2.47
Change in impairment allowance on differed tax assets and losses on tax loss carryforwards	0.00	-0.34
Effect of equity-accounted associates	-0.12	-0.35
Other impacts	-0.09	-0.35
EFFECTIVE TAX RATE	30.40	31.68

Differed tax expense recognized in the other comprehensive income

in million euros	Before tax	Tax	Net
2010 change in equity			
Unrealised P&L on cash flow hedge instruments	70	(24)	46
Actuarial differences	1	0	1
Exchange differences	67	0	67
Other unrealized or differed P&L	(1)		(1)
2009 change in equity			
Unrealised P&L on cash flow hedge instruments	28	(10)	18
Actuarial differences	(2)	1	(1)
Exchange differences	75		75
Other unrealized or differed P&L	1		1



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 COMPANIES AND FOREIGN BRANCHES INCLUDED IN THE SCOPE OF CONSOLIDATION

	Country	Direct interest of RCI Banque	Indirect interest of RCI Banque		%	
			%	Held by	2010	2009
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. Sucursal España	Spain					
RCI Banque Sucursal Portugal	Portugal					
RCI Banque S.A. Bancna Podružnica Ljubljana	Slovenia					
RCI Banque Succursale Italiana	Italy					
Renault Finance Nordic Bankfilial till RCI Banque S.A. Frankrike	Sweden					
FULLY CONSOLIDATED COMPANIES:						
RCI Versicherungs Service GmbH	Germany	100			100	100
Rombo Compania Financiera S.A.	Argentina	60			60	60
Courtage S.A.	Argentina	95			100	100
RCI Bank AG	Austria	100			100	100
RCI Financial Services S.A.	Belgium	100			100	100
Renault AutoFin S.A.	Belgium	100			100	100
Administradora de Consorcio Renault do Brasil S/C Ltda.	Brazil	99.92	-		99.92	99.92
Companhia de Arrendamento Mercantil RCI do Brasil S.A.	Brazil	60.12			60.12	60.12
Companhia de Crédito, Financiamento e Investimento RCI do Brasil S.A.	Brazil	60.09			60.09	60.09
Corretora de Seguros RCI do 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
Cogéra S.A.	France	-	94.81	Diac S.A.	94.81	94.81
Diac Location S.A.	France	-	100	Diac S.A.	100	100
Sogesma S.A.R.L.	France	-	100	Diac S.A.	100	100
Sigma Services S.A.	France	-	100	Diac S.A.	100	100
Renault Acceptance Ltd	United Kingdom	100			100	100
RCI Financial Services Ltd	United Kingdom	84.59	15.41	Renault Acceptance Ltd	100	100

	Country	Direct interest of RCI Banque	Indirect interest of RCI Banque		%	
			%	Held by	2010	2009
RCI zrt Hongrie	Hungary	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 S.A.	Morocco	100			100	100
RCI Financial Services B.V.	Netherlands	100			100	100
Renault Credit Polska Sp. z.o.o.	Poland	100			100	100
RCI Bank Polska S.A.	Poland	100			100	100
RCI Gest Instituiçao Financiora de Credito S.A..	Portugal	100			100	100
RCI Gest Seguros Corretores Lda	Portugal	-	100	RCI GEST IFIC S.A.	100	100
RCI Finance CZ s.r.o.	Czech Rep.	100			100	100
RCI Broker De Asigurare S.R.L.	Romania		100	RCI Finantare Romania	100	100
RCI Finantare Romania S.R.L.	Romania	100			100	100
RCI Leasing Romania IFN S.A.	Romania	100			100	100
RCI Finance S.A.	Switzerland	100			100	100
SPV						
SPV Alliance Auto Loans - Italy	Italy		(see note 12)	RCI Banque Succursale Italiana		
FCT Cars Alliance Auto Loans Germany	Germany		(see note 12)	RCI Banque Niederlassung		
FCT Cars Alliance Auto Leases Germany	Germany		(see note 12)	RCI Banque Niederlassung		
SPV DFP RHOMBUS SA	Germany			RCI Banque Niederlassung		
FCC Cars Alliance Auto Loans - France	France		(see note 12)	Diac S.A.		
FCC Cars Alliance DFP France	France		(see note 12)	Cogera S.A.		
SPV Cars Alliance UK	United Kingdom			RCI Financial Services Ltd		
PROPORTIONALLY CONSOLIDATED COMPANIES						
Renault Credit Car	Belgium		50.10	Renault AutoFin S.A.	50.10	50.10
RCI Financial Services s.r.o.	Czech Rep.	50			50	50
COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD						
Nissan Renault Finance Mexico S.A. de C.V. Sofom E.N.R.	Mexico	15			15	15

* Entities added to the scope in 2009

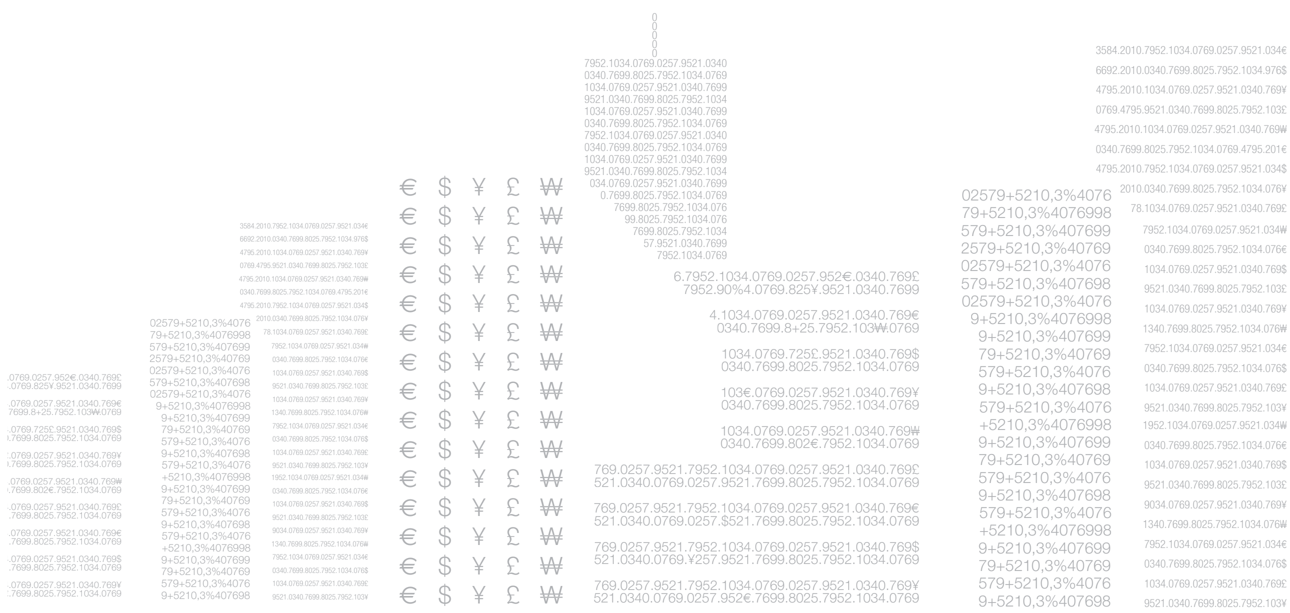
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

APPENDIX 1: RCI BANQUE GROUP OPERATIONS

in million euros	Year	Net loans outstanding at end december	Of which dealers at end december
Western Europe	**2010**	**18,430**	**4,308**
	2009	18,233	4,262
of which Germany	**2010**	**3,595**	**755**
	2009	3,687	728
of which Spain	**2010**	**1,821**	**342**
	2009	2,197	399
of which France	**2010**	**8,151**	**1,932**
	2009	8,114	2,001
of which United-Kingdom	**2010**	**1,449**	**271**
	2009	1,273	199
of which Italy	**2010**	**1,724**	**412**
	2009	1,476	388
Brazil	**2010**	**1,232**	**313**
	2009	845	276
South Korea	**2010**	**1,199**	**12**
	2009	825	3
Rest of world *	**2010**	**866**	**283**
	2009	739	208
TOTAL RCI BANQUE GROUP	**2010**	**21,727**	**4,916**
	2009	20,642	4,749

* Rest of world: Poland, Czech Republic, Slovenia, Hungary, Romania, Morocco and Argentina

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.



APPENDIX 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.

In this role, RCI Banque pursues its objectives through two main strategies:

- It obtains the funds required to ensure continuity of the group's consolidated affiliates' business operations by borrowing under its own name, via such means as issuance of money-market borrowings, bonds and other negotiable debt securities, securitization of receivables and negotiation of confirmed credit lines, and it makes cash available to group companies;
- It manages and minimizes exposure to the financial risk linked to its affiliates' Customer sales financing activities, through interest-rate swaps, currency swaps and spot and forward foreign exchange transactions.

The scope of the group's financial policy extends to all of the sales finance affiliates of the RCI Banque group, including those for which refinancing is not done centrally. All refinancing for affiliates in countries with a rating of less than A (S&P rating on the transfer and convertibility risk) is done locally to avoid any cross-border risk. These affiliates are also subject to the same financial risk requirements as other group affiliates: they must observe limits on interest rate risk, monitor their liquidity risk, manage their currency risk prudently, contain their counterparty risk, and have in place a dedicated risk monitoring committee as well as a means of ad hoc reporting on financial risks.

MARKET RISK MANAGEMENT ORGANIZATION

The market risk management system, which is part of the RCI Banque group's overall internal control system, operates according to rules approved by the Renault Group. RCI Banque's Finance department is responsible for managing market risks arising from interest rate, liquidity and currency exposures, and for verifying compliance with allowable limits at the consolidated group level. The rules and ceilings are specified and approved by Renault as the shareholder and are periodically updated.

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, CURRENCY, COUNTERPARTY AND LIQUIDITY RISKS

Interest-rate risk (audited)

In RCI Banque's case, the aggregate interest-rate risk represents the impact of fluctuations in interest rates on the future gross margin.

RCI Banque group's aim is to protect its gross margin by hedging its interest-rate risk exposure.

To take account of the difficulty of exactly matching the term structures of borrowings and customer loans, affiliates are granted some flexibility in hedging their interest rate risk exposure.

This flexibility is given in the shape of a sensitivity limit set individually for each subsidiary as a proportion of the limit granted by Renault to RCI Banque and validated by the Finance Committee.

Limit for refinancing subsidiaries: €11m

Limit for sales subsidiaries: €9m

Aggregate sensitivity limit granted
by Renault to RCI Banque: €20m

Sensitivity, as defined above, consists in measuring at a given point in time "T" the impact of a fluctuation in interest rates on the market value of the cash flows on an entity's balance sheet.

Market value is determined by discounting future cash flows at the market rates at "T".

The scenario preferred by the RCI Banque is to calculate sensitivity at a steady 100-base point increase in interest rates over all maturities. The calculation is based on monthly average asset-liability gaps.

Maturities of outstanding assets are determined based on the contractual characteristics of the transactions and the results of the modeling of historical customer behavior (early repayments, etc.), together with assumptions about certain aggregates (equity, etc.).

Sensitivity calculations are made daily by currency and by management entity (refinancing subsidiaries, French and foreign sales subsidiaries) so that aggregate interest-rate risk can be managed at the consolidated RCI Banque group level. The Permanent Control and Financial Risk Department monitors it for the group as a whole. Each entity's position with respect to its risk limit is checked daily, and affiliates are required to hedge immediately when necessary.

The findings are reported monthly to the Finance Committee, which verifies that positions comply with the group's financial strategy and with applicable policies.

In 2010, RCI Banque's aggregate sensitivity to interest-rate risk was held below the €20m limit set by the group. At 31 December, a 100-base point rise in interest rates would have a negative impact of €4.8m in euros, a positive impact of €1.7m in CHF, and a negative impact of €0.5m in GBP. The sum of the absolute values of sensitivities in each currency amounts to €7.6m.

An analysis of the structural interest-rate risk highlights the following:

• Sales finance affiliates

Almost all loans granted to Customers by sales finance affiliates are made at fixed rates for terms ranging from one to seventy-two months. These loans are hedged by similar structure fixed-rate sources of funds. They are macro-hedged and only generate a residual rate risk.

In affiliates in which funding sources are at floating rates, the interest-rate risk is hedged through macro-hedging interest-rate swaps.

• Refinancing subsidiary

The main business of RCI Holding is to provide refinancing for the group's sales subsidiaries.

Sales financing subsidiary outstandings are mainly backed by floating rate funds.

Thanks to the macro-hedging performed by means of interest-rate swaps, the refinancing holding subsidiary's sensitivity was held below the €11m limit, except when a bond issue was put in place. The overrun generated was immediately absorbed by the cancellation of transactions.

These swaps as well as securities available for sale are measured at fair value by the reserves, in accordance with IFRS standards.

A steady 1% variation in the interest rate curve applied to the measurement of these instruments would have an impact of +€22.1m (pre-tax) on the consolidated reserves carried over at 31 December 2010.

These data are calculated on the basis of simplified scenarios using the assumption that all positions run to their maturity, and that management does not adjust them to take account of changes in market conditions. The sensitivity of the reserves to a variation in interest rates as above would not in any way be representative of an impact on future results.

Effectiveness tests are performed monthly to ensure that the swaps thus introduced are effectively hedged.

Liquidity risk (audited)

RCI Banque must at all times, and especially under adverse conditions, have sufficient financial resources to ensure the ongoing development of its business. To this end, it has adopted stringent internal standards.

Two indicators are monitored monthly by the Finance Committee:

• The number of days of liquidity

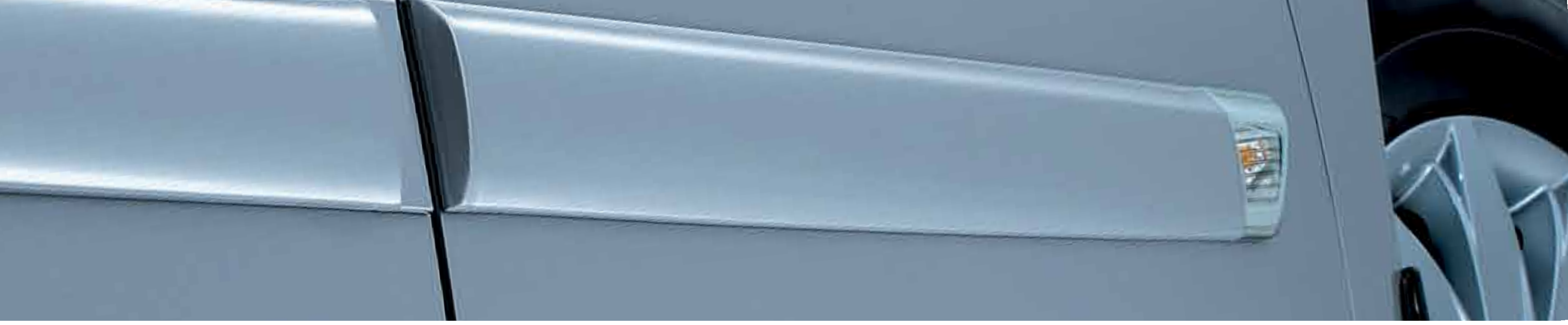
A "stress scenario" is used to calculate the number of days during which the RCI Banque is able to provide adequate liquidities to cover its past and projected business, without any additional recourse to the market.

This figure is given by calculating cash requirements, taking into account issued resources, unutilized confirmed bank credit facilities, the potential amount eligible for ESCB (European System of Central Banks) monetary policy transactions and cash position on the one hand, and on the other, existing commercial and financial assets and business forecasts.

• Liquidity reserve

This indicator is arrived at by working out the difference between available securities (confirmed unused bank facilities, available funds from the Central Bank and cash) and commercial papers outstanding. It reflects RCI Banque's ability to raise new funding, whether on the certificate of deposit and commercial paper markets, in the form of central bank funding or by using confirmed lines of financing.

- To meet its liquidity objectives, at 31 December 2010, RCI Banque had €4,567m in unutilized confirmed lines of credit, as well as broadly diversified short-term and medium-term issuance programs. RCI Banque also held some €1,635m of receivables eligible as Banque de France collateral (amount after write-downs for impairment and excluding receivables already in use at year-end).
- In order to diversify RCI Banque's sources of funds and limit the amounts obtained from any single counterparty, the trading desk has developed relationships with a large number of banks and financial intermediaries in France and abroad.
- As part of its strategy to diversify its funding resources, RCI Banque launched a public bond issue in Swiss francs (CHF250 million). Certain group entities were also approached on local bond markets such as in Argentina and in South Korea. RCI Banque also placed a securitization transaction backed by German Auto loans. Funding by means of the securitization transaction by conduit concerning the UK portfolio was extended for a further year and the amount funded increased by €102m.



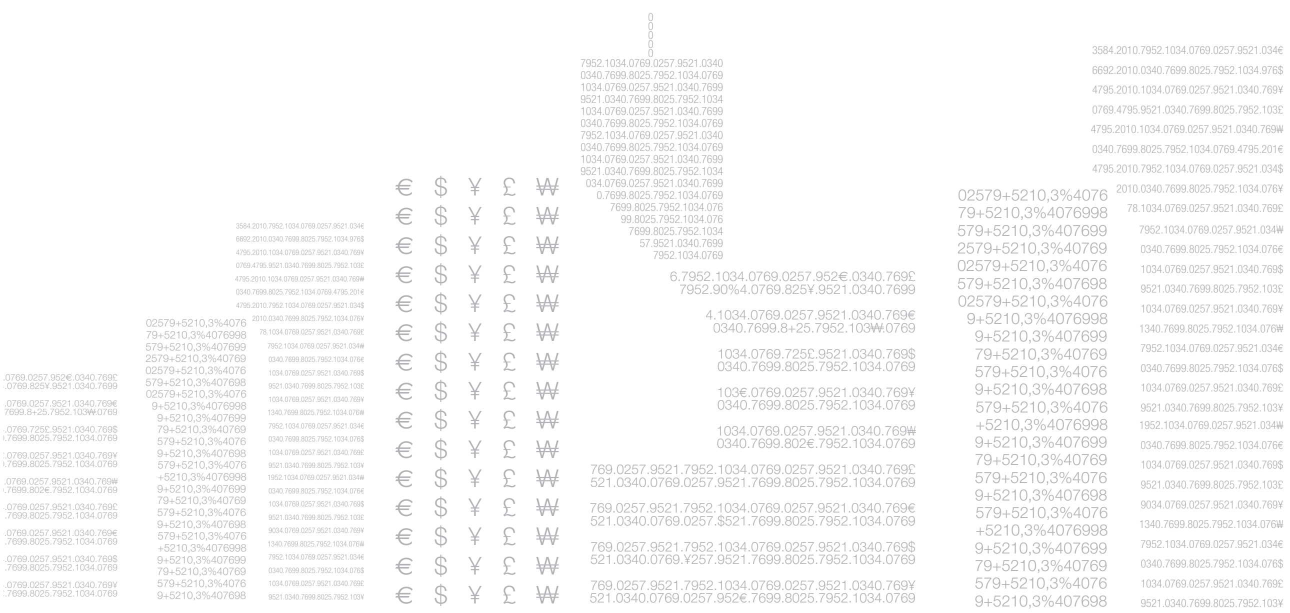
Currency risk

- The foreign exchange exposure of RCI Holding, the refinancing unit, is historically very low and remained below €3m throughout the year.
- No net foreign exchange position is allowed on refinancing operations: all foreign currency cash flows are systematically hedged by the trading desk.
  The sales finance affiliates are in general required to refinance in their local currency and thus have no foreign exchange exposure.
  Exceptionally, however, the Romanian, Hungarian and South Korean affiliates, which finance and refinance in multi-currencies, were allowed limits of €2.5m, €0.5m and €0.1m respectively. A limit of €3.2m was also granted to Russia, whose patrimonial currency is the ruble and whose cash surpluses have been invested in euros.
  The limit set on consolidated foreign exchange exposure for the RCI Banque group by the Renault Group is €11m.
- Temporary residual foreign currency positions may arise from unavoidable timing differences in multiple-currency cash management. Such positions are monitored daily and may be hedged if necessary.
- All other currency transactions, including hedging of expected dividends, can only be initiated by the Chief Financial Officer.

At 31 December 2010, the RCI Banque group's consolidated foreign exchange position amounted to €4.8m.

Counterparty risk

- Counterparty risk is managed by a system of limits set for the Renault Group as a whole and monitored daily. The risk-tracking results are provided monthly to the RCI Banque Finance Committee and incorporated into the consolidated monitoring of the Renault Group's counterparty risk.
- As a structural borrower of funds, RCI Banque's exposure to counterparty risk arises mainly on transactions in derivatives.
- Counterparties to market transactions are selected from among banking entities operating in the French and international markets. A limit is set for each institution based on an internal rating system that is applied for the Renault Group as a whole.
- Temporary liquidity surpluses are invested exclusively in very short-term bank deposits. Commitments on derivatives are weighted with more conservative factors that those recommended by regulations. Delivery-versus-payment risk on foreign currency transactions is closely monitored and subject to specific limits.



STATUTORY AUDITORS' REPORT

DELOITTE & ASSOCIÉS
185, avenue Charles-de-Gaulle - BP 136
92524 Neuilly-sur-Seine Cedex
S.A. with share capital €1,723,040
Statutory Auditor
Member, Compagnie Régionale de Versailles

ERNST & YOUNG Audit
Faubourg de l'Arche - 11, allée de l'Arche
92037 Paris-La Défense Cedex
S.A.S. with variable capital
Statutory Auditor
Member, Compagnie Régionale de Versailles

RCI Banque

Year ended 31 December 2010

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 RCI Banque

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 on the report prepared by the Chairman of your company in accordance with article L. 225-37 of the French Commercial Code (code de commerce) for the year ended 31 December 2010.

It is the Chairman's responsibility to prepare and submit for the Board of Directors' approval a report on internal control and risk management procedures implemented by the company and to provide the other information required by article L. 225-37 of the French Commercial Code (code de commerce) relating to matters such as corporate governance.

Our role is to:

- report on any matters as to 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,
- confirm that the report also includes the other information required by article L. 225-37 of the French Commercial Code (code de commerce). It should be noted that our role is not to verify the fairness of this other information.

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

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

The professional 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 consist 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 of the existing documentation;

obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;

determining if any material 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 work are properly disclosed in the Chairman's report.

On the basis of our work, we have no matters to report on the information relating to the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with article L. 225-37 of the French Commercial Code (code de commerce).

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by article L. 225-37 of the French Commercial Code (code de commerce).

Neuilly-sur-Seine & Paris-La Défense, 25 February 2011

The statutory auditors

DELOITTE & ASSOCIES
Damien Leurent

ERNST & YOUNG Audit
Micha Missakian

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REPORT OF THE CHAIRMAN OF THE BOARD

The RCI Banque group's internal control system is organized in accordance with French regulations on banking and finance, in particular CRBF Regulation 97-02. The system is an ongoing process implemented by the Board of Directors, management and staff of RCI Banque.

The purposes of the internal control system are to:

- 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.

As with any control system, however, it cannot provide an absolute guarantee that risk is completely eliminated. The system in place is aimed at reducing the probability of risk occurrence through the implementation of appropriate action and prevention plans.

This report provides an overview of the internal control procedures by describing, in the following order:

- The general control and oversight environment at the RCI Banque group,
- The special-purpose organization that oversees the preparation of accounting and financial information.

This report, prepared by the divisions concerned (office of the company secretary & Risk Management Division and the accounts-management control division), was examined and approved by the Board of Directors during its meeting of 3 February 2011.

1 THE GENERAL CONTROL AND OVERSIGHT ENVIRONMENT AT THE RCI BANQUE GROUP

1.1 the general control environment

1.1.1 An appropriate organization

In 2010, the RCI Banque group adapted its senior management in line with its aim of boosting its business action and transactions with its customers, and giving the support functions a more comprehensive role. This new organization reinforces the system of oversight based on two structural principles, hierarchical and functional:

Hierarchical line

- **The Executive Committee,** as the body in charge of managing the RCI Banque group, directs the group's policy and strategy,
- **The Management Committees** 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's standardized process mapping is updated every year.

1.1.2 Budgeting / Forecasting / Reporting processes

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

- A quantitative projection of its business and financial indicators,
- An action plan describing how it will fulfill its contribution to meeting objectives.

In addition to this procedure, every three years a plan is put together at each individual entity level and at group level. The group consolidates the input from the different entities, which enables it to check the financial results stemming from the plan for consistency with the profitability and balance sheet targets set by senior management, and to take corrective steps if necessary in the context of annual forecast updating.

FINANCIAL SECURITY ACT

Budget development and organization of the 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, Nissan, Dacia, Infiniti and Samsung).

1.1.3 Clearly defined responsibilities and delegation of power

These operating principles are supplemented by a system of delegation that controls deployment of group policies at the basic operational level. Areas of responsibility and delegated authority are determined as follows:

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 defined in a job description.

Delegations of power

The decision-making process within the RCI Banque group is based on a system for delegating 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.

The system sets precise boundaries by level on the scope of decisions that line personnel are authorized to make. It serves as a benchmark by which those conducting the second-level and third-level internal controls can subsequently verify proper application.

The system includes a set of limits for financial and credit risks established with the approval of the Renault Group. These limits are set out in periodically updated Internal Procedure Memoranda. For financial risks, foreign exchange, interest rate and counterparty limits are approved by RCI Banque's Finance Committee within the framework of overall limits set by the Renault Group. Likewise, for credit risks, the Operational Committee reviews and validates the ways in which these powers have been delegated within the group and its affiliates. The RCI Banque group's bond issuance and securitization transactions are subject to explicit Board of Director delegations of power.

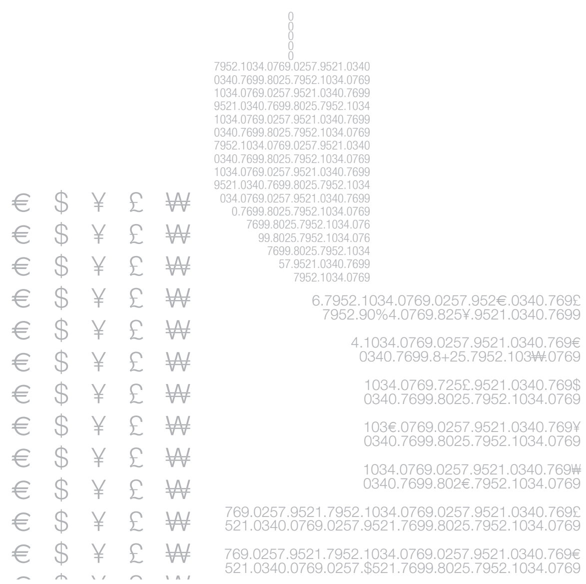
1.1.4 Procedures or operating processes

In accordance with CRBF Regulation 97-02, the RCI Banque group has developed a general system of procedures. Affiliate and group procedures are based on a reference document (Procedure for Procedures). All group employees have access to the applicable procedures that concern them via a procedure viewing, management and updating tool.

The main business processes within RCI Banque – acceptance, collections and delinquencies, refinancing, system security, physical asset security, risk monitoring, accounting, etc. – are covered by procedures based on the principle of segragation of duties. They establish channels for recommendations and approvals and ensure that decisions are made at the appropriate level with appropriately implemented controls. This applies to the Internal Procedure Memoranda process, to the Decision Memoranda process and to the investment project contract process for financial commitments and investments, to which may be added memos issued by the functional departments.

The compliance control system consists of:

- A framework procedure for compliance control, adopted as a local procedure by each affiliate. This includes the definition of approval procedures for new products, the channels used to monitor regulatory developments, and the persons responsible for that monitoring, It has also integrated the risk of non-compliance into the operational risk management system, introduced six-monthly reporting on the compliance of new products for the attention of the group compliance control officer, and introduced a professional warning system and a group procedure for the management of outsourced services.
- A compliance committee: each quarter, in line with the internal control committees and operational risk committees, the internal controller presents forthcoming regulatory changes, actions to be implemented and those that are in progress; he gives the management committee an overview of the company's level of compliance, and ensures the traceability of decisions taken.



1.2 General oversight framework

RCI Banque has developed an internal control mechanism aimed firstly at listing and analyzing the main identifiable risks with respect to the company's objectives, and secondly, at ensuring the existence of procedures for managing such risks and monitoring corrective and preventive measures, so as to reduce the probability of risk occurrence.

1.2.1 Assessment tools

The RCI Banque group currently uses the following tools to evaluate its internal control system:

- Oversight and assessment of the internal control system in the affiliates. Each internal controller is responsible for detailed objectives which are monitored by the permanent control methods. Specific reporting is used to ensure that each system is properly implemented in the affiliate, and that available resources are used in accordance with the group's expectations. Affiliate and Group Internal Control Committees are given qualitative and quantitative feedback on achievements.
- Operational risk mapping, which reveals how efficiently risk is being managed.

1.2.2 Internal Control Charter

The **Group Internal Control Committee** has approved the general framework of the RCI Banque internal control system, as set down in an **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 overall internal control system of the RCI Banque group therefore comprises two types of control and **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 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. Second-level control has specific systems overseen by a team independent of the operational units, which conducts ongoing controls to ensure that all transactions are proper and comply with the recommendations in Article 6.a of CRBF Regulation 97-02.

Third-level (periodic) control:
Third-level control is performed by independent oversight bodies (supervisory authorities, independent auditors, etc.) and by dedicated resources corresponding to the periodic verification of compliance as defined by Article 6.b of CRBF Regulation 97-02. Renault's Internal Audit Department makes additional resources available to RCI, in accordance with an "external service provider" agreement, for the performance of RCI Banque's third-level audits, which can either be part of an annual audit plan approved by the Audit and Accounts Committee or performed when so requested by RCI's Chairman and Managing Director.

1.2.3 Action plan monitoring

A database centralizes all action plans adopted by the affiliates in response to the assessment of mapping, incident collection and the findings of second-or third-level controls. The software can link each control to macroprocesses and risk events in the operational risk map. 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.

1.2.4 Risk management

The Risk Management Division, financial and credit risks, and the methods used to manage and control them, which follow the same organizational principles outlined above, are described in detail in the sections of the group's annual report dealing with "Risks".

The operational risk management system implemented by the RCI Banque group consists of the following three components:

Operational risk mapping
Identifies major operational risks for assessment and management purposes. Operational risk mapping is used in all consolidated affiliates of the RCI Banque group. It is updated annually.

The incident database
Establishes databases to gather data on operational risk incidents, introduce the requisite corrective and preventive action, and produce oversight and management reports, including COREP reporting. The system sets the thresholds beyond which certain incidents must be reported immediately to the Executive Committee, the deliberative body and to the prudential control authority.

FINANCIAL SECURITY ACT

Key risk indicators

Establishes leading indicators of risk, gathers data for these indicators and produces oversight and management reports. Key risk indicators exist for the “Retail and Corporate Customer”, “Dealer network”, “Refinancing”, “Accounting” and “IT” processes.

1.2.5 Appropriate information systems in line with the group’s objectives

In accordance with Renault’s Group-wide information system security policy, RCI Banque is strengthening its IS security by implementing action plans in areas such as the administration of system access authorizations and business continuity. This policy is couched in terms of Cobit processes and is consistent with international IS security standards.

The RCI Banque group has also adopted the Renault Code of Conduct and disseminated it in all of its affiliates. The purpose of this code is to enable all staff members to determine what behavior is appropriate in concrete and sometimes complex situations.

A Service Agreement between Renault and the RCI Banque’s Information System department has been signed so that the controls to be introduced in the IT service and production department (focus on means and results) are fully integrated. This agreement includes clauses covering essential services that are outsourced.

RCI Banque has had a business continuity plan since 2003. The objective of the plan is to ensure that RCI Banque is able to continue providing 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, namely refinancing and other cash flows, is tested twice a year. A Business Continuity Plan has been put in place in all RCI Banque affiliates required to do so by local regulations, except in Morocco, whose plan is in progress. The RCI Banque group’s Business Continuity Plan is tested at least once a year in each affiliate. Business Recovery Plans are operational on all local and group applications used in the RCI Banque group. They are tested at least once a year.

1.2.6 Internal control bodies

1.2.6.1 Board of Directors

The Board of Directors, a deliberative body, monitors and guides the Executive Committee to ensure that the internal control system is implemented.

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 2010.

1.2.6.1.1 Composition of the Board of Directors and Senior Management powers

1.2.6.1.1.1 Composition of the Board of Directors

The Board of Directors consists of seven directors elected for terms of six years.

Any remunerations and perquisites granted to officers and directors are determined at the Renault Group level and are not subject to any internal control procedures at RCI Banque.

The rules and principles applied to such remuneration at the group level are detailed in Renault’s consolidated annual report.

The directors have been elected to the Board of Directors by virtue of 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 at the parent company and shareholder.

Each director owns at least one share, in accordance with the provisions of the by-laws.

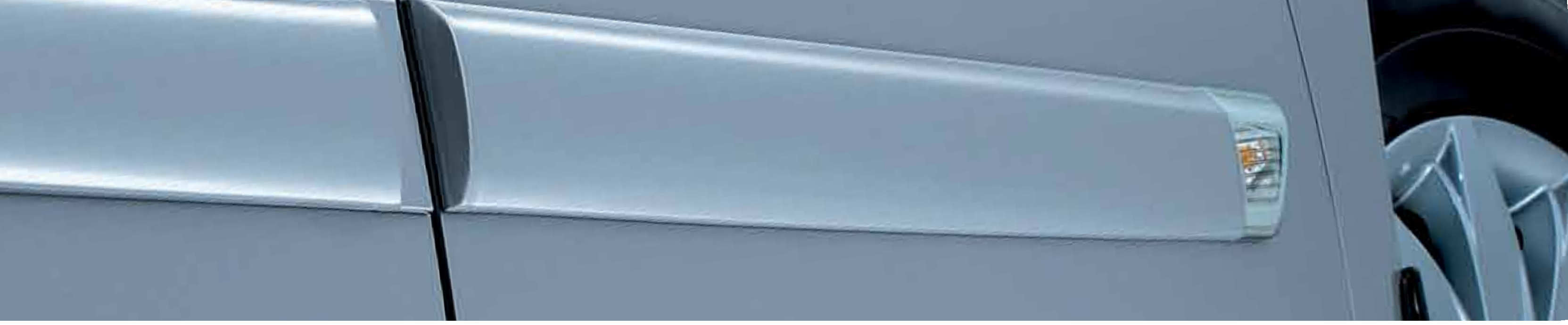
Directors receive no compensation for serving on the Board.

Mrs. Isabelle Landrot, VP Accounts and Management Control, and Mr. Jean-Marc Saugier, VP Finance and Group Treasurer, take part in meetings of the Board of Directors.

1.2.6.1.1.2 Senior Management authority and scope of powers

In accordance with Article L. 225-551-1 of the Code de Commerce (French Commercial Code), the Board of Directors, at its meeting on 24 July 2002, decided to concentrate the powers of the Chairman of the Board and the Chief Executive Officer. Mr. Philippe Gamba thus occupied both positions until 5 October 2009. As from 5 October 2009, Mr. Dominique Thormann, has occupied both positions.

It is noted that there are no limitations on the powers of the Chairman and Chief Executive Officer other than those dictated by law and the Company’s interest. However, it is specified that the Board has applied a limitation to the authority of the Chief Executive Officer, who must secure the approval of the Board to purchase, sell or mortgage buildings. The Board has reserved these powers for itself.



Name	Position in the company	Date elected or re-elected	Current term expires	list of director's positions in other companies
CABRIER Patrice	Senior VP, Customer Operations & Information Systems	30/05/2006	May 2012	
THOMAS Simon		26/11/2010	May 2012	Nissan Senior Vice President Sales and Marketing and Western Europe Sales Operations
SPIELREIN Eric	Company Secretary & Chief Risk Officer	26/11/2010	May 2012	
BUROS Philippe	Senior VP, Sales Operations	25/05/2009	May 2015	
THORMANN Dominique	Chairman and Chief Executive Officer	5/10/2009	May 2012	Renault Chief Financial Officer
STOLL Jérôme		25/05/2009	May 2015	Renault Executive Vice President Sales and Marketing, Leader of the Europe Region Management Committee, President of Renault Retail Group
DORS Laurence		26/11/2010	May 2012	Corporate General Secretary of the Renault Group

1.2.6.1.2 Preparation of Board of Directors Meetings

The Board meets as often as the interest of the Company requires, upon notice duly served adequately in advance by the secretary of the Board, who is appointed by the Chairman and Chief Executive Officer, and sent by ordinary letter in accordance with the provisions of the by-laws.

In accordance with Article L. 823-17 of the Code de commerce (French Commercial Code), the Company's external auditors are summoned by registered letter to attend the Board meetings held to review and approve the year-end financial statements (in February) and to review the financial statements for the first half year (in July).

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.

In accordance with those provisions, directors have the right to request and receive information on an ongoing basis.

1.2.6.1.3 Activity of the Board of Directors during 2010

The Board of Directors met four times in 2010.

On **5 February 2010**, the Board met to review and approve the annual financial statements for 2009 to be submitted to the Annual General Meeting, and to hear reports on financial transactions.

On **1 June 2010,** the Board met to approve a bond issue. It met on **21 July 2010** to approve the interim financial statements for the six months ended 30.06.2010, to update financial reporting for year-end bond issues, to examine the report on internal control, to inform the board about the incorporation of the recommendations made by the prudential control authority following its inspection in April 2010, to approve the signing of a cash warrant agreement with RENAULT S.A and lastly, to confirm the Board's consent with respect to international expansion projects (financing business in Russia through the setting up of a banking structure, and the creation of a subsidiary in Turkey).

On **26 November 2010,** the Board met to report on financial transactions in 2010, review internal control, replace three resigning directors and make appointments to the audit committee.

At each of these meetings, the director attendance rate at which was 65% across the year, sales and operating results for each of the group's business segments were presented in detail. This information was part of the meeting package provided to all Board members.

As provided for by law, the Board of Directors also has a responsibility at each meeting to exercise ongoing control of the management of the Company. The Company's bylaws (Articles of Association) give the Board the power to authorize capital transactions, bond issues, 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 operations or capital structure of the Company and the group it controls. The Board ensures that the strategy implemented by the group is consistent with its long-term strategic aims.

The Board of Directors also decides on changes of members of the Board, calls General Meetings of Shareholders including the Annual General Meeting that approves the financial statements, in accordance with the by-laws (Articles 27 to 33), and delegates powers.

Meetings of the Board of Directors are held at 13-15, Quai Le Gallo 92512 Boulogne Billancourt, the head office of the parent company RENAULT s.a.s. and at 14, avenue du Pavé Neuf 93168 Noisy le Grand Cedex, the head office of RCI Banque.

Minutes of Board of Directors meetings are drawn up by the secretary of the Board for approval at the following meeting. They are then filed as corporate records and may be inspected by any director at the Company's head office.

FINANCIAL SECURITY ACT

1.2.6.2 The RCI Banque group's Audit Committee

The RCI Banque group's **Audit Committee** assists the Board of Directors in its oversight mission by monitoring the quality and general orientations of the group's internal control system. In particular, the Audit Committee validates the annual audit plan and the annual internal control report required by Article 38 of CRBF Regulation 97-02.

1.2.6.3 The RCI Banque group's Internal Control Committee

The RCI Banque group's **Internal Control Committee,** an executive body composed of all Executive Committee members, spearheads the internal control process. It regularly reports on the internal control situation to the Board of Directors, to the Audit Committee, and in particular via the annual report prepared pursuant to CRBF Regulation 97-02, Articles 42 and 43, which is submitted to the supervisory authority. Each subsidiary has its own Internal Control Committee.

The RCI Banque group's Company Secretary, as a responsible officer, coordinates the permanent control systems and the risk functions.

1.2.6.3.1 Permanent control bodies

The Head of the Permanent Control Department, who reports to the Company Secretary, is responsible for ongoing control within the meaning of Article 6a of CRBF Regulation 97-02, as well as for compliance control within the meaning of Article 11 of the Decree of 31 March 2005 amending the CRBF Regulation.

The Permanent Control Department (PCD), attached to the office of the Company Secretary & Risk Management Division, oversees the RCI Banque group's internal control system. The Permanent Control Methods department is in charge of organizing and leading the internal control system for the group as a whole.

For internal control oversight within RCI Banque group subsidiaries, the Permanent Control Department relies on local internal controllers who report to it functionally or, in the case of the French subsidiary, directly. The internal controllers at other subsidiaries report directly to the subsidiary's general manager. In all cases, 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,
- Manage the local code of conduct system,
- Ensure efficiency of the business continuity plan.
- Manage the local compliance control system.

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

Lastly, process owners have been designated and made accountable for the accomplishment and updating of procedures and first-level controls.

Regulatory monitoring officers have been appointed. Their role is to monitor, analyze and report on any changes in regulatory requirements affecting RCI Banque, as part of the compliance control system implemented to ensure the company is properly managed.

Information system security correspondents have also been named for each application area. They oversee:

- administration of system access authorizations (procedures, user profiles and associated privileges),
- compliance with regulatory requirements relating to data used by the applications (personal and tax information),
- classification of applications, so as to determine requirements in terms of confidentiality, availability.

1.2.6.3.2 Periodic control bodies

The RCI Banque group's Audit and Periodic Control Officer, as defined in Article 6b of CRBF Regulation 97-02, reports to the Chairman and Chief Executive Officer and is independent of the permanent control function. The Renault Group's Internal Audit Department is mandated by RCI Banque and as such, performs audits either jointly or alone in the various subsidiaries and affiliates. It conducts these audits according to an annual audit plan approved by the Audit Committee. Audit findings are documented in written reports and recommendations sent to the Internal Control Committee.

2 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.

2.1 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 (see § 1.2.1 and § 1.2.2) 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.

2.2 Information systems and organization

2.2.1 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 E.R.P.). 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

The ongoing deployment of the ERP financial and accounting modules across group entities has been carefully planned.

For entities in which deployment is effective, 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.

2.2.2 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 of powers.

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.

FINANCIAL SECURITY ACT

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 information 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.

2.2.3 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.

2.2.4 Role of the group accounting control unit

To complement this existing process (internal control, RCI Banque's Audit, Statutory Auditors, etc.) with a view to enhancing the ongoing reliability of financial information, the group accounting control unit conducts audits to assess the quality of internal control of accounting. The objective is for the unit to control almost all consolidated affiliates annually. This system helps to promote knowledge of the group's accounting principles and improve implementation thereof.

The accounting control unit also verifies the conditions under which the accounts are prepared and supported, through information provided by indicators included in the group account validation procedure. These indicators are filled in by each affiliate's financial officer at least three 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 (see 1.2.1).

2.2.5 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) 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.

GENERAL INFORMATION

1 GENERAL INFORMATION ABOUT THE COMPANY

A) General presentation

Name and registered office

Registered name: RCI Banque. At the Extraordinary General Meeting held on 13 November 2001, the name of the Company was changed from Renault Credit International S.A. Banque to RCI Banque S.A.

Nationality: French

Registered office:
14, avenue du Pavé Neuf
93168 Noisy-le-Grand Cedex
France
Tel.: + 33 1 49 32 80 00

Legal form

Société anonyme (a public limited company under French law) registered at the Paris Commercial Court on 4 June 1974, upon instrument notarized on 9 April 1974 and approved at the Ordinary General Meeting of 28 May 1975.

Governing law

The Company is governed by the provisions of the Code de Commerce (French Commercial Code). On 7 March 1991, RCI received approval from the Banque de France to make the requisite changes in its articles and by-laws allowing it to become a bank. Since that date, RCI Banque has been subject to all the laws and regulations applicable to credit institutions, in particular the provisions of France's Act 84-46 of 24 January 1984, incorporated into the Code monétaire et financier (French Monetary and Financial Code).

Date created and term

The Company was created on 9 April 1974. It began operating on 21 August 1974, for a term of 99 years, i.e. until August 2073.

Objet social

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 number 306 523 358 APE code 6419Z (business activity code), Siret: 306 523 358 00068.

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

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 appropriate 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 income less prior-year losses and amounts appropriated to the legal reserve in accordance with the foregoing paragraph and any other transfers required by applicable law, plus unallocated retained earnings brought forward from previous years. The Ordinary General Meeting may decide to distribute a dividend from this income. Any such dividend is to be paid first out of the year's distributable income. From the available surplus, the Ordinary General Meeting may appropriate any amounts it deems appropriate either to retained earnings to be carried over to the following year, or 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:

1- the Statutory Auditors;

2- 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;

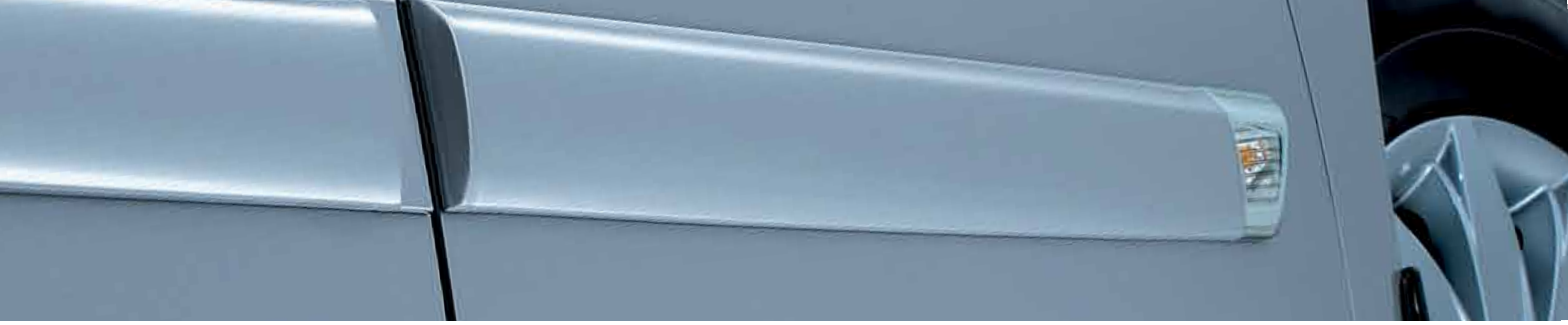
3- the receivers.

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 131-2 et seq. of the French Decree of 23 March 1967. 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 131-4 of the French Decree of 23 March 1967. The documents stipulated by Article 131-2 of the aforementioned Decree 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 number 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 only that the signatures thereon are valid.

2 GENERAL INFORMATION ABOUT THE SHARE CAPITAL

A) 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.

Authorizations to increase the share capital

Not applicable.

Securities not evidencing ownership of capital

Not applicable.

Convertible bonds and other securities giving access to equity

in million euros	2010	2009	2008	2007	2006
Share capital	100	100	100	100	100

- Increase in share capital to 100,000,000: resolution adopted by the Board of Directors on 22 November 2000.
- Change of name to RCI Banque: resolution adopted by the General Meeting of 13 November 2001.

B) Current ownership of share capital and voting rights

Shareholders

At 31 December 2010, Renault s.a.s. owned 100% of the Company's share capital.

Changes in share capital ownership over the past three years

On 20 June 2003, the principal shareholder, Compagnie Financière Renault, was merged with and into Renault s.a.s.

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

Renault s.a.s. owns 100% of RCI Banque.

GENERAL INFORMATION

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. The organization of the RCI Banque group is described on the back cover of this document.

C) Markets for issuer's securities

The company's shares are not listed on any stock exchange.

Securities listings

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

3 LEGAL RISK

In the past twelve months, RCI Banque has not been the subject of any court proceedings or any kind of governmental, legal or arbitration procedure. From the date when its audited financial statements were verified and published to the time of writing this document, RCI Banque has not become aware of any risk, proposed proceedings or arbitration that could have or would have had a significant effect on it or its group's financial position or profitability.

4 BOARD OF DIRECTORS-EXECUTIVE BODIES

Board of Directors, December 2010

Name of Director	Term from	Term expires	Number of shares	% of share capital
Dominique Thormann	05/10/2009	31/05/2012	1	
Philippe Buros	25/05/2009	31/05/2015	1	
Jérome Stoll	25/05/2009	31/05/2015	1	
Patrice Cabrier	30/05/2006	31/05/2012	1	
Laurence Dors	26/11/2010	31/05/2012	1	0.01%
Eric Spielrein	26/11/2010	31/05/2012	1	
Simon Thomas	26/11/2010	31/05/2012	1	
Eric Nicolas	05/10/2009	31/12/2010	1	
Renault s.a.s.			**999,992**	**99.99%**

The Board of Directors met 4 times in 2010. 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.

5 COMPENSATION PAID TO OFFICERS AND DIRECTORS

For 2010, compensation paid by the RCI Banque group to members of the governing and executive bodies totaled €1,243,406 compared with €1,267,061 in 2009.

The aggregate amount of compensation paid to the ten highest-paid individuals, determined by the Company, totaled €1,720,558, compared with €1,824,756 in 2009. As required by law, in particular Article L225-102-1 of the Code de commerce (French Commercial Code) relating to the disclosure of compensation paid to officers and directors, and in view of the functions that the latter exercise within the controlling company, RCI Banque hereby states that no remuneration or perquisites of any kind (with the exception of a company vehicle for two of those officers) have been provided by the Company or its affiliates to any of its officers or directors during the past year, and that the remuneration and perquisites granted to those officers and directors by the controlling company are disclosed when they also serve as officers or directors of that company.

6 EMPLOYEE PROFIT-SHARING SCHEME

In accordance with Articles L 442-1 et seq. of the Code du travail (French Labor Code), a new 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.

	2010	2009	2008	2007	2006
Profit-sharing allocation	€6.8 M	€6.8 M	€7.2 M	€6.2 M	€6.1 M
Number of beneficiaries	1,376	1,397	1,464	1,498	1,518

7 FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

in thousands of euros	Network ERNST & YOUNG				Network DELOITTE TOUCHE TOHMATSU				Network OTHER AUDITORS			
	2010		2009		2010		2009		2010		2009	
	Ex-VAT	%	Ex-VAT	%	Ex-VAT	%	Ex-VAT	%	Ex-VAT	%	Ex-VAT	%
1- Audit fees												
1.1 Statutory auditing, certifications, examination of the single-company and consolidated financial statements	873	100%	820	94%	1,415	100%	1,346	100%	0	0%	0	0%
1.2 Other audit and audit-related engagements	0	0%	48	6%	6	0%	0	0%	0	0%	0	0%
TOTAL AUDIT FEES	**873**	**100%**	**868**	**100%**	**1,421**	**100%**	**1,346**	**100%**	**0**	**0%**	**0**	**0%**
2- Other services												
2.1 Legal, tax and employment matters	0	0%	0	0%	0	0%	0	0%	2	100%	0	0%
2.2 Information systems	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
2.3 Other (inventory checks, etc.)	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
TOTAL FEES FOR OTHER SERVICES	**0**	**0%**	**0**	**0%**	**0**	**0%**	**0**	**0%**	**2**	**100%**	**0**	**0%**
GRAND TOTAL	**873**		**868**		**1,421**		**1,346**		**2**		**0**	

GENERAL INFORMATION

8 EXTERNAL AUDITORS

DELOITTE & ASSOCIÉS
185, avenue Charles-de-Gaulle, BP 136
92200 Neuilly-sur-Seine Cedex
S.A. with share capital of €1,723,040

Statutory Auditor
Member, Compagnie régionale de Versailles
Term of office: six years
Term expires: Accounting exercise 2013
Represented on 31 December 2010 by Damien Leurent

ERNST & YOUNG AUDIT
Faubourg de l'Arche - 11, allée de l'Arche
92037 Paris-La Défense Cedex
S.A.S. with variable capital

Statutory Auditor
Member, Compagnie régionale de Versailles
Term of office: six years
Term expires: Accounting exercise 2015
Represented on 31 December 2010 by Micha Missakian

9 PRESENTATION OF THE COMPANY AND GROUP

A) 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 SA. 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, 100% of the share capital has been held by Renault s.a.s.

B) Description of RCI Banque's main business activities

The RCI Banque finances sales of Renault Group brands (Renault, Renault Samsung Motors, and Dacia) worldwide, and of Nissan Group brands (Nissan, Infiniti) mainly in Europe.

The RCI Banque group is active in 37 countries:

- In Europe: France, Germany, Austria, Belgium, Bosnia-Herzegovina, Croatia, Spain, Estonia, United Kingdom, Latvia, Lithuania, Luxembourg, Hungary, Italy, Malta, Norway, Netherlands, Poland, Portugal, Czech Republic, Serbia, Slovakia, Slovenia, Sweden, Switzerland;
- In America: Argentina, Brazil, Colombia, Mexico;
- In the Euromed region: Algeria, Bulgaria, Morocco, Romania, Turkey;
- In Eurasia: Russia and Ukraine;
- In Asia: South Korea.

As a captive finance company, the task of the group is to offer a comprehensive range of financings and services:

- to **Customers** (Retail and Corporate customers) to whom the RCI Banque group offers new and used car loans, rentals with options to buy, leases and long-term rentals. It also provides related services such as maintenance and extended warranties, insurance and roadside assistance, fleet management and credit cards;
- to **brand Dealers**. The RCI Banque group finances inventories of new vehicles, used vehicles and spare parts, as well as short-term cash requirements.

C) Dependence

RCI Banque provides financing to Alliance 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.

D) Investment policy

Main investments and disposals over the last four financial years.

DISPOSALS - DISSOLUTIONS - MERGERS

In 2010

None.

In 2009

Germany: Merger by absorption of RCI Leasing GmbH by RCI Banque Niederlassung on 11 August 2009.

In 2008

Belgium: Dissolution of Renault Services S.A. on 20 May 2008.

France: Dissolution of Sygma S.N.C. on 30 September 2008.

Morocco: Transfer of shares in RDFM S.a.r.l. to RCI Finance Maroc S.A. by RCI Banque on 1 July 2008.

In 2007

Italy: Disposal of Refactor (services subsidiary) in December 2007.

France: in December 2007, dissolution of Reca S.A. (services subsidiary); disposal of Delta Assistance (services subsidiary).

In 2006

France: Disposal of CVT S.A. in June 2006.

ACQUISITION

In 2010

None.

In 2009

None.

In 2008

Germany: Merger by absorption of RCI Finanzholding GmbH by RCI Banque on 23 May 2008.

Spain: Merger by absorption of Artida S.A. by RCI Banque on 23 May 2008.

Portugal: Merger by absorption of RCI Gest Leasing by RCI Gest Instituiçao in December 2007, effective on 1 January 2008.

In 2007

Spain: Merger by absorption of Renault Financiaciones (financing subsidiary) and of Accordia (services subsidiary) by RCI Banque S.A. Sucursal España in June 2007.

Italy: Merger by absorption of RNC S.p.A. (financing subsidiary) by RCI Banque Succursale Italiana in June 2007.

United Kingdom: Buy-out of the 50% interest in the joint venture with RFS (financing subsidiary) in July 2007.

Portugal: Dissolution of RCI Gest SPGS by merger of assets with RCI IFIC in July 2007.

Argentina: Acquisition of Courtage S.A. in December 2007.

In 2006

Romania: RCI Leasing Romania IFN S.A. became a wholly-owned financing subsidiary (20 September 2006).

CREATION

In 2010

Néant.

In 2009

Turkey: Sales subsidiary, created on 29 April 2009.

In 2008

Malta: Holding company holding two insurance companies, created in December 2008.

Serbia: Sales subsidiary, created in December 2008.

In 2007

Slovakia: RCI Finance SK S.r.o. (sales subsidiary) created in April 2007.

Spain: RCI Banque S.A. Sucursal España (branch), created in June 2007.

Sweden: Renault Finance Nordic (branch), created in July 2007.

Morocco: RCI Finance Maroc S.A. (financing subsidiary), created in October 2007.

Ukraine: RCI Financial Services Ukraine (sales subsidiary), created in October 2007.

In 2006

Colombia: RCI Servicios Colombia S.A. (financing subsidiary), created in March 2006.

Algeria: RCI Services Algérie S.A.R.L. (financing subsidiary), created in September 2006.

Slovenia: RCI Banque S.A. Banèna podružnica Ljubljana (branch), created in October 2006.

Russia: RN Finance RUS s.a.r.l. (financing subsidiary), created in October 2006.

GENERAL INFORMATION

10 STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL REPORT

I hereby declare that, to the best of my knowledge, the information 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 reflection 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 30, 2011

Chairman of the Board of Directors

Dominique Thormann

11 DOCUMENTS AVAILABLE TO THE PUBLIC

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

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

- by writing to the following address:
  RCI Banque
  Opérations et Stratégie Financière
  API LPN 45
  14, avenue du Pavé Neuf
  93168 Noisy-le-Grand Cedex

RCI Banque - S.A. with share capital of €100 000 000
Registered office: 14, avenue du Pavé Neuf, 93168 Noisy-le-Grand Cedex, France
Siren 306 523 358 RCS Bobigny
Telephone: +33 1 49 32 69 99 - Fax: +33 1 76 86 98 46 - www.rcibanque.com