RCI Banque

BUSINESS REPORT 1ST HALF 2011

RCI OVERVIEW

RCI is the captive finance company of the Renault Nissan Alliance and in that capacity finances the sales of the following brands: Renault, Renault Samsung Motors (RSM), Dacia, Nissan and Infiniti.

The RCI group operates in 38 countries.

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

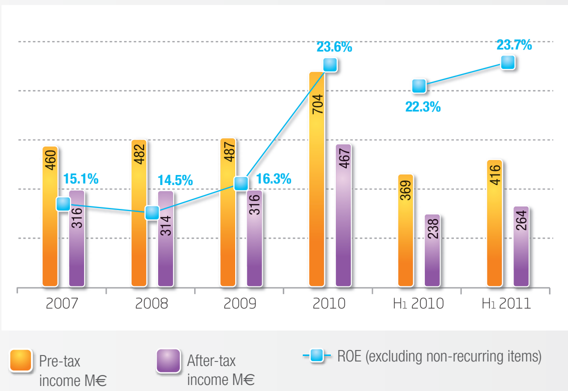
As a captive finance company, the group offers a comprehensive range of financings and services to:

- the **Customers** (Retail and Corporate) to whom the RCI group offers new and used car loans, rentals with option 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;
- the brand **Dealers** to which the RCI group finances inventories of new vehicles, used vehicles and spare parts, as well as short-term cash requirements.

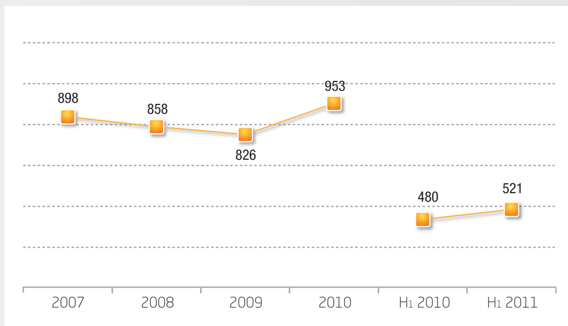
In a volatile and unsettled environment, RCI Banque confirmed its growth momentum and showed strong improvements in its performance.

Key figures

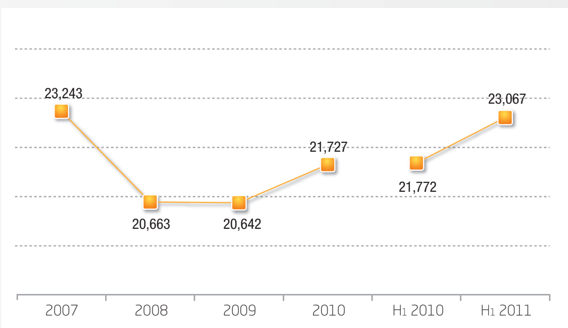
Results



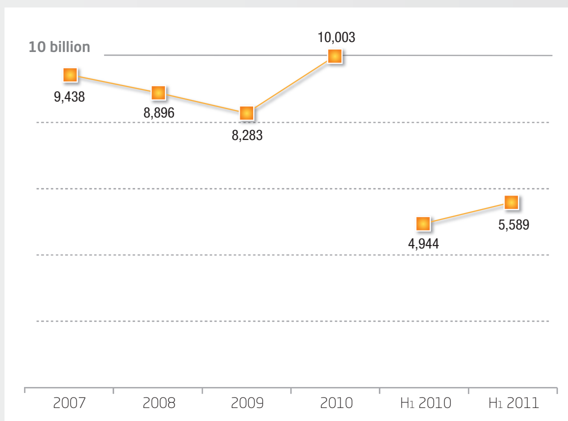
Total number of vehicle contracts
in thousands



Net loans outstanding
in million euros



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



BUSINESS ACTIVITY
IN THE FIRST HALF OF 2011

RCI Banque continues to grow: new financings rose by 13% compared to the first half of 2010, to €5.6 billion.

In a "passenger/light utility vehicle" market which grew by 5.4% over the first half of 2011 and in spite of considerable differences from one region to another, sales by the Renault Group reached a record level. 1.3 million vehicles were sold worldwide, an increase of 1.9% compared with the first six months of 2010.

The share of Renault Group vehicles sold outside Europe grew by 6 points and now accounts for 40% of all sales.

In the first half of 2011, the RCI Banque group wrote 520,359 new "vehicle" contracts (19% of which were outside Western Europe) and generated €5.6 billion in new financings, up 13% compared with June 2010.

RCI Banque posted a penetration rate on new Renault Group and Nissan vehicle registrations of 33.6%, up by 3.2 points compared with the same period 2010, with rates of 34.9% on Renault (up 2.4 points), 29.1% on Dacia (up 5.2 points), 55.0% on Renault Samsung Motors (up 14.1 points) and 28.0% on Nissan, including Infiniti (up 5 points).

Net Customer loans outstanding amounted to €17.6 billion, an increase of 6% on June 2010.

Net Dealer loans outstanding amounted to €5.4 billion, an increase of 7% on June 2010.

PASSENGER CAR & LIGHT UTILITY VEHICLE MARKET*		Renault Group brands market share %	Nissan market share %	RCI Banque penetration rate %	Number of new vehicle contracts processed	New financings (M€) excluding cards and PL	Net loans outstanding H1 2011 (M€)	Of which Dealers (M€)
Western Europe	**2011**	**10.5%**	**3.3%**	**33.0%**	**395,529**	**4,541**	**19,416**	**4,646**
	2010	11.4%	2.7%	30.1%	375,562	4,107	18,831	4,467
of which Germany	**2011**	**5.2%**	**2.2%**	**34.8%**	**60,305**	**764**	**3,768**	**867**
	2010	5.4%	2.0%	32.4%	51,021	615	3,588	760
of which Spain	**2011**	**10.0%**	**5.0%**	**37.1%**	**31,436**	**339**	**1,815**	**421**
	2010	10.9%	4.1%	34.6%	37,921	412	2,085	421
of which France	**2011**	**25.2%**	**2.8%**	**34.2%**	**174,457**	**2,046**	**8,640**	**2,052**
	2010	28.5%	2.1%	30.5%	167,001	1,871	8,469	2,158
of which United Kingdom	**2011**	**4.0%**	**4.7%**	**25.3%**	**35,024**	**377**	**1,467**	**302**
	2010	4.9%	4.0%	25.5%	36,731	382	1,504	302
of which Italy	**2011**	**6.2%**	**3.6%**	**39.1%**	**44,827**	**559**	**1,878**	**407**
	2010	6.9%	2.7%	36.7%	45,150	497	1,558	272
Brazil	**2011**	**4.9%**	**1.6%**	**40.4%**	**44,738**	**459**	**1,539**	**471**
	2010	4.3%	1.0%	35.4%	29,141	284	1,063	327
South Korea	**2011**	**6.7%**	**0.3%**	**55.1%**	**32,854**	**366**	**1,188**	**9**
	2010	11.4%	0.4%	41.0%	36,739	404	1,047	5
Rest of the world**	**2011**	**12.3%**	**1.8%**	**26.0%**	**47,238**	**222**	**924**	**310**
	2010	11.1%	2.3%	21.7%	38,110	149	831	294
TOTAL RCI BANQUE GROUP	**2011**	**9.5%**	**2.6%**	**33.6%**	**520,359**	**5,589**	**23,067**	**5,436**
	2010	10.3%	2.2%	30.4%	479,552	4,944	21,772	5,093

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

Cost of risk on average performing loans outstanding (excluding country risk)

Cost of risk on average loan outstandings	Customers		Dealers		TOTAL	
	H1 2010	H1 2011	H1 2010	H1 2011	H1 2010	H1 2011
France	0.62%	0.44%	0.20%	-1.17%	0.50%	0.02%
Rest of the world	0.70%	0.28%	-0.50%	-0.34%	0.43%	0.13%
TOTAL	**0.67%**	**0.34%**	**-0.20%**	**-0.68%**	**0.46%**	**0.09%**

Thanks to the stronger underwriting policy and more efficient debt collection, the cost of Customer risk saw a huge improvement, falling from 0.67% to 0.34% of average performing loans outstanding (APO). By taking the Probability of Default parameter derived from scoring systems into account in new lending, portfolio quality across all major markets was improved, as shown by the huge decrease in risk, especially in France, Spain and Romania.

The first six months of 2011 were also marked by the improved financial health of dealerships, particularly in Europe, which translated into a number of reversals of provisions and resulted in a negative cost of risk on Dealer financing of -0.68% of Dealer APO, compared with -0.20% at the end of the first half-year 2010.

CONSOLIDATED FINANCIAL HIGHLIGHTS

In a tough economic environment, RCI Banque continues to achieve excellent financial results.
Pre-tax profit came to €416 million and ROE* to 23.7%.

Earnings

The RCI Banque group's pre-tax profit rose by 12.7% compared with June 2010.

This excellent performance is primarily accounted for by:

- Growth in average performing loans outstanding (APO), which rose by €1.6 billion compared to 30 June 2010, to €22.3 billion. This had a positive impact on net banking income (up by 3% to €609 million).
- A significant decrease in the cost of risk, which fell to 0.14% of APO compared to 0.49% in the first half-year 2010. The cost of Customer risk improved by 0.29 point to 0.39% as a result of a carefully adjusted underwriting policy and well-controlled debt collection process. The improvement in the financial situation of dealerships led to provision releases, and so the cost of risk on Dealer financing amounted to an income of 0.64% of Dealer APO.
- Action to optimize the group's structures and operation, and especially the development of shared IT tools, resulting in a reduction in the operating expenses ratio in percentage of loans outstanding (which fell from 1.66% to 1.63% of outstandings between June 2010 and June 2011).

Net consolidated income (group share) stood at €264 million at the end of June 2011 against €238 million at the end of June 2010 (up 10.9%).

Balance sheet

The excellent performance of the 2010 financial year and the first half of 2011 boosted loans outstanding to €23.1 billion, compared with €21.8 billion in June 2010.

Consolidated equity amounted to €2,365 million in June 2011 against €2,460 million at the end of December 2010. This decrease of €95 million is mainly attributable to the €363 million of dividends paid out, the net profit for the period of €276 million, the €23 million decrease in conversion reserves and the €12 million increase in the fair value of future cash flow hedges.

Profitability

ROE* increased to 23.7% against 22.3% at the end of June 2010.

Solvency

At 30 June 2011, the RCI Banque group's solvency ratio stood at 11.7% (of which Core Tier 1 at 10.5%), compared with 11.9% (of which Core Tier 1 at 10.6%) at the end of June 2010.

Excluding transitional requirements under the floor level provisions, the Core Tier 1 solvency ratio stood at 13.9% at 30 June 2011.

** excluding non-recurring items*

CONSOLIDATED NET INCOME in millions of euros	06/2011	06/2010	12/2010	12/2009
Operating income	**1,046**	997	1,957	1,911
Operating expenses	**(437)**	(405)	(823)	(867)
Net banking income	**609**	592	1,134	1,044
Operating costs and other non-current assets	**(180)**	(172)	(347)	(363)
Net banking income	**(15)**	(50)	(85)	(199)
Share of companies accounted for under the equity method	**2**	(1)	2	5
Consolidated pre-tax income	**416**	369	704	487
CONSOLIDATED NET INCOME (group share)	**264**	238	467	316

CONSOLIDATED BALANCE SHEET in millions of euros	06/2011	06/2010	12/2010	12/2009
Net total outstandings Of which	**23,067**	21,772	21,727	20,642
- Retail customer loans	***11,364***	*10,908*	*11,057*	*10,486*
- Leasing and long-term rentals	***6,267***	*5,771*	*5,754*	*5,407*
- Dealer loans	***5,436***	*5,093*	*4,916*	*4,749*
Financial assets at fair value through profit or loss and hedging derivatives	**118**	86	81	95
Other assets	**2,536**	2,183	2,302	3,508
Shareholders' equity Of which	**2,627**	2,487	2,723	2,545
- Equity	***2,365***	*2,225*	*2,460*	*2,284*
- Subordinated debts	***262***	*262*	*263*	*261*
Bonds	**10,176**	7,686	7,809	6,113
Negotiable debt securities (CD, CP, BT, BMTN)	**3,879**	3,046	3,540	3,040
Securitization	**3,830**	2,989	3,775	3,812
Banks and other lenders (including Schuldscheine)	**3,682**	6,162	4,763	7,408
Financial liability at fair value through profit or loss and hedging derivatives	**88**	196	137	182
Other liabilities	**1,439**	1,475	1,363	1,145
TOTAL BALANCE SHEET	**25,721**	24,041	24,110	24,245

FINANCIAL POLICY

With €3.7 billion in resources with a term of one year or more borrowed during the first half year, RCI Banque continued to maintain a strong liquidity position and strengthen its funding sources diversification policy, launching its first bond offering in USD. Funding requirements generated by expected commercial business are covered for more than nine months under a "stress scenario" characterized by a total lack of new funding sources.

The financial markets had mixed fortunes in the first six months of 2011. Up until mid-March, there was sustained demand from investors for debt issued by companies, which led to the steady tightening of credit spreads. The natural disaster in Japan and uncertainty about its impact on business activity led to a temporary adjustment to this trend. Later, concerns about the sovereign debt of peripheral countries, starting with Greece, caused a second round of risk aversion and the rate of primary issues was greatly affected.

RCI Banque took advantage of the excellent market conditions prevailing in the first quarter to launch two public bond offerings, one three-year (in January) and one five-year (in March), each for €750 million. The conditions under which both operations were completed were far more favorable for the group than those seen throughout 2010.

In the second quarter, RCI Banque continued the process of diversifying its investor base and launched its first bond offering in USD, primarily distributed to American investors under Rule "144A-Reg S" private placement format. For RCI Banque, this €1.25 billion transaction, divided into three tranches ("3 years" fixed coupon, "3 years" FRN, "5 years" fixed coupon), opens the doors to a deep and efficient market.

In June, despite the heightened volatility caused by the second Greek crisis, RCI Banque was one of the very few issuers able to access the bond market. Its successful 3-year issue for €500 million once again demonstrated the confidence of investors.

In addition, a german leases conduit securization brought €495 million of additional resources.

RCI Banque also issued four private offerings during the first half year, for a total of €360 million.

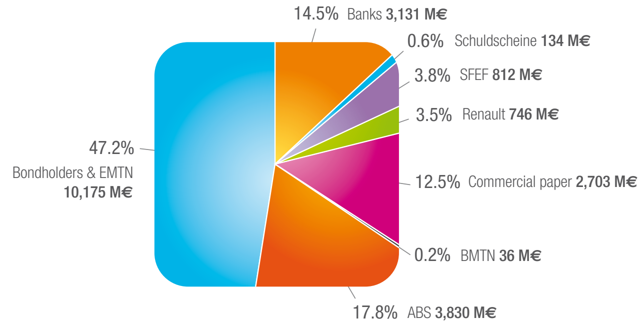
The group's subsidiaries also issued on local markets in Argentina and in South Korea, where two offerings, in USD and Korean Wons respectively, were distributed.

These long-term resources, to which should be added €4,437 million of unutilized confirmed lines of credit and €1,807 million in collateral eligible for European Central Bank (ECB) monetary policy transactions, secure the continuity of RCI Banque's commercial business activity for nine months under a "stress scenario" characterized by a total lack of new funding sources.

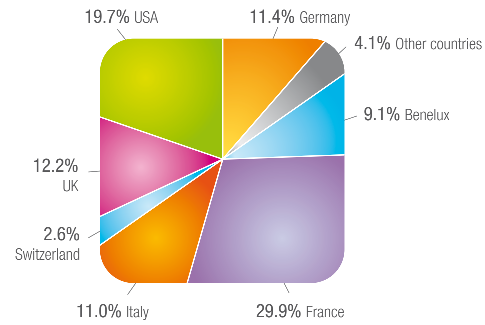
Given this comfortable liquidity situation, borrowings from the ECB were repaid in full.

Interest rates increased overall in the first half of 2011 following the hike in ECB interest rates and its message about the rise in inflation. After peaking in April (2-year swap at 2.33% compared to 1.37% at the end of 2010), rates fell (2-year swap at 2.03% at 30 June 2011) against the backdrop of the Greek crisis. The RCI Banque group's average refinancing rate, the sum of a risk-free rate and a credit spread, remained fairly stable throughout the first six months of 2011; the fall in rates seen from May onwards offset the widening of credit spreads.

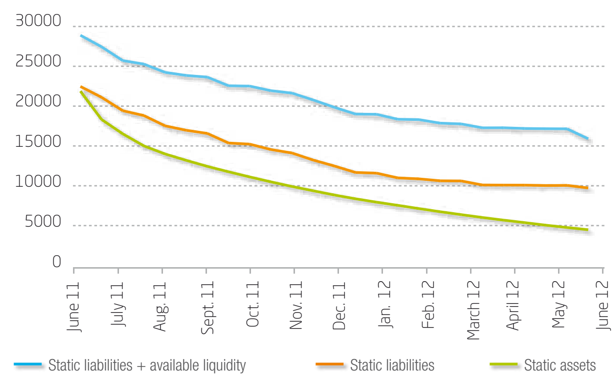
Total debt structure
as at 30/06/2011



Geographical breakdown of funding sources with a maturity equal or above one year
as at 30/06/2011



RCI group liquidity position
in million euros



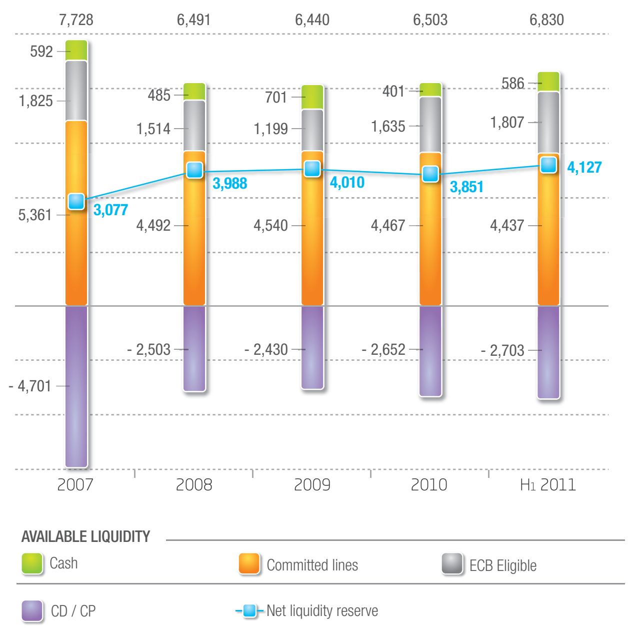
Outstandings on short-term debt programs remained on a par with those of last December.

In this sensitive environment, the conservative financial policy implemented by the group in recent 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 sales financing subsidiaries in the group.

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

- at the end of June 2011, the RCI Banque group's sensitivity to the interest rate risk remained within the €20 million limit set by the Group. At 30 June, a 100-base point rise would have had an impact of:
  - +€6.74 million in EUR
  - -€0.49 million in GBP
  - +€0.23 million in CHF
  - +€0.26 million in USD
- exposure to currency risk amounted to €6.53 million.

RCI group liquidity reserve
in million euros



Available liquidity amounted to €6,830 million (undrawn committed lines with a residual term of over 3 months: €4,437 million, available receivables assignable at the central bank: €1,807 million, cash and cash equivalents: €586 million), twice the combined total of commercial papers and certificates of deposit outstanding.

The liquidity reserve amounted to €4,127 million. This represents available liquidity surplus to the certificates of deposit and commercial paper outstanding. The group has to maintain sources of alternative liquidity above the level of its short-term negotiable debt securities. The liquidity reserve is at a higher level than that reached at year-end 2010.

RCI group's programs

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

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	ARS700 m	raAA-*		

* Local ratings

This document and further information are available on RCI Banque's website: www.rcibanque.com
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