



# HALF-YEAR FINANCIAL REPORT

**30 June 2012**

## SUMMARY

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**STATEMENT BY THE PERSON  
RESPONSIBLE FOR THE HALF-YEAR  
FINANCIAL REPORT**

**30 June 2012**

**Attestation de la personne physique responsable du rapport  
financier semestriel**

J'atteste, à ma connaissance, que les comptes condensés pour le semestre écoulé sont établis conformément aux normes comptables applicables et donnent une image fidèle du patrimoine, de la situation financière et du résultat de la société et de l'ensemble des entreprises comprises dans la consolidation, et que le rapport semestriel d'activité ci-joint présente un tableau fidèle des événements importants survenus pendant les six premiers mois de l'exercice, de leur incidence sur les comptes, ainsi qu'une description des principaux risques et des principales incertitudes pour les six mois restants de l'exercice.



Le 20 juillet 2012  
Le Président du Conseil d'Administration  
Dominique Thormann



## **BUSINESS REPORT**

**30 June 2012**



# RCI BANQUE OVERVIEW

**RCI Banque is the captive finance company of the Renault Nissan Alliance** and, as a consequence, finances sales of the following brands: Renault, Renault Samsung Motors (RSM), Dacia, Nissan and Infiniti.

The RCI Banque group operates in 38 countries:

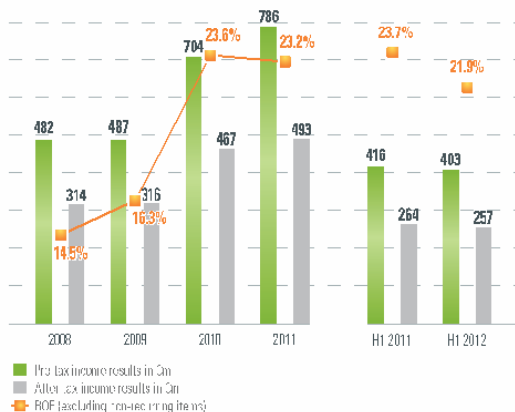
- **Europe:** France, Austria, Belgium, Bosnia-Herzegovina, Croatia, Czech Republic, Denmark, Estonia, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom;
- **Americas:** Argentina,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

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

- the **Customers (Retail and Corporate)**, to whom RCI Banque offers new and used car loans, rentals with options to buy, leases and long-term rentals. It also provides related services such as insurances, maintenance, extended warranties, roads de assistance, fleet management and credit cards;
- the **brand Dealers**. RCI Banque finances inventories of new vehicles, used vehicles and spare parts, as well as short-term cash requirements;
- in addition, on 16 February 2012, RCI Banque launched a savings account for retail depositors in France. The **ZESTO by RCI Banque** savings account provides an additional source of funds, used to support growth in the financing of sales to RCI Banque's retail and corporate customers.

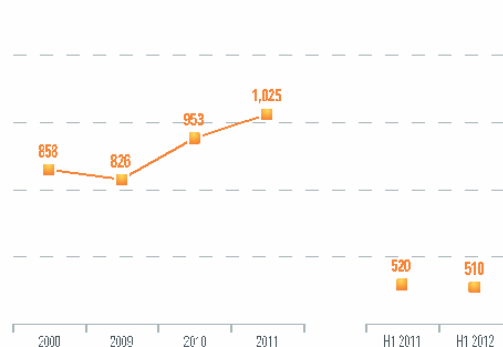
**RCI Banque posts good commercial performances and confirms its ability to maintain strong financial results despite the current economic environment.**

## Results

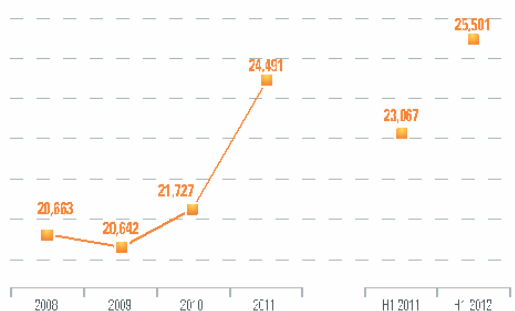


## Total number of vehicle contracts

in thousands

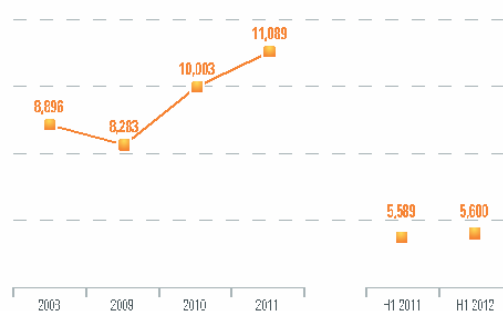


## Net loans outstanding in million euros



## New financings in million euros

(excluding cars and personal loans)



# BUSINESS ACTIVITY IN THE FIRST HALF OF 2012

## RCI Banque continues to improve its commercial performance, with a rise in its average penetration rate to 34.3% and the successful launch of its savings account.

The Renault Group continued its international offensive in the first six months of 2012. Its sales outside Europe hit a record high, rising by 14.5% compared to the market's 9.5%, thanks to an excellent commercial performance in Russia and Brazil. However, this growth was not enough to offset the 14.9% fall in sales in Europe.

With 1.3 million vehicles sold worldwide, Renault Group sales were down by 3.5% compared to the first half-year 2011, despite a positive second quarter (up 1.2%).

During the first half-year 2012, 47% of Group sales were made outside Europe (compared with 39% in the first half of 2011).

In the first half of 2012, RCI Banque wrote 509,877 new vehicle contracts and generated €5.6 billion in new financings, stable in comparison with the first half of 2011. 25% of contracts were financed outside Europe, compared to 19% in the first half of 2011.

In a falling market, RCI Banque was able to maintain its business performance thanks to growth in its penetration rate on new Renault Group and Nissan vehicle registrations, which increased to 34.5% from 33.6% for the same period 2011. Outside Europe, the penetration rate rose to 49%, a 4-point increase compared to the first half-year 2011. This was higher than the penetration rate inside Europe, which came to 32.6%.

Net Customer loans outstanding at end-June came to €18.97 billion, an increase of 7% on June 2011 (€17.65 billion).

Net Dealer loans outstanding at end-June came to €3.704 billion, an increase of 23% on June 2011 (€3.456 billion).

The savings account business got off to an encouraging start: at 30 June 2012, more than 10,000 ZESTO savings accounts had been opened, with deposits totalling €499 million.

RCI Banque is raising its targets for the savings account and is now aiming at a total of €750 million in deposits by the end of 2012.

CP+LUV* MARKET		MARKET SHARE	MARKET SHARE	RCI BANQUE	NEW VEHICLE	NETS	NET LOANS	OF WHICH
		RENAULT GROUP <sup>2</sup> BRANDS %	NISSAN %	PENETRATION RATE %	CONTRACTS PROCESSED NUMBER	FINANCINGS EXCLUDING CARDS AND PL (€m)	OUTSTANDING H1 2012 (€m)	DEALERS (€m)
Western Europe	S1 2012	9.6%	3.3%	32.8%	361,019	4,227	20,695	5,504
	S1 2011	10.5%	3.2%	32.9%	395,529	4,541	19,416	4,646
of which Germany	S1 2012	5.1%	2.1%	28.0%	49,288	590	3,787	954
	S1 2011	5.2%	2.2%	34.8%	60,305	764	3,768	867
of which Spain	S1 2012	10.1%	5.1%	39.0%	29,781	335	1,668	412
	S1 2011	10.0%	5.0%	37.1%	31,436	339	1,815	421
of which France	S1 2012	24.7%	3.4%	34.9%	159,078	1,878	9,183	2,509
	S1 2011	25.2%	2.8%	34.2%	174,457	2,046	8,640	2,052
of which United Kingdom	S1 2012	2.4%	5.0%	26.9%	35,332	429	1,844	426
	S1 2011	4.0%	4.7%	25.3%	35,024	377	1,467	302
of which Italy	S1 2012	6.6%	3.4%	48.5%	46,500	609	2,122	480
	S1 2011	6.2%	3.6%	39.2%	44,827	559	1,878	407
Brazil	S1 2012	6.8%	3.6%	45.6%	80,099	851	2,327	718
	S1 2011	4.9%	1.6%	40.4%	44,738	459	1,539	471
South Korea	S1 2012	4.1%	0.2%	60.2%	22,960	274	1,294	10
	S1 2011	6.7%	0.3%	55.1%	32,854	366	1,188	9
Rest of the world**	S1 2012	13.0%	1.3%	25.2%	45,799	248	1,185	472
	S1 2011	12.3%	1.8%	25.9%	47,238	222	924	310
TOTAL RCI BANQUE GROUP	S1 2012	9.1%	2.9%	34.3%	509,877	5,600	25,501	6,704
	S1 2011	9.5%	2.6%	33.6%	520,359	5,589	23,067	5,436

\* Figures refer to passenger car and light duty vehicle market.

\*\* Rest of the world: Argentina, Hungary, Morocco, Scandinavian countries, Poland, Czech Republic, Finland, Slovenia.

## COST OF RISK ON AVERAGE PERFORMING LOANS OUTSTANDING (excluding country risk)

Despite Europe's deepening economic crisis, RCI Banque kept the cost of customer risk at a healthy -0.50% (excluding country risk) of APC (average performing loans outstanding). This cost of risk was up in comparison with the low of the first half-year 2011, when it came to -0.54%, but lower than the historical RCI performance, proving the effectiveness of the underwriting policy implemented by the group since the 2008 crisis, and the efficiency of its debt collection management system.

The cost of risk on Dealer financing came to -0.09% (excluding country risk) over the first half-year, attributable to the effect of growing Dealer outstanding and to the slight deterioration in the situation of several dealership groups in Europe, which led RCI Banque to book

provisions to partially cover its exposure. The first half-year 2011 was marked by reversals of provisions.

COST OF RISK ON AVERAGE LOAN OUTSTANDINGS	CUSTOMERS		DEALERS		TOTAL	
	H1 2011	H1 2012	H1 2011	H1 2012	H1 2011	H1 2012
France	-0.44%	-0.60%	1.17%	0.16%	-0.02%	-0.41%
Rest of the world	-0.28%	-0.44%	0.34%	-0.23%	-0.13%	-0.39%
<b>TOTAL</b>	<b>-0.34%</b>	<b>-0.50%</b>	<b>0.68%</b>	<b>-0.09%</b>	<b>-0.09%</b>	<b>-0.39%</b>



# CONSOLIDATED FINANCIAL HIGHLIGHTS

**In a tough economic environment, RCI Banque posts excellent financial results, with a pre-tax profit of €403 million and an ROE\* of 21.9%.**

## EARNINGS

The main management indicators show a clear improvement over the first six months of 2012:

- Net banking income came to €638 million, or 5.51% of APO (average performing loans outstanding), showing a 4.6% increase on June 2011. This is due in particular to growth in the loans and in the margin on services;
- The ratio of operating expenses as a percentage of APO fell from 1.63% to 1.54% between June 2011 and June 2012.

On the other hand, a rise in the cost of risk (including country risk), which came to -0.44% of APO compared to the historic low of -0.14% achieved in the first half-year 2011, was recorded.

The rise in the cost of risk is attributable to the Dealer business which has seen reversals of provisions in 2011 particularly in Western Europe (France, Germany and Italy), and, to a lesser degree, to the Customer business primarily in France, Brazil and South Korea.

Net consolidated income - parent company shareholders' share - came to €257 million against €264 million at the end of June 2011 (down 2.7%).

## BALANCE SHEET

Good commercial performances boosted loans outstanding by €2.4 billion to €25.5 billion, an increase of 10.6% compared to end June 2011.

At the same time, average performing loans outstanding rose to €24.2 billion, an increase of €1.9 billion compared to the first half-year 2011.

Consolidated equity - parent company shareholders' share - came to €2,563 million in June 2012 against €2,462 million at the end of June 2011, posting an increase of €201 million.

## PROFITABILITY

ROE\* fell very slightly to 21.9% against 23.7% at end June 2011, mainly because of an increase in consolidated average shareholders' equity over the period.

## SOLVENCY

At 30 June 2012, the Core Tier 1 solvency ratio came to 10.7% compared to 10.5% at end June 2011.

Excluding transitional requirements under the floor level provisions (Base 1 floor), the Core Tier 1 solvency ratio came to 13.6%, compared to 13.9% at end June 2011.

\*ROE: Return on Equity, excluding non-recurring items

CONSOLIDATED INCOME STATEMENT (in million euros)	06/2012	06/2011	12/2011	12/2010
Operating income	1,160	1,046	2,131	1,957
Operating expenses	(522)	(437)	(942)	(823)
Net banking income	638	609	1,189	1,134
Operating costs, depreciation and impairment losses on tangible and intangible assets	(186)	(180)	(357)	(347)
Cost of risk	(53)	(15)	(52)	(85)
Share of companies accounted for under the equity method	4	2	6	2
Consolidated pre-tax income	403	416	786	704
<b>CONSOLIDATED NET INCOME</b> (part of the shareholders of the parent company)	<b>257</b>	<b>264</b>	<b>493</b>	<b>467</b>

CONSOLIDATED BALANCE SHEET (in million euros)	06/2012	06/2011	12/2011	12/2010
Net total outstandings of which	25,501	23,067	24,491	21,727
• Retail customer loans	12,016	11,364	11,843	11,057
• Leasing and long term rentals	6,781	6,267	6,385	5,754
• Dealer loans	6,704	5,436	6,263	4,916
Financial assets at fair value through profit or loss and hedging derivatives	351	118	310	81
Other assets	2,275	2,536	2,304	2,302
Shareholders' equity of which	2,827	2,627	2,830	2,723
• Equity	2,566	2,365	2,569	2,460
• Subordinated debts	261	262	261	263
Bonds	11,679	10,176	10,895	7,809
Negotiable debt securities (CD, CP, BMTN)	3,265	3,879	3,213	3,540
Securitization	3,366	3,830	3,704	3,775
Banks and other lenders (including Schuldschein)	5,344	3,682	4,851	4,763
Financial liability at fair value through profit or loss and hedging derivatives	123	88	91	137
Other liabilities	1,523	1,439	1,521	1,363
<b>TOTAL BALANCE SHEET</b>	<b>28,127</b>	<b>25,721</b>	<b>27,105</b>	<b>24,110</b>

# FINANCIAL POLICY

**With €3 billion\* in resources with a term of one year or more borrowed during the first half year 2012, RCI Banque continues to maintain a strong liquidity position. Funding requirements generated by expected business activity are covered for more than 12 months under a stress scenario characterized by a total lack of new sources of liquidity.**

The first quarter of 2012 marked a break with the tension and strain experienced at the end of 2011. The massive injection of liquidity resulting from the two Long Term Refinancing Operations in December 2011 and February 2012 greatly eased credit spreads. However, the effects of these measures gradually faded. From the end of March onwards, the markets became volatile again and an increase in risk aversion was seen, with operators concerned about possible ways out of the crisis in the eurozone. Investors showed a particularly strong appetite for corporate bonds, so much so that over the first six months of 2012, the segment reached volumes close to those achieved over 2011 as a whole. The bond market, which at the end of 2011 was closed to unsecured bank bonds, gradually opened up again during the first six months of 2012.

On the **unsecured debt capital market**, RCI Banque took advantage of the good conditions prevailing in the first quarter to launch two bond issues on the euro market: one 5-year maturity totaling €700 million and one eighteen-month for €500 million. The latter carries a 2% coupon, the lowest ever paid by RCI Banque for an issue in euros. In March, the group successfully launched its third bond issue in Swiss Francs for a total of CHF 200 million.

During the second quarter in a much more volatile market, RCI Banque completed a 5-year bond issue totaling €650 million.

Continuing its strategy of seeking out new investors, RCI Banque also issued a private placement in Czech Koruna and, in early July, a public offering in Norwegian Kroner. The group's subsidiaries also issued on local markets in Argentina and Brazil, as well as in South Korea, where three bonds in Korean Wons were distributed.

On the **structured financing sector**, the group completed a securitization transaction backed by auto loans in France for €750 million. The transaction was in fixed rate format, thereby avoiding the use of a securitization swap which would have introduced an additional credit risk into the transaction.

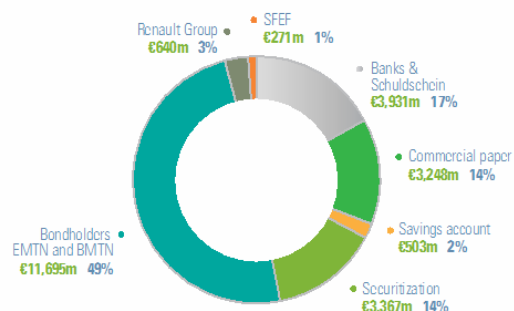
The success of this transaction, which attracted an order book of more than €1.4 billion, demonstrates the fact that RCI Banque's access to the structured financing market is secure on a long-term basis and now independent of bank ratings.

To meet investor demand for simpler structures, the auto loan securitization program in France was restructured. The Master Trust (*Fond Commun de Titrisation, or FCT*) used in the past was replaced by two separate vehicles: the first issued ECB-eligible securities retained by RCI Banque for €596 million (adjustable monthly according to the available collateral base), the second FCT was used for the public issue of €750 million distributed to investors.

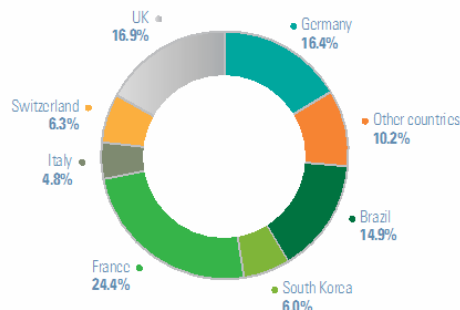
In Italy, following final and full repayment of the transaction launched in 2007, a retained securitization transaction for €619 million increased the asset base eligible as ECB collateral. In July, a conduit financing arrangement for €500 million will be added to this.

\*Centralized refinancing scope.

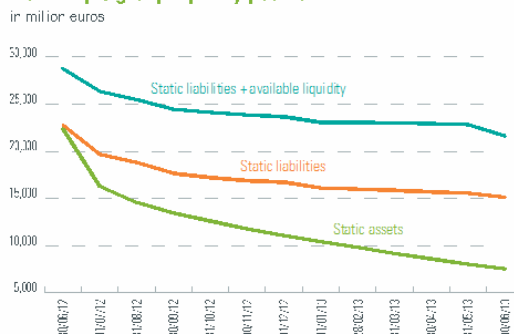
**Structure of total debt**  
as at 30/06/2012



**Geographical breakdown of new resources with equal and over 1 year maturities**  
as at 30/06/2012



**RCI Banque group liquidity position**





These long-term resources, to which should be added €4.5 billion of unused confirmed lines of credit, and €1.5 billion of assets eligible as collateral in European Central Bank (ECB) monetary policy operations, secure the continuity of RCI Banque's commercial business activity for more than 12 months without access to external sources of liquidity.

In order to diversify its sources of funds, in February 2012, RCI Banque launched a savings account for the retail sector in France. As at 30 June 2012, deposits totaled €499 million, reducing the need to use market funding.

In a volatile and unsettled environment, the conservative financial policy implemented by the group in recent years proved especially justified. This policy protects the commercial margin of each entity while securing the refinancing required for its business activities. It is defined and implemented at a consolidated level by RCI Banque and applies to all sales-financing entities within the group.

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

- At end June 2012, the RCI Banque group's overall **sensitivity to the interest rate risk** remained within the €50 million limit set by the Group. At 30 June 2012, a 100-basis point rise would have an impact of:
  - > -€3.8 million in EUR
  - > -€0.3 million in GBP
  - > +€3.6 million in CHF
  - > -€0.1 million in USD
  - > -€0.4 million in BRL
- **Exposure to currency risk** amounted to €3.4 million.

- **Available liquidity** amounted to €6.4 billion (undrawn credit with a residual term of over three months: 4.5 billion; available notes and receivables Central Bank collateral: €1.8 billion; cash and cash equivalents: €36 million), covering more than twice the combined total of commercial papers and certificates of deposit outstanding.

- **The liquidity reserve** amounted to €3.6 billion. This represents available liquidity surplus to the certificates of deposit and commercial papers outstanding. The group has to maintain sources of alternative liquidity above the level of its short-term negotiable debt securities.

**RCI Banque group liquidity reserve\***  
in million euros



**AVAILABLE LIQUIDITY:**  
 ■ Committed credit lines ■ FDR/Riskable ■ Cash  
 ■ Net Liquidity reserve ■ CD/CP

\* Centralized refinancing source: Western Europe + Poland + Czech Republic + Romania + Slovenia + Scandinavian countries + South Korea.

## RCI BANQUE GROUP'S PROGRAMS

The group's programs are concentrated on three issuers (RCI Banque, DAC and Rombo Compania Financiera S.A.) and represent a total of more than €23 billion.

ISSUER	PROGRAM	MARKET	AMOUNT	S & P	MOODY'S	
RCI Banque	Euro CP	Euro	€2,000m	A-2	P2	R & I: a-2
RCI Banque	Euro MTN	Euro	€12,000m	BBB (stable)	Baa2 (stable)	R & I: BBB+
RCI Banque	CD	French	€4,500m	A-2	P2	
RCI Banque	BMTN	French	€2,000m	BBB (stable)	Baa2 (stable)	
Diac S.A.	CD	French	€1,000m	A-2	P2	
Diac S.A.	BMTN	French	€1,500m	BBB (stable)	Baa2 (stable)	
Rombo Compania Financiera S.A.	Bonds*	Argentine	700 MARS	raAA-		Fitch: raAA

\* Local ratings.

This document and further information about RCI Banque are available on our website: [www.rcibanque.com](http://www.rcibanque.com)

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## **Risks and main uncertainties for second half year 2012**

The first quarter of 2012 marked a break with the tension and strain experienced at the end of 2011. The massive injection of liquidity resulting from the two Long Term Refinancing Operations in December 2011 and February 2012 greatly eased credit spreads. However, the effects of these measures gradually faded and from the end of March onwards, the environment became volatile again, with operators concerned about possible ways out of the eurozone crisis. A number of European governments are finding it increasingly difficult to raise funding. Spain, which asked Europe for help in supporting its banking system, is to receive 100 billion euros in aid, 30 billion of which will be released by the end of July 2012. The eurozone is likely to find itself in a tricky situation if nothing is done to stabilize monetary union, which might break up. In particular, delays in setting up the European Stability mechanism could lead to a substantial loss of confidence in the eurozone's ability to make the necessary decisions in an appropriate timeframe.

The bond market, which at the end of 2011 was closed to non-secured bank bonds, gradually opened up again during the first six months of 2012. Investors showed a particularly strong appetite for corporate bond issues, which over the first six months of 2012 reached similar volumes to those achieved over 2011 as a whole.

In this environment, RCI Banque completed more than half of its annual financing plan during the first six months of 2012, borrowing 3 billion euros in resources with a term of one year or more. It took advantage of the good conditions seen in the first quarter and launched two bond offerings on the euro market, one three-year totaling €700 million and one eighteen-month for €300 million. In March, the group successfully launched its third bond issue in Swiss francs for a total of CHF200 million. In the second quarter and a much more volatile market, RCI Banque completed a 5-year bond issue totaling €650 million.

Continuing its strategy of seeking out new investors, RCI Banque also issued a private placement in Czech Koruna and, in early July, another in Norwegian Kroner. The group's subsidiaries also issued on local markets in Argentina and Brazil, as well as in South Korea, where three offerings in Korean Wons were distributed. The second half-year has also started well with, on the secured financing segment, a transaction by conduit backed by auto loans in Italy, expected to total €300 million in July.

In order to achieve its objectives, RCI Banque maintains a sound liquidity reserve, which at 30 June 2012 consisted of 4.5 billion euros in undrawn committed credit lines (centralized refinancing scope) and 1.8 billion euros of assets eligible as collateral in European Central Bank (ECB) monetary policy operations. This liquidity reserve secures continuity of RCI Banque's commercial business activity for more than 12 months under a stress scenario characterized by a total lack of new funding sources. All in all, the RCI Banque Group's securities amount to 6.4 billion euros, more than twice the combined total of commercial papers and certificates of deposit outstanding.

According to business activity forecasts for the second half of 2012, outstandings should remain relatively stable. By continuing to adapt its underwriting policies to the current economic environment and thereby maintaining its control over risk, the group should achieve its expected profitability targets.

# **RCI** Banque

groupe **RENAULT**

## **AUDITORS' REPORT**

**30 June 2012**

**DELOITTE & ASSOCIES**

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S.A. au capital de € 1.723.040

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

**ERNST & YOUNG Audit**

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S.A.S. à capital variable

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

**RCI Banque**

Period from January 1 to June, 30, 2012

**Statutory auditors' review report on the first half-yearly financial information for 2012**

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' general meetings and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code (code monétaire et financier), we hereby report to you on:

the review of the accompanying condensed half-yearly consolidated financial statements of RCI Banque, for the period from January 1 to June 30, 2012, and

the verification of the information contained in the interim management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

**1. Conclusion on the financial statements**

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that these condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

## 2. Specific verification

We have also verified the information provided in the interim management report in respect of the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and its consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La-Défense, July 27, 2012

The statutory auditors  
*French original signed by*

DELOITTE & ASSOCIES

ERNST & YOUNG Audit

Charlotte Vandeputte

Bernard Heller



## **CONSOLIDATED FINANCIAL STATEMENTS**

**30 June 2012**



## SUMMARY

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**CONSOLIDATED BALANCE SHEET**

<b>ASSETS - in millions of euros</b>	<b>Notes</b>	<b>06/2012</b>	<b>12/2011</b>
Cash and balances at central banks and PCAs		107	188
Derivatives	2	351	310
Financial assets available for sale and other financial assets		76	65
Amounts receivable from credit institutions	3	788	947
Loans and advances to customers	4 et 5	25 855	24 877
Adjustment accounts - Assets	6	706	518
Interests in associates		43	36
Operating lease transactions	4 et 5	91	59
Tangible and intangible non-current assets		26	22
Goodwill		84	83
<b>TOTAL ASSETS</b>		<b>28 127</b>	<b>27 105</b>

<b>LIABILITIES AND EQUITY - in millions of euros</b>	<b>Notes</b>	<b>06/2012</b>	<b>12/2011</b>
Derivatives	2	123	91
Amounts payable to credit institutions	7.2	4 117	4 133
Amounts payable to customers	7.3	1 227	718
Debt evidenced by certificates	7.4	18 310	17 812
Adjustment accounts - Liabilities	8	1 289	1 316
Provisions	9	104	100
Insurance technical provisions	9	130	105
Subordinated debt - Liabilities	11	261	261
Equity		2 566	2 569
- <i>Of which equity - owners of the parent</i>		2 563	2 566
<i>Share capital and attributable reserves</i>		814	814
<i>Consolidated reserves and other</i>		1 546	1 304
<i>Unrealized or deferred gains and losses</i>		(54)	(45)
<i>Net income for the year</i>		257	493
- <i>Of which equity - non-controlling interests</i>		3	3
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>28 127</b>	<b>27 105</b>

## CONSOLIDATED INCOME STATEMENT

In millions of euros	Notes	06/2012	06/2011	12/2011
Interest and similar income	15	1 010	916	1 902
Interest expenses and similar charges	16	(519)	(427)	(922)
Fees and commission income		12	13	26
Fees and commission expenses		(3)	(4)	(8)
Net gains (losses) on financial instruments at fair value through profit or loss		(1)	1	1
Net gains (losses) on AFS securities and other financial assets		14	5	5
Net income (expense) of other activities	17	125	105	185
<b>NET BANKING INCOME</b>		<b>638</b>	<b>609</b>	<b>1 189</b>
General operating expenses	18	(183)	(177)	(351)
Depreciation and impairment losses on tangible and intangible assets		(3)	(3)	(6)
<b>GROSS OPERATING INCOME</b>		<b>452</b>	<b>429</b>	<b>832</b>
Cost of risk	19	(53)	(15)	(52)
<b>OPERATING INCOME</b>		<b>399</b>	<b>414</b>	<b>780</b>
Share of net income of equity method companies		4	2	6
Gains less losses on non-current assets				
<b>PRE-TAX INCOME</b>		<b>403</b>	<b>416</b>	<b>786</b>
Income tax	20	(129)	(140)	(265)
<b>NET INCOME</b>		<b>274</b>	<b>276</b>	<b>521</b>
Of which, non-controlling interests		17	12	28
Of which owners of the parent		257	264	493
Net Income per share (*) in euros		256,73	263,96	493,28
Diluted earnings per share in euros		256,73	263,96	493,28

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In millions of euros	06/2012	06/2011	12/2011
<b>NET INCOME</b>	<b>274</b>	<b>276</b>	<b>521</b>
<b>Other comprehensive income (**)</b>	<b>(9)</b>	<b>(8)</b>	<b>(23)</b>
Unrealised P&L on cash flow hedge instruments	(17)	11	3
Other unrealized or deferred P&L	(1)	1	1
Actuarial differences on defined-benefit pension plans		3	(1)
Exchange differences	9	(23)	(26)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>265</b>	<b>268</b>	<b>498</b>
Of which Comprehensive income attributable to non-controlling interests	17	12	28
Comprehensive income attributable to owners of the parent	248	256	470

(\*\*) Of which share of the other comprehensive income of equity method companies 3 (1) (3)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In millions of euros	Share capital	Attribut. reserves	Consolid. reserves	Translation adjust.	Unrealized or deferred P & L	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
	(1)	(2)		(3)	(4)			(5)	
<b>Equity at 31 December 2010</b>	<b>100</b>	<b>714</b>	<b>1 198</b>	<b>(15)</b>	<b>(7)</b>	<b>467</b>	<b>2 457</b>	<b>3</b>	<b>2 460</b>
Appropriation of net income of previous year			467			(467)			
<b>Equity at 1 January 2011</b>	<b>100</b>	<b>714</b>	<b>1 665</b>	<b>(15)</b>	<b>(7)</b>		<b>2 457</b>	<b>3</b>	<b>2 460</b>
Change in value of financial instruments (CFH & AFS) recognized in equity					12		12		12
Actuarial differences on defined-benefit pension plans					3		3		3
Exchange differences				(23)			(23)		(23)
Net income for the year (before appropriation)						264	264	12	276
<b>Total comprehensive income for the period</b>				<b>(23)</b>	<b>15</b>	<b>264</b>	<b>256</b>	<b>12</b>	<b>268</b>
Effect of acquisitions, disposals and others								(1)	(1)
Effect of change in share capital								3	3
Dividend for the period			(350)				(350)	(13)	(363)
Repurchase commitment of non-controlling interests								(2)	(2)
<b>Equity at 30 June 2011</b>	<b>100</b>	<b>714</b>	<b>1 315</b>	<b>(38)</b>	<b>8</b>	<b>264</b>	<b>2 363</b>	<b>2</b>	<b>2 365</b>
Change in value of financial instruments (CFH & AFS) recognized in equity					(8)		(8)		(8)
Actuarial differences on defined-benefit pension plans					(4)		(4)		(4)
Exchange differences				(3)			(3)		(3)
Net income for the year (before appropriation)						229	229	16	245
<b>Total comprehensive income for the period</b>				<b>(3)</b>	<b>(12)</b>	<b>229</b>	<b>214</b>	<b>16</b>	<b>230</b>
Repurchase commitment of non-controlling interests			(11)				(11)	(15)	(26)
<b>Equity at 31 December 2011</b>	<b>100</b>	<b>714</b>	<b>1 304</b>	<b>(41)</b>	<b>(4)</b>	<b>493</b>	<b>2 566</b>	<b>3</b>	<b>2 569</b>
Appropriation of net income of previous year			493			(493)			
<b>Equity at 1 January 2012</b>	<b>100</b>	<b>714</b>	<b>1 797</b>	<b>(41)</b>	<b>(4)</b>		<b>2 566</b>	<b>3</b>	<b>2 569</b>
Change in value of financial instruments (CFH & AFS) recognized in equity					(18)		(18)		(18)
Exchange differences				9			9		9
Net income for the year (before appropriation)						257	257	17	274
<b>Total comprehensive income for the period</b>				<b>9</b>	<b>(18)</b>	<b>257</b>	<b>248</b>	<b>17</b>	<b>265</b>
Effect of acquisitions, disposals and others			(1)				(1)		(1)
Dividend for the period			(250)				(250)	(11)	(261)
Repurchase commitment of non-controlling interests								(6)	(6)
<b>Equity at 30 June 2012</b>	<b>100</b>	<b>714</b>	<b>1 546</b>	<b>(32)</b>	<b>(22)</b>	<b>257</b>	<b>2 563</b>	<b>3</b>	<b>2 566</b>

- (1) The share capital of RCI Banque S.A. (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 at 30 June 2012 relates primarily to the United Kingdom and Switzerland. At 31 December 2011, the change related primarily to the United Kingdom, Brazil and Switzerland.
- (4) Includes changes in the fair value of derivatives used as cash flow hedges and IAS 19 actuarial gains and losses.
- (5) Non-controlling interests consist essentially of the stake held in Cogera held by Renault s.a.s.

## CONSOLIDATED CASH FLOW STATEMENT

In millions of euros	06/2012	06/2011	12/2011
<b>Net income attributable to owners of the parent company</b>	<b>257</b>	<b>264</b>	<b>493</b>
Depreciation and amortization of tangible and intangible non-current assets	2	3	5
Net allowance for impairment and provisions	15	(23)	(45)
Share of net income of associates	(4)	(2)	(6)
Deferred tax (income) / expense	(19)	20	45
Net income attributable to non-controlling interests	17	12	28
Other (gains/losses on derivatives at fair value through profit and loss)	26	(72)	(67)
<b>Cash flow</b>	<b>294</b>	<b>202</b>	<b>453</b>
Other movements (accrued receivables and payables)	5	44	71
<b>Total non-monetary items included in net income and other adjustments</b>	<b>42</b>	<b>(18)</b>	<b>31</b>
Cash flows on transactions with credit institutions	(87)	(1 202)	(372)
- Increases / decreases in Amounts receivable from credit institutions	(40)	(20)	84
- Increases / decreases in Amounts payable to credit institutions	(47)	(1 182)	(456)
Cash flows on transactions with customers	(485)	(1 335)	(2 927)
- Increases / decreases in amounts receivable from customers	(1 032)	(1 378)	(2 902)
- Increases / decreases in Amounts payable to customers	547	43	(25)
Cash flows on other transactions affecting financial assets and liabilities	246	2 761	3 071
- Inflows / outflows related to AFS securities and similar	(9)	(16)	(19)
- Inflows / outflows related to debts evidenced by certificates	411	2 763	3 048
- Inflows / outflows related to collections	(156)	14	42
Cash flows on other transactions affecting non-financial assets and liabilities	(74)	52	5
<b>Net decrease / (increase) in assets and liabilities resulting from operating activities</b>	<b>(400)</b>	<b>276</b>	<b>(223)</b>
<b>Net cash generated by operating activities (A)</b>	<b>(101)</b>	<b>522</b>	<b>301</b>
Flows related to financial assets and investments		(1)	(20)
Flows related to tangible and intangible non-current assets	(6)	(2)	(4)
<b>Net cash from / (used by) investing activities (B)</b>	<b>(6)</b>	<b>(3)</b>	<b>(24)</b>
Net cash from / (to) shareholders	(261)	(360)	(360)
- Dividends paid	(261)	(363)	(363)
- Inflows / outflows related to non-controlling interests		3	3
<b>Net cash from / (used by) financing activities (C)</b>	<b>(261)</b>	<b>(360)</b>	<b>(360)</b>
<b>Effect of changes in exchange rates and scope of consolidation on cash and cash equivalents (D)</b>	<b>(4)</b>	<b>(24)</b>	<b>(23)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>(372)</b>	<b>135</b>	<b>(106)</b>
Cash and cash equivalents at beginning of year:	912	1 018	1 018
- Cash and balances at central banks and PCAs	188	375	375
- Balances in sight accounts at credit institutions	724	643	643
Cash and cash equivalents at end of year:	541	1 153	912
- Cash and balances at central banks and PCAs	107	508	188
- Credit balances in sight accounts with credit institutions	678	904	874
- Debit balances in sight accounts with credit institutions	(244)	(259)	(150)
<b>Change in net cash</b>	<b>(372)</b>	<b>135</b>	<b>(106)</b>

'Cash and cash equivalents' consist of sight deposits and overnight funds. The items included in this line item are presented in notes 3 and 7.2.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. APPROVAL OF FINANCIAL STATEMENTS – DISTRIBUTIONS

The consolidated financial statements of the RCI Banque group for the six months to 30 June 2012 were established by the Board of Directors on 23 July 2012.

The consolidated financial statements of the RCI Banque group for the year 2011 were established by the Board of Directors on 7 February 2012 and approved at the Ordinary General Meeting of 21 May 2012. That meeting also voted in favor of an annual dividend of 250 euros per share, for a total distribution of 250 million euros.

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

### 2. ACCOUNTING METHODS

The RCI Banque group's financial statements for the year ended 31 December 2011 were prepared in accordance with the IFRS (International Financial Reporting Standards) published by the IASB (International Accounting Standards Board) as at 31 December 2011 and as adopted by the European Union on the balance sheet date.

The interim financial statements for the six months to 30 June 2012 were prepared in accordance with the principles set out in IAS 34 "Interim Financial Reporting". They do not include all the information required when preparing annual consolidated financial statements and must therefore be read in conjunction with the financial statements for the year ended 31 December 2011. With the exception of the changes mentioned below, the accounting rules and methods are identical to those applied in the consolidated financial statements for the year ended 31 December 2011.

The amendment to IFRS 7 "Financial instruments: Disclosures – Transfers of Financial Assets", published in the Official Journal of the European Union, was applied for the first time as at 30 June 2012. The first-time application of this amendment had no impact on the accounts for the six months ended 30 June 2012.

The Group has not applied any standards, interpretations or amendments in advance. In particular, IFRS 10 "Consolidated Financial Statements" and IFRS 11 "Joint Arrangements, published by the IASB in 2011, had not yet been adopted by the European Union at 30 June 2012 and so were not applicable in advance at that date. To date, the Group does not expect application thereof to have any major impact on its statements.

The main areas of judgment and estimates used in the preparation of the half-year summary statements are exactly the same as those detailed in Note 2-B of the Notes to the Consolidated Financial Statements as at 31 December 2011.

### 3. GROUP STRUCTURE

#### Changes in the scope of consolidation in 2012

- Since 1st June 2012, the Brazilian subsidiary Companhia de Crédito Financiamento e Investimento RCI Brasil S.A. has become the parent company of another consolidated Brazilian subsidiary, Companhia de Arrendamento Mercantil RCI Brasil S.A. (wholly-owned), further to shares previously held by RCI Banque S.A. and Santander being contributed in exchange for an increase in the capital of Companhia de Crédito Financiamento e Investimento RCI Brasil S.A., without any change in the shareholding percentages of the two shareholders RCI Banque S.A. et Santander. This structural change has no impact on consolidation.
- In France, the securitization vehicle Master Trust Cars Alliance Auto Loans France FCC, used in the past for the securitization of DIAC SA, has been replaced with two distinct vehicles: Cars Alliance Auto Loans France Master, which on 25/5/2012 issued €596 million of securities realizable at the ECB (European Central Bank) and underwritten by RCI Banque SA itself; Cars Alliance Auto Loans France F 2012-1 was used for a public offering of €750 million distributed to investors on value date 27/6/2012.
- In Italy, after the writeoff of the RCI Italie securitization transaction launched in 2007, a new SPV Cars Alliance Warehouse Italy S.r.l issued €619 million of triple-A securities on 14/6/2012.

#### Changes in the scope of consolidation in 2011

In 2011, the structure of the group was affected by the following events:

- Diac Location S.A. took over Sigma Services S.A. on 30 April 2011 with retro-active effect from 1<sup>st</sup> January 2011,
- RCI Bank AG merged with RCI Banque S.A. then was made into a branch with retro-active effect from 1<sup>st</sup> January 2011,
- The newly formed branch RCI Banque Branch Ireland entered the scope of consolidation on 30 September 2011.

#### Foreign subsidiaries that have not entered into a tax agreement with France

In accordance with the application decree dated 6 October 2009 of Article L. 511-45 of the French monetary and financial code (*code monétaire et financier*), RCI Banque hereby declares that it holds 95% of RCI Servicios Colombia S.A. in Colombia. The Colombian subsidiary's activity consists in receiving commissions on credits granted to a commercial partner. Its main management indicators are monitored on a monthly basis. The company's net income before tax at 30 June 2012 was €1.2 million.

## 4. ADAPTING TO THE ECONOMIC AND FINANCIAL ENVIRONMENT

In a volatile and uncertain economic environment, RCI Banque maintains its prudent financial policy and reinforces its liquidity management and control system. Furthermore, RCI Banque is not exposed to sovereign debts of Greece, Spain, Italy, Ireland and Portugal.

### Liquidity

RCI Banque's management of liquidity risk is based on several indicators or analyses, updated monthly on the basis of the latest in-force business forecasts (customer base and network) and completed refinancing transactions. This system is regularly reviewed by committees and by the corporate governance bodies.

**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 reserve (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 the bond markets, restricted access to short term funding, access to securitization (ECB or conduit corporations). This analysis is completed by simulating the changes in the projected liquidity reserve.

**The liquidity reserve** stands at €3,600 million at 30 June 2012. 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.

After reaching a historically low point in 2011, lower than the level observed before the start of the financial crisis, the beginnings of a controlled climb in the cost of risk on the commercial portfolio was seen, attributable mainly to growth in outstandings especially in countries outside Europe.

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 is 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 as well as baseline swap rates have undergone significant changes. In such a volatile context, RCI Banque group 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 financings 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 liquidity indicators 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)**

Due to its structurally borrower position, the RCI Banque group's exposure to bank credit risk is limited to short-term deposits of cash surpluses, and interest-rate or forex hedging with derivatives. These transactions are made with first-class banks that have been duly approved by the Counterparty Committee. Against a backdrop of high volatility, RCI Banque has also paid close attention to diversifying its counterparties.

### **Refinancing**

- In order to diversify its bank borrowings and limit total resources obtained from a single counterparty, the trading room has developed relations with a great number of banks and intermediaries, both in France and abroad.

- In the first six months of 2012 the RCI Banque group launched 3 bond issues on the euro market totaling €1650 million and a number of issues in foreign currencies:

- a public issue of BRL200 million (Brazilian Real)
- an issue of CHF200 million (Swiss Francs)
- 3 public issues totaling KRW320 billion (Korean Won)
- an issue of ARS112 million (Argentine Peso)
- an issue of CZK250 million (Czech Koruna)

- In the first six months of 2012, RCI Banque's strategy of diversifying its sources of refinancing also translated into a new securitization backed by auto loans in France for €750m.

- On 16 February, the RCI Banque launched "ZESTO", a new means of diversifying its sources of funding. This new savings account generated the collection of €499m to 30 June 2012.

## 5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 1 : Segment information

#### Segmentation by market

In millions of euros	Customer	Dealer financing	Other	Total 06/2012
Average performing loan outstandings	17 956	6 197		<b>24 153</b>
Net banking income	514	94	30	<b>638</b>
Gross operating income	368	76	8	<b>452</b>
Operating income	318	73	8	<b>399</b>
Pre-tax income	321	72	10	<b>403</b>

In millions of euros	Customer	Dealer financing	Other	Total 06/2011
Average performing loan outstandings	16 784	5 499		<b>22 283</b>
Net banking income	477	84	48	<b>609</b>
Gross operating income	334	66	29	<b>429</b>
Operating income	301	84	29	<b>414</b>
Pre-tax income	303	83	30	<b>416</b>

In millions of euros	Customer	Dealer financing	Other	Total 12/2011
Average performing loan outstandings	17 103	5 717		<b>22 820</b>
Net banking income	940	172	77	<b>1 189</b>
Gross operating income	664	137	31	<b>832</b>
Operating income	604	145	31	<b>780</b>
Pre-tax income	609	145	32	<b>786</b>

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 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 loans outstanding 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 4 and 5: Customer finance transactions and similar / Customer finance transactions by business segment.

**Note 2 : Derivatives**

In millions of euros	06/2012		12/2011	
	Assets	Liabilities	Assets	Liabilities
<b>Fair value of financial assets and liabilities recognized as derivatives held for trading purposes</b>	<b>15</b>	<b>57</b>	<b>26</b>	<b>42</b>
Currency derivatives	15	57	26	42
<b>Fair value of financial assets and liabilities recognized as derivatives used for hedging</b>	<b>336</b>	<b>66</b>	<b>284</b>	<b>49</b>
Interest-rate and currency derivatives: Fair value hedges	332	1	273	1
Interest-rate derivatives: Cash flow hedges	4	65	11	48
<b>Total derivatives</b>	<b>351</b>	<b>123</b>	<b>310</b>	<b>91</b>

These line items mainly include OTC derivatives contracted by the RCI Banque group as part of its currency and interest-rate risk hedging policy.

**Nominal values of derivative instruments by maturity and management intent**

In millions of euros	0-1 year	1-5 years	+5 years	Total 06/2012
<b>Hedging of currency risk</b>				
<u>Forward forex contracts</u>				
Sales	1 726			<b>1 726</b>
Purchases	1 718			<b>1 718</b>
<u>Spot forex transactions</u>				
Loans	200			<b>200</b>
Borrowings	201			<b>201</b>
<u>Currency swaps</u>				
Loans	433	880		<b>1 313</b>
Borrowings	451	823		<b>1 274</b>
<b>Hedging of interest-rate risk</b>				
<u>Forward Rate Agreement (F.R.A)</u>				
Sales (Loans)		100		<b>100</b>
Purchases (borrowings)				
<u>Interest rate swaps</u>				
Lender	4 536	6 468		<b>11 004</b>
Borrower	4 536	6 468		<b>11 004</b>

In millions of euros	0-1 year	1-5 years	+5 years	Total 12/2011
<b>Hedging of currency risk</b>				
<u>Forex transactions</u>				
Currency loaned, not yet delivered				
Currency borrowed, not yet received	1			1
<u>Forward forex contracts</u>				
Sales	1 219			1 219
Purchases	1 224			1 224
<u>Currency swaps</u>				
Loans	492	1 022		1 514
Borrowings	506	972		1 478
<b>Hedging of interest-rate risk</b>				
<u>Interest rate swaps</u>				
Lender	3 878	6 969		10 847
Borrower	3 878	6 969		10 847

At 30 June 2012, according to the "positive mark to market + add on" methodology, the counterparty risk exposure is € 709m against € 739m at 31st December 2011. According to the lump internal methodology, it is € 1,943m against € 1,93m at 30 June 2011. These figures apply only to credit institutions. They were determined without taking into account netting agreements in accordance with the methodology described in accounting principles (Note 2-P in the consolidated financial statements for the year ended 31 December 2011).

### Note 3 : Amounts receivable from credit institutions

In millions of euros	06/2012	12/2011
<b>Credit balances in sight accounts at credit institutions</b>	<b>680</b>	<b>875</b>
Ordinary accounts in debit	634	842
Overnight loans	44	32
Accrued interest	2	1
<b>Term deposits at credit institutions</b>	<b>108</b>	<b>72</b>
Term loans	100	70
reverse repurchase agreement or bought outright	7	
Doubtful receivables		2
Accrued interest	1	
<b>Total amounts receivable from credit institutions</b>	<b>788</b>	<b>947</b>

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

**Note 4 : Customer finance transactions and similar**

In millions of euros	06/2012	12/2011
<b>Loans and advances to customers</b>	<b>25 855</b>	<b>24 877</b>
Customer finance transactions	19 165	18 551
Finance lease transactions	6 690	6 326
<b>Operating lease transactions</b>	<b>91</b>	<b>59</b>
<b>Total customer finance transactions and similar</b>	<b>25 946</b>	<b>24 936</b>

At 30 June 2012, the dealer network, as a business contributor, had collected an income of €169 million as compared to €141 million at 30 June 2011.

Under their commercial policies and as part of promotional campaigns, manufacturers help to subsidize the financings granted to the RCI Banque group's customers. At 30 June 2012, their contribution in this respect amounted to €221 million compared with €194 million at 30 June 2011.

**4.1 - Customer finance transactions**

In millions of euros	06/2012	12/2011
<b>Loans and advances to customers</b>	<b>20 025</b>	<b>19 423</b>
Factoring	557	565
Other commercial receivables	91	106
Other customer credit	18 230	17 739
Ordinary accounts in debit	290	272
Doubtful and compromised receivables	857	741
<b>Interest receivable on customer loans and advances</b>	<b>64</b>	<b>73</b>
Other customer credit	42	44
Ordinary accounts		6
Doubtful and compromised receivables	22	23
<b>Total of items included in amortized cost - Customer loans and advances</b>	<b>(203)</b>	<b>(217)</b>
Staggered handling charges and sundry expenses - Received from customers	(121)	(118)
Staggered contributions to sales incentives by manufacturer or dealers	(365)	(353)
Staggered fees paid for referral of business	283	254
<b>Impairment on loans and advances to customers</b>	<b>(721)</b>	<b>(728)</b>
Impairment on delinquent or at-risk receivables	(154)	(160)
Impairment on doubtful and compromised receivables	(543)	(546)
Impairment on residual value	(24)	(22)
<b>Total customer finance transactions, net</b>	<b>19 165</b>	<b>18 551</b>

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.

**4.2 - Finance lease transactions**

In millions of euros	06/2012	12/2011
<b>Finance lease transactions</b>	<b>6 883</b>	<b>6 512</b>
Leasing and long-term rental	6 745	6 373
Doubtful and compromised receivables	138	139
<b>Accrued interest on finance lease transactions</b>	<b>14</b>	<b>9</b>
Leasing and long-term rental	10	5
Doubtful and compromised receivables	4	4
<b>Total of items included in amortized cost - Finance leases</b>	<b>(79)</b>	<b>(65)</b>
Staggered handling charges	(24)	(21)
Staggered contributions to sales incentives by manufacturer or dealers	(147)	(129)
Staggered fees paid for referral of business	92	85
<b>Impairment on finance leases</b>	<b>(128)</b>	<b>(130)</b>
Impairment on delinquent or at-risk receivables	(14)	(14)
Impairment on doubtful and compromised receivables	(108)	(109)
Impairment on residual value	(6)	(7)
<b>Total finance lease transactions, net</b>	<b>6 690</b>	<b>6 326</b>

**4.3 - Operating lease transactions**

In millions of euros	06/2012	12/2011
<b>Fixed asset net value on operating lease transactions</b>	<b>92</b>	<b>61</b>
Gross value of tangible assets	111	80
Depreciation of tangible assets	(19)	(19)
<b>Receivables on operating lease transactions</b>	<b>4</b>	<b>4</b>
Accrued interest	1	2
Non-impaired receivables	1	5
Doubtful and compromised receivables	2	2
Deposit		(5)
<b>Impairment on operating leases</b>	<b>(5)</b>	<b>(6)</b>
Impairment on doubtful and compromised lease contracts	(2)	(2)
Impairment on residual value	(3)	(4)
<b>Total operating lease transactions, net</b>	<b>91</b>	<b>59</b>

**Note 5 : Customer finance transactions by business segment**

In millions of euros	Customer	Dealer	Other	Total 06/2012
<b>Gross value</b>	<b>19 421</b>	<b>6 933</b>	<b>446</b>	<b>26 800</b>
Non-impaired receivables	18 782	6 551	444	25 777
Doubtful receivables	154	346	1	501
Compromised receivables	485	36	1	522
<i>% of doubtful and compromised receivables</i>	<i>3,29%</i>	<i>5,51%</i>	<i>0,45%</i>	<i>3,82%</i>
<b>Impairment allowance on individual basis</b>	<b>(586)</b>	<b>(186)</b>	<b>(1)</b>	<b>(773)</b>
Non-impaired receivables	(64)	(56)		(120)
Doubtful receivables	(90)	(94)		(184)
Compromised receivables	(432)	(36)	(1)	(469)
<b>Impairment allowance on collective basis</b>	<b>(38)</b>	<b>(43)</b>		<b>(81)</b>
Impairment	(14)	(34)		(48)
Country risk	(24)	(9)		(33)
<b>Net value (*)</b>	<b>18 797</b>	<b>6 704</b>	<b>445</b>	<b>25 946</b>
<i>(*) Of which: related parties (excluding participation in incentives and fees paid for referrals)</i>	<i>13</i>	<i>541</i>	<i>217</i>	<i>771</i>

In millions of euros	Customer	Dealer	Other	Total 12/2011
<b>Gross value</b>	<b>18 861</b>	<b>6 493</b>	<b>446</b>	<b>25 800</b>
Non-impaired receivables	18 202	6 244	445	24 891
Doubtful receivables	147	211		358
Compromised receivables	512	38	1	551
<i>% of doubtful and compromised receivables</i>	<i>3,49%</i>	<i>3,83%</i>	<i>0,22%</i>	<i>3,52%</i>
<b>Impairment allowance on individual basis</b>	<b>(600)</b>	<b>(188)</b>	<b>(1)</b>	<b>(789)</b>
Non-impaired receivables	(62)	(70)		(132)
Doubtful receivables	(86)	(81)		(167)
Compromised receivables	(452)	(37)	(1)	(490)
<b>Impairment allowance on collective basis</b>	<b>(33)</b>	<b>(42)</b>		<b>(75)</b>
Impairment	(15)	(34)		(49)
Country risk	(18)	(8)		(26)
<b>Net value (*)</b>	<b>18 228</b>	<b>6 263</b>	<b>445</b>	<b>24 936</b>
<i>(*) Of which: related parties (excluding participation in incentives and fees paid for referrals)</i>	<i>9</i>	<i>485</i>	<i>233</i>	<i>727</i>

Business segment information is given in detail in note 1.

The “Other” category includes refinancing and holding activities.

The provision for country risk primarily affects Brazil and to a lesser extent Argentina, Romania, Morocco and Hungary.

**Note 6 : Adjustment accounts - Assets**

<b>In millions of euros</b>	<b>06/2012</b>	<b>12/2011</b>
<b>Tax receivables</b>	<b>230</b>	<b>176</b>
Current tax assets	12	8
Deferred tax assets	101	82
Tax receivables other than on current income tax	117	86
<b>Adjustment accounts and other assets</b>	<b>476</b>	<b>342</b>
Other sundry debtors	169	145
Adjustment accounts - Assets	36	29
Items received on collections	200	108
Reinsurer part in technical provisions	71	60
<b>Total adjustment accounts – Assets and other assets (*)</b>	<b>706</b>	<b>518</b>
<i>(*) Of which related parties</i>	<i>108</i>	<i>102</i>

**Note 7 : Liabilities to credit institutions and customers, and debt evidenced by certificates****7.1 - Liabilities by measurement method**

<b>In millions of euros</b>	<b>06/2012</b>	<b>12/2011</b>
<b>Liabilities measured at amortized cost</b>	<b>17 712</b>	<b>17 505</b>
Amounts payable to credit institutions	3 950	3 963
Amounts payable to customers	1 227	718
Debt evidenced by certificates	12 535	12 824
<b>Liabilities measured at fair value hedge</b>	<b>5 942</b>	<b>5 158</b>
Amounts payable to credit institutions	167	170
Debt evidenced by certificates	5 775	4 988
<b>Total financial debts</b>	<b>23 654</b>	<b>22 663</b>



**7.2 - Amounts payable to credit institutions**

In millions of euros	06/2012	12/2011
<b>Sight accounts payable to credit institutions</b>	<b>244</b>	<b>150</b>
Ordinary accounts	105	80
Other amounts owed	139	70
<b>Term accounts payable to credit institutions</b>	<b>3 873</b>	<b>3 983</b>
Term borrowings	3 752	3 879
Accrued interest	121	104
<b>Total liabilities to credit institutions</b>	<b>4 117</b>	<b>4 133</b>

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’Economie Française* (SFEF) by RCI Banque totaled €506 million at 30 June 2012, in exchange for a refinancing of €271.4 million.

Moreover, the book value of collateral presented to the Central Bank (3G) amounted to €2,951 million at 30 June 2012, including €119 million of private accounts receivable and €2,832 million in retained Asset Backed Securities.

The balance of the funding provided by the European Central Bank in exchange for assigned accounts receivable amounts to €670 million at 30 June 2012 (against €30 million at 31 December 2011) including €400 million borrowed at 3 year LTRO, now listed under the above heading “Term borrowings”, in accordance with French Banking Federation (FBF) recommendations (previously listed under “Securities covered by repurchase agreements”).

**7.3 - Amounts payable to customers**

In millions of euros	06/2012	12/2011
<b>Amounts payable to customers</b>	<b>1 206</b>	<b>711</b>
Ordinary accounts in credit	96	94
Term accounts in credit	611	617
Ordinary saving accounts	499	
<b>Other amounts payable to customers and Accrued interest</b>	<b>21</b>	<b>7</b>
Other amounts payable to customers	16	6
Accrued interest on ordinary accounts in credit	1	1
Accrued interest on ordinary saving accounts	4	
<b>Total liabilities to customers (*)</b>	<b>1 227</b>	<b>718</b>

(\*) Of which related parties (1)

661

657

(1) Term accounts in credit include a €550 million cash warrant agreement given to RCI Banque S.A. by the manufacturer Renault, covering, without any geographical exceptions, against the risks of the Renault Retail Group defaulting.

**7.4 - Debt evidenced by certificates**

In millions of euros	06/2012	12/2011
<b>Negotiable debt securities (1)</b>	<b>3 265</b>	<b>3 213</b>
Certificates of deposit	3 084	3 064
Commercial paper and similar	130	70
French MTNs and similar	17	37
Accrued interest on negotiable debt securities	34	42
<b>Other debt evidenced by certificates (2)</b>	<b>3 366</b>	<b>3 704</b>
Other debt evidenced by certificates	3 358	3 700
Accrued interest on other debt evidenced by certificates	8	4
<b>Bonds and similar</b>	<b>11 679</b>	<b>10 895</b>
Bonds	11 547	10 776
Accrued interest on bonds	132	119
<b>Total debt evidenced by certificates (*)</b>	<b>18 310</b>	<b>17 812</b>
<i>(*) Of which related parties</i>	<i>339</i>	<i>127</i>

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

**Note 8 : Adjustment accounts - Liabilities**

In millions of euros	06/2012	12/2011
<b>Taxes payable</b>	<b>431</b>	<b>430</b>
Current tax liabilities	92	80
Deferred tax liabilities	306	317
Taxes payable other than on current income tax	33	33
<b>Adjustment accounts and other amounts payable</b>	<b>858</b>	<b>886</b>
Social security and employee-related liabilities	40	51
Other sundry creditors	646	665
Adjustment accounts - liabilities	159	155
Collection accounts	13	15
<b>Total adjustment accounts - Liabilities and other liabilities (*)</b>	<b>1 289</b>	<b>1 316</b>
<i>(*) Of which related parties</i>	<i>22</i>	<i>64</i>

**Note 9 : Provisions**

In millions of euros	12/2011	Charge	Reversals		Other (*)	06/2012
			Used	Not Used		
<b>Provisions on banking operations</b>	<b>128</b>	<b>64</b>	<b>(2)</b>	<b>(35)</b>		<b>155</b>
Provisions for litigation risks	4	1		(2)	(1)	2
Other provisions	124	63	(2)	(33)	1	153
<b>Provisions on non-banking operations</b>	<b>77</b>	<b>9</b>	<b>(4)</b>	<b>(2)</b>	<b>(1)</b>	<b>79</b>
Provisions for pensions liabilities and related	31	3	(2)			32
Provisions for restructuring	6	1	(2)	(1)		4
Provisions for tax and litigation risks	37	5		(1)	(1)	40
Other	3					3
<b>Total provisions</b>	<b>205</b>	<b>73</b>	<b>(6)</b>	<b>(37)</b>	<b>(1)</b>	<b>234</b>

(\*) Other = Reclassification, 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 the 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.

Insurance technical provisions are classified in "Other provisions" and amounted to €130 million at the end of June 2012.

At the end of June 2012, the provisions for restructuring mainly concern Germany and United Kingdom.

**Note 10 : Impairments allowances to cover counterparty risk**

In millions of euros	12/2011	Charge	Reversals		Other (*)	06/2012
			Used	Not used		
<b>Impairments on banking operations</b>	<b>897</b>	<b>225</b>	<b>(149)</b>	<b>(91)</b>	<b>3</b>	<b>885</b>
Customer finance transactions (on individual basis)	791	215	(149)	(87)	2	772
Customer finance transactions (on collective basis)	75	10		(4)		81
Securities transactions	31				1	32
<b>Impairments on non-banking operations</b>	<b>8</b>	<b>2</b>		<b>(3)</b>	<b>(1)</b>	<b>6</b>
Other impairment to cover counterparty risk	8	2		(3)	(1)	6
<b>Total provisions to cover counterparty risk</b>	<b>905</b>	<b>227</b>	<b>(149)</b>	<b>(94)</b>	<b>2</b>	<b>891</b>

(\*) Other = Reclassification, 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 5.

**Note 11 : Subordinated debt - Liabilities**

<b>In millions of euros</b>	<b>06/2012</b>	<b>12/2011</b>
<b>Liabilities measured at amortized cost</b>	<b>251</b>	<b>251</b>
Subordinated debt	250	250
Accrued interest on subordinated debt	1	1
<b>Hedged liabilities measured at fair value</b>	<b>10</b>	<b>10</b>
Participating loan stock	10	10
<b>Total subordinated liabilities</b>	<b>261</b>	<b>261</b>

The €250 million 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 +0.9.

The remuneration on the participating loan stock issued in 1985 by DIAC S.A. includes a fixed component equal to the money market rate and a variable component obtained by applying the rate of increase in the DIAC subgroup's consolidated net income for the year compared to that of the previous year, to 40% of the money market rate.

**Note 12 : Financial assets and liabilities by remaining term to maturity**

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 06/2012
<b>Financial assets</b>	<b>7 976</b>	<b>8 636</b>	<b>10 369</b>	<b>89</b>	<b>27 070</b>
Derivatives	17	83	251		351
Financial assets available for sale and other financial assets	8	3	36	29	76
Amounts receivable from credit institutions	782	2	4		788
Loans and advances to customers	7 169	8 548	10 078	60	25 855
<b>Financial liabilities</b>	<b>6 286</b>	<b>2 892</b>	<b>14 300</b>	<b>560</b>	<b>24 038</b>
Derivatives	30	46	47		123
Amounts payable to credit institutions	1 532	837	1 748		4 117
Amounts payable to customers	677			550	1 227
Debt evidenced by certificates	4 046	2 009	12 255		18 310
Subordinated debt	1		250	10	261

In millions of euros	Up to 3 months	3 months to 1 year	1 year to 5 years	> 5 years	Total 12/2011
<b>Financial assets</b>	<b>7 641</b>	<b>8 391</b>	<b>10 078</b>	<b>89</b>	<b>26 199</b>
Derivatives	18	70	222		310
Financial assets available for sale and other financial assets	7	5	25	28	65
Amounts receivable from credit institutions	944	2	1		947
Loans and advances to customers	6 672	8 314	9 830	61	24 877
<b>Financial liabilities</b>	<b>6 667</b>	<b>4 451</b>	<b>11 327</b>	<b>570</b>	<b>23 015</b>
Derivatives	41	10	40		91
Amounts payable to credit institutions	2 251	655	1 217	10	4 133
Amounts payable to customers	162	6		550	718
Debt evidenced by certificates	4 212	3 780	9 820		17 812
Subordinated debt	1		250	10	261

**Note 13 : Commitments given**

In millions of euros	06/2012	12/2011
<b>Financing commitments</b>	<b>1 682</b>	<b>1 626</b>
Commitments to customers	1 682	1 626
<b>Guarantee commitments</b>	<b>82</b>	<b>8</b>
Commitments to credit institutions	47	
Customer guarantees	35	8
<b>Commitments on securities</b>	<b>104</b>	<b>8</b>
Other securities receivable	104	8
<b>Total commitments given (*)</b>	<b>1 868</b>	<b>1 642</b>
<i>(*) Of which related parties</i>	35	8

**Note 14 : Commitments received**

In millions of euros	06/2012	12/2011
<b>Financing commitments</b>	<b>4 753</b>	<b>4 617</b>
Commitments from credit institutions	4 752	4 616
Commitments from customers	1	1
<b>Guarantee commitments</b>	<b>7 440</b>	<b>6 779</b>
Guarantees received from credit institutions	176	130
Guarantees from customers	3 915	3 579
Commitments to take back leased vehicles at the end of the contract	3 349	3 070
<b>Total commitments received (*)</b>	<b>12 193</b>	<b>11 396</b>
<i>(*) Of which related parties</i>	2 121	1 974

At 30 June 2012, RCI Banque had €4,730 million in unused confirmed lines of credit as well as broadly diversified short-term and medium-term issuance programs. RCI Banque also held €1761 million of receivables eligible as European Central Bank collateral (excluding securities and receivables already in use to secure financing at year-end).

**Note 15 : Interest and similar income**

In millions of euros	06/2012	06/2011	12/2011
<b>Interests and similar incomes</b>	<b>1 142</b>	<b>1 024</b>	<b>2 125</b>
Transactions with credit institutions	10	11	23
Customer finance transactions	786	696	1 447
Finance lease transactions	287	256	533
Accrued interest due and payable on hedging instruments	58	59	118
Accrued interest due and payable on Financial assets available for sale	1	2	4
<b>Staggered fees paid for referral of business:</b>	<b>(132)</b>	<b>(108)</b>	<b>(223)</b>
Customer Loans	(99)	(83)	(170)
Finance leases	(33)	(25)	(53)
<b>Total interests and similar incomes (*)</b>	<b>1 010</b>	<b>916</b>	<b>1 902</b>
<i>(*) Of which related parties</i>	<i>288</i>	<i>250</i>	<i>521</i>

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 16 : Interest expenses and similar charges**

In millions of euros	06/2012	06/2011	12/2011
Transactions with credit institutions	(149)	(121)	(272)
Customer finance transactions	(9)	(4)	(10)
Accrued interest due and payable on hedging instruments	(52)	(54)	(104)
Expenses/debt evidenced by certificates	(299)	(243)	(525)
Other interest and similar expenses	(10)	(5)	(11)
<b>Total interest and similar expenses (*)</b>	<b>(519)</b>	<b>(427)</b>	<b>(922)</b>
<i>(*) Of which related parties</i>	<i>(12)</i>	<i>(10)</i>	<i>(27)</i>

**Note 17 : Net income (expense) of other activities**

<b>In millions of euros</b>	<b>06/2012</b>	<b>06/2011</b>	<b>12/2011</b>
<b>Other income from banking operations</b>	<b>348</b>	<b>313</b>	<b>606</b>
Incidental income from finance contracts	176	166	313
Income from service activities	118	89	179
Income related to non-doubtful lease contracts	33	31	63
<i>of which reversal of impairment on residual values</i>	2	1	8
Operating lease transactions	10	11	20
Other income from banking operations	11	16	31
<i>of which reversal of charge to reserve for banking risks</i>	3	5	7
<b>Other expenses of banking operations</b>	<b>(225)</b>	<b>(209)</b>	<b>(423)</b>
Cost of services related to finance contracts	(79)	(81)	(157)
Cost of service activities	(64)	(59)	(113)
Expenses related to non-doubtful lease contracts	(27)	(27)	(57)
<i>of which allowance for impairment on residual values</i>	(1)	(3)	(10)
Distribution costs not treatable as interest expense	(32)	(25)	(63)
Operating lease	(8)	(6)	(12)
Other expenses of banking operations	(15)	(11)	(21)
<i>of which charge to reserve for banking risks</i>	(5)		(2)
<b>Other income and expense of banking operations, net</b>	<b>2</b>	<b>1</b>	<b>2</b>
Other income from non-banking operations	4	5	14
Other expenses of non-banking operations	(2)	(4)	(12)
<b>Total net income (expense) of other activities (*)</b>	<b>125</b>	<b>105</b>	<b>185</b>

(\*) *Of which related parties*

(1)

(1)

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.

Income and expenses related to operating lease transactions are now booked under net income (expense) of other activities, in accordance with CNC (*Conseil National de la Comptabilité*, National Accounting Council) guideline 2004-R.03. They were previously presented as interest in Notes 15 and 16.



**Note 18 : General operating expenses**

In millions of euros	06/2012	06/2011	12/2011
<b>Personnel costs</b>	<b>(104)</b>	<b>(100)</b>	<b>(199)</b>
Employee pay	(71)	(69)	(138)
Expenses of post-retirement benefits	(7)	(7)	(15)
Other employee-related expenses	(22)	(21)	(42)
Other personnel expenses	(4)	(3)	(4)
<b>Other administrative expenses</b>	<b>(79)</b>	<b>(77)</b>	<b>(152)</b>
Taxes other than current income tax	(11)	(12)	(19)
Rental charges	(7)	(7)	(14)
Other administrative expenses	(61)	(58)	(119)
<b>Total general operating expenses (*)</b>	<b>(183)</b>	<b>(177)</b>	<b>(351)</b>

(\*) Of which related parties

(2)

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 19 : Cost of risk by customer category**

In millions of euros	06/2012	06/2011	12/2011
<b>Cost of risk on customer financing</b>	<b>(43)</b>	<b>(32)</b>	<b>(57)</b>
Impairment allowances	(160)	(116)	(208)
Reversal of impairment	177	139	271
Losses on receivables written off	(67)	(63)	(136)
Amounts recovered on loans written off	7	8	16
<b>Cost of risk on dealer financing</b>	<b>(5)</b>	<b>17</b>	<b>9</b>
Impairment allowances	(47)	(32)	(69)
Reversal of impairment	49	59	94
Losses on receivables written off	(8)	(10)	(16)
Amounts recovered on loans written off	1		
<b>Other cost of risk</b>	<b>(5)</b>		<b>(4)</b>
Change in allowance for country risk	(6)		(4)
Change in allowance for impairment of other receivables	1		
<b>Total cost of risk</b>	<b>(53)</b>	<b>(15)</b>	<b>(52)</b>

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

**Note 20 : Income tax**

<b>In millions of euros</b>	<b>06/2012</b>	<b>06/2011</b>	<b>12/2011</b>
<b>Current tax expense</b>	<b>(148)</b>	<b>(120)</b>	<b>(219)</b>
Current tax expense	(148)	(120)	(219)
<b>Deferred taxes</b>	<b>19</b>	<b>(20)</b>	<b>(46)</b>
Income (expense) of deferred taxes, gross	19	(20)	(46)
<b>Total income tax</b>	<b>(129)</b>	<b>(140)</b>	<b>(265)</b>

The RCI Banque group's effective tax rate was 32.04% at 30 June 2012, compared with 33.58% at 30 June 2011 and 33.68% at 31 December 2011

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 deferred taxes. These differences result mainly from rules for accounting for lease-purchase and long-term rental transactions and for recognizing impairment on doubtful receivables.