
RCI Banque

ANNUAL REPORT 2012





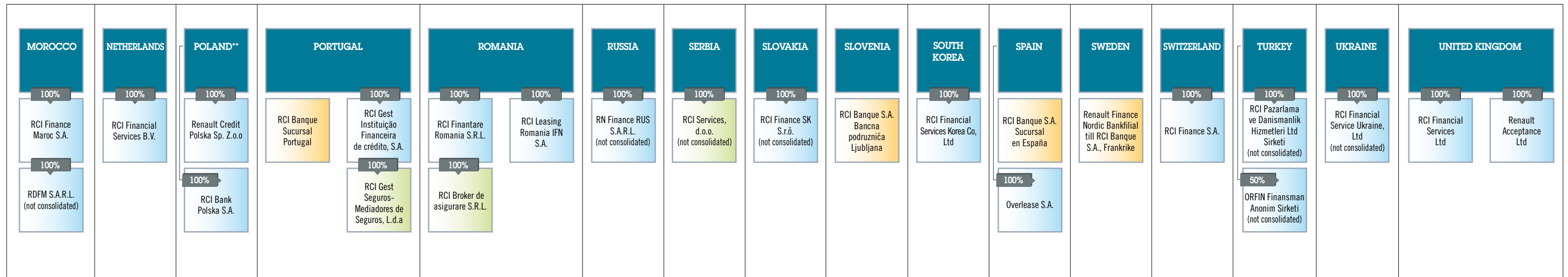
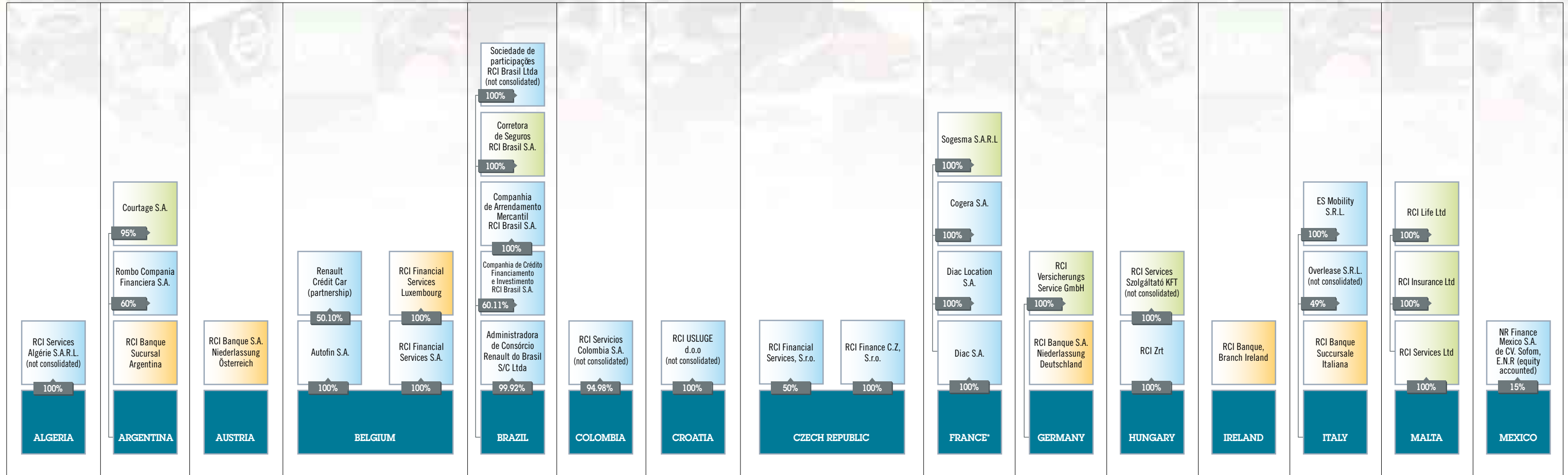
RENAULT s.α.s.

100%

RCI Banque S.A.

FINANCE ■ AFFILIATE
■ BRANCH
 SERVICE ■ DEDICATED AFFILIATE

ORGANIZATION CHART 2012



CHANGES IN 2013:

*France: Diac-Cogera merger by absorption planned for 30 April 2013.

**Poland: Renault Credit Polska Sp Z.o.o. changes name to RCI Leasing Polska Sp. Z.o.o. in January 2013.

The RCI Banque S.A. ODDZIAL W POLSCE branch takes over the business of the RCI Bank Polska S.A. affiliate dissolved on 31 January 2013.



EXECUTIVE COMMITTEE

Philippe Buros

Senior V.P., Sales Operations

Patrice Cabrier

Senior V.P., Customer Operations

Laurent David*

Senior V.P., Accounts and Management Control

Bertrand Lange

Senior V.P., Human Resources

Jean-Marc Saugier

Senior V.P., Finance and Group Treasurer

Éric Spielrein

Senior V.P., Company Secretary and Risk Functions

Dominique Thormann

Chairman and Chief Executive Officer

*replaced Isabelle Landrot on 1 February 2013.

AUDITORS

Deloitte & Associés

Ernst & Young Audit

BOARD OF DIRECTORS

Philippe Buros

Patrice Cabrier

Farid Aractingi

Éric Spielrein

Jérôme Stoll

Bernard Loire

Stéphane Stoufflet

Dominique Thormann

Chairman of the Board

Philippe Gamba

Gilbert Guez

Honorary Chairmen



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 36 countries:

- **Europe:** France, Austria, Belgium, 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-Africa:** Algeria, Morocco, Romania, Turkey: start-up in July 2012 of a financing business operated by the Joint Venture with OYAK;
- **Eurasia:** Russia, Ukraine;
- **Asia-Pacific:** South Korea.

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

- **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 insurance, maintenance, extended warranties, roadside assistance, fleet management and credit cards;
- **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: **ZESTO by RCI Banque**. This is one way in which RCI Banque is diversifying its business.

ANNUAL REPORT 2012

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All financial and business information reports are available on our website: www.rcibanque.com



LETTER FROM THE CHAIRMAN



The global automotive market reached sales of 79 million vehicles in 2012, raising 5.9% albeit with huge differences from one region to another. Growth came from emerging countries (especially the BRIC countries), North America and Japan, but fell sharp by 8.6% in Europe. The European market felt impact of the eurozone sovereign debt crisis particularly.

Despite a fall in vehicle registrations across its markets, RCI Banque delivered a strong commercial performance in 2012 with average performing loans outstanding up by 6.2% at €24.2bn. By improving its penetration rate on all Alliance brands up 1.4 points to 35%, RCI Banque preserved new financings at a high level of €10.8 billion (down slightly by 2.6%). These commercial results are the outcome of a number of factors namely the growing importance of our business outside France, Germany, Italy, the United Kingdom and Spain (30.5% of new financings in 2012), the clear improvement in our performance on the Renault and Dacia brands and the development of used car financings and services.

In 2012, RCI Banque's joint venture with OYAK began its financing business in Turkey and RCI Banque completed a number of key milestones in its plan in Russia. RCI Banque supports Renault's strategy by exclusively managing battery rental for personal and business customers in Europe.

RCI Banque successfully pursued its policy of diversifying its sources of refinancing, raising €5.4 billion in funds with a maturity of more than one year. RCI Banque completed its first bond issues in Australian dollars, Norwegian krona and Swedish krona, completed by issues in Swiss francs and in Euros. In the structured financing sector, RCI Banque also issued two securitizations transactions backed by auto loans in France and a conduit financing arrangement in Italy. Finally RCI Banque's refinancing policy was enhanced with the ZESTO savings account launched in France, which attracted deposits of €893 million at the end of December 2012.

RCI Banque's pre-tax profit remained high at €773m in 2012, showing a slight fall of 1.7%, with ROA at 3.19% of outstandings and ROE at 22.2% (excluding non-

recurring items). Buoyed by our commercial performance, these results are also explained by a tight control on operating expenses (-1.57% of average performing loans outstanding, stable compared to 2011) and on the cost of risk (-0.38% of average performing loans outstanding, compared with an exceptionally low -0.23% at end of 2011).

In 2013, RCI Banque will operate in a contrasting automotive market. We do not anticipate any recovery of the european automotive market, but, outside Europe, markets will continue to grow. RCI Banque will need to ensure that resources and management of priorities are allocated in order to seize all opportunities.

In 2013, RCI Banque's aim is to continue to strengthen the three pillars of its commercial and financial performance:

- increasing the proportion of new financings outside Europe by growing outstanding in high-growth markets and forming local partnerships – plans are in place to enter into a joint venture with Nissan and UniCredit to offer automotive loans for the Renault, Nissan and Infiniti brands in Russia;
- supporting all Alliance brands in the 36 countries in which RCI Banque operates;
- developing new services to meet customer needs.

Having successfully launched its ZESTO savings account, RCI Banque is set to expand its French savings business, with the aim of forming strong and lasting relationships with its savings customers. RCI Banque launched a savings account in Germany on February 18 operated by Renault Bank Direkt and will offer a term deposit account to French savers later in the year. RCI Banque has set a target of collecting €2 billion in total deposits by the end of December 2013. This is a strategic target aimed at making our company less dependent on the capital markets while supporting the Group's growth.

In view of these projects, RCI Banque has the ability to ensure high profitability of its business and to contribute to the success of the Alliance's three-year plans.

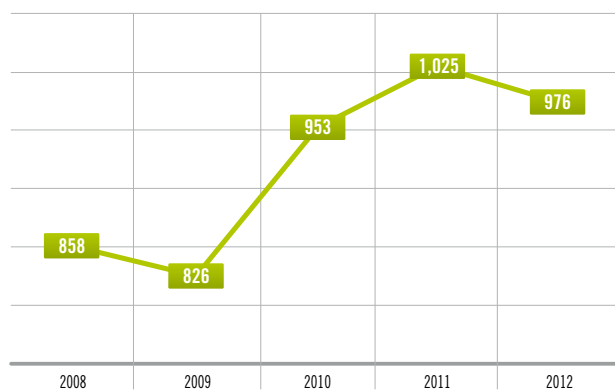
Dominique THORMANN



KEY FIGURES

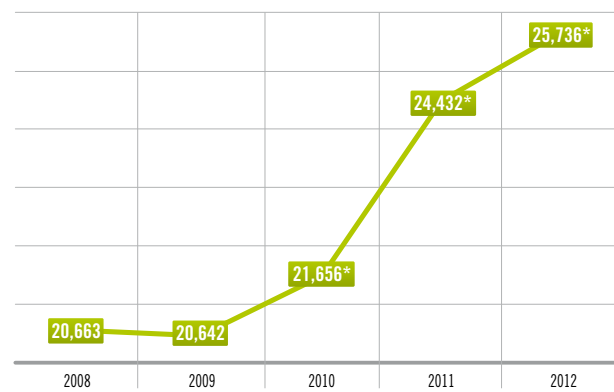
Total number of vehicle contracts

in thousand euros



Net loans outstanding at year-end

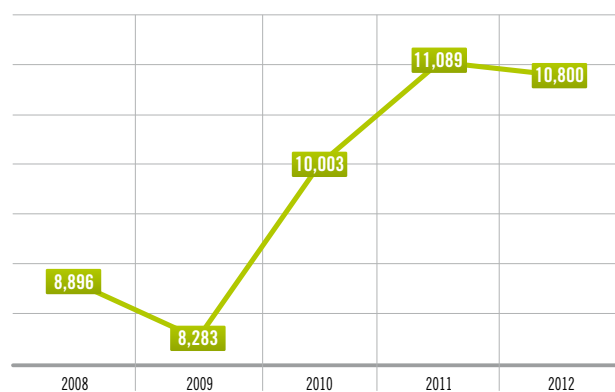
in million euros



*Excluding operating lease business.

New financings (excluding cards and personal loans)

in million euros





2012 RESULTS

For the third year running, the RCI Banque group achieved excellent financial results, over €700m. Pre-tax profit came to €773m and ROE (excluding non-recurring items) to 22.2%.

Despite the sharp fall in automobile sales in Europe, RCI Banque maintained its business momentum in line with the strategic focuses defined in 2010, keeping its cost of risk below the 0.60% structural level and its operating expenses under control.

Pre-tax profit fell slightly compared to 2011. Average performing loan outstandings (APO) increased from €22.8bn to €24.2bn, and net outstandings at year-end 2012 were at their highest level for the last eleven years, at €25.7bn.

The group's performance in 2012 is mainly accounted for by the following factors:

- net banking income, which came to €1.2bn, a 4% increase compared to 2011 mainly attributable to the growth in outstandings and to the contribution of services;
- the cost of risk, which came to 0.38% (0.37% excluding country risk) of APO, compared to the group's historical low of 0.23% (0.21% excluding country risk) in 2011. It remains significantly below the RCI Banque group's structural level;

- operating expenses, which increased overall to €379m (up €20m compared to 2011) to support the strong growth in business in the Americas region and to finance development projects. The cost-income ratio remained below 31%, a significantly low level compared to the market.

Net consolidated income – parent company shareholders' share – came to €490m in 2012 against €493m in 2011 (a fall of 0.6%).

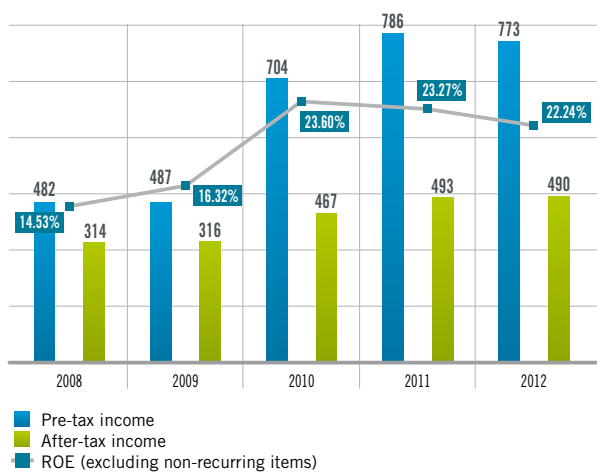
Consolidated equity – parent company shareholders' share – came to €2,681m against €2,569m at year-end 2011. This increase includes the net profit of €490m.

ROE (excluding non-recurring items) remained high at just above 22% (22.2% against 23.3% at year-end 2011).



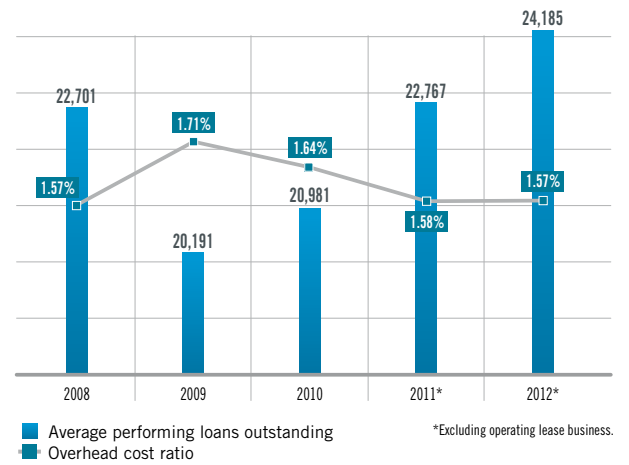
Results

in million euros



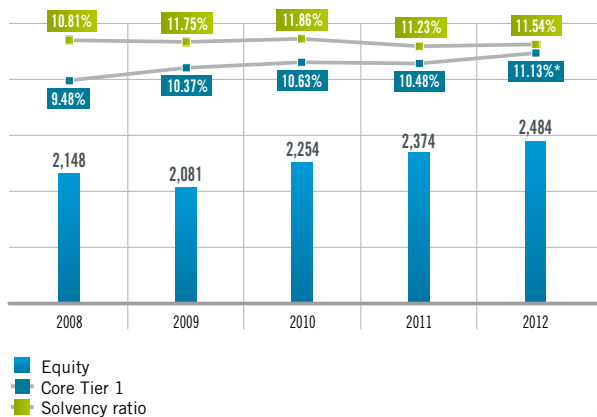
Average performing loans outstanding and overhead cost ratio

in million euros



Prudential capital

in million euros



*2012: pro-forma calculation including 80% Basel II transitional requirements.





HIGHLIGHTS

Although there was a fall in new vehicle registrations by manufacturers within RCI Banque's area of activity, in 2012 RCI Banque maintained its business and financial performance at a high level.

PERFORMANCE

With 976,449 contracts signed and €10.8bn in new financings, the group maintained a sound performance in its Customer business. The group's penetration rate increased by 1.4 points to 35%.

In Europe, the group recorded a 6% fall in its new financings. This slight drop was kept in check by a good performance on the Renault and Dacia brands, where penetration rates increased by 1.5 points and 2.3 points respectively. The group's performance in Europe was also boosted by the development of services, effective sales promotion activities with Dealers, and the development of offers on used vehicles.

In Brazil and Argentina, growth was driven by the good sales performance achieved by both Renault and Nissan (market shares up by 1.0 point and by 0.5 point respectively, in markets with a growth rate of almost 5%). New financings by RCI Banque grew to €1.8bn. Brazil has now become the group's second largest contributor of new financings, after France and ahead of Germany.

DEVELOPMENT OF NEW BUSINESSES

RCI Banque is supporting Renault's strategy by managing battery leasing for customers in Europe on an exclusive basis. At year-end 2012, the number of batteries managed came to a total of more than 15,000.

In France, the ZESTO savings account for retail depositors was launched in February 2012. At year-end, deposits outstanding totaled €893m.

In Turkey, the joint venture between RCI Banque and OYAK started up its Customer and Dealer financing operations in July 2012.



OUTLOOK

The RCI Banque group plans to pursue growth, despite an automotive market under pressure, especially in Europe.

RCI Banque will have to rely on current areas of growth:

- growth outside Europe, especially in Brazil but also in Russia with the launch of a bank;
- the partnership with the Nissan brand, which puts RCI Banque at the core of its loyalty strategy at the European level;
- the continuing rollout of electric vehicle in Europe, particularly with the marketing of Zoé;
- the expansion of the range of services and insurance offered by the group;
- implementation of a digital strategy;

RCI Banque will also continue to develop its savings bank operations and has confirmed the launch of a deposit account in Germany on 18 February 2013. A term deposit account is to be added to the instant access deposit account offer in both France and Germany. RCI Banque's target for year-end 2013 is to have a total of €2bn in deposits outstanding for its savings bank operations in France and Germany.

In a tough economic crisis environment, RCI Banque will continue to monitor changes in the cost of risk very closely and maintain its strict underwriting policy.





A CUSTOMER-ORIENTED ORGANIZATION

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

Alongside this, RCI Banque launches new products and services to meet the growing needs of its customers in terms of mobility and insurance, and since 2012, has also been offering brand new savings solutions.

In 2012, RCI Banque continued its international expansion and launched a new subsidiary in Turkey in partnership with the OYAK Group. RCI Banque is also getting ready to start up a new subsidiary in Russia in association with Unicredit and Nissan.

CUSTOMER FINANCING

The RCI Banque group offers new and used car loans, rentals with buyback options, leases and long-term rentals.

These financing solutions are backed by a comprehensive range of services offered by RCI Banque, such as maintenance, extended warranties, insurance, roadside assistance, fleet management and credit cards.

FINANCING PRODUCTS AND RELATED SERVICES

The strategy in place for a number of years has resulted in a steady increase in the contribution made by services to the group's results, proving that it is in keeping with customer demands and expectations.

Thanks to this strategy, the contribution made by packaged offers and loyalty products, such as *New Deal* in France, *Box* and *Magic Plan* in Spain and *Relax* in Germany, Switzerland and Poland, is constantly growing for all Alliance brands.

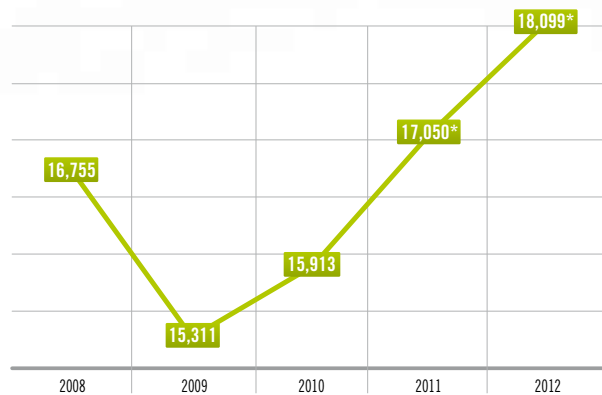
These adaptable offers, which combine financial products with services such as personal and vehicle insurance, extended warranties, maintenance and roadside assistance, increase customer satisfaction and loyalty.

RCI Banque's loyalty policy is based on the CARE program of **Conquest** (attracting new customers), **Animation** (additional selling), **Renewal** (end-of-contract offers) and **Evaluation** (of the effectiveness and performance of our CRM and marketing actions), applied to all Alliance brands. This program is underpinned by the reinforcement of the digital strategy, namely the rollout of online configurators on manufacturer and dealer websites to make the offer accessible to as many people as possible, and the creation of special customer web pages, etc.



Average performing loans outstanding

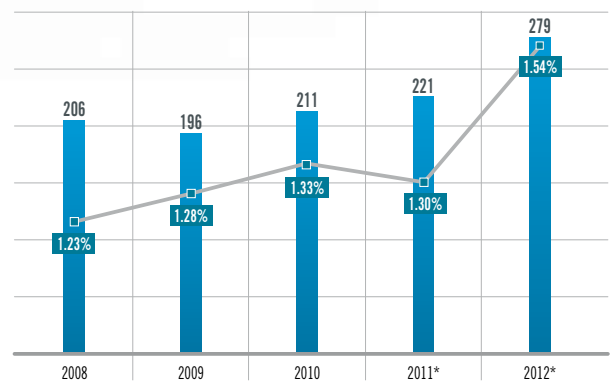
in million euros



*Excluding operating lease business.

Margin on services

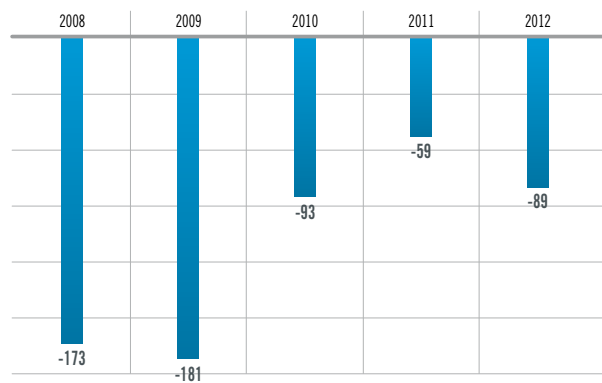
in million euros and in % of Customer APO



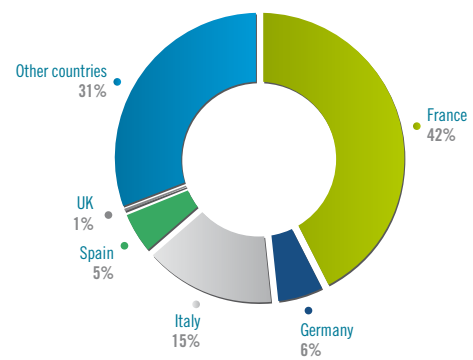
*Excluding operating lease business.

Cost of risk (excluding country risk)

in million euros

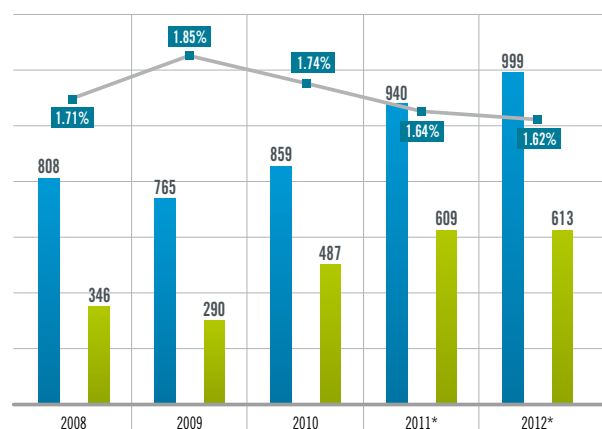


Breakdown of margin on services by country



Results and operating costs

in million euros and in % of Customer APO

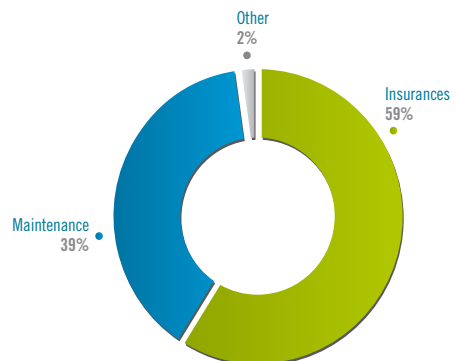


■ Net banking income
■ Pre-tax income
■ Overhead cost ratio in %

*Excluding operating lease business.

Breakdown of margin on services by product

in million euros



ELECTRIC VEHICLE FINANCING WITH THE SETTING UP OF *RENAULT BATTERY INTERNATIONAL*

The year 2012 saw the rollout with Renault of the electric vehicle (EV) in Europe with a comprehensive range for customers. The product was well-received and the strategy of combining services with the battery lease arrangement showed excellent results, with penetration up in comparison to conventional vehicles. The processes implemented in its subsidiaries by *Renault Battery International* met the needs of the initial launch phase.

The *Renault ZE* (Zero Emission) range, which includes *Twizy*, was the leader on Europe's electric vehicle market in 2012, and at year-end its coverage stretched over 17 operational countries in Europe and even beyond.

The relevance of Renault's electric business model and its battery rental arrangement was confirmed with the success achieved in France, where Renault won a contract to supply 15,637 *Kangoo ZE* models to nineteen of France's largest companies. The *Paris Mondial de l'Automobile* motor show, where the *Zoé* model led the field in terms of orders placed, was also a strong sign.

Outlook: in order to continue supporting Renault along this path, RCI Banque has defined development priorities for 2013 to be applied across all RCI Banque organizations, products and processes:

- make the *Zoé* model the leading mass-market electric vehicle;
- increase geographical coverage and volumes by means of the services offer, by including services in battery lease packages and by combining these with financing products.

A JOINT RENAULT AND RCI BANQUE STRUCTURE: *RENAULT SERVICES INTERNATIONAL*

The main highlights of 2012 in *Renault Services International's* first full year of business completed were as follows:

- one in every two Renault or Dacia vehicles sold was delivered with a related service (maintenance, warranty extension, insurance or new services), showing strong growth in our penetration compared to 2011;
- the profitability target is achieved.

In order to achieve these results, RCI Banque intensified its deployment of core services (maintenance and extended warranty in 8 new countries giving a total of 36 countries covered, car insurance in 5 countries).

RCI Banque also set in motion the first launches of a number of new services (*Fleet Asset Management* – a fleet telematics service in France, multimedia services – *Live* service and lastly, services connected with the electric vehicle).

RCI Banque's expertise combined with Renault's power of deployment helped both to achieve greater effectiveness through the sharing of joint targeted objectives.

2013 will be an opportunity for RCI Banque to accelerate its efforts on services:

- development of the maintenance service: operations in new countries and optimization of performance;

- expansion of the scope of services operations to vehicles not financed by the group;
- development of the auto insurance business through the commercial rollout of auto insurance on international markets;
- setting up and optimization of used vehicle services: used vehicle warranties and extended warranties;
- long-term establishment of new services: *Fleet Asset Management*, *R Link* and new services connected with the *Zoé* model.

INSURANCE

2012 was marked by a certain number of new features which helped the business to grow significantly on an International scale.

In addition to the new entity, *Renault Services International* (RSI), which was set up in 2011 among other things to market Vehicle Damage Insurance products on a much wider scale and in a standardized and controlled manner, RCI Banque also consolidated its Insurance system.

The *low cost SecurPlus* range of auto insurance products was rolled out in some ten countries, driving significant growth in the auto insurance business not only in Europe but also in countries such as Russia and Brazil, which are strategic territories for the Alliance.

The new organization of the RCI Banque insurance field, through the Insurance Division created in 2011, covers all Insurance disciplines: insurance intermediation, direct risk carrying (*via* RCI Banque's insurance companies based in Malta) and also reinsurance, which now allows the flexible handling of all necessary requirements in this field.

2012 confirmed the strategic nature of the Services business, particularly insurance services, which drive customer loyalty to the Brand and considerable profitability for the group. At year-end 2012, the recorded overall portfolio of insurance policies (all product ranges combined) for all Alliance brands, included 2.9 million active policies (against 2.5 million at year-end 2011).

SAVINGS ACCOUNT

In 2012, RCI Banque continued to expand its range of products and services for the retail market with the introduction of a simple high-interest savings account, known as *ZESTO by RCI Banque*.

At 31 December 2012, RCI Banque held 22,250 savings accounts for a total of 893 million euros in deposits outstanding (average deposits per account of €40k).

Following the successful launch of *ZESTO* in France in February 2012, RCI Banque is to develop its Savings business with the focus on entering into lasting and high-quality relationships with its savers. It will launch a term deposit account in France in mid-2013, while, in Germany, *Renault Bank Direkt* is launching an instant access savings account in February 2013 as well as a term deposit account in the first half year of 2013.



DEALER FINANCING

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

CONTROLLED RISK

The environment in 2012 was one of contrasts, marked by a fall on the markets in Europe and strong growth outside Europe. RCI Banque confirmed its policy of supporting car makers and their distribution networks by providing appropriate financing solutions for their needs.

Across the whole of the Dealer financing business (27 countries), average performing loans outstanding increased by 6.5%, driven by the brands' growth in Latin America and in the Euromed-Africa region, and by the Nissan brand's continuing performance on all markets.

The risk management, control and monitoring processes, which were reinforced at the time of the 2008 crisis, are designed to help the group be more proactive and to further risk hedging and prevention across dealership networks.

Despite the economic crisis environment in Europe, the cost of risk on Dealers (excluding country risk) was kept under control (-0.02% of outstandings), with a few upward adjustments on those countries most affected by the downturn on the markets.

Managing inventories and ensuring appropriate levels thereof in relation to current market conditions will remain a priority throughout 2013.

NEW INTERNATIONAL BASES

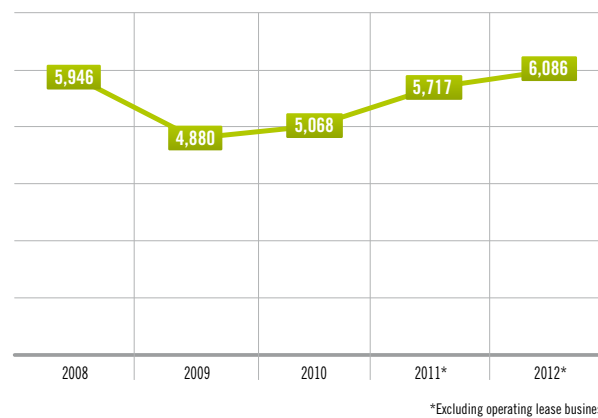
In the first quarter of 2012, RCI Banque, which was already active in Dealer financing for the Renault and Dacia brands in Belgium and in Luxembourg, also launched Dealer financing for the Nissan brand in both these countries.

The plan to provide financing for the Nissan and Infiniti brands in Russia is scheduled to enter into its operational phase before the end of 2013 and is expected to be a strong generator of additional outstandings in the coming years.

In 2013, the group will also continue to provide support for the Infiniti brand's growth plans in Europe.

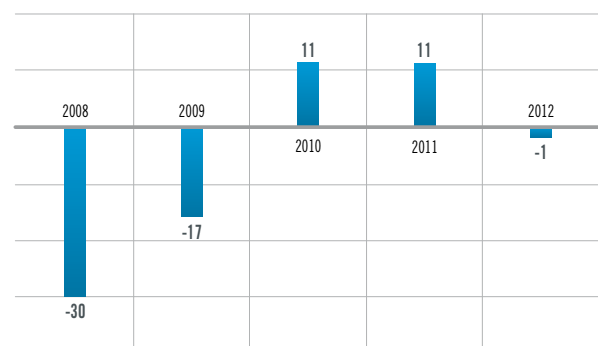
Average performing loans outstanding

in million euros



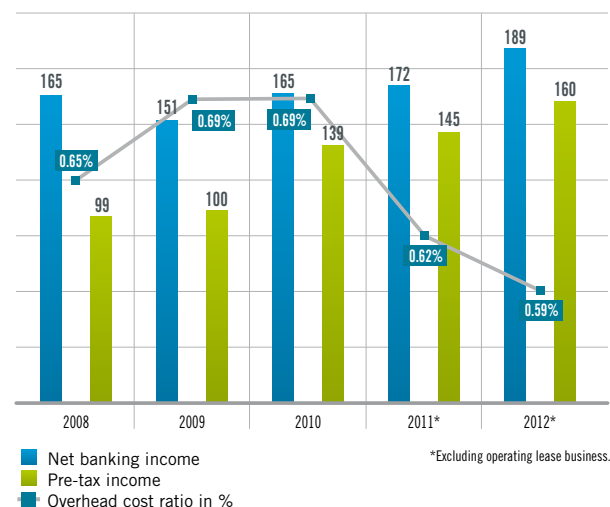
Cost of risk (excluding country risk)

in million euros



Results and operating costs

in million euros and in % of Customer APO



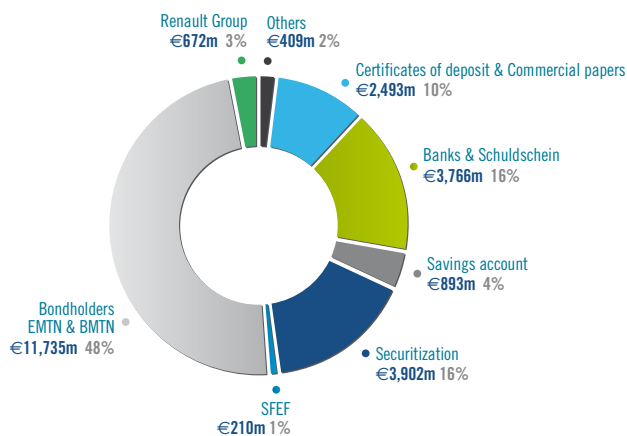


FINANCIAL POLICY

The start of the year 2012 was marked by the continuing sovereign debt crisis in the eurozone. The restructuring of Greek debt held by private investors (Private Sector Involvement), fears of a meltdown in the eurozone, and then Spain and its banks shook the markets during the first six months of the year. With the summer came reassurance as the European Union's institutions began taking action, starting with the speech by Mr. Draghi, President of the European Central Bank (ECB), in which he pledged to do "whatever it takes" to protect the monetary union. The ECB (with its OMT* bond-buying plan, aimed at containing the borrowing costs of member states that apply for European aid), European banking integration and the new remit of the ESM** (which could now recapitalize banks directly) drove back the most extreme fears, such as worries about the potential breakup of the eurozone.

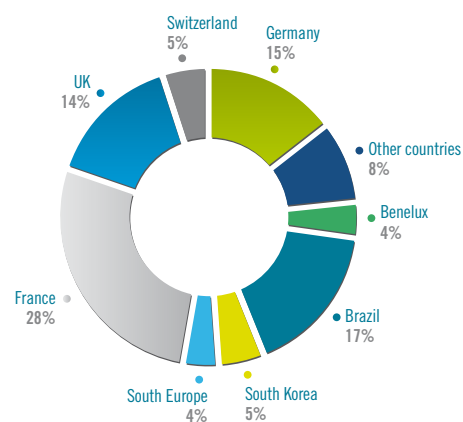
Structure of total debt

as at 31/12/2012



Geographical breakdown of new resources with a maturity of one year or more (excluding deposits)

as at 31/12/2012



THE RCI BANQUE GROUP'S ISSUES AND PROGRAMS

The group's issues are made by five issuers: RCI Banque, Diac S.A., Rombo Compania Financiera (Argentina), RCI FS K (South Korea) and CFI (Brazil).

ISSUER	INSTRUMENT	MARKET	AMOUNT	S & P	MOODY'S	OTHER
RCI Banque	Euro CP program	Euro	€2,000m	A-2 (negative outlook)	P3	R & I: a-2
RCI Banque	Euro MTN program	Euro	€12,000m	BBB (negative outlook)	Baa3	R & I: BBB+
RCI Banque	CD program	French	€4,500m	A-2 (negative outlook)	P3	
RCI Banque	BMTN program	French	€2,000m	BBB (negative outlook)	Baa3	
Diac S.A.	CD program	French	€1,000m	A-2 (negative outlook)	P3	
Diac S.A.	BMTN program	French	€1,500m	BBB (negative outlook)	Baa3	
Rombo Compania Financiera S.A.	Bond program*	Argentine	ARS 700m	raA (negative outlook)		Fitch: AA (negative outlook)
RCI Financial Services Korea Co Ltd	Bond*	South Korean	KRW 600bn			KR, KIS, NICE: A+
CFI RCI do Brasil	Bond*	Brazilian	BRL 800m		Aa1	

Updated on 8 February 2013.

*Local ratings.

Risk aversion fell therefore during the second half of the year, leading to a tightening of credit spreads. This positive climate and the regular fall in interest rates to a record low, drove many issuers to make the most of historically attractive financing conditions. In this environment, issues of investment grade corporate debt securities in euros amounted to approximately €200bn, twice more than the 2011 total.

RCI Banque took advantage of the positive conditions prevailing on the debt markets to continue its strategy to diversify its sources of funds. The group, in its centralized refinancing scope⁽¹⁾, raised the equivalent of €3.2bn in senior debt with a maturity of one year or more not only through its traditional markets (four bonds in euros and one in Swiss francs), but also in new currencies, with public offerings in Norwegian krone, Swedish krona and Australian dollars, and a private placement in Czech koruna. The RCI Banque group was also a regular issuer on the local bond markets in Argentina, Brazil, and more notably in South Korea: after its first offering in the country in 2010, it consolidated its access to local liquidity, grew its investor base and issued five bonds in Korean won in 2012 for the equivalent of €300 million, a sharp increase compared to 2011.

On the structured financing sector, in response to investor demand for simpler structures, the French securitization program, initially set up as a single Master Trust in 2002, was restructured. It now revolves around three separate FCTs***:

- the first dedicated to the issue of ECB-eligible securitization securities retained by RCI Banque;
- the other two to the public issue of fixed-rate and floating-rate securities for €750m and €700m respectively.

In Italy, following the set up of a retained securitization transaction for €619 million in the first half-year 2012, a conduit financing arrangement raised an additional €300 million. In the United Kingdom, growth in the portfolio increased the funding granted by bank conduit by £90 million.

(1) RCI Banque and affiliates included in the scope of centralized refinancing: Western Europe + Poland + Czech Republic + Romania + Slovenia + Nordic countries + South Korea.

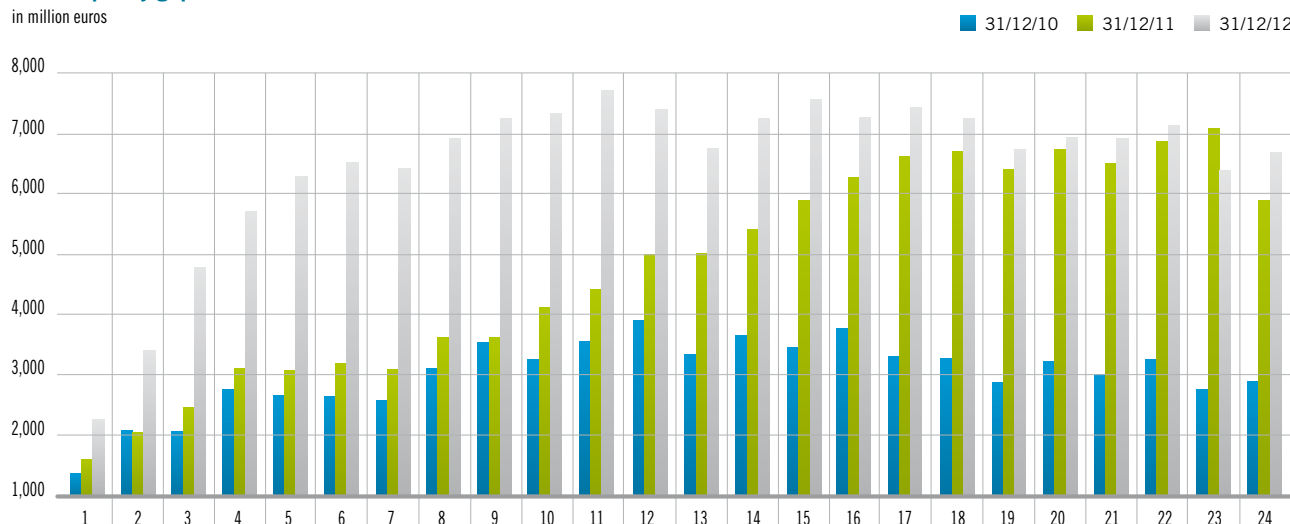
*Outright Money Transactions

**European Stability Mechanism

***Fonds Commun de Titrisation/Securitization Trusts

Static liquidity gap

in million euros





The conservative financial policy implemented by the group in recent years again proved especially appropriate. This policy protects the gross margin of each entity while securing the refinancing required for its business activities. It is defined and implemented at a consolidated level by RCI Banque and applies to all of the group's sales financing entities. It consists in financing assets with longer-term liabilities and thus maintaining a positive liquidity gap position throughout the year.

In a still volatile environment, RCI Banque maintained steady access to the market, thereby supporting its business growth. New resources borrowed with a term of one year or more thus amounted to €5.7bn⁽¹⁾.

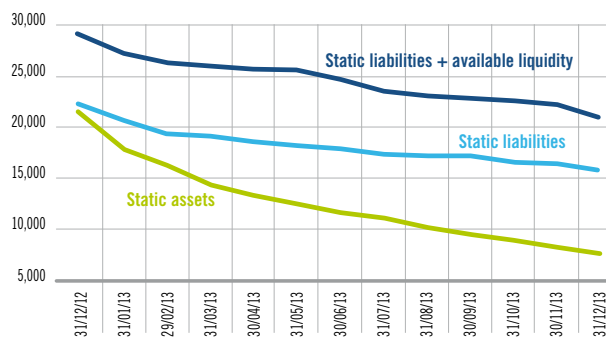
The static liquidity profile, quantified for each future monthly period by the surplus of liabilities in relation to assets with the same maturity, continued to strengthen. The group's policy is aimed at ensuring that new loans granted to customers are refinanced with resources borrowed several months earlier.

In addition to its positive static liquidity position, the group also had €6.9bn in available securities, consisting of unutilized confirmed lines of credit with no covenants (€4.4bn), available notes and receivables eligible as European Central Bank collateral (€1.9bn after haircut) and a cash surplus of €633m, securing the continuity of its commercial business activity for almost 12 months without access to new sources of liquidity.

The liquidity reserve, expressed as being the difference between available securities on the one hand and certificates of deposit and commercial papers outstanding on the other, remained at a high level at €4.4bn. It measures the company's ability to call on funds secured in advance while complying with rating agencies' requirements on covering short-term debt securities.

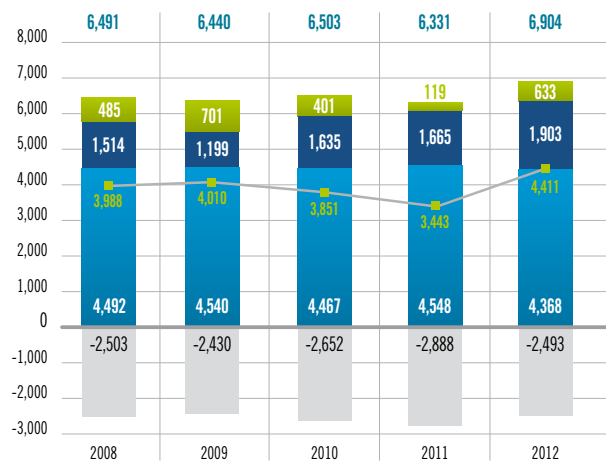
RCI Banque group liquidity position

in million euros



RCI Banque group liquidity reserve⁽¹⁾

in million euros



Available liquidity

- Committed credit lines
- ECB Eligible
- Cash

Net Liquidity reserve

- CD/CP

⁽¹⁾ RCI Banque and affiliates included in the scope of centralized refinancing: Western Europe + Poland + Czech Republic + Romania + Slovenia + Nordic countries + South Korea.



Temporary liquidity surpluses are invested exclusively in the ECB or in very short-term bank deposits in leading banking establishments with a high credit rating, identified and approved beforehand by a specific committee (Counterparty Committee).

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

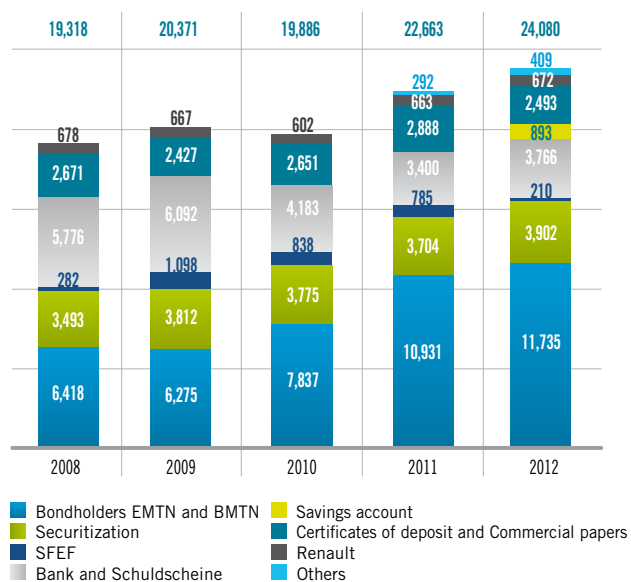
■ RCI Banque responds proactively and regularly revises the costs of internal liquidity used to price customer operations in order to work with the changes in credit margins seen on markets.

■ In addition to its central role in refinancing for subsidiaries in Western Europe, the Holding continues to develop the treasury and cash management services it offers the group’s companies. A specialist team working from head office is now responsible for balancing the current accounts of the group’s European subsidiaries, and also works on adapting group tools to the new SEPA (Single European Payment Area) payment methods. The migration of outgoing transfers issued by SCT (*Sepa Credit Transfert*) is well under way. The conversion of direct debits into SDD (*Sepa Direct Debit*) and the implementation of new orders to pay will be phased in during 2013.

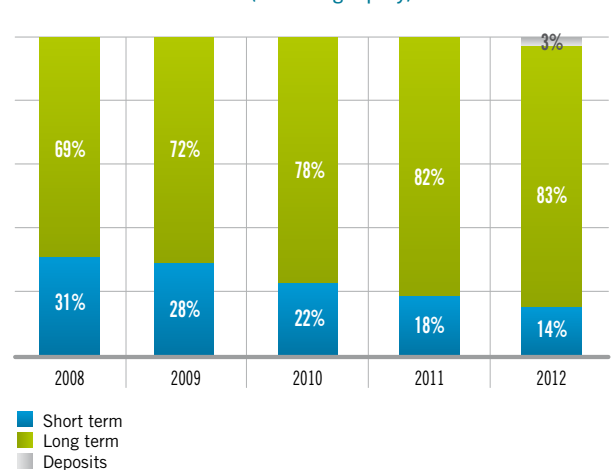
■ Through this shared services centre organization RCI Banque is thus able to ensure the availability of the funds each entity needs and to optimize the cost of resources in such areas as the back office, cash and accounting processing of transactions, and financial risk management.

Changes in the structure of total debt

in million euros



Breakdown of liabilities (including equity)





2012 BUSINESS ACTIVITY

RCI Banque confirms the growth path seen since 2010 with a penetration rate of 35%, up by 1.4 points compared to 2011.

The Renault Group successfully continued its international offensive in 2012. Its sales outside Europe hit a new record high, increasing by 9.1% to 1,279,598 vehicles sold. For the first time in its history, it made more than half of all its sales outside Europe, but this international success was not enough to offset the 18% fall in sales in Europe. Overall, with 2,550,286 vehicles sold worldwide, Renault Group sales were down by 6.3% compared to 2011.

Against this backdrop, the RCI Banque group achieved a sound performance, maintaining new financings (excluding cards and personal loans) at €10.8 billion (a slight drop of 2.6% compared to 2011).

The penetration rate increased to 35% thanks to strong growth on Dacia (33% in 2012 against 29.5% in 2011), Renault (36.6% in 2012 against 34.4% in 2011) and Nissan (29.1% against 28.8%).

Net sales financing outstandings rose by 5.3% to €25.7 billion compared to €24.4 billion at year-end 2011. Net Customer loans outstanding came to €18.6 billion, an increase of 2.3% compared to 2011.

CP+LUV* MARKET		Market share RENAULT group brands %	Market share NISSAN %	RCI Banque penetration rate %	New vehicle contracts processed Number
Europe	2012	9.3%	3.2%	33.9%	726,465
	2011	10.4%	3.1%	33.0%	801,066
of which Germany	2012	5.1%	2.1%	30.1%	100,421
	2011	5.3%	2.2%	33.4%	114,804
of which Spain	2012	10.7%	5.2%	42.5%	61,161
	2011	10.9%	5.0%	40.5%	65,646
of which France	2012	24.2%	3.5%	36.9%	305,941
	2011	26.1%	3.1%	34.5%	338,068
of which Italy	2012	6.3%	3.6%	49.8%	82,438
	2011	6.4%	3.6%	40.5%	83,121
of which United Kingdom	2012	2.5%	5.1%	27.5%	70,724
	2011	4.0%	4.9%	25.5%	68,140
of other countries	2012	8.9%	2.4%	24.6%	105,780
	2011	9.6%	2.3%	27.3%	131,287
Asia-Pacific (South Korea)	2012	4.0%	0.2%	57.3%	42,957
	2011	7.0%	0.4%	56.6%	71,282
Americas	2012	8.1%	2.4%	37.1%	185,996
	2011	7.1%	1.9%	33.4%	136,082
of which Argentina	2012	14.8%	0.2%	24.8%	34,342
	2011	13.0%	1.7%	22.9%	32,073
of which Brazil	2012	6.6%	2.9%	41.3%	151,654
	2011	5.7%	2.0%	38.2%	104,009
Euromed-Africa	2012	35.5%	0.8%	26.3%	21,031
	2011	37.1%	1.0%	19.0%	16,341
TOTAL RCI BANQUE GROUP	2012	8.9%	2.8%	35.0%	976,449
	2011	9.7%	2.7%	33.6%	1,024,771

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

**Excluding operating lease business.



New financings	Net loans	of which Dealers	Average performing	Net banking	Pre-tax
Excluding cards and pl (€M)	Outstanding at year-end** (€M)	Outstanding at year-end** (€M)	loans outstanding (€M)**	income (€M)	income (€M)
8,301	21,144	6,105	20,036	934	551
8,846	20,419	5,333	19,592	944	595
1,192	3,800	995	3,743	153	110
1,432	3,850	958	3,744	166	124
669	1,658	497	1,618	61	33
713	1,716	409	1,790	69	39
3,666	9,029	2,554	8,435	361	190
3,950	8,813	2,230	8,413	382	242
1,099	2,240	603	2,076	75	42
1,067	2,064	545	1,854	75	52
882	1,882	415	1,756	79	59
743	1,581	285	1,499	69	45
794	2,536	1,041	2,408	205	116
941	2,395	906	2,293	183	93
526	1,213	12	1,275	68	45
819	1,323	12	1,200	68	52
1,817	3,055	963	2,596	211	160
1,307	2,436	878	1,754	154	121
232	484	180	390	53	37
198	379	122	255	34	25
1,585	2,571	783	2,206	159	114
1,109	2,058	756	1,499	120	90
156	323	62	278	25	17
117	253	41	220	24	17
10,800	25,736	7,140	24,185	1,239	772
11,089	24,432	6,263	22,767	1,189	786

GERMANY

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The German automotive market recorded sales of 3.3 million units in 2012, showing a fall of 3.1% compared to 2011 and the second lowest year of the past ten years after the record low seen in 2010. The decline was particularly pronounced in the second half-year.

In this environment, the Alliance brands took a 7.21% share of the market (Renault: 3.74%, Dacia: 1.41%, Nissan: 2.06%).

RCI Banque Germany recorded an overall penetration rate of 30.1%. The rates on the Renault, Dacia and Nissan brands were 36.9% (down 2.4 points compared to 2011), 25% (down 3.4 points) and 21.1% (down 4.1 points) respectively. The number of new vehicles contracts dropped for all three brands, with 45,694 for Renault (8,417 fewer than in 2011), 11,637 for Dacia (704 fewer than in 2011) and 14,368 for Nissan (4,466 fewer than in 2011).

Pre-tax income fell to €110.2m compared to €123.7m in 2011, mainly because of the decrease in services (down €9.5m) and despite continuing control over the cost of risk (+€1.7m) and operating expenses (+€0.1m), and costs committed for the launch of the deposit business.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	100,421	114,804
New Customer financings, net	1,192,178	1,431,586
BALANCE SHEET		
Gross outstandings	3,854,379	3,910,512
Allowance for impairment	(54,352)	(60,499)
Net outstandings	3,800,027	3,850,013
<i>of which receivable from Dealers</i>	<i>994,847</i>	<i>957,826</i>
Operating lease transactions net of impairment allowances and provisions	13,647	1,807
Available-for-sale securities	2,219,421	2,138,704
Other assets	61,344	50,860
Debt	5,546,323	5,502,571
Other liabilities	329,143	318,245
Provisions for risks and charges	6,246	5,386
Equity	212,727	215,182
BALANCE SHEET TOTAL	6,094,439	6,041,384
INCOME STATEMENT		
Net banking income (excluding non-banking income)	152,643	166,256
Pre-tax income	110,196	123,751
Net income (group share)	77,685	87,743

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In 2012, the Austrian automotive market recorded a 5.1% decrease in sales but new registrations of Alliance brand vehicles rose by 3.6% to 36,364 units. Renault maintained its market share at 5.5%. Dacia's market share increased to 1.8% from 1.5% in 2011, and Nissan's increased by 0.6 point to 2.6%.

In this context of rising sales by vehicle manufacturers, RCI Banque Austria's overall penetration rate remained stable at 23.6%. The penetration rate on Renault sales fell back to 27.7% from 29.3% in 2011, while the rate on Dacia sales grew significantly to 28.8% (up 8.4 points compared to the previous year). RCI Banque Austria financed 11,697 vehicle contracts in 2012, 2.6% more than in 2011. At almost €127m, new financings also grew by 3.6% compared to 2011.

Average performing Customer loans outstanding came to €213m, showing an increase of 15% compared to 2011. In the Dealer business, average performing loans outstanding grew by 32.2% to €146m.

Pre-tax income came to €8.9m, up by €3.7m compared to 2011 (up 70%) driven by business growth and non-recurring Dealer risk items.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	11,697	11,396
New Customer financings, net	126,911	122,493
BALANCE SHEET		
Gross outstandings	363,240	341,841
Allowance for impairment	(6,607)	(8,730)
Net outstandings	356,633	333,111
<i>of which receivable from Dealers</i>	<i>137,315</i>	<i>128,474</i>
Operating lease transactions net of impairment allowances and provisions	2,855	15
Available-for-sale securities	6,637	6,253
Other assets	7,934	4,363
Debt	333,067	304,971
Other liabilities	4,726	4,906
Provisions for risks and charges	740	662
Equity	35,526	33,203
BALANCE SHEET TOTAL	374,059	343,742
INCOME STATEMENT		
Net banking income (excluding non-banking income)	12,987	11,939
Pre-tax income	8,894	5,232
Net income (group share)	6,663	3,354

BELGIUM

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Following 2011, a year underpinned by government incentive schemes, the Belgian automotive market recorded a 13.4% fall in sales in 2012. Renault's market share fell to 10.2% (down 0.9 point) and it slipped to second place from its previous position as the leading manufacturer on the market. Nissan's market share increased by 0.3 point to 3.4%, and Dacia edged up 0.1 point to 2.3%.

Against this backdrop, RCI Banque Belgium's penetration rate fell by 3.3 points on Renault sales (18.4%) and by 0.4 point on Dacia sales (39.5%). The penetration rate on Nissan sales (22.7%) increased by 1.3 points.

Some 22,900 financing contracts were written, showing a 19.8% fall compared to 2011. The Nissan dealer financing business was launched in April 2012.

Average performing loans outstanding rose by 7.7% to €392m.

Pre-tax income came to €7.3m (down €2.6m from 2011), bearing in mind a highly favorable cost of risk in 2011 due to reversals of provisions for Dealer risk.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	22,851	28,498
New Customer financings, net	117,916	142,233
BALANCE SHEET		
Gross outstandings	483,565	369,118
Allowance for impairment	(3,996)	(4,956)
Net outstandings	479,569	364,162
<i>of which receivable from Dealers</i>	<i>223,732</i>	<i>123,785</i>
Operating lease transactions net of impairment allowances and provisions	3,907	16
Available-for-sale securities	7,347	2,877
Other assets	19,010	14,563
Debt	474,327	351,110
Other liabilities	3,442	3,437
Provisions for risks and charges	1,000	1,007
Equity	31,064	26,064
BALANCE SHEET TOTAL	509,833	381,618
INCOME STATEMENT		
Net banking income (excluding non-banking income)	11,122	10,365
Pre-tax income	7,322	9,878
Net income (group share)	5,000	6,926

SPAIN

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The automotive market in Spain saw a further drop in sales in 2012, with 776,000 new registrations (down 15% compared to 2011). The decline was particularly noticeable in the second half year, when sales fell by 21% compared to the second half-year 2011. A government scrappage incentive scheme was put in place in the last three months of the year, which helped to reduce the effects of this negative trend.

In this environment, Alliance brand sales fell by 14%, less than the overall market decrease, with 124,000 new registrations recorded.

The Alliance's market share grew from 15.8% in 2011 to 16% in 2012, with notable increases for Dacia (2.3% against 1.7% in 2011) and Nissan (5.3% against 5.0% in 2011). Renault's market share fell to 8.4% from 9.1% in 2011.

RCI Banque Spain's overall penetration rate improved by 2 points compared to 2011, to 42.5%, driven by a number of successful campaigns including service packages.

Average performing loans outstanding came to €1.6bn, down 10% from 2011, with Dealer outstandings remaining stable.

The contribution to the group's pre-tax income came to €33m, against €39m in 2011. The fall in outstandings was partially offset by a strong improvement in the cost of risk (a positive €2.4m as opposed to a negative €0.2m in 2011) and a decrease in operating expenses (down €4m).

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	61,161	65,646
New Customer financings, net	668,564	712,751
BALANCE SHEET		
Gross outstandings	1,816,808	1,922,807
Allowance for impairment	(158,701)	(206,536)
Net outstandings	1,658,107	1,716,271
<i>of which receivable from Dealers</i>	<i>496,552</i>	<i>409,117</i>
Operating lease transactions net of impairment allowances and provisions	5,120	898
Available-for-sale securities	10,365	21,468
Other assets	123,878	123,824
Debt	1,627,633	1,714,295
Other liabilities	36,635	37,528
Provisions for risks and charges	2,620	5,214
Equity	130,582	105,424
BALANCE SHEET TOTAL	1,797,470	1,862,461
INCOME STATEMENT		
Net banking income (excluding non-banking income)	60,667	69,346
Pre-tax income	33,298	38,842
Net income (group share)	25,157	27,178

FRANCE

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In 2012, the automotive market in France recorded a 13.3% drop in sales compared to 2011, totaling 2.3 million units.

In this context, the Renault group posted 551,000 new registrations and a market share of 24.1% (down 2 points compared to 2011). Changes in manufacturer volumes together with the Diac S.A. group's penetration rate of 36.9% (up 2.5 points compared to 2011) resulted in a total of 306,000 contracts (down 9.5% compared to 2011).

In the new vehicle sector, the penetration rate on Renault sales increased by 2.6 points and on Dacia sales by 1.4 points. The increase was stronger on Nissan sales (up 5.9 points), driven by appropriate financing products for Nissan customers and an advertising plan combining vehicle and financing.

In the used vehicle sector, the number of contracts written held steady in a declining market environment.

New financings thus amounted to €3.67bn, a fall of 7.2% compared to 2011 (down €284m). Average performing Customer loans outstanding came to €6bn (up 1.4% or €83m compared to 2011). Average performing loans outstanding for the Dealer segment came to €2.4bn (down 3.7% compared to 2011).

The marketing policy focusing on the development of services, which since 2010 has been illustrated by the launch of offerings with insurance packages, continued across three of the Alliance brands (Renault, Dacia, Nissan).

Pre-tax income was €190.2m (down 21.4% compared to 2011). This decrease is due in particular to a €20.8m fall in net banking income, which in part reflects the increase in Dealer remuneration and in the financing of joint operations with the manufacturers. The increase in the cost of risk (negative impact of €26.9m) is mainly attributable to the record low in 2011. Operating expenses remained under control at 1.49% of outstandings.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	305,941	338,068
New Customer financings, net	3,665,823	3,950,356
BALANCE SHEET		
Gross outstandings	9,334,697	9,121,442
Allowance for impairment	(277,939)	(281,420)
Net outstandings	9,056,758	8,840,022
<i>of which receivable from Dealers</i>	<i>2,553,731</i>	<i>2,238,617</i>
Operating lease transactions net of impairment allowances and provisions	70,976	28,608
Available-for-sale securities	1,165,196	541,163
Other assets	440,087	507,577
Debt	9,326,657	8,488,889
Other liabilities	701,176	678,758
Provisions for risks and charges	52,528	40,581
Equity	652,656	709,142
BALANCE SHEET TOTAL	10,733 017	9,917,370
INCOME STATEMENT		
Net banking income (excluding non-banking income)	361,579	381,955
Pre-tax income	190,695	242,052
Net income (group share)	117,920	148,528

HUNGARY

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In 2012, the Hungarian automotive market grew by 14% to 63,959 new registrations. In this context, the overall market share of the Alliance brands remained stable at 14.66% (14.98% in 2011), with a 6.76% market share for Renault (9.16% in 2011), 3.53% for Dacia (2.14% in 2011) and 4.37% for Nissan (3.68% in 2011).

Average performing Customer loans outstanding fell to €8.4m (€17.8m in 2011). This decrease is mainly attributable to the transfer of the Customer business to a non-consolidated partner company which does not carry any outstandings.

Average performing loans outstanding for the Dealer business rose to €23.2m (up 5.7% compared to 2011).

Pre-tax income came to €743,000 compared to €1.497m in 2011.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	0.2923	0.3146
Exchange rate (average rate)	0.2893	0.2793
Number of new contracts processed	-	1,615
New Customer financings, net	-	-
BALANCE SHEET		
Gross outstandings	36,134	40,527
Allowance for impairment	(3,284)	(2,801)
Net outstandings	32,850	37,726
<i>of which receivable from Dealers</i>	<i>27,680</i>	<i>26,315</i>
Operating lease transactions net of impairment allowances and provisions	-	-
Available-for-sale securities	3,544	292
Other assets	713	1,631
Debt	28,314	31,893
Other liabilities	568	483
Provisions for risks and charges	209	114
Equity	8,016	7,159
BALANCE SHEET TOTAL	37,107	39,649
INCOME STATEMENT		
Net banking income (excluding non-banking income)	2,302	2,556
Pre-tax income	743	1,497
Net income (group share)	636	1,493

IRELAND

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The Irish automotive market saw a 10.8% decrease, from 101,296 units in 2011 to 90,376 units in 2012.

At the same time, Renault's market share dropped from 10.1% in 2011 to 7.2% in 2012, showing a decrease of 36% of the registrations (6,536 in 2012, compared to 10,244 in 2011).

RCI Banque Ireland had its first full year of trading in 2012. By the end of the year, RCI Banque had taken 100% of the Renault Dealer Network risk for Wholesale Funding. RCI Banque's overall penetration rate was 42.3% and it advanced €42.1m in new financings.

Average performing loans outstanding came to €25.5m for the Customer business and €14.4m for the Dealer business.

The branch recorded a loss of €0.5m in 2012, compared to a loss of €1.1m in 2011. A balance will be achieved from 2013 onwards.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	3,235	350
New Customer financings, net	42,133	4,334
BALANCE SHEET		
Gross outstandings	51,752	31,328
Allowance for impairment	(783)	(144)
Net outstandings	50,969	31,184
<i>of which receivable from Dealers</i>	<i>17,230</i>	<i>26,971</i>
Operating lease transactions net of impairment allowances and provisions	618	191
Available-for-sale securities	1,362	1,974
Other assets	744	601
Debt	53,571	33,896
Other liabilities	1,566	1,054
Provisions for risks and charges	-	-
Equity	(1,444)	(1,000)
BALANCE SHEET TOTAL	53,693	33,950
INCOME STATEMENT		
Net banking income (excluding non-banking income)	1,484	139
Pre-tax income	(508)	(1,143)
Net income (group share)	(444)	(1,000)

ITALY

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In 2012, the Italian automotive market shrank by 20.8% to 1.5 million units. Renault took a 4.6% share of that market, against 5% in 2011. Dacia continued to increase its market share, with 1.8% (up 0.4 point compared to 2011), while over the period, Nissan recorded a stable performance at 3.6%.

In this environment, RCI Banque Italy's penetration rate increased from 40.6% in 2011 to 49.8% in 2012, driven by the success of the sales policy implemented across Dealer networks and by promotional campaigns in the Retail and Corporate markets. With €1,099m in new financings (up 2.9% compared to 2011), in 2012 RCI Banque Italy achieved its best business performance since 2004.

RCI Banque Italy also continued to develop services and its Customer loyalty scheme. The number of services contracts increased by 9.5% to 210,000 units.

In 2012, following final and full repayment of the securitization transaction launched in 2007, a new retained transaction for €619m increased the asset base eligible as ECB collateral. RCI Banque Italy also put in place a conduit financing arrangement for €300m.

Average performing loans outstanding rose to €2.1bn from €1.9bn in 2011, as a result of continuing growth in the Customer and Dealer businesses in 2012.

Net banking income came to €75m, a 0.4 point decrease compared to 2011 in terms of percentage of average performing loans outstanding (3.6%). The cost of Customer risk continued to be brought under control (0.65% of average performing Customer loans outstanding), as did that of operating expenses (1.09% of average performing loans outstanding).

Pre-tax income for 2012 came to €41.9m, against €52.3m in 2011.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	82,438	83,121
New Customer financings, net	1,098,518	1,067,179
BALANCE SHEET		
Gross outstandings	2,292,958	2,115,423
Allowance for impairment	(53,427)	(51,730)
Net outstandings	2,239,531	2,063,693
<i>of which receivable from Dealers</i>	<i>603,365</i>	<i>544,509</i>
Operating lease transactions net of impairment allowances and provisions	7,376	-
Available-for-sale securities	106,224	249,778
Other assets	82,445	286,061
Debt	2,319,127	2,492,137
Other liabilities	60,658	49,009
Provisions for risks and charges	15,906	15,447
Equity	39,885	42,939
BALANCE SHEET TOTAL	2,435,576	2,599,532
INCOME STATEMENT		
Net banking income (excluding non-banking income)	75,220	74,960
Pre-tax income	41,978	52,343
Net income (group share)	23,902	27,102

MALTA

RCI LIFE LTD / RCI INSURANCE LTD / RCI SERVICES LTD
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Management: **Raphael CARREAU** + 356 25 99 3000

In 2012, RCI Life Ltd and RCI Insurance Ltd continued growing their business portfolio in France, Germany and Italy and started the same business in Spain as from 1 January 2012. Moreover, RCI Insurance Ltd obtained a reinsurance inwards license and took over the French GAP.

As at the end of 2012, the total PPI (Payment Protection Insurance) active portfolio was of 612,237 contracts (432,351 in 2011), of which 288,335 in France (218,704 in 2011), 159,502 in Germany (137,907 in 2011), 126,198 in Italy (75,740 in 2011) and 38,202 in Spain. A total of €107.7m in PPI premium was collected by the two companies (up by 18% compared to 2011), of which €31.6m in France, €24.5m in Germany, €36.9m in Italy and €14.7 in Spain. Reinsurance Inwards Premium for the GAP business in France amounted to €36.1m.

Claims paid for PPI business excluding administrative expenses amounted to €7m of which €3.5m in France, €2.9m in Germany and €0.6m in Italy. Loss ratios were in line with prior years. Claims paid for the GAP business amounted to €1.9m.

RCI Insurance Ltd recorded a pre-tax profit of €35.4m (€1m in 2011) and RCI Life recorded a pre-tax profit of €10.3m (loss of €1.3m in 2011).

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	-	-
New Customer financings, net	-	-
BALANCE SHEET		
Gross outstandings	-	-
Allowance for impairment	-	-
Net outstandings	-	-
<i>of which receivable from Dealers</i>	-	-
Operating lease transactions net of impairment allowances and provisions	-	-
Available-for-sale securities	156,919	78,178
Other assets	115,870	78,329
Debt	16	-
Other liabilities	82,270	45,952
Provisions for risks and charges	151,600	105,056
Equity	38,903	5,499
BALANCE SHEET TOTAL	272,789	156,507
INCOME STATEMENT		
Net banking income (excluding non-banking income)	47,587	1,136
Pre-tax income	45,679	(283)
Net income (group share)	33,109	(224)

NORDIC COUNTRIES

RENAULT FINANCE NORDIC
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In an automotive market that dropped by 6% overall, sales by the Renault group decreased by 17.1% compared to 2011. The combined market share of the Renault and Dacia brands decreased to 4.8% in 2012 from 5.4% in 2011.

In this environment, RCI Banque Nordic Countries (covering Sweden and Denmark) recorded an overall penetration rate of 31% (44.4% in Sweden and 12.5% in Denmark) compared with 32.8% in 2011 (46.6% in Sweden and 4.8% in Denmark), despite RCI Banque's achievements in Denmark. The number of new financing contracts written fell by 16.4% compared to 2011, to 11,091 contracts.

RCI Banque does not carry Customer loans outstanding; business is handled via partnerships.

Average performing loans outstanding for the Dealer business amounted to €52.8m, compared to €57.5m in 2011.

Pre-tax income came to €1.7m.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	8.5820	8.9120
Exchange rate (average rate)	8.7067	9.0276
Number of new contracts processed	11,091	13,269
New Customer financings, net	-	-
BALANCE SHEET		
Gross outstandings	75,439	69,204
Allowance for impairment	(1,133)	(1,569)
Net outstandings	74,306	67,635
<i>of which receivable from Dealers</i>	<i>74,306</i>	<i>67,635</i>
Operating lease transactions net of impairment allowances and provisions	2,425	-
Available-for-sale securities	9,249	5,531
Other assets	2,010	675
Debt	86,047	71,191
Other liabilities	662	1,396
Provisions for risks and charges	-	-
Equity	1,281	1,254
BALANCE SHEET TOTAL	87,990	73,841
INCOME STATEMENT		
Net banking income (excluding non-banking income)	3,113	3,623
Pre-tax income	1,691	1,680
Net income (group share)	1,262	1,238

NETHERLANDS

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NETHERLANDS

Management: Marc DE BUFFEVENT + 3120 354 96 66

The Dutch automotive market posted a 9% fall in sales in 2012 compared to 2011, with 559,500 units sold. Renault's market share rose by 0.7 point to 9.1%, mainly thanks to the success of the *Mégane*, the most popular model on the market in 2012. However, Dacia and Nissan's market shares fell, by 0.4 point to 0.4% and by 0.3 point to 1.8% respectively.

In this environment, RCI Banque Netherlands' penetration rate came to 13.3% on Renault sales, 35.5% on Dacia sales and 11.5% on Nissan sales. RCI Banque Netherlands financed some 11,000 contracts. A number of new services were developed, including extended warranties on new vehicles.

Average performing loans outstanding for the Customer business fell by 5% to approximately €170m, while average performing loans outstanding for the Dealer business rose by 10%, to €141m.

Pre-tax income came to €12.6m (€10.9m in 2011), including non-recurring events for the Dealer business.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	10,945	18,737
New Customer financings, net	76,890	141,998
BALANCE SHEET		
Gross outstandings	312,310	379,447
Allowance for impairment	(24,916)	(31,418)
Net outstandings	287,394	348,029
<i>of which receivable from Dealers</i>	<i>137,337</i>	<i>167,510</i>
Operating lease transactions net of impairment allowances and provisions	3,036	1,012
Available-for-sale securities	4,239	8,353
Other assets	8,652	5,575
Debt	283,420	345,430
Other liabilities	4,745	6,898
Provisions for risks and charges	2,456	737
Equity	12,700	9,904
BALANCE SHEET TOTAL	303,321	362,969
INCOME STATEMENT		
Net banking income (excluding non-banking income)	11,556	12,171
Pre-tax income	12,556	10,878
Net income (group share)	9,620	8,300

POLAND

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POLAND

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Poland's automotive market posted a 9.6% fall in 2012 compared to 2011. The overall market share of the Alliance brands remained stable.

RCI Banque's penetration rate went down from 24.8% in 2011 to 18.2% in 2012, due to a substantial fall recorded on Nissan (down from 24% to 8.9%). The number of new contracts written fell to 8,987, compared to 12,762 signed in 2011.

Since 2012, RCI Banque Poland has been offering a wide range of services and promotional products.

The penetration rate of insurance products sold with leasing rose sharply from 24% to 90%. Consequently, since June 2012, the death, disability, and involuntary unemployment insurance business has been reinforced.

Average performing loans outstanding for the Customer business amounted to €155m (compared to €132m in 2011). The cost of risk remained stable at -0.42%.

Pre-tax income held steady at €12m (against €12.4m in 2011).

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	4.0740	4.4580
Exchange rate (average rate)	4.1843	4.1187
Number of new contracts processed	8,987	12,762
New Customer financings, net	85,092	110,082
BALANCE SHEET		
Gross outstandings	300,692	270,415
Allowance for impairment	(10,992)	(8,881)
Net outstandings	289,700	261,534
<i>of which receivable from Dealers</i>	<i>167,567</i>	<i>126,422</i>
Operating lease transactions net of impairment allowances and provisions	34	-
Available-for-sale securities	14,910	13,813
Other assets	15,226	13,930
Debt	229,804	211,878
Other liabilities	4,837	4,875
Provisions for risks and charges	2,395	2,648
Equity	82,834	69,876
BALANCE SHEET TOTAL	319,870	289,277
INCOME STATEMENT		
Net banking income (excluding non-banking income)	18,114	18,188
Pre-tax income	12,075	12,371
Net income (group share)	9,471	9,770

PORTUGAL

RCI BANQUE SUCURSAL PORTUGAL
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PORTUGAL

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Against a backdrop of economic austerity, for the second year running, the Portuguese automotive market recorded a sharp fall in sales (down 41% compared to 2011) to 111,000 new registrations.

The Alliance's consolidated market share fell by 0.6 points to 16.5%.

With 12,947 new registrations (a 42.6% decrease compared to 2011), Renault achieved a market share of 11.6% (0.4 point decrease) and held on to its leading position on the Portuguese market for the fifteenth year running. Dacia was hit head-on by the effects of the CO₂ emissions tax measures (1.0% market share compared to 1.2% in 2011), while Nissan maintained its market share at 3.8%.

RCI Banque Portugal continued to improve its business performance with a penetration rate of 35.6% compared to 35.1% in 2011; however new financings fell by 35.9%, to €101m.

Average performing loans outstanding came to €296m. Pre-tax income came to €6.1m in 2012, against €4.9m in 2011.

The cost of Customer risk, at -0.54%, remained at a sound level. RCI Banque Portugal made adjustments to its organization in 2012, taking into account the current level of the Portuguese automotive market.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	8,430	12,722
New Customer financings, net	101,243	157,856
BALANCE SHEET		
Gross outstandings	337,261	359,884
Allowance for impairment	(33,659)	(37,118)
Net outstandings	303,602	322,766
<i>of which receivable from Dealers</i>	<i>84,160</i>	<i>75,092</i>
Operating lease transactions net of impairment allowances and provisions	2,561	1,761
Available-for-sale securities	8,280	6,247
Other assets	11,704	19,006
Debt	284,473	311,096
Other liabilities	8,727	7,840
Provisions for risks and charges	1,962	2,789
Equity	30,985	28,055
BALANCE SHEET TOTAL	326,147	349,780
INCOME STATEMENT		
Net banking income (excluding non-banking income)	12,383	12,128
Pre-tax income	6,106	4,937
Net income (group share)	5,366	2,905

CZECH REPUBLIC

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The automotive market slowed down slightly, with 185,748 units sold (down 0.4%). Aggressive competition, particularly from Korean manufacturers combined with a lackluster market caused Renault to slip back a place to fifth on the market, with 11,667 new registrations and a 6.3% market share. Dacia sales had trouble getting off the ground, with 4,108 new registrations and a 2.2% market share. Nissan improved its market share by 0.6 point, with 3,293 vehicles sold.

Against this backdrop and following an excellent year 2011 (10,274 contracts written), the number of contracts fell to 9,381 in 2012. Despite this, RCI Banque still achieved a very satisfactory penetration rate of 47.9% (down 1.5 points compared to 2011).

The penetration rate on Renault sales remained very high at 62.6% (up 3.3 points compared to 2011), and increased to 38.3% on Dacia sales (up 2.2 points). On the other hand, it fell on Nissan sales to just 7.8% (down 5.3 points).

The rollout of a comprehensive range of Insurance products helped RCI Banque to achieve a service margin representing 6% of new financings.

Average performing loans outstanding for the Customer business fell slightly by 5% to €66m, unlike average performing loans outstanding for the Dealer business which increased, by 7% to €42m.

Pre-tax income amounted to €6m, against €5.8m in 2011.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	25.1510	25.7870
Exchange rate (average rate)	25.1457	24.5890
Number of new contracts processed	9,381	10,274
New Customer financings, net	27,696	32,566
BALANCE SHEET		
Gross outstandings	112,771	109,314
Allowance for impairment	(2,838)	(2,427)
Net outstandings	109,933	106,887
<i>of which receivable from Dealers</i>	<i>48,405</i>	<i>40,305</i>
Operating lease transactions net of impairment allowances and provisions	-	-
Available-for-sale securities	1,183	216
Other assets	1,528	6,543
Debt	67,311	68,385
Other liabilities	5,567	7,140
Provisions for risks and charges	-	-
Equity	39,766	38,121
BALANCE SHEET TOTAL	112,644	113,646
INCOME STATEMENT		
Net banking income (excluding non-banking income)	8,297	8,134
Pre-tax income	6,025	5,825
Net income (group share)	4,784	4,689

UNITED KINGDOM

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UNITED KINGDOM

Management: Steve GOWLER + 44 1923 686 102

The UK automotive market was dynamic throughout 2012, posting 4% growth compared to 2011, of which 10% on the Retail segment.

RCI Banque's two manufacturer partners employed very different strategies and achieved very different results on this market. Renault substantially re-focused its efforts on the Retail sector, as a result of which its market share was reduced from 4.01% to 2.45%. Alongside this change of strategy, the dealership network also underwent restructuring without any impact on RCI Banque's level of Dealer risk, which remained very low in 2012 (-0.04% of average performing Dealer loans outstanding).

Nissan consolidated the growth achieved in 2011 and driven by its flagship *Qashqai* and *Juke* products, and increased its market share by 0.32 point to 5.08%.

Despite the decrease in new Renault registrations, RCI Banque wrote 70,724 new contracts, 4% more than in 2011. This increase was driven in particular by strong growth in the used vehicle financing business, where 21,762 new contracts were written (22% growth compared to 2011). In the new vehicle segment, the penetration rates on both brands increased, to 31.2% for Renault (up 2.6 points) and to 25.6% for Nissan (up 2.8 points).

Average performing loans outstanding for the Customer business continued to grow in Euro terms, as in local currency, to €1,388m (up 19%) thanks in particular to the strengthening of sterling against the euro (9% exchange rate effect) and the 19% increase in new financings to €882m. Average performing loans outstanding for the Dealer business came to €367m.

Pre-tax income came to €59m compared to €45m in 2011. This increase is mainly due to the increase in average performing loan outstandings and to the cost of risk over the year (-0.07% of average performing loan outstandings), attributable to a particularly high level of recovery on receivables from past financial years.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	0.8161	0.8353
Exchange rate (average rate)	0.8111	0.8676
Number of new contracts processed	70,724	68,140
New Customer financings, net	881,560	742,644
BALANCE SHEET		
Gross outstandings	1,941,754	1,649,895
Allowance for impairment	(59,977)	(68,411)
Net outstandings	1,881,777	1,581,484
<i>of which receivable from Dealers</i>	<i>415,389</i>	<i>285,140</i>
Operating lease transactions net of impairment allowances and provisions	7,085	21,282
Available-for-sale securities	90,725	103,009
Other assets	53,716	53,242
Debt	1,768,916	1,500,835
Other liabilities	48,693	58,345
Provisions for risks and charges	728	3,214
Equity	214,966	196,623
BALANCE SHEET TOTAL	2,033,303	1,759,017
INCOME STATEMENT		
Net banking income (excluding non-banking income)	79,108	69,106
Pre-tax income	59,355	44,999
Net income (group share)	44,473	32,819

SLOVENIA

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In 2012, the automotive market in Slovenia recorded a 15% fall compared to 2011, with sales down to 55,174 units. The Alliance brands maintained their market shares, with 16.2% for Renault, 1.8% for Dacia and 2.7% for Nissan, giving a total market share of 20.7%.

RCI Banque Slovenia's overall penetration rate dropped to 39.4% (down 6.5 points), due to the increase in Alliance manufacturer sales to companies, which are not financed by RCI Banque.

Falls in the penetration rate were recorded on Renault (39.8% compared to 47.4% in 2011) and Dacia (42.8% against 48.1%) sales. The penetration rate on Nissan remained steady at around 35%.

Average performing loans outstanding for the Dealer business rose slightly to €29m (up 3.2% compared to 2011).

Pre-tax income came to €1.3m, showing a €0.4m decrease compared to 2011, mainly because of fewer reversals on the cost of Dealer risk.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Number of new contracts processed	5,824	7,758
New Customer financings, net	-	-
BALANCE SHEET		
Gross outstandings	37,009	31,932
Allowance for impairment	(1,262)	(905)
Net outstandings	35,747	31,027
<i>of which receivable from Dealers</i>	<i>34,160</i>	<i>31,027</i>
Operating lease transactions net of impairment allowances and provisions	-	-
Available-for-sale securities	45	360
Other assets	309	696
Debt	35,024	30,082
Other liabilities	271	916
Provisions for risks and charges	-	-
Equity	806	1,085
BALANCE SHEET TOTAL	36,101	32,083
INCOME STATEMENT		
Net banking income (excluding non-banking income)	2,562	2,588
Pre-tax income	1,339	1,740
Net income (group share)	994	1,312

SWITZERLAND

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SWITZERLAND

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In 2012, the Swiss automotive market recorded a 9.3% increase in sales compared to the previous year, to 357,331 vehicles. Renault took a 6% market share (6.6% in 2011). Nissan's market share dropped slightly by 0.1 point, to 2.9%. New Dacia registrations fell by 9%, resulting in a market share of 1.5% (1.9% in 2011).

In this strained environment, overall penetration rate fell to 27.9% from 30.4% in 2011, mainly because of a decrease in business on Nissan sales (20.3% penetration rate compared to 28.7% in 2011). All in all, RCI Finance wrote 13,339 vehicle financing contracts (down 4.1% compared to 2011). New financings also fell by 5.9% to €216m, due to the combined effects of lower business volumes and a reduction in the average amount financed.

2012 was the third year running in which RCI Finance achieved more than €150m in new financings. Consequently, average performing loans outstanding for the Customer business amounted to a record €391m, showing an 11.6% increase compared to 2011. Average performing loans outstanding for the Dealer segment also rose slightly, to €117m (up 3.4% compared to 2011).

Pre-tax income came to €13.1m, an increase of 12.3% compared to 2011. The cost of Dealer risk came to an apparently very favorable level (+€1.9m compared to 2011) because of a number of non-recurring items (implementation of a new provisioning method).

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	1.2072	1.2156
Exchange rate (average rate)	1.2053	1.2340
Number of new contracts processed	13,339	13,906
New Customer financings, net	216,381	229,829
BALANCE SHEET		
Gross outstandings	521,090	498,067
Allowance for impairment	(6,160)	(7,419)
Net outstandings	514,930	490,648
<i>of which receivable from Dealers</i>	<i>89,060</i>	<i>92,519</i>
Operating lease transactions net of impairment allowances and provisions	3,071	
Available-for-sale securities	5,658	14,728
Other assets	12,466	25,428
Debt	461,811	457,597
Other liabilities	17,099	17,585
Provisions for risks and charges	1,561	1,228
Equity	55,654	54,394
BALANCE SHEET TOTAL	536,125	530,804
INCOME STATEMENT		
Net banking income (excluding non-banking income)	19,855	19,899
Pre-tax income	13,131	11,689
Net income (group share)	10,075	8,767

MOROCCO

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MOROCCO

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The automotive market totaled 130,335 units sold in 2012, a 16.26% increase in comparison with 2011 when 112,103 units were sold. The share taken by imported vehicles rose to 77% of new registrations, against 74% in 2011.

In this growing market, the Renault Group saw its overall sales increase by 15% to a record 47,709 units, enabling it to maintain a 37% market share.

RCI FM (RCI Finance Maroc) increased its new lending by 62% between 2011 and 2012, with financings totaling €101m and 13,400 new contracts written. RCI FM achieved a record penetration rate of 28% (24.7% on Renault, 30.4% on Dacia), compared to 21% in 2011.

Average performing loans outstanding for the Customer business came to €137m, a rise of 44.7% compared to 2011. The cost of Customer risk was -1.55% of average performing loan outstandings.

There was a huge increase in Dealer lending in 2012, linked to the growth in new registrations. Average performing loans outstanding for the Dealer business totaled €49m and the cost of risk for this activity came to €1,331k.

RCI FM achieved a net banking income of €10.1m, showing a rise of 30% compared to 2011, and posted pre-tax income of €3,952k up by 27%.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	11.1492	11.1079
Exchange rate (average rate)	11.0780	11.2367
Number of new contracts processed	13,400	8,803
New Customer financings, net	101,458	62,747
BALANCE SHEET		
Gross outstandings	233,645	157,373
Allowance for impairment	(8,617)	(5,204)
Net outstandings	225,028	152,169
<i>of which receivable from Dealers</i>	<i>57,403</i>	<i>39,685</i>
Operating lease transactions net of impairment allowances and provisions	-	-
Available-for-sale securities	1,784	1,227
Other assets	14,260	7,140
Debt	211,368	136,965
Other liabilities	9,316	6,116
Provisions for risks and charges	583	
Equity	19,805	17,455
BALANCE SHEET TOTAL	241,072	160,536
INCOME STATEMENT		
Net banking income (excluding non-banking income)	10,135	7,781
Pre-tax income	3,952	3,113
Net income (group share)	2,429	1,851

ROMANIA

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ROMANIA

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The automotive market in Romania recorded a 21% fall in sales and the gradual end to the vehicle scrappage incentive scheme. In this environment, the Alliance's consolidated market share fell to 35.9% from 39.4% in 2011.

RCI Banque Romania's penetration rate rose by 7 points in 2012. It financed 22.7% of Dacia sales, 27.1% of Renault sales and 26% of Nissan sales.

The total number of finance contracts written increased by 1.2% to 7,631 units (7,538 in 2011).

Although new financings increased by 1.8%, this did not balance out the generations of financings that reached maturity. Consequently, average performing loans outstanding fell to €92.2m in 2012 from €100.3m in 2011.

In line with the trend seen in the 2011, the cost of risk remained favorable, coming to a positive €779k because of a number of reversals of provisions for risk attributable to an improvement in the performance of the internal collection department and a decrease in doubtful customer loans.

Pre-tax income fell, mainly because of fewer reversals on the cost of risk, to €12.7m.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	4,4445	4.3233
Exchange rate (average rate)	4.4581	4.2386
Number of new contracts processed	7,631	7,538
New Customer financings, net	54,991	53,998
BALANCE SHEET		
Gross outstandings	99,820	102,272
Allowance for impairment	(1,334)	(1,773)
Net outstandings	98,486	100,499
<i>of which receivable from Dealers</i>	<i>4,567</i>	<i>1,087</i>
Operating lease transactions net of impairment allowances and provisions	-	-
Available-for-sale securities	8,772	11,401
Other assets	6,676	7,489
Debt	86,890	89,984
Other liabilities	4,168	6,103
Provisions for risks and charges	-	-
Equity	22,876	23,302
BALANCE SHEET TOTAL	113,934	119,389
INCOME STATEMENT		
Net banking income (excluding non-banking income)	15,285	16,058
Pre-tax income	12,742	14,005
Net income (group share)	11,489	11,546

ARGENTINA

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In 2012, the Argentine automotive market recorded 803,068 new registrations, nearing the record achieved in 2011 (down by 1.9%).

With 118,727 new vehicles sold and a market share of 14.8%, Renault grew by 1.8 points compared to the previous year and kept its third place on the Argentine market, thanks to the success of the *Duster* and *Sandero* models. This Alliance market share was achieved without the contribution of the Nissan brand, which was transferred to a local importer at the start of the year.

In this environment, RCI Banque Argentina wrote 34,342 new contracts, a rise of 7% compared to 2011, and posted a penetration rate of 25%.

Average performing loans outstanding came to €389.7m, showing an increase of 53% on the previous year.

Pre-tax income rose to €37.1m. This 47% increase is mainly due to significant growth in outstandings attributable to consumer desire to purchase durable goods as a means of shielding against inflation and restrictions on savings in foreign currencies put in place by the government.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	6.4809	5.5692
Exchange rate (average rate)	5.8486	5.7418
Number of new contracts processed	34,342	32,073
New Customer financings, net	231,853	197,626
BALANCE SHEET		
Gross outstandings	493,548	384,594
Allowance for impairment	(10,027)	(5,971)
Net outstandings	483,521	378,623
<i>of which receivable from Dealers</i>	<i>179,588</i>	<i>121,890</i>
Operating lease transactions net of impairment allowances and provisions	-	-
Available-for-sale securities	15,122	60,691
Other assets	13,671	12,185
Debt	411,017	365,783
Other liabilities	40,396	32,520
Provisions for risks and charges	1,000	62
Equity	59,901	53,134
BALANCE SHEET TOTAL	512,314	451,499
INCOME STATEMENT		
Net banking income (excluding non-banking income)	52,611	33,939
Pre-tax income	37,131	25,298
Net income (group share)	17,461	12,178

BRAZIL

FINANCEIRA RENAULT BRASIL
c/o RENAULT DO BRASIL SA
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Management: **Dominique SIGNORA** + 55 41 3025 1505

The Brazilian automotive market grew by 6.1% in 2012, with 3,634,629 units sold.

Renault consolidated its position as the fifth biggest operator in the country, with a 6.7% market share (a 1-point increase compared to 2011) and 241,594 vehicles sold. Nissan continued to grow, taking a 2.9% market share (up 0.9 point compared to 2011) and selling 104,849 vehicles.

In 2012, the Alliance brands accounted for 9.5% of the Brazilian automobile market, showing growth of 1.9% compared to 2011.

RCI Banque Brazil's overall penetration rate increased by 3.2 points in 2012, to 41.3% (42.5% for Renault and 38.6% for Nissan).

The total number of vehicle contracts written increased by 45.8% compared to 2011.

New financings increased by 42.9% and average performing Customer loans outstanding rose by 52.1%, from €1.1bn in 2011 to €1.6bn in 2012.

The cost of Customer risk remained under control at 1.14%, below the average level recorded on consumer loans in Brazil.

RCI Banque Brazil improved its operating expenses/outstandings ratio to 1.17% compared to 1.26% in 2011.

As part of its policy to diversify its refinancing and manage liquidity risk, RCI Banque Brazil launched two bond issues for a total of €199m and negotiated with its partners a significant increase in interbank lines granted by Brazilian banks.

The contribution to the group's pre-tax income came to €114m (€90m in 2011), an increase of 26%.

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	2.7036	2.4159
Exchange rate (average rate)	2.5097	2.3259
Number of new contracts processed	151,654	104,009
New Customer financings, net	1,585,090	1,109,113

BALANCE SHEET

Gross outstandings	2,593,849	2,078,161
Allowance for impairment	(22,649)	(20,589)
Net outstandings	2,571,200	2,057,572
<i>of which receivable from Dealers</i>	<i>783,104</i>	<i>755,620</i>
Operating lease transactions net of impairment allowances and provisions	-	-
Available-for-sale securities	122,819	127,298
Other assets	65,247	40,883
Debt	2,257,563	1,740,001
Other liabilities	270,795	254,118
Provisions for risks and charges	23,665	16,308
Equity	207,243	215,326
BALANCE SHEET TOTAL	2,759,266	2,225,753

INCOME STATEMENT

Net banking income (excluding non-banking income)	158,531	119,595
Pre-tax income	113,730	90,475
Net income (group share)	46,026	35,475

SOUTH KOREA

RCI FINANCIAL SERVICES KOREA
9th Fl, RSM Tower, 30, Gasan Digital 2-ro,
Geumcheon-Gu, Seoul
SOUTH KOREA 153-802

Management: **Xavier MARCÉ** + 82 2 2021 5503

The South Korean automotive market posted a drop of 3.5% in 2012 relative to 2011, with 1.5 million vehicles sold.

Renault Samsung Motors, faced with competition from local brands, saw its market share fall by 3 points compared to 2011. The market share of the Nissan Group, present in the country with the Infiniti and Nissan brands, slightly fell (0.23% in 2012 against 0.38% in 2011).

In this very difficult automotive environment, new financings by RCI Financial Services Korea decreased by 36% compared to 2011, even though its penetration rate reached a record level at 57.3% (up 0.7 point compared to 2011).

Average performing loans outstanding rose by 6% (compared to 2011) to €1.3bn in 2012, due to the increase in the value of the Korean won (stable without the exchange rate effect).

Pre-tax income came to €44.6m (€52.4m in 2011). Financial margins held up well, but not enough to absorb the rising cost of risk, which came to 0.85% of APO, compared to 0.42% the previous year.

The year was marked by increasing efforts to diversify the affiliate's refinancing sources. Five new bond issues were made on the Korean market (without an RCI Banque warranty). At year-end 2012, 59% of the affiliate's total refinancing was local (23% at year-end 2011).

IN THOUSAND EUROS (excluding rate and unit)	2012	2011
Exchange rate (closing rate)	1.4062	1.4987
Exchange rate (average rate)	1.4482	1.5410
Number of new contracts processed	42,957	71,282
New Customer financings, net	526,168	819,239

BALANCE SHEET

Gross outstandings	1,238,326	1,345,628
Allowance for impairment	(25,813)	(22,574)
Net outstandings	1,212,513	1,323,054
<i>of which receivable from Dealers</i>	<i>11,528</i>	<i>12,129</i>
Operating lease transactions net of impairment allowances and provisions	1,084	3,056
Available-for-sale securities	106,883	51,414
Other assets	26,863	25,835
Debt	994,813	1,096,083
Other liabilities	63,400	45,297
Provisions for risks and charges	1,267	1,257
Equity	287,862	260,722
BALANCE SHEET TOTAL	1,347,342	1,403,359

INCOME STATEMENT

Net banking income (excluding non-banking income)	68,268	67,509
Pre-tax income	44,605	52,359
Net income (group share)	34,623	40,465

Risks 2012





RISKS

Since 1 June 2010, RCI Banque has made a number of adjustments to its Senior Management. As part of this, and in application of the Order of 19 January 2012 amending CRBF Regulation 97-02, RCI Banque's Company Secretary became responsible for the Risk management functions, thus providing the bank with a position equivalent to the "chief risk officer" recommended in the governance principles set out by the Basel committee.

The Audit department reports directly to the Chairman and Chief Executive Officer. The organization ensures that the Risk management functions have the independence they need from the entities in charge of the operational management of risk in order to fulfill their oversight role.

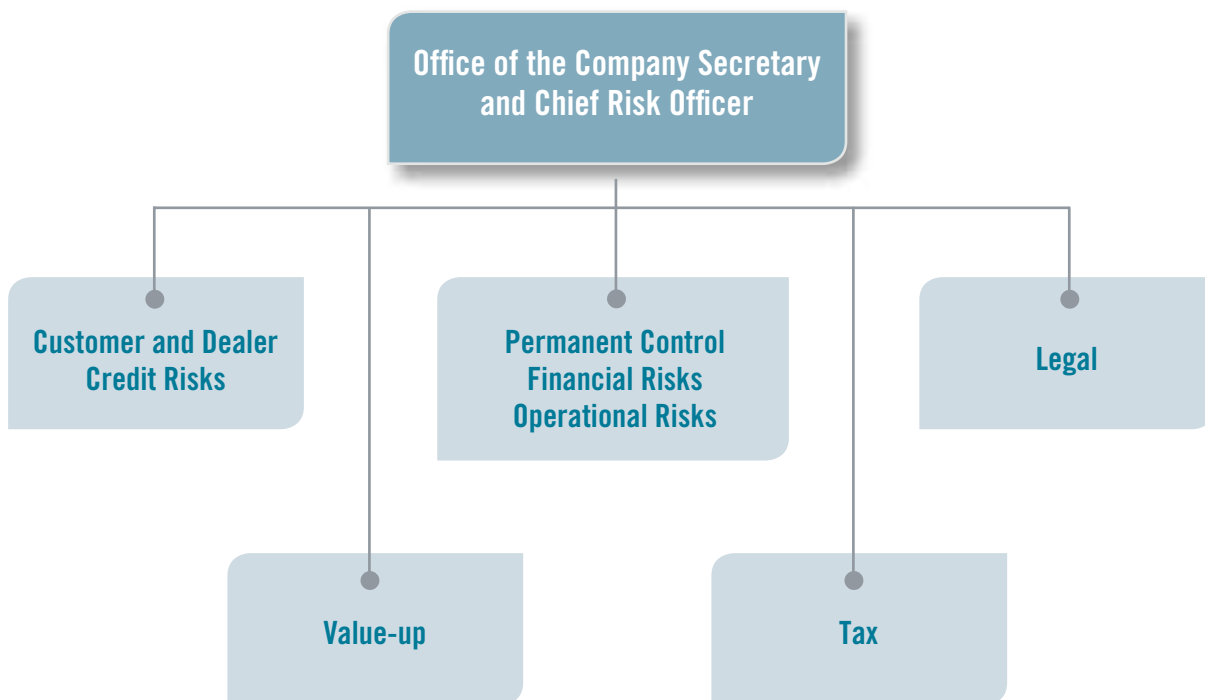
THE RISK FUNCTION OFFICER

- ensures that the risk policy is consistent and that the establishment's risk measurement, monitoring and control systems are efficient;
- makes sure that the level of risk incurred is compatible with the aims of the business and with the relevant limits set by the Board of Directors;

■ reports on his work to the whole of the Executive Committee, the Audit Committee and the Board of Directors; he warns them about any situation that might have a significant impact on risk control.

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

ORGANIZATION OF THE OFFICE OF THE COMPANY SECRETARY AND OF THE RISK FUNCTIONS





THE COMPANY SECRETARY IS THE CHIEF RISK OFFICER, RESPONSIBLE FOR THE RISK FUNCTIONS, WHICH CONSIST OF:

- **The Customer and Dealer Credit Risk Department** overseeing credit risk and Basel II. Its remit is to monitor subsidiaries' cost of risk and to propose or validate action plans aimed at achieving the targets set. It develops and monitors the performance of the Probability of Default and Loss Given Default statistical models used either at loan approval or for the purposes of credit risk oversight. It is also in charge of the operational management of approval systems in certain countries. Basel II-related activities bring together IT and credit risk skills under the same functional responsibility, to ensure the production of the European solvency ratio, to oversee Basel II projects and to manage customer and dealer credit risk reporting.
- **The Permanent Control department** is tasked with overseeing the whole of the internal control and operational risk and financial risk monitoring system. It monitors the progress made on all action plans, regardless of whether those plans are the result of permanent controls, periodic controls or controls performed by the supervisory authorities. It also monitors changes in regulatory requirements affecting the internal control system and other related systems (operational risks, fight against money-laundering). It is accountable for the operational risk management system and for business continuity plans. It is also in charge of market, interest rate, currency, counterparty and liquidity risk control for the whole of the group.

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

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



RISKS

BASEL II

1 THE RCI BANQUE GROUP'S INTERNAL CAPITAL MANAGEMENT POLICY

The internal capital requirement is RCI Banque's assessment of the own equity required to address all of its risks (Pillar 1 + Pillar 2 risks). It is equivalent to the lowest value in terms of capital that the group's management considers to be needed to cover its risk profile and strategy.

In addition, simulations of forecast activities, acquisitions and disposals are produced to determine any additional equity requirements, thus ensuring that future prudential ratios are complied with.

The objective of the RCI Banque group's capital management policy is to optimize the use of equity in order to maximize the short and long-term return for the shareholder, while maintaining a capital adequacy ratio (Core Tier 1 ratio) in keeping with the target rating required for market activities.

2 EQUITY AND CAPITAL REQUIREMENTS

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

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

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

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

Likewise, under the advanced approach to credit risk, any negative difference between total provisions and total expected losses is deducted from the capital. If the sum of the expected losses is less than the valuation

adjustments and collective impairment allowances, the balance is added to the Tier 2 capital, up to a maximum of 0.6% of the weighted risks of exposures assessed by the "internal rating based" method.

RCI Banque's core capital (Core Tier 1) represented 93% and 96% of its total prudential capital in 2011 and 2012 respectively.

Basel II equity

IN MILLION EUROS	31/12/2012	31/12/2011
Core capital (Core Tier 1)	2,396	2,216
Equity under IFRS	2,681	2,569
Planned dividend distribution	-175	-251
Restated unrealized or deferred gains or losses (including CFH)	13	1
Intangible non-current assets and goodwill	-86	-84
Other prudential deductions*	-37	-19
Tier 2 (supplementary) capital	88	158
Subordinated liabilities	125	176
Other prudential deductions	-37	-19
Positive difference between valuation adjustments and expected losses up to 0.6% of assets risk-weighted under the IRB method	-	1
Tier 3 capital	-	-
TOTAL PRUDENTIAL CAPITAL	2,484	2,374
Details of other prudential deductions (CRD: 50% Tier 1, 50% Tier 2)	-74	-38
Negative difference between valuation adjustments and expected losses	-38	-
• Equity interests in credit institutions	-26	-28
• Equity interests in insurance companies	-10	-10

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

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

Capital requirements (CRD)

IN MILLION EUROS	31/12/2012	31/12/2011
Credit risk	1,247	1,153
1) <i>Internal rating based (IRB) method</i>	663	628
• Corporates	276	241
• Retail	387	387
2) <i>Standard method</i>	584	525
• Central governments and central banks	10	10
• Institutions	24	27
• Corporates	298	261
• Retail	245	214
• Actions	1	1
• Other non-credit obligation assets	6	12
Market risk	-	-
Operational risk	156	150
TOTAL PRUDENTIAL CAPITAL REQUIREMENTS (A) (*)	1,403	1,303
TOTAL PRUDENTIAL CAPITAL (B)	2,484	2,374
TIER 1 (CORE) (C)	2,396	2,216
OVERALL SOLVENCY RATIO (B/A)* 8 % (*)	14.16%	14.57%
CORE TIER 1 SOLVENCY RATIO (C/A)* 8 % (*)	13.66%	13.60%

(*) excluding supplementary transitional requirements.

Including transitional requirements under the floor level provisions, the overall “Pillar 1” solvency ratio was 11.54% at 31 December 2012 (of which 11.13% Core Tier 1).

3 PRUDENTIEL SCOPE

The prudential scope used when calculating the solvency ratio is identical to the scope of consolidation described in the Notes to the IFRS financial statements, with the exception of the insurance companies based in Malta.

RCI Banque has not opted for the so-called “conglomerates” option; consequently the solvency ratio is calculated “without insurance”, eliminating contributions from the group’s insurance companies from both the denominator of the capital ratio and its numerator.

In September 2007, RCI Banque was granted a waiver by the *Autorité de Contrôle Prudentiel* (Prudential Control Authority) exempting the French credit institutions Diac S.A. and Cogéra S.A. from solo supervision, as the group satisfies the conditions for exemption stipulated by Article 4-1 of CRBF Regulation 2000-03.

RCI Banque also remains within the regulatory framework set out in Article 4-2 of CRBF Regulation 2000-03:

- there is no obstacle to the transfer of capital between subsidiaries,
- the risk measurement and control procedures within the meaning of Regulation 97-02 relating to internal control are implemented on a consolidated basis, including subsidiaries.

Consequently, the RCI Banque group is exempt from respecting prudential ratios on an individual basis for each of its French financial companies. RCI Banque monitors changes in the group’s consolidated solvency ratio monthly.

4 MARKET RISK

In the absence of a trading book, the whole of the RCI Banque group’s market risk comes from its foreign exchange exposure. The latter is mainly linked to structural foreign exchange exposure on equity securities of affiliates outside the Euro zone.

In May 2009, RCI Banque was granted authorization by the *Autorité de Contrôle Prudentiel* (Prudential Control Authority) to exclude durable and structural assets from its foreign exchange exposure, given its compliance with the conditions set out in Article 331 of the Order dated 20 February 2007.

Consequently, as its foreign exchange exposure is below the 2% of capital threshold set in Article 293-2 of the Order dated 20 February 2007, RCI Banque no longer calculates capital requirements for the foreign exchange risk.

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

5 OPERATIONAL RISK

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

The operational risk management system is described in the “Financial Security Act” chapter.

6 CREDIT RISK

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

RISKS

6.1 / INFORMATION ABOUT CREDIT RISK ASSESSMENT USING THE AIRB APPROACH

RCI Banque has opted for the most advanced methods proposed by the Basel II reform for measuring and monitoring its credit risks; all parameters are thus estimated internally. Valuations are applied to the calculation of Retail, Corporate and Dealer customer risk exposures. Six large countries (Germany, Spain, France, Italy, South Korea and the United Kingdom) are treated using the advanced internal rating based approach. Four countries were initially approved for AIRB treatment at the start of 2008. The approach was then rolled out to the United Kingdom in 2010, followed in 2011 by South Korea for the Retail business, and for factoring in France.

6.2 / MAIN STEPS IN THE WORK CARRIED OUT IN 2012

Work done in 2012 mainly concerned:

- updating of the three rating models for probability of default in the Corporate France, Corporate Germany and Dealer businesses;
- start-up of the plan to roll out internal rating systems in Brazil (Retail, Corporate and Dealer businesses);
- use of the collected data and Basel concepts to improve the oversight and management of credit risks in the Dealer business (the Customer business was dealt with in 2011).

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

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

6.3 / ORGANIZATION

The tools and processes used to calculate credit risk-weighted assets, and the publication of reports used to optimize the supervision of credit risks, are the responsibility of the Customer and Dealer Credit Risk Department, part of the Office of the Company Secretary and Risk Functions.

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

6.4 / INFORMATION SYSTEM

The Common Database for Risk compiles credit risk-related data sourced from underwriting, management and accounting software applications, on the three markets and for the six most significant countries.

The Common Database for Risk provides input for a decision-support environment through which risk analyses can be performed and the *Fermat* software

package calculates the solvency ratio. *Fermat* also receives data from the *KTPCristal* refinancing operations management system and the *Sycomore Business Object Finance* consolidation tool.

Since June 2010, *Fermat* has also published the COREP regulatory reports.

The data collected and computed in these information systems are controlled, technically and functionally, throughout the production process, from the collection of information from upstream systems through to the end results. These quality controls are monitored monthly and action plans may be introduced to improve them.

The information system in place provides the elements needed to analyze the ratio. For example, monthly reports display the components of the risk-weighted assets calculated under the AIRB method (Probability of Default, Loss Given Default, Exposure, Expected losses, etc.) according to a number of criteria:

- breakdown of performing loans and non-performing loans, by type of financing;
- separation between balance sheet exposures and off-balance sheet exposures;
- breakdown by country;
- breakdown by customer category: private individuals, business individuals, small, medium and large-sized companies (based on turnover), very large-sized entities and the dealer network;
- breakdown by characteristics: customer characteristics (age of the customer or business, business sector, etc.), financing characteristics (initial term, amount of personal/business contribution, etc.) and the characteristics of the good financed (new or used vehicle, model, etc.).

These elements are also used for the monthly analysis of the management risk cost, which is assessed on the basis of actual recorded defaults and LGDs.

6.5 / SEGMENTATION OF EXPOSURES TREATED UNDER THE AIRB METHOD

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

IN MILLION EUROS	CREDIT EXPOSURES UNDER THE AIRB METHOD
Corporates	7,616
* of which Dealers	5,408
Retail customers	12,832
* of which small or medium sized entities	1,825
TOTAL EXPOSURES UNDER THE AIRB METHOD	20,448

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



The average rates of Basel II weighting (weighted risks/exposures) come to 38% for the Customer portfolio and to 45% for the overall Corporate portfolio (of which 25% for Dealers).

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

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

The conversion factors applied to individual off-balance sheet exposures are the regulatory rates (0%, 20%, 50% and 100%). The average rates calculated are 100% for Customer financing commitments (representing €507m) and 71% for authorizations with respect to Dealers (representing €168m), depending on their nature.

6.6 / BORROWER - PROBABILITY OF DEFAULT (PD) PARAMETER

The internal rating methodology developed from 2004 for the purposes of reassessing customer risk on a monthly basis uses:

- a model for ranking the risk of default,
- a method for quantifying the associated PD.

RISK RANKING MODEL

Counterparty risk is ranked using a score that incorporates both the customer's characteristics and his payment behavior. The methodology is adjusted to each customer typology to take into account the kind of information available and normally used by business experts to assess risk.

In 2011, a specific model was developed for the Retail market in South Korea.

In 2012, no new models for any new segments were developed.

The following table shows how the models developed are mapped.

EXPOSURE CATEGORY	IRBA COUNTRY	POPULATION GROUP COVERED BY THE MODEL	MODEL TYPE (STATISTICAL/COMBINED)	KIND OF MODEL (INTERNAL/EXTERNAL)
RETAIL	Germany	Retail	Statistical	Internal
	Spain			
	France			
	Italy			
	United Kingdom			
	South Korea			
SME	Germany	Corporate	Statistical	Internal
	Spain			
	France			
	Italy			
CORPORATE	France	Very large-sized corporate	Combined	Internal + External rating
	France	Factoring	Combined	Internal + External rating
	All affiliates	Dealer	Statistical	Internal

RISKS

ALLOCATION TO A RISK CLASS AND QUANTIFICATION OF THE PD ASSOCIATED WITH EACH CLASS

The rating scales include a number of classes adjusted to the granularity of each portfolio. The Retail portfolio uses scales with ten classes for the performing (non-default) portfolio, and one non-performing (default) class; the Corporate portfolio is broken down into seven performing (non-default) classes and one non-performing (default) class.

The requirement for reliable internal rating has, however, led to a specific breakdown for each “country/customer segment” portfolio. Thus, for any given segment, the risk for any given class in France, measured by its representative PD is not the same as the risk for that same class in Spain.

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

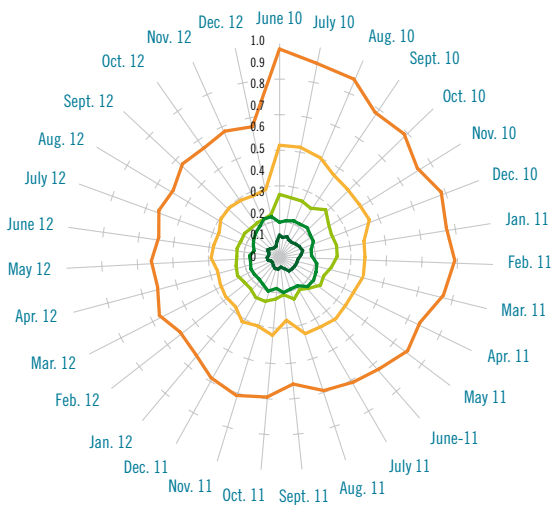
TESTING OF PD MODELS

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

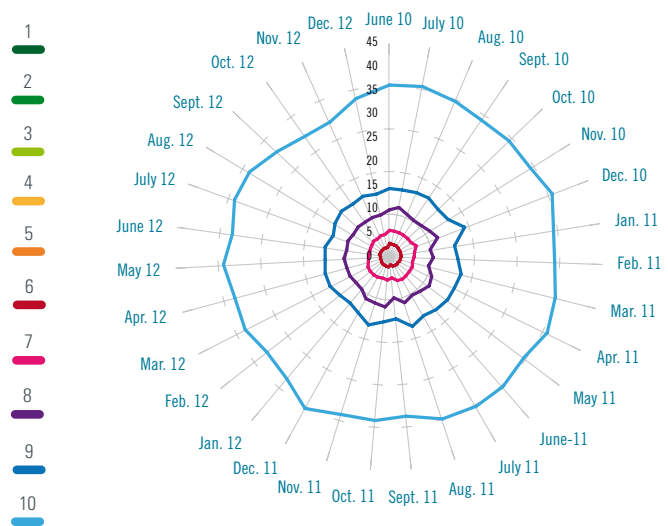
The year 2012 was marked by still low level default rates in Germany, France and the United Kingdom, by the continuing fall in PD rates in Spain (arrival at maturity of generations of loans dating back to before 2009), by an upward trend in Italy and by a clear increase in default rates in South Korea.

In many countries, PD model back-testing highlighted the seamless ability of the models to rank risks, but also an over-estimation of PDs per class. This situation is illustrated in the following charts.

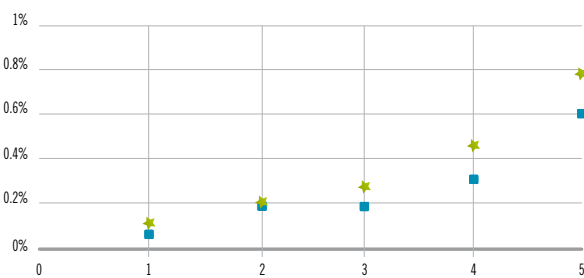
History of default rate by class (1 to 5)



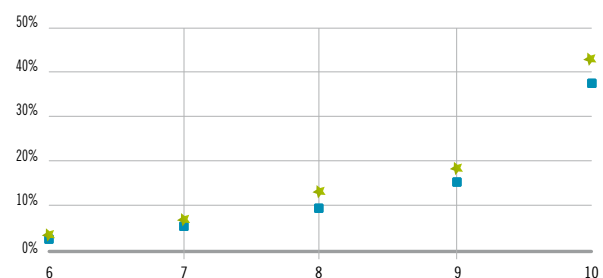
History of default rate by class (6 to 10)



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



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



■ Actual default rate at end 12/2012 ★ Forecast PD at end 12/2011



6.7 / TRANSACTION - LOSS GIVEN DEFAULT (LGD) PARAMETER

Economic losses are estimated from discounted recovery cash flows for the Retail and Corporate sectors, and from loan charge-offs for the Dealer network, on the basis of historic data generally going back more than ten years. Charges attributable to debt collection are taken into account according to the stages of management gone through. Analysis has been conducted to group the transactions into segments representative of uniform levels of loss.

The quantification of these losses by segment is the outcome of a statistical model whose main vectors are the generational analysis of recoveries, speed of collection and consideration of trends. Expert opinion is also used to confirm the proposed estimates to gain the best possible insight into the effects of economic cycles.

The customer LGD rate, for which an increase was seen over the period 2008-2010, remained at high levels in 2012 in all IRBA countries except Germany.

Average LGD on the performing non-default portfolio came to 44% for Retail Customers and 37% for the Corporate segment. The latter breaks down into 43% for non-dealer Corporates and 10% for Dealers.

EXPOSURE CATEGORY	IRBA COUNTRY	POPULATION GROUP COVERED BY THE MODEL	POPULATION GROUP SEGMENTATION	TYPE OF MODEL (STATISTICAL/EXPERT/COMBINED/OTHER)	KIND OF MODEL (INTERNAL/ EXTERNAL)	AVAILABLE HISTORICAL DEPTH	CALCULATES PARAMETERS
RETAIL	France	Retail + Corporate	Credit	Statistical	Internal	since January 1997	LGD on non-default LGD default BEEL default
			Leasing				
	Germany		Credit VN			since April 1999	
			Credit VO				
			Leasing				
	Spain		Credit VN			since November 1994	
			Credit VO				
			Leasing				
			Leasing				
	Italy		time <= 48 months			since January 1996	
			time > 48 months				
			Single segment				
	United Kingdom		Single segment			since August 1998	
South Korea	Single segment	since March 2006					
CORPORATES	All subsidiaries	Dealers	Stock VN	Case by case	Internal	since August 1998	LGD BEEL
			Other products				
			Other products				

6.8 / INTERNAL RATING MONITORING PROCEDURES

The results and the main data used in the internal rating system are monitored on a monthly basis.

On a quarterly basis, the changes observed are analyzed following a standard protocol. These analyses ensure that the models are in keeping with the operational processes (underwriting and collection) and provide regular input used to enhance rating models.

The differences between forecast and actual are set out in a report that also includes the quantified impact on equity requirements.

A specific presentation of rating model performance is given once a year to the Executive Committee during a Basel II Committee meeting.

RISKS

6.9 / OPERATIONAL USE OF INTERNAL RATING SYSTEMS

The results and the main data used in the internal rating system are monitored on a monthly basis.

CUSTOMERS

■ Loan approval policy

In the Customer segment, customers applying for financing are systematically rated. This situation pre-existed on certain market segments, especially for private individuals, before Basel rating systems came in, but was implemented across the board with the introduction of Basel II. Rating provides initial guidance in the decision-making process, with the examination process then concentrating on “intermediate” risks. Beyond the operational process, the underwriting policy is regularly adjusted in line with default rates and the analysis of the profit rates per PD and LGD level.

■ Debt collection

The statistical models used in calculating weighted risks and expected loss enable monthly updating of the Probability of Default used at loan approval *via* incorporation of the customer’s payment behavior. This updating, which provides a clear overview of the expected loss on the portfolio as part of the “Budget process” is also increasingly used as a tool for forecasting the activity of the debt collection platforms. “Collection scoring” based on the same customer information has been rolled out for Spain and South Korea to improve process efficiency.

DEALERS

In the Dealer segment, all counterparties are systematically rated.

This rating system and all of its component sections are integrated into the key operational processes of underwriting, management and business and risk monitoring.

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

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

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

6.10 / INFORMATION RELATING TO CREDIT RISK TREATED UNDER THE STANDARDIZED METHOD

Credit risk exposures treated under the standardized method consist primarily of the sales financing outstandings of affiliates not treated under the AIRB method, debts towards credit institutions and central banks, and all other consolidated assets that are not credit obligation assets.

When calculating the equity requirement for credit risk under the standardized method, RCI Banque uses the external rating agency Moody’s to assess its sovereign and bank exposures and complies with the regulatory mapping with these external assessments.

As far as the Corporate portfolio is concerned, the RCI Banque group applies the regulatory weightings to unrated exposures. This treatment is justified by the generally modest size of the group’s corporate customers in countries other than France, Germany, Italy and Spain, who cannot have an external assessment by an accredited rating agency.

MOODY'S RATING	BANQUE DE FRANCE RATING	CREDIT EXPOSURES TREATED UNDER THE STANDARDIZED METHOD IN MILLION EUROS
Aaa	1	1,939
Less than Aaa	2 to 6	752
Unrated exposure	7	8,005
TOTAL CREDIT EXPOSURES TREATED UNDER THE STANDARDIZED METHOD	-	10,696
<i>of which Corporates</i>	-	3,836
<i>of which Retail</i>	-	4,321
<i>of which other exposure categories</i>	-	2,539

7 MAIN BASEL II INDICATORS

7.1 / BREAKDOWN OF GROSS EXPOSURES (STANDARDIZED AND ADVANCED METHOD)

IN MILLION EUROS	CORPORATES	RETAIL	OTHER EXPOSURE CATEGORIES	TOTAL
Average credit exposures in 2012	10,083	16,435	3,478	29,996
France	5,340	4,997	1,340	11,677
Germany	1,276	2,774	306	4,356
Spain	802	1,169	100	2,071
Italy	792	1,632	148	2,572
United Kingdom	439	1,584	198	2,221
South Korea	12	1,231	127	1,370
Other countries	2,791	3,766	320	6,877
CREDIT EXPOSURE BALANCE	11,452	17,153	2,539	31,144
Residual maturity less than 3 months	4,154	1,825	1,061	7,040
from 3 months to 1 year	4,852	2,792	524	8,168
from 1 to 5 years	2,071	11,942	916	14,929
more than 5 years	375	594	38	1,007

7.2 / GROSS EXPOSURES TO LOANS IN DEFAULT AND VALUATION ADJUSTMENTS

IN MILLION EUROS	CORPORATES	RETAIL	TOTAL
France	107	267	374
Germany	48	24	72
Spain	51	118	169
Italy	30	48	78
United Kingdom	8	34	42
South Korea	0	18	18
Other countries	123	73	196
TOTAL EXPOSURES TO PAYMENTS IN ARREARS OR IN DEFAULT	367	582	949

2012/12

Balance of valuation adjustments on the balance sheet	202	509	711
Balance of collective provisions on the balance sheet	48	43	91
TOTAL BALANCE OF COLLECTIVE PROVISIONS AND VALUATION ADJUSTMENTS	250	552	802

2011/12

Balance of valuation adjustments on the balance sheet	236	554	790
Balance of collective provisions on the balance sheet	44	31	75
TOTAL BALANCE OF COLLECTIVE PROVISIONS AND VALUATION ADJUSTMENTS	280	585	865

Exposures to loans in default and valuation adjustments on “other exposure categories” are not significant.

RISKS

7.3 / SEGMENTATION OF GROSS CREDIT EXPOSURES TREATED UNDER THE AIRB METHOD

IN MILLION EUROS	CORPORATE	RETAIL CUSTOMERS	TOTAL
PD < 1%	1,092	8,400	9,492
1% <= PD < 5%	4,649	2,981	7,630
5% <= PD < 10%	924	462	1,386
10% <= PD < 20%	600	273	873
20% <= PD < 100%	111	245	356
PD = 100%	240	471	711
CREDIT EXPOSURES TREATED UNDER THE AIRB METHOD (A)	7,616	12,832	20,448
LGD rate	17%	43%	33%
Weighted exposures (B)	3,450	4,834	8,284
Average weighting rate (B)/(A)	45%	38%	41%





CREDIT RISK

CREDIT RISK MANAGEMENT POLICY

CUSTOMER RISK MANAGEMENT

The customer credit risk prevention policy is aimed at ensuring that the cost-of-risk objectives set as part of the budget process for each country and each of its main markets (new passenger vehicles and used passenger vehicles segment, and the corporate segment) are achieved. To this end, the underwriting policy is adjusted and the tools (scores and other rules) regularly optimized.

The resources and strategy implemented for the collection of delinquent receivables or receivables in default are also adjusted in line with the type of customer segment and the difficulties encountered. The process of contract termination may also be speeded up if in the very short term there is a risk that the receivable might become impossible to recover.

DEALER RISK MANAGEMENT

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

At the level of each individual subsidiary, the Dealer sector is monitored continuously and daily by means of short and long-term indicators, which identify very early on any business presenting a risk of partial or full non-recovery.

At the central corporate level, the Customer and Dealer Credit Risk Department compiles risk control procedures.

Customers identified as risky are classified and given delinquent, pre-alert or alert status and are then reviewed at risk committee meetings within the subsidiaries, which bring together local car manufacturer and RCI Banque managements connected with the network, to decide on action plans and precautionary measures to control risks.

1 CUSTOMER RISK

In 2012, the cost of risk on Customer financing reached 0.52% of average performing loan outstandings, an increase compared with the very low level of 0.35% recorded in 2011.

Italy (cost of risk at 0.65%) returned to a historic average, after benefiting in 2011 from a reversal of provisions linked to the switch to economic provisioning on one hand, and from few new defaults on the very high-quality “scrapage incentive” generations of loans (06/2009 - 03/2010) on the other.

In Brazil, the cost of risk increased from 0.84% to 1.04% against a backdrop of strong growth in outstandings driven by the development of the manufacturers’ Entry range.

In France, the cost of risk increased from 0.44% to 0.55%. The increase was mainly attributable to Diac Location because of a fall in the level of recoveries, which returned to their 2010 level following the high recorded in 2011.

In South Korea, the cost of risk doubled to 0.86%, as a result of the combined effect of local economic strain and pressure on the debt collection chain.

In Spain, the cost of risk continued to fall (-0.05% reversal) thanks to a tight rein on the management risk cost (0.34%) and to reversals of provisions on matured contracts.

In Germany (0.13%) and the UK (0.07%), the low cost of risk is attributable to a fall in new defaults.

Doubtful loan amounts continued to fall in 2012, amounting to 3.1% of total receivables at the end of 2012 compared to 3.5% at year-end 2011. This €50m decrease in doubtful loan amounts is mainly attributable to Spain (-€45m) due to the arrival at maturity of generations of loans dating back to before 2009 which now account for less than 10% of Spanish loans outstanding. The provisioning rate for doubtful outstandings was 80% at year-end 2012, with doubtful loan provisioning for Spain reaching 94% of doubtful outstandings.

2 DEALER RISK

RCI Banque maintained its policy of supporting car makers and their distribution networks by providing appropriate financing solutions. As such, managing inventories in cooperation with the car makers and ensuring appropriate levels thereof in relation to current market conditions remained a priority throughout 2012.

The cost of risk on Dealer financing amounted to -0.12% of average outstandings, in other words a €6.1m reversal of charge to reserve. This level is stable compared to 2011. The improvement in the financial situation of dealers is particularly visible in Germany, Belgium, Luxembourg, Switzerland and Austria, while additional allowances were booked for France, Morocco, Argentina and Brazil in a context of growing outstandings.

RISKS

RISKS ON RESIDUAL VALUES

Breakdown of risk related to residual values

IN THOUSAND EUROS	RESIDUAL VALUES						PROVISION FOR RESIDUAL VALUES					
	2012	2011	2010	2009	2008	2007	2012	2011	2010	2009	2008	2007
Corporate segment:	2,829	15,935	46,027	108,851	133,066	160,932	218	2,063	4,315	11,224	19,560	15,681
France	22	22	24	40	70	158	22	22	24	40	70	158
European Union (excluding France)	2,807	15,913	46,003	108,811	132,996	160,774	196	2,041	4,291	11,184	19,490	15,523
Europe (excluding European Union)	-	-	-	-	-	-	-	-	-	-	-	-
Retail segment:	460,370	396,633	273,012	188,280	189,225	279,993	2,330	1,517	379	589	1,468	1,917
European Union (excluding France)	460,370	396,633	273,012	188,280	189,225	279,993	2,330	1,517	379	589	1,468	1,917
TOTAL RISK RELATED TO RESIDUAL VALUES	463,200	412,567	319,039	297,131	322,291	440,925	2,547	3,579	4,695	11,812	21,028	17,598

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

IN MILLION EUROS	RESIDUAL VALUES				
	2012	2011	2010	2009	2008
Corporate and Retail segments:					
Commitments received from the Renault Group	1,510	1,414	1,384	1,306	959
Commitments received from others (Dealer and Customer)	1,776	1,656	1,498	1,987	2,025
TOTAL RISK RELATED TO RESIDUAL VALUES	3,286	3,070	2,882	3,293	2,984

FINANCIAL RISKS

Essentially all of the transactions in financial instruments carried out by the RCI Banque holding company are related to its function as centralized refinancing office for the RCI Banque group.

The soundness of RCI Banque's balance sheet is especially underpinned by the control and management of market risks. Aggregate liquidity, interest rate, currency and counterparty risk is managed daily on a consolidated basis,

Details of financial risks and their specific control system are described in the management report notes (see page 87 of the management report, Note 2 to the consolidated financial statements).



INSURANCE

1 PROPERTY AND CASUALTY, BUSINESS INTERRUPTION

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

- implementation of effective safety and security systems,
- staff training to heighten employees' awareness of their role in preventing damage to property,
- installation of back-up facilities to keep operations going, inasmuch as production by the group depends heavily on properly functioning IT systems.

The RCI Banque group's foreign affiliates negotiate insurance policies with local insurance companies, which are subject to monitoring by centralized functions to ensure that they are appropriate and adequately capture the risks to be covered.

2 CIVIL LIABILITY

Civil operating liability (company officer's liability for damages caused to third parties during the course of or when carrying out the company's business activities) of the French affiliates has been covered by the Renault Group's worldwide program of insurance since January 2010.

Only professional civil liability (damage resulting from mismanagement or non-compliance with a requirement or obligation stipulated in the contract signed with the customer) specific to the RCI Banque group's activities is still covered by particular insurance policies specific to the RCI Banque group:

- a specific insurance policy covers the professional liability of the Diac Location affiliate as regards long-term rentals and vehicle fleet management services,
- a specific insurance policy covers the Diac S.A. and Diac Location affiliates for the financial consequences of the civil liability that may be incumbent upon them in their capacity as the owners or lessors of vehicles and automotive equipment on account of the activities covered under the said policy, namely leasing, rental with purchase option and long-term rental, it being stipulated that this is a secondary insurance policy intended to be called upon only in the event that the lessee is uninsured or inadequately insured,
- as regards insurance intermediation (insurance policies offered as an addition to financing and leasing products) RCI Banque and the Diac S.A. and Diac Location affiliates are insured by specific professional civil liability policies combined with a financial guarantee, in accordance with Articles L. 512-6, R. 512-14 and A. 512-4 of the French Insurance Code (*Code des assurances*), a set of regulations resulting from the French Act of 15 December 2005 transposing the European Directive of 9 December 2002.

Regarding RCI Banque affiliates and branches outside France, insurance contracts covering civil operating liability and professional civil liability, including the insurance intermediary's professional liability, are negotiated with local insurers and comply with local regulations resulting from the transposition of the European Directive of 9 December 2002 or from other regulations.



Management report 2012





STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

DELOITTE & ASSOCIÉS

185, avenue Charles-de-Gaulle - BP 136

92524 Neuilly-sur-Seine Cedex

S.A. with share capital €1,723,040

Statutory Auditor

Member, Compagnie régionale de Versailles

ERNST & YOUNG Audit

1/2, place des Saisons

92400 Courbevoie - Paris La Défense 1

S.A. with variable capital

Statutory Auditor

Member, Compagnie régionale de Versailles

RCI BANQUE

Year ended December 31, 2012

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your general meetings, we hereby report to you for the year ended December 31, 2012, on:

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

These consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2012 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of Article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

As disclosed in Notes 2-D, 5-5, 5-6, 5-15 and 5-29 to the consolidated financial statements, your group sets aside allowances to cover the credit risks inherent to its business operations.

As part of our assessment of significant estimates taken into account in the financial statements, we reviewed the processes put in place by management to identify risks, evaluate them and determine their level of coverage by provisions in the assets or liabilities of the balance sheet.

We assessed the analysis of risks incurred based on a sample of individual borrowers and, for a sample of portfolios evaluated collectively, the data and variables used by the company in documenting its estimates.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

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

Neuilly-sur-Seine and Paris La Défense, February 27, 2013.

THE STATUTORY AUDITORS

DELOITTE & ASSOCIÉS
Charlotte VANDEPUTTE

ERNST & YOUNG Audit
Bernard HELLER

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

ASSETS - IN MILLION EUROS	Notes	12/2012	12/2011
Cash and balances at central banks and PCAs	-	616	188
Derivatives	2	332	310
Financial assets available for sale and other financial assets	3	82	65
Amounts receivable from credit institutions	4	741	947
Loans and advances to customers	5 and 6	26,095	24,877
Adjustment accounts - Assets	7	617	518
Interests in associates	8	48	36
Operating lease transactions	5 and 6	124	59
Tangible and intangible non-current assets	9	28	22
Goodwill	10	84	83
TOTAL ASSETS	-	28,767	27,105

LIABILITIES AND EQUITY - IN MILLION EUROS	Notes	12/2012	12/2011
Derivatives	2	104	91
Amounts payable to credit institutions	11.2	3,930	4,133
Amounts payable to customers	11.3	1,619	718
Debt evidenced by certificates	11.4	18,534	17,812
Adjustment accounts - Liabilities	13	1,368	1,316
Provisions	14	121	100
Insurance technical provisions	14	151	105
Subordinated debt - Liabilities	16	259	261
Equity	-	2,681	2,569
■ Of which equity - owners of the parent	-	2,680	2,566
Share capital and attributable reserves	-	814	814
Consolidated reserves and other	-	1,438	1,304
Unrealised or deferred gains and losses	-	(62)	(45)
Net income for the year	-	490	493
■ Of which equity - non-controlling interests	-	1	3
TOTAL LIABILITIES AND EQUITY	-	28,767	27,105



CONSOLIDATED INCOME STATEMENT

IN MILLION EUROS	Notes	12/2012	12/2011
Interest and similar income	23	2,007	1,902
Interest expenses and similar charges	24	(1,017)	(922)
Fees and commission income	-	26	26
Fees and commission expenses	-	(7)	(8)
Net gains (losses) on financial instruments at fair value through profit or loss	25	(3)	1
Net gains (losses) on AFS securities and other financial assets	26	11	5
Net income (expense) of other activities	27	221	185
Net banking income		1,238	1,189
General operating expenses	28	(377)	(351)
Depreciation and impairment losses on tangible and intangible assets	-	(6)	(6)
Gross operating income	-	855	832
Cost of risk	29	(91)	(52)
Operating income	-	764	780
Share of net income of equity method companies	8	9	6
Gains less losses on non-current assets	-	-	-
Pre-tax income	-	773	786
Income tax	30	(247)	(265)
Net income	-	526	521
Of which non-controlling interests	-	36	28
Of which owners of the parent	-	490	493
NET INCOME PER SHARE (*) IN EUROS	-	489.54	493.28
DILUTED EARNINGS PER SHARE IN EUROS	-	489.54	493.28

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN MILLION EUROS	12/2012	12/2011
Net income	526	521
Other comprehensive income (**)	(17)	(23)
Unrealised P&L on cash flow hedge instruments	(11)	3
Unrealised P&L on AFS financial assets	1	-
Other unrealised or deferred P&L	(1)	1
Actuarial differences on defined-benefit pension plans	(1)	(1)
Exchange differences	(5)	(26)
Total comprehensive income	509	498
Of which comprehensive income attributable to non-controlling interests	36	28
Comprehensive income attributable to owners of the parent	473	470
(**) Of which share of the other comprehensive income of equity method companies	3	(3)

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN MILLION EUROS	SHARE CAPITAL (1)	ATTRIBUT. RESERVES (2)	CONSOLID. RESERVES	TRANSLATION ADJUST. (3)	UNREALISED OR DEFERRED P&L (4)	NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	EQUITY SHAREHOLDERS OF THE PARENT COMPANY	EQUITY NON-CONTROLLING INTERESTS	TOTAL CONSOLIDATED EQUITY
Equity at 31 December 2010	100	714	1,198	(15)	(7)	467	2,457	3	2,460
Appropriation of net income of previous year	-	-	467	-	-	(467)	-	-	-
Equity at 1 January 2011	100	714	1,665	(15)	(7)		2,457	3	2,460
Change in value of financial instruments (CFH and AFS) recognized in equity	-	-	-	-	4	-	4	-	4
Actuarial differences on defined-benefit pension plans	-	-	-	-	(1)	-	(1)	-	(1)
Exchange differences	-	-	-	(26)	-	-	(26)	-	(26)
Net income for the year (before appropriation)	-	-	-	-	-	493	493	28	521
Total comprehensive income for the period	-	-	-	(26)	3	493	470	28	498
Effect of acquisitions, disposals and others	-	-	-	-	-	-	-	(1)	(1)
Effect of change in share capital	-	-	-	-	-	-	-	3	3
Dividend for the year	-	-	(350)	-	-	-	(350)	(13)	(363)
Repurchase commitment of non-controlling interests	-	-	(11)	-	-	-	(11)	(17)	(28)
Equity at 31 December 2011	100	714	1,304	(41)	(4)	493	2,566	3	2,569
Appropriation of net income of previous year	-	-	493	-	-	(493)	-	-	-
Equity at 1 January 2012	100	714	1,797	(41)	(4)		2,566	3	2,569
Change in value of financial instruments (CFH and AFS) recognized in equity	-	-	-	-	(11)	-	(11)	-	(11)
Actuarial differences on defined-benefit pension plans	-	-	-	-	(1)	-	(1)	-	(1)
Exchange differences	-	-	-	(5)	-	-	(5)	-	(5)
Net income for the year (before appropriation)	-	-	-	-	-	490	490	36	526
Total comprehensive income for the period	-	-	-	(5)	(12)	490	473	36	509
Effect of acquisitions, disposals and others	-	-	2	-	-	-	2	(3)	(1)
Dividend for the year	-	-	(350)	-	-	-	(350)	(10)	(360)
Repurchase commitment of non-controlling interests	-	-	(11)	-	-	-	(11)	(25)	(36)
Equity at 31 December 2012	100	714	1,438	(46)	(16)	490	2,680	1	2,681

(1)The share capital of RCI Banque S.A. (€100m) consists of 1,000,000 fully paid up shares with par value of 100 euros each, of which 999,992 shares are owned by Renault s.a.s.

(2)Attributable reserves include the share premium account of the parent company.

(3)The change in translation adjustments at 31 December 2012 relates primarily to United Kingdom, Argentina, Brazil, Switzerland, South Korea and Brazil. At 31 December 2011, the change mainly related to United Kingdom, Brazil and Switzerland.

(4)Includes changes in the fair value of derivatives used as cash flow hedges and available-for-sales assets for -€12m and IAS 19 actuarial gains and losses for -€4.0m at the end of 2012.

CONSOLIDATED CASH FLOW STATEMENT

IN MILLION EUROS	12/2012	12/2011
Net income attributable to owners of the parent company	490	493
Depreciation and amortization of tangible and intangible non-current assets	5	5
Net allowance for impairment and provisions	5	(45)
Share of net income of associates	(9)	(6)
Deferred tax (income)/expense	(15)	45
Net income attributable to non-controlling interests	36	28
Other (gains/losses on derivatives at fair value through profit and loss)	23	(67)
Cash flow	535	453
Other movements (accrued receivables and payables)	52	71
Total non-monetary items included in net income and other adjustments	97	31
Cash flows on transactions with credit institutions	(134)	(372)
■ <i>Increases/decreases in Amounts receivable from credit institution</i>	(59)	84
■ <i>Increases/decreases in Amounts payable to credit institution</i>	(75)	(456)
Cash flows on transactions with customers	(459)	(2,927)
■ <i>Increases/decreases in Amounts receivable from customers</i>	(1,412)	(2,902)
■ <i>Increases/decreases in Amounts payable to customers</i>	953	(25)
Cash flows on other transactions affecting financial assets and liabilities	625	3,071
■ <i>Inflows/outflows related to AFS securities and similar</i>	(22)	(19)
■ <i>Inflows/outflows related to debts evidenced by certificates</i>	690	3,048
■ <i>Inflows/outflows related to collections</i>	(43)	42
Cash flows on other transactions affecting non-financial assets and liabilities	(77)	5
Net decrease/(increase) in assets and liabilities resulting from operating activities	(45)	(223)
Net cash generated by operating activities (A)	542	301
Flows related to financial assets and investments	(2)	(20)
Flows related to tangible and intangible non-current assets	(11)	(4)
Net cash from/(used by) investing activities (B)	(13)	(24)
Net cash from/(to) shareholders	(358)	(360)
■ <i>Dividends paid</i>	(360)	(363)
■ <i>Inflows/outflows related to non-controlling interests</i>	2	3
Other net cash flows related to financing activities	(1)	-
Net cash from/(used by) financing activities (C)	(359)	(360)
Effect of changes in exchange rates and scope of consolidation on cash and cash equivalents (D)	(1)	(23)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	169	(106)
Cash and cash equivalents at beginning of year:	912	1,018
■ <i>Cash and balances at central banks and PCAs</i>	188	375
■ <i>Balances in sight accounts at credit institutions</i>	724	643
Cash and cash equivalents at end of year:	1,082	912
■ <i>Cash and balances at central banks and PCAs</i>	616	188
■ <i>Credit balances in sight accounts with credit institutions</i>	627	874
■ <i>Debit balances in sight accounts with credit institutions</i>	(161)	(150)
CHANGE IN NET CASH	169	(106)

"Cash and cash equivalents" consist of sight deposits and overnight funds.
The items included in this line item are presented in Notes 4 and 11.2.

CONSOLIDATED FINANCIAL STATEMENTS

1 APPROVAL OF FINANCIAL STATEMENTS - DISTRIBUTIONS

The RCI Banque group's consolidated financial statements for the year 2012 were established by the Board of Directors on 5 February 2013 and will be presented for shareholder approval to the Annual General Meeting on 23 May 2013. An annual dividend of 275 euros per share, for a total distribution of €275m, will also be proposed at that meeting. An interim dividend of 100 euros per share, for a total distribution of €100m, was paid during the financial year 2012.

For comparison, the General Meeting of 21 May 2012 set the dividend for 2011 at €250 per share, for a total distribution of €250m.

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

2 ACCOUNTING METHODS

In application of Regulation 1606/2002 adopted on 19 July 2002 by the European Parliament and European Council, the RCI Banque group has prepared its consolidated financial statements for 2012 in accordance with the IFRS (International Financial Reporting Standards) guidelines published by the IASB (International Accounting Standards Board) to 31 December 2012 and as adopted in the European Union by the statement closing date.

Amendment to IFRS 7, "Financial instruments: Disclosures - Transfers of Financial Assets", published in the Official Journal of the European Union in November 2011, was applied for the first time in 2012.

First-time application of this amendment had no significant impact on the financial statements at 31 December 2012.

The group has not applied the following standards, interpretations and amendments, published in the Official Journal of the European Union on 31 December 2012 and application of which was not mandatory in 2012, in advance:

STANDARD		MANDATORY APPLICATION DATE
Amendment to IFRS 7	Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
IFRS 10	Consolidated Financial Statements	1 January 2014
IFRS 11	Joint Arrangements	1 January 2014
IFRS 12	Disclosure of Interests in Other Entities	1 January 2014
IFRS 13	Fair Value Measurement	1 January 2013
Amendment to IAS 1	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income	1 January 2013
Amendment to IAS 12	Income Taxes - Deferred Tax: Recovery of underlying Assets	1 January 2013
IAS 19 (revised)	Employee Benefits	1 January 2013
Amendment to IAS 28	Investments in Associates and Joint Ventures	1 January 2014
Amendment to IAS 32	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014

The effects of the application of IAS 19 (revised) on the consolidated financial statements are currently being measured. The group does not expect there to be any significant impact.

The group does not expect adoption of the other standards and amendments to have any major impact on the consolidated financial statements.

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



A / CONSOLIDATION

SCOPE AND METHODS OF CONSOLIDATION

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

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

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

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

Significant transactions between consolidated companies are eliminated, as are unrealized intercompany profits.

For the most part, the companies included in RCI Banque's scope of consolidation are the Renault, Renault Samsung Motors, Dacia and Nissan vehicle sales finance companies and the associated service companies.

ACQUISITION COST OF SHARES AND GOODWILL

Goodwill is measured at the acquisition date, as the excess of:

- The total amount transferred, measured at fair value, and any participation amount which does not give controlling interest in the acquired company

And

- The net carrying amounts of acquired assets and liabilities.

Costs related to the acquisition such as broker's commissions, advisory fees, legal, accounting, valuation and other professional and consulting fees, are recorded as expenses for the periods when costs are incurred and services received.

Debt issuance or equity costs are accounted under IAS 32 and IAS 39.

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

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

An impairment test is performed at least annually and whenever there is an indication of a loss in value, by comparing the book value of the assets with their recoverable amount, the latter being the highest value between the fair market value (after deducting the cost of disposal) and the going concern value. The going concern value is based on a market approach and determined by using multiples for each group of cash-generating units, which comprise legal entities or groups thereof in the same country. A single discounting value is used for all cash-generating units thus tested, which is the risk-free 10-year forward rate augmented by the average risk premium for the sector in which they operate.

Goodwill is therefore measured at its cost less any accrued impairment losses. If impairment is found, the impairment loss is recognized in the income statement.

Transactions with non-controlling interests (purchases/sales) are booked as capital transactions. The difference between the amount received or paid and the book value of the non-controlling interests sold or bought is recognized directly in equity.

NON-CONTROLLING INTERESTS

The RCI Banque group has awarded the non-controlling interests in some fully consolidated subsidiaries commitments to buy out their holdings. For the group, these buy-out commitments represent contractual obligations arising from the sales of put options. The exercise price for these options is determined by estimating the price the RCI Banque group would have to pay out to the non-controlling interests if the options were exercised, taking into account future returns on the financing portfolio existing at the closing date and the provisions set out in the cooperation agreements concerning the subsidiaries.

In accordance with the provisions set out in standard IAS 32, the group has recognized a liability arising from put options sold to non-controlling interests of exclusively controlled entities for a total amount of €207m at 31 December 2012, compared to €192m at 31 December 2011. This liability is measured initially at the present value of the estimated exercise price of the put options.

The counterpart entries for this liability are booked as decreases in the non-controlling interests underlying the options and, for the balance, a decrease in equity attributable to the owners of the parent company. The obligation to recognize a liability even though the put options have not been exercised means that, in order to be consistent, the group has applied the same accounting treatment initially as that applied to increases in its proportionate interests in controlled entities.

If the options have not been exercised when this commitment expires, the previous entries are reversed. If the options are exercised and the buyout is made, the amount recognized as a liability is extinguished by the cash outlay associated with the buy-out of the non-controlling interests.



CONSOLIDATED FINANCIAL STATEMENTS

B / PRESENTATION OF THE FINANCIAL STATEMENTS

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

Operating income includes all income and expense directly associated with RCI Banque group operations, whether these items are recurring or result from one-off decisions or transactions, such as restructuring costs.

C / ESTIMATES AND JUDGMENTS

In preparing its financial statements, RCI Banque has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expense items, and the information disclosed in certain Notes. RCI Banque regularly reviews its estimates and assessments to take account of past experience and other factors deemed relevant in view of economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in RCI Banque’s future financial statements could differ from current estimates. The main items in the financial statements that depend on estimates and assumptions are the recoverable value of loans and advances to customers and allowances for impairment and provisions.

D / LOANS AND ADVANCES TO CUSTOMERS AND FINANCE LEASE CONTRACTS

MEASUREMENT (EXCLUDING IMPAIRMENT) AND PRESENTATION

Sales financing receivables from end customers and dealer financing receivables come under the category of “Loans and advances issued by the company”. As such, they are initially recorded at fair value and carried at amortized cost calculated according to the effective interest rate method.

The effective interest rate is the internal rate of return to maturity or, for adjustable-rate loans, to the nearest rate adjustment date. The discounted amount of amortization on any difference between the initial loan amount and the amount payable at maturity is calculated using the effective interest rate.

In addition to the contractual component of the receivable, the amortized cost of sales financing receivables includes interest subsidies received from the car maker or dealer as part of promotional campaigns, handling fees paid by customers, and commissions paid for referral of business. These items, which are all factors in the return on the loan, are either deducted from or added to the amount receivable. They are recognized in the income statement as a pro-rated portion discounted at the effective interest rate for the receivables to which they apply.

Finance lease contracts, as identified by the rules described in Part E, are in substance booked as sales financing receivables.

Income from the resale of vehicles at the end of finance lease contracts is included under “Net income/(expense) of other activities”.

As a result, gains and losses on the resale of vehicles coming off performing lease agreements, amounts charged to or recovered from allowances for risks on residual values, and gains or losses resulting from damage to vehicles less any corresponding insurance settlements, are recorded under “Other income related to banking operations” and “Other expenses related to banking operations”.

IDENTIFYING CREDIT RISK

The RCI Banque group currently uses a number of different internal rating systems:

- A group-wide rating for borrowers in the Dealer segment, which is used during the various phases of the relationship with the borrower (initial approval, risk monitoring, provisioning).
- A group-wide rating for bank counterparties, which is established on the basis of external ratings and each counterparty’s level of capital.
- For “Customer” borrowers, different acceptance scoring systems are used; these vary by affiliate and by type of financing.

Whenever the full or partial collection of a receivable is in doubt, that receivable is classified in one of the following two categories:

- **Doubtful loans:** a receivable is classified as doubtful not later than when installments remain unpaid for more than three months. When a receivable is classified as doubtful, the full amount of credit outstanding to the customer concerned is transferred to the doubtful loan category.
- **Compromised loans:** a receivable is classified as compromised when the counterparty is declared to have defaulted on a loan or when a lease agreement is terminated due to deterioration in the counterparty’s financial position. If there is no formal default or termination, the receivable is transferred to this category no later than one year after it was classified as doubtful.

Because local management practices vary, default and termination do not occur at the same point in time in the different countries where the RCI Banque group operates. However, local practices do converge to a certain extent within the major geographical regions:

- **Northern Europe:** default or termination generally occurs within the three to four month period following the first unpaid installment.
- **Southern Europe:** default or termination generally occurs within the six to eight month period following the first unpaid installment.
- **South America:** default or termination generally occurs within the six to eight month period following the first unpaid installment.



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

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

IMPAIRMENT

Impairment allowances are established to cover risks of non-recovery. The amount of these allowances is determined on an individual basis (either case by case or via statistical risk analysis), or on a collective basis. These impairment allowances are recorded on the asset side of the balance sheet as deductions from the asset items with which they are associated.

Customer lending

A statistical approach on an individual basis is applied on loans to Customers. The aim is to estimate ultimate losses on doubtful loans, compromised loans and loans with missed or late payments. Customer loans are grouped into risk classes representative of the type of financing and goods financed.

The projected cash flows used for the statistical estimation of impairment are calculated by applying a periodic recovery factor based on the age of the receivable to the amount owed at the time of default. Recovery cash flows are projected over several years, and the last flow at the end of the period represents a lump-sum value of recoveries beyond that period. The recovery factors used are based on the observation of actual collections, smoothed over a twelve-month period.

The impairment allowance for doubtful loans is calculated by comparing the estimated recoverable value, which consists of the discounted projected collections, with the carrying value of the loans concerned. Bearing in mind the statistical nature of the method used to measure projected collections, the estimated recoverable value is not calculated individually for each loan, but on a collective basis for a given generation of loans.

Impairment charges on loans that are overdue but not doubtful are determined as a function of the probability that the loans will be reclassified as doubtful and the recovery factor that will apply if they are. This is "incurred loss", the established fact being a default on payment under 3 months.

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

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

Dealer financing

Impairment allowances for credit risks on dealer financing are determined according to three types of receivable: delinquent, doubtful and performing. The factors and events triggering classification of a receivable as one of the aforementioned types and the principle used to determine impairment allowances are described hereafter.

A collective impairment allowance is determined for non-doubtful receivables (delinquent or performing) either by means of a statistical approach (last three years' history) or by means of an internal expert appraisal validated by the Group Committee of Dealer Risk Experts, chaired by members of the Executive Board. Classification of a receivable as delinquent is triggered by such factors and events as a deterioration in the borrower's financial condition, a loss of profitability, erratic payment, or an inventory control anomaly.

Impairment allowances for doubtful receivables are determined individually and on a case-by-case basis, according to product outstandings (new vehicle, used vehicle, spare parts, cash, etc.) and to whether the debtor party has been classified as having pre-alert or alert status, and after a continued and critical deterioration of the abovementioned indicators by RCI Banque group line staff.

As regards non-doubtful and non-delinquent receivables that are therefore classified as performing receivables, collective impairment allowances based on the credit risks and systemic risks for each country assessed are made. The impaired amounts are determined on the basis of the technical and segment parameters of the performing portfolio and are specific to each country. Impairment allowances for performing dealer financing assets that are recognized or reversed as systemic risks are combined under the "cost of dealer risk" item for the affiliates concerned in the consolidated income statement.

COUNTRY RISK (CUSTOMER)

Allowances for country risk are determined on the basis of the credit risk to which debtors in a country experiencing a continued and persistent deterioration in its economic situation are exposed.

Such allowances for impairment of assets are made for any non-eurozone country whose sovereign rating (Standard and Poor's) is lower than BBB+. With regard to the RCI Banque group's current portfolio, the following countries are concerned by this: Brazil, Argentina, Romania, Hungary and Morocco.

The calculation consists in applying a projected default rate and a loss-given-default rate to non-current financing assets on an individual basis and by country, but only with respect to outstandings from the Customer business. Dealer financing assets are already incorporated into impairment allowances for the dealer business on a similar calculation basis.

The projected default rate used depends on the term of maturity of loans, the country's rating and the geographical



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area in which it is located (Emerging countries, Europe, North America). This default rate is an indicator of the probability of default (PD) of companies in the country concerned. The RCI Banque group uses the rates published by S&P for emerging countries and estimated on a historical basis using the period between 1996 and 2010. The loss-given-default (LGD) rate refers to that of Brazil and is updated every six months by internal expert appraisal according to the trend observed for the countries concerned.

On the balance sheet, impairment allowances for country risk are booked as deductions from the carrying value of loans and advances to customers. Such impairment allowances that are recognized or reversed as systemic risks are combined under the RCI Banque SA "Cost of Risk" item in the consolidated income statement.

RULES FOR WRITING OFF LOANS

When a receivable has presented an established risk for a period of three years and there is no evidence suggesting that it will ever be collected, the amount of the impairment allowance is reversed and the gross amount outstanding is transferred to receivables written off.

IMPAIRMENT OF RESIDUAL VALUES

The RCI Banque group regularly monitors the resale value of second-hand vehicles across the board so as to optimize the pricing of its financing products.

In most cases, tables of quoted prices showing typical residual values based on vehicle age and mileage are used to determine the residual value of vehicles at the end of the contract term.

However, for contracts under which the trade-in value of the vehicle at the end of the contract term is not guaranteed by a third party outside the RCI Banque group, an impairment allowance is determined by comparing:

- a) the economic value of the contract, meaning the sum of future cash flows under the contract plus the re-estimated residual value at market conditions on the measurement date, all discounted at the contract interest rate;
- b) the carrying value on the balance sheet at the time of the measurement.

The projected resale value is estimated by considering known recent trends on the used vehicle market, which may be influenced by external factors such as economic conditions and taxation, and internal factors such as changes in the model range or a decrease in the car maker's prices.

The impairment charge is calculated with no allowance for any profit on resale.

E / OPERATING LEASES (IAS17)

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

The main criterion that the RCI Banque group uses to classify leases as one or the other is whether the risks and

rewards incidental to ownership are transferred to another party. Thus, leases under which the leased vehicle will be bought back by an RCI Banque group entity at the end of the lease are classified as operating leases since most of the risks and rewards are not transferred to a third party outside the group. The classification as operating leases of lease contracts that contain a buy-back commitment from the RCI Banque group also takes into account the estimated term of such leases. This lease term is far shorter than the economic life of the vehicles, which is put by the Renault Group at an estimated seven or eight years, depending on the type of vehicle. Consequently, all leases with a buy-back clause are treated as operating leases.

The classification as operating leases of battery leases for electric vehicles is justified by the fact that the commercial risks and rewards incidental to ownership throughout the automobile life of the batteries are kept by RCI Banque. Automobile life is put at eight years for Twizy batteries and at ten years for other electric vehicle batteries, which is much longer than the leases.

Operating leases are recognized as non-current assets leased out and are carried at the gross value of the assets leased out less depreciation, plus lease payments receivable and staggered transaction costs yet to be taken to the income statement. Lease payments and depreciation are recognized separately in the income statement in "Net income (expense) of other activities". Depreciation does not take into account residual values and is taken to income on a straight line basis, as are transaction costs. Classification as an operating lease does not affect the assessments of counterparty risk and residual value risk.

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

F / TRANSACTIONS BETWEEN THE RCI BANQUE GROUP AND THE RENAULT-NISSAN ALLIANCE

Transactions between related parties are conducted following terms equivalent to those prevailing in the case of transactions subject to conditions of normal competition if these terms can be substantiated.

The RCI Banque group helps to win customers and build loyalty to Renault-Nissan Alliance brands by offering financing and providing services as an integral part of the Alliance's sales development strategy.

The main indicators and cash flows between the two entities are as follows:

SALES SUPPORT

In 2012, the RCI Banque group provided €10,871m in new financing (including credit cards), compared with €11,170m in 2011.



RELATIONS WITH THE DEALER NETWORK

The RCI Banque group acts as a financial partner to ensure and maintain the sound financial health of the Renault-Nissan Alliance distribution networks.

At 31 December 2012, dealer financing net of impairment allowances amounted to €7,140m against €6,263m at 31 December 2011.

At 31 December 2012, direct financing of Renault Group affiliates and branches amounted to €552m against €485m at 31 December 2011.

At 31 December 2012, the dealer network has collected, as business contributor, income of €360m against €303m at 31 December 2011.

RELATIONS WITH THE CAR MAKERS

The RCI Banque group pays the car maker for vehicles delivered to dealers for which it provides financing. Conversely, at the end of the contract, the Renault Group pays the RCI Banque group for vehicles taken back under financial guarantees made by the car maker. These transactions generate substantial cash flows between the two groups.

Under their trade policies and as part of promotional campaigns, manufacturers are participating in the subsidy of financings granted to customers by RCI Banque.

At 31 December 2012, this participation amounted to €389m and therefore remained stable compared to December 2011.

G / RECOGNITION AND MEASUREMENT OF THE SECURITIES PORTFOLIO (IAS 39)

RCI Banque's portfolio of securities is classified according to the financial asset categories specified in IAS 39.

SECURITIES HELD FOR TRADING PURPOSES

These are securities intended to be sold in the very near future or held for the purpose of realizing capital gains.

These securities are measured at fair value (including accrued interest), and changes in value are recognized in the income statement.

SECURITIES AVAILABLE FOR SALE

By default, this category ("AFS securities") includes all securities that are not intended to be held to maturity and that are not held for trading purposes.

These securities are measured at fair value (including accrued interest), and changes in value (excluding accrued interest) are recognized directly in equity under a revaluation reserve. Accrued interest is recognized in the income statement. If there is an objective indication of the impairment of these securities, such as payment default or the increasing probability of borrower bankruptcy, the aggregate loss that has been recorded directly under equity must be removed from equity and recognized in the income statement.

H / NON-CURRENT ASSETS (IAS16/IAS36)

Non-current assets are carried and depreciated using the components approach. The components of an asset item, especially a complex asset, are treated as separate assets if their characteristics or useful lives are different, or if they generate economic benefits at different rates.

Property, plant and equipment is measured at historical acquisition cost.

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

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

I / INCOME TAXES (IAS 12)

The restatements of the annual financial statements of companies included in the scope of consolidation, made to bring them into line with IAS standards for financial reporting purposes, and the tax deferrals allowed in the statutory statements filed for tax purposes, give rise to timing differences in the recognition of income for tax and financial reporting purposes. A timing difference is also recognized whenever the book value of an asset or liability differs from its value for tax purposes.

These differences give rise to the recognition of deferred taxes in the consolidated financial statements. Under the liability method used by RCI Banque, deferred tax expense is calculated by applying the last tax rate in effect at the closing date and applicable to the period in which the timing differences will be reversed. Within a given taxable entity (company, establishment, or tax consolidation group), deferred tax assets and liabilities are presented on a net basis whenever the entity is entitled to offset its tax receivables against its tax payables. Deferred tax assets are written down whenever their utilization is unlikely.

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

J / PENSION AND OTHER POST EMPLOYMENT BENEFITS (IAS 19)

OVERVIEW OF PLANS

The RCI Banque group uses different types of pension and post-employment benefit plans:

Defined benefit plans

Charges are booked to provisions for these plans to cover:

- indemnities payable upon retirement (France),
- supplementary pensions: the main countries using this type of plan are the United Kingdom, the Netherlands and Switzerland.
- Mandated savings plans: this type of plan is used in Italy.



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Defined-benefit plans are in some cases covered by funds. Such funds are subject to periodic valuation by independent actuaries. The value of such funds, if any, is deducted from the corresponding liability.

The RCI Banque group affiliates that use external pension funds are RCI Financial Services Ltd, RCI Financial Services BV and RCI Finance S.A.

Defined contribution plans

In accordance with the laws and practices of each country, the group makes salary-based contributions to national or private institutions responsible for pension plans and provident schemes. The group has no liabilities in respect of such plans.

VALUATION OF LIABILITIES FOR DEFINED BENEFIT PLANS

With respect to defined-benefit plans, the costs of post-employment benefits are estimated using the projected unit credit method. Under this method, benefit rights are allocated to periods of service according to the plan's vesting formula, taking into account a linearizing effect when rights are not vested uniformly over subsequent periods of service.

The amounts of future benefits payable to employees are measured on the basis of assumptions about salary increases, retirement age and mortality, and then discounted to their present value at a rate based on interest rates on the long-term bonds of top-grade issuers.

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

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

K / TRANSLATION OF FINANCIAL STATEMENTS OF FOREIGN COMPANIES

The presentation currency used by the group is the euro.

As a general rule, the functional currency used by foreign companies is their local currency. In cases where the majority of transactions are conducted in a currency other than the local currency, that currency is used.

To ascertain whether a country is in hyperinflation, the group refers to the list published by the AICPA's (American Institute of Certified Public Accountants) International Task Force. None of the countries in which RCI Banque does any significant amount of business features on this list.

The financial statements of the group's foreign companies are drawn up in their functional currency, and then translated

into the group's presentation currency as follows:

- balance sheet items other than equity, which are held at the historic exchange rate, are translated at closing exchange rates;
- income statement items are translated at the average rate for the period;
- translation adjustments are included as a separate component of consolidated equity and do not affect income.

Goodwill and measurement differences realized when combining with a foreign company are treated as assets and liabilities of the acquired entity.

When a foreign company is disposed of, the translation differences in its assets and liabilities, previously recognized in equity, are recognized in the income statement.

L / TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

Transactions made by an entity in a currency other than its functional currency are translated and booked in the functional currency at the rate in effect on the date such transactions are made.

On the statement closing date, cash assets and liabilities in currencies other than the entity's functional currency are translated at the exchange rate in effect on that date. Gains or losses from such foreign currency translation are recorded in the income statement.

M / FINANCIAL LIABILITIES (IAS 39)

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

Any issuance costs and premiums on financial liabilities are amortized over the term of the issue according to the effective interest rate method.

When first recognized, financial liabilities are measured at fair value net of transaction costs directly attributable to their issuance.

At each closing, financial liabilities are measured at amortized cost using the effective interest rate method, except when specific hedge accounting procedures are applicable. The financial expenses calculated in this way include issuance costs and issue or redemption premiums.

Financial liabilities covered by a fair value hedge are accounted for as described in: "Derivatives and hedge accounting (IAS 39)".

The group's medium-term and long-term issuance programs do not feature any clauses that might lead to acceleration of maturity of the debt.



N / STRUCTURED PRODUCTS AND EMBEDDED DERIVATIVES (IAS 39)

The group engages in a small number of structured transactions. These issues are hedged by derivatives so as to neutralize the embedded derivative and thereby obtain a synthetic adjustable-rate liability.

The only embedded derivatives identified within the RCI Banque group correspond to indexing clauses contained in structured bond issues. When embedded derivatives are not closely related to the host contract, they are measured and recognized separately at fair value. Changes in fair value are then recognized in the income statement. The structured issue with the embedded derivative extracted, i.e. the host contract, is measured and recognized at amortized cost.

Structured issues are associated with swaps of assets, whose characteristics are strictly identical to those of the embedded derivative, thereby providing an effective economic hedge. However, because the use of one derivative to hedge another derivative is prohibited by IAS 39, embedded derivatives that are separated from the host contract and swaps associated with structured issues are accounted for as if held for trading purposes.

O / DERIVATIVES AND HEDGE ACCOUNTING (IAS 39)

RISKS

The RCI Banque group's management of financial risks (interest-rate risk, currency risk, counterparty risk and liquidity risk) is described in the risk management chapter of this document.

The RCI Banque group enters derivative contracts as part of its currency and interest-rate risk management policy. Whether or not these financial instruments are then accounted for as hedging instruments depends on their eligibility for hedge accounting.

The financial instruments used by RCI Banque can be classified as fair value hedges or cash flow hedges. A fair value hedge protects against changes in the fair value of the assets and liabilities hedged. A cash flow hedge protects against changes in the value of cash flows associated with existing or future assets or liabilities.

MEASUREMENT

Derivatives are measured at fair value when first recognized. Subsequently, fair value is re-estimated at each closing date.

- The fair value of forward currency agreements and currency swaps is determined by discounting cash flows at market interest rates and exchange rates at the closing date.
- The fair value of interest-rate derivatives represents what the group would receive (or would pay) to unwind the contracts at the closing date, taking into account unrealised gains or losses as determined by current interest rates at the closing date.

FAIR VALUE HEDGE

RCI Banque has elected to apply fair value hedge accounting in the following cases:

- hedging interest-rate risk on fixed rate liabilities using a receive fixed/pay variable swap or cross currency swap;
- hedging currency risk on foreign currency assets or liabilities using a cross currency swap.

Fair value hedge accounting is applied on the basis of documentation of the hedging relation at the date of implementation of the tests of fair value hedge effectiveness, which are performed at each balance sheet date.

Changes in the value of fair value hedging derivatives are recognized in the income statement.

For financial liabilities covered by a fair value hedge, only the hedged component is measured and recognized at fair value, in accordance with IAS 39. Changes in the value of the hedged component are recognized in the income statement. The unhedged component of these financial liabilities is measured and recognized at amortized cost.

If the hedging relationship is terminated before the end of its term, the hedging derivative is classified as an asset or liability held for trading purposes, and the item hedged is recognized at amortized cost in an amount equal to its last fair value measurement.

CASH FLOW HEDGE

RCI Banque has elected to apply cash flow hedge accounting in the following cases:

- hedging interest-rate risk on variable rate liabilities using a receive/pay fixed swap, enabling them to be backed by fixed rate assets (macro-hedge from the economic perspective);
- hedging future or probable cash flows in foreign currency.

Cash flow hedge effectiveness tests are performed at each balance sheet date to ensure that the relevant transactions are eligible for hedge accounting. For the second type of hedging, the test performed entails ascertaining that interest-rate exposure on the cash flows from reinvestment of non-derivative financial assets is indeed reduced by the cash flows from the derivatives used for hedging.

Changes in the value of the effective part of cash flow hedging derivatives are recognized in equity, in a special revaluation reserve account.

TRADING TRANSACTIONS

This line item includes transactions not eligible for hedge accounting under IAS 39 and currency hedging transactions to which the RCI Banque group has preferred not to apply hedge accounting.

Changes in the value of these derivatives are recognized in the income statement.

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These transactions mainly include:

- foreign exchange transactions with an initial maturity of less than one year,
- identified embedded derivatives that are part of the group's structured issues, and the associated swaps,
- swaps contracted in connection with securitization transactions,
- receive variable/pay variable swaps in a given currency to hedge interest-rate risk on variable-rate issues.

P / INFORMATION PERTAINING TO COUNTERPARTY RISKS ON DERIVATIVES

Exposure relating to counterparty risk is monitored using two methods.

Individual monitoring of credit risk is based on an internal fixed-rate method. Among other things, it factors in the risk of delivery and draws on an internal rating method (determined jointly with the Renault shareholder), which links the limit assigned to each counterparty to a score that takes several weighted risk factors into account: capital adequacy, financial solvency ratio, long and short-term ratings by credit rating agencies, qualitative appraisal of the counterparty.

The fixed-rate method is also used to measure the overall counterparty risk incurred on all derivatives contracted by the RCI Banque group. It is based on weighting factors.

These weighting factors are linked to the type of instrument (3% per annum for transactions denominated in a single currency, and 12% per annum over the first two years of the initial term then 4% over the following years for transactions involving two currencies) and the duration of the transaction. These coefficients are intentionally higher than those stipulated by capital adequacy regulations, which is a deliberately prudent and conservative approach given current market conditions. No compensation is made between risks relating to positions that neutralize each other with the same counterparty.

Overall monitoring with the "mark to market positive + add-on" method is also done.

It is based on the so-called "major risks" regulatory method. For current account cash deposits and surpluses, exposure is recognized on the basis of the nominal amount. For derivatives (rate and exchange), this is calculated as the sum of potential losses, calculated on the basis of the replacement value of contracts with the counterparty without compensation with potential gains, plus an "add-on" representing the potential future risk. This potential future risk is determined by French banking regulations (ministerial order of 20 February 2007 on capital adequacy requirements applicable to credit institutions and investment companies, Article 267-3) as follows:

RESIDUAL TERM	INTEREST RATE OPTIONS (AS A PERCENTAGE OF THE NOMINAL)	FOREIGN CURRENCY AND GOLD OPTIONS (AS A PERCENTAGE OF THE NOMINAL)
<= 1 year	0%	1%
1 year < term <= 5 years	0.50%	5%
> 5 years	1.50%	7.50%

Q / OPERATING SEGMENTS (IFRS 8)

Segment reporting is presented in the annual financial statements in accordance with IFRS 8 "Operating Segments".

RCI Banque is tasked with offering a comprehensive range of financing products and services to its two core markets: end Customers (Retail and Corporate) and the Renault, Renault Samsung Motors, Dacia and Nissan brand Dealer network. These two segments have different expectations, needs and demands, and so each require a specific approach in terms of marketing, management processes, IT resources, sales methods and communication. Adjustments have been made to the group's organization to make it consistent with these two types of customer, to strengthen its management and support role and to increase its integration with Renault and Nissan, especially with respect to sales and marketing aspects.

In accordance with IFRS 8, segmentation by market has therefore been adopted as the operating segmentation method. This is in line with the strategic focus developed by the company. The information presented is based on internal reports sent to the group Executive Committee, identified as the "chief operating decision maker" under IFRS 8.

A breakdown by market is thus provided for the main income statement as well as for average performing loan outstandings in the corresponding periods.

Since 1 January 2009, as decided by the Executive Committee, the formerly separate Retail and Corporate segments have been consolidated into the single "Customer" segment. The breakdown of operating segments as required by IFRS 8 has followed the same segmentation.

The Dealer segment covers financing granted to the Renault-Nissan Alliance Dealer network.

The Customer segment covers all financing and related services for all customers other than Dealers.

Results are presented separately for each of these two market segments.

Refinancing and holding activities are grouped together under "Other activities".

Renault, Nissan and Dacia multi-brand sales financing activities have been combined.

R / INSURANCE

The accounting policies and measurement rules specific to assets and liabilities generated by insurance contracts issued by consolidated insurance companies are established in accordance with IFRS 4.

Other assets held and liabilities issued by insurance companies follow the rules common to all of the group's assets and liabilities, and are presented in the same balance sheet and consolidated income statement items.



TECHNICAL LIABILITIES ON INSURANCE CONTRACTS:

■ Reserve for unearned premiums (non-life insurance):

Technical reserves for unearned premiums are equivalent to the portion of the premiums relating to the period between the inventory date and the following endowment date. They are determined on a *pro rata basis*.

■ **Policy reserves (life insurance):** These are intended to cover the long-term obligations (or payment of benefits) resulting from the commitments given, and the costs of managing such contracts.

■ **Reserve for outstanding claims:** the reserve for outstanding claims represents the estimation, net of outstanding recoveries, of the cost of all claims reported but not yet settled at the closing date.

■ **IBNR (Incurred But Not Reported) claim reserves:** these are reserves for claims not yet reported, estimated on a statistical basis.

The guarantees offered cover death, disability, redundancy and unemployment as part of a loan protection insurance policy. These types of risk are controlled through the use of appropriate mortality tables, statistical checks on loss ratios for the population groups insured and through a reinsurance program.

Liability adequacy test: a goodness-of-fit test aimed at ensuring that insurance liabilities are adequate with respect to current estimations of future cash flows generated by the insurance contracts is performed at each statement of account. Future cash flows resulting from the contracts take into account the guarantees and options inherent therein. In the event of inadequacy, the potential losses are fully recognized in net income.

INCOME STATEMENT

The income and expenses recognized for the insurance contracts issued by the RCI Banque group appear in the income statement in “Net income of other activities” and “Net expense of other activities”.

3 GROUP STRUCTURE

CHANGES IN THE SCOPE OF CONSOLIDATION IN 2012

■ On 1 June 2012, the Brazilian affiliate Companhia de Crédito Financiamento e Investimento RCI Brasil S.A. became the parent company of another consolidated Brazilian affiliate, Companhia de Arrendamento Mercantil RCI Brasil S.A. (fully owned), following the contribution of assets previously held by RCI Banque S.A. and Santander in consideration of an increase in the share capital of Companhia de Crédito Financiamento e Investimento RCI Brasil S.A. without any changes to the breakdown of

ownership between the two shareholders, RCI Banque S.A. and Santander. This change of legal structure is without significance from the consolidation point of view.

■ In France, RCI Banque proceeded with the restructuring of its French securitization program, initially set up as a single Master Trust in 2002, which now revolves around three separate FCTs (Fonds Commun de Titrisation):

• On 25/5/2012, Cars Alliance Auto Loans France FCT Master issued ECB-eligible securitization securities retained by RCI Banque S.A. for €596m.

• CARS Alliance Auto Loans France F 2012-1 was used for the public issue of fixed rate securities for €750m distributed to investors with a value date of 27/6/2012.

• CARS Alliance Auto Loans France V 2012-1 was used for the public issue of floating rate securities for €700m distributed to investors with a value date of 26/11/2012.

■ In Italy, following final repayment of RCI Italie’s securitization transaction launched in 2007, on 14/6/2012 a new Cars Alliance Warehouse Italy S.R.L SPV issued AAA-rated notes retained by RCI Banque S.A. for €619m.

■ ES Mobility SRL, a commercial company set up in 2011 for the electric vehicle battery leasing business in Italy, joined the scope of consolidation on 30/11/2012.

CHANGES IN THE SCOPE OF CONSOLIDATION IN 2011

In 2011, the group’s structure was changed by the following events:

■ Diac Location S.A. took over Sigma Services S.A. on 30 April 2011 with retro-active effect from 1 January 2011;

■ RCI Bank AG merged with RCI Banque S.A. then was made into a branch with retro-active effect from 1 January 2011;

■ the newly formed branch RCI Banque Branch Ireland entered the scope of consolidation on 30 September 2011.

FOREIGN AFFILIATES THAT DO NOT HAVE A TAX AGREEMENT WITH FRANCE

In accordance with the Order of 6 October 2009 in application of Article L. 511-45 of the *Code monétaire et financier* (French Monetary and Financial Code), RCI Banque declares that it has a 95% holding in RCI Servicios Colombia S.A. in Colombia. The latter’s business consists in receiving commissions on lending provided to a business partner. This affiliate’s main management indicators are monitored on a monthly basis. In 2012, pre-tax income came to €2.2m.



CONSOLIDATED FINANCIAL STATEMENTS

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 the sovereign debts of Greece, Spain, Italy, Ireland or 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. The system has undergone an internal audit and a review by the banking regulator (ACP) and has been reinforced by updating internal procedures, duly ratified by the Board of Directors on 27 November 2012:

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

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

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

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

THE LIQUIDITY POOL stands at €4,411m at 31 December 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.

INTRINSIC LIQUIDITY: this is RCI Banque's liquidity reserve without confirmed credit facilities. It includes available cash, assets that are highly liquid on the market, and available assets eligible as ECB collateral after discounting. The 'number of days of intrinsic liquidity' indicator measures the number of days during which RCI Banque can carry out its business activities without recourse to confirmed credit facilities.

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 hitting a record low in 2011, lower than the level observed before the financial crisis, the cost of risk on the commercial portfolio began to see a contained rise, mainly attributable to growth in outstandings, particularly 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 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 financing granted to dealers is indexed on an internal base rate reflecting the cost of the borrowed resources and liquidity cushions needed for business continuity. This method maintains a steady return for this business.

GOVERNANCE

The 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 in the second half of the year, 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.
- During the financial year 2012, the RCI Banque group raised €5.5 billion in resources with a maturity of one year or more within the scope of its centralized refinancing system.
- Of which €3.2 billion on the bond markets:
 - four issues on the euro market totaling €2,400m;
 - a public offering in Norwegian krone for NOK500 million (€70m);
 - a public offering in Australian dollars for AUD185m (€150m);
 - an issue in Swiss francs for CHF200 million (€170m);
 - a public offering in Swedish krona for SEK500m (€60m);
 - five public offerings in Korean won for KRW430 billion (€300m);
 - an issue in Czech koruna for CZK250m (€10m).
- Of which €1.8 billion on the securitization market. In the financial year 2012, RCI Banque's strategy to diversify its sources of funding also resulted in:
 - a new public securitization transaction (fixed rate notes) backed by auto loans in France for €750m;
 - a private securitization backed by auto loans in Italy for €300m;
 - a public securitization transaction (floating rate notes) backed by auto loans in France for €700m.
- The RCI Banque group also pursued its strategy of diversifying its sources of funding with the launch on 16/02/2012 of "ZESTO", a savings account for retail depositors in France. At 31 December 2012, collected deposits totaled €893m, including capitalized interest.
- Outside the scope of its centralized refinancing system, the RCI Banque group raised the equivalent of €250m in resources with a maturity of one year or more on local markets.
 - 3 issues in Argentine pesos for ARS348m (€54m);
 - 2 issues in Brazilian reals for BRL500m (€190m).

CONSOLIDATED FINANCIAL STATEMENTS

5 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 / SEGMENT INFORMATION

1.1 SEGMENTATION BY MARKET

IN MILLION EUROS	CUSTOMER	DEALER FINANCING	OTHER	TOTAL
12/2012				
Average performing loan outstandings	18,099	6,086	-	24,185
Net banking income	999	189	50	1,238
Gross operating income	702	153	-	855
Operating income	604	160	-	764
Pre-tax income	613	160	-	773
12/2011				
Average performing loan outstandings	17,103	5,717	-	22,820
Net banking income	940	172	77	1,189
Gross operating income	664	137	31	832
Operating income	604	145	31	780
Pre-tax income	609	145	32	786

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

At the Net Banking Income level, given that most of the RCI Banque group's segment income comes from interest, the latter are shown net of interest expenses.

The earnings of each business segment are determined on the basis of internal or fiscal analytical conventions for intercompany billing and valuation of funds allocated. The equity allocated to each business segment is the capital effectively made available to the affiliates and branches and then divided among them according to internal analytical rules.

Average performing loan outstandings is the operating indicator used to monitor outstandings. As this indicator is the arithmetic mean of outstandings, its value therefore differs from the outstandings featuring in the RCI Banque group's assets, as presented in Notes 5 and 6: "Customer finance transactions and similar"/"Customer finance transactions by business segment".

1.2 SEGMENTATION BY GEOGRAPHIC REGION

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

NOTE 2 / DERIVATIVES

IN MILLION EUROS	12/2012		11/2011	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Fair value of financial assets and liabilities recognized as derivatives held for trading purposes	15	50	26	42
Currency derivatives	15	50	26	42
Fair value of financial assets and liabilities recognized as derivatives used for hedging	317	54	284	49
Interest-rate and currency derivatives: Fair value hedges	315	4	273	1
Interest-rate derivatives: Cash flow hedges	2	50	11	48
TOTAL DERIVATIVES	332	104	310	91

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

The transactions that give rise to entries under this heading are described in: "Financial liabilities (IAS 39)" and "Derivatives and hedge accounting (IAS 39)".

CHANGES IN THE CASH FLOW HEDGING INSTRUMENT REVALUATION RESERVE

IN MILLION EUROS	CASH FLOW HEDGING	SCHEDULE FOR THE TRANSFER OF THE CFH RESERVE ACCOUNT TO THE INCOME STATEMENT		
		< 1 YEAR	1 TO 5 YEARS	> 5 YEARS
Balance at 31 December 2010	(5)	(5)	-	-
Changes in fair value recognized in equity	(12)	-	-	-
Transfer to income statement	15	-	-	-
Balance at 31 December 2011	(2)	2	(4)	-
Changes in fair value recognized in equity	(31)	-	-	-
Transfer to income statement	20	-	-	-
Balance at 31 December 2012	(13)	(9)	(4)	-

With respect to cash flow hedging, the above table shows the periods during which RCI Banque expects cash flows to intervene and affect the income statement.

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



NOMINAL VALUES OF DERIVATIVE INSTRUMENTS BY MATURITY AND MANAGEMENT INTENT

IN MILLION EUROS	< 1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL
12/2012 HEDGING OF CURRENCY RISK				
Forex transactions				
Currency loaned, not yet delivered	1,737	-	-	1,737
Currency borrowed, not yet received	1,742	-	-	1,742
Forward forex contracts				
Sales	72	-	-	72
Purchases	72	-	-	72
Currency swaps				
Loans	313	982	-	1,295
Borrowings	340	950	-	1,290
12/2012 HEDGING OF INTEREST-RATE RISK				
Interest rate swaps				
Lender	3,936	6,649	-	10,585
Borrower	3,936	6,649	-	10,585

IN MILLION EUROS	< 1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL
12/2011 HEDGING OF CURRENCY RISK				
Forex transactions				
Currency loaned, not yet delivered	-	-	-	-
Currency borrowed, not yet received	1	-	-	1
Forward forex contracts				
Sales	1,219	-	-	1,219
Purchases	1,224	-	-	1,224
Currency swaps				
Loans	492	1,022	-	1,514
Borrowings	506	972	-	1,478
12/2011 HEDGING OF INTEREST-RATE RISK				
Interests rate swaps				
Lender	3,878	6,969	-	10,847
Borrower	3,878	6,969	-	10,847

At 31 December 2012, according to the "positive mark to market + add on" methodology, the counterpart risk exposure is €439m against €739m at 31 December 2011. According to the internal methodology, it is €1,106m against €2,004m at 31 December 2011.

These figures apply only to credit institutions. They were determined without taking into account netting agreements accordance with the methodology described in accounting principles (Note 2-P).

NOTE 3 / FINANCIAL ASSETS AVAILABLE FOR SALE AND OTHER FINANCIAL ASSETS

IN MILLION EUROS	12/2012	12/2011
Financial assets available for sale	60	36
Government debt securities and similar	36	36
Variable income securities	5	-
Bonds and other fixed income securities	19	-
Other financial assets	22	29
Interests in companies controlled but not consolidated	22	29
TOTAL FINANCIAL ASSETS AVAILABLE FOR SALE AND OTHER FINANCIAL ASSETS	82	65

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 / AMOUNTS RECEIVABLE FROM CREDIT INSTITUTIONS

IN MILLION EUROS	12/2012	12/2011
Credit balances in sight accounts at credit institutions	627	875
Ordinary accounts in debit	600	842
Overnight loans	27	32
Accrued interest	-	1
Term deposits at credit institutions	114	72
Term loans	103	70
Reverse repurchase agreement or bought outright	9	-
Doubtful receivables	1	2
Accrued interest	1	-
TOTAL AMOUNTS RECEIVABLE FROM CREDIT INSTITUTIONS	741	947

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

Overnight loan transactions with the Central Bank are included in “Cash and balances at central banks and PCAs”.

NOTE 5 / CUSTOMER FINANCE TRANSACTIONS AND SIMILAR

IN MILLION EUROS	12/2012	12/2011
Loans and advances to customers	26,095	24,877
Customer finance transactions	19,506	18,551
Finance lease transactions	6,589	6,326
Operating lease transactions	124	59
TOTAL CUSTOMER FINANCE TRANSACTIONS AND SIMILAR	26,219	24,936

5.1 - CUSTOMER FINANCE TRANSACTIONS

IN MILLION EUROS	12/2012	12/2011
Loans and advances to customers	20,275	19,423
Factoring	529	565
Other commercial receivables	91	106
Other customer credit	18,672	17,739
Ordinary accounts in debit	210	272
Doubtful and compromised receivables	773	741
Interest receivable on customer loans and advances	61	73
Other customer credit	40	44
Ordinary accounts	1	6
Doubtful and compromised receivables	20	23
Total of items included in amortized cost-Customer loans and advances	(157)	(217)
Staggered handling charges and sundry expenses - Received from customers	(122)	(118)
Staggered contributions to sales incentives by manufacturer or dealers	(346)	(353)
Staggered fees paid for referral of business	311	254
Impairment on loans and advances to customers	(673)	(728)
Impairment on delinquent or at-risk receivables	(161)	(160)
Impairment on doubtful and compromised receivables	(489)	(546)
Impairment on residual value	(23)	(22)
TOTAL CUSTOMER FINANCE TRANSACTIONS, NET	19,506	18,551

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.



5.2 - FINANCE LEASE TRANSACTIONS

IN MILLION EUROS	12/2012	12/2011
Finance lease transactions	6,756	6,512
Leasing and long-term rental	6,613	6,373
Doubtful and compromised receivables	143	139
Accrued interest on finance lease transactions	17	9
Leasing and long-term rental	13	5
Doubtful and compromised receivables	4	4
Total of items included in amortized cost - Finance leases	(60)	(65)
Staggered handling charges	(23)	(21)
Staggered contributions to sales incentives by manufacturer or dealers	(138)	(129)
Staggered fees paid for referral of business	101	85
Impairment on finance leases	(124)	(130)
Impairment on delinquent or at-risk receivables	(15)	(14)
Impairment on doubtful and compromised receivables	(103)	(109)
Impairment on residual value	(6)	(7)
TOTAL CUSTOMER FINANCE TRANSACTIONS, NET	6,589	6,326

RECONCILIATION BETWEEN GROSS INVESTMENT IN FINANCE LEASE CONTRACTS AT THE CLOSING DATE AND PRESENT VALUE OF MINIMUM PAYMENTS RECEIVABLE

IN MILLION EUROS	< 1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL
12/2012				
Finance leases - net investment	3,297	3,412	5	6,714
Finance leases future interest receivable	295	194	-	489
Finance leases gross investment	3,592	3,606	5	7,203
Amount of residual value guaranteed to RCI Banque group	1,437	1,592	4	3,033
<i>Of which amount guaranteed by related parties</i>	<i>824</i>	<i>668</i>	<i>2</i>	<i>1,494</i>
Minimum payments receivable under the lease <i>(excluding amounts guaranteed by related parties, as required by IAS 17)</i>	2,767	2,938	3	5,708
12/2011				
Finance leases - net investment	3,231	3,218	7	6,456
Finance leases future interest receivable	281	174	-	455
Finance leases gross investment	3,512	3,392	7	6,911
Amount of residual value guaranteed to RCI Banque group	1,357	1,593	4	2,954
<i>Of which amount guaranteed by related parties</i>	<i>698</i>	<i>649</i>	<i>2</i>	<i>1,349</i>
Minimum payments receivable under the lease <i>(excluding amounts guaranteed by related parties, as required by IAS 17)</i>	2,815	2,742	4	5,561

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5.3 - OPERATING LEASE TRANSACTIONS

IN MILLION EUROS	12/2012	12/2011
Fixed asset net value on operating lease transactions	124	61
Gross value of tangible assets	143	80
Depreciation of tangible assets	(19)	(19)
Receivables on operating lease transactions	4	4
Accrued interest	2	2
Non-impaired receivables	1	5
Doubtful and compromised receivables	1	2
Deposit	-	(5)
Impairment on operating leases	(4)	(6)
Impairment on doubtful and compromised lease contracts	(1)	(2)
Impairment on residual value	(3)	(4)
TOTAL OPERATING LEASE TRANSACTIONS, NET	124	59

THE AMOUNT OF MINIMUM FUTURE PAYMENTS RECEIVABLE UNDER OPERATING NON-CANCELABLE LEASE CONTRACTS IS ANALYSED AS FOLLOWS

IN MILLION EUROS	12/2012	12/2011
0-1 year	11	36
1-5 years	23	15
+ 5 years	-	3
TOTAL	34	54

The growth of the electric vehicle battery leasing business, where battery leases are classified as operating leases, has led the group to adjust its calculation of the amount of minimum payments receivable under non-cancelable operating leases. Thus, the comparable amounts of minimum future payments receivable for the year 2011 are equal to €4 million, in total less than 1 year.

5.4 - MAXIMUM EXPOSURE TO CREDIT RISK AND INDICATION CONCERNING THE QUALITY OF RECEIVABLES DEEMED NON IMPAIRED BY THE RCI BANQUE GROUP

At 31 December 2012, the RCI Banque group's maximum aggregate exposure to credit risk stood at €30,043m. This exposure chiefly includes the net loans outstanding from sales financing, sundry debtors, asset derivatives and irrevocable financing commitments on the RCI Banque group's off-balance sheet (see Note 21: Commitments received).

AMOUNT OF RECEIVABLES DUE

IN MILLION EUROS	12/2012	OF WHICH NON-IMPAIRED ⁽¹⁾	12/2011	OF WHICH NON-IMPAIRED ⁽¹⁾
Receivables due	595	17	661	17
Between 0 and 90 days	84	17	82	17
Between 90 and 180 days	57	-	54	-
Between 180 days and 1 year	27	-	33	-
More than one year	427	-	492	-

(1) Only includes fully or partially (on an individual basis) non-impaired sales financing receivables.

The risks on the quality of customer loans are assessed (using a score system) and monitored per type of business (Customer and Dealer). At the statement closing date, no component affected the credit quality of non-due and non-impaired sales financing receivables.

There is no significant concentration of risks within the sales financing customer base.

As at 31 December 2012, guarantees held on doubtful or delinquent receivables totaled €538m, compared with €537m at 31 December 2011.

5.5 - RESIDUAL VALUES OF RISK CARRIED BY RCI BANQUE

The total risk on residual values carried by the RCI Banque group amounted to €463m in 2012 against €413m in 2011. It was covered by provisions totaling €3m in 2012 (essentially affecting the United Kingdom).

NOTE 6 / CUSTOMER FINANCE TRANSACTIONS BY BUSINESS SEGMENT

IN MILLION EUROS	CUSTOMER	DEALER	OTHER	TOTAL
12/2012				
Gross value	19,307	7,353	360	27,020
Non-impaired receivables	18,698	7,024	357	26,079
Doubtful receivables	159	285	1	445
Compromised receivables	450	44	2	496
% of doubtful and compromised receivables	3.15%	4.47%	0.83%	3.48%
Impairment allowance on individual basis	(546)	(163)	(1)	(710)
Non-impaired receivables	(64)	(53)	-	(117)
Doubtful receivables	(89)	(66)	-	(155)
Compromised receivables	(393)	(44)	(1)	(438)
Impairment allowance on collective basis	(41)	(50)	-	(91)
Impairment	(13)	(50)	-	(63)
Country risk	(28)	-	-	(28)
NET VALUE (*)	18,720	7,140	359	26,219
<i>(*) Of which: related parties (excluding participation in incentives and fees paid for referrals)</i>	103	552	171	826
12/2011				
Gross value	18,861	6,493	446	25,800
Non-impaired receivables	18,202	6,244	445	24,891
Doubtful receivables	147	211	-	358
Compromised receivables	512	38	1	551
% of doubtful and compromised receivables	3.49%	3.83%	0.22%	3.52%
Impairment allowance on individual basis	(600)	(188)	(1)	(789)
Non-impaired receivables	(62)	(70)	-	(132)
Doubtful receivables	(86)	(81)	-	(167)
Compromised receivables	(452)	(37)	(1)	(490)
Impairment allowance on collective basis	(33)	(42)	-	(75)
Impairment	(15)	(34)	-	(49)
Country risk	(18)	(8)	-	(26)
NET VALUE (*)	18,228	6,263	445	24,936
<i>(*) Of which: related parties (excluding participation in incentives and fees paid for referrals)</i>	9	485	233	727

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 Argentina and to a lesser extent, Romania, Morocco and Hungary.

NOTE 7 / ADJUSTMENT ACCOUNTS - ASSETS

IN MILLION EUROS	12/2012	12/2011
Tax receivables	228	176
Current tax assets	24	8
Deferred tax assets	110	82
Tax receivables other than on current income tax	94	86
Adjustment accounts and other assets	389	342
Other sundry debtors	177	145
Adjustment accounts - Assets	37	29
Items received on collections	95	108
Reinsurer part in technical provisions	80	60
TOTAL ADJUSTMENT ACCOUNTS ASSETS AND OTHER ASSETS (*)	617	518
<i>(*) Of which related parties</i>	120	102

Deferred tax assets are analyzed in Note 30.

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

CHANGES IN THE PART OF REINSURANCE IN THE TECHNICAL PROVISIONS

IN MILLION EUROS	12/2012	12/2011
Reinsurer part in technical provisions at the beginning of period	60	36
Increase of the technical provisions chargeable to reinsurers	24	26
Claims recovered from reinsurers	(4)	(2)
REINSURER PART IN TECHNICAL PROVISIONS AT THE END OF PERIOD	80	60

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NOTE 8 / INTERESTS IN ASSOCIATES

IN MILLION EUROS	12/2012		11/2011	
	SHARE OF NET ASSETS	NET INCOME	SHARE OF NET ASSETS	NET INCOME
Nissan Renault Finance Mexico (Customer financing)	48	9	36	6
TOTAL INTERESTS IN ASSOCIATES	48	9	36	6

NOTE 9 / TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS

IN MILLION EUROS	12/2012	12/2011
Intangible assets: net	3	2
Gross value	31	29
Accumulated amortization and impairment	(28)	(27)
Property, plant and equipment: net	25	20
Gross value	115	109
Accumulated depreciation and impairment	(90)	(89)
TOTAL TANGIBLE AND INTANGIBLE NON-CURRENT ASSETS	28	22

NOTE 10 / GOODWILL

IN MILLION EUROS	12/2012	12/2011
Germany	12	12
United Kingdom	39	38
Italy	9	9
Argentina	6	7
South Korea	18	17
TOTAL GOODWILL FROM ACQUISITIONS BY COUNTRY	84	83

Impairment tests were performed on goodwill for all countries and revealed no impairment risk at 31 December 2012. Given the slump in the Hungarian business, this country's goodwill was fully impaired in 2008.

NOTE 11 / LIABILITIES TO CREDIT INSTITUTIONS AND CUSTOMERS, AND DEBT EVIDENCED BY CERTIFICATES

11.1 - LIABILITIES BY MEASUREMENT METHOD

IN MILLION EUROS	12/2012	12/2011
Liabilities measured at amortized cost	18,323	17,505
Amounts payable to credit institutions	3,761	3,963
Amounts payable to customers	1,619	718
Debt evidenced by certificates	12,943	12,824
Liabilities measured at fair value hedge	5,760	5,158
Amounts payable to credit institutions	169	170
Debt evidenced by certificates	5,591	4,988
TOTAL FINANCIAL DEBTS	24,083	22,663

11.2 - AMOUNTS PAYABLE TO CREDIT INSTITUTIONS

IN MILLION EUROS	12/2012	12/2011
Sight accounts payable to credit institutions	161	150
Ordinary accounts	92	80
Other amounts owed	69	70
Term accounts payable to credit institutions	3,769	3,983
Term borrowings	3,632	3,879
Accrued interest	137	104
TOTAL LIABILITIES TO CREDIT INSTITUTIONS	3,930	4,133

Sight accounts are included in the "Cash and cash equivalents" line item in the cash flow statement.

The book value of receivables provided as collateral to the *Société de financement de l'économie française* (SFEF) by RCI Banque totaled €341m at 31 December 2012, in exchange for a refinancing of €210m.

The balance of the funding provided by the European Central Bank in exchange for assigned accounts receivable amounts to €400m at 31 December 2012 (against €350m at 31 December 2011), now listed under the above heading "Term borrowings", in accordance with French Banking Federation (FBF) recommendations (previously listed under "Securities covered by repurchase agreements").

The book value of the collateral presented to the Banque Centrale (3G) amounted to €2,933m at 31 December 2012, including €160m of private accounts receivable and €2,773m in collateralized security entity shares.



11.3 - AMOUNTS PAYABLE TO CUSTOMERS

IN MILLION EUROS	12/2012	12/2011
Amounts payable to customers	1,608	711
Ordinary accounts in credit	61	94
Term accounts in credit	654	617
Ordinary saving accounts	893	-
Other amounts payable to customers and Accrued interest	11	7
Other amounts payable to customers	10	6
Accrued interest on ordinary accounts in credit	-	1
Accrued interest on term accounts in credit	1	-
TOTAL LIABILITIES TO CUSTOMERS (*)	1,619	718
<i>(*) Of which related parties⁽¹⁾</i>	<i>673</i>	<i>657</i>

(1) Term accounts in credit include a €550m 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. This cash warrant agreement replaces the two existing agreements.

11.4 - DEBT EVIDENCED BY CERTIFICATES

IN MILLION EUROS	12/2012	12/2011
Negotiable debt securities⁽¹⁾	2,994	3,213
Certificates of deposit	2,434	3,064
Commercial paper and similar	432	70
French MTNs and similar	97	37
Accrued interest on negotiable debt securities	31	42
Other debt evidenced by certificates⁽²⁾	3,902	3,704
Other debt evidenced by certificates	3,899	3,700
Accrued interest on other debt evidenced by certificates	3	4
Bonds and similar	11,638	10,895
Bonds	11,512	10,776
Accrued interest on bonds	126	119
TOTAL DEBT EVIDENCED BY CERTIFICATES (*)	18,534	17,812
<i>(*) Of which related parties</i>	<i>236</i>	<i>127</i>

(1) Certificates of deposit, commercial paper and French MTNs are issued by RCI Banque S.A., CFI RCI Brasil 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) securitizations.

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11.5 - BREAKDOWN OF FINANCIAL LIABILITIES BY RATE TYPE BEFORE DERIVATIVES

IN MILLION OF EUROS	VARIABLE	FIXED	TOTAL
12/2012			
Amounts payable to credit institutions	1,319	2,611	3,930
Amounts payable to customers	1,477	142	1,619
Negotiable debt securities	1,013	1,981	2,994
Other debt evidenced by certificates	3,314	588	3,902
Bonds	816	10,822	11,638
TOTAL FINANCIAL LIABILITIES BY RATE	7,939	16,144	24,083

12/2011			
Amounts payable to credit institutions	1,078	3,055	4,133
Amounts payable to customers	616	102	718
Negotiable debt securities	1,357	1,857	3,214
Other debt evidenced by certificates	3,489	214	3,703
Bonds	1,511	9,384	10,895
TOTAL FINANCIAL LIABILITIES BY RATE	8,051	14,612	22,663

11.6 - BREAKDOWN OF FINANCIAL LIABILITIES BY MATURITY

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

NOTE 12 / SECURITIZATION

IN MILLION OF EUROS	SECURITIZATION - PUBLIC ISSUES					
COUNTRY	FRANCE			ITALY	GERMANY	
Ceding entity	Diac S.A.	Diac S.A.	Diac S.A.	Cogera S.A.	RCI Banque Succursale Italiana	RCI Bank Niederlassung
Concerned collateral	Auto loans to customers	Auto loans to customers	Auto loans to customers	Receivables independent dealers	Auto loans to customers	Auto loans to customers
Asset SPV	Cars Alliance Auto Loans France FCT Master	Cars Alliance Auto Loans France F 2012-1	Cars Alliance Auto Loans France V 2012-1	FCT Cars Alliance DFP France	Cars Alliance Warehouse Italy SRL	Cars Alliance Auto Loans Germany FCT
Star date	May 2012	June 2012	November 2012	April 2010	June 2012	December 2011
Maximum term of fund	August 2030	September 2021	February 2024	October 2015	December 2029	May 2024
Initial purchase of receivables	€715m	€867m	€826m	€1,235m	€777m	€1,793m
Credit enhancement as at the initial date	Cash reserve for 1% Over-collateralization of receivables 15.0%	Cash reserve for 1% Over-collateralization of receivables 13.0%	Cash reserve for 1% Over-collateralization of receivables 13.5%	Cash reserve for 1% Over-collateralization of receivables 13.6%	Cash reserve for 2% Over-collateralization of receivables 14.5%	Cash reserve for 1% Over-collateralization of receivables 12.7%
Receivables purchased as of 31/12/2012	€250m	€610m	€793m	€1,972m	€714m	€1,721m
Notes in issue as at 31/12/2012 (including any units held by the RCI Banque group)	Class A Rating : AAA €224m	Class A Rating : AAA €527m	Class A Rating : AAA €700m	Series 2010-1 Class A Rating : AAA €750m	Class A Rating : AAA €619m	Class A Rating : AAA €739m
	Class B No rated €39m	Class B No rated €102m	Class B No rated €109m	Series 2005-2 Class A Rating : AAA €250m		Class R Rating : AAA €810m
	Class B No rated €39m	Class B No rated €102m	Class B No rated €109m	Series 2005-2 Class B No rated €37m	Class B No rated €137m	Class B Rating : AAA €26m
Period	Revolving	Fixed term	Revolving	Revolving	Revolving	Revolving
Transaction's nature	Retained	Market	Market	Retained	Retained	Class A: market Class R: retained

In 2012, the RCI Banque group carried out a number of public securitization transactions (France and Italy) securitizing amounts receivable from final customer credits, by means of special purpose vehicles. Certain transactions were held by RCI Banque S.A., thus providing securities eligible as ECB collateral.

All securitization transactions carried out by the group meet the 5% retention of net economic interest requirement set out in Article 122a of European Directive 2006/48/EC.

In addition, and as part of its efforts to diversify its refinancing, certain transactions were secured by conduit. As these issues were private, their terms and conditions are not disclosed in the table above. Customer receivables in the United Kingdom and in Italy were securitized, as were leasing receivables and dealer receivables in Germany. The amount of financing obtained through securitization by conduit totaled €2,048m at end December 2012.

These transactions were not intended to result in derecognition of the receivables transferred, and at 31 December 2012 the amount of the sales financing receivables thus maintained on the balance sheet totaled €8,814m (€8,739m at 31/12/2011), as follows:

- Securitization transactions placed on the market: €3,124m
- Retained securitization transactions: €2,936m
- Private securitization transactions: €2,754m

The fair value of these receivables was €8,842m at 31 December 2012.

Liabilities of €3,902m have been booked under "Other debt evidenced by certificates" corresponding to the securities issued during these securitization transactions. The fair value of these liabilities was €3,949m at 31/12/2012.

The difference between the amount of receivables purchased and the amount of the aforementioned liabilities corresponds to the credit enhancement needed for these transactions and to the share of securities kept by the RCI Banque group, serving as a liquidity reserve.

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NOTE 13 / ADJUSTMENT ACCOUNTS - LIABILITIES

IN MILLION EUROS	12/2012	12/2011
Taxes payable	481	430
Current tax liabilities	110	80
Deferred tax liabilities	322	317
Taxes payable other than on current income tax	49	33
Adjustment accounts and other amounts payable	887	886
Social security and employee-related liabilities	56	51
Other sundry creditors	655	665
Adjustment accounts - liabilities	162	155
Collection accounts	14	15
TOTAL ADJUSTMENT ACCOUNTS LIABILITIES AND OTHER LIABILITIES (*)	1,368	1,316
<i>(*) Of which related parties</i>	<i>46</i>	<i>64</i>

Deferred tax assets are analyzed in Note 30.

NOTE 14 / PROVISIONS

IN MILLION EUROS	12/2011	CHARGE	REVERSALS		OTHER ^(*)	12/2012
			USED	NOT USED		
Provisions on banking operations	128	130	(10)	(67)	-	181
Provisions for litigation risks	4	3		(2)	(1)	4
Other provisions	124	127	(10)	(65)	1	177
Provisions on non-banking operations	77	29	(9)	(6)	-	91
Provisions for pensions liabilities and related	31	5	(3)		2	35
Provisions for restructuring	6	5	(4)	(2)	-	5
Provisions for tax and litigation risks	37	17	(2)	(4)	(2)	46
Other	3	2	-	-	-	5
TOTAL PROVISIONS	205	159	(19)	(73)	-	272

(*) 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 legal counsel, provisions were established when deemed necessary to cover estimated risks.

Every so often, the group's companies are subject to tax audits in the countries where they are based. Uncontested deficiency notices are booked by means of tax provisions. Contested deficiency notices are recognized case by case on the basis of estimates taking into account the merit of the claims against the company concerned and the risk that it may not prevail in its case.

At year-end 2012, the provisions for restructuring mainly concern Germany, Spain and the United Kingdom.

Other provisions on banking operations mainly consist of the insurance technical provision for insurance company commitments towards policy holders and beneficiaries.



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

CHANGES IN THE INSURANCE TECHNICAL PROVISIONS

IN MILLION EUROS	12/2012	12/2011
Liabilities relative to insurance contracts in the beginning of period	105	52
Allowance for insurance technical provisions	56	56
Services paid	(10)	(3)
LIABILITIES RELATIVE TO INSURANCE CONTRACTS AT THE END OF PERIOD	151	105

PROVISIONS FOR PENSION AND OTHER POST-EMPLOYMENT BENEFITS

IN MILLION EUROS	12/2012	12/2011
France	28	23
Rest of the world	7	8
TOTAL PROVISIONS	35	31
Principal actuarial assumptions		
Retirement age	67 years	67 years
Salary increases	2.70%	2.90%
Financial discount rate	3.31%	4.36%
Starting rate	2.62%	4.34%

CHANGES IN PROVISIONS DURING THE YEAR

IN MILLION EUROS	ACTUARIAL VALUE OF OBLIGATIONS	ACTUARIAL VALUE OF INVESTED FUNDS	OBLIGATIONS LESS INVESTED FUNDS	UNRECOGNIZED ACTUARIAL GAINS/LOSSES	PROVISION ON BALANCE SHEET
Balance at 31 December 2010	50	(24)	26	1	27
Net charge for the year 2011	5	1	6	(2)	4
Benefits and contributions paid	(1)	(1)	(2)	-	(2)
Actuarial differences	2	-	2	1	3
Translation adjustment	1	(1)	-	-	-
Projected return on assets	-	(1)	(1)	-	(1)
Balance at 31 December 2011	57	(26)	31	-	31
Net charge for the year 2012	6	(1)	5	(1)	4
Benefits and contributions paid	(2)	-	(2)	-	(2)
Actuarial differences ⁽¹⁾	4	(2)	2	-	2
Translation adjustment	1	-	1	-	1
Projected return on assets	-	(1)	(1)	-	(1)
BALANCE AT 31 DECEMBER 2012	66	(30)	36	(1)	35

(1) of which -€1.1m in actuarial value of obligations resulting from effects of experience.

Expected rates of return on invested funds in 2012 are 5.60% in the United Kingdom, 5.18% in the Netherlands and 2.25% in Switzerland. At 31 December 2012, the breakdown of invested funds was as follows: €18m in bonds, €8m in shares and €4m in other.

AMOUNTS RECOGNIZED IN THE INCOME STATEMENT FOR PENSION OBLIGATIONS

IN MILLION EUROS	12/2012	12/2011
Cost of services rendered	1	2
Financial expense resulting from the discount rate	3	2
NET CHARGES	4	4

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NOTE 15 / IMPAIRMENTS ALLOWANCES TO COVER COUNTERPARTY RISK

IN MILLION EUROS	12/2011	CHARGE	REVERSALS		OTHER ^(*)	12/2012
			USED	NOT USED		
Impairments on banking operations	897	405	(293)	(174)	6	841
Customer finance transactions (on individual basis)	791	352	(275)	(158)	2	712
Customer finance transactions (on collective basis)	75	35	(2)	(16)	(1)	91
Securities transactions	31	18	(16)	-	5	38
Impairments on non-banking operations	8	5	-	(3)	(1)	9
Other impairment to cover counterparty risk	8	5	-	(3)	(1)	9
TOTAL PROVISIONS TO COVER COUNTERPARTY RISK	905	410	(293)	(177)	5	850

(*) 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 6.

NOTE 16 / SUBORDINATED DEBT - LIABILITIES

IN MILLION EUROS	12/2012	12/2011
Liabilities measured at amortized cost	250	251
Subordinated debt	250	250
Accrued interest on subordinated debt	-	1
Hedged liabilities measured at fair value	9	10
Participating loan stock	9	10
TOTAL SUBORDINATED LIABILITIES	259	261

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

- maturity: in ten years (redeemable on 07/04/2015),
- currency: euro,
- interest rate: 3-month Euribor +0.90.

The remuneration on the participating loan stock issued in 1985 by Diac 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 sub-group's consolidated net income for the year compared to that of the previous year, to 40% of the money market rate.



NOTE 17 / FINANCIAL ASSETS AND LIABILITIES BY REMAINING TERM TO MATURITY

IN MILLION EUROS	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	> 5 YEARS	TOTAL
12/2012					
Financial assets	7,804	8,877	10,433	136	27,250
Derivatives	12	6	314	-	332
Financial assets available for sale and other financial assets	10	7	43	22	82
Amounts receivable from credit institutions	730	2	9	-	741
Loans and advances to customers	7,052	8,862	10,067	114	26,095
Financial liabilities	6,230	4,371	13,286	559	24,446
Derivatives	26	46	32	-	104
Amounts payable to credit institutions	1,175	791	1,964	-	3,930
Amounts payable to customers	1,069	-	-	550	1 619
Debt evidenced by certificates	3,960	3,534	11,040	-	18,534
Subordinated debt	-	-	250	9	259
12/2011					
Financial assets	7,641	8,391	10,078	89	26,199
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
Financial liabilities	6,667	4,451	11,327	570	23,015
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

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NOTE 18 / BREAKDOWN OF FUTURE CONTRACTUAL CASH FLOWS BY MATURITY

IN MILLION EUROS	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 5 YEARS	> 5 YEARS	TOTAL
12/2012					
Financial liabilities	6,102	4,825	14,123	567	25,617
Derivatives	55	48	27	-	130
Amounts payable to credit institutions	1,153	673	1,964	-	3,790
Amounts payable to customers	1,068	-	-	550	1,618
Debt evidenced by certificates	3,576	3,433	11,028	-	18,037
Subordinated liabilities	-	-	250	9	259
Future interest payable	250	671	854	8	1,783
Financing and guarantee commitments to customers	1,519	-	-	-	1,519
TOTAL BREAKDOWN OF FUTURE CONTRACTUAL CASH FLOWS BY MATURITY	7,621	4,825	14,123	567	27,136
12/2011					
Financial liabilities	6,639	4,925	12,491	580	24,635
Derivatives	98	114	225	-	437
Amounts payable to credit institutions	2,218	582	1,217	10	4,027
Amounts payable to customers	161	6	-	550	717
Debt evidenced by certificates	3,932	3,659	9,817	-	17,408
Subordinated liabilities	-	-	250	11	261
Future interest payable	230	564	982	9	1,785
Financing and guarantee commitments to customers	1,634	-	-	-	1,634
TOTAL BREAKDOWN OF FUTURE CONTRACTUAL CASH FLOWS BY MATURITY	8,273	4,925	12,491	580	26,269

The sum of the future contractual cash flows is not equal to the values in the balance sheet. This is because future contractual interest and non-discounted coupon payments on swaps are taken into account.

For liability derivatives, the contractual cash flows correspond to the amounts payable.

For the other non-derivative financial liabilities, the contractual cash flows correspond to the repayment of the par value and the payment of interest.

Interest for variable rate financial instruments has been estimated on the basis of the interest rate in effect at 31 December.



NOTE 19 / FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (UNDER IFRS 7)

19.1 - NATURE HIERARCHY BREAKDOWN

IN MILLION EUROS	12/2012			12/2011		
	NBV (*)	FV (*)	DIFFERENCE (*)	NBV (*)	FV (*)	DIFFERENCE (*)
Financial assets	27,250	27,432	182	26,199	26,278	79
Derivatives	332	332	-	310	310	-
Financial assets available for sale and other financial assets	82	82	-	65	65	-
Amounts receivable from credit institutions	741	741	-	947	947	-
Loans and advances to customers	26,095	26,277	182	24,877	24,956	79
Financial liabilities	24,446	24,712	(266)	23,015	22,860	155
Derivatives	104	104	-	91	91	-
Amounts payable to credit institutions	3,930	3,984	(54)	4,133	4,112	21
Amounts payable to customers	1,619	1,619	-	718	718	-
Debt evidenced by certificates	18,534	18,750	(216)	17,812	17,675	137
Dettes subordonnées	259	255	4	261	264	(3)

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

■ Assumptions and methods used:

Estimated fair values have been determined using available market information and appropriate valuation methods for each type of instrument. However, the methods and assumption used are by nature theoretical, and a substantial amount of judgment comes into play in interpreting market data. Using different assumptions and/or different valuation methods could have a significant effect on the estimated values.

Fair values have been determined on the basis of information available at the closing date of each period, and thus do not reflect later changes.

As a general rule, whenever a financial instrument is traded on an active, liquid market, its most recent quoted price is used to calculate market value. For instruments not traded on such a market, market value is determined by applying recognized valuation models that use observable market parameters. If RCI Banque does not have the necessary valuation tools necessary, as for complex products, valuations are obtained from leading financial institutions.

The main assumptions and valuation methods used are the following:

- **Financial assets**
Fixed-rate loans have been estimated by discounting future cash flows at the interest rates offered by RCI Banque at 31 December 2012 and at 31 December 2011 for loans with similar conditions and maturities.
- **Loans and advances to customers**
Sales financing receivables have been estimated by discounting future cash flows at the interest rate that would have applied to similar loans (conditions, maturity and borrower quality) at 31 December 2012 and at 31 December 2011.

Customer receivables with a term of less than one year are not discounted, as their fair value is not significantly different from net book value.
- **Financial liabilities**
Fair value of financial liabilities has been estimated by discounting future cash flows at the interest rates offered to RCI Banque at 31 December 2012 and 31 December 2011 for borrowings with similar conditions and maturities. Projected cash flows are discounted according to the zero-coupon yield curve augmented by the spread specific to RCI Banque.

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19.2 - LEVEL HIERARCHY BREAKDOWN (IFRS 7)

IN MILLION EUROS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL 12/2012
Assets measured at fair value	60	332	-	392
Financial assets available for sale and other financial assets	60	-	-	60
Derivatives	-	332	-	332
Liabilities measured at fair value	9	104	-	113
Participating loan stock	9	-	-	9
Derivatives	-	104	-	104

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

- **Level 1:** measurements based on quoted prices on active markets for identical financial instruments.
- **Level 2:** measurements based on quoted prices on active markets for similar financial instruments or measurements for which all significant data are based on observable market data.
- **Level 3:** measurement techniques for which significant data are not based on observable market data.

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

NOTE 20 / COMMITMENTS GIVEN

IN MILLION EUROS	12/2012	12/2011
Financing commitments	1,451	1,626
Commitments to customers	1,451	1,626
Guarantee commitments	123	8
Commitments to credit institutions	55	-
Customer guarantees	68	8
Commitments on securities	-	8
Other securities receivable	-	8
TOTAL COMMITMENTS GIVEN (*)	1,574	1,642
<i>(*) Of which related parties</i>	<i>1</i>	<i>8</i>

NOTE 21 / COMMITMENTS RECEIVED

IN MILLION EUROS	12/2012	12/2011
Financing commitments	4,742	4,617
Commitments from credit institutions	4,741	4,616
Commitments from customers	1	1
Guarantee commitments	7,629	6,779
Guarantees from credit institutions	197	130
Guarantees from customers	4,146	3,579
Commitments to take back leased vehicles at the end of the contract	3,286	3,070
TOTAL COMMITMENTS RECEIVED (*)	12,371	11,396
<i>(*) Of which related parties</i>	<i>2,125</i>	<i>1,974</i>

At 31 December 2012, RCI Banque had €4,696m in unused confirmed lines of credit as well as broadly diversified short-term and medium-term issuance programs. RCI Banque also held €1,903m of receivables eligible as European Central Bank collateral (excluding securities and receivables already in use to secure financing at year-end).

Guarantees and collateral

Guarantees or collateral offer partial or total protection against the risk of losses due to debtor insolvency (mortgages, pledges, comfort letters, bank guarantees on first demand for the granting of loans to dealers and private customers in certain cases). Guarantors are the subject of internal or external rating updated at least annually.

With a view to reducing its risk-taking, the RCI Banque group thus actively and rigorously manages its sureties, among other things by diversifying them: credit insurance, personal and other guarantees.



NOTE 22 / EXPOSURE TO CURRENCY RISK

IN MILLION EUROS	BALANCE SHEET		OFF BALANCE SHEET		NET POSITION		
	LONG POSITION	SHORT POSITION	LONG POSITION	SHORT POSITION	TOTAL	OF WHICH MONETARY	OF WHICH STRUCTURAL
12/2012							
Position USD	1,095	-	-	(1,095)	-	-	-
Position GBP	-	(819)	942	-	123	-	123
Position CHF	164	-	-	(161)	3	-	3
Position CZK	1	-	19	-	20	-	20
Position ARS	21	-	-	-	21	-	21
Position BRL	145	-	-	-	145	-	145
Position PLN	-	(59)	115	-	56	-	56
Position HUF	6	-	-	-	6	-	6
Position RON	-	(2)	-	-	(2)	(2)	-
Position KRW	152	-	-	-	152	-	152
Position MAD	11	-	-	-	11	-	11
Position DKK	-	(28)	28	-	-	-	-
Position TRY	20	-	-	-	20	-	20
Position SEK	-	(3)	4	-	1	-	1
Position NOK	68	-	-	(68)	-	-	-
Position AUD	146	-	-	(146)	-	-	-
Position RUB	4	-	-	(4)	-	-	-
TOTAL EXPOSURE	1,833	(911)	1,108	(1,474)	556	(2)	558
12/2011							
Position USD	1,005	-	-	(1,006)	(1)	1	-
Position GBP	-	(394)	495	-	101	-	101
Position CHF	-	(33)	36	-	3	-	3
Position CZK	-	(3)	21	-	18	-	18
Position ARS	25	-	-	-	25	-	25
Position BRL	132	-	-	-	132	-	132
Position PLN	-	(62)	113	-	51	-	51
Position HUF	-	(1)	6	-	5	-	5
Position RON	2	-	-	-	2	2	-
Position KRW	143	-	-	-	143	-	143
Position MAD	11	-	-	-	11	-	11
Position DKK	-	(24)	24	-	-	-	-
Position TRY	19	-	-	-	19	-	19
Position SEK	-	(46)	46	-	-	-	-
TOTAL EXPOSURE	1,337	(563)	741	(1,006)	509	1	508

The structural foreign exchange position corresponds to the value of foreign currency equity securities held by RCI Banque S.A.

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

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 23 / INTEREST AND SIMILAR INCOME

IN MILLION EUROS	12/2012	12/2011
Interests and similar incomes	2,289	2,125
Transactions with credit institutions	19	23
Customer finance transactions	1,581	1,447
Finance lease transactions	577	533
Accrued interest due and payable on hedging instruments	111	118
Accrued interest due and payable on Financial assets available for sale	1	4
Staggered fees paid for referral of business	(282)	(223)
Customer Loans	(214)	(170)
Finance leases	(68)	(53)
TOTAL INTERESTS AND SIMILAR INCOMES (*)	2,007	1,902
<i>(*) Of which related parties</i>	<i>585</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 24 / INTEREST EXPENSES AND SIMILAR CHARGES

IN MILLION EUROS	12/2012	12/2011
Transactions with credit institutions	(297)	(272)
Customer finance transactions	(27)	(10)
Accrued interest due and payable on hedging instruments	(88)	(104)
Expenses/debt evidenced by certificates	(584)	(525)
Other interest and similar expenses	(21)	(11)
TOTAL INTEREST AND SIMILAR EXPENSES (*)	(1,017)	(922)
<i>(*) Of which related parties</i>	<i>(29)</i>	<i>(27)</i>

NOTE 25 / NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

IN MILLION EUROS	12/2012	12/2011
Net gains (losses) on derivatives classified as transactions in trading securities	(3)	1
Net gains/losses on forex transactions	20	(66)
Net gains/losses on derivatives classified in trading securities	(18)	66
Net gains and losses on equity investments at fair value	-	2
Fair value hedges: change in value of hedging instruments	82	181
Fair value hedges: change in value of hedged items	(87)	(182)
TOTAL NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE	(3)	1

NOTE 26 / NET GAINS (LOSSES) ON AFS SECURITIES AND OTHER FINANCIAL ASSETS

IN MILLION EUROS	12/2012	12/2011
Other financial assets	11	5
Dividends from non-consolidated holdings	13	5
Charges to (reversals of) impairment allowances	(2)	-
TOTAL NET GAINS (LOSSES) ON FINANCIAL ASSETS AVAILABLE FOR SALE AND OTHER	11	5

NOTE 27 / NET INCOME (EXPENSE) OF OTHER ACTIVITIES

IN MILLION EUROS	12/2012	12/2011
Other income from banking operations	670	606
Incidental income from finance contracts	307	313
Income from service activities	254	179
Income related to non-doubtful lease contracts	59	63
<i>of which reversal of impairment on residual values</i>	<i>6</i>	<i>8</i>
Income from operating lease transactions	22	20
Other income from banking operations	28	31
<i>of which reversal of charge to reserve for banking risks</i>	<i>5</i>	<i>7</i>
Other expenses of banking operations	(453)	(423)
Cost of services related to finance contracts	(143)	(157)
Cost of service activities	(139)	(113)
Expenses related to non-doubtful lease contracts	(48)	(57)
<i>of which allowance for impairment on residual values</i>	<i>(4)</i>	<i>(10)</i>
Distribution costs not treatable as interest expense	(77)	(63)
Expenses related to operating lease transactions	(16)	(12)
Other expenses of banking operations	(30)	(21)
<i>of which charge to reserve for banking risks</i>	<i>(10)</i>	<i>(2)</i>
Other income and expense of non-banking operations net	4	2
Other income from non-banking operations	16	14
Other expenses of non-banking operations	(12)	(12)
TOTAL NET INCOME (EXPENSE) OF OTHER ACTIVITIES (*)	221	185
<i>(*) Of which related parties</i>	<i>(5)</i>	<i>(1)</i>

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 related to operating lease transactions are now classified under "Net income (expense) of other activities", as recommended by the *Conseil National de la Comptabilité* (French National Accounting Council) in its Recommendation 2004-R.03. They were previously included as interest in Notes 23 and 24.

Income and expenses of service activities include the income and expenses booked for insurance policies issued by the group's captive insurance companies.

NET INCOME OF INSURANCE ACTIVITIES

IN MILLION EUROS	12/2012	12/2011
Gross premiums written	144	91
Net charge of provisions for technical provisions	(47)	(54)
Claims paid	(10)	(3)
Claims recovered from reinsurers	4	2
Others reinsurance charges and incomes	(5)	4
TOTAL NET INCOME OF INSURANCE ACTIVITIES	86	40

NOTE 28 / GENERAL OPERATING EXPENSES AND PERSONNEL COSTS

IN MILLION EUROS	12/2012	12/2011
Personnel costs	(218)	(199)
Employee pay	(147)	(138)
Expenses of post-retirement benefits	(14)	(15)
Other employee-related expenses	(45)	(42)
Other personnel expenses	(12)	(4)
Other administrative expenses	(159)	(152)
Taxes other than current income tax	(28)	(19)
Rental charges	(14)	(14)
Other administrative expenses	(117)	(119)
TOTAL GENERAL OPERATING EXPENSES (*)	(377)	(351)
<i>(*) Of which related parties</i>	<i>(2)</i>	<i>-</i>
AVERAGE NUMBER EMPLOYEES	12/2012	12/2011
Sales financing operations and services in France	1,334	1,297
Sales financing operations and services in other countries	1,542	1,533
TOTAL	2,876	2,830

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".

CONSOLIDATED FINANCIAL STATEMENTS

NOTE 29 / COST OF RISK BY CUSTOMER CATEGORY

IN MILLION EUROS	12/2012	12/2011
Cost of risk on customer financing	(86)	(57)
Impairment allowances	(267)	(208)
Reversal of impairment	317	271
Losses on receivables written off	(155)	(136)
Amounts recovered on loans written off	19	16
Cost of risk on dealer financing	(2)	9
Impairment allowances	(94)	(69)
Reversal of impairment	103	94
Losses on receivables written off	(12)	(16)
Amounts recovered on loans written off	1	-
Other cost of risk	(3)	(4)
Change in allowance for country risk	(1)	(4)
Change in allowance for impairment of other receivables	(2)	-
TOTAL COST OF RISK	(91)	(52)

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

NOTE 30 / INCOME TAX

IN MILLION EUROS	12/2012	12/2011
Current tax expense	(262)	(219)
Current tax expense	(262)	(219)
Deferred taxes	15	(46)
Income (expense) of deferred taxes, gross	15	(46)
TOTAL INCOME TAX	(247)	(265)

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.



BREAKDOWN OF NET DEFERRED TAXES BY MAJOR CATEGORY

IN MILLION EUROS	12/2012	12/2011
Impairment	135	89
Provisions and other charges deductible when paid	11	11
Tax loss carryforwards	34	38
Other assets and liabilities	(4)	(25)
Lease transactions	(381)	(341)
Non-current assets	(1)	(1)
Impairment allowance on deferred tax assets	(6)	(6)
TOTAL NET DEFERRED TAX ASSET (LIABILITY)	(212)	(235)

RECONCILIATION OF ACTUAL TAX EXPENSE BOOKED AND THEORETICAL TAX CHARGE

IN %	12/2012	12/2011
Statutory income tax rate - France	36.10%	36.10%
Differential in tax rates of french entities	0.72%	0.71%
Differential in tax rates of foreign entities	-4.51%	-3.23%
Change in impairment allowance on deferred tax assets and losses on tax loss carryforwards	-0.03%	-0.02%
Effect of equity-accounted associates	-0.44%	-0.25%
Other impacts	0.14%	0.37%
EFFECTIVE TAX RATE	31.98%	33.68%

DEFERRED TAX EXPENSE RECOGNIZED IN THE OTHER COMPREHENSIVE INCOME

IN MILLION EUROS	BEFORE TAX	TAX	NET
2012 CHANGE IN EQUITY			
Unrealised P&L on cash flow hedge instruments	(17)	6	(11)
Unrealised P&L on AFS financial assets	1	-	1
Actuarial differences	(2)	1	(1)
Exchange differences	(5)	-	(5)
Other unrealised or deferred P&L	(1)	-	(1)
2011 CHANGE IN EQUITY			
Unrealised P&L on cash flow hedge instruments	3	-	3
Unrealised P&L on AFS financial assets	-	-	-
Actuarial differences	(1)	-	(1)
Exchange differences	(26)	-	(26)
Other unrealised or deferred P&L	1	-	1

CONSOLIDATED FINANCIAL STATEMENTS

6 COMPANIES AND FOREIGN BRANCHES INCLUDED IN THE SCOPE OF CONSOLIDATION

	COUNTRY	DIRECT INTEREST OF RCI BANQUE	INDIRECT INTEREST OF RCI BANQUE		HELD BY	2012	%
			%			2011	2011
PARENT COMPANY: RCI BANQUE S.A.							
Branches of RCI Banque S.A.							
RCI Banque S.A. Niederlassung Deutschland	Germany	-	-			-	-
RCI Banque Sucursal Argentina	Argentina	-	-			-	-
RCI Banque S.A. Niederlassung Osterreich**	Austria	-	-			-	-
RCI Banque S.A. Sucursal España	Spain	-	-			-	-
RCI Banque Sucursal Portugal	Portugal	-	-			-	-
RCI Banque S.A. Bancna Podružnica Ljubljana	Slovenia	-	-			-	-
RCI Banque Succursale Italiana	Italy	-	-			-	-
RCI Banque Branch Ireland**	Ireland	-	-			-	-
Renault Finance Nordic Bank filial till RCI Banque S.A. Frankrike	Sweden	-	-			-	-
FULLY CONSOLIDATED COMPANIES							
RCI Versicherungs Service GmbH	Germany	100	-			100	100
Rombo Compania Financiera S.A.	Argentina	60	-			60	60
Courtage S.A.	Argentina	95	-			95	95
RCI Financial Services S.A.	Belgium	100	-			100	100
Renault AutoFin S.A.	Belgium	100	-			100	100
Administradora de Consorcio Renault do Brasil S/C Ltda.	Brazil	99.92	-			99.92	99.92
Companhia de Arrendamento Mercantil RCI do Brasil S.A.	Brazil	-	100	Companhia de Crédito, Financiamento e Investimento RCI do Brasil S.A.		60.11	60.12
Companhia de Crédito, Financiamento e Investimento RCI do Brasil S.A.	Brazil	60.11	-			60.11	60.09
Corretora de Seguros RCI do Brasil S.A.	Brazil	100	-			100	100
RCI Financial Services Korea Co Ltd	South Korea	100	-			100	100
Overlease S.A.	Spain	100	-			100	100
Diac S.A.	France	100	-			100	100
Cogéra S.A.	France	-	100	Diac S.A.		100	94.81
Diac Location S.A.	France	-	100	Diac S.A.		100	100
Sogesma S.A.R.L.	France	-	100	Diac S.A.		100	100
RCI zrt Hongrie	Hungary	100	-			100	100
ES Mobility SRL*	Italy	100	-			100	100
RCI Services Ltd	Malta	100	-			100	100
RCI Insurance Ltd	Malta	-	100	RCI Services Ltd		100	100



	COUNTRY	DIRECT INTEREST OF RCI BANQUE	INDIRECT INTEREST OF RCI BANQUE		%	
			%	HELD BY	2012	2011
RCI Life Ltd	Malta	-	100	RCI Services Ltd	100	100
RCI Finance Maroc S.A.	Morocco	100	-		100	100
RCI Financial Services B.V.	Netherlands	100	-		100	100
Renault Credit Polska Sp. z.o.o.	Poland	100	-		100	100
RCI Bank Polska S.A.	Poland	100	-		100	100
RCI Gest Instituição Financiara de Credito S.A.	Portugal	100	-		100	100
RCI Gest Seguros - Mediadores de Seguros, Lda	Portugal	-	100	RCI GEST IFIC S.A.	100	100
RCI Finance CZ s.r.o.	Czech Rep.	100	-		100	100
RCI Broker De Asigurare S.R.L.	Romania	-	100	RCI Finantare Romania	100	100
RCI Finantare Romania S.R.L.	Romania	100	-		100	100
RCI Leasing Romania IFN S.A.	Romania	100	-		100	100
Renault Acceptance Ltd	United Kingdom	100	-		100	100
RCI Financial Services Ltd	United Kingdom	100	-		100	100
RCI Finance S.A.	Switzerland	100	-		100	100
SPV						
FCT Cars Alliance Auto Loans Germany	Germany	-	(see note 12)	RCI Banque Niederlassung	-	-
FCT Cars Alliance Auto Leases Germany	Germany	-	-	RCI Banque Niederlassung	-	-
SPV DFP RHOMBUS S.A.	Germany	-	-	RCI Banque Niederlassung	-	-
FCT Cars Alliance DFP France	France	-	(see note 12)	Cogera S.A.	-	-
Cars Alliance Auto Loans France FCT Master	France	-	(see note 12)	Diac S.A.	-	-
Cars Alliance Auto Loans France F 2012-1	France	-	(see note 12)	Diac S.A.	-	-
Cars Alliance Auto Loans France V 2012-1	France	-	(see note 12)	Diac S.A.	-	-
Cars Alliance Warehouse Italy SRL	Italy	-	(see note 12)	RCI Banque Succursale Italiana	-	-
Cars Alliance Funding Italy SRL	Italy	-	-	RCI Banque Succursale Italiana	-	-
SPV Cars Alliance UK	United Kingdom	-	-	RCI Financial Services Ltd	-	-
PROPORTIONALLY CONSOLIDATED COMPANIES						
Renault Crédit Car	Belgium	-	50.10	Renault AutoFin S.A.	50.10	50.10
RCI Financial Services s.r.o.	Czech Rep.	50	-		50	50
COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD						
Nissan Renault Finance Mexico S.A. de C.V. Sofom E.N.R.	Mexico	15	-		15	15

*Entities added to the scope in 2012.

**Entities added to the scope in 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

APPENDIX 1: RCI BANQUE GROUP OPERATIONS

IN MILLION EUROS	YEAR	NET LOANS OUTSTANDING AT END DECEMBER ⁽¹⁾	OF WHICH DEALERS AT END DECEMBER
EUROPE	2012	21,144	6,105
	2011	20,419	5,333
<i>of which Germany</i>	2012	3,800	995
	2011	3,850	958
<i>of which Spain</i>	2012	1,658	497
	2011	1,716	409
<i>of which France</i>	2012	9,029	2,554
	2011	8,813	2,230
<i>of which Italy</i>	2012	2,240	603
	2011	2,064	545
<i>of which United Kingdom</i>	2012	1,882	415
	2011	1,581	285
<i>of which others countries⁽²⁾</i>	2012	2,536	1,041
	2011	2,395	906
ASIA-PACIFIC - SOUTH KOREA	2012	1,213	12
	2011	1,323	12
AMERICAS	2012	3,055	963
	2011	2,436	878
<i>of which Brazil</i>	2012	2,571	783
	2011	2,058	756
<i>of which Argentina</i>	2012	484	180
	2011	379	122
EUROMED-AFRICA	2012	323	62
	2011	253	41
TOTAL RCI BANQUE GROUP	2012	25,736	7,140
	2011	24,432	6,263

(1) Excluding operating lease business.

(2) Belgium, Netherlands, Switzerland, Austria, Portugal, Scandinavian countries, Poland, Czech Republic, Hungary, Slovenia, Ireland.

Income from external customers is allocated to the different countries according to the home country of each of the entities. Each entity actually only books income from customers residing in the same country as that entity.



APPENDIX 2: FINANCIAL RISKS

Essentially all of the transactions in financial instruments carried out by the RCI Banque S.A. holding company are related to its function as centralized refinancing office for the RCI Banque group.

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

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

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

MARKET RISK MANAGEMENT ORGANIZATION

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

Foreign exchange instruments, interest-rate instruments and currencies approved for use in managing market risks are specified on a list of authorized products validated by RCI Banque's Finance Committee.

MANAGING AGGREGATE INTEREST-RATE, CURRENCY, COUNTERPARTY AND LIQUIDITY RISKS

INTEREST-RATE RISK (AUDITED)

In the case of RCI Banque, the overall interest rate risk represents the impact of fluctuating rates on the future gross financial margin.

The objective of the RCI Banque group is to mitigate this risk as far as possible in order to protect its mark-up. In order to take account of the difficulty of precisely adjusting the structure of borrowings with that of loans, limited flexibility is accepted in interest rate risk hedging by each subsidiary. This flexibility consists in a sensitivity limit being assigned to each subsidiary as approved by the Finance committee, individual adaptation of part of the limit granted by Renault to the RCI Banque group.

Refinancing limits for subsidiaries: €20m
 Limit of commercial subsidiaries: €10m
 Total sensitivity limit in millions of euros granted to RCI Banque by Renault: €30m

The sensitivity thus defined consists in measuring at a given point in time (t) the impact of a change in interest rates on the market price of flows relating to the commercial assets and financial liabilities of an entity.

The market price is determined by the discounted future cash flows at the market price at point t.

The scenario preferred by the RCI Banque group is a calculation of sensitivity at a uniform increase of 100 bp of the interest rates on all maturities. The calculation is based on the active GAPs and average monthly liabilities.

The instalments of in-force business are determined by taking into account the contractual characteristics of transactions and the results of the modeling of historical customer behavior patterns (advance repayment, etc.), supplemented by assumption on certain aggregates (owners' equity, etc.).

Sensitivity is calculated daily per currency and per management entity (refinancing subsidiaries, French and foreign commercial subsidiaries) and enables overall management of the Interest-rate risk on the consolidated scope of the RCI Banque group. This is monitored by the Financial Risks team attached to the Permanent Control department. The situation of each entity with regard to its limit is confirmed every day, and immediate hedging directives are issued to the subsidiaries if circumstances so dictate.



NOTES TO THE CONSOLIDATED FINANCIAL

The result of controls is the subject of monthly reporting to the finance committee, which checks the compliance of positions with the group's financial strategy and with prevailing procedural memoranda.

In 2012, overall sensitivity to the interest-rate risk of RCI Banque remained below the €30m limit set by the group. At 31 December 2012, a 100 bp rise in rates would have an impact of:

- -€0.15m en EUR,
- +€2.1m en CHF,
- -€0.03m en GBP,
- -€0.7m en BRL,
- +€0.25m en MAD,

The absolute sensitivity values in each currency totaled €3.9m.

An analysis of the structural rates risk brings out the following points:

SALES FINANCING SUBSIDIARIES

Virtually all loans to customers by sales financing subsidiaries are granted at a fixed-rate for terms of 1 to 72 months. These loans are hedged by fixed-rate resources having the same structure. They are backed by macro-hedging and only generate a residual Interest-rate risk.

In subsidiaries where the resource is at a floating rate, the Interest-rate risk is hedged thanks to macro-hedging interest rate swaps.

REFINANCING SUBSIDIARY

The main activity of RCI Banque S.A. is to refinance the group's commercial subsidiaries.

The in-force business of the commercial refinancing subsidiaries is backed by fixed rate resources, some of which are micro-hedged by interest rate swaps, and by variable rate resources.

Macro-hedging transactions in the form of interest rate swaps keep the sensitivity of the refinancing holding company below the €20m threshold.

These swaps and the securities available for sale are measured at fair value by reserves in accordance with IFRS.

Monthly tests are carried out to ascertain:

- the effectiveness of the hedging of fixed rate resources by the interest rate swaps assigned to micro-hedge them;
- the relevance of macro hedging transactions, by setting them against the variable rate resources.

This data is calculated on the basis of simplified scenarios, working on the assumption that all positions run to maturity and that management does not readjust them to factor in new market conditions. The sensitivity of reserves to a change in interest rates as presented above would in no way be representative of an impact on future results.

Efficiency tests are carried out monthly to ascertain the efficiency of the swap hedging thus put in place.

LIQUIDITY RISK

RCI Banque has a duty, at all times and more particularly in difficult periods, to have sufficient funding to guarantee its business growth. For that purpose, RCI Banque imposes stringent internal standards on itself.

Two indicators are monitored monthly by the finance committee:

THE NUMBER OF DAYS' LIQUIDITY

A stress scenario is used to calculate the number of days during which the RCI Banque group can, without any additional recourse to the market, have sufficient cash assets to cover its past and projected business.

This figure is the result of calculated liquidity deadlocks that factor in firstly issued resources, confirmed unused credit facilities, the potential eligible for monetary policy transactions of the European System Central Bank (ESCB) and the cash position, and secondly existing commercial and financial assets and business projections.

INTRINSIC LIQUIDITY

The number of days of intrinsic liquidity measures the number of days during which RCI Banque can carry out its business activities without recourse to confirmed credit facilities.

THE LIQUIDITY RESERVE

This indicator is the difference between available securities (confirmed unused credit facilities, which can be mobilized in the Central Bank and in cash) and commercial paper outstandings. It reflects the capacity of RCI Banque to raise new resources, either on certificate of deposit and commercial paper markets in the form of mobilization in the Central Bank, or by using confirmed lines of financing.

■ To achieve its objectives, at 31 December 2012, RCI Banque had €4,368m in unused confirmed lines of credit, broadly diversified short-term and medium-term issuance programs and €1,903m of receivables eligible as Bank of France collateral (after discounting and excluding receivables already in use to secure financing at year-end).

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



STATEMENTS

THE FOREIGN EXCHANGE RISK

■ Very low historically, the forex position of RCI Banque S.A., the refinancing unit, remained under €3m throughout the year.

■ No position is admitted within the framework of refinancing management: In this respect the trading room guarantees systematic hedging of all the flows concerned.

The sales financing subsidiaries are obliged to refinance themselves in their own currency and are thus not exposed.

By way of exception, a limit of €2.5m has been allocated to Romania, €0.5m to Hungary and €0.1m to South Korea, subsidiaries where sales financing activities and related refinancing are multi-currency. A limit of €8m has also been allocated to Russia, which invests its cash surpluses in euros.

The overall limit of the RCI Banque group granted by the Renault shareholder is €17m.

■ Residual and temporary positions in currencies, related to cash flow timing differences inherent in multi-currency cash management, may however remain. These possible positions are monitored daily and are subject to the same hedging concern.

■ Any other forex transactions (in particular for the anticipated hedging of projected dividends) can only be initiated further to the decision of the finance and cash manager.

At 31 December 2012, the consolidated forex position of the RCI Banque group totaled €3.1m.

CREDIT RISK

■ Credit risk is managed with a system of limits set at Renault Group consolidated level and is monitored daily. All the results of controls are communicated monthly to the finance committee of RCI Banque and integrated into the consolidated monitoring of Renault Group credit risk.

■ Since the RCI Banque group is structurally a borrower, credit risk primarily arises from hedging transactions carried out with derivative instruments.

■ The counterparties of market transactions are chosen from among French and international banks, as well as the limits imposed according to a current internal rating system for the entire Renault Group.

■ Temporary cash surpluses are invested exclusively in very short-term bank deposits, including with the Central Bank. The risk of payment/delivery on forex transactions is monitored and subject to specific limits.





FINANCIAL SECURITY

STATUTORY AUDITORS' REPORT

DELOITTE & ASSOCIÉS

185, avenue Charles-de-Gaulle - BP 136
92524 Neuilly-sur-Seine Cedex
S.A. with share capital €1,723,040

Statutory Auditor
Member, Compagnie régionale de Versailles

ERNST & YOUNG Audit

1/2, place des Saisons
92400 Courbevoie - Paris La Défense 1
S.A. with variable capital

Statutory Auditor
Member, Compagnie régionale de Versailles

RCI BANQUE

Year ended December 31, 2012

Statutory auditors' report, prepared in accordance with Article L. 225-235 of the French commercial code (*Code de commerce*), on the report prepared by the chairman of the board of directors of RCI Banque.

To the Shareholders,

In our capacity as statutory auditors of RCI Banque and in accordance with Article L. 225-235 of the French commercial code (*Code de commerce*), we hereby report on the report prepared by the chairman of your company in accordance with Article L. 225-37 of the French commercial code (*Code de commerce*) for the year ended December 31, 2012.

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

Our role is to:

- report on any matters as to the information contained in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information,
- confirm that the report also includes the other information required by Article L. 225-37 of the French commercial code (*Code de commerce*). It should be noted that our role is not to verify the fairness of this other information.

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

INFORMATION ON INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consist mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the chairman's report is based and of the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and of the existing documentation;
- determining if any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our work are properly disclosed in the chairman's report.

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

OTHER INFORMATION

We confirm that the report prepared by the chairman of the board of directors also contains the other information required by Article L. 225-37 of the French commercial code (*Code de commerce*).

Neuilly-sur-Seine and Paris La Défense, February 27, 2013,

THE STATUTORY AUDITORS

DELOITTE & ASSOCIÉS
Charlotte VANDEPUTTE

ERNST & YOUNG Audit
Bernard HELLER



FINANCIAL SECURITY ACT

REPORT OF THE CHAIRMAN OF THE BOARD

The RCI Banque group's internal control system is structured in accordance with French regulations on banking and finance (CRBF Regulation 97-02).

Its main purposes are to:

- preserve the capital and asset value of the Company,
- limit the effects of uncontrollable variations in business activity and anticipate their impact,
- ensure compliance with applicable laws and regulations,
- keep the governing bodies and the Board informed of risks, and the level at which they are mastered,
- generate fair and reliable accounting and financial information.

The system in place is aimed at reducing the probability of occurrence of the risks to which the company is exposed, through the implementation of appropriate action and prevention plans.

This report describes, in the following order:

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

It has been prepared by the divisions concerned (office of the company secretary and risk management functions, and the accounts-management control division) and was examined and approved by the Board of Directors during its meeting of 5 February 2013.

THE GENERAL CONTROL AND OVERSIGHT ENVIRONMENT AT THE RCI BANQUE GROUP

I.1 / THE GENERAL CONTROL ENVIRONMENT

I.1.1 AN APPROPRIATE ORGANIZATION

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

Hierarchical line

- The **Executive Committee**, as the body in charge of managing the RCI Banque group, directs the group's policy and strategy.
- The **Management Committees** implement the actions needed to meet the objectives set by the Executive Committee.

Functional line

The functional departments play the role of "technical parent" for the following purposes:

- establishing specific policies and rules of operation for IT systems, human resources, financial policy, credit risk management, etc;
- providing the operational departments with support and ensuring that established policies are implemented as they should be by those departments.

The group also has standardized mapping of all of the company's processes.

I.1.2 BUDGETING/FORECASTING/REPORTING PROCESSES

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

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

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

Budget development and organization of the forecast updating and reporting processes are based on rules and tools to ensure that management receives reliable, usable information broken down by business segment (Customers, Dealers) and by brand (Renault, Renault Samsung Motors, Dacia, Nissan and Infiniti).

I.1.3 CLEARLY DEFINED RESPONSIBILITIES AND DELEGATION OF AUTHORITY

A system of delegation of authority has been put in place and helps to control deployment of group policies at the basic operational level. Areas of responsibility and delegated authority are determined by:

Definitions of functions

The organization of the group is set out in an official organization chart. Responsibilities are re defined at each level of the organization, with the scope and limits of each individual's responsibilities defined in a job description.



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Delegations of authority

The decision-making process within the RCI Banque group is based on a system for delegating powers from the Chairman on down, to meet two objectives:

- facilitate empowerment and accountability of line personnel,
- ensure that commitments are made at the appropriate level.

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

Channels for recommendations and approvals ensure that commitment and investment decisions are made at the appropriate level. The group has four decision-making forms: the IPM (Internal Procedure Memorandum), the DM (Decision Memorandum), the BAM (Business Approval Memorandum) and the IPC (Investment Project Contract).

The system includes a set of limits for financial and credit risks established with the approval of the Renault Group. These limits are set out in periodically updated Internal Procedure Memoranda.

1.1.4 PROCEDURES AND OPERATING PROCESSES

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

The main business processes within RCI Banque (loan approval, collections and delinquencies, refinancing, system security, physical asset security, risk monitoring, accounting, etc.) are covered by procedures based in particular on the principles of delegation of authority and segregation of duties.

The compliance control system consists of:

- a framework procedure for compliance control, transposed locally by each affiliate by each affiliate. This includes the definition of approval procedures for new products, the channels used to monitor regulatory developments, and the persons responsible for that monitoring. It has also integrated the risks of non-compliance into the operational risk management system, introduced a professional warning system and a framework procedure for the management of outsourced services;
- a compliance committee that meets each quarter, in line with the internal control committees and operational risk committees. During these meetings, the internal controller presents forthcoming regulatory changes, actions to be implemented and those that are in progress.

1.2 / GENERAL OVERSIGHT FRAMEWORK

RCI Banque has developed an internal control mechanism aimed firstly at listing, analyzing and controlling the main identifiable risks with respect to the company's objectives.

1.2.1 INTERNAL CONTROL CHARTER

The **Group Internal Control Committee** has approved the general framework of the RCI Banque internal control system, as set down in an **internal control charter**.

This charter, which establishes the model system that applies throughout the group, mainly covers:

- the general internal control oversight system,
- the systems used locally by subsidiaries and affiliates, branches and joint ventures,
- the specific systems used in different functional areas.

The RCI Banque group's overall internal control system comprises two types of control and three levels at which controls are applied:

Permanent control

■ First-level control:

First-level controls consist of the self-monitoring procedures followed by each department and each geographical unit. These entities are responsible for applying existing procedures in their respective field of operations, and for performing all controls specified by those procedures. First-level control is primarily operational control and therefore performed by process owners who have been trained for this purpose within each affiliate. This first-level control covers the main risks.

■ Second-level control:

The Permanent Control Department is responsible for oversight of second-level control, and the local internal controllers are responsible for implementation. Second-level control has specific systems overseen by a team independent of the operational units conducting ongoing controls to ensure that all transactions are proper and compliant.

Third-level (periodic) control

Third-level control is performed by independent oversight bodies (supervisory authorities, independent auditors, etc.) and by the RCI Banque group's audit and periodic control department, which implements the annual audit plan, controlling transaction compliance, compliance with procedures, the level of risk actually run, and the effectiveness and appropriateness of the permanent control system.

1.2.2 RISK MANAGEMENT

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

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



“Operational risk mapping”

Deployed in all consolidated subsidiaries of the RCI Banque group, this identified major operational risks that are periodically managed and inspected. This operational risk mapping is updated annually by the functional departments and is assessed by the process owners.

“The incident database”

This is used to gather data on operational risk incidents, introduce the requisite corrective and preventive action, and produce regulatory, oversight and management reports. The system sets the thresholds beyond which certain incidents must be reported to the Executive Committee, the deliberative body and to the prudential control authority.

“Key risk indicators”

These are used to monitor certain critical operational risks and to implement preventive measures through warning levels in order to pre-empt the unexpected occurrence of incidents.

These are defined for the “Corporate and Retail Customer”, “Wholesale funding”, “Refinancing”, “Accounting” and “IT” processes.

I.2.3 ACTION PLAN MONITORING

A database centralizes all action plans adopted by the affiliates in response to the assessment of mapping, incident collection and the findings of second-or third-level controls. Progress reports and indicators for audits and action plans are made available to line personnel and oversight functions, ensuring oversight and follow-through. Quarterly progress reports are sent to the Group Internal Control Committee.

I.2.4 APPROPRIATE INFORMATION SYSTEMS IN LINE WITH THE GROUP’S OBJECTIVES

RCI Banque applies the Renault Group’s information system security policy, placing particular emphasis on administration of access to its applications, the protection of personal and sensitive data, and business continuity.

The RCI Banque group’s business continuity plan ensures that it is able to continue providing the company’s essential products and services in the event of a severe shock resulting from IT or telecommunication system outages, circumstances that render business premises unavailable, or events that deprive the group of a critical supplier’s services. The back-up plan for the most vital functions, namely refinancing and other cash flows, is tested each year. A business continuity plan is in place in most RCI Banque affiliates, especially in countries where such plans are a regulatory requirement. The RCI Banque group’s Business Continuity Plan is tested at least once a year in each affiliate.

Business Recovery Plans are operational on all local and deployed applications used in the RCI Banque group. They are tested at least once a year.

Under their contracts, Information System Users are required to comply with the rules governing use of RCI Banque’s

IT tools and system. RCI ensures that the same high degree of protection is maintained when developing new areas of business (electric vehicles, rollout to new geographical areas, etc.).

The IT operating resources of all countries are gradually being centralized on the “C2” (main centre) and “C3” (back-up centre) data centers, so that we can ensure the best possible protection and availability of our systems and applications.

I.2.5 INTERNAL CONTROL BODIES

I.2.5.1 Board of Directors

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

In order to present and describe the working methods and decision-making processes of the governing bodies and the distribution of powers among them, information is presented on the following:

- composition of the Board of Directors, management procedures and scope of Senior Management powers,
- manner of preparation for Board meetings,
- the Board’s activities during 2012.

I.2.5.1.1 Composition of the Board of Directors and Senior Management powers

I.2.5.1.1.1 Composition of the Board of Directors

The Board of Directors of RCI Banque S.A. consists of eight directors elected for terms of six years, except in the case of co-option.

At the time of writing this report, there were no women members on the Board of Directors. In accordance with Article L. 225-37 of the *Code de Commerce* (French Commercial Code), this group of eight directors confirms that it has read and understood the French Act 2011-103 of 27 January 2011 pertaining to the balanced representation of men and women on management and supervisory boards and to professional equality. The provisions of this Act, and in particular those gradually establishing this gender balance, are under close study and will be complied with in accordance with the time frame set by the legislator.

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

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

The directors have been elected to the Board of Directors by virtue of their knowledge of the Company’s activity and lines of business, their technical and general expertise and, in some cases, the experience acquired in performing their duties at the parent company and shareholder.

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FULL NAME	POSITION IN THE COMPANY	DATE ELECTED OR RE-ELECTED	CURRENT TERM EXPIRES	LIST OF DIRECTOR'S POSITIONS IN OTHER COMPANIES
Patrice CABRIER	Senior VP, Customer Operations and Information Systems	21/05/2012	May 2018	See notes to the Management Report
Bernard LOIRE		21/05/2012	May 2018	
Éric SPIELREIN	Company Secretary and Chief Risk Officer	21/05/2012	May 2018	
Philippe BUROS	Senior VP, Sales Operations	25/05/2009	May 2015	
Dominique THORMANN	Chairman and Chief Executive Officer	21/05/2012	May 2018	
Jérôme STOLL		25/05/2009	May 2015	
Farid ARACTINGI		21/05/2012	May 2018	
Stéphane STOUFFLET		25/03/2011	May 2015	

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

Directors receive no compensation for serving on the Board.

Mrs. Isabelle LANDROT, VP Accounts and Management Control, and Mr. Jean-Marc SAUGIER, VP Finance and Group Treasurer, take part in meetings of the Board of Directors upon proposal by the Chairman and Chief Executive Officer.

1.2.5.1.1.2 Senior Management authority and scope of powers

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

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

1.2.5.1.2 Preparation of Board of Directors meetings

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

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

All technical documents and information required for the directors to fulfill their responsibilities are sent to them in compliance with the applicable provisions of the law and the Company's by-laws.

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

1.2.5.1.3 Activity of the Board of Directors during 2012

The Board of Directors met five times in 2012.

On 7 February 2012, the Board met to review and approve the annual consolidated financial statements for 2011, to be submitted to the Annual General Meeting, and to hear reports on the financial transactions carried out during the year and the ACP mission's report on liquidity and on the action plan.

On 21 May 2012 the board renewed Mr. Dominique Thormann's term of office as Chairman and Chief Executive Officer; his directorship had been renewed at the general shareholders' meeting convened the same day.

On 20 June 2012, in accordance with Article L. 228-40 of the French Code of commercial law (*Code de commerce*), the board renewed for one year the authority to issue and the delegations of authority granted by the board at its meeting of 20 June 2011.

On 23 July 2012, a meeting was held to approve the interim financial statements for the six months ended 30 June 2012, to examine the business report, to update financial reporting for year-end bond issues, to authorize securitization plans and more particularly a new issue secured by the car loan portfolio in Spain and a new issue secured by the LOA France portfolio, and to examine the report on internal control.

Moreover the board, enforce the decreed of 20 January 2012 imposing the formation of a remuneration committee for lending institutions whose total assets exceed €10bn, approved the proposed formation of an RCI Banque remuneration committee comprising 3 non-executive directors:



- the 2 responsible officers, in the sense of Article L. 511-13 of the French Monetary and Financial Code,

- the chairman of the Audit and Accounts Committee.

This committee's duties include analyzing the business policies of RCI Banque with regard to remuneration in the light of all relevant criteria, including the company's risk policy.

On 27 November 2012, the Board met to report on financial transactions in 2012, review the markets and refinancing program, setting ceilings for bond issues planned for 2013, and renewed the liquidity risk management mechanism approved by the board on 15 November 2011.

In addition, this board meeting authorized a commissioning agreement with Renault s.a.s under regulations on regulated agreements.

Finally the same board meeting, on a proposal from the Chairman and after obtaining an auditors' report confirming that at 31 October 2012 there was sufficient net income, decided to pay Renault s.a.s an interim dividend of €100,000,000 (one hundred million euros).

At each of these meetings, at which the director attendance rate was 75% across the year, sales and operating results for each of the group's business segments were presented in detail. This information was part of the meeting package provided to all Board members.

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

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

Meetings of the Board of Directors are held at 13-15, Quai Le Gallo, 92512 Boulogne Billancourt, the head office of the parent company Renault s.a.s.

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

I.2.5.2 The RCI Banque group's Audit and Account Committee

The RCI Banque group's Audit and Account Committee assists the Board of Directors in its oversight mission by monitoring the quality and general orientations of the group's internal control system. In particular, the Audit Committee validates

the annual audit plan and the annual internal control report required by Article 38 of CRBF Regulation 97-02.

I.2.5.3 The RCI Banque group's Internal Control Committee

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

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

I.2.5.3.1 Permanent control bodies

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

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

For internal control oversight within RCI Banque group subsidiaries, the Permanent Control Department relies on local **internal controllers** who report to it functionally or, in the case of the French subsidiary, directly. The internal controllers at other subsidiaries report directly to the subsidiary's general manager. In all cases, the internal controllers' primary responsibilities within the subsidiary are to:

- lead and oversee deployment of the internal control system (chair of the subsidiary's internal control committee, procedure management, action plan follow-up);
- carry out the second-level controls;
- monitor and measure operational risks;
- detect and prevent internal fraud and money laundering;
- ensure efficiency of the business continuity plan;
- ensure deployment of the group's code of ethics;
- manage the local compliance control system.

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

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



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Regulatory monitoring officers are responsible for monitoring, analyzing and reporting on any changes in regulatory requirements affecting RCI Banque, as part of the compliance control system implemented to ensure the company is properly managed.

Computer security and safety officers intervene, for their applications domain, on:

- the management of clearance level (clearance level arrangements, the definition of business profiles and the related application permissions);
- the internal control principles (due observance of segregation of duties, delegations of authority and the implementation of automated controls);
- due observance of group rules and regulations (for instance CNIL rules, data purges, confidentiality).

1.2.5.3.2 Periodic control bodies

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

ORGANIZATION AND PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

The RCI Banque group prepares consolidated financial statements using a single consolidation tool and a set of consolidation entries common to all entities. The consolidation tool generates accounting and management reports from a single stream reporting system, thereby ensuring data consistency between the financial statements and the various in-house performance indicators.

II.1 / PREPARATION OF FINANCIAL STATEMENTS

The consolidating entity, RCI Banque, defines, manages and supervises the preparation of accounting and financial information. Responsibility for preparing single-entity financial statements and accounts restated for consolidation purposes lies with each subsidiary's administrative and financial directors, acting under the authority of the subsidiary's chairman and chief executive officer.

The following general policies govern financial statement preparation at all levels within the group:

- all transactions must be accounted for and reconciled;
- transactions must conform to the accounting policies that govern the entire group. A set of reference documents disseminated to all group entities establishes measurement and presentation standards as well as charts of account. These standards help to ensure consistency in the financial information that management receives;
- assets, liabilities and off-balance sheet items (receivables, borrowings, derivatives, cash and equivalents, etc.) are periodically reviewed to reconcile the accounts with the group's operational, account validation and inventory systems. In addition, the group's internal control and operational risk management organization described above (see § 1.2.1 to § 1.2.4) applies to the process of preparing accounting and financial information.

UA group procedure sets out the principles for account validation throughout the RCI Banque group. This procedure applies to the single-entity statements and group statements of RCI Banque group entities and thus helps to control the risks related to the organization of accounting and the processing of information.

Effective linking of financial reporting to the group's operational systems is the keystone of the organizational scheme for preparing accounting and financial information. The group must rely on powerful, controlled information systems that can cope with the large volume of data to be processed, process that data to the requisite quality standard, and meet the short 4-day deadlines for financial reporting.

II.2 / INFORMATION SYSTEMS AND ORGANIZATION

II.2.1 USE OF AN INTEGRATED SOFTWARE PACKAGE

For accounting, the RCI Banque group has chosen to implement a widely recognized software application (Enterprise Resource Planning, or ERP.). This highly structured, integrated application enables the group to implement its own internal control policies and ensure data consistency and reliability. In particular, the ability to define and monitor user profiles helps in complying with rules governing separation of responsibilities.

This software package, combined with a group-wide accounting interpretation tool, has been designed to incorporate the specific features of the group's various activities through the use of different modules.

Reliability of financial and accounting information is ensured mainly by controlling and standardizing the basic transactions processed by the operational systems, following group guidelines. These basic transactions feed data through interfaces to the group-wide accounting interpretation tool, which in turn sends the accounting translation of management events or inventory data to the ERP system.

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



For entities in which deployment is effective, control over accounting output is reinforced by the centralized maintenance of the accounting system (accounting interpretation tool and ERP) by a team of functional and technical experts.

II.2.2 OPERATIONAL SYSTEMS AND CONTROL

Initial controls are performed via the major operational systems used for financing, service and refinancing transactions under the responsibility of the main lines of business (approval, collections/delinquencies, services, refinancing). Each of the tools used for approval, finance and service contract management, customer and supplier relationship management, administration of refinancing, purchase order follow-up, and human resources management entails its own specific control approach. These form part of the operational procedures used to manage physical and financial transactions, in compliance with group procedures for authorization and delegation of authority.

The financial and accounting teams play close attention to transfers of transaction data between the accounting systems and non-integrated operational systems.

For example, at the group level:

- account balances and movements are cross-checked against stock and flow data to ensure that data in the financing, services, receivables and payables management systems are consistent, and any discrepancies are analyzed and monitored;
- invoices are checked against purchase orders and investments recognized on the books to ensure consistency with the purchasing and capital expenditure tracking systems.

Accounts are kept in accordance with group-wide standards, with a single operational accounting plan (group-wide accounting plan enhanced to meet country-specific requirements). However, accounting operations in keeping with local standards are possible, allowing financial statements to be prepared in accordance with both group standards and local standards.

All financial data required to produce the RCI Banque group's consolidated financial statements is collected and managed by a single tool. The control process built into this tool and its maintenance, which is performed by a dedicated unit, ensure that affiliate data is accurate and consistent.

II.2.3 ROLES OF ACCOUNTING AND MANAGEMENT TEAMS

The accounting units of the affiliates assisted by the centralized support functions analyze the accounts and explain changes in financial data from one accounting period to the next, working in conjunction with the local and central management controllers, who analyze performance in comparison with budget and revised forecast data. If the analysis of budget or forecast variances or any other verification procedure reveals shortcomings in the quality of data emanating from the associated accounting or operational system, action plans are implemented with the

active involvement of line personnel and the finance function to eliminate the root causes of the anomalies.

II.2.4 ROLE OF THE GROUP ACCOUNTING CONTROL UNIT

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

II.2.5 MANAGEMENT OF THE ACCOUNTING FUNCTION

The person appointed to spearhead the accounting function verifies the conditions under which the accounts are prepared and supported, through information provided by indicators included in the group account validation procedure. These indicators are filled in by each affiliate's financial officer four times a year.

Each year, the Finance Departments of the different entities assess their accounting and financial risk control mechanisms in relation to the group's management policy. This assessment is part of the RCI Banque group's overall risk assessment process (see 1.2.1).

All information arriving from the affiliates is analyzed and controlled at the central level.

II.2.6 PUBLICATION OF FINANCIAL STATEMENTS

The RCI Banque group publishes financial information for the six months ended 30 June and for the full year ended 31 December. In anticipation of these statements, pre-closings are performed twice a year, at 31 May for the June statement and at 31 October for the December statement. Management (mainly Financial) then holds wrap-up meetings with the external auditors.

The RCI Banque group prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) guidelines published by the International Accounting Standards Board (IASB) for which a rule requiring adoption has appeared in the Official Journal of the European Union by the statement closing date.

Progress made on action plans (related to accounting control) and on rectifying any shortcomings observed in accounting risk control systems is monitored.

SOCIAL AND ENVIRONMENTAL INFORMATION

CORPORATE PROVISIONS

CORPORATE	SUMMARY	COMMENTS
EMPLOYMENT		
The total number and distribution of employees by gender and by geographical area	Key figures - p. 102	
Hiring and firing of employees	Key figures - p. 103	The exercise was carried out over the six main countries in terms of number of employees. Together, these six countries employ 83% of the group's total workforce.
Current salaries and salary progression	§ 1.2 - p. 104	
WORK ORGANIZATION		
Working time organization	Key figures - p. 103 and § 1.4 - p. 106	Working time and working hours are organized and determined as locally as possible, for example using framework agreements (e.g. France and Spain).
Absenteeism	Key figures - p. 103	
INDUSTRIAL RELATIONS		
Organization of social dialogue	§ 1.5 - p. 106	
Collective bargaining agreements	§ 1.5 - p. 106	
HEALTH AND SAFETY		
Occupational health and safety conditions	§ 1.4 - p. 105	
Agreements signed with trade union and staff representative organizations	-	Health and safety are a matter for staff representative bodies (such as the Health, Safety and Working Conditions Committee in France). No corporate agreements on health and safety have been signed.
Occupational accidents (including frequency/severity) and occupational diseases and illnesses	-	Because of the nature of the RCI Banque group's business activities, this indicator is of little relevance.
TRAINING		
Training policies implemented	§ 1.1 - p. 104	
Total number of training hours	§ 1.1 - p. 104	
DIVERSITY AND EQUAL OPPORTUNITIES/EQUAL TREATMENT		
Measures taken to promote equality between men and women	§ 1.5 - p. 106	
Measures taken to promote the employment and integration of disabled persons	§ 1.4 - p. 105	
Measures taken to prevent discrimination	§ 1.4 - p. 105 and § 1.5 - p. 106	
PROMOTION AND ENFORCEMENT OF THE INTERNATIONAL LABOR ORGANIZATION'S BASIC CONVENTIONS		
Elimination of discrimination in employment	§ 1.5 - p. 106	
Freedom of association and right to collective bargaining	-	The RCI Banque group is firmly committed to the four basic principles set out here. Moreover, compliance with them is basically a requirement by law in the countries where the group operates.
Elimination of forced or compulsory labor	-	
Abolition of child labor	-	



SOCIAL PROVISIONS

CORPORATE	SUMMARY	COMMENTS
TERRITORIAL, ECONOMIC AND SOCIAL IMPACT OF THE COMPANY'S ACTIVITIES		
On employment and regional development	Key figures p. 102-103	
On neighboring and local populations	§ 2.2 - p. 107	
RELATIONS WITH INDIVIDUALS OR ORGANIZATIONS INTERESTED IN THE COMPANY'S ACTIVITIES		
Conditions of dialogue with these individuals or organizations	§ 2.3 - p. 108	In addition to its business relations with its different customers, the RCI Banque group also maintains relations with its local fabric.
Partnership or corporate philanthropy	§ 2.2 - p. 107	
SUBCONTRACTING AND SUPPLIERS		
Taking into account social and environmental issues in purchasing policies	§ 1.4 - p. 105	
Importance of outsourced work, suppliers and subcontractors, and the inclusion of their social and environmental responsibilities	-	Purchases made by the RCI Banque group account are a very small component in expenditure terms.
LOYALTY PRACTICES		
Action taken to prevent corruption	-	Although there is no mention of it in the main body of the Grenelle II report, all RCI Banque group employees have received a copy of the Renault Group's Charter of Ethics. Similarly, anti-money laundering e-learning training has been provided.
Measures taken to promote consumers' health and safety	§ 2.3 - p. 108	
OTHER ACTION TAKEN TO PROMOTE HUMAN RIGHTS		
Action taken to promote human rights	-	The RCI Banque group is committed to respecting human rights in all countries where it operates.



SOCIAL AND ENVIRONMENTAL INFORMATION

STATUTORY AUDITORS' REPORT

ERNST & YOUNG Audit

1/2, place des Saisons
92400 Courbevoie - Paris La Défense 1
S.A. with variable capital
Statutory Auditor
Member, Compagnie régionale de Versailles

RCI BANQUE

Year ended December 2012, 31st

Independent verifier's attestation on social, environmental and societal information.

To the Managing Director,

Pursuant to your request and in our capacity as independent verifier of RCI Banque, we hereby report to you on the consolidated social, environmental and societal information presented in the management report issued for the year ended December 2012, 31st in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*).

MANAGEMENT'S RESPONSIBILITY

The Executive Board is responsible for the preparation of the management report including the consolidated social, environmental and societal information (the "Information") in accordance with the requirements of Article R. 225-105-1 of the French Commercial Code (*Code de commerce*).

OUR INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by regulatory requirements, the Code of Ethics of our profession (*Code de déontologie*) and Article L. 822-11 of the French Commercial Code (*Code de commerce*). In addition, we maintain a comprehensive system of quality control including documented policies and procedures to ensure compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

INDEPENDENT VERIFIER'S RESPONSIBILITY

It is our role, on the basis of our work to attest whether the required Information is presented in the management report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (*Code de commerce*) and Decree no. 2012-557 dated 24 April 2012 (Attestation of presentation).

NATURE AND SCOPE OF THE WORK

Our engagement was performed in accordance with professional standards applicable in France:

- We compared the Information presented in the management report with the list as provided for in Article R. 225-105-1 of the French Commercial Code (*Code de commerce*);
- We verified that the Information covers the consolidated perimeter, namely the entity and its subsidiaries within the meaning of Article L. 233-1 and the controlled entities within the meaning of Article L. 233-3 of the French Commercial Code (*Code de commerce*) within the limits specified in the management report;
- In the event of the omission of certain consolidated Information, we verified that an appropriate explanation was given in accordance with Decree no. 2012-557 dated 24 April 2012.

CONCLUSION

On the basis of our work, we attest that the required Information is presented in the management report.

Paris La Défense, February 2013, 25th

THE INDEPENDENT VERIFIER

ERNST & YOUNG Audit
Cleantech and Sustainability Department
Éric MUGNIER



GRENELLE II

The following chapter meets the provisions of the Grenelle II Act.

It relates to action by the RCI Banque group in relation to its corporate commitment towards its employees and its broader commitment towards the society within which it operates.

It should be pointed out that Grenelle II's environmental aspect is not relevant to the RCI Banque group's financial business.

The RCI Banque group's prime responsibility is to its employees.

It has always put people at the heart of the business, and firmly believes that the men and women who work for the group are its most important asset.

The RCI Banque group's Human Resources policy, together with the Renault Group's strategy, "*Together Drive the Change*", focuses on four key areas:

- Developing skills and talents;
- Optimizing management of the wage and salary bill;
- Promoting high quality management;
- Strengthening individual motivation and commitment.





SOCIAL AND ENVIRONMENTAL INFORMATION

1 CORPORATE PROVISIONS AND COMMITMENT TOWARDS EMPLOYEES

RCI BANQUE'S HUMAN RESOURCES

KEY FIGURES

Workforce

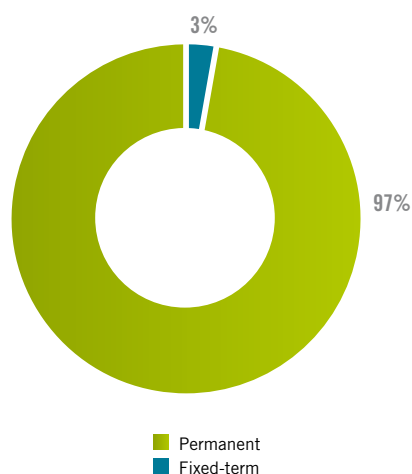
The consolidated group has employees in 22 countries, which are grouped together into 4 regions:

NUMBER OF EMPLOYEES BY REGION	12/2012	% OF TOTAL
Europe	2,473	86%
<i>Of which France</i>	<i>1,323</i>	<i>46%</i>
Euromed-Africa	101	4%
Americas	157	5%
Asia-Pacific	130	5%
TOTAL	2,861	100%

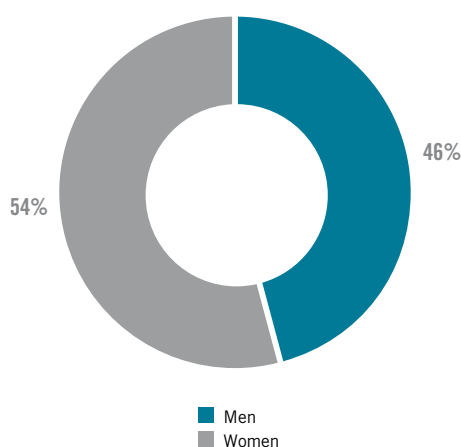
Distribution of employees

Distribution of employees across the six main countries (Germany, Brazil, Spain, France, Italy, United Kingdom) which together employ 83% of the group's total workforce.

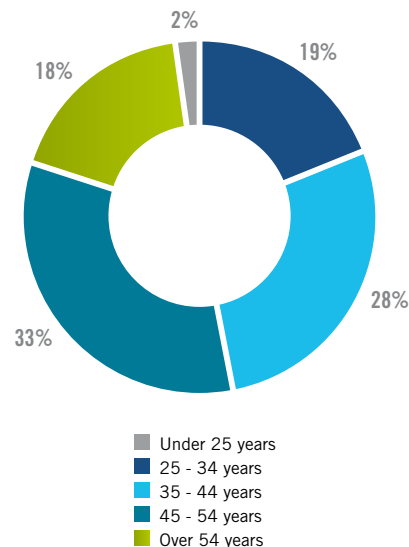
BY TYPE OF EMPLOYMENT CONTRACT



BY GENDER



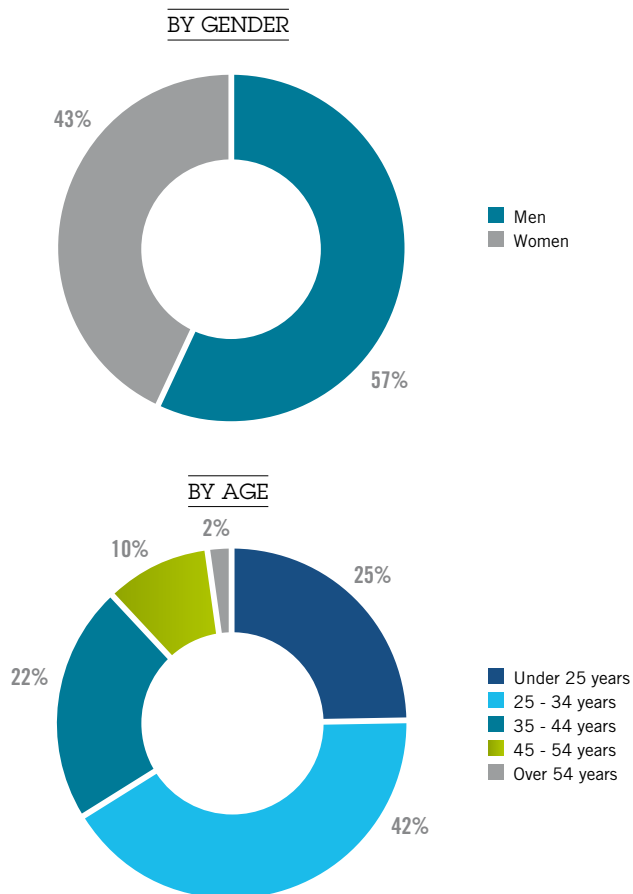
BY AGE





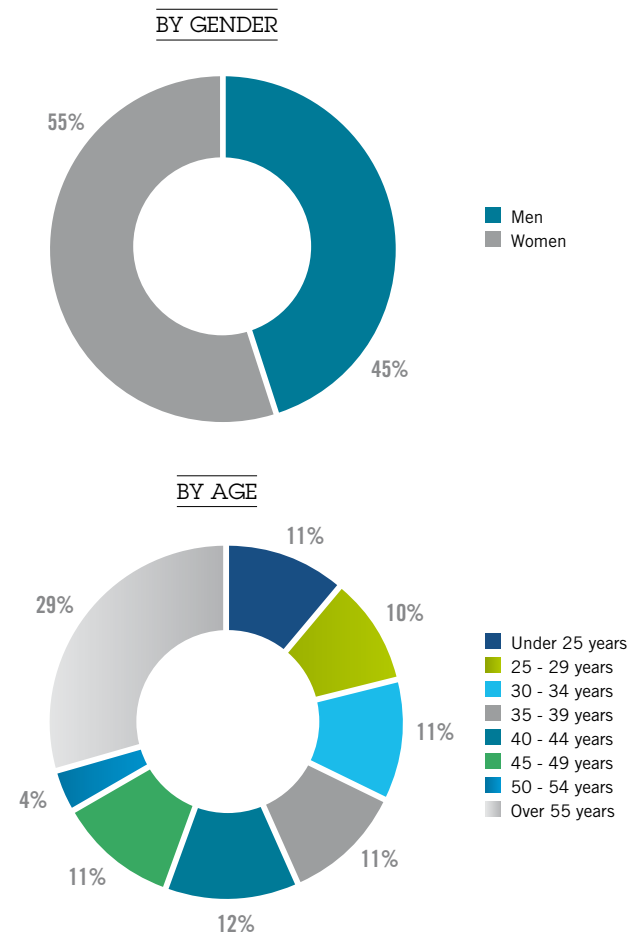
Distribution of appointments*

During the course of 2012, RCI appointed 125 employees on permanent employment contracts, equivalent to 4.37% of its overall workforce.



Distribution of departures*

During the course of 2012, 116 employees on permanent employee contracts with RCI left the group, equivalent to 4.05% of its overall workforce.



Absenteeism

Distribution of absenteeism for the six main countries. This rate includes absences for illness, occupational accidents, family events, and unpaid leave. It does not include paid annual leave.

COUNTRY	ABSENTEEISM RATE
Germany	11.18%
Brazil	1.43%
Spain	2.38%
France	3.27%
Italy	4.24%
United Kingdom	1.92%

Length of the working week in the six main countries

COUNTRY	NO. OF HOURS
Germany	39
Brazil	40
Spain	40
France	35
Italy	38.5
United Kingdom	35

Germany's absenteeism rate in 2012 (11.18%) was negatively affected by the number of employees on long-term sick leave. In previous years, its absenteeism rate was around 6%.

*in the six main countries (those with the largest number of employees).



SOCIAL AND ENVIRONMENTAL INFORMATION

1.1 DEVELOPMENT OF SKILLS AND TALENTS

The GPEC and the Employment and Skills Monitoring Unit

As part of its agreement on the “forward-looking management of jobs and skills” (*Gestion Prévisionnelle des Emplois et des Compétences*, or GPEC: an HR approach promoted by French legislation that seeks to forecast a company’s future jobs and skills needs and adapt the workforce accordingly), RCI Banque has set up a Jobs and Employment Monitoring Unit. This is a joint body whose purpose is to promote social dialogue with all social partners (management and labor) by means of information, thought and discussions about foreseeable changes in jobs in the light of the strategy implemented by the company.

The main tasks of the monitoring unit are as follows:

- to contribute to the continuing monitoring of developments in jobs and skills;
- to be proactive in proposing initiatives for the development of career paths within the company.

Training

RCI Banque makes every effort to provide training for each and every one of its employees, regardless of their age, status or position within the group.

With that aim in mind, the group’s offer covers all areas of vocational training, from specific training for each area of work, job and profession in the company, to more individual action geared towards personal development or the acquisition of language or cross-disciplinary skills.

In the six main countries (in terms of the number of employees), the number of hours of paid training received by employees came to a total of 36,836 hours.

In France, where 4% of the wage and salary bill is devoted to training, 86% of employees had access to training.

Appraisal by means of individual reviews

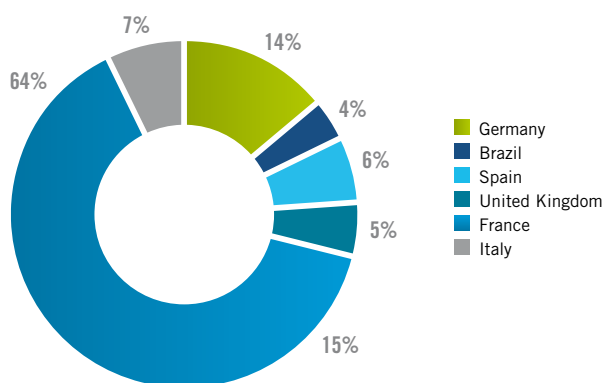
At RCI Banque, the individual review is an important time for dialogue between each employee and his or her line manager. It provides an opportunity to review the employee’s performance over the past year, to set objectives for the coming year and to explain their contribution to the company’s performance. During their individual reviews, employees also have a chance to formally express their training needs and to discuss their career development prospects in detail with their line manager.

In 2012, individual reviews were carried out for 99% of all employees in the six main countries.

1.2 MANAGEMENT OF THE WAGE AND SALARY BILL

In 2012, personnel costs for the six main countries came to a total of €181m.

Distribution of personnel costs



With regard to France, the main components of pay are as follows:

- employee pay consists on an individual basis of a fixed regular amount plus a variable component, and on a collective basis, of profit-sharing;
- the fixed regular salary reflects the responsibilities of the post concerned, the command the holder has of that post and the development potential of the interested party. The variable component (e.g. group incentive bonus, performance-related bonus, sales bonus) is an expression of the annual performance achieved by the individual employee. Profit-sharing (e.g. the participation in France) recognizes collective performance;
- remuneration policy: at the time of the annual pay negotiations and more especially in France, RCI Banque draws up its pay policy for the year. It may be decided to award general (collective) pay increases and individual increases according to different categories (e.g. non-managers/managers) and national legislation.

Employee savings

The Diac group’s company savings plan (*Plan Épargne Entreprise*) is intended to encourage the build-up of a collective reserve and offer Diac group employees the chance to build up a portfolio of securities.

The company savings plan has three unit trusts for employees to choose from:

- Arcancia Sécurité 257
- Amundi Label Équilibre Solidaire E
- Groupe Diac Épargne

Employees are able to make voluntary payments into the plan of up to 25% of their annual pay.

In addition, the company pays a bonus contribution of 27.5% of the payments made by employees into the plan, up to a maximum of €1,210 gross per year.



1.3 PROMOTION OF HIGH-QUALITY MANAGEMENT

The Renault Group has had a management charter entitled the “*Renault Management Way*” (RMW), for a number of years. Based on the values of the Renault Group, this charter underlines the roles and responsibilities of managers as “leaders, coaches and pathfinders”. All managers in the RCI Banque group have received training to ensure that they grasp and embrace the principles of RMW. More recently, a course on “Day-to-day feedback”, which so far has been attended by forty two RCI Banque group managers, was added to the system.

In the same vein, in France RCI Banque has established its “Managerial Gatherings”, the purpose of which is to examine in greater depth the managerial values touched upon in the RMW, using original approaches. These gatherings consist of conferences given by outside speakers on a quarterly basis, and are usually attended by around one hundred people.

1.4 REINFORCEMENT OF INDIVIDUAL MOTIVATION AND COMMITMENT

In response to the demand expressed by employees in a number of internal surveys and during various discussion groups, several projects designed to strengthen employee motivation and commitment have been initiated. They are mainly aimed at:

- simplifying complicated procedures and promoting innovative ways of working;
- promoting wellbeing in the workplace.

The work environment

Since the end of 2011, RCI Banque’s head office has been undergoing major updating in the shape of the “e-nov” project.

The initial idea was mainly to bring its technical infrastructures, which had fallen into disrepair, up to standard and consequently also to reduce energy consumption.

RCI Banque’s Senior Management then decided to transform this renovation work into an ambitious managerial project aimed at:

- bringing together in one building the departments and business units that were previously spread over two sites in Noisy-le-Grand;
- modernizing individual and collective work spaces, creating a more modern, ergonomic and appealing atmosphere (e.g. new kinds of work organization, relaxation areas, etc.);
- changing work methods to make them simpler and more cross-functional, with the help of up-to-date tools such as TOIP).

Health and wellbeing

RCI Banque attaches great importance, particularly in France, to the prevention of psychosocial risks in the workplace.

Various surveys have been carried out among all employees on all sites in France in order to measure stress factors and their impact on employees.

An initial survey to measure occupational stress was carried out in 2010. In 2012, a second such survey was carried out (by a specialist firm) and showed that the level of “over-stress” experienced was within reasonable limits and less than the average seen in the sector.

Using these findings as a basis, Diac updated its occupational stress prevention action plan, which was approved by all trade union organizations.

This plan includes three levels of prevention:

- **Primary:** tackle and remove sources of occupational stress;
- **Secondary:** correct the effects of stress;
- **Tertiary:** take care of individuals who are particularly concerned by occupational stress.

Within this framework, several kinds of action have been put in place:

- creation of Stress, Anxiety and Depression Medical Monitoring (*Observatoire médical du stress, de l’anxiété et de la dépression*, or OMSAD): this is an assessment questionnaire which each employee is asked to fill in at the time of their annual medical and is then analyzed on an individual basis with the doctor carrying out the medical;
- introduction of stress prevention training for all managers (130), to be continued in 2013. Participants in the course have unanimously stressed how extremely effective this training is with respect to their day-to-day management work;
- introduction of relaxation workshops run by nurses.

Inclusion in employment of disabled people

The RCI Banque group is sensitive to the situation of disabled people. In Spain, a company agreement on the employment of disabled people has been signed, while in France, sheltered workshops for disabled people are employed to provide our office supplies.

Summary of the number of disabled individuals listed in the six main countries:

	NO. OF DISABLED PEOPLE	PERCENTAGE OF JOBS	AGREEMENTS
Germany	8	2.3%	No
Spain	2	1.4%	Yes
France	34	2.6%	No
Italy	11	6.3%	No
TOTAL	55	12.6%	



SOCIAL AND ENVIRONMENTAL INFORMATION

Work-Life Balance

RCI Banque is also very careful to ensure that its employees are able to achieve a balance between their work and private life. Teleworking is one aspect of this.

Under the terms of France's *Accord national interprofessionnel* (national cross-industry agreement) of 19 July 2005, teleworking is defined as "a form of organizing and/or performing work, using information technology, in the context of an employment contract/relationship, where work that could be performed at the employer's premises is carried out away from those premises on a regular basis".

In France, RCI Banque currently has a total of thirty employees in teleworking arrangements working for the IT and Human Resources departments. As things stand, these are experimental initiatives which eventually are to be extended throughout the company.

A number of other countries, for example the Netherlands, are also engaged in action in this area.

1.5 QUALITY OF INDUSTRIAL RELATIONS

Good relations and dialogue with trade unions and employee representative bodies is a strong tradition within the RCI Banque group.

A number of company-wide collective agreements were signed in 2012:

In France

Company agreement on the "forward-looking management of employment and competences"

Agreement to the benefit of senior employees

In Spain

Wage settlement

Agreement on working time organization including flexible hours

In France, an agreement reached in 2011 became effective in 2012:

- Agreement on equality between men and women in the workplace and on reconciliation of work and family life.

The agreement was signed on 16 December 2011 by the four representative trade unions (SNB, CFDT, CFTC and CGT) with a view to ensuring equal treatment for men and women and boosting career development for women. Through this agreement, Diac is also targeting the achievement of a better work/life balance for its employees.

The agreement includes a number of particularly significant measures, including:

- salary realignment for female employees who have been on maternity leave. Under this provision, eight female employees were repositioned in relation to the 2012 promotion plan and ten were repositioned following an analysis of their career histories,

- RCI Banque's participation in a network of inter-company nurseries. This scheme allows young parents to apply for and be awarded nursery places at public nursery prices.

In 2012, nine infant places were offered and taken up; in 2013, fifteen places will be made available.

1.6 INNOVATIVE COMMUNICATION METHODS

Internal communication within the RCI Banque group was reinforced in mid-2012 with the introduction of a corporate social media tool, "My Déclic RCI".

RCI Banque was chosen by the Renault Group to pilot this new system. Forty active communities bringing together three hundred employees have already been registered under "My Déclic RCI".

The purpose of these communities is to:

- try and get answers to employees' questions;
- allow individuals to share with a broad circle of people their experiences, conclusions and analyses of a function, a project a business, etc.;
- gather new ideas on a given theme by launching calls for ideas;
- identify individuals, resources and skills by means of the detailed profile that each participant is able to document;
- allow individuals to share their professional and other interests and likes and create ties with other RCI Banque or Renault employees.



2 SOCIAL PROVISIONS AND COMMITMENT TO SOCIETY

2.1 HEALTH COVER

At the end of 2011, Diac decided to introduce a mandatory insurance policy for its employees with a mutuelle (insurance company providing complementary health cover), and to pay a contribution towards the premiums payable. This came into effect in January 2012.

The company, consulting fully with the unions and employee representatives, made the decision to introduce this mandatory health insurance, a solution that offers greater flexibility to employees already present in the company, on a unilateral basis.

Discussions were also held with the unions and employee representatives about the level of cover and the contribution to be made by the company, as a result of which it is to pay between 33% and 46% of the premiums payable.

At year-end 2012, 725 employees had signed up for this new complementary health cover.

2.2 CORPORATE SOCIAL RESPONSIBILITY PROJECTS

In 2012, the RCI Banque group led a number of Corporate Social Responsibility (CSR) projects.

A number of operations were carried out in **Brazil**:

A partnership with the *Pequeno Principe Hospital gave rise to two projects:**

■ Implementation of the Rouanet Law (Lei Rouanet), which allows any corporation to pay up to 4% of its owed income tax to sponsor cultural projects): a philanthropic project (*Projeto Bumba Meu Boi*), consisting in developing the cultural experience of children in hospital and of their families, through events and activities such as storytelling and workshops. The sum of €40,000 was devoted to this action;

■ Use of the Fund for Children and Adolescents (Fundo para a Infancia e Adolescência or FIA): companies are allowed to direct up to 1% of their owed income tax to this fund in order to sponsor projects aimed at protecting children and adolescents: a healthcare support project (“Progress in healthcare treatment - for the Right to Life”) aimed at helping to reduce child and adolescent mortality (high quality health support). The sum of €60,000 was devoted to this action.

In the musical and cultural field, in 2013 RCI Banque Brazil is to sponsor a number of VIP areas during the Rio de Janeiro Carnival, the world’s biggest and most famous carnival. The sum of €28,800 is to be devoted to this.

**Pequeno Principe Hospital* is the biggest children’s hospital in Curitiba. It treated more than 300,000 patients in 2012.

In **Spain**, CSR action in 2012 covered diversity, education and culture.

Diversity: efforts were made to help disabled workers, for example through a €20,000 contribution to the ONCE Foundation (*Fundacion ONCE*, an organization committed to creating an inclusive job market).

Education: RCI Banque Spain works with a number of Madrid universities (e.g. *Universidad Complutense*, *CUNEF*, *ICADE*), providing internships in order to promote access to employment for students.

Cultural: RCI Banque Spain encourages its employees to join the Friends of the Prado Museum society (*Amigos del Museo del Prado*), in association with the Renault Foundation (*Fundacion Renault*), by means of an 80% contribution to the society’s membership fees. In 2012, the sum of €1,760 was paid out in this way.

In **France**, RCI Banque has traditionally had an ambitious “Young Persons Policy”, characterized by the acceptance of students on sandwich course placements and internships. In 2012, seventy-six young people with two to five years’ higher education were awarded apprenticeship or professional training contracts with RCI Banque, twenty-six young people with two to five years’ higher education were awarded internships, and five secondary school pupils were accepted on work experience placements.

In 2012, the “Business and Services” Business Unit continued to roll out its Car offering, based around green driving techniques and road safety. Likewise, the car-sharing offer with Carbox, which received an award at the MEDEF’s (main employers’ organization in France) annual conference, was also rolled out. Lastly, the Business Unit’s ISO 9001 certification was renewed.

In **Italy**, RCI Banque took the social and humanitarian step of offering auto loan repayment suspensions to victims of the earthquake that occurred in the Emilia Romagna region in May 2012. It suspended monthly repayments for an average of six months.

RCI Banque **Netherlands** was directly involved in the ROPARUN Charity Run from Rotterdam to Paris. The Roparun is the biggest relay race in the world, and raises money for Dutch, Belgian and French people who suffer from cancer. RCI Banque devoted €8,000 to the operation and a team of its employees took part in the race.

Lastly, and also in the medical field, RCI Banque **Romania** contributed to preventive action and the protection of women’s health in the shape of a €15,000 donation to the Renasterea foundation (foundation for healthcare, education and culture) which works to promote the detection of breast and cervical cancers.



SOCIAL AND ENVIRONMENTAL INFORMATION

2.3 PROVISIONS DIRECTLY RELATED TO THE RCI BANQUE GROUP'S BUSINESS ACTIVITIES

Regulatory compliance

Like all lenders, RCI Banque is required to abide by strict rules and regulations concerning the information that must be given to its customers, and more especially to consumers, before they take out a loan, and the processing of their confidential data. These rules and regulations result from the transposition of EC Directives or are introduced by local legislators. RCI Banque has put in place a system that ensures its compliance in this area:

- each affiliate or branch has a structure that monitors changes in regulations, through reference to newsletters sent out by legal firms and auditors, membership of professional organizations, and by reading regulatory texts, etc.
- the monitoring structure keeps the line staff concerned continuously informed about any changes in the regulations. The latter are then responsible for taking the relevant and necessary action.
- a compliance committee made up of members of the management committee meets quarterly in each affiliate or branch to review changes in the regulations and the progress made on the requisite action plans.
Any major events or problems are reviewed by the Group Compliance Committee.
- the Permanent Control department carries out inspections to ensure independent assessment of the situation.

Loan approval policy

As part of its role and responsibilities towards its shareholder, RCI Banque endeavors to facilitate access to financing and vehicle purchase while being careful not to expose its customers to difficulties as a result of over-borrowing and at the same time securing expected profitability.

RCI Banque also makes sure that it complies with any current regulations governing checks on a potential customer's solvency (gathering of information and documentary evidence, dialogue with the customer, record checks, use of decision-support scores, etc.). Processes, tools and training for dealership staff and sales employees are continuously improved in order to secure the best possible performance.

In France, this results in a loan approval rate of 80% in average over the business cycle, and a failure rate per generation of about 3 contracts in every 100. The figures do of course differ from one country to another, but management and oversight of loan approval and debt collection follow the same method.

Pricing

Pricing has to cover the cost of the resource, distribution costs, operating expenses and the cost of risk, while securing the return on equity demanded by the shareholder and investors and required to comply with prudential ratios. It also needs to be competitive in comparison to that applied by rival lenders. Consequently pricing will vary from one country to another and take into account the loan term, personal contribution and type of good financed (new or used vehicle), to ensure that the aforementioned objectives are achieved.

When running special promotional campaigns, manufacturers or dealers may make a contribution to the rate of return so that they can advertise particularly attractive interest rates for customers.



GENERAL INFORMATION

1 GENERAL INFORMATION ABOUT THE COMPANY

A / GENERAL PRESENTATION

NAME AND REGISTERED OFFICE

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

Nationality: French

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

LEGAL FORM

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

GOVERNING LAW

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

DATE CREATED AND TERM

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

CORPORATE PURPOSE

The main purpose of RCI Banque is to engage in credit and banking operations of all kinds, in France and abroad, directly or indirectly, on its own behalf or on behalf of third parties, for the purposes of:

- financing the acquisition of goods or services or for other purpose; in particular, long-term credit transactions as well as issuance or management of payment systems in connection with such transactions;
- conducting studies of all kinds relating to the formation, expansion and transformation of industrial, commercial, financial and service undertakings;
- conducting full or partial studies, and engaging in consulting and negotiating activities in economic, financial, commercial and managerial areas;
- conducting research on designing and improving managerial, organizational and financial systems;
- carrying out projects resulting from the aforementioned studies, or contributing to the execution thereof by any appropriate means, including taking equity interests in existing or new entities;

- financing business entities, in particular by acquiring holdings of their equity or debt securities, using the Company's own funds or borrowed funds;
- providing investment services as defined by the French Financial Activities Modernization Act (96-597) of 2 July 1996;
- managing the portfolio of securities resulting from these activities, in particular by carrying out all purchase, sale, exchange and transfer transactions in securities of all kinds;
- doing business as an insurance intermediary within the meaning of the French law of 15 December 2005 transposing the European Directive of 9 December 2002, acting as agent, commissioner or broker;
- more generally, carrying out any industrial, commercial, financial or property transactions directly or indirectly related to the corporate purpose or to any similar or connected purposes useful to, or facilitating the realization and development of that purpose.

REGISTRATION AND IDENTIFICATION NUMBER

The Company is registered with the Bobigny Register of Companies under number 306 523 358, APE code 6419Z (business activity code), Siret: 306 523 358 00068.

ACCESS TO LEGAL DOCUMENTS

Legal documents pertaining to the issuer may be consulted at the Company's registered office.

FINANCIAL YEAR

The Company's financial year starts on 1 January and ends on 31 December of each calendar year.

B / SPECIAL BY-LAW PROVISIONS

STATUTORY ALLOCATION OF EARNINGS

Net income consists of net revenues for the year, less overhead costs and other corporate expenses and after depreciation, amortization and impairment allowances. At least five percent of net income less any prior-year losses is appropriated to fund the legal reserve. Once the amount of the legal reserve is equal to one-tenth of the share capital, this appropriation is no longer mandatory. It is resumed in the event that the legal reserve falls below one tenth of the share capital for any reason. Distributable income consists of the current year's income less prior-year losses and amounts appropriated to the legal reserve in accordance with the foregoing paragraph and any other transfers required by applicable law, plus unallocated retained earnings brought forward from previous years. The Ordinary General Meeting may decide to distribute a dividend from this income. Any such dividend is to be paid first out of the year's distributable income. From the available surplus, the Ordinary General Meeting may appropriate any amounts it deems appropriate either to retained earnings to be carried over to the following year, or to one or more general or special reserve accounts, to be allocated or used as it sees fit.



GENERAL INFORMATION

GENERAL MEETINGS (ARTICLES 27 TO 33 OF THE BY-LAWS)

Types of General Meeting

Each year, the shareholders convene in an Annual General Meeting, which must be held within five months of the end of the financial year. In addition, the shareholders may hold Ordinary General Meetings that meet on an extraordinary basis, or Extraordinary General Meetings when their purpose is to amend the by-laws, except as otherwise provided for by law, may also be held.

The General Meeting, duly constituted, represents all shareholders. Its decisions, taken in accordance with law and the Company's by-laws, are binding on all shareholders, even those who are absent, incapable of attending or in disagreement. Shares held in treasury by the Company are not counted when calculating the quorum for the various meetings. Two members of the works council, appointed by that council, one representing engineers and managerial staff and the other representing support staff, may attend general meetings.

The Board of Directors may decide that shareholders will be able to take part in and vote at general meetings by videoconference or any other means of telecommunication that permits them to be identified as required by law.

Notice of meetings

The Board of Directors calls the shareholders to General Meetings by means of a notice indicating the date, time and place of meeting. General Meetings may also be convened by:

- the Statutory Auditors;
- a representative appointed by order of the presiding judge of a French commercial court ruling in summary proceedings at the petition either of any interested party, or of one or more shareholders who together own at least 5% of the share capital;
- the receivers.

Quorum - Majority

Ordinary and Extraordinary General Meetings are subject to the quorum and majority requirements prescribed by law and exercise the powers allocated to them by law.

Composition of meetings

All shareholders, regardless of the number of shares they own, may attend general meetings, participate in the proceedings and vote. Owners of registered shares who have requested that such shares be duly recorded in the Company register at least five days before the meeting are admitted upon presentation of identification. Shareholders may be represented by another shareholder, or by their spouse. Proxies prepared in accordance with the law must be received at the registered office at least five days before the date of the meeting.

All shareholders, regardless of the number of shares they own, may attend Extraordinary Meetings, take part in the proceedings and vote. The right to vote in Ordinary General Meetings belongs to the beneficial owner of the shares to

which the right is attached; the right to vote in Extraordinary General Meetings belongs to the named legal owner. When a general meeting has been called, the Company shall, at its own expense, deliver or send a mail ballot and attachments thereto, to any shareholder who so requests by registered mail (return receipt requested). The Company must honor any request received by its registered office no later than six days before the date of the meeting. The mail ballot must include certain information as stipulated by Articles R. 225-76 et seq. of the *Code de Commerce* (French Commercial Code). It must clearly notify the shareholder that abstention from voting or failure to indicate voting instructions on any item shown on the form will be treated as a vote against the proposed resolution. The form may be included in the same document as the proxy form, if applicable. In this event, the applicable provisions are those of Article R. 225-78 of the *Code de Commerce* (French Commercial Code).

The documents stipulated by the aforementioned Article R. 225-76 must be attached to the mail ballot. A mail ballot sent to the Company for a given General Meeting is also valid for any subsequent meetings convened to address the same agenda. Mail ballots must be received by the Company at least three days before the date of the meeting. If a proxy is returned with a mail ballot, the proxy is taken into consideration subject to the votes indicated in the mail ballot.

Meeting officers - Attendance sheet

The General Meeting is chaired by the Chairman of the Board of Directors or, in his absence, by the Vice Chairman, if one has been named, or by a director appointed by the board. If the meeting has been convened by the Statutory Auditors, by a court-appointed representative or by the receivers, one of their members chairs the meeting. The votes are counted by the two largest shareholders, either acting on their own behalf or as representatives, or, if they decline, by the next largest shareholders, and so on, until this responsibility is accepted. These officers appoint the secretary of the meeting, who need not be a member of the meeting. An attendance sheet containing all information required by law and regulation is drawn up at shareholders' meetings. The meeting's officers may attach to the attendance sheet all proxy or mail ballots showing the last name, usual first name and address of each shareholder represented or casting a mail ballot, the number of shares that he or she owns, and the number of votes attached to those shares. In this case, the meeting's officers shall indicate the number of proxies and mail ballots attached to the attendance sheet, together with the number of shares and voting rights associated with such proxies and mail ballots. Proxies and mail ballots shall be submitted at the same time and under the same conditions as the attendance sheet. The accuracy of the attendance sheet, duly initialed by the shareholders in attendance and by shareholders' representatives, is certified by the meeting's officers. The responsibilities of the officers relate exclusively



to the holding of the meeting and proper conduct thereof; their decisions are always provisional and remain subject to a vote by the meeting itself. Any interested party may initiate such a vote.

Agenda

The meeting's agenda is established by the Board of Directors or by the person who convenes the General Meeting. However, under the conditions prescribed by law, one or more shareholders may request that certain draft resolutions not concerning the presentation of candidates for the Board of Directors be included on the agenda.

Minutes

The proceedings of general meetings are recorded in minutes that are entered in a special numbered and initialed register and signed by the meeting's officers. The minutes may be drawn up on sequentially numbered, initialed loose-leaf sheets. Copies or extracts of the minutes to be provided for legal or other purposes are duly certified either by the Chairman of the Board of Directors or by a director serving as chief executive or by the meeting's secretary. Such copies or extracts are valid with respect to third parties provided only that the signatures thereon are valid.

2 GENERAL INFORMATION ABOUT THE SHARE CAPITAL

A / GENERAL PRESENTATION

SHARE CAPITAL

The share capital, which was initially 2,000,000 French francs, was subsequently altered by capital increases and by conversion into euros. Following these changes, the share capital has stood at €100,000,000 since 22 November 2000. It is divided into 1,000,000 fully paid shares of €100 each.

AUTHORIZATIONS TO INCREASE THE SHARE CAPITAL

Not applicable.

SECURITIES NOT EVIDENCING OWNERSHIP OF CAPITAL

Not applicable.

CONVERTIBLE BONDS AND OTHER SECURITIES GIVING ACCESS TO EQUITY

IN MILLION EUROS	2012	2011	2010	2009	2008	2007
Share Capital	100	100	100	100	100	100

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

B / CHANGES IN SHARE CAPITAL OWNERSHIP OVER THE PAST THREE YEARS

SHAREHOLDERS

At 31 December 2012, Renault s.a.s. owned all of the Company's share capital apart from the eight shares owned by the Directors.

CHANGES IN SHARE CAPITAL OWNERSHIP OVER THE PAST THREE YEARS

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

INDIVIDUALS OR LEGAL ENTITIES THAT EXERCISE OR MAY EXERCISE CONTROL OVER RCI BANQUE

Renault s.a.s. owns 99.99% of RCI Banque.

ORGANIZATION - ISSUER'S POSITION WITHIN A GROUP

The Renault Group consists of two separate and distinct branches:

- the automobile branch;
- the sales financing branch composed of the RCI Banque group. Through its status as a bank, its independent access to financial markets and its inclusion in Renault's marketing policy, RCI Banque offers a competitive range of automobile financing products and related services to Renault Group brand dealership networks worldwide and to Nissan brand dealership networks in Europe. The organization of the RCI Banque group is described on the back cover of this document.

C / MARKETS FOR ISSUER'S SECURITIES

The Company's shares are not listed on any stock exchanges.

SECURITIES LISTINGS

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

3 LEGAL RISK

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

GENERAL INFORMATION

4 BOARD OF DIRECTORS-EXECUTIVE BODIES

BOARD OF DIRECTORS, DECEMBER 2012

NAME OF DIRECTOR	TERM FROM	TERM EXPIRES	NUMBER OF SHARES	% OF SHARE CAPITAL
Dominique THORMANN	05/10/2009	05/2018	1	0.01%
Philippe BUROS	25/05/2009	05/2015	1	
Jerome STOLL	25/05/2009	05/2015	1	
Patrice CABRIER	30/05/2006	05/2018	1	
Farid ARACTINGI	20/06/2011	05/2018	1	
Eric SPIELREIN	26/11/2010	05/2018	1	
Bernard LOIRE	20/07/2011	05/2018	1	
Stephane STOUFFLET	25/03/2011	05/2015	1	
RENAULT s.a.s.			999,992	99.99%

The Board of Directors met five times in 2012. At this time:

- There are no conflicts of interest between the duties of members of the governing and executive bodies and their private interests with regard to the RCI Banque group;
- There are no service contracts binding any member of the Board of Directors to RCI Banque or any of its affiliates and providing for rewards to be granted at the end of the contract;
- Independently of the regulated agreements, there are no arrangements or agreements with principal shareholders, customers, suppliers or others under which any member of the Board of Directors has been selected.

5 COMPENSATION PAID TO OFFICERS AND DIRECTORS

For 2012, compensation paid by the RCI Banque group to members of the governing and executive bodies totaled €1,034,068 compared with €1,615,500 in 2011.

The aggregate amount of compensation paid to the ten highest-paid individuals, determined by the Company, totaled €1,945,729, compared with €2,289,738 in 2011.

As required by law, in particular Article L. 225-102-1 of the *Code de commerce* (French Commercial Code) relating to the disclosure of compensation paid to officers and directors, and in view of the functions that the latter exercise within the controlling company, RCI Banque hereby states that no remuneration or perquisites of any kind (with the exception of a company vehicle for two of those officers) have been provided by the Company or its affiliates to any of its officers or directors during the past year, and that the remuneration and perquisites granted to those officers and directors by the controlling company are disclosed when they also serve as officers or directors of that company.

6 EMPLOYEE PROFIT-SHARING SCHEME

In accordance with Articles L. 442-1 and seq. of the *Code du travail* (French Labor Code), a new profit-sharing agreement was signed on 2 June 2003. Profit-sharing is allocated to all group employees in proportion to the gross salary received by each eligible individual during the relevant year, up to the limits set by law. Each beneficiary may choose to allocate this amount:

- either to a current account in his or her name on the Company's books, or
- to units in a unit trust. The RCI Banque group does not have a stock option plan for its employees, officers and directors.

IN MILLION EUROS	2012	2011	2010	2009	2008
Profit-sharing	€7.3m	€7.2m	€6.8m	€6.8m	€7.2m
Beneficiaries	1,399	1,418	1,376	1,397	1,464



7 FEES PAID TO STATUTORY AUDITORS AND THEIR NETWORK

IN MILLION EUROS	NETWORK CAC ERNST & YOUNG				NETWORK DELOITTE TOUCHE TOHMATSU				NETWORK OTHER AUDITORS			
	2012		2011		2012		2011		2012		2011	
	EX-VAT	%	EX-VAT	%	EX-VAT	%	EX-VAT	%	EX-VAT	%	EX-VAT	%
Audit fees												
Statutory auditing, certifications, examination of the single-company and consolidated financial statements	879	95%	875	100%	1,334	97%	1,394	99%	-	-	-	-
Other audit and audit-related engagements	48	5%	-	-	36	3%	9	1%	-	-	-	-
TOTAL AUDIT FEES	927	100%	875	100%	1,370	100%	1,403	100%	-	-	-	-
Other services												
Legal, tax and employment matters	-	-	-	-	42	86%	-	-	16	100%	-	-
Information systems	-	-	-	-	-	-	-	-	-	-	-	-
Other (inventory checks, etc.)	-	-	2	100%	7	14%	7	100%	-	-	-	-
Total fees for other services	-	-	2	100%	49	100%	7	100%	16	100%	-	-
GRAND TOTAL		927		877		1,419		1,410		16		





GENERAL INFORMATION

8 EXTERNAL AUDITORS

DELOITTE & ASSOCIÉS

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

Statutory Auditor

Member; Compagnie régionale de Versailles

Term of office: six years

Term expires: Accounting exercise 2013

Represented at 31 December 2012 by Charlotte VANDEPUTTE

ERNST & YOUNG AUDIT

Tour First - TSA 14444
1/2 Place des Saisons
92037 Paris La Défense Cedex
S.A.S. with variable capital

Statutory Auditor

Member; Compagnie régionale de Versailles

Term of office: six years

Term expires: Accounting exercise 2015

Represented at 31 December 2012 by Bernard HELLER

9 PRESENTATION OF THE COMPANY AND GROUP

A / BACKGROUND

RCI Banque is the result of the merger on 1 January 1990 between:

- Diac, created in 1924 to finance sales of Renault vehicles in France, and
- Renault Credit International, established in 1974 to finance sales of Renault vehicles in Europe.

Under the terms of the agreement of 27 March 1999 between Renault and Nissan, the RCI Banque group acquired Nissan's sales financing subsidiaries in five European countries. Those subsidiaries have been consolidated by RCI Banque since 1 July 1999.

At 31 December 2002, all shares were held by Compagnie Financière Renault, which in turn was wholly owned by Renault S.A. Compagnie Financière Renault served as the umbrella for all Renault Group finance companies. From 20 June 2003, as a result of its merger with Renault s.a.s., Compagnie Financière Renault stopped being a director and shareholder of RCI Banque and since then, 100% of the share capital has been held by Renault s.a.s.

B / DESCRIPTION OF RCI BANQUE'S MAIN BUSINESS ACTIVITIES

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

The RCI Banque group is active in 36 countries:

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

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

- to Customers (Retail and Corporate customers) to whom the RCI Banque group offers new and used car loans, rentals with options to buy, leases and long-term rentals. It also provides related services such as maintenance and extended warranties, insurance and roadside assistance, fleet management and credit cards;
- to brand Dealers. The RCI Banque group finances inventories of new vehicles, used vehicles and spare parts, as well as short-term cash requirements.
- In addition, on 16 February 2012, RCI Banque launched a savings account for retail depositors in France: **ZESTO by RCI Banque**. This is one way in which RCI Banque is diversifying its business.

C / DEPENDENCE

RCI Banque provides financing to Renault Group and Nissan sales Dealers and Customers. RCI Banque is not subject to any patents, licenses, industrial supply contracts, commercial or financial sourcing agreements or agreements regarding new manufacturing processes.

D / INVESTMENT POLICY

Main investments and disposals over the last four financial years.

DISPOSALS - DISSOLUTIONS - MERGERS

In 2012

None.

In 2011

Austria: Merger by absorption of RCI Banque GmbH and opening of RCI Banque S.A. Niederlassung Österreich (branch) on 1 September 2011.

France: Merger by absorption of SIGMA Services S.A. by Diac Location S.A. on 30 April 2011.

In 2010

None.

In 2009

Germany: Merger by absorption of RCI Leasing GmbH by RCI Banque Niederlassung on 11 August 2009. Business taken over by RCI Banque S.A. Niederlassung Deutschland (branch).



In 2008

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

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

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

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

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

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

In 2007

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

Italy: Disposal of Refactor (services subsidiary) in December 2007. Merger by absorption of RNC S.p.A. (financing subsidiary) by RCI Banque S.A. and business taken over by RCI Banque Succursale Italiana in June 2007.

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

In 2006

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

ACQUISITIONS

In 2012

France: buy-out by Diac S.A. of the 5.19% interest in Cogera S.A. held by RENAULT s.a.s. in November 2012.

In 2011

None.

In 2010

None.

In 2009

None.

In 2008

None.

In 2007

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

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

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

In 2006

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

CREATION

In 2012

None.

In 2011

Hungary: RCI Services KFT (sales company) created in July 2011.

Italy: ES Mobility S.R.L., long-term electric car rental company, created in March 2011.

Ireland: RCI Banque Branch Ireland (branch) created in May 2011.

Turkey: ORFIN Finansman Anonim Sirketi (financing subsidiary) created on 13 December 2011.

In 2010

Russia: Sales Office opened in July 2010.

In 2009

Turkey: RCI Pazarlama ve Danismanlik Hizmetleri Ltd Sirketi (sales subsidiary) created on 29 April 2009.

In 2008

Malta: RCI Services Ltd, a holding company holding two insurance companies, created in December 2008.

Serbia: RCI Services d.o.o. (sales subsidiary) created in December 2008.

In 2007

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

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

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

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

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

In 2006

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

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

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

Russia: RN Finance RUS S.A.R.L. (financing subsidiary), created in October 2006.



GENERAL INFORMATION

10 STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL REPORT

I hereby declare that, to the best of my knowledge, the information contained in this document is correct, and that all reasonable steps have been taken to that end. There are no omissions likely to alter the scope of this information, which is a fair and true reflection of the group's business development and results, and provides a description of the principal risks that the group may face. I declare that the financial statements, prepared in accordance with applicable accounting standards, give a true and fair picture of the group's assets and liabilities, financial position, and profit or loss.

26 March 2013

Chairman of the Board of Directors
Dominique THORMANN

11 DOCUMENTS AVAILABLE TO THE PUBLIC

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

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

RCI Banque
Direction Financements et Trésorerie
API LPN 45
14, avenue du Pavé Neuf
93168 Noisy-le-Grand Cedex - France

