



2010 Financial Report



Carrefour

Banque

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2011

*30th anniversary of
Carrefour Banque
(formerly S2P)*

2010

*S2P becomes
Carrefour Banque
when it merges
its finance and
insurance sales
networks*

2009

*• Launch of the
PASS MasterCard
• Standard & Poor
awards S2P
its first rating
with an "A" rating for
long-term and "A-1"
for short-term*

2003

*Launch of the
first bank cards*

1997

*Launch of
Carrefour Horizon
life insurance*

1989

*Launch of Epargne
Libre Carrefour
savings accounts*

1987

*Launch of the
personal loan
business*

1981

*Launch of the
PASS card*

Company profile

Our business

A banking subsidiary of the Carrefour group for 30 years, Carrefour Banque (formerly S2P) merged its finance and insurance networks in 2010. It has 2.5 million customers who hold the PASS MasterCard, manages outstanding loans totalling 2.6 billion euros, and a total of 1.74 billion euros for its savings customers and its 400,000 insurance customers. The company has 1,850 employees in France. The staff includes 1,500 multidisciplinary banking and insurance advisers. Carrefour Banque operates 221 bank branches in hypermarkets.

Our offering

Carrefour Banque markets an extensive range of financing, savings and insurance solutions: the PASS MasterCard, revolving credit, personal loans, debt buyback, savings, Automobile and Home insurance, extended medical coverage, etc. All these offerings are available at our agencies, by telephone and on our website www.Carrefour-Banque.fr



Banque

Governance

Executive Committee

Gauthier Durand-Delbecque
Executive Director of Carrefour Group
Financial Services and Insurance
CEO of Carrefour Banque

Isabelle Clairac
Information Systems Manager

Jean-Luc Delenne
Human Resources Manager

Carole Demousselle
Internal Audit

Valérie Dherbécourt
Marketing Manager, France

Édouard Duceux
Distance Support and Sales Manager, France

Pierre-Olivier Grall
Insurance Cluster Manager

Laurent Maréchal
Operations Director, France

Frédéric Mazurier
Administrative, Financial, Platform
and Process Manager (AFPPM)

Corinne Moulin
Banking Products Cluster Manager

Bruno Murcia
Head of Management Finance, France

Pascal Renier
Store Sales Manager, France

Management Board

Gauthier Durand-Delbecque
CEO and Member of the Board

Carrefour, represented by
Guillaume Vicaire, Member of the Board
Réginald Gilet, Member of the Board

BNPPF, represented by
Gérard Chaurand, Member of the Board
Pedro Rodriguez, Member of the Board

Statutory Auditors

Cabinet KPMG Audit, represented
by **Arnaud Bourdeille**
1, cour Valmy
92923 Paris - La Défense Cedex

Cabinet Deloitte & Associés, represented
by **Sylvie Bourguignon**
185, avenue Charles de Gaulle
92524 Neuilly-sur-Seine Cedex

Key Figures

Net income

(in millions of euros)

- 8.4%

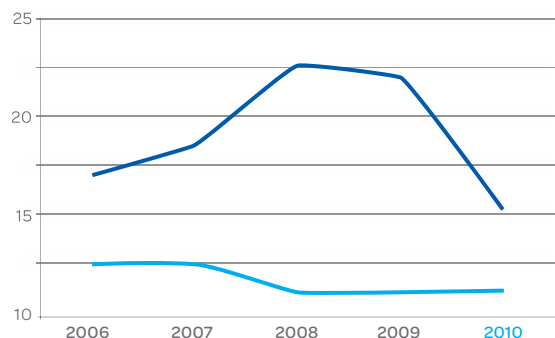
Change in 2010 with respect to 2009



Net income dropped 8.4% from 2009 due to some exceptional items: impacts of harmonizing collective agreements governing retirement obligation commitments with the contribution of financial service and insurance agencies to Carrefour Banque on 1 May 2010, and of discounting the client provision. Exclusive of exceptional items, net income rose 1% over 2009.

Financial Ratios (profitably/solvency)

(in percentage terms)



— Return on Equity (ROE)
— Solvency

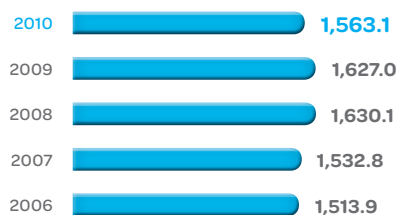
ROE fell from 22% in 2009 to 15.2% in 2010 with the impact of a capital increase of €77.7 million in 2010 and a €5.9m net income reduction from the 2009 figure. An improving solvency ratio with the reinforcement of equity.

Distributed Credit

(in millions of euros)

- 3.9%

Change in 2010 with respect to 2009



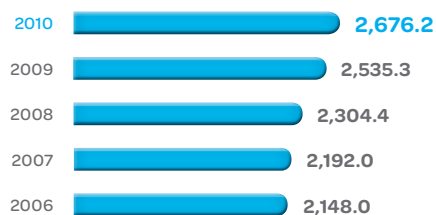
A 3.9% decline from 2009 in distributed credit with a 5.3% drop in standard loans after a very good year 2009 in the standard consumer credit business. Revolving credit held firm at -1% vs N-1, and this margin was recorded in an unfavourable market context (-6.3% during the year 2010 for ASF members).

Credit Assets Managed

(in millions of euros)

+ 3.4%

Change in 2010 with respect to 2009



Credit assets grew 3.4% over 2009, with distributed credit levels remaining high:

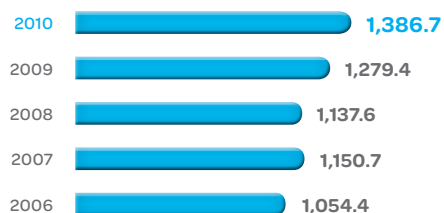
- Revolving credit: €519.1 million
- Earmarked credit: €301.9 million
- Standard consumer credit: €742.1 million.

Life Insurance Assets Managed

(in millions of euros)

+ 8.4%

Change in 2010 with respect to 2009



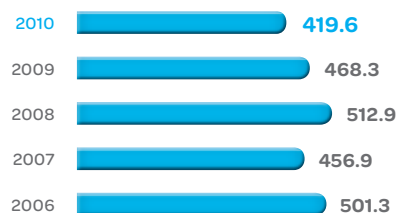
An increase of 8.4% over 2009 of life insurance assets, with a net collection level of €59 million and the impact of the performance of the Avenir and Sélection funds. The supplementary payment level remained very high thanks to direct marketing campaigns that drove a 12% growth of average assets per account.

UCITS Managed

(in millions of euros)

- 10.4%

Change in 2010 with respect to 2009



A 10.4% decrease from 2009 of UCITS assets, considering the unattractive performance of these products with respect to regulated passbook savings accounts in 2010.

Payments Using PASS Card

(in millions of euros)

+ 3.4%

Change in 2010 with respect to 2009



A 3.4% rise in PASS Card payments over the 2009 figure was fuelled by the growth in the use of our cards outside the Carrefour domain.

Number of PASS Cards

(in millions of euros)

- 1.9%

Change in 2010 with respect to 2009



The number of PASS Cards issued fell 1.9% from the 2009 total because the marketing of the PASS store card was stopped in 2009 in favour of a universal card.

2010

Corporate accounts

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Balance sheet at 31/12/2010

(in thousands of euros)

ASSETS	NOTES	2010	2009
Cash on hand, balances with central banks		67,866	89,268
Government paper and similar securities		-	-
Receivables due from lending institutions	2-4	561,149	86,935
Customer transactions	3-4	2,655,414	2,010,273
Bonds and other fixed income securities	5	404,111	833,575
Shares & other variable income securities	5	10,995	10,714
Equity interest and other long-term securities	5	9	9
Shares in affiliated companies	8	44,068	1,700
Leasing and rental with purchase option		-	-
Operating lease		-	-
Intangible assets	9	89,210	10,895
Tangible assets	9	8,641	3,308
Subscribed unpaid capital		-	-
Treasury shares		-	-
Other assets	10	77,575	71,975
Adjustment accounts	10	161,090	160,035
TOTAL ASSETS		4,080,128	3,278,687

OFF-BALANCE SHEET	NOTES	2010	2009
Commitments made	15	5,548,419	4,786,722
Financing commitments		5,054,322	4,215,221
Guarantee commitments		210,942	231,501
Securities commitments		283,155	340,000

Balance sheet at 31/12/2010

(in thousands of euros)

LIABILITIES	NOTES	2010	2009
Balances with central banks		-	-
Debts to lending institutions	2-4	1,828,201	1,526,062
Customer transactions	4	387,184	343,827
Debts evidenced by securities	6-7	1,184,759	776,716
Other liabilities	11	128,814	192,720
Adjustment accounts	11	53,480	50,771
Provisions	12	9,419	8,407
Subordinated debts		-	-
Funds / general banking risks (FGBR)	13	3,735	3,735
Shareholders' equity excluding FGBR	14	484,536	376,449
Subscribed capital		99,971	92,217
Share premium		200,434	130,526
Reserves		116,587	81,487
Revaluation variances		-	-
Regulated provisions	12	2,051	1,962
Retained earnings		1,147	19
Financial year earnings		64,346	70,238
TOTAL LIABILITIES		4,080,128	3,278,687

OFF-BALANCE SHEET	NOTES	2010	2009
Commitments received	15	4,006,255	2,860,115
Financing commitments		4,006,140	2,860,000
Guarantee commitments		115	115
Securities commitments		-	-

Income statement at 31/12/2010

(in thousands of euros)

	NOTES	2010	2009
Interest and similar income	16	262,174	281,705
Interest and similar expenses	16	-84,558	-94,577
Income from leasing and similar transactions		-	-
Expenses from leasing and similar transactions		-	-
Income from operating lease transactions		-	-
Expenses from operating lease transactions		-	-
Income from variable-income securities		20,867	11,145
Commissions (income)	17	69,309	64,500
Commissions (expenses)	17	-19,837	-17,041
Gains or losses from trading book transactions	21	622	-1,251
Gains or losses from investment portfolio and similar transactions	21	117	2,411
Other income from banking operations	18	205,556	168,174
Other expenses from banking operations	18	-106,496	-101,203
NET BANKING INCOME		347,754	313,863
General operating expenses	19	-165,879	-140,179
Tangible and intangible asset depreciation and amortization expenses		-3,171	-998
GROSS OPERATING INCOME		178,704	172,686
Cost of risk	20	-75,655	-72,209
OPERATING INCOME		103,049	100,477
Gains or losses on fixed assets		-13	-14
INCOME BEFORE NON-RECURRING ITEMS AND TAXES		103,036	100,463
Extraordinary income		-	-
Income tax		-38,601	-29,621
FGBR additions / draw-downs and regulated provisions		-89	-604
NET INCOME		64,346	70,238

Comparative income statement at 31/12/2010

(in euros)

YEAR-END FINANCIAL POSITION	2006	2007	2008	2009	2010
Share capital	92,216,604	92,216,604	92,216,604	92,216,604	99,970,792
Number of shares issued	6,018,208	6,018,208	6,018,208	6,018,208	6,524,356

TOTAL INCOME FROM ACTUAL OPERATIONS	2006	2007	2008	2009	2010
Turnover	387,117,703	429,162,560	481,289,843	517,015,805	614,938,536
Earnings before taxes, equity interest, amortization, provisions and depreciation	92,057,397	97,433,061	118,616,536	124,891,304	135,455,493
Income tax	24,704,316	28,181,474	36,879,735	29,621,462	38,600,816
Equity interest	1,179,800	696,649	675,519	571,747	2,706,722
Earnings after taxes, equity interest, amortization, provisions and depreciation	52,168,935	57,109,562	69,942,948	70,237,625	64,346,273
Total distributed earnings	50,552,947	57,112,794	69,931,577	35,101,035	31,838,857

OPERATING EARNINGS PER SHARE	2006	2007	2008	2009	2010
Earnings after taxes and equity interest but before amortization, provisions and depreciation	11.00	11.39	13.47	15.74	14.43
Earnings after taxes, equity interest, amortization, provisions and depreciation	8.67	9.49	11.62	11.67	9.86
Dividend distributed per share	8.40	9.49	11.62	5.83	4.88

PERSONNEL	2006	2007	2008	2009	2010
Average number of employees during the financial year	334	339	367	398	1,253
Total payroll	9,037,637	9,694,421	11,227,324	12,530,575	35,895,336
Total of sums paid for fringe benefits	4,211,031	4,394,777	5,145,587	6,212,707	16,329,761

Notes appended to financial statements

NOTE 1

ACCOUNTING PRINCIPLES AND METHODS

A / Presentation of the annual financial statements

The annual financial statements were prepared in accordance with the regulatory provisions, in particular those stated in Regulation No. 2000-03 of the Accounting Regulation Committee (ARC) of 4 July 2000, modified by ARC Nos. 2004-16, 2005-04, 2007-05 and 2008-02 regarding the individual summary documents on companies falling under the authority of the Committee on Banking and Financial Regulations.

Unless there are indications to the contrary, all the amounts stated in the appendices are expressed in thousands of euros.

B / Customer loans

The customer loans reflected on the balance sheet include: the remaining principle due on the balance sheet date, to which the interest, allowances and expired insurance premiums, as well as those that are accrued and not expired on that same date, are added. The customer loans are classified as doubtful accounts when they present a probable or certain risk of being totally or partially uncollectable. Depreciation is applied on the basis of updated statistical observations by the type of product, according to the age and deterioration seen in the customer debt. In compliance with ARC Regulation No. 2002-03 regarding the accounting treatment of credit risk, Carrefour Banque updates (under the original credit terms) the collectible flows within the framework of the calculation of depreciation of doubtful accounts. The effect of updating the collectible flows by calculating the depreciation was to reduce net banking income during 2010 by €3.97 million. Finally, the doubtful charges and late fees recorded in the books as part of the net banking income and, in addition, depreciated through the cost of risk, are offset in the net receipts from banking. This reclassification of a total of €2.2 million in 2009 rose to €2.5 million in the 2010 financial year.

Pursuant to the provisions of ARC Regulation No. 2009-03 of 3 December 2009, relative to the accounting treatment to be given to the commissions received by a lending institution and marginal transaction costs incurred when granting or acquiring a loan, Carrefour Banque spreads out, effective 1 January 2010, the commissions paid to business agents from the time when a loan is granted over the effective lifetime of the loan in question.

An impact of +€1.1 million was recorded in retained earnings as of 1 January 2010 (see note 14). Additionally, €0.6 million in business agent commissions, which are henceforth subject to the accounting spreading, had been recorded in 2009 as expenditures incurred during the financial year (see note 19). The spreading had an accounting effect of €0.4 million in 2010 (charges spread out in net banking income which were not spread out previously, see note 16).

C / Investment securities

In compliance with ARC Regulation No. 2005-01, investment securities are shown on the books at their purchase price. They are depreciated, if need be, to take into account their market value on the balance sheet date. Unrealized capital gains are not recorded.

D / Financial assets

Equity interests are recorded on the balance sheet at their cost price. The securities are depreciated in order to take their current value into account.

E / Tangible and intangible fixed assets

Fixed assets are reflected on the balance sheet at their acquisition cost (purchase price and incidental expenses).

The linear method is used to calculate the amortizations according to the projected economic life of the asset:

- licenses and software applications: between 3 and 5 years;
- computer equipment: 3 years;
- fixtures and equipment: between 5 and 8 years;
- other fixed assets: between 3 and 10 years.

F / Long-term financial instruments

Interest rate hedges used are intended to limit the effects of fluctuations of the interest rates on floating rate indebtedness.

These hedges are handled as private contracts with top-ranked banking counterparties. The financial instruments used are interest rate swaps. The income obtained from these instruments is recorded symmetrically in the income on the hedged elements. Certain hedging transactions can generate open positions in a limited, temporary way. These positions are evaluated at account closure time. Any unrealized losses give rise to the establishment of a provision. The instruments used at 31 December are indicated in note 15. The face value commitments are recorded off the balance sheet.

ARC 2004-16

Derivative financial instruments were subjected to an assessment at market value. This assessment is based on market prices when the instrument is traded on an active market or according to market parameters taken into account in the assessment models.

G / Severance pay on retirement

Carrefour Banque gives its employees severance pay when they retire, calculated on the basis of the seniority accumulated while working for the Carrefour Group. This commitment is calculated on an actuarial basis that takes into account the factors of staff rotation, mortality and growth of salaries and fringe benefits. The commitments are recorded in the form of provisions.

H / Conversion of transactions denominated in foreign currencies

These transactions follow the rules decreed by Regulation No. 89.01 of the Committee on Banking and Financial Regulations regarding the accounting treatment to be given to transactions in foreign currencies (modified by Regulations Nos. 90-01, 95-04, 2000-02). All the asset, liability and off-balance sheet items expressed in foreign currencies are converted to euros at the exchange rate in force on the balance sheet date. The income and expenses are converted to euros at the rate in effect on the date of the transaction. The gains or losses on foreign exchange, whether they are realized or unrealized, are recorded at the end of the accounting period in the income statement and constitute foreign exchange income.

I / Securitization transactions

In November 2009 Carrefour Banque made a securitization transaction through a securitization umbrella fund with compartments called "Copernic PP 2009-01". The purpose of this securitization transaction was to establish a base of securities eligible to participate in open market calls with the ECB. In accordance with modified Regulation No. 93-06 of the Committee on Banking and Financial Regulations, the sum total of the customer loans assigned in consideration of this transaction, which had a face value of €856.9 million, was removed from the assets side of the Carrefour Banque balance sheet. This securitization was "self-subscribed" – that is, the bond issue by the securitization fund was subscribed in its entirety by Carrefour Banque. The subscription was recorded on the balance sheet in the investment portfolio at a net value of €856.9 million. At the close of 2010, these bonds comprised €283.1 million in priority bonds after amortization, fully secured in favour of the ECB, and €120.9 million in subordinated bonds after depreciation recorded during the financial year in the amount of €5.5 million. Carrefour Banque also possesses all of the corporate rights in the securitization fund, whose value is €300 euros. In addition to the bond subordination mechanism, Carrefour Banque has established, with FCT Copernic, a guarantee deposit of €4.28 million to prevent of the risk of default by the debtors of the loans that were assigned. At 31 December 2010, this guarantee deposit was fully depreciated by Carrefour Banque.

Notes appended to financial statements

NOTE 2

(in thousands of euros)

RECEIVABLES AND DEBTS FROM LENDING INSTITUTIONS	31/12/2010	31/12/2009
ASSETS		
Regular accounts, overnight accounts and loans	124,365	86,935
Term accounts and loans	436,784	-
TOTAL	561,149	86,935
portion accounted for by associated receivables	285	-
portion accounted for by transactions with affiliated companies	86,602	-
LIABILITIES		
Regular accounts, overnight loans	3,220	3,272
Term loans and accounts	1,824,981	1,522,790
TOTAL	1,828,201	1,526,062
portion accounted for by associated debts	2,021	1,790
portion accounted for by transactions with affiliated companies	-	-

NOTE 3

(in thousands of euros)

CUSTOMER LOANS	31/12/2010	31/12/2009
Regular receivables accounts	543,970	499,093
Other short-term loans	617,948	463,860
Medium-term loan	442,538	315,021
Long-term loan	1,308,765	967,706
TOTAL GROSS LOANS TO CUSTOMERS	2,913,221	2,245,680
portion accounted for by transactions with affiliated companies	-	-
portion accounted for by associated receivables	19,623	17,548
portion accounted for by doubtful accounts*	543,970	499,093
*portion accounted for by compromised doubtful accounts	48,763	39,804
LOAN DEPRECIATION	-257,807	-235,407
TOTAL NET LOANS TO CUSTOMERS	2,655,414	2,010,273

Notes appended to financial statements

NOTE 4

(in thousands of euros)

SCHEDULE OF RECEIVABLES AND DEBTS FROM LENDING INSTITUTIONS AND CUSTOMERS						31/12/2010
LENDING INSTITUTIONS AND FINANCIAL INSTITUTIONS	ON DEMAND AND UNSCHEDULED	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	5 YEARS +	TOTAL
Assets	124,365	336,784	100,000	-	-	561,149
Liabilities	3,220	815,381	1,009,600	-	-	1,828,201
Other outstandings to customers	19,473	466,225	442,538	1,226,389	82,377	2,237,001
Loans to financial customers	-	132,250	-	-	-	132,250
Regular receivables accounts	286,163	-	-	-	-	286,163
TOTAL RECEIVABLES DUE FROM CUSTOMERS (ASSETS)	305,636	598,475	442,538	1,226,389	82,377	2,655,414
TOTAL CUSTOMER TRANSACTIONS (LIABILITIES)*	15,973	8,327	6	362,878	-	387,184
* Including related-party transactions.	-	-	-	326,078	-	326,078

NOTE 5

(in thousands of euros)

SHARES, BONDS AND OTHER SECURITIES	31/12/2010	31/12/2009
Shares in UCITS*	8,709	8,593
Shares and other unlisted investment securities	4	4
Shares and other listed** investment securities	2,282	2,117
Other long-term securities	9	9
Bonds***	404,111	833,575
TOTAL	415,115	844,298

*- which includes a depreciation write-down for the financial year of €116,000, i.e., an accumulated depreciation of €120,000

- which includes an unrealised capital gain at year-end of €818,000

** which includes an unrealised capital gain at year-end of €679,000

*** Bonds issued by FCT Copernic, maturing in September 2031, entirely subscribed by Carrefour Banque

- which includes priority bonds: €283.155 million

- which includes subordinated bonds: €120.956 million, which includes a depreciation provision for the financial year of: €5,494 million for default risk by debtors of the loans assigned

NOTE 6

(in thousands of euros)

DEBTS EVIDENCED BY SECURITIES	31/12/2010	31/12/2009
Certificates of deposit	1,098,320	648,377
Other negotiable receivable securities	86,439	128,339
TOTAL	1,184,759	776,716
portion accounted for by associated debts	2,314	716
portion accounted for by transactions with affiliated companies	-	-

Notes appended to financial statements

NOTE 7

(in thousands of euros)

SCHEDULE OF DEBTS EVIDENCED BY SECURITIES					31/12/2010
	≤ 3 MONTHS	> 3 MONTHS ≤ 1 YEAR	> 1 YEAR ≤ 5 YEARS	> 5 YEARS	TOTAL
Certificates of deposit	995,320	103,000	-	-	1,098,320
Other negotiable receivable securities	-	86,439	-	-	86,439
TOTAL	995,320	189,439	-	-	1,184,759

NOTE 8

(in thousands of euros)

EQUITY INTEREST SECURITIES AND SUBSIDIARY COMPANY SECURITIES	31/12/2010			31/12/2009		
	GROSS ACCOUNT- ING VALUE	DEPRECIATION	NET ACCOUNT- ING VALUE	GROSS ACCOUNT- ING VALUE	DEPRECIATION	NET ACCOUNT- ING VALUE
SUBSIDIARIES AND UNLISTED EQUITY INTERESTS						
CARMA S.A.	30,501	-	30,501	-	-	-
SERVICIOS FINANCIEROS CARREFOUR, E.F.C. S.A.	1,663	-	1,663	1,663	-	1,663
CARREFOUR SERVIZI FINANZIARI	11,502	-	11,502	-	-	-
LA FINANCIÈRE PASS SAS	37	-	37	37	-	37
FCT COPERNIC 2009	-	-	-	-	-	-
GIE CARREFOUR PERSONAL FINANCE SERVICES	-	-	-	-	-	-
GIE GERIC	40	-	40	-	-	-
GIE CHAMNORD	324	-	324	-	-	-
TOTAL	44,068	-	44,068	1,700	-	1,700

CARMA S.A. domiciled at 4/8 rue du Marquis de Raies 91008 EVRY Cedex with capital of €23,270,000.

50.007% CARREFOUR BANQUE interest in the capital acquired on 30 April 2010.

Financial 2010 turnover: **€163.094 million**, an increase of **4.2%** compared to 2009.

2010 after-tax earnings: **€7.817 million**, an increase of **17.5%** compared to 2009.

Reserves, retained earnings and share premium before allocation of 2010 earnings: **€29.041 million**.

The accounts of CARMA S.A. are consolidated by full consolidation in the accounts of the CARREFOUR BANQUE group.

SERVICIOS FINANCIEROS CARREFOUR, E.F.C. S.A. domiciled at Calle Juan Esplandiú n°11 28007 MADRID with capital of €18.567.438.

CARREFOUR BANQUE equity interest of 6.797%.

Financial 2010 turnover: **€658.005 million**, an increase of **15.7%** compared to 2009.

2010 after-tax earnings: **€34.259 million**, an increase of **52.4%** compared to 2009.

Reserves, retained earnings and share premium before allocation of 2010 earnings: **€138.801 million**.

CARREFOUR SERVIZI FINANZIARI S.P.A. domiciled in Milan Via Caldera 21 with capital of €5,000,000.

100.00% CARREFOUR BANQUE interest in the capital acquired on 31 December 2010.

Net banking income for the 2010 financial year: **€12.955 million**, an increase of **24.9%** compared to 2009.

2010 after-tax loss: **€315 million**, an increase of **66.6%** compared to 2009.

Reserves, retained earnings and share premium before allocation of 2010 earnings: **€3.302 million**.

The accounts of CARREFOUR SERVIZI FINANZIARI S.P.A. are consolidated by full consolidation in the accounts of the CARREFOUR BANQUE group.

The firm of LA FINANCIÈRE PASS SAS 91051 ÉVRY Cedex, subsidiary with capital of €37,000.

CARREFOUR BANQUE interest in the capital of 100.00%, net loss in 2010 of **€2.710 million**.

The accounts of La Financière Pass are consolidated by full consolidation in the accounts of the CARREFOUR BANQUE group.

FCT Copernic 2009, domiciled at 9 rue du Débarcadère 93500 PANTIN.

CARREFOUR BANQUE interest in the capital of 100.00% (representing €300).

The accounts of FCT Copernic 2009 are consolidated by full consolidation in the accounts of the CARREFOUR BANQUE group.

GIE Carrefour Personal Finance Services, domiciled at 1 place Copernic 91080 COURCOURONNES.

Economic Interest Grouping without capital organised on 13 April 2010 by Carma and Carrefour Banque, which acts as a consulting member.

The accounts of GIE CPFS are consolidated by full consolidation in the accounts of the CARREFOUR BANQUE group.

Notes appended to financial statements

NOTE 9

(in thousands of euros)

TANGIBLE AND INTANGIBLE ASSETS					
	31/12/2009	INCREASES	DECREASES	OTHER MOVEMENTS	31/12/2010
GROSS CAPITAL ASSETS					
Intangible assets	15,018	6,814	189	72,078	93,721
Tangible assets	8,845	2,229	243	5,721	16,552
TOTAL GROSS CAPITAL ASSETS	23,863	-	-	-	110,273
Amortization of intangible assets	4,123	571	183	-	4,511
Amortization of tangible assets	5,537	2,600	226	-	7,911
TOTAL NET CAPITAL ASSETS	14,203	-	-	-	97,851

- The other movements are tied to acquisition and contribution transactions for financial and insurance stands in the framework of a project aimed at bringing together, within Carrefour Banque, the banking and insurance products distribution networks managed by different entities of the Carrefour group.

NOTE 10

(in thousands of euros)

OTHER ASSETS AND ADJUSTMENT ACCOUNTS		BALANCE AT 31/12/2010	BALANCE AT 31/12/2009
ASSETS			
Miscellaneous group debtors		13,399	13,002
Other miscellaneous debtors*		64,176	58,973
TOTAL OTHER ASSETS		77,575	71,975
Deposits in transit		112,887	119,003
Prepaid expenses		15,742	14,089
Revenue accruals		32,461	26,943
TOTAL ADJUSTMENT ACCOUNTS		161,090	160,035

*Includes advances to SCI KARUKAZ II of €6.013 million in 2009, to GIE AO (EDT) of €5.287 million in 2008, to SCI KARUKAZ of €5.982 million in 2007 and 2008, to GIE GNIFI (INCO) of €18.510 million in 2006 and to La Financière Pass ATR Air Caraïbes of €5.626 million in 2009. These advances correspond to tax-exempt investments.

*includes depreciation of €4.285 million applied to the guarantee deposit to cover the risk of default by debtors of the loans assigned to the FCT.

Notes appended to financial statements

NOTE 11

(in thousands of euros)

OTHER LIABILITIES AND ADJUSTMENT ACCOUNTS	BALANCE AT 31/12/2010	BALANCE AT 31/12/2009
LIABILITIES		
Miscellaneous group creditors	52,020	143,749
Taxes payable	15,486	1,264
Social charges	19,895	7,292
Suppliers	591	5,495
Other miscellaneous creditors*	40,822	34,920
TOTAL OTHER LIABILITIES	128,814	192,720
Expenses payable	37,268	34,296
Deferred income	15,502	14,580
Deposits in transit	710	1,895
TOTAL ADJUSTMENT ACCOUNTS	53,480	50,771

*Includes debt write-offs to SCI KARUKAZ II of €3.942 million for financial 2009, to GIE AO EDT of €3.467 million in 2008, to SCI KARUKAZ of €3.922 million in 2007 and 2008, to GIE GNIFI of €18.510 million in 2006 and the ATR Air Caraïbes investment of €5.626 million in 2009-2010.

NOTE 12

(in thousands of euros)

DEPRECIATION AND PROVISIONS	BALANCE AT 31/12/2009	INCREASES	DECREASES	OTHER MOVEMENTS	BALANCE AT 31/12/2010
DEPRECIATION OF CUSTOMER LOANS	235,407	27,341	4,941	-	257,807
TOTAL	235,407	27,341	4,941	-	257,807
PROVISIONS					
Provisions for retirements	2,257	3,963	608	2,806	8,418
Other provisions	6,150	10	5,159	-	1,001
TOTAL	8,407	3,973	5,767	2,806	9,419
REGULATED PROVISIONS					
Tax depreciation allowance	1,134	570	518	-	1,186
Provision for special equity interest reserve	828	280	243	-	865
TOTAL	1,962	850	761	-	2,051

- The other movements correspond to retirement allowances relative to personnel transferred to Carrefour Banque in the framework of the contribution transactions.

NOTE 13

(in thousands of euros)

GENERAL BANKING RISK FUND	BALANCE AT 31/12/2009	INCREASES	DECREASES	BALANCE AT 31/12/2010
PROVISIONS FOR GENERAL BANKING RISK FUND	3,735	-	-	3,735

Notes appended to financial statements

NOTE 14

(in thousands of euros)

SHAREHOLDERS' EQUITY EXCLUDING FGFR	BALANCE AT 31/12/2009	INCREASES	DECREASES	BALANCE AT 31/12/2010
CAPITAL: 6,524,356 SHARES*	92,217	7,754	-	99,971
RESERVES AND RETAINED EARNINGS				
Share premium	130,526	69,728	-	200,254
Share subscription warrants**	-	180	-	180
Legal reserves	9,221	-	-	9,221
Statutory reserves	-	-	-	-
Other reserves	72,266	35,100	-	107,366
Retained earnings***	19	1,128	-	1,147
RESERVES AND RETAINED EARNINGS	212,032	106,136	-	318,168

*Capital increase of 506,148 new shares representing €7.754 million, of which 358,181 shares were issued for €5.487 million as remuneration for contributions of financial stands.

**Issue of 179,656 share warrants (1 and 2) at a unit price of €1. The subscription was made on 15 July 2010 with a five-year term to maturity, at the exercise price of €150.71, representing a potential capital increase of €1.376 million, equivalent to 89,828 new shares.

*** Impact of the application of CRC 2009-03 at 1 January 2010 (see Note 1).

NOTE 15

(in thousands of euros)

STANDBY CREDITS, SURETIES, ENDORSEMENTS AND OTHER COMMITMENTS RECEIVED AND MADE				31/12/2010	31/12/2009
COMMITMENTS MADE					
Opening of standby credits in favour of customers*				5,054,321	4,215,221
Sureties, endorsements, other guarantees made at the customers' request				210,942	231,501
- includes financial guarantees				210,942	231,501
Securities commitments				283,155	340,000
COMMITMENTS RECEIVED					
Financing commitments received from lending institutions				1,154,040	994,000
Commitments regarding interest rate instruments (swaps, caps and floors)				2,849,100	1,866,000
Transactions on over-the-counter markets by residual maturity	≤ 1 YEAR	> 1 YEAR TO 5 YEARS	> 5 YEARS		
- of which swaps**	995,600	1,731,500	122,000	2,849,100	1,866,000
- of which caps				-	-
- of which floors				-	-
Sureties, endorsements, other guarantees received from lending institutions				115	115
Fair value schedule at 31 December 2010					
** Swaps	-2,436	-14,938	2,069	-15,305	
* Including related parties for €74.5 million					

Notes appended to financial statements

NOTE 16

(in thousands of euros)

INTEREST AND SIMILAR INCOME INTEREST AND SIMILAR EXPENSES	31/12/2010		31/12/2009	
	INCOME	EXPENSES	INCOME	EXPENSES
On transactions with lending institutions	2,357	59,905	2,474	75,957
On customer transactions	242,528	15,677	277,439	12,513
On bonds and other fixed-income securities	17,289	8,976	1,792	6,107
TOTAL	262,174	84,558	281,705	94,577

NOTE 17

(in thousands of euros)

COMMISSIONS	31/12/2010		31/12/2009	
	INCOME	EXPENSES	INCOME	EXPENSES
Commissions on securities transactions	12,260	-	9,254	-
Commissions on payments	57,049	19,837	55,246	17,041
TOTAL	69,309	19,837	64,500	17,041

NOTE 18

(in thousands of euros)

OTHER INCOME AND EXPENSES FROM BANKING OPERATIONS	31/12/2010		31/12/2009	
	INCOME	EXPENSES	INCOME	EXPENSES
Share of group joint business operations	89,103	106,235	86,719	101,047
Expenses re-invoiced to group companies	19,926	-	16,242	-
Other income and expenses from banking operations*	96,527	261	65,213	156
TOTAL	205,556	106,496	168,174	101,203

*Related parties

78,928

Notes appended to financial statements

NOTE 19

(in thousands of euros)

GENERAL OPERATING EXPENSES	31/12/2010	31/12/2009
Payroll and wages	36,686	19,101
Social security and tax contributions	23,809	8,045
Profit-sharing and shareholding	3,599	1,811
SALARIES AND FRINGE BENEFITS	64,094	28,957
includes Retirement expenses	6,189	1,742
Compensation allocated to Board of Directors and Management bodies	1,196	969
OTHER ADMINISTRATIVE EXPENSES	101,785	111,222
TOTAL GENERAL OPERATING EXPENSES	165,879	140,179
Average workforce during the financial year including:	1,253	398
Employees	998	256
Management	255	142

Individual training rights:

The accumulated volume of training hours at 31/12/2010 was 103,780 hours.

- Workforce changes recorded during financial year 2010 were principally linked to the reassignment of personnel from the financial and insurance stands by Carrefour Banque in the context of the contribution and acquisition transactions

NOTE 20

(in thousands of euros)

COST OF RISK	31/12/2010	31/12/2009
Net depreciation additions / draw-downs	-25,119	-28,825
Customer loan expenses covered mainly by provisions	-50,535	-43,384
TOTAL	-75,655	-72,209

NOTE 21

(in thousands of euros)

GAINS OR LOSSES ON PORTFOLIO TRANSACTIONS	31/12/2010		31/12/2009	
	INCOME	EXPENSES	INCOME	EXPENSES
GAINS OR LOSSES ON TRADING BOOK TRANSACTIONS				
- From financial instruments	-	40	-	29
- Foreign exchange gain or loss	662	-	-	1,222
TOTAL	662	40	-	1,251
GAINS OR LOSSES ON INVESTMENT PORTFOLIO TRANSACTIONS - SIMILAR				
- Investment securities depreciation	117	-	482	-
- Capital gains or losses on sales of investments	-	-	1,931	-
- Investment securities expenses	-	-	-	2
TOTAL	117	-	2,413	2

NOTE 22

IDENTIFICATION OF CONSOLIDATING COMPANIES

CARREFOUR BANQUE is consolidated by full consolidation in the accounts of the Groupe CARREFOUR S.A. (60.83% capital interest), with corporate headquarters at 33 avenue Émile Zola - 92100 Boulogne-Billancourt, and by the equity method in the accounts of BNP PARIBAS S.A., whose corporate headquarters are at 16 boulevard des Italiens - 75009 Paris, through its subsidiary BNP PARIBAS PERSONAL FINANCE S.A. (39.17% capital interest), whose headquarters are at boulevard Haussmann - 75009 Paris.

Allocation of net income for fiscal year 2010

(in euros)

FINANCIAL YEAR NET INCOME (€)	64,346,272.67
Retained earnings	1,146,692.13
DISTRIBUTABLE EARNINGS AT THE DISPOSAL OF THE GENERAL SHAREHOLDERS' MEETING	65,492,964.80
Allocation to the legal reserve	775,418.74
Allocation to the "Other reserves" item	32,870,000.00
Total dividend distribution	31,838,857.28
Balance brought forward	8,688.78

Each share will thus receive a dividend of **€4.88** which will be made payable from **1st of July 2011**. This dividend per share is calculated on the basis of **6,524,356** shares insofar as the Extraordinary General Shareholders' Meeting may be led to pronounce on the creation of new shares between now and the date on which the dividends are made payable.

The total dividend of **€31,838,857.28**, which represents a dividend of **€4.88** per share before withholding for social charges, is income eligible for the **40%** rebate stipulated in the 2nd paragraph of 3 of Article 158 of the General Tax Code, under the terms and legal limits and under the shareholders' responsibility, subject to their choice, when such a choice is possible, of the lump sum withholding with full discharge provided for in Article 117 *quater* of the General Tax Code.

Pursuant to the provisions of Article 243 *bis* of the General Tax Code, we remind you that the dividends distributed for the three preceding financial years and the income eligible for the rebate stipulated in Article 158.3-2° of the said Tax Code were, on a per-share basis, the following:

(in thousands of euros)

FINANCIAL YEAR	DIVIDEND DISTRIBUTED	INCOME ELIGIBLE FOR THE REBATE STIPULATED IN ARTICLE 158.3-2° OF THE GENERAL TAX CODE
2007	€9.49	€9.49
2008	€11.62	€11.62
2009	€5.38	€5.38

General Report of the Statutory Auditors

REGARDING THE ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2010

To the Shareholders,

Pursuant to the mission entrusted to us by your general meeting, we hereby present our report for the financial year ended on 31 December 2010 concerning:

- our audit of the annual accounts of Carrefour Banque, as attached to this report;
- the justification of our assessments;
- the specific checks and information required by law.

The annual accounts are the responsibility of the Board of Directors. Our responsibility is, on the basis of our audit, to express an opinion regarding these accounts.

1) Opinion regarding the annual accounts

We conducted our audit according to the generally accepted standards of our profession applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts are free from material misstatement. An audit includes an examination, on a test basis or by using other selection methods, of evidence supporting the amounts and disclosures provided in the annual accounts. It also entails an assessment of the accounting principles applied, the significant estimates made, and an evaluation of the overall presentation of the accounts. We believe that the information that we collected is sufficient and appropriate for basing our opinion.

We hereby certify that the annual accounts are, under generally accepted French accounting principles, correct, regular and not misleading and give a true and fair view of the transactions of the previous year and the financial position and holdings of the company at the end of that financial year.

Without qualifying the opinion expressed above, we wish to draw your attention to Note 1.B to the Accounts, "Accounting Principles and Methods" that describes the change of accounting method affecting the application of CRC Regulation 2009-03 relative to the accounting treatment of commissions and expenses related to the granting or acquisition of financial aid.

2) Justification of our assessments

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we hereby inform you of the following:

Accounting estimates

As indicated in Note 1.B to the Accounts, "Accounting Principles and Methods", your company records write-downs to hedge against the credit risks inherent in its activities. Within the framework of our assessment of the significant estimates adopted for the year-end closing, we examined the control procedure used to monitor the credit risks, to assess the risks of non-recovery and their hedging by write-downs calculated on the basis of statistical observations.

The assessments thus given fall within the framework of the procedure we followed in auditing the annual accounts, considered as a whole, and have therefore contributed to the formation of our opinion expressed in the first part of this report.

3) Specific checks and information

We have also performed the specific checks required by law and mandated by the standards of our profession applicable in France.

We have no comment on the fairness and consistency with the annual accounts of the information provided in the Board of Directors' management report and in the documents intended for the shareholders regarding the financial position and the annual accounts.

In compliance with the law, we obtained assurance that the diverse information relative to the acquisitions of equity interests and control, and to the identity of the holders of capital, was conveyed to you in the management report.

Paris La Défense and Neuilly-sur-Seine, 13 May 2011
The Statutory Auditors

KPMG
Department of KPMG S.A.
Arnaud BOURDEILLE
Partner

Audit Deloitte & Associés
Sylvie BOURGUIGNON
Partner

2010 Consolidated accounts

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Consolidated balance sheet at 31/12/2010

(in thousands of euros)

ASSETS	NOTES	2010	2009
Inter-bank business and similar transactions	2-4	574,936	201,297
Retail transactions	3-4	3,188,474	2,825,863
Leasing and similar transactions		7,212	-
Bonds, shares other fixed- and variable-income securities	5	10,995	10,714
Insurance company investments	8	174,411	-
Equity interests, shares in affiliated companies, other securities held long-term	10	2,036	1,672
Tangible and intangible assets	11	103,320	14,203
Goodwill	12	9,205	-
Adjustment accounts and miscellaneous assets	13	298,057	237,788
TOTAL ASSETS		4,368,646	3,291,537

(in thousands of euros)

OFF-BALANCE SHEET ITEMS	NOTES	2010	2009
Commitments made	18	5,725,538	4,786,722
Banking commitments made		5,725,538	4,786,722
Financial commitments		5,231,441	4,215,221
Indemnity undertakings		210,942	231,501
Securities commitments		283,155	340,000
Insurance commitments made		-	-

Consolidated balance sheet at 31/12/2010

(in thousands of euros)

EQUITY AND LIABILITIES	NOTES	2010	2009
Inter-bank business and similar transactions	2-4	1,873,414	1,533,428
Retail transactions	4	388,452	345,162
Debts evidenced by certificates	6-7	1,184,759	776,716
Insurance companies' actuarial liabilities	9	169,564	-
Adjustment accounts and miscellaneous liabilities	14	193,345	223,940
Goodwill		-	-
Provisions	15	11,913	8,407
Subordinated debts		-	-
General banking risk fund (FGBR)	16	3,735	3,735
Minority interests		33,413	-
Group share of shareholders' equity (excluding FGBR)	17	510,051	400,149
Subscribed capital		99,971	92,217
Share premiums		200,434	130,526
Consolidated and other reserves (+/-)		143,397	108,415
Financial year earnings (+/-)		66,249	68,991
TOTAL EQUITY AND LIABILITIES		4,368,646	3,291,537

(in thousands of euros)

OFF-BALANCE SHEET ITEMS	NOTES	2010	2009
Commitments received	18	4,030,255	2,860,115
Banking commitments received		4,030,255	2,860,115
Financial commitments		4,030,140	2,860,000
Indemnity undertakings		115	115
Securities commitments		-	-
Insurance commitments received		-	-

Consolidated income statement at 31/12/2010

(in thousands of euros)

	NOTES	2010	2009
Interest and similar income	19	283,947	288,462
Interest and similar expenses	19	-84,772	-94,576
Income from variable-income securities		1,645	4,855
Commissions (income)	20	67,146	64,052
Commissions (expenses)	20	-20,720	-17,061
Gains or losses from trading book transactions	21	622	-1,251
Gains or losses from investment portfolio and similar transactions	21	116	2,411
Other income from banking operations	22	141,477	168,175
Other expenses from banking operations	22	-106,722	-101,203
Gross insurance business margin	23	71,404	-
NET BANKING INCOME		354,143	313,864
General operating expenses	24	-172,499	-140,183
Tangible and intangible asset depreciation and amortization expenses		-4,595	-998
GROSS OPERATING INCOME		177,049	172,683
Risk cost	25	-75,905	-72,209
OPERATING INCOME		101,144	100,474
Share in income of equity-accounted companies		-	-
Gains or losses from fixed assets		-14	-14
EARNINGS BEFORE TAXES		101,130	100,460
Extraordinary earnings		-	-
Tax on profits	26	-35,419	-31,469
Goodwill amortization expenses		-	-
Additions to / draw-downs from general banking risk funds		-	-
Minority interests		-538	-
NET INCOME - GROUP SHARE		66,249	68,991
INCOME PER SHARE (€)		10,15	11,46
DILUTED INCOME PER SHARE (€)		10,15	11,46

Notes to the consolidated financial statements

NOTE 1

ACCOUNTING PRINCIPLES AND METHODS

A / Presentation of the annual accounts

The annual accounts were prepared in accordance with regulatory provisions, in particular those stated in Regulation 2000-03 of the Accounting Regulations Committee (*Comité de la Réglementation Comptable CRC*) of 4 July 2000, as amended by CRC Regulations 2004-16, 2005-04, 2007-05 and 2008-02 regarding the individual summary documents of companies falling under the authority of the Committee on Banking and Financial Regulations (*Comité de la Réglementation Bancaire et Financière*).

The consolidated accounts were prepared and presented according to the rules prescribed by Regulation 99-07 of the Accounting Regulation Committee, as amended.

The figures from the 2010 financial year are from the Groupe Carrefour Banque accounting, taking into account the earnings of the period after the date of purchase of the subsidiaries Carma (as from 1 May 2010) and Carrefour Servizi Finanziari (as from 31 December 2010).

Unless otherwise indicated, all the amounts stated in the Notes to the accounts are expressed in thousands of euros.

B / Consolidation principles

• Scope of consolidation

The consolidated accounts of Groupe Carrefour Banque combine all of the companies under its exclusive control; Carrefour Banque does not have joint control or notable influence over other companies.

At 31 December 2010, Groupe Carrefour Banque's scope of consolidation, as defined in Note 29, included:

- Carrefour Banque (called, until 14 January 2011, Société des Paiements Pass-S2P), whose registered office is located at 1, place Copernic in Évry (91051), and which is registered under SIREN number 313 811 515. Carrefour Banque is the parent company, and has capital of €99,970,792.
- La Financière PASS SAS, whose registered office is located at 1, place Copernic in Evry (91051), is registered under SIREN number 487 647 117 with capital of €37,000, and is 100%-held by Carrefour Banque, is fully consolidated in the accounts of Groupe Carrefour Banque.
- The securitization umbrella fund called "Copernic PP 2009-01" is domiciled at 9, rue du Débarcadère - Les Grands Moulins à Pantin (93500) and referenced as ISO FR0010824664. Carrefour Banque holds 100% of the corporate rights in the securitization umbrella fund. Its full consolidation in the accounts of Groupe Carrefour Banque had no impact on the 2010 consolidated net income.

Change in the consolidation scope:

- GIE (economic interest grouping) Carrefour Personal Finance Services, domiciled at 1 Place Copernic in Courcouronnes (91080), a non-stock entity, was formed on 13 April 2010 by Carma and Carrefour Banque, with the latter acting as a consulting member. The GIE is fully consolidated in the accounts of Groupe Carrefour Banque.
- The insurance company Carma SA, purchased on 30 April 2010 for €30.501 million, whose registered office is located at 4/8, rue Marquis de Raies in Evry (91008), recorded under SIREN number 330 598 616, with capital of €23,270,000 and 50.007%-held by Carrefour Banque, is fully consolidated in the accounts of Groupe Carrefour Banque.

- Carrefour Servizi Finanziari S.P.A., acquired on 31 December 2010 for €11.502 million, whose registered office is located at Via Calidéra 21 in Milan, with capital of €5,000,000 and 100%-held by Carrefour Banque, is fully consolidated in the accounts of Groupe Carrefour Banque.

Pro forma data:

In compliance with current accounting regulations, the new entities were included in the consolidated accounts as at their respective purchase dates, i.e.:

- at 30/04/2010 for Carma SA,
- at 31/12/2010 for Carrefour Servizi Finanziari S.P.A.

Pursuant to CRC 2008-13, the pro forma data relative to net banking income and to net income were established as if these acquisitions had taken place at the beginning of the financial year (see Note 27).

• Consolidation method

The companies over which Groupe Carrefour Banque has exclusive control are consolidated by the full consolidation method.

The Group is considered to have exclusive control of a subsidiary when it is able to direct the financial and operational policies of an entity in order to benefit from its activities.

• Consolidation rules

The reciprocal balances resulting from transactions effected between the Group's consolidated companies, as well as the transactions themselves, including income and expenses, are eliminated.

C / Retail credit lines

The retail credit lines reflected on the balance sheet include: the remaining capital balance on the balance sheet date, to which the interest, allowances and insurance premiums due, as well as those that are accrued and not due on that same date, are added. The retail credit lines are classified as dubious accounts when they present a probable or certain risk of being totally or partially uncollectable. Impairment is applied on the basis of discounted statistical observations by product nature, according to the age and recorded degradation of the trade receivable. Pursuant to CRC Regulation 2002-03 relative to the accounting treatment of credit risk, Carrefour Banque discounts (according to the original credit terms) the recoverable flows as part of calculating the impairment losses for dubious accounts. Discounting the recoverable flows for the calculation of impairments resulted in a 3.97-million euro decrease in net banking income for 2010.

Finally, the dubious discount charges and late fees recognized in net banking income and, in addition, written-down through the risk cost, are offset in net receipts from banking. This reclassification of a total of 2.2 million euros for 2009 rose to 2.5 million euros in the 2010 financial year.

Pursuant to the provisions set forth in CRC Regulation 2009-03 of 3 December 2009, relative to the accounting treatment of commissions received by a lending institution and marginal transaction costs incurred when granting financial aid, Carrefour Banque spreads, as from 1 January 2010, the commissions paid to intermediaries when a loan is granted over the effective lifetime of the loan in question.

An impact of +0.7 million euros (net of deferred taxation) was recognized in retained earnings as at 1 January 2010 (see Note 17). Additionally, €0.6 million in intermediaries commissions, which are henceforth subject to accounting spread, had been recognized in 2009 as expenditures incurred during the financial year. The spread had an accounting effect of €0.4 million in 2010 (charges allocated in net banking income which were not spread previously).

Notes to the consolidated financial statements

NOTE 1 (continuation)

PRINCIPES ET MÉTHODES COMPTABLES

D / Leasing transactions

In Groupe Carrefour Banque entities are lessors, these transactions are recorded under "Leasing and similar transactions" in the consolidated balance sheet for their amounts outstanding, which are determined according to the principles of financial accounting.

E / Investment securities

In compliance with CRC Regulation 2005-01, investment securities are carried on the balance sheet at their purchase price. They are written-down, as needed, to take into account their market value on the balance-sheet date. Unrealized capital gains are not recognized.

F / Financial assets

Non-consolidated equity interests are carried on the balance sheet at their cost price. The securities are written-down in order to take their current value into account.

G / Tangible and intangible fixed assets

Fixed assets are carried on the balance sheet at their acquisition cost (purchase price and incidental expenses).

The straight-line method is used to calculate the amortizations according to the projected economic life of an asset:

- licenses and software applications: between 3 and 5 years;
- computer equipment: 3 years;
- fixtures and facilities: between 5 and 8 years;
- other fixed assets: between 3 and 10 years.

The capital gains or losses resulting from the disposal of operating assets are recorded in the income statement under "Gains or losses from fixed assets".

H / Goodwill

Goodwill is the difference between the acquisition cost of securities and the valuation of the assets, liabilities and off-balance sheet items of the company purchased.

The securities acquisition cost is equal to the consideration paid to the seller that is directly chargeable to the acquisition. In compliance with opinion number 97 B of the Emergency Issues Committee (*Comité d'Urgence*), the values of recently acquired assets and liabilities may be reviewed after an in-depth analysis within a time limit extending to the end of the first financial year following the entry in the consolidation scope.

The positive goodwill amounts are subjected to straight-line amortization over a 20-year period which is set according to the objectives and characteristics of the acquisition.

The amortization schedule can be modified if a degradation of the company's position justifies it.

With regard to companies acquired during a financial year, only the income from the period following the purchase date is reflected in the consolidated income statement.

I / Forward financial instruments

Interest-rate hedges used are intended to limit the effects of fluctuations of the interest rates on variable rate indebtedness.

These hedges are handled as over-the-counter instruments with top-ranked banking institutions. The financial instruments used are interest-rate swaps. The income generated by these instruments is recognized symmetrically in income from hedged elements. Certain hedging transactions can result in open positions in a limited, temporary way. These positions are valued at the period-end. Any unrealized losses give rise to the establishment of a provision. The instruments used at 31 December are indicated in Note 18. The face value commitments are recorded as off-balance sheet items.

CRC 2004-16

Derivative financial instruments were subjected to valuation at market value. This valuation is based on market prices when the instrument is traded on an active market or according to market parameters taken into account in the valuation models.

J / Retirement benefits

A severance payment is made to persons who work with the company until retirement. The total of the vested rights acquired by the persons concerned are covered.

The parameters for calculating the reserve for retirement obligations are the following:

- inflation: 2%
- salary changes: 2.5%
- rate of salaries and fringe benefits: 45%
- Discount rate 4.5%
- life table: TH TF 00-02

K / Conversion of transactions denominated in foreign currencies

These transactions follow the rules decreed by Regulation 89.01 of the Committee on Banking and Financial Regulations regarding the accounting treatment of transactions in foreign currencies (as amended by Regulations 90-01, 95-04, 2000-02).

All the asset, liability and off-balance sheet items expressed in foreign currencies are translated to euros at the exchange rate in force on the balance sheet date. Income and expense items are translated to euros at the rate in effect on the date of the transaction.

Foreign exchange gains or losses, whether realized or unrealized, are recorded at the end of the accounting period in the income statement and constitute foreign exchange income.

L / Securitization transactions

In November 2009 Carrefour Banque made a securitization transaction through a securitization umbrella fund called "Copernic PP 2009-01". The purpose of this securitization transaction was to establish a base of securities eligible to participate in ECB's Open Market calls.

The sum total of the retail credit lines sold as part of this transaction amounted to a face value of 856.9 million euros on the date of disposal. This securitization was "self-subscribed" – that is, the bond issue by the securitization fund had been subscribed in its entirety by Carrefour Banque for a gross value of 856.9 million euros. Carrefour Banque also owns all of the corporate rights in the securitization fund, whose value is 300 euros.

Since this fund is fully consolidated with elimination of reciprocal transactions (see Section B above), the securitization transaction has no impact on the consolidated accounts of Groupe Carrefour Banque.

M / Current tax and deferred tax

The tax on profit payable is determined on the basis of the rules and rates in force during the earnings period.

Deferred taxes are recorded when there are temporary differences between the book values of assets and liabilities and their tax values.

The payable and deferred taxes are recognized as tax income or expense in the income statement.

N / Regulated reserves

Regulated reserves are adjusted through equity.

O / Capitalization reserve

The capitalization reserve recognized for a sum total of €9.291 million in the corporate accounts of Carma on 31/12/2010 is adjusted for the movements of the period from 1 May to 31 December 2010 in the

Notes to the consolidated financial statements

consolidated income statement, and for the previous movements in consolidated equity.

P / Gross insurance business margin

The banking classification by nature of the expenses and income replaces the classification by insurance company purpose. Gross Insurance Business Margin is composed of technical income and expenses, after reclassification by nature of the other technical income and expenses and elimination of intra-group items: earned premiums or contributions, paid or provisioned, cost of benefits, net of cessions and retrocessions, including any changes in the provisions, and net income from allocated investments.

Q / Net insurance company investments

The investments recorded at gross amount are essentially comprised of fixed-income securities.

The bonds corresponding to the definition provided in Article R 332.19 are recognized at their purchase cost exclusive of accrued interest.

The difference between the purchase cost and the redemption value is related to the earnings on the residual maturity of the securities according to an actuarial calculation. These premiums/discounts are shown in liability and asset adjustment accounts.

The realizable value corresponds to the last price quoted.

A line-by-line analysis is conducted to assess the need to recognize a provision for long-term impairment. This provision is recognized when it is estimated that the debtor will not be able to meet his or her commitments, be that to pay interest or to repay the principal.

R / Insurance companies' actuarial liabilities

The actuarial liabilities correspond to commitments vis-à-vis the insured and the beneficiaries of the contracts. They comprise the following reserves:

a) Reserves for unearned premiums:

These reserves record, for all current contracts prorated over the period, the part of the contributions issued and to be issued that are related to the period between the inventory date and the next contribution due date or, in its absence, the end of the contract term.

b) Reserves for claims:

These are reserves corresponding to the estimated value of the expenses in principal and the costs – both internal and external – required to settle all the unpaid claims that arise.

The claims that occur and are not yet known are determined on the basis of statistical methods (by reference to the average cost and to the pace of settlements).

The claim settlement expenses valued on the basis of observed costs are included in these reserves.

The Recourse projections are estimated by reference to the pace of collection.

c) Equalisation reserves:

Carma has set up principally one reserve to cope with fluctuations in loss experience of group insurance policies in bodily injuries and diverse pecuniary losses.

d) Other actuarial liabilities:

An annuity reserve has been established.

Notes to the consolidated financial statements

NOTE 2

(in thousands of euros)

INTER-BANK BUSINESS AND SIMILAR TRANSACTIONS	31/12/2010	31/12/2009
ASSETS		
Demand accounts, cash	224,754	201,297
Term accounts and loans	350,182	-
TOTAL	574,936	201,297
related debt	182	-
LIABILITIES		
Demand accounts	5,391	3,428
Term loans and accounts	1,868,023	1,530,000
TOTAL	1,873,414	1,533,428
related debt	2,310	1,790

NOTE 3

(in thousands of euros)

RETAIL CREDIT LINES	31/12/2010	31/12/2009
Regular receivables accounts	592,018	513,678
Other short-term loans	698,341	545,594
Medium-term loan	593,116	519,621
Long-term loan	1,583,255	1,483,002
TOTAL GROSS LOANS TO CUSTOMERS	3,466,730	3,061,895
transactions with affiliated companies	-	-
related receivables	21,662	21,405
dubious accounts*	592,018	513,678
*unrecoverable accounts	51,853	39,804
LOAN IMPAIRMENT	-278,256	-236,032
TOTAL NET LOANS TO CUSTOMERS	3,188,474	2,825,863

Notes to the consolidated financial statements

NOTE 4

(in thousands of euros)

INTER-BANK BUSINESS AND RETAIL TRANSACTION SCHEDULE						31/12/2010
LENDING INSTITUTIONS FINANCIAL AND SIMILAR INSTITUTIONS	ON DEMAND AND UN-SCHEDULED	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS	TOTAL
Assets	224,754	250,182	100,000	-	-	574,936
Liabilities	5,391	836,211	1,024,600	-	7,212	1,873,414
Other aids to customers	21,662	544,429	593,116	1,477,427	105,828	2,742,462
Loans to financial customers	-	132,250	-	-	-	132,250
Regular receivables accounts	313,762	-	-	-	-	313,762
TOTAL RECEIVABLES DUE FROM CUSTOMERS (ASSETS)	335,424	676,679	593,116	1,477,427	105,828	3,188,474
TOTAL RETAIL TRANSACTIONS (LIABILITIES)*	17,241	8,327	6	362,878	-	388,452
*transactions with affiliated companies	-	-	-	326,078	-	326,078

NOTE 5

(in thousands of euros)

BONDS, SHARES AND OTHER VARIABLE INCOME SECURITIES	31/12/2010	31/12/2009
Shares in ucits *	8,709	8,593
Shares and other unlisted investment securities	4	4
Shares and other listed** investment securities	2,282	2,117
TOTAL	10,995	10,714

* - includes impairment write-backs for the financial year of K€116, i.e. an accumulated depreciation of K€120

- which includes a year-end unrealized capital gain of K€818

** - which includes a year-end unrealized capital gain of K€679

NOTE 6

(in thousands of euros)

DEBTS EVIDENCED BY CERTIFICATES	31/12/2010	31/12/2009
Certificates of deposit	1,098,320	648,377
Other negotiable receivable securities	86,439	128,339
TOTAL	1,184,759	776,716
related debts	2,314	716

Notes to the consolidated financial statements

NOTE 7

(in thousands of euros)

SCHEDULE OF DEBTS EVIDENCED BY CERTIFICATES					31/12/2010
	≤ 3 MONTHS	> 3 MONTHS ≤ 1 YEAR	> 1 YEAR ≤ 5 YEARS	OVER 5 YEARS	TOTAL
Certificates of deposit	995,320	103,000	-	-	1,098,320
Other negotiable receivable securities	-	86,439	-	-	86,439
TOTAL	995,320	189,439	-	-	1,184,759

NOTE 8

(in thousands of euros)

INSURANCE COMPANY INVESTMENTS	31/12/2010	31/12/2009
ASSETS		
INVESTMENTS REPRESENTING UNIT-LINKED CONTRACTS	-	-
OTHER INVESTMENTS	174,411	-
Including:		
Lands and buildings	-	-
Investments in affiliated companies and equity interests	-	-
Other investments*	174,411	-
TOTAL	174,411	-

* The other investments are essentially comprised of bonds.

NOTE 9

(in thousands of euros)

INSURANCE COMPANIES' ACTUARIAL LIABILITIES	31/12/2010	31/12/2009
LIABILITIES		
ACTUARIAL LIABILITIES UNDER UNIT-LINKED CONTRACTS	-	-
OTHER ACTUARIAL LIABILITIES	169,564	-
Including:		
Life actuarial liabilities	2,230	-
Non-life actuarial liabilities	158,505	-
Equalization reserves	8,829	-
TOTAL	169,564	-

Notes to the consolidated financial statements

NOTE 10

(in thousands of euros)

EQUITY INTERESTS IN AFFILIATES AND OTHER LONG-TERM SECURITIES	31/12/2010			31/12/2009		
	GROSS BOOK VALUE	IMPAIRMENTS	NET BOOK VALUE	GROSS BOOK VALUE	IMPAIRMENTS	NET BOOK VALUE
UNCONSOLIDATED (UNLISTED) EQUITY INTERESTS						
SERVICIOS FINANCIEROS CARREFOUR, E.F.C. S.A.	1,663	-	1,663	1,663	-	1,663
GIE GERIC	40	-	40	-	-	-
GIE CHAMNORD	324	-	324	-	-	-
OTHER LONG-TERM SECURITIES	9	-	9	9	-	-
TOTAL	2,036	-	2,036	1,672	-	1,672

SERVICIOS FINANCIEROS CARREFOUR, E.F.C. S.A. domiciled at Calle Juan Esplandiu n° 11, 28007 MADRID with capital of €18,567,438.

CARREFOUR BANQUE equity interest of 6.797%

Financial 2010 sales : **€658,005** up **15.7%** from 2009

2010 after-tax earnings : **€34,259** up **52.4%** from 2009

Reserves, retained earnings and share premium before allocation of 2010 earnings: **€138,801**

NOTE 11

(in thousands of euros)

TANGIBLE AND INTANGIBLE ASSETS	31/12/2009	INCREASES	DECREASES	OTHER MOVEMENTS	31/12/2010
GROSS CAPITAL ASSETS					
Intangible assets	15,018	8,816	189	79,091	102,736
Tangible assets	8,845	2,323	250	8,071	18,989
TOTAL GROSS CAPITAL ASSETS	23,863	-	-	-	121,725
Amortizations of intangible assets	4,123	2,045	183	-	8,783
Amortizations of tangible assets	5,537	2,795	234	-	9,622
TOTAL NET CAPITAL ASSETS	14,203	-	-	-	103,320

The other movements are linked to:

- acquisition and contribution transactions for financial stands and insurance in the framework of a project aimed at bringing together, within Carrefour Banque, the banking and insurance products distribution networks managed by different legal entities of the CARREFOUR group.

- the first full consolidation of Carma S.A. and Carrefour Servizi Finanziari S.P.A., for which the fixed assets are indicated under this heading at their value on the date on which they were first included in the consolidated balance sheet.

Notes to the consolidated financial statements

NOTE 12

(in thousands of euros)

GOODWILL ASSET				
	BALANCE AT 31/12/2009	INCREASES	DECREASES	BALANCE AT 31/12/2010
GROSS AMOUNTS				
CARREFOUR SERVIZI FINANZIARI S.P.A.	-	3,515	-	3,515
CARMA S.A.	-	5,690	-	5,690
AMORTIZATIONS	-	-	-	-
NET GOODWILL - ASSET	-	9,205	-	9,205

NOTE 13

(in thousands of euros)

OTHER ADJUSTMENT ACCOUNTS AND DIVERSE ASSETS	BALANCE AT 31/12/2010	BALANCE AT 31/12/2009
ASSETS		
Deposits in transit	88,703	119,003
Prepaid expenses*	45,353	14,399
Revenue accruals	20,552	18,507
Deferred taxes	34,108	24,315
Other adjustment accounts	4,844	-
TOTAL ADJUSTMENT ACCOUNTS	193,560	176,224
Diverse group debtors	6,157	7,376
Reinsurers' share in the actuarial liabilities	45,130	-
Other insurance assets	2,879	-
Other diverse debtors**	50,333	54,188
TOTAL OTHER ASSETS	104,491	61,564
ADJUSTMENT ACCOUNTS AND MISCELLANEOUS ASSETS	298,057	237,788

* The adjustment accounts include loan issue costs for an amount of **K€5,736**. These premiums are amortized over the term of repayment of the loans to which they are related.

Including the advances to SCI KARUKAZ II of **K€6,013 during 2009, to GIE AO (EDT) of **K€5,287** during 2008, to SCI KARUKAZ of **K€5,982** euros in 2007 and 2008 and to GIE GNIFI (INCO) of **K€18,510** during 2006.

These advance payments correspond to tax-exempt investments.

Notes to the consolidated financial statements

NOTE 14

(in thousands of euros)

OTHER ADJUSTMENT ACCOUNTS AND DIVERSE LIABILITIES	BALANCE AT 31/12/2010	BALANCE AT 31/12/2009
LIABILITIES		
Expenses due and accrued	39,748	34,319
Previously recorded income	16,079	14,579
Deposits in transit	710	1,895
Deferred taxes	1,717	604
TOTAL ADJUSTMENT ACCOUNTS	58,254	51,397
Diverse group creditors	22,524	123,572
Taxes payable	22,920	1,264
Social debts	24,904	7,292
Suppliers	1,874	5,495
Other insurance liabilities	17,430	-
Other diverse creditors*	45,439	34,920
TOTAL DIVERSE LIABILITIES	135,091	172,543
TOTAL ADJUSTMENT ACCOUNTS AND DIVERSE LIABILITIES	193,345	223,940

* Includes debt write-offs to SCI KARUKAZ II of K€3,942 for financial 2009, to GIE AO EDT of K€3,467 in 2008, to SCI KARUKAZ of K€3,922 for 2007 and 2008, to GIE GNIFI of K€18,510 for 2006, and the ATR Air Caraibes investment of K€5,626 for 2009-2010.

NOTE 15

(in thousands of euros)

IMPAIRMENTS AND PROVISIONS	BALANCE AT 31/12/2009	INCREASES	DECREASES	OTHER MOVEMENTS	BALANCE AT 31/12/2010
Impairment of retail credit lines*	236,032	36,495	4,941	10,670	278,256
TOTAL	236,032	36,495	4,941	10,670	278,256
PROVISIONS					
Provisions for retirement obligations**	2,257	4,612		3,773	10,642
Other provisions	6,150	10	5,159	270	1,271
TOTAL	8,407	4,622	5,159	4,043	11,913

* The other movements, for a total of K€10,670, correspond to the entry value in the consolidated balance sheet of the impairment of dubious accounts of Carrefour Servizi Finanziari S.P.A.

** The other movements correspond to the end-of-career allowances:
 - relative to the personnel transferred to Carrefour Banque in the framework of contribution transactions for K€2,806,
 - of Carrefour Servizi Finanziari for their value at the date of entry in the consolidated balance sheet for K€469,
 - of Carma for their value at the date of entry in the consolidated balance sheet for K€498.

Notes to the consolidated financial statements

NOTE 16

(in thousands of euros)

GENERAL BANKING RISK FUND					
	BALANCE AT 31/12/2009	INCREASES	DECREASES	OTHER MOVEMENTS	BALANCE AT 31/12/2010
Provisions for general banking risk fund	3,725	-	-	-	3,735

NOTE 17

(in thousands of euros)

TABLE OF VARIATIONS IN THE CONSOLIDATED SHAREHOLDERS' EQUITY EXCLUDING FGBR (group share)					
	CAPITAL	PREMIUMS	CONSOLIDATED RESERVES	NET INCOME FOR THE YEAR (group share)	TOTAL SHAREHOLDERS' EQUITY EXCLUDING FGBR (group share)
Position at the end of 2008* (Comparative)	92,217	130,526	107,101	71,246	401,090
Distribution of dividends				69,932	69,932
Allocation of 2008 income			1,314		1,314
Situation at the close of 2009	92,217	130,526	108,415	68,991	400,149
Distribution of dividends				35,101	35,101
Allocation of 2009 income			33,890		33,890
Capital increase**	7,754	69,728			77,482
Share subscription warrants***		180			180
Changes in accounting methods****			716		716
Other movements			376		376
Position at the end of 2010	99,971	200,434	143,397	66,249	510,051

* The Carrefour Banque group published its consolidated financial statement for the 1st time at the 2009 annual closing.

** Capital increase of 506,148 new shares representing a nominal total K€7,754, of which 358,181 shares were issued for K€5,487 in remuneration of the financial stand contributions as remuneration for contributions of financial stands.

*** Issue of 179,656 share warrants (1 and 2) at a unit price of €1. The subscription was made on 15 July 2010 with a five-year term to maturity, at the exercise price of €150.71, representing a potential capital increase of K€1,376, equivalent to 89,828 new shares.

**** Impact of the application as at 1 January 2010 of CRC regulation 2009-03 (net deferred taxation, see note 1).

Notes to the consolidated financial statements

NOTE 18

(in thousands of euros)

STANDBY CREDITS, SURETIES, ENDORSEMENTS AND OTHER COMMITMENTS RECEIVED AND MADE				31/12/2010	31/12/2009
COMMITMENTS MADE					
Opening of standby credits to the benefit of the customers				5,231,441	4,215,221
Sureties, endorsements, other guarantees made at the customers' request				210,942	231,501
- includes financial guarantees				210,942	231,501
Securities commitments				283,155	340,000
TOTAL				5,725,538	4,786,722
COMMITMENTS RECEIVED					
Financing commitments received from lending institutions				1,157,040	994,000
Interest rate instrument commitments				2,873,100	1,866,000
Transactions on over-the-counter markets by residual maturity					
	≤ 1 year	> 1 years to 5 years	> 5 years		
- including Swaps:	1,005,600	1,745,500	122,000	2,873,100	1,866,000
- Carrefour Banque Swaps*	995,600	1,731,500	122,000	2,849,100	-
- Carrefour Servizi Finanziari S.P.A. Swaps**	10,000	14,000	-	24,000	-
Sureties, endorsements, other guarantees received from lending institutions				115	115
TOTAL				4,030,255	2,860,115
Fair value schedule at 31 December 2010					
*Carrefour Banque Swaps	-2,436	-14,938	2,069	-15,305	
**Carrefour Servizi Finanziari S.P.A. Swaps	-310	-420	-	-730	

NOTE 19

(in thousands of euros)

INTEREST AND SIMILAR INCOME		31/12/2010		31/12/2009	
INTEREST AND SIMILAR EXPENSES		INCOME	EXPENSES	INCOME	EXPENSES
On transactions with lending institutions		3,340	60,118	2,474	75,957
On retail transactions		280,606	15,677	285,988	12,512
On bonds and other fixed-income securities		-	8,976	-	6,107
TOTAL		283,947	84,772	288,462	94,576

Notes to the consolidated financial statements

NOTE 20

(in thousands of euros)

COMMISSIONS	31/12/2010		31/12/2009	
	INCOME	EXPENSES	INCOME	EXPENSES
Commissions on securities transactions	9,201	-	8,744	-
Commissions on exchange media	57,945	20,720	55,308	17,061
TOTAL	67,146	20,720	64,052	17,061

NOTE 21

(in thousands of euros)

GAINS OR LOSSES ON PORTFOLIO TRANSACTIONS	31/12/2010		31/12/2009	
	INCOME	EXPENSES	INCOME	EXPENSES
GAINS OR LOSSES ON TRADING BOOK TRANSACTIONS				
- From financial instruments	-	40	-	29
- Foreign exchange gain or loss	662	-	-	1,222
TOTAL	662	40	-	1,251
GAINS OR LOSSES ON INVESTMENT PORTFOLIO TRANSACTIONS - SIMILAR				
- Investment securities depreciation	116	-	482	-
- Capital gains or losses on the disposal of assets	-	-	1,931	-
- Investment securities expenses	-	-	-	2
TOTAL	116	-	2,413	2

NOTE 22

(in thousands of euros)

OTHER INCOME AND EXPENSES FROM BANKING OPERATIONS	31/12/2010		31/12/2009	
	INCOME	EXPENSES	INCOME	EXPENSES
Shares of group transactions	89,103	106,235	86,719	101,047
Expenses re-invoiced to group companies	16,923	-	16,242	-
Other income and expenses from banking operations	35,451	487	65,214	156
TOTAL	141,477	106,722	168,175	101,203

Notes to the consolidated financial statements

NOTE 23

(in thousands of euros)

GROSS INSURANCE BUSINESS MARGIN	31/12/2010	31/12/2009
Premiums or contributions acquired, paid or provisioned	117,720	-
Costs of benefits, net of cessions and retrocessions	-54,001	-
Net allocated investment income	7,685	-
TOTAL	71,404	-

NOTE 24

(in thousands of euros)

GENERAL OPERATING EXPENSES	31/12/2010	31/12/2009
Payroll and wages	40,139	19,101
Social security and tax contributions	27,735	8,045
Profit-sharing and shareholding	4,274	1,811
SALARIES AND FRINGE BENEFITS	72,148	28,957
including Retirement obligation expenses	7,193	1,742
Compensation allocated to Board of Directors and Management bodies	1,196	969
OTHER ADMINISTRATIVE EXPENSES	100,351	111,226
TOTAL GENERAL OPERATING EXPENSES	172,499	140,183
Average workforce during the financial year including:	1,446	398
Employees	1,083	256
Management	363	142

NOTE 25

(in thousands of euros)

RISK COST	31/12/2010	31/12/2009
Net impairment / write-backs	-25,119	-28,825
Retail credit line expenses covered mainly by provisions	-50,786	-43,384
TOTAL	-75,905	-72,209

Notes to the consolidated financial statements

NOTE 26

(in thousands of euros)

TAXES ON EARNINGS	31/12/2010	31/12/2009
Taxes on earnings	40,471	29,621
Deferred taxes	-5,052	1,848
TOTAL	35,419	31,469
Effective tax rate	35.0%	31.3%
Earnings before taxes	101,130	100,460
Normative rate	33.3%	33.3%
Surtaxes	1.1%	1.1%
Notional tax	34,819	34,588
Items taxed at reduced rate	-1,762	-748
Net of tax add-backs / deductions	-295	-1,845
Draw-down of deferred tax on the capitalization reserve net of Exit Tax	-1,666	-
Fees similar to taxes	4,161	-
Other	162	-526
TOTAL	35,419	31,469

NOTE 27

(in thousands of euros)

PRO FORMA DATA	31/12/2010 PUBLISHABLE	31/12/2010 PRO FORMA
Net income (group share)	66,249	68,045
Net Banking Income	354,144	403,063

The comparative data were prepared according to the accounting principles and methods stated in Note 1 of the Notes to the Financial statements. For the purposes of preparing the publishable statements, the newly acquired companies were integrated on the companies' effective date of entry into the scope of consolidation that is, respectively:

- at 30/04/2010 for Carma,
- at 31/12/2010 for Carrefour Servizi Finanziari.

The pro forma data were stated as if the purchases had been executed at the opening of the 2010 financial year.

NOTE 28

CONSOLIDATING COMPANIES

CARREFOUR BANQUE is consolidated by full consolidation in the accounts of CARREFOUR S.A. (60.83% capital interest). Its corporate headquarters are at 33 avenue Émile Zola - 92100 Boulogne-Billancourt, and by the equity method in the accounts of BNP PARIBAS S.A., whose corporate headquarters are at 16 boulevard des Italiens - 75009 Paris, through its subsidiary BNP PARIBAS PERSONAL FINANCE S.A. (39.17% capital interest), whose home office is at 1, boulevard Haussmann - 75009 Paris.

Notes to the consolidated financial statements

NOTE 29

SCOPE OF CONSOLIDATION

COMPANY NAME	HEAD OFFICE	SIREN / ISO NUMBER	% OF CONTROL	% OF OWNERSHIP INTEREST	CONSOLIDATION METHOD
Parent company					
Carrefour Banque S.A.	France	313811515			
Subsidiaries:					
Financial Corporation					
Carrefour Servizi Finanziari S.P.A.	Italy	04326030964	100%	100%	Full Consolidation
Insurance companies					
Carma S.A.	France	330598616	50.01%	50.01%	Full Consolidation
Subsidiaries:					
Carmavie S.A.	France	428798136	100%	50.01%	Full Consolidation
Défense Orléanaise S.A.	France	085580728	98.98%	49.50%	Full Consolidation
Carma Courtage S.A.S.	France	451980601	100%	50.01%	Full Consolidation
Other subsidiaries:					
La Financière Pass S.A.S.	France	487647117	100%	100%	Full Consolidation
FCT Copernic PP 2009-01	France	FR0010824664	100%	100%	Full Consolidation
GIE Carrefour Personal Finance Services	France	521820852	100%	75%	Full Consolidation

General Report of the Statutory Auditors

REGARDING THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2010

To the Shareholders,

Pursuant to the mission entrusted to us by your general meeting, we hereby present our report for the financial year ended on 31 December 2010 concerning:

- our audit of the consolidated accounts of Carrefour Banque, as attached to this report;
- the justification of our assessments;
- the specific verification required by law.

The consolidated accounts are the responsibility of the Board of Directors. Our responsibility is, on the basis of our audit, to express an opinion regarding these accounts.

1) Opinion regarding the consolidated accounts

We conducted our audit according to the generally accepted standards of our profession applicable in France. Those standards require that we plan and perform the audit to obtain a reasonable assurance that the consolidated accounts are free from material misstatement. An audit includes an examination, on a test basis or by using other selection methods, of evidence supporting the amounts and disclosures provided in the consolidated accounts. It also entails an assessment of the accounting principles applied, the significant estimates made, and an evaluation of the overall presentation of the accounts. We believe that the information we collected is sufficient and appropriate for basing our opinion.

We hereby certify that the consolidated accounts are, under generally accepted French accounting principles, correct, regular and not misleading and give a true and fair view of the of the financial position and holdings of the company as well as the earnings of the group composed of all of the persons and entities included in the consolidation.

Without qualifying the opinion expressed above, we wish to draw your attention to Note 1.C to the Accounts, "Accounting Principles and Methods" that describes the change of accounting method affecting the application of CRC Regulation 2009-03 relative to the accounting treatment of commissions and expenses related to the granting or acquisition of financial aid.

2) Justification of our assessments

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we hereby inform you of the following:

Accounting estimates

As indicated in Note 1.C "Accounting Principles and Methods" to the Accounts, your company records write-downs to hedge against the credit risks inherent in its activities. Within the framework of our assessment of the significant estimates adopted for the year-end closing, we examined the control procedure used to monitor the credit risks, to assess the risks of non-recovery and their hedging by write-downs calculated on the basis of statistical observations.

Comparability of accounts

As indicated in Note 27 to the Accounts, the pro forma financial data for the period from 1 January 2010 to 31 December 2010 were established in order to include the newly consolidated entities for the financial year as regards net banking income and net earnings. Within the framework of our assessments, our work has consisted primarily of familiarizing ourselves with the process of preparing this information and examining the documents connected with the adjustment of pro forma data.

The assessments thus given fall within the framework of the procedure we followed in auditing the consolidated accounts, considered as a whole, and have therefore contributed to the formation of our opinion expressed in the first part of this report.

3) Specific verification

We have also performed the specific checks required by law and mandated by the standards of our profession applicable in France.

We have no comment on their fairness and their consistency with the consolidated accounts.

Paris La Défense and Neuilly-sur-Seine, 13 May 2011
The Statutory Auditors

KPMG
Department of KPMG S.A.
Arnaud BOURDEILLE
Partner

Audit Deloitte & Associés
Sylvie BOURGUIGNON
Partner

Photo credit:

LWA / Getty Images

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