BANQUE PSA FINANCE

CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2010

Contents

Banque PSA Finance

Consolidated Financial Statements at June 30, 2010

Consolidated Balance Sheet

(in million euros)	June 30, 2010	Dec 31, 2009
Assets		
Cash, central banks, post office banks	27	99
Financial assets at fair value through profit or loss (Note 3)	742	769
Hedging instruments (Note 4)	265	239
Available-for-sale financial assets (Note 5)	2	9
Loans and advances to credit institutions (Note 6)	1,443	1,262
Customer loans and receivables (Notes 7 and 23)	23,404	22,445
Fair value adjustments to finance receivables portfolios hedged against interest rate risks (Note 15.4)	151	208
Held-to-maturity investments	-	-
Current tax assets	68	27
Deferred tax assets	192	145
Accruals and other assets	662	598
Investments in associates and joint ventures accounted for using the equity method (Note 8)	56	14
Property and equipment	37	35
Intangible assets	93	95
Goodwill	83	81
Total assets	**27,225**	**26,026**

(in million euros)	June 30, 2010	Dec 31, 2009
Equity and liabilities		
Central banks, post office banks	-	-
Financial liabilities at fair value through profit or loss (Note 9)	30	9
Hedging instruments (Note 10)	374	417
Deposits from credit institutions (Notes 11 and 23)	6,747	7,265
Due to customers (Note 12)	345	368
Debt securities (Notes 13 and 23)	14,546	13,326
Fair value adjustments to debt portfolios hedged against interest rate risks (Note 15.4)	84	52
Current tax liabilities	83	30
Deferred tax liabilities	535	516
Accruals and other liabilities	1,047	804
Liabilities related to insurance contracts (Note 14)	11	7
Provisions	56	53
Subordinated debt	-	-
Equity	3,367	3,179
- Equity attributable to equity holders of the parent	3,347	3,163
- Share capital and capital in excess of par value of stock	509	509
- Reserves	2,667	2,457
- Net income and gains and losses recognized directly in Equity	(37)	(153)
- Net income for the year	208	350
- Minority interests	20	16
Total equity and liabilities	**27,225**	**26,026**

Consolidated Statement of Income

(in million euros)	June 30, 2010	June 30, 2009	Dec 31, 2009
Net interest revenue on customer transactions (Note 23)	**676**	**712**	**1,366**
- Interest and other revenue on assets at amortized cost (Notes 17 and 23)	790	788	1,582
- Fair value adjustments to finance receivables hedged against interest rate risks (Note 15.4)	(58)	70	(8)
- Net interest revenue from hedging instruments	(142)	(101)	(262)
- Fair value adjustments to hedging instruments (Note 15.4)	60	(73)	6
- Interest expense on customer transactions	(2)	(1)	(2)
- Other revenue and expense	28	29	50
Net investment revenue	**1**	**7**	**9**
- Interest and dividends on marketable securities	1	5	7
- Fair value adjustments to assets valued using the fair value option (Note 15.5)	-	-	-
- Gains and losses on sales of marketable securities	-	2	2
- Investment acquisition costs	-	-	-
Net refinancing cost	**(254)**	**(327)**	**(584)**
- Interest and other revenue from loans and advances to credit institutions	9	10	21
- Interest on deposits from credit institutions (Note 18)	(90)	(153)	(266)
- Interest on debt securities (Note 19)	(169)	(185)	(339)
- Expenses related to financing commitments received	(31)	(5)	(26)
- Fair value adjustments to financing liabilities hedged against interest rate risks (Note 15.4)	(32)	(15)	(26)
- Interest on hedging instruments	34	11	38
- Fair value adjustments to hedging instruments (Note 15.4)	32	16	27
- Fair value adjustments to financing liabilities valued using the fair value option (Note 15.5)	-	-	-
- Debt issuing costs	(7)	(6)	(13)
Net gains and losses on trading transactions	**-**	**2**	**3**
- Interest rate instruments (Note15.5)	-	-	-
- Currency instruments	-	2	3
Margin on sales of Insurance services (Note 14.3)	**19**	**4**	**14**
- Earned premiums	24	7	22
- Paid claims and change in liabilities related to insurance contracts	(5)	(3)	(8)
Margin on sales of services	**63**	**72**	**136**
- Revenues	76	84	160
- Expenses	(13)	(12)	(24)
Net banking revenue (Note 23)	**505**	**470**	**944**
General operating expenses (Notes 20 and 23)	**(174)**	**(159)**	**(317)**
- Personnel costs	(71)	(67)	(131)
- Other general operating expenses	(103)	(92)	(186)
Depreciation and amortization	(8)	(8)	(16)
Gains and losses on disposals of fixed assets	-	-	(1)
Gross operating income	**323**	**303**	**610**
Cost of risk (Notes 21 and 23)	(54)	(59)	(112)
Operating income (Note 23)	**269**	**244**	**498**
Share in net income of associates and joint ventures accounted for using the equity method	1	-	-
Impairment on goodwill	-	-	-
Interest cost on pension obligations	(2)	(2)	(6)
Expected return on external pension funds	1	1	2
Other non-operating items	-	-	1
Pre-tax income	**269**	**243**	**495**
Income taxes (Note 22)	(59)	(67)	(142)
Net income for the year	**210**	**176**	**353**
- of which minority interests	2	1	3
- of which attributable to equity holders of the parent	208	175	350
Earnings per share (in €)	*18.7*	*15.8*	*31.5*

Net Income and Gains and Losses Recognized Directly in Equity

(in million euros)	June 30, 2010	June 30, 2009	Dec 31, 2009
Net income	**210**	**176**	**353**
Exchange difference	120	93	62
- of which minority interest	*1*	-	-
Fair value adjustments to hedging instruments	(5)	(12)	(20)
Deferred taxes	2	4	7
Total gains and losses recognized directly in Equity after tax	**117**	**85**	**49**
Total net income and gains and losses recognized directly in Equity after tax	**327**	**261**	**402**
- of which minority interest	*3*	*1*	*3*
- of which attributable to equity holders of the parent	*324*	*260*	*399*

Consolidated Statement of Changes in Equity Attributable to Equity Holders of the Parent and Minority Interests

(in million euros)	Share capital and other reserves: Share capital	Share capital and other reserves: Capital in excess of par value of stock (1)	Share capital and other reserves: Treasury stock	Reserves	Net income and gains and losses recognized directly in Equity	Profit attributable to equity holders of the parent	Equity attributable to equity holders of the parent	Minority interests	Total equity
Equity at December 31, 2008	**177**	**332**	**-**	**2,245**	**(202)**	**356**	**2,908**	**16**	**2,924**
Effect of changes in group structure (3)(4)				(1)			(1)	(3)	(4)
Appropriation of prior-year income				213		(356)	(143)	-	(143)
Income for the period				-		175	175	1	176
Exchange difference					93		93	-	93
Fair value adjustments to hedging instruments (2)					(12)		(12)	-	(12)
Deferred taxes on fair value adjustments to hedging instruments					4		4	-	4
Equity at June 30, 2009	**177**	**332**	**-**	**2,457**	**(117)**	**175**	**3,024**	**14**	**3,038**
Income for the period				-		175	175	2	177
Exchange difference					(31)		(31)	-	(31)
Fair value adjustments to hedging instruments (2)					(8)		(8)	-	(8)
Deferred taxes on fair value adjustments to hedging instruments					3		3	-	3
Equity at December 31, 2009	**177**	**332**	**-**	**2,457**	**(153)**	**350**	**3,163**	**16**	**3,179**
Capital increase (5)				-			-	1	1
Appropriation of prior-year income				210		(350)	(140)	-	(140)
Income for the period				-		208	208	2	210
Exchange difference					119		119	1	120
Fair value adjustments to hedging instruments (2)					(5)		(5)	-	(5)
Deferred taxes on fair value adjustments to hedging instruments					2		2	-	2
Equity at June 30, 2010	**177**	**332**	**-**	**2,667**	**(37)**	**208**	**3,347**	**20**	**3,367**

Share capital amounts to €177 million, made up of 11,088,000 common shares, all fully paid. There were no changes in capital during the period.

(1) *Including Banque PSA Finance share premiums and legal reserve.*

(2) *Including fair value adjustments to cash flow hedges. The intrinsic value of swaptions at maturity is recognized over the life of the corresponding external swap purchased as a hedge of outstanding loans (fair value hedge). The income recognized during the period ended June 30, 2010 amounted to €4.5 million (see Note 15.2).*

(3) *Corresponding to the first-time consolidation of the Croatian subsidiary BPF Financial d.o.o., (negative impact of €0.5 million), the Maltese subsidiaries PSA Services Ltd, PSA Life Insurance Ltd and PSA Insurance Ltd, and the french subsidiary PSA Assurances SAS (negative impact of €0.4 million €), all created in 2008 and 100%-owned by Banque PSA Finance.*

(4) *Corresponding to the removal from the scope of consolidation at January 1, 2009 of the UK subsidiary PSA Finance P.L.C., 50%-owned by Banque PSA Finance (negative impact of €2.8 million).*

(5) *€6 million capital increase by the subsidiary PSA Assurances SAS, 95%-owned in 2010 vs. 99.99% in 2009 (€5.3 million taken up by Banque PSA Finance and €0.7 million by Peugeot S.A.).*

Consolidated Statement of Cash Flows

(in million euros)	June 30, 2010	June 30, 2009	Dec 31, 2009
Income attributable to equity holders of Banque PSA Finance	**208**	**175**	**349**
Minority interests in income of subsidiaries	2	1	3
Net income of associates accounted for using the equity method, net of dividends received	(1)	-	-
Change in depreciation, amortization and other provisions	11	9	14
Change in deferred taxes	(30)	(12)	(3)
Cash flow	**190**	**173**	**363**
Increase/decrease in:			
- loans and advances to credit institutions (1)	(107)	(52)	12
- deposits from credit institutions	(836)	(742)	(1,633)
Change in customer loans and receivables	(449)	(485)	237
Increase/decrease in:			
- amounts due to customers	(26)	113	106
- financial assets at fair value through profit or loss (1)	35	508	364
- financial liabilities at fair value through profit or loss	21	5	9
- hedging instruments	(72)	373	285
- debt securities	1,220	(504)	354
Change in other operating assets	(89)	(137)	(117)
Change in other operating liabilities	265	233	128
Net cash provided by operating activities	**152**	**(515)**	**108**
Acquisitions of subsidiaries	(39)	-	(6)
Purchases of fixed assets	(12)	(13)	(20)
Proceeds from disposals of fixed assets	5	7	16
Effect of changes in scope of consolidation	3	10	10
Net cash used by investing activities	**(43)**	**4**	**-**
Dividends paid to PSA Peugeot Citroën Group	(140)	(143)	(143)
Dividends paid to minority interests	-	-	-
Capital increase	1	-	-
Net cash used by financing activities	**(139)**	**(143)**	**(143)**
Effect of changes in exchange rates	24	50	46
Net change in cash and cash equivalents	**(6)**	**(604)**	**11**
Cash and cash equivalents at beginning of year	**1,289**	**1,278**	**1,278**
Cash, central banks, post office banks	99	9	9
Current account advances and loans and advances at overnight rates	1,190	1,269	1,269
Cash and cash equivalents at end of period	**1,283**	**674**	**1,289**
Cash, central banks, post office banks	27	14	99
Current account advances and loans and advances at overnight rates	1,256	660	1,190

(1) *In the published financial statement at June 30, 2009 and at December 31, 2009, interbank deposits related to the Spanish securization (€65 million) were included in "Financial assets at fair value through profit or loss". They are now included in "Deposits from credit institutions" (see Notes 3 and 6).*

Notes to the Consolidated Financial Statements

Note 1 Change in Group Structure

On February 24, 2010, Banque PSA Finance's German branch repurchased the loans sold in 2004 to the Auto ABS 2004-1 fund, representing less than €100 million on the repurchase date, and the fund was wound up in advance. As the fund was consolidated, the transaction had no impact on the consolidated financial statements of Banque PSA Finance Group.

On September 11, 2009, Banque PSA Finance bought 98% of AIG Bank Rus, of which 50% through PSA Financial Holding B.V., its Dutch subsidiary. Named Bank PSA Finance Rus, this new subsidiary is responsible for developing Banque PSA Finance's financing business in Russia. It has been fully consolidated since March 2010, leading to the recognition of €1.7 million of goodwill. In May, 2010, Banque PSA Finance purchased 15% of Bank PSA Finance Rus from its Dutch subsidiary, increasing its direct interest to 63% from 48%. The shares were transferred at their historic value and the transaction therefore had no impact on the consolidated financial statements of Banque PSA Finance Group.

On April 13, 2010, both of Banque PSA Finance's Brazilian subsidiaries began to sell automobile loans and future finance lease revenues to a "Fonds d'Investissement en Droits de Créances" (FIDC). At the end of June 2010, the total amounted to BRL685 million (€313 million). The FIDC is an open-end fund that can purchase successive packages of loans, in line with the agreement entered into with Banco Santander. The Brazilian subsidiaries are entitled to the bulk of the operating income generated by the receivables sold to the fund. As a consequence, the fund has been fully consolidated since April 2010.

On May 25, 2010, Banque PSA Finance bought a further 50% of its Chinese subsidiary Dongfeng Peugeot Citroën Auto Finance Company Ltd., through its Dutch subsidiary PSA Finance Nederland B.V. Although it is now 75%-owned, Banque PSA Finance shares control with its Chinese partner and does not have full control of the subsifdiary, and it therefore continues to be accounted for using the equity method.

Note 2 Accounting Policies

The accounting principles applied to prepare the interim consolidated financial statements for the six months ended June 30, 2010, are identical to those used to prepare the 2009 consolidated financial statements.

In accordance with European Council Regulation 1606/2002/EC dated July 19, 2002 on the application of international accounting standards from January 1, 2005, Banque PSA Finance's consolidated financial statements for the year ended December 31, 2009 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) applicable and adopted by the European Union as of that date.

International Financial Reporting Standards (IFRSs) also include International Accounting Standards (IASs) and related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC).

New IFRSs and IFRIC interpretations whose application was compulsory in the fiscal year commencing January 1, 2010

The following standards have had a material impact on the presentation of the consolidated financial statements:

- IFRS 3 revised – Business Combination and IAS 27 – Consolidated and Separate Financial Statements. The revised standards were applied to the acquisition of a further 50% of the Chinese subsidiary, leading to the recognition of €6.7 million of goodwill included in the balance sheet under "Investments in associates and joint ventures accounted for using the equity method".

The following interpretations and amendments to standards have not had any significant impact on the consolidated financial statements:

- Annual improvements to IFRSs.
- Amendment to IAS 39 – Financial Instruments, Recognition and Measurement: Eligible hedged items.

The following interpretations and amendments to existing standards do no apply to the Group:

- IFRS 1 – First-Time Adoption of IFRSs.
- Amendments to IFRS 2 – Share-Based Payment.
- IFRS 12 – Service Concession Arrangements.
- IFRS 15 – Agreements for the Construction of Real Estate.
- IFRS 16 – Hedges of a Net Investment in a Foreign Operation.
- IFRIC 17 – Distributions of Non-Cash Assets to Owners.
- IFRIC 18 – Transfers of Assets from Customers.

The interim consolidated financial statements for the six months ended June 30, 2010 have been prepared in accordance with IAS 34 “Interim Financial Reporting”, which allows to present a selection of explanatory notes. The condensed interim consolidated financial statements should be read and understood in conjunction with the 2009 consolidated financial statements.

The consolidated financial statements include the financial statements of Banque PSA Finance and the French and foreign companies in the Banque PSA Finance Group. The individual financial statements of Banque PSA Finance, its subsidiaries and branches are prepared according to the accounting principles applicable in the countries where their activities are based. These statements are adjusted regarding Group accounting policies before being consolidated.

The term "related companies" refers to all companies that are fully consolidated in the PSA Peugeot Citroën Group consolidated financial statements.

The interim consolidated financial statements and notes for Banque PSA Finance Group as at June 30, 2010 were approved by the Board of Directors on July 26, 2010.

Note 3 Financial Assets at Fair Value Through Profit or Loss

(in million euros)	June 30, 2010	Dec. 31, 2009
Marketable securities (1)	711	759
- Mutual funds	1	1
- of which units held in insurance companies	*1*	*1*
- Certificates of deposit	664	713
- of which CDs held in securitization vehicles (2)	*548*	*583*
- Other	46	45
Fair value adjustments	-	-
Marketable securities booked at fair value through profit or loss	**711**	**759**
- of which accrued interest	-	-
Accrued interest on trading derivatives	**1**	**1**
Fair value of trading derivatives (3)	**30**	**9**
Total	**742**	**769**

Fair value is determined by applying valuation techniques based for the most part on observable market data (level 2), except for mutual fund units which are valued at the latest published net asset value (level 1).

(1) *The liquidity surplus, which amounted to €523 million at June 30, 2010, consists of interbank loans (€499 million) classified as "Loans and advances to credit institutions" (see Note 6) and reserves deposited with the central banks (€24 million) classified as "Cash, central banks, post office banks".*

(2) *In the published financial statement at December 31, 2009, interbank deposits related to the Spanish securization (€65 million) were included in "Financial assets at fair value through profit or loss". They are now included in "Loans and advances to credit institutions" (see Note 6).*

(3) *Swaps classified as held for trading, mainly set up during securitization transactions, represent closed positions that set each other off within homogeneous portfolios. They do not generate any material gains or losses (see Notes 8, 15.1 and 15.5).*

Note 4 Hedging Instruments - Assets

(in million euros)	June 30, 2010	Dec 31, 2009
Cash Flow hedges	**6**	**3**
Purchased options (1)	6	3
- of which intrinsic value at maturity	-	-
Fair Value Hedges	**259**	**236**
Adjustment accounts - off-balance sheet transactions in foreign currencies (2)	18	4
- of which related companies	-	-
Accrued income on swaps designated as hedges	28	22
- of which related companies	-	-
Positive fair value of instruments designated as hedges of:		
- Borrowings	29	24
- EMTNs/BMTNs	52	25
- Bonds	127	158
- Certificates of deposit	-	-
- Other debts securities	2	2
- Retail finance receivables	3	1
Total	**265**	**239**

Fair value is determined by applying valuation techniques based for the most part on observable market data (level 2).

Hedging effectiveness is analysed in Note 15.4.

(1) *Swaptions purchased as hedges of future loans originations. At each future expiry date in the third quarter of 2010 and the first quarter of 2011 Banque PSA Finance bought and sold options on the same notional amount with the same counterparty and is in a net buyer position (see Note 10).*

(2) *Adjustement accounts are used to record fair value adjustments to currency swaps designated as:*

- *hedges of foreign currency customer loans refinanced in euros; these fair value adjustments are offset by adjustments arising from the remeasurement of the foreign currency customer loans at period-end exchange rates (see Notes 10 and 15.3); or*
- *hedges of foreign currency financing liabilities; these fair value adjustments are offset by adjustments arising from the remeasurement of the underlying foreign currency financing liabilities at period-end exchange rates (see Notes 10 and 15.3).*

Note 5 Available-for-Sale Financial Assets

Available-for-sale financial assets consist mainly of investments in companies that are not yet consolidated, because the size of their business at the end of the period is not material. Marketable securities are included in "Financial assets at fair value through profit or loss" (see Note 3).

No provision has been booked for start-up losses of companies that are not yet consolidated, because none of them are expected to remain in a loss-making position over the long-term.

The fair value of these assets is considered as being equal to the most recent transaction price, corresponding to the purchase of the shares (level 3).

Shares in non-consolidated companies amounted to €2 million at June 30, 2010 and mainly concern the PSA Financial P.L.C. subsidiary, currently in liquidation, which was removed from the scope of consolidation at January 1, 2009.

Shares in non-consolidated companies amounted to €9 million at December 31, 2009 and mainly concerned the Russian subsidiary Bank PSA Finance Rus (€6.5 million), which has been consolidated since March 2010 (see Note 1, changes in Group structure).

Note 6 Loans and Advances to Credit Institutions

Analysis of Demand and Time Accounts

(in million euros)	June 30, 2010	Dec 31, 2009
Demand accounts	**1,256**	**1,190**
Ordinary accounts in debit (1)	757	605
Cash receivables for securities to be delivered (2)	-	23
Loans and advances at overnight rates (3)	499	562
Time accounts (4)	**186**	**72**
Accrued interest	**1**	**-**
Total	**1,443**	**1,262**

(1) *Corresponding to amounts debited from external bank accounts, which include the last direct debits on customer accounts for the period.*

(2) *For details of securities to be delivered see Note 13.*

(3) *The liquidity surplus, which amounted to €523 million at June 30, 2010, consists of interbank loans (€499 million) classified as "Loans and advances to credit institutions" (and reserves deposited with the central banks (€24 million) classified as "Cash, central banks, post office banks" (see Note 3).*

(4) *In the published financial statement at December 31, 2009, interbank deposits related to the Spanish securization (€65 million) were included in "Financial assets at fair value through profit or loss". They are now included in "Loans and advances to credit institutions" (see Note 3).*

Analysis of Loans and Advances to Credit Institutions (including accrued interest) between Loans to Related Companies and Loans to Non-Group Institutions

(in million euros)	June 30, 2010	Dec 31, 2009
Non-group institutions	1,443	1,262
Total	**1,443**	**1,262**

Note 7 Customer Loans and Receivables

7.1 Analysis by Type of Financing

(in million euros)	June 30, 2010	Dec 31, 2009
Installment contracts	**9,971**	**9,690**
- of which securitized (1)	*3,389*	*3,760*
Buyback contracts (2)	**2,693**	**2,712**
Principal and interest	4,651	3,665
- of which securitized (1)	*1,029*	*1,099*
Unaccrued interest on buyback contracts	(1,958)	(953)
- of which securitized (1)	*(123)*	*(149)*
Long-term leases (2)	**4,828**	**4,708**
Principal and interest	5,268	5,139
- Related companies	1	1
- Non-group companies	5,267	5,138
Unaccrued interest on long-term leases	(385)	(376)
Leasing deposits	(55)	(55)
Wholesale financing	**4,944**	**4,359**
Principal and interest	5,007	4,408
- Related companies	263	128
- Non-group companies	4,744	4,280
Wholesale financing deposits	(63)	(49)
- Related companies	(48)	(37)
- Non-group companies	(15)	(12)
Other finance receivables (of which Equipment loans, Revolving credit)	**804**	**804**
Ordinary accounts in debit	**122**	**117**
- Related companies	4	2
- Non-group companies	118	115
Deferred items included in amortized cost - Customers loans and receivables	**42**	**55**
- Deferred acquisition costs	433	424
- Deferred loan set-up costs	(101)	(94)
- Deferred manufacturer and dealer contributions	(315)	(304)
- Deferred discounting adjustments to subsidized loans (3)	25	29
Total Loans and Receivables at Amortized Cost	**23,404**	**22,445**
- of which loans and receivables given as collateral (4)	*1,962*	*1,880*

(1) The Banque PSA Finance Group has set up several securitization programs.

- *On July 13, 2006, Crédipar sold €1,372 million worth of future finance lease revenues and related VAT to the Auto ABS 2006-1 fund. The Auto ABS 2006-1 fund issued €1,118 million worth of AAA/Aaa/AAA rated preferred bonds and €132 million worth of A/A2/A rated subordinated bonds. Crédipar's retained interest amounts to €10,000.*
- *On January 29, 2007, Crédipar sold €1,250 million worth of automobile loans to the Auto ABS 2007-1 fund. The Auto ABS 2007-1 fund issued €1,181 million worth of AAA/Aaa rated preferred bonds and €69 million worth of A/Aa3 rated subordinated bonds. Crédipar's retained interest amounts to €10,000.*
- *On July 25, 2007, Banque PSA Finance's Italian branch sold €850 million worth of automobile loans to the Auto ABS S.r.l. 2007-2 fund, an Italian Special Purpose Vehicle (SPV). This SPV issued €816 million worth of AAA/Aaa rated preferred bonds, €34 million worth of A/A1 rated subordinated bonds and junior bonds subscribed by Banque PSA Finance's Italian branch (€18.7 million).*
- *On July 30, 2008, Banque PSA Finance's German branch sold €1,000 million worth of automobile loans to the Auto ABS 2008-1 fund. The Auto ABS 2008-1 fund issued €970 million worth of AAA/aaa rated preferred bonds and €30 million worth of A/Aa3 rated subordinated bonds. The German branch's retained interest amounts to €10,000.*
- *On April 21, 2009, Banque PSA Finance's Spanish branch sold €1,180 million worth of automobile loans to the Auto ABS 2009-1 Asset Securitization Fund. The fund issued €1,050 million worth of AAA rated preferred bonds, €82.6 million worth of A rated subordinated bonds and €47.2 million worth of B rated subordinated bonds. All of these bonds were purchased by Banque PSA Finance. The rated preferred bonds have been sold to the European Central Bank in repo transactions for an amount of € 800 million after discount on June, 30, 2010 (see Note 11).*
- *On April 13, 2010, both of Banque PSA Finance's Brazilian subsidiaries began to sell automobile loans and future finance lease revenues to a "Fonds d'Investissement en Droits de Créances" (FIDC). At the end of June 2010, the total amounted to BRL685 million (€313 million). The FIDC is an open-end fund that can purchase successive packages of loans, in line with the agreement entered into with Banco Santander. The fund issued seniors bonds subcribed by Banco Santander (90%) and subordinated bonds subscribed by Banque PSA Finance's Brazilian branches (10%).*

These funds, the Italian vehicle, as well as the Spanish Asset Securitization fund and the Brazilian FIDC are special purpose entities which are fully consolidated by Banque PSA Finance to the extent that its subsidiaries and branchies retain the majority of the risks (principally credit risk) and rewards (net banking income generated by the special entities), through their retained interest and, in the case of Spain, through the variable revenue from the subordinated loan granted by the branch to the Asset Securitization Fund.

(2) Lease financing transactions (buyback contracts and long-term leases) are included in loans and receivables because they fulfill the criteria for classification as finance leases, since the risks and rewards of ownership of the vehicle do not lie with Banque PSA Finance.

(3) This concerns interest-free customer loans granted under the VIVE plan in Spain (see Note 11).

(4) Including at June 30, 2010, €1,848 million corresponding to receivables given as collateral to the SFEF and €114 million corresponding to receivables given as collateral to the Budensbank by the German branch (see Note 16).

7.2 Customer Loans and Receivables by Segment

Segment (based on IFRS 8) / Type of financing	Retail (A - see A Note 21.1)		Corporate Delears (B - see B Note 21.1)		Corporate and equivalent (C - see C Note 21.1)		Total	
(in million euros)	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009
Installment contracts	9,822	9,521	39	96	110	73	9,971	9,690
Buyback contracts	2,588	2,606	45	47	60	59	2,693	2,712
Long-term leases	3,585	3,577	71	55	1,172	1,076	4,828	4,708
Wholesale financing	-	-	4,942	4,359	2	-	4,944	4,359
Other finance receivables	202	209	599	592	3	3	804	804
Ordinary accounts in debit	-	-	121	116	1	1	122	117
Deferred items included in amortized cost	59	69	(5)	(4)	(12)	(10)	42	55
Total customer loans by segment (based on IFRS 8)	**16,256**	**15,982**	**5,812**	**5,261**	**1,336**	**1,202**	**23,404**	**22,445**

Note 8 Investments in Associates and Joint Ventures Accounted for Using the Equity Method

(in million euros)	June 30, 2010	Dec 31, 2009
Investments in related companies accounted for using the equity method (1)	49	14
Goodwill (2)	7	-
Total	**56**	**14**

(1) *Acquisition by PSA finance Nederland B.V. of a further 50% of the Chinese subsidiary Dongfeng Peugeot Citroën Auto Finance Company Ltd. Banque PSA Finance does not have full control of the subsidiary, and it therefore continues to be accounted for using the equity method (see Note 1).*

(2) *The €6.7 million goodwill related to this operation is included in "Investments in associates and joint ventures accounted for using the equity method" according to IAS 28-Investments in Associates.*

Note 9 Financial Liabilities at Fair Value Through Profit or Loss

(in million euros)	June 30, 2010	Dec 31, 2009
Accrued expense on trading derivatives	-	-
Fair value of trading derivatives (1)	30	9
Total	**30**	**9**

Fair value is determined by applying valuation techniques based for the most part on observable market data (level 2).

(1) *Swaps classified as held for trading, mainly set up during securitization transactions, represent closed positions that set each other off within homogeneous portfolios. They do not generate any material gains or losses (see Notes 3, 15.1 and 15.5).*

Note 10 Hedging Instruments - Liabilities

(in million euros)	June 30, 2010	Dec 31, 2009
Cash Flow hedges	**3**	**1**
Sold options (1)	3	1
Fair Value Hedges	**371**	**416**
Adjustment accounts - commitments in foreign currencies (2)	66	17
- of which related companies	*64*	*13*
Unrealised losses on unclosed hedges	-	-
Accrued expenses on swaps designated as hedges	30	37
- of which related companies	*4*	*4*
Negative fair value of instruments designated as hedges of:		
- Borrowings	-	-
- EMTNs/BMTNs	-	-
- Bonds	127	158
- Certificates of deposit	-	-
- Retail finance receivables	148	204
Total	**374**	**417**

Fair value is determined by applying valuation techniques based for the most part on observable market data (level 2).

Hedging effectiveness is analysed in Note 15.4.

(1) *Swaptions purchased as hedges of future loans originations. At each future expiry date in the third quarter of 2010 and the first quarter of 2011 Banque PSA Finance bought and sold options on the same notional amount with the same counterparty and is in a net buyer position (see Note 4).*

(2) *Adjustment accounts are used to record fair value adjustments to currency swaps designated as hedges of foreign currency customer loans refinanced in euros and foreign currency financing liabilities. These fair value adjustments are offset by adjustments arising from the remeasurement of the underlying foreign currency customer loans and financing liabilities at period-end exchange rates (see Notes 4 and 15.3).*

Note 11 Deposits from Credit Institutions

Analysis of Demand and Time Accounts

(in million euros)	June 30, 2010	Dec 31, 2009
Demand deposits (non-group institutions)	**418**	**307**
- Ordinary accounts in credit	393	305
- Accounts and deposits at overnight rates	25	2
- Other	-	-
Accrued interest	**1**	**1**
Time deposits	**6,212**	**6,860**
- Related companies	73	65
- Non-group companies (1)(2)(3)(4)(5)	6,139	6,795
Deferred items included in amortized cost of deposits from credit institutions	**(13)**	**(22)**
- Debt issuing costs (deferred charges)	(38)	(51)
- Deferred discounting adjustments to subsidized loans (6)	25	29
Accrued interest	**129**	**119**
Total deposits from credit institutions at amortized cost	**6,747**	**7,265**

(1) *Including €682 million at June 30, 2010 in short term drawdowns on back up lines corresponding to long-term financing commitments. The syndicated credit facility was not used at June 30, 2010 (see Note 16).*

(2) *Including €1,146 million on June 30, 2010 in deposits from the SFEF (see Note 16).*

(3) *Including, at June 30, 2010, €800 million in bonds issued by the Spanish Asset Securitization Fund that were sold to the European Central Bank (E.C.B.) in repo transactions (see Note 7.1).*

(4) *Including at June 30, 2010 €70 million in deposits from the Bundesbank held by the German branch (see Note 16).*

(5) *Including €176 million on June 30, 2010 in deposits from Instituto de Crédito Oficial (ICO) that were received under the "VIVE" (Vehiculo Innovador Vehicule Electrico) electrical vehicle development plan in Spain.*

(6) *This concerns interest-free deposits held by the Spanish branch under the VIVE plan in Spain (see Note 7.1 and footnote (5) above).*

Note 12 Due to Customers

(in million euros)	June 30, 2010	Dec 31, 2009
Time deposits (non-group institutions)	19	22
Demand accounts	**326**	**346**
- Related companies	66	67
- PSA Peugeot Citroën Group entities' ordinary accounts in credit (1)	*65*	*66*
- Non-group companies (independent dealers' ordinary accounts in credit)	260	279
Total	**345**	**368**

(1) *Primarily comprising subsidiaries' payment accounts concerning transactions with the PSA Peugeot Citroën Group.*

Note 13 Debt Securities

Analysis by Nature

(in million euros)	June 30, 2010	Dec 31, 2009
Interbank instruments and money-market securities (non-group institutions) (1)	**10,500**	**8,843**
- EMTNs and BMTNs	6,447	5,409
- Certificates of deposit and "billets de trésorerie"	4,053	3,434
- of which paper in the process of being delivered	*-*	*23*
- of which related companies	*-*	*-*
Accrued interest	**93**	**82**
Deferred items included in amortized cost of debt securities	**(11)**	**(10)**
- Debt issuing costs (deferred charges)	(18)	(14)
- Deferred gains	7	4
Bonds (2)	**3,497**	**4,136**
- of which securitization: preferred and subordinated bonds (3)	*3,084*	
- Related companies	*25*	*25*
- Hors-groupe	*3,059*	*3,698*
Accrued interest	**4**	**5**
- of which securitization	*4*	*5*
Other debt securities	**445**	**258**
- of which securitization: preferred bonds (4)	*294*	*118*
Accrued interest	**18**	**12**
- of which securitization	*3*	*-*
Total debt securities at amortized cost	**14,546**	**13,326**

(1) *In 2010, Banque PSA Finance carried out several EMTN issues:*
- *in January, a €750 million 3.875% issue due January 2013;*
- *in February, a €250 million (Euro interbank offered rate 3 months) issue due August 2011;*
- *in March, a €750 million 3.625% issue due September 2013;*
- *in April, a €500 million 3.625% issue due April 2014.*

(2) *Of which a €413 million 7-year bond issue launched by the subsidiary PSA Finance S.C.S. in December 2006.*

(3) *Bonds issued by the Auto ABS 2006-1, 2007-1 and 2008-01 funds, the 2007-2 fund of the italian vehicule and the Asset Securization Fund Auto ABS 2009-01 in Spain. All of the bonds issued by the fund 2009-1 were purchased by Banque PSA Finance (see Note 7.1).*

(4) *Other debt securities issued by the Brazilian FIDC in 2010.*

Subsequent event:
€500 million EMTN issue: on July 8, 2010, Banque PSA Finance issued a €500 million 4% fixed-rate EMTN expiring in July 2013. With this latest issue, Banque PSA Finance has raised more than €2.7 billion since January 1st, 2010, under its EMTN's programme, representing most of the bank's capital market financing requirement for the year.

Note 14 Insurance Activities

14.1 - Liabilities Related to Insurance Contracts

(in million euros)	June 30, 2010	Dec 31, 2009
Life insurance contracts	**4.7**	**2.7**
Unearned premium reserve (UPR)	1.7	0.6
Claims reserve		
- Claims reserve - reported claims	2.0	0.9
- Claims reserve - claims incurred but not reported (IBNR)	1.0	0.8
Other	-	0.4
Non-life insurance contracts	**6.0**	**4.4**
Unearned premium reserve (UPR)	1.4	0.9
Claims reserve		
- Claims reserve - reported claims	3.9	2.4
- Claims reserve - claims incurred but not reported (IBNR)	0.7	0.7
Other	-	0.4
Total liabilities related to insurance contracts	**10.7**	**7.1**

14.2 - Change in Liabilities Related to Insurance Contracts

14.2.1 - Unearned premium reserve (UPR)

(in million euros)	Life	Non-life	Total
Opening reserve at January 1, 2010	**0.6**	**0.9**	**1.5**
+ Written premiums	10.3	15.1	**25.4**
- Earned premiums	(9.2)	(14.6)	**(23.8)**
+ Other movements	-	-	**-**
Closing reserve at June 30, 2010	**1.7**	**1.4**	**3.1**

14.2.2 - Claims reserve

(in million euros)	Life	Non-life	Total
Opening reserve at January 1, 2010	**1.7**	**3.1**	**4.8**
of which reported claims	*0.9*	*2.4*	*3.3*
of which claims incurred but not reported (IBNR)	*0.8*	*0.7*	*1.5*
- Claims paid in current year	(8.8)	(6.4)	(15.2)
+ Claims incurred in current year	10.1	7.9	18.0
+ Claims incurred in prior years	-	-	-
+ Other movements	-	-	-
Closing reserve at June 30, 2010	**3.0**	**4.6**	**7.6**
of which notified claims	*2.0*	*3.9*	*5.9*
of which claims incurred but not reported (IBNR)	*1.0*	*0.7*	*1.7*

14.2.3 - Other reserves

(in million euros)	Life	Non-life	Total
Opening reserve at January 1, 2010	**0.4**	**0.4**	**0.8**
+ Charges	-	-	-
- Reversals	(0.4)	(0.4)	(0.8)
+ Other movements	-	-	-
Closing reserve at June 30, 2010	**-**	**-**	**-**

14.3 - Income from Insurance Activities

14.3.1 - Technical income from insurance activities

(in million euros)	June 30, 2010	June 30, 2009	Dec. 31, 2009
+ Earned premiums	23.8	6.6	21.9
- Costs	(4.4)	(3.0)	(8.1)
Paid claims	*(2.4)*	*(2.3)*	*(4.4)*
Change in liabilities related to insurance contracts (except for UPR)	*(2.0)*	*(0.7)*	*(3.7)*
Margin on sales of Insurance activities	**19.4**	**3.6**	**13.8**
+/- Other technical income (expense), net	(6.4)	(1.0)	(4.7)
Fees	*(6.4)*	*(1.0)*	*(4.7)*
Technical personnel costs	-	-	-
Other technical income (expense), net	-	-	-
+ Investment income, net	-	-	-
Contribution to operating income before elimination of intercompany transactions	**13.0**	**2.6**	**9.1**
+/- elimination of intercompany transactions	6.4	1.0	4.7
Contribution to operating income	**19.4**	**3.6**	**13.8**

14.3.2 - Non-technical income from insurance activities

(in million euros)	June 30, 2010	June 30, 2009	Dec. 31, 2009
+/- Other non-technical income (expense), net	(0.8)	(0.8)	(1.4)
Non-technical personnel costs	*(0.8)*	*(0.8)*	*(1.4)*
Other non-technical income (expense), net			-
Contribution to operating income	**(0.8)**	**(0.8)**	**(1.4)**

14.3.3 - Net income from insurance activities

(in million euros)	June 30, 2010	June 30, 2009	Dec. 31, 2009
Technical income	19.4	3.6	13.8
Non-technical income	(0.8)	(0.8)	(1.4)
Contribution to operating income	**18.6**	**2.8**	**12.4**
Income taxes	(3.6)	(0.3)	(0.2)
Contribution to net income	**15.0**	**2.5**	**12.2**

Note 15 Derivatives

Group interest rate management policy

Interest rate risk: Bank policy aims at neutralizing the effects of changes in interest rates on each entity's operating margin by using appropriate financial instruments to match interest rate structures between assets and liabilities.

In order to cap the refinancing cost of new financing (Installment contracts, Buyback contracts et Long-term leases) granted in the third quarter of 2010 and the first quarter of 2011 , Banque PSA Finance purchased and sold swaptions (options on interest rate swaps, purchased net with the net premium paid) expiring in the third quarter of 2010 and the first quarter of 2011 (see paragraph 15.2 bellow).

Currency risk: Banque PSA Finance does not take currency positions. The assets and liabilities of each entity are matched through the use of appropriate financial instruments.

Counterparty risk: Banque PSA Finance's exposure to counterparty risk is limited to its use of derivatives governed by standard FBF or ISDA agreements and very short term cash investments with leading counterparties. Customer credit risk is discussed in Note 21.

The bank does not incur any exposure from the implementation of its investment policy. Available cash other than interbank loans and reserves deposited with central banks is invested solely in very short-term retail certificates of deposits and in mutual funds with a capital guarantee and a guaranteed yield.

15.1 - Banque PSA Finance Interest Rate Position

(in million euros)	0 to 1 year	1 to 5 years	+5 years	Total June 30, 2010
Financial assets				
Wholesale financing	4,944	-	-	4,944
Fixed rate customer financing	7,728	10,245	-	17,973
Other adjustable rate loans and receivables	487	-	-	487
Fixed rate financial assets	-	-	-	-
Other financial assets	2,182	-	-	2,182
Total financial assets (a)	**15,341**	**10,245**	**-**	**25,586**
Other financial assets (derivatives and fair value adjustments to hedged finance receivables	**445**	**-**	**-**	**445**
Non financial assets				
Fixed assets and goodwill	-	212	-	212
Other non financial assets	982	-	-	982
Total non financial assets	**982**	**212**	**-**	**1,194**
Total assets				*27,225*
Financial liabilities				
Hedged fixed rate debt	(1,956)	(4,162)	-	(6,118)
Hedged adjustable rate debt	(14,512)	-	-	(14,512)
Other borrowings and deposits	(763)	-	-	(763)
Total financial liabilities (b)	**(17,231)**	**(4,162)**	**-**	**(21,393)**
Other financial liabilities (derivatives and fair value adjustments to hedged debt portfolios)	**(488)**	**-**	**-**	**(488)**
Non financial liabilities				
Other non financial liabilities	(1,977)			(1,977)
Total non financial liabilities	**(1,977)**	**-**	**-**	**(1,977)**
Equity (3)	**-**	**(3,367)**	**-**	**(3,367)**
Total equity and liabilities				*(27,225)*
Net position before hedging = (a) + (b)	**(1,890)**	**6,083**	**-**	**4,193**
Derivatives - Notional amounts				
Derivatives hedging financial assets				
Swaps hedging fixed rate retail financing				
- borrowing leg (Fair Value Hedge)	(6,005)	(6,240)		(12,245)
- lending leg (Fair Value Hedge)	12,245			12,245
Swaps hedging marketable securities				
- borrowing leg (Fair Value Hedge)				-
- lending leg (Fair Value Hedge)				-
Total derivatives hedging financial assets (c)	**6,240**	**(6,240)**	**-**	**-**
Derivatives hedging financial liabilities				
Swaps hedging fixed rate debt (2)				
- borrowing leg (Fair Value Hedge)	1,956	4,156	-	6,112
- lending leg (Fair Value Hedge)	(6,112)			(6,112)
Total derivatives hedging financial liabilities (d)	**(4,156)**	**4,156**	**-**	**-**
Trading transactions (e) (1)	**343**	**-**	**-**	**343**
Derivatives net position = (c) + (d) + (e)	**2,427**	**(2,084)**	**-**	**343**
Net position after hedging (3)	**537**	**3,999**	**-**	**4,536**

This table analyzes financial assets and liabilities based on their maturity, for fixed rate items, or the next repricing date, for adjustable rate items.

In the section dealing with derivatives, the lending leg of swaps and other derivative transactions are reported as a positive amount and the borrowing leg is reported as a negative amount.

(1) *Swaps classified as held for trading, mainly set up during the Spanish securitization transaction dated April 2009, represent closed positions with no impact on income and set each other off within homogeneous portfolios for a notional amount of €1,127 million. Two swaps representing open positions remain, for a notional amount of €343 million. The impact of these swaps on the income statement is not material (see Notes 3 and 9).*

(2) *Including €3,084 million of hedging swaps closed at consolidated level.*

(3) *The net position after hedging, with maturities ranging from 0 to 1 year, is not very significant. The net position after hedging, with maturities ranging from 1 to 5 years, amounts to €3,999 million and is mainly hedged by equity.*

15.2 -Hedges of Interest Rate Risks on Future Lending Transactions

In order to cap the refinancing cost of new financing (Installment contracts, Buyback contracts et Long-term leases) granted in the third quarter of 2010 and the first quarter of 2011, Banque PSA Finance purchased and sold swaptions (options on interest rate swaps, purchased net with the net premium paid) expiring date in the third quarter of 2010 and the first quarter of 2011. At June 30, 2010, the notional amounts totaled €1,567 million and the loss resulting from time delay since the beginning of the year was €-2.2 million, including €+0.1 million in positive fair value adjustments. The notional amounts of the swaps (options on interest swaps) match the forecast amounts and maturities of new financing expected to be originated in these same periods.

The deferred portion of the intrinsic value released to income during the period, to offset changes in the intrinsic value of the underlying, was €4.5 million. Deferred gains or losses amount to €3.5 million (€2.3 million net of deferred tax).

Swaptions designated as cash flow hedges

(in million euros)	Dec. 31, 2009	Change in intrinsic value	Gains or losses	Transfer to income	Change in deferred tax	**June 30, 2010**
Intrinsic value of open swaptions	-	-	-	-		-
Hedging gains or losses	8.0	-	-	(4.5)		3.5
Gains recognized directly in equity (gross)	**8.0**	**-**	**-**	**(4.5)**	**-**	**3.5**
Deferred tax	(2.7)				1.5	(1.2)
Gains recognized directly in equity (net)	**5.3**	**-**	**-**	**(4.5)**	**1.5**	**2.3**

Timing of hedged future retail financing

(in million euros)	**June 30, 2010**	Dec. 31, 2009
0 to 3 months	2.1	2.5
3 to 6 months	0.6	2.0
6 months to 1 year	0.7	2.3
1 to 5 years	0.1	1.2
+ 5 years	-	-
Total	**3.5**	**8.0**

15.3 - Banque PSA Finance Residual Positions in Foreign Currencies

A. Operational positions in foreign currencies

External parent's positions

(in million euros)	CHF	CZK	GBP	HUF	JPY	MXN	PLN	RUB	USD
Assets	289	53	1,689	-	-	57	148	29	-
Liabilities	-	(1)	(515)	-	(83)	-	-	-	-
Net position before hedging	**289**	**52**	**1,174**	**-**	**(83)**	**57**	**148**	**29**	**-**
Hedging assets	(289)	(52)	(1,177)	-	-	(62)	(149)	(33)	-
Hedging liabilities	-	-	5	-	83	5	1	4	-
Hedging position	**(289)**	**(52)**	**(1,172)**	**-**	**83**	**(57)**	**(148)**	**(29)**	**-**
Net position after hedging June 2010	**-**	**-**	**2**	**-**	**-**	**-**	**-**	**-**	**-**
Note: Décember 2009	*-*	*-*	*2*	*-*	*-*	*-*	*-*	*-*	*-*

External subsidiarie's positions

(in million euros)	CHF/HUF	EUR/BRL	EUR/TRY	EUR/DKK	EUR/HRK	EUR/HUF	EUR/NOK	EUR/PLN	EUR/SEK
Assets	6	-	1	36	8	5	14	-	40
Liabilities	(6)	(42)	-	-	(8)	(5)	-	-	-
Net position before hedging	**-**	**(42)**	**1**	**36**	**-**	**-**	**14**	**-**	**40**
Hedging assets	-		-	(36)	-	-	(15)	-	(40)
Hedging liabilities	-	42	-	-	-	-	1		-
Hedging position	**-**	**42**	**-**	**(36)**	**-**	**-**	**(14)**	**-**	**(40)**
Net position after hedging June 2010	**-**	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**
Note: Décember 2009	*-*	*-*	*-*	*-*	*1*	*-*	*-*	*(1)*	*-*

These positions are hedged using currency swaps, cross currency swaps and forward foreign exchange contracts.

B. Structural positions in foreign currencies

Structural positions (investments in subsidiaries and the branches dotation capital) and future profits and losses are not hedged using derivative financial instruments. As the business of subsidiaries and branches will, by definition, continue for an indefinite period, any such hedges would represent long-term open positions.

Position at June 30, 2010	CHF	CNY	CZK	GBP	HRK	HUF	MXN	PLN	TRY	USD (1)	**TOTAL**
(in million euros)	13	45	32	183	4	9	9	46	1	147	**489**

(1) The structural position in US dollars arises from the financing in dollars of the bank's net investment in its Brazilian, Argentine and Russian subsidiaries.

15.4 - Analysis of Interest Rate Risk Hedging Effectiveness

(in million euros)	June 30, 2010	Dec. 31, 2009	Exchange difference (1)	Fair value adjustments	Ineffective portion recognized in profit or loss
Fair value adjustments to customer loans (Installment contracts, Buyback contracts and Long-term leases)					
- Installment contracts	110	141			
- Buyback contracts	21	29			
- Long-term leases	20	38			
Total valuation, net	**151**	**208**	**1**	**(58)**	
Derivatives designated as hedges of customer loans					
- Assets (see Note 4)	3	1			
- Liabilities (see Note 10)	(148)	(205)			
Total valuation, net	**(145)**	**(204)**	**(1)**	**60**	**2**
Ineffective portion of gain and losses on outstanding hedging transactions	**6**	**4**			**2**
Fair value adjustments to hedged debt					
Valuation	(29)	(25)			
Total valuation, net	**(29)**	**(25)**		**(4)**	
Derivatives designated as hedges of debt					
- Assets (see Note 4)	29	25			
- Liabilities (see Note 10)	-	-			
Total valuation, net	**29**	**25**		**4**	**0**
Ineffective portion of gain and losses on outstanding hedging transactions	**0**	**0**			**0**
Fair value adjustments to hedged EMTNs/BMTNs					
Valuation	(53)	(25)			
Total valuation, net	**(53)**	**(25)**		**(28)**	
Derivatives designated as hedges of EMTNs/BMTNs					
- Assets (see Note 4)	52	24			
- Liabilities (see Note 10)	-	-			
Total valuation, net	**52**	**24**		**28**	**0**
Ineffective portion of gain and losses on outstanding hedging transactions	**(1)**	**(1)**			**0**
Fair value adjustments to hedged bonds					
Valuation	-	-			
Total valuation, net	**-**	**-**		**0**	
Derivatives designated as hedges of bonds (2)					
- Assets (see Note 4)	127	158			
- Liabilities (see Note 10)	(127)	(158)			
Total valuation, net	**-**	**-**		**0**	**0**
Ineffective portion of gain and losses on outstanding hedging transactions	**0**	**0**			**0**
Fair value adjustments to hedged certificates of deposits					
Valuation	-	-			
Total valuation, net	**-**	**-**		**0**	
Derivatives designated as certificates of deposits					
- Assets (see Note 4)	-	-			
- Liabilities (see Note 10)	-	-			
Total valuation, net	**-**	**-**		**0**	**0**
Ineffective portion of gain and losses on outstanding hedging transactions	**0**	**0**			**0**
Fair value adjustments to other hedged debt securities					
Valuation	(2)	(2)			
Total valuation, net	**(2)**	**(2)**		**0**	
Derivatives designated as hedges of other debt securities					
- Assets (see Note 4)	2	2			
- Liabilities (see Note 10)	-	-			
Total valuation, net	**2**	**2**		**0**	**0**
Ineffective portion of gain and losses on outstanding hedging transactions	**0**	**0**			**0**

(1) *The exchange difference is due to the fact that balance sheets of companies using non euros currencies are translated at the closing exchange whereas their income statement items are translated on a month-by-month basis at the average monthly rate.*

(2) *Symmetrical swaps (set up by Banque PSA Finance and the securitization vehicles) designated as hedges of the securitization vehicles' bond debt.*

Swaptions held to hedge future customer loans (Installment contracts, Buyback contracts and Long-term leases) are not included in the hedging effectiveness table as the loans have not yet been granted (see paragraph 15.2 above).

15.5 - Financial Assets and Liabilities at Fair Value

(in million euros)	June 30, 2010	Dec. 31, 2009	Variation de juste valeur
Financial assets at fair value			
- Fair value adjustments to marketable securities	-	-	-
- Fair value of trading derivatives (see Note 3)	30	9	21
Total valuation, net	**30**	**9**	**21**
Financial liabilities at fair value			
- Fair value of trading derivatives (see Note 9)	(30)	(9)	(21)
Total valuation, net	**(30)**	**(9)**	**(21)**

Note 16 Other Commitments

(in million euros)	June 30, 2010	Dec. 31, 2009
Financing commitments		
Commitments received from credit institutions (1)	8,854	8,029
Commitments given to credit institutions	50	50
Commitments given to customers	1,554	1,563
- of which Crédipar Group (2)	*977*	*1,048*
Guarantee commitments		
Commitments received from credit institutions	659	778
- guarantees received in respect of customer loans	559	678
- guarantees received in respect of securities held	-	-
- other guarantees received from credit institutions	100	100
Guarantees given to credit institutions	-	-
Commitments given to customers	110	110
- Spanish branch	3	9
- Sofib	88	91
- Sofira	18	5
- Italian branch	6	5
Other commitments received		
Securities received as collateral	10	8
Investment put options (3)	55	55
Other commitments given		
Investment deliverable under forward sales contracts (3)	310	310
Investment call options (3)	55	55
Other (4)	1,962	1,880

(1) *Including at June 30, 2010, by drawdown priority (see Note 11) :*
- *€1,484 million in unused bilateral back-up lines corresponding to long-term financing commitments,*
- *€1,510 million 2-year syndicated credit facility signed on July 10, 2009 with a pool of twelve international banks,*
- *€1,755 million 3.5-year syndicated credit facility signed on December 15, 2009 with a pool of twenty-one international banks.*
- *two €2,000 million syndicated credit facility expiring in June 2012 and in June 2014 respectively, signed in prior to 2009.*

In all, these facilities are sufficient to cover the Bank's refinancing needs over a period of nearly seven months under an extreme liquidity scenario.

(2) *Commitments on preliminary credit offers made to customers are taken into account. The approved wholesale lines of credit that can be cancelled at any time are not taken into account.*

(3) *This concerns french subsidiary Financière Greffuhle S.A.S.*

(4) *Including the amount of customer loans given as collateral for proprietary transactions to (see Notes 7.1 and 11):*
- *Société de Financement de l'Economie Française (SFEF) pursuant to the measures to finance the economy introduced in France's amended Finance Act no.2008-1061 of October 16, 2008 (€1,848 million at June 30, 2010);*
- *and to the Budensbank by the German branch (€114 million at June 30, 2010).*

Note 17 Interest and Other Revenue on Assets at Amortized Cost

(in million euros)	June 30, 2010	June 30, 2009	Dec. 31, 2009
Installment contracts	**476**	**463**	**938**
- of which related companies	*34*	*29*	*62*
Buyback contracts	**151**	**146**	**297**
- of which related companies	*1*	*1*	*2*
Long-term leases	**190**	**188**	**381**
- of which related companies	*58*	*48*	*105*
Wholesale financing	**105**	**118**	**223**
- of which related companies	*69*	*72*	*142*
Other finance receivables (of which Equipement loans, Revolving credit)	**18**	**24**	**44**
- of which related companies	-	-	-
Commissions paid to referral agents	**(138)**	**(137)**	**(274)**
- Installment contracts	(91)	(91)	(183)
- Buyback contracts	(21)	(22)	(53)
- Long-term leases	(26)	(24)	(38)
- of which related companies	*(19)*	*(14)*	*(25)*
Other business acquisition costs	**(14)**	**(16)**	**(31)**
Interest on ordinary accounts	**2**	**2**	**4**
Interest on guarantee commitments	**-**	**-**	**-**
Total	**790**	**788**	**1,582**

Note 18 Interest on Deposits from Credit Institutions

This item represents the interest costs, on the one hand on the deposit accounts, on the other hand on the debt, from the credit institutions.

Note 19 Interest on Debt Securities

(in million euros)	June 30, 2010	June 30, 2009	Dec. 31, 2009
Interest expense on debt securities	(151)	(124)	(252)
Interest expense on bonds and other fixed income securities	(18)	(61)	(87)
Total	**(169)**	**(185)**	**(339)**

Note 20 General Operating Expenses

(in million euros)	June 30, 2010	June 30, 2009	Dec. 31, 2009
Personnel costs	**(71)**	**(67)**	**(131)**
- Wages and salaries	(52)	(49)	(96)
- Payroll taxes	(16)	(16)	(31)
- Employee profit sharing and profit-related bonuses	(3)	(2)	(4)
Other general operating expenses	**(103)**	**(92)**	**(186)**
- of which related companies	*(41)*	*(39)*	*(74)*
Total	**(174)**	**(159)**	**(317)**

In France, the "taxe professionnelle" local business tax has been replaced by a new tax – "contribution économique territoriale (CET)" – with effect from 2010. The two components of the CET will be reported under “Other general operating expenses” and included in the determination of operating income, in line with the presentation of "taxe professionnelle" up until 2009.

Note 21 Cost of Risk

The tables below present the cost of risk by customer category, as no significant loss has been incurred on other financial assets.

21.1 - Changes in Loans

(in million euros)	Balance at Dec. 31, 2009	Net new loans and exchange difference (1)	Cost of risk				Cost of risk for the period at June 30, 2010	Balance at June 30, 2010
			Charges	Reversals	Credit losses	Recoveries on loans written off in prior periods		
Retail								
Sound loans with no past-due installments	15,272	263	-	-	-	-	-	15,535
Sound loans with past-due installments	438	11	-	-	-	-	-	449
Guarantee deposits (lease financing)	(54)	-	-	-	-	-	-	(54)
Non-performing loans	599	68	-	-	(41)	-	(41)	626
Total	**16,255**	**342**	**-**	**-**	**(41)**	**-**	**(41)**	**16,556**
Impairment of sound loans with past-due installments	(40)	-	(7)	6	-	-	(1)	(41)
Impairment of non-performing loans	(302)	(4)	(30)	18	-	-	(12)	(318)
Total impairment	**(342)**	**(4)**	**(37)**	**24**	**-**	**-**	**(13)**	**(359)**
Deferred items included in amortized cost	**69**	**(10)**	**-**	**-**	**-**	**-**	**-**	**59**
Net book valueNet book value (A - see Note 7.2)	**15,982**	**328**	**(37)**	**24**	**(41)**	**-**	**(54)**	**16,256**
Recoveries on loans written off in prior periods			-	-	-	7	7	
Impairment of doubtful commitments			(1)	2	-	-	1	
Retail cost of risk			**(38)**	**26**	**(41)**	**7**	**(46)**	
Corporate dealers								
Sound loans with no past-due installments	5,125	547	-	-	-	-	-	5,672
Sound loans with past-due installments	41	(13)	-	-	-	-	-	28
Guarantee deposits	(49)	(14)	-	-	-	-	-	(63)
Non-performing loans	183	35	-	-	(1)	-	(1)	217
Total	**5,300**	**555**	**-**	**-**	**(1)**	**-**	**(1)**	**5,854**
Impairment of non-performing loans	(35)	1	(11)	8	-	-	(3)	(37)
Total impairment	**(35)**	**1**	**(11)**	**8**	**-**	**-**	**(3)**	**(37)**
Deferred items included in amortized cost	**(4)**	**(1)**	**-**	**-**	**-**	**-**	**-**	**(5)**
Net book valueNet book value (B - see Note 7.2)	**5,261**	**555**	**(11)**	**8**	**(1)**	**-**	**(4)**	**5,812**
Recoveries on loans written off in prior periods			-	-	-	1	1	
Impairment of doubtful commitments			(1)	-	-	-	(1)	
Corporate dealers cost of risk			**(12)**	**8**	**(1)**	**1**	**(4)**	
Corporate and equivalent								
Sound loans with no past-due installments	973	149	-	-	-	-	-	1,122
Sound loans with past-due installments	219	(10)	-	-	-	-	-	209
Guarantee deposits	(1)		-	-	-	-	-	(1)
Non-performing loans	35	3	-	-	(1)	-	(1)	37
Total	**1,226**	**142**	**-**	**-**	**(1)**	**-**	**(1)**	**1,367**
Impairment of non-performing loans	(14)	(2)	(4)	1	-	-	(3)	(19)
Total impairment	**(14)**	**(2)**	**(4)**	**1**	**-**	**-**	**(3)**	**(19)**
Deferred items included in amortized cost	**(10)**	**(2)**	**-**	**-**	**-**	**-**	**-**	**(12)**
Net book valueNet book value (C - see Note 7.2)	**1,202**	**138**	**(4)**	**1**	**(1)**	**-**	**(4)**	**1,336**
Recoveries on loans written off in prior periods			-	-	-	-	-	
Impairment of doubtful commitments			-	-	-	-	-	
Corporate and equivalent cost of risk			**(4)**	**1**	**(1)**	**-**	**(4)**	
Total loans								
Sound loans with no past-due installments	21,370	959	-	-	-	-	-	22,329
Sound loans with past-due installments	698	(12)	-	-	-	-	-	686
Guarantee deposits (lease financing)	(104)	(14)	-	-	-	-	-	(118)
Non-performing loans	817	106	-	-	(43)	-	(43)	880
Total	**22,781**	**1,039**	**-**	**-**	**(43)**	**-**	**(43)**	**23,777**
Impairment of sound loans with past-due installments	(40)	-	(7)	6	-	-	(1)	(41)
Impairment of non-performing loans	(351)	(5)	(45)	27	-	-	(18)	(374)
Total impairment	**(391)**	**(5)**	**(52)**	**33**	**-**	**-**	**(19)**	**(415)**
Deferred items included in amortized cost	**55**	**(13)**	**-**	**-**	**-**	**-**	**-**	**42**
Net book value	**22,445**	**1,021**	**(52)**	**33**	**(43)**	**-**	**(62)**	**23,404**
Recoveries on loans written off in prior periods			-	-	-	8	8	
Impairment of doubtful commitments			(2)	2	-	-	-	
Total cost of risk			**(54)**	**35**	**(43)**	**8**	**(54)**	

For impaired loans, the cost of risk includes interest invoiced and recognized under "Interest revenue on customer transactions".

(1) *The exchange difference is due to the fact that balance sheets of companies using non euros currencies are translated at the closing exchange whereas their income statement items are translated on a month-by-month basis at the average monthly rate.*

21.2 - Change in Cost of Risk

(in million euros)	June 30, 2010	June 30, 2009	Dec. 31, 2009
Sound loans with past-due installments			
Charges	(7)	(7)	(8)
Reversals	6	8	12
Non-performing loans			
Charges	(45)	(65)	(133)
Reversals	27	29	59
Doubtful commitments			
Charges	(2)	(2)	(2)
Reversals	2	1	6
Credit losses	(43)	(37)	(71)
Recoveries on loans written off in prior periods	8	14	25
Cost of risk	**(54)**	**(59)**	**(112)**

(1) Banque PSA Finance has a historical database which enables it to measure the probability of default on sound loans with past-due installments, as well as the average loss given default on non-performing loans discounted at the effective interest rate. This database covers the six IRBA countries (France, United Kingdom, Germany, Spain, Portugal and Italy).

For each non-IRBA country:

- *The probability of default is tracked separately for each country;*
- *The average loss rate is determined by multiplying a) the average of the discounted outstandings-weighted average loss rates of the six IRBA countries by b) the non-IRBA country's loss rate on collections divided by the loss rate on collections of the six IRBA countries.*

The main events in first-half 2009 were as follows:

- *default probabilities and average loss rates were updated, leading to a €2.1 million decrease in provisions, including the portion of the annual amortizing (€1.7 million) of the discounting adjustment included in the initial calculation of the loss rate;*
- *in the United Kingdom, recoveries on loans written off in prior periods of €1.5 million were recorded, corresponding to VAT refunded on these loans;*
- *in France, recoveries on loans written off in prior periods of €1.7 million were recorded, corresponding to sales of these loans.*

Excluding these impacts, which represented a total of €5.3 million, the cost of risk representative of normal collection rates would be €64.7 million (representing 0.58% of average net outstanding loans)

The main events in first-half 2010 were as follows:

- *default probabilities and average loss rates were updated, leading to a €0.9 million decrease in provisions, including the portion of the annual amortizing (€1.2 million) of the discounting adjustment included in the initial calculation of the loss rate;*
- *recoveries on loans written off in prior periods of €0.4 million in Belgium and €0.1 million in Germany were recorded, corresponding to sales of theses loans.*

Excluding these impacts, which represented a total of €1.4 million, the cost of risk representative of normal collection rates would be €55.5 million at June 30, 2010 (representing 0.49% of average net outstanding loans).

Note: the main events in 2009 were as follows (the first one concerning Corporate dealers and the other concerning Retail):

- *in the United Kingdom, recoveries of €1.5 million were recorded on loans written off in prior periods, corresponding to VAT refunded on these loans;*
- *default probabilities and average loss rates were updated, leading to a €2.6 million decrease in provisions, totally due to the annual amortizing of the discounting adjustment included in the initial calculation of the loss rate;*
- *in France, recoveries of €1.7 million were recorded on loans written off in prior periods, corresponding to sales of these loans;*
- *in Portugal, the €5.2 million reversal of a provision for leasing risks concerned an old portfolio carried in the accounts of Automobile Citroën following the transfer of the final risk to this company .*
- *in Belgium, the basis of provisions for installment sales was adjusted to exclude VAT, leading to a €1.2 million decrease in provisions;*
- *in Brazil, an adjustment to losses wrongly recorded prior to 2009 was cancelled, leading to a € 1.8 million increase in provisions.*

Excluding these impacts, which represented a total of €10.4 million, the cost of risk representative of normal collection rates would be €-122.2 million (representing 0.55% of average net outstanding loans).

21.3 - Information about Defaults not Covered by Provisions

For 2010

(in million euros)	<= 90 jours	> 90 jours <= 180 jours	> 180 jours <= 1 an	> 1 an	Total at June 30, 2010
Sound loans with past-due installments not covered by provision	96	29	110	2	**237**

For 2009

(in million euros)	<= 90 jours	> 90 jours <= 180 jours	> 180 jours <= 1 an	> 1 an	Total at Dec. 30, 2009
Sound loans with past-due installments not covered by provision	121	29	109	1	**260**

Corporate loans with one or more installments that are 90 days past due and loans to Local Administrations with one or more installments that are 270 days past due are not classified as non-performing as the delays are due to payment incidents or claims, and do not reflect a default risk.

Note 22 Income Taxes

Income taxes currently payable represent the amounts paid or currently due to the tax authorities for the period, calculated in accordance with the tax rules and rates in effect in the various countries.

Deferred income taxes relate to timing differences between the recognition of certain items of income and expense for consolidated financial reporting and tax purposes. These differences relate principally to the accounting treatment of leasing and long-term rental transactions, and impairment of non-performing loans.

(in million euros)	**June 30, 2010**	**June 30, 2009**	Dec. 31, 2009
Current taxes	(89)	(80)	(145)
Deferred taxes	30	13	3
Total	**(59)**	**(67)**	**(142)**

Banque PSA Finance tax proof

(in million euros)	**June 30, 2010**	**June 30, 2009**	Dec. 31, 2009
Pre-tax income	269	243	495
Permanent differences	4	10	8
Taxable income	**273**	**253**	**503**
Theoretical tax	(94)	(87)	(173)
Theoretical rate	*34.433%*	*34.433%*	*34.433%*
Impact of differences in foreign tax rates	6	6	14
Allowances on deferred tax assets:			
- Charges	-	-	-
- Reversals	29	14	15
Allocated tax saving transfered back to PSA Peugeot Citroën	(1)	(1)	(3)
Tax refund from the Spanish Treasury relating to 2006 and 2007.	3	-	-
Other	(2)	1	5
Actual tax payable	**(59)**	**(67)**	**(142)**
Effective rate	*21.676%*	*26.449%*	*28.248%*

Deferred tax assets on tax loss carryforwards

(in million euros)	**Dec. 31, 2009**	New tax losses	Tax losses utilized in the year	Reversals	Exchange difference and other (1)	**June 30, 2010**
Deferred tax assets on tax loss carryforwards	101	22	(11)	-	12	124
Allowances	(29)	-	9	20	-	-
Total	**72**	**22**	**(2)**	**20**	**12**	**124**

(1) *The exchange difference is due to the fact that balance sheets of companies using non euros currencies are translated at the closing exchange whereas their income statement items are translated on a month-by-month basis at the average monthly rate.*

Note 23 Segment Information

23.1 - Key Balance Sheet Items

For 2010

(in million euros)	Financing activities: Retail	Financing activities: Corporate dealers	Financing activities: Corporate and equivalent	Unallocated	Insurance	Refinancing and securities	Eliminations	Total at June 30, 2010
Assets								
Customers loans and receivables	16,256	5,814	1,472			86	(224)	23,404
Securities			551	-	1	1,321	(1,131)	742
Loans and advances to credit institutions			1,848	8	26	19,706	(20,145)	1,443
Other assets				1,857	20	1,740	(1,981)	1,636
Total Assets							**(23,481)**	**27,225**
Liabilities								
Refinancing	15,384	5,510	1,395	-	-	20,083	(21,079)	21,293
Due to customers	52	211	98	-		315	(331)	345
Liabilities related to insurance contracts					11			11
Other liabilities				3,298	19	963	(2,071)	2,209
Equity (1)				1,566	6	1,795		3,367
Total Liabilities							**(23,481)**	**27,225**

For 2009

(in million euros)	Financing activities: Retail	Financing activities: Corporate dealers	Financing activities: Corporate and equivalent	Unallocated	Insurance	Refinancing and securities	Eliminations	Total at Dec. 31, 2009
Assets								
Customers loans and receivables	15,982	5,261	1,358			1	(157)	22,445
Securities			546	3	1	1,408	(1,124)	834
Loans and advances to credit institutions			1,521	11	12	19,605	(19,952)	1,197
Other assets				1,742	15	1,864	(2,071)	1,550
Total de l'actif							**(23,304)**	**26,026**
Liabilities								
Refinancing	15,325	5,045	1,302	-	1	19,681	(20,763)	20,591
Due to customers	60	211	100	-		387	(390)	368
Liabilities related to insurance contracts					7			7
Other liabilities				2,976	9	1,047	(2,151)	1,881
Equity (1)				1,505	4	1,670		3,179
Total Liabilities							**(23,304)**	**26,026**

Segment information is disclosed before elimination of inter and intra company transactions, shown on "Eliminations" column.

(1) *Equity is shown after deducting shares eliminated in consolidation, so as to show the contribution of each segment to the Banque PSA Finance's reserves.*

23.2 Key Income Statement Items

For 2010

(in million euros)	Financing activities					Insurance	Refinancing and securities	Eliminations	Total at June 30, 2010
	Retail	Corporate dealers	Corporate and equivalent	Unallocated	Financial derivative instruments				
Net interest revenue on customer transactions (at amortized cost) (1)	660	116	40	4	(146)		-	2	676
Net investment revenue	-	-	-	3		-	10	(12)	1
Net refinancing cost (2)(3)	(418)	(60)	(28)	71	146	-	25	10	(254)
Net gains or losses on trading transactions							-		-
Margin on sales of insurance services									
- Earned premium						24		-	24
- Paid claims and change in liabilities related to insurance contracts						(11)		6	(5)
Margin on sales of other services	67	-	2	-			-	(6)	63
Net banking revenue	**309**	**56**	**14**	**78**	**-**	**13**	**35**	**-**	**505**
Cost of risk	(46)	(4)	(4)						(54)
Net income after cost of risk	**263**	**52**	**10**	**78**	**-**	**13**	**35**	**-**	**451**
General operating expenses and equivalent				(174)		(2)	(6)	-	(182)
Operating Income	**263**	**52**	**10**	**(96)**	**-**	**11**	**29**	**-**	**269**

For 2009

(in million euros)	Financing activities					Insurance	Refinancing and securities	Eliminations	Total at June 30, 2009
	Retail	Corporate dealers	Corporate and equivalent	Unallocated	Financial derivative instruments				
Net interest revenue on customer transactions (at amortized cost) (1)	635	137	41	(6)	(104)		14	(5)	712
Net investment revenue	-	-	-	8		-	17	(18)	7
Net refinancing cost (2)(3)	(401)	(82)	(28)	63	104	-	(5)	22	(327)
Net gains or losses on trading transactions							2		2
Margin on sales of insurance services									
- Earned premium						7		-	7
- Paid claims and change in liabilities related to insurance contracts						(4)		1	(3)
Margin on sales of other services	71	-	2	-			(1)	-	72
Net banking revenue	**305**	**55**	**15**	**65**	**-**	**3**	**27**	**-**	**470**
Cost of risk	(54)	(3)	(2)						(59)
Net income after cost of risk	**251**	**52**	**13**	**65**	**-**	**3**	**27**	**-**	**411**
General operating expenses and equivalent				(161)		(1)	(5)	-	(167)
Operating Income	**251**	**52**	**13**	**(96)**	**-**	**2**	**22**	**-**	**244**

Segment information is disclosed before elimination of inter and intra company transactions, shown on "Eliminations" column.

(1) *Unallocated interest revenue on customer transactions mainly corresponds to:*

- *the ineffective portion of gains or losses on hedging instruments recognized in the income statement in accordance with IAS 39 for a positive €1.8 million at June 30, 2010 (compared to a negative €3.2 million at June 30, 2009).*
- *sundry income and expense related to customers (in particular Sofib).*

(2) *Unallocated net refinancing costs correspond to the difference between a) the "Net refinancing cost" recorded in the accounts, and b) the theorical refinancing cost used by the management controllers, corresponding to the cost of refinancing the total loans and receivables, without taking in account possible liabilities (Equity and other net liabilities) in order to show, for each segment, a comparative analysis of margins between the different companies of the perimeter.*

(3) *In line with the Bank's policy of hedging interest rate risks on fixed rate customer loans, the interest differential on the swaps used to hedge these loans is reported in the income statement under "Net interest revenue from hedging instruments" in "Net interest revenue on customer transactions" and is not analysed by segment. The management reporting system, on the other hand, is used internally to manage the subsidiaries and branches whose performance is assessed based on the the original fixed rate of interest granted to customers and the resulting interest margin, determined by reference to the net post-swap, fixed rate refinancing cost communicated by management. Interest differentials on these swaps are therefore included by the management controllers in the net refinancing cost analysed by segment. This explains the €146 million reclassification at Juin 30, 2010 between "Net refinancing cost" and "Net interest revenue on customer transactions" in the "Financial derivatives instruments" column.*

23.3 - Geographical Areas

Key Balance Sheet Items

(in million euros)	Total assets		Customer loans and receivables		Refinancing (1)	
	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009	June 30, 2010	Dec. 31, 2009
France	**10,150**	**9,957**	**8,443**	**8,137**	**17,127**	**16,708**
Europe (excluding France)	**15,219**	**14,736**	**13,584**	**13,115**	**2,974**	**2,987**
- *o/w Germany*	*4,131*	*4,140*	*3,474*	*3,468*	*687*	*908*
- *o/w Spain*	*2,626*	*2,638*	*2,433*	*2,469*	*179*	*176*
- *o/w Italy*	*2,146*	*2,179*	*1,868*	*1,935*	*851*	*851*
- *o/w United Kingdom*	*2,528*	*2,154*	*2,355*	*1,958*	*208*	*185*
Rest of world	**1,856**	**1,333**	**1,377**	**1,193**	**1,192**	**896**
Total	**27,225**	**26,026**	**23,404**	**22,445**	**21,293**	**20,591**

(1) *Refinancing includes "Deposits from credit institutions" and "Debt securities" (see Notes 11 and 13). It concerns the group's external refinancing, mainly issued by Banque PSA Finance.*

Key income statement items

(in million euros)	Interest and other revenue on assets at amortized cost			Net banking revenue		
	June 30, 2010	June 30, 2009	Dec. 31, 2009	June 30, 2010	June 30, 2009	Dec. 31, 2009
France	**259**	**278**	**544**	**210**	**213**	**410**
Europe (excluding France)	**429**	**427**	**862**	**242**	**223**	**456**
- *o/w Germany*	*122*	*120*	*245*	*67*	*63*	*129*
- *o/w Spain*	*70*	*74*	*153*	*30*	*34*	*70*
- *o/w Italy*	*52*	*52*	*104*	*23*	*24*	*47*
- *o/w United Kingdom*	*81*	*81*	*160*	*43*	*40*	*82*
Rest of world	**102**	**83**	**176**	**53**	**34**	**78**
Total	**790**	**788**	**1,582**	**505**	**470**	**944**

(in million euros)	General operating expenses			Cost of risk			Operating income		
	June 30, 2010	June 30, 2009	Dec. 31, 2009	June 30, 2010	June 30, 2009	Dec. 31, 2009	June 30, 2010	June 30, 2009	Dec. 31, 2009
France	**(62)**	**(63)**	**(125)**	**(20)**	**(15)**	**(33)**	**124**	**130**	**243**
Europe (excluding France)	**(93)**	**(85)**	**(168)**	**(30)**	**(38)**	**(67)**	**114**	**97**	**213**
- *o/w Germany*	*(23)*	*(16)*	*(31)*	*(5)*	*(13)*	*(20)*	*38*	*32*	*75*
- *o/w Spain*	*(15)*	*(15)*	*(30)*	*(15)*	*(11)*	*(23)*	*0*	*8*	*16*
- *o/w Italy*	*(12)*	*(12)*	*(24)*	*(2)*	*(7)*	*(11)*	*8*	*5*	*10*
- *o/w United Kingdom*	*(14)*	*(14)*	*(28)*	*(1)*	*(4)*	*(7)*	*28*	*22*	*47*
Rest of world	**(19)**	**(11)**	**(24)**	**(4)**	**(6)**	**(12)**	**31**	**17**	**42**
Total	**(174)**	**(159)**	**(317)**	**(54)**	**(59)**	**(112)**	**269**	**244**	**498**

Statutory auditors’ review report on the 2010 condensed half year consolidated financial statements

(Six months ended June 30, 2010)

As Statutory Auditors of Banque PSA Finance and in response to your request, we have performed a review of the accompanying condensed consolidated interim financial statements for the six months ended June 30, 2010 (herein after "the Financial Statements").

These Financial Statements have been prepared under the responsibility of the Board of Directors amid an economic crisis that has been raging since December 31, 2009. Our role is to express a conclusion on these Financial Statements based on our review.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Financial Statements have not been prepared, in all material respects, in accordance with IAS 34 – “Interim Financial Reporting”, as adopted by the European Union.

Neuilly-sur-Seine and Courbevoie, July 28, 2010

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars
Patrice Morot	Hervé Hélias

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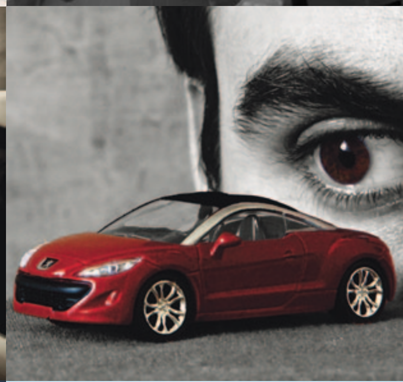




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