

FINANCIAL REPORT

2018



EDITORIAL BY BERNARD GAUDILLÈRE,
COUNCILLOR OF PARIS,
VICE-CHAIRMAN OF THE GUIDANCE
AND SUPERVISORY BOARD **P.04**

EDITORIAL BY JEAN-PHILIPPE BRINET,
CHAIRMAN OF THE BOARD OF DIRECTORS
OF CMP BANQUE **P.05**

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CMP Banque

EDITORIAL



“MODERNISATION AT THE HEART OF ALL PROJECTS CARRIED OUT IN 2018.”

It was a key objective of the Strategic Plan adopted in 2016, and Crédit Municipal de Paris made it a priority last year: modernisation was at the heart of all projects carried out in 2018.

For the first time, an online personal space has been created to simplify the secured loans process. This tool, which has become necessary with the increasing growth of digitalisation, has already proved its worth: 22% of contract renewals are now carried out in this way.

The auction house, which had a very good year, saw its online sales grow rapidly. 36% of auctions took place “live”, via the “Interencheres Live” website, compared with 27% last year (excluding sales of lots of gold) - figures that reflect customers’ attraction to this innovative system available since 2017.

2018 also saw a renewal of custody activities with the creation of CC ART, the custody Center of Crédit Municipal de Paris. A large-scale project aimed at a broad audience, from individuals to professionals in the art world. At the same time, the institution has continued to perfect its custody conditions and has opened new premises for its sales and conservation activities. A solidarity savings product has been added to the existing range: the “Paris-Partage” account, which allows all or part of the interest on savings to be transferred to a partner association. A virtuous initiative that many savers have already signed up to.

Unprecedented synergies have been created between two fundamentally complementary activities of Crédit Municipal de Paris: secured lending and budgetary support. Increasing links between these two departments meets our desire to better support the financially fragile customers who resort to secured loans. The budget support department, which celebrated its 10th anniversary this year, can indeed provide them with concrete solutions to restore lasting financial independence.

The financial results for 2018, which were particularly satisfactory, support all these ambitious choices. Outstanding secured loans reached a record level of € 214.9 million at 31 December 2018, and net banking income amounted to € 24.8 million, a further increase against 2017. Figures that are encouraging us to continue our modernisation strategy and constantly come up with new solutions for the future.

Bernard Gaudillère

Councillor of Paris, Vice Chairman
of the Guidance and Supervisory Board

EDITORIAL



“CMP BANQUE SUCCESSFULLY PREPARED AND COMPLETED THE OUTSOURCING OF ALL ITS RESIDUAL ACTIVITIES.”

During the 2018 financial year, the third year of the run-off procedure, CMP Banque successfully prepared and completed the outsourcing of all its residual activities, following the mandate given to the Chief Executive Officer of CMP Banque by the Board of Directors on 13 February 2018.

After a consultation process, the management of the loan portfolio was entrusted to EOS France. This outsourcing operation has been operational since 1 October 2018. Mazars has been contracted to take charge of accounting, tax, regulatory reporting and corporate management from 1 January 2019. The operational and financial control of this run-off process enables, beyond our forecasts, a profit of € 319,000 after accounting for new provisions for risks and charges, for € 1.37 million, including € 1.14 million dedicated to improving the portfolio’s risk hedge. This financial profit and loss for the 2018 financial year confirms the excellent cost control of this run-off process, with:

- ▲ accumulated profit and loss for the 2016, 2017 and 2018 financial years limited to a loss of € 0.70 million,
- ▲ an improvement in the risk hedge linked to outstanding loans,
- ▲ a successful and efficient adjustment of the bank’s structural and operating costs.

This performance, in the difficult context of the run-off process, is incumbent on CMP Banque’s senior management through the quality and commitment of its management, and the employees through their involvement and contribution to the projects.

It is worth emphasising that one of the main objectives of this run-off procedure is to support the repositioning of employees of CMP Banque. Thus, at the end of December 2018, 110 employees (from a total of 121) left CMP Banque within the framework of the job protection plan, and 100 of them found a new position, 33 of which with the City of Paris and Crédit Municipal de Paris.

CMP Banque being a banking institution, effective management is required to meet the obligations of the Monetary and Financial Code. The general management relies on an ad hoc steering system provided by Crédit Municipal de Paris, whose cornerstone is the financial department.

The updated business plan, taking into account the profit and loss for 2018 and the outsourcing of the bank’s activities, confirms and supports the fact that the overall cost of this run-off process would not result in additional equity requirements.

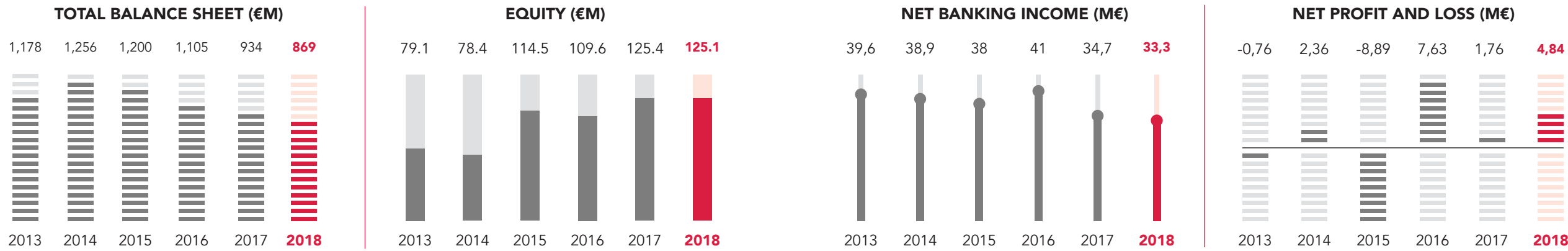
With the support of the Board of Directors and Crédit Municipal de Paris, CMP Banque’s General Management will examine solutions that would enable a request for withdrawal of banking authorisation while maintaining the outsourcing system.

The hypothesis of the sale of the residual portfolio between 2020 and 2023, adopted in the original business plan, remains an option. It is worth noting that the forecast size of the portfolio would be about € 44 million at the end of 2019 and € 24 million at the end of 2020, going from € 133 million at the end of 2017.

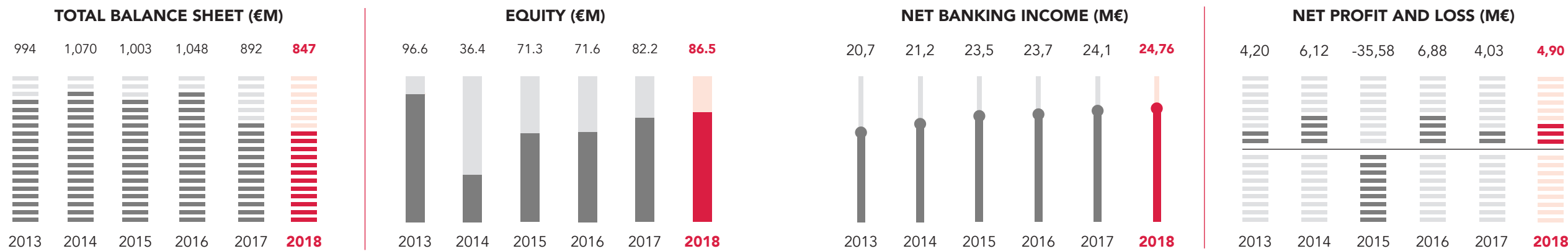
Jean-Philippe Brinet

Président du Conseil d’administration de CMP Banque

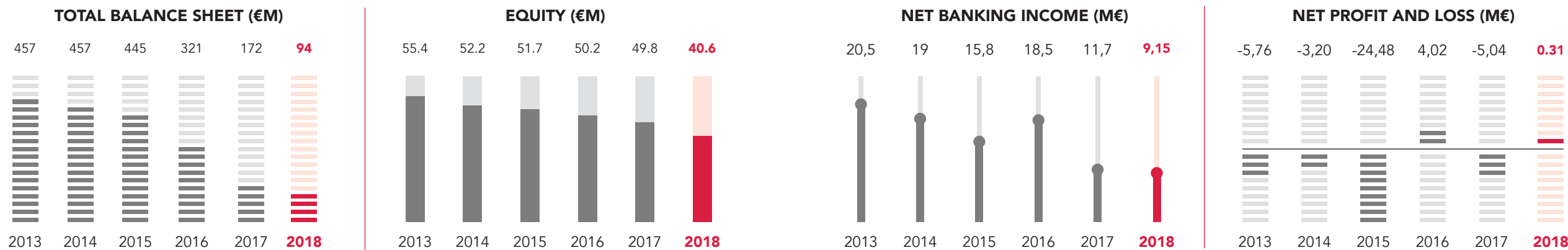
GROUPE CRÉDIT MUNICIPAL DE PARIS



CRÉDIT MUNICIPAL DE PARIS



CMP BANQUE



Management report

GROUPE CRÉDIT MUNICIPAL DE PARIS

The 2018 financial year saw the group's position strengthened by the positive results of each of its entities. Consolidated profit and loss thus amounted to € 4.8 million in 2018 after a 2017 financial year which generated profit of € 1.7 million due to CMP Banque's losses.

The Group's net banking income. Saw a slight decrease (-3.9%) to € 33.3 million in 2018 compared to with 34.6 million in 2017, mainly due to a sharp reduction in the net interest margin (-1.3 M € i.e. -4.6%), a corollary of the allocation of the NBI of CMP Banque, undergoing a run-off procedure. Income from interest decreased by -11% compared with 2017 (€-3.56 M) mainly due to the gradual maturity of investments previously concluded at higher interest rates and in a context of negative interest rates.

Interest charges continued to decline (€-2.28 M or 49.67%) under the combined effect of:

▲ the reduction in charges on interbank transactions (€ 0.85 M or -26% compared to 2017), due to the gradual maturity of refinancing operations previously concluded at rates higher than those currently offered by the market;

▲ the drastic decrease in charges on customer transactions (€-2 M or -105% compared to 2017), mainly due to the closure of account management, deposits and investment activities for customers of CMP Banque.

Gross operating income amounted to € 11.39 M, down on 2017 (-10.74%) mainly as a result of the reduction in CMP Banque's net banking income following the run-off process.

Operating income was € 7.3 million, including a very sharp decrease in the cost of risk (-61%). Structurally weak for the CMP due to the specific nature of secured and collateral lending which constitutes the holding of the pledge, the cost of risk has performed favourably for CMP Banque due to the effect of monthly assignments of receivables with the company EOS France on the one hand and the hedging of bad debts on the other.

Current profit before tax amounted to € 7.1 million, and net group income to € 4.84 million.

The Groupe Crédit Municipal de Paris has opted for the tax consolidation system, the option of which was renewed at the end of the 2018 financial year for a further five-year period. The Group's corporation tax amounted to € 1.8 million, including a deferred tax of € 2 million.

The group's equity ratio stood, at 31.12.2018 at 30.49% against 26.77%. At 31 December 2017 and the amount of equity excluding funds for general banking risks stood at € 129.84 million (€ 123.74 million in 2017).

The group's liquidity ratio stood, at 31.12.2018, at 107.25 %.

Detailed data pertaining to each of the constituent Entities of the group (public establishment Crédit Municipal de Paris and CMP Banque) are specified in the corresponding management reports.

INFORMATION ON RISKS

EQUITY RATIO

(in thousands of Euros)

TO Statement	2018
CAPITAL	47,000
+/- RESERVES AND RETAINED EARNINGS	78,011
FUNDS FOR GENERAL BANKING RISKS	1,068
+/- INTERMEDIATE PROFITS	0
- INTANGIBLE FIXED ASSETS	- 903
- SIGNIFICANT INVESTMENT IN ENTITIES FROM THE FINANCIAL SECTOR.	
CATEGORY I BASE EQUITY	125,176
TOTAL EQUITY	125,176

EQUITY REQUIREMENTS

(in thousands of Euros)

CREDIT RISK EQUITY REQUIREMENTS	TOTAL EXP. GROSS	TOTAL EXP. NET	TOTAL WEIGHTED	EQUITY REQUIREMENTS
TOTAL EQUITY REQUIREMENTS	914,541	868,164	339,495	27,159
CENTRAL ADMIN. & CENTRAL BANKS	191,462	191,462	0	0
CREDIT INSTITUTIONS	335,394	335,394	67,079	5,366
COMPANIES	0	0	0	0
RETAIL CUSTOMERS	292,127	292,127	219,095	17,528
OTHER ELEMENTS	77,515	36,864	35,819	2,865
DEFAULT EXPOSURES	17,917	12,191	17,376	1,390
SHARES	126	126	126	10

OPERATIONAL RISK EQUITY REQUIREMENTS	TOTAL EXPOSURES	EQUITY REQUIREMENT
TOTAL EQUITY REQUIREMENTS	71,006	5,680
TOTAL BANKING ACTIVITIES		0
TOTAL BANKING ACTIVITIES IN BASIC APPROACH	71,006	5,680
TOTAL BANKING ACTIVITIES IN STANDARD MEASUREMENT APPROACH		0
TOTAL BANKING ACTIVITIES IN ADVANCED MEASUREMENT APPROACH		0

TOTAL AMOUNT OF RISK EXPOSURE	465,245	32,778
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RATIO OF SOLVENCY TO BASE EQUITY	30.49 %
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SHORT TERM LIQUIDITY RATIO - LCR

(In Euros)

LIQUIDITY CUSHION	33,857
TOTAL OUTFLOWS	126,269
ENTIRELY EXEMPT CASH INFLOWS	0
TREASURY INFLOWS SUBJECT TO CEILING OF 90%	0
TREASURY INFLOWS SUBJECT TO CEILING OF 75 %	380,052
REDUCTION CORRESPONDING TO ENTIRELY EXEMPT CASH INFLOWS	0
REDUCTION CORRESPONDING TO CASH INFLOWS SUBJECT TO THE CEILING OF 90%	0
REDUCTION CORRESPONDING TO CASH INFLOWS SUBJECT TO THE CEILING OF 75 %	94,702
NET CASH OUTFLOWS	31,567
LIQUIDITY REQUIREMENTS HEDGING RATIO (%)	107,25 %

At the end of December 2018, the short-term liquidity ratio stood at 107.25% for a requirement set at 100%.

FINANCIAL STATEMENTS

BALANCE SHEET

(In Euros)

ASSET BALANCE SHEET (IN €)	2018	2017
CASH, CENTRAL BANKS, POST OFFICE BANKS	7,837,076	6,618,702
TREASURY NOTES AND EQUIVALENTS	0	0
RECEIVABLES WITH CREDIT INSTITUTIONS	487,941,879	469,133,517
TRANSACTIONS WITH CUSTOMERS	304,453,582	348,045,364
LEASE AND RENTAL CREDITS WITH PURCHASE OPTION	0	0
BONDS AND OTHER FIXED INCOME SECURITIES	31,738,046	70,639,935
BONDS AND OTHER VARIABLE INCOME SECURITIES	0	0
SHARES AND PORTFOLIO ACTIVITY	185,467	171,933
PARTS IN AFFILIATED COMPANIES	0	0
INTANGIBLE FIXED ASSETS	904,934	1,650,714
TANGIBLE FIXED ASSETS	29,979,512	30,613,361
CAPITAL SUBSCRIBED AND NOT PAID	0	0
OWN SHARES	0	0
OTHER ASSETS	4,723,726	4,701,245
ACCRUAL ACCOUNTS	1,276,209	2,431,067
TOTAL	869,040,431	934,005,838

LIABILITIES ASSET BALANCE SHEET (IN €)	2018	2017
CASH, CENTRAL BANKS, POST OFFICE BANKS	48	
DEBTS WITH CREDIT INSTITUTIONS	28,601,169	42,059,705
TRANSACTIONS WITH CUSTOMERS	136,174,724	149,628,649
DEBTS REPRESENTED BY A SECURITY	558,299,984	597,983,221
OTHER LIABILITIES	5,528,582	7,621,729
ACCRUAL ACCOUNTS	3,149,754	3,839,927
PROVISIONS FOR RISKS AND CHARGES	6,370,437	8,066,512
SUBORDINATED DEBTS	0	0
FUNDS FOR GENERAL BANKING RISKS	1,067,677	1,067,677
MINORITY INTERESTS & RESULTS	-2	-2
EQUITY EXCLUDING FGBR	129,848,057	123,738,420
SUBSCRIBED CAPITAL	47,000,000	47,000,000
ISSUE PREMIUMS	0	0
RESERVES	34,410,171	29,947,754
REVALUATION DIFFERENCE	40,118,977	40,118,977
REGULATED PROVISIONS AND INVESTMENT SUBSIDIES	0	0
CARRIED FORWARD (+ / -)	5,522,699	6,560,513
CARRIED FORWARD (+ / -) (DEFERRED TAXES)	-2,040,465	-1,652,709
PROFIT & LOSS FROM THE FINANCIAL YEAR (+ / -)	4,836,676	1,763,885
TOTAL	869,040,431	934,005,838

ANNEX

OFF BALANCE SHEET (IN €)	2018	2017
COMMITMENTS GIVEN	7,857,143	20,743,424
FINANCING COMMITMENTS	-	
GUARANTEE COMMITMENTS	7,857,143	20,743,424
COMMITMENTS ON SECURITIES	-	-
COMMITMENTS RECEIVED	308,036,385	324,262,616
FINANCING COMMITMENTS	-	-
GUARANTEE COMMITMENTS	308,036,385	324,262,616
COMMITMENTS ON SECURITIES		
IFT COMMITMENTS	-	-
TOTAL	315,893,528	345,006,040

PROFIT AND LOSS STATEMENT

(In Euros)

	2018	2017
+ INTEREST AND SIMILAR INCOME	28,576 595	32,136 294
- INTEREST AND SIMILAR CHARGES	-2,311 451	-4,591 839
+ / - INCOME FROM LEASING AND SIMILAR CREDIT OPERATIONS	0	0
+ REVENUE FROM VARIABLE INCOME SECURITIES	0	0
+ COMMISSIONS	3,024 617	3,849 804
- COMMISSIONS	-475,516	-659,430
+ / - GAINS OR LOSSES ON TRADING PORTFOLIO TRANSACTIONS	0	0
+ / - GAINS OR LOSSES ON INVESTMENT PORTFOLIO TRANSACTIONS	0	-42,340
+ OTHER OPERATING INCOME	4,705 083	4,160 768
- OTHER OPERATING CHARGES	-209,787	-200,715
NET BANKING INCOME	33,309 541	34,652 543
- GENERAL OPERATING CHARGES	-18,195 309	-18,392 529
- ALLOWANCES FOR AMORTIZATIONS AND FIXED ASSET PROVISIONS	-3,726 973	-3,502 670
GROSS OPERATING INCOME	11,387 259	12,757 344
+ / - COST OF RISK	-4,114 111	-10,514 928
OPERATING INCOME	7,273 149	2,242 416
+ / - GAINS OR LOSSES ON FIXED ASSETS	-187,652	0
CURRENT INCOME BEFORE TAX	7,085 496	2,242 416
+/- EXTRAORDINARY INCOME	-83,146	-44,474
- CORPORATE INCOME TAX	-2,165 682	-434,065
+/- ALLOWANCES/ WRITEBACKS OF FGFR AND REGULATED PROVISIONS	0	0
- MINORITY INTERESTS	8	8
NET PROFIT AND LOSS FOR THE YEAR	4,836 676	1,763 885

NOTE 1: PRINCIPLES FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUPE CRÉDIT MUNICIPAL DE PARIS

Scope and consolidation methods

Le Crédit Municipal de Paris (SIREN 267500007) whose registered office is 55, rue des Francs-Bourgeois in Paris 75004 exclusively controls its subsidiary CMP Banque, of which it holds 99.9% of the capital.

The consolidation method applied is the global integration method, which expresses the accounts of the consolidated companies after any restatements and the elimination of reciprocal operations.

The consolidated accounts group the accounts of Crédit Municipal de Paris and its subsidiary CMP Banque. They are called «Consolidated Financial Statements of the Groupe Crédit Municipal de Paris». They are prepared according to:

- ▲ the rules provided for in Regulation 2014-07 of the French Accounting Standards Authority;
 - ▲ the methods defined by the Group for its consolidation and in accordance with the general accounting principles applicable in France to credit Institutions and investment companies.
- Company accounts falling within the consolidation account are closed at 31 December.

Characteristics and significant events The Board of Directors of CMP Banque of 8 and 30 June 2015 authorised the Chief Executive Officer to implement and set the conditions of a run-off process which will be spread over a period of time. Since 2015, the main effects of the implementation of the run-off process have been:

In operational terms

- ▲ stopping the marketing of products and services as of September 2015 and the closure of commercial branches implemented from 2016 and until the end of 2017,
- ▲ stopping the processing of operations involving the management banking products (management of current and savings accounts) during H1 2016,
- ▲ assignments concluded in December 2015 for the healthy mortgage portfolio (OCH) and in July 2016 for almost the entire bad debt portfolio including OCH.
- ▲ the assignment on 28 June 2017 of all outstanding risky and non-performing loans identified at 31 December 2016 (bad debts, compromised loans and overindebtedness plans) and at 1 January 2017, the monthly sale of new flows of bad debt flows once they reach 180 days of default, and receivables subject to an Overindebtedness plan, as of the approval of the definitive plan.
- ▲ the outsourcing to a specialised partner of the management of the residual portfolio of credits for customer relations and reminders of unpaid maturities As of 1 October 2018.

A computer migration of management data at 30 September 2018 was carried out. In the last quarter of 2018, the accounts were kept by CMP Banque on the basis of manual records.

In organisational and labour terms:

- ▲ the negotiation and implementation of a Job Protection (PSE) plan covering the entire workforce with departures staggered, originally, between early 2016 and the end of 2020,
- ▲ after getting the approval of the DIRECCTE to the job protection plan, the board of directors of 9 December 2015 noted the implementation of the first redundancies at the beginning of 2016,
- ▲ at 31 December 2018, 110 employees out of a total of 121 (excluding corporate officers) at 31-12-2015 left CMP Banque within the framework of the job protection plan.

In legal terms

It was decided not to undertake, at this stage, the initially envisaged process for the withdrawal of banking authorisation, to maintain access to the FICP (Personal Credit Payment Incident File) for the management of receivables held by CMP Banque.

For the close of the annual accounts, in this context, the company accounts of CMP Banque at 31 December 2018 are still in accordance with the accounting rules applicable to a going concern.

The business plan that was developed in respect of this run-off period took into account the normal expected outflows of Loans incorporating historical data from portfolio management.

It also provides that CMP Banque benefits, throughout the run-off period, from refinancing from its parent company, Crédit Municipal de Paris.

Restatements and eliminations

Elimination of the Group's internal operations

The impact on the consolidated balance sheet and profit and loss statement of the Group's internal operations has been eliminated.

These mainly consist of refinancing and rebilling of common services.

Deferred taxes

All temporary differences resulting from differences between the book value and the tax value of an asset have been identified, as well as the taxes related to consolidation entries.

Deferred taxes, calculated using the liability method, correspond to all future differences between the book and tax profit appearing when the book amount of an asset or a liability is different from its tax value. These differences generate deferred tax assets and liabilities

The tax rate and the tax rules used to calculate deferred taxes are those resulting from tax laws in force and which will be applicable when the tax becomes recoverable or payable.

The net income of the consolidated group includes the impact of deferred tax of € 0.39 million.

Revaluation reserve

Pursuant to the 2014-03 regulation, the revaluation reserve for the property held by Crédit Municipal de Paris has been held in consolidated equity.

NOTE 2: INFORMATION ON ACCOUNTING RULES AND PRINCIPLES

The consolidated accounts are prepared pursuant to Regulation 99-07 of the Regulatory Committee of 24 November 1999, as amended by CRC Regulation 2004-18, transposing into French law, European directives applicable to financial company accounts, and amended by regulation ANC 2016-10 of 12 December 2016, amending the annex of this regulation.

Transactions are recorded in compliance with the precautionary principle, in accordance with the base assumptions, namely that of an on-going concern, the permanence of accounting methods from one year to the next, and the independence of financial years. The method adopted for the valuation of items recorded in the accounts is the historical cost method and all balance sheet items are presented, as applicable, net of depreciation, provisions and value corrections.

SEPARATION OF FINANCIAL YEARS

Transactions are recorded in accordance with the principle of separation of financial years.

Interest and similar fees are calculated on a pro rata basis until the closing date and are accounted for in the profit and loss statement.

Loans to customers are all, without exception, discounted. Interest on term accounts to customers is discounted. Other fees are recorded according to the criterion of the due date, the date of collection or payment.

FIXED ASSETS

Fixed assets are shown on the balance sheet at their historical value. Amortization for depreciation is calculated on a straight-line basis over the expected useful lives.

SECURITIES TRANSACTIONS

In accordance with the 2014-07 regulation of the ANC:

▲ securities transactions include securities transactions carried out from the outset with the intention of selling them no later than the end of a holding term of six months. Groupe Crédit Municipal de Paris does not hold any assets of this category at 31.12.2018;

▲ investment securities includes securities (shares or bonds) acquired for the purpose of obtaining a direct income or a capital gain.. At the end of the financial year, an evaluation of current securities was carried out on the basis of their market value at 31 December; capital losses are recorded by way of a provision for depreciation. Unrealised capital gains are not accounted. At 31.12.2018, Groupe Crédit Municipal de Paris held a portfolio of high quality liquid assets of €31,101 K.

▲ investment securities include fixed income securities acquired with the intention of holding them in the long term. Groupe Crédit Municipal de Paris does not hold any assets of this category at 31.12.2018;

NON-CONSOLIDATED SECURITIES

Non-consolidated equity interests are recorded at their historical cost. At the end of the financial year, a valuation is carried out of the value in use of these securities, and if necessary, provisions are deducted from assets.

These long-term securities are securities acquired to foster the development of long-term professional relationships, by creating a special link with the issuing company but without any influence in the management of the company whose securities are held, because of the low percentage of voting rights they represent.

At 31.12.2018, Groupe Crédit Municipal de Paris holds a portfolio of non-consolidated investments of € 125,000.

FINANCIAL FUTURES

Hedging and market transactions on financial futures concerning interest rates, exchange rates or shares are recorded pursuant to ANC regulation 2014-07. Thus, commitments are recorded in the off balance sheet accounts for the nominal value of the contracts. Expenses and income relating to forward financial instruments, aimed at managing the overall interest rate risk, are recorded prorata temporis in the profit and loss account in the heading "gains or losses on investment portfolio and similar transactions".

At the end of the financial year, expenses and income relating to financial derivative instruments used as hedges, allocated from the outset to the elements identified, are recorded in the results in a manner symmetrical to the recognition of income and charges on the elements hedged. The rule of symmetry also applies to interest rate swaps. Thus, the unrealised interest differential is recognized pro rata temporis in the profit and loss statement, and the unrealised capital gain or loss adjusted by the amount of the rediscounting is also recorded. However, this amount differs depending on the element being hedged.

Unrealized capital gains and losses on hedged transactions, Assessed at their nominal value (loans, borrowings, investment securities) that have not been translated into accounts, the unrealised gain or loss recognised on the rate swap agreement does not need to be taken into account. Conversely, gains and losses from hedges made on investment securities are taken into account for the calculation of provisions. Income and expenses pertaining to these transactions are accounted, symmetrically, in the same category as the income and expenses on the hedged items.

At 31.12.2018, Groupe Crédit Municipal de Paris does not hold any financial futures.

TRANSACTIONS WITH CUSTOMERS: HANDLING CREDIT RISK

Transactions with customers are composed of:

▲ on the asset-side, customer loans presented at their outstanding principal amount and ordinary accounts receivable at their face value, plus any accrued interest calculated on the close date, net of haircuts and impairments established in respect of the credit risk;

▲ on the liabilities side, the other amounts due are correlated to outstanding loans and represent funds received from customers, pending identification and allocation to loan files for the payment of unpaid instalments or in the event of early repayment of receivables.

For the handling of credit risk, CMP Banque applies ANC regulation 2014-07 approved by order of 26 November 2014, concerning the preparation and publication of annual individual accounts of credit institutions.

CLASSIFICATION OF CUSTOMER LOANS OUTSTANDING

Outstanding loans are classified as healthy loans, non-performing loans and irrecoverable non-performing loans. Non-performing loans consist of all loans due from debtors with at least one commitment and a proven credit risk. A risk is proven when it is likely that the institution will not collect all or part of the sums due In respect of the commitments entered into by the counterparty, irrespective of the existence of a guarantee or bond.

Irrecoverable non-performing loans are loans unpaid for 180 days, and whose Maturity was decreed before being assigned the previous month.

Since 1 January 2017, CMP Banque has been carrying out the monthly assignment of non-performing loans after 180 days of non-payment and loans which are the subject of an over-indebtedness plan as of the approval of the definitive plan.

Irrecoverable non-performing loans are loans whose recovery is irreparably compromised and do not meet the eligibility criteria for the assignment of loans .

CMP Banque no longer records any loans restructured under non-market conditions, due to the financial situation of a debtor. Cases that are subject to an application for an over-indebtedness plan (the so-called admissibility phase) are identified in the information system, downgraded to non-performing loans and assigned upon approval of the plan.

Non -performing loans are reinstated as healthy loans when payments resume on a regular basis for amounts corresponding to the original contractual maturities, and when the counterparty no longer shows a risk of default.

Late interest on non-performing loans is fully impaired. These impairments are recorded in neutralisation of interest at the level of the Net Banking Income.

SEGMENTATION OF OUTSTANDING LOANS

Given the specialisation of Groupe Crédit Municipal de Paris in the distribution of cash loans to individuals, a segmentation of these outstanding loans based on the nature of the loans distributed has been carried out. No internal ranking system has been used.

DECLASSIFICATION OF NON-PERFORMING LOANS

In accordance with the principle of contagion, all loans granted to the same counterparty having at least one loan declared to be non-performing or irrecoverable non-performing are classified as non-performing loans.

Non-performing loans are reinstated as healthy loans when payments resume on a regular basis for amounts corresponding to the original contractual maturities, and when the counterparty no longer shows a risk of default. Late interest on non-performing loans is fully impaired. These impairments are recorded in neutralisation of interest at the level of the Net Banking Income.

IMPAIRMENT OF NON-PERFORMING LOANS AND IRRECOVERABLE NON-PERFORMING LOANS

The impairment method applied by Groupe Crédit Municipal Group of Paris distinguishes between:

SECURED LOANS

Secured loans are subject to the same rules of declassification into non-performing or non-performing irrecoverable loans. Interest is provisioned at 100% and capital is subject to a statistical depreciation, as of the third month of default, on the basis of a loss rate calculated over the last 3 consecutive years, by the ratio of losses actually recorded to the amount of non-performing irrecoverable capital. It is specified that, pursuant to article 2084 of the Civil Code, these loans are subject to specific regulations, Crédit Municipal de Paris being able to carry out a public auction of objects pledged in order to recover its loans. As a result, secured loans are not restructured.

OTHER CASH FACILITIES

Since the implementation of the framework agreement for the sale of non-performing loans with more than 180 days of outstanding payments, and loans subject to a plan approved by the Over-Indebtedness Commission, CMP Banque applies depreciation rates on the basis of the average loss rates observed in 2018 by type of loan:

For loans falling within the scope of the framework transfer agreement:

▲ a depreciation rate is applied to non-performing loans from 90 days to 180 days corresponding to the average loss rate observed on assignments of loans of the same kind carried out in 2018;

▲ a depreciation rate corresponding to the average loss rate observed upon the sale of the over-indebtedness plans approved in 2018; Irrecoverable non-performing loans are forfeited and fully provided for pending their transfer to losses.

Given the deadlines taken into account for the assignment of non-performing loans and over-indebtedness, no additional interest rate corresponding to the impact of discounting is calculated.

PRESENTATION IN THE PROFIT AND LOSS STATEMENT

The net expense for the year for risks, excluding impairment charges, is included in the profit and loss statement under the heading "Cost of risk"; it consists of the allocations and the share of irrecoverable loans not covered by impairments, reduced by write-backs into impairment accounts.

Groupe Crédit Municipal de Paris records the impairments corresponding, in discounted value, to all of its expected losses on non-performing or irrecoverable non-performing loans.

PROVISIONS FOR RISKS AND CHARGES

This post encompasses:

▲ provisions intended to hedge risks and charges linked to banking transactions, that events occurring or under way make likely, clearly specified in terms of their object but whose realisation is uncertain;

▲ provisions intended to hedge risks and expenses that are not directly related to banking transactions, which are clearly specified as to their purpose and whose amount or maturity cannot be determined precisely. A provision has been made to hedge expected losses at 1 year on the healthy portfolio of unsecured loans. This is an approach based on the determination of a likelihood of default and a loss in the event of default, for outstanding loans that have not been downgraded and are deemed healthy.

LABOUR COMMITMENTS

Crédit Municipal de Paris, an administrative public institution, is not obliged to implement an employee share or profit-sharing plan. Moreover, the granting of retirement benefits does not apply to the institution.

The taking of paid leave at Crédit Municipal de Paris from 1 January to 31 March of the following year, a provision consisting of the balances of leave by non-permanent staff yet to be taken at 31.12.2018 is recorded in the general operating expenses by variation between two financial years.

CMP Bank has set up an employee profit sharing scheme pursuant to legal provisions. Profit sharing is linked to the results of the company; it therefore exists to the extent that the profits of the year make it possible to release a positive profit sharing reserve. A share agreement, formalised with employee representative bodies, is applicable as of 1 January 2012.

The company has not formalised an agreement with employee representative bodies for share and profit-sharing plans. Within the framework of the agreement on the reduction of working hours, the establishment authorises the creation of a time savings account, which allows employees who so desire, to accumulate paid leave days or develop a monetised savings to compensate for specific end-of-career leave, leave for personal reasons, part-time leave or statutory unpaid leave.

Time-saving accounts (CET) of personnel who do not fall under the categories of civil servants and temporary officers under public-law are recorded in personnel liabilities.

As leave is taken from 1 January to 30 April of the following year, the debt representing leave yet to be taken on 31 December is recorded in personnel liabilities.

Given the context of the run-off process and the implementation of the job protection plan (PSE) covering the entire workforce, CMP Banque does not include provisions for end-of-career benefits. Excluding redundancies in the implementation of the job protection plan (PSE), CMP Banque is establishing redundancy provisions on the basis of foreseeable or proven disputes on the termination date.

Pensions and retirement funds of CMP Banque staff are borne by interbranch organisations to which contributions are periodically paid. These are borne in the relevant financial year. CMP Banque has no early retirement commitments for personnel. Long service awards have not been provided for.

The CMP does not manage any defined benefit plan and does not participate in capitalised pension plans. On the other hand, the employer regularly contributes to pension schemes according to the status of the officers in question (state civil pension, CNRACL, URSSAF).

MANAGEMENT OF EXPIRED BONUSES

Pursuant to Article D.514-21 of the French Monetary and Financial Code, expired bonuses were recorded directly in consolidated equity for a net amount of € 428,000 for the 2018 financial year.

REVALUATION

The operating property was revalued in 1988, recorded as a revaluation difference for an amount of € 40 million, with a tax deferral spread over a 44-year period.

INFORMATION ON TRANSACTIONS BETWEEN RELATED PARTIES

Pursuant to ANC regulation 2014-07, all transactions between related parties were concluded under normal market conditions.

FIRST DEMAND GUARANTEE

Crédit Municipal de Paris granted its subsidiary CMP Banque a first demand guarantee on the loan directly taken out by CMP Banque. with the credit establishment Dexia for a total amount of €7.9 M at 31.12.2018.

CHANGE OF METHODS AND PRESENTATION OF ACCOUNTS

There has been no change in accounting or presentation policies in relation to the financial statements prepared, approved and published at 31 December 2017.

NOTES ON THE BALANCE SHEET

Amounts are shown in thousands of euros rounded up or down.

NOTE 3 : RECEIVABLES WITH CREDIT INSTITUTIONS

NATURE OF RECEIVABLES (IN K €)	2018	2017
ORDINARY ACCOUNT	381,341	325,520
TERM LOANS AND ACCOUNT	106,042	141,927
OTHER AMOUNTS DUES - CREDIT INSTITUTION	-	-
ACCOUNTS RECEIVABLE	560	1,687
TOTAL	487,943	469,134

REMAINING TERM	D ≤ 1 MONTH	1 MONTH < D ≤ 3 MONTHS	3 MONTH < D ≤ 6 MONTHS	6 MONTH < D ≤ 1 YEAR	1 YEAR < D ≤ 5 YEARS	D > 5 YEARS
TERM LOANS AND ACCOUNTS (IN €K)	-	-	522	50,520	55,000	-

NOTE 4: CUSTOMER USES

NATURE OF DEBTS (IN K €)	31.12.2018	31.12.2017
CASH CREDITS	78,785	128,502
HOUSING LOANS- RESTRUCTURED RECEIVABLES	-	-
HOUSING LOANS	782	1,047
HOUSING LOANS - RESTRUCTURED RECEIVABLES	-	-
SECURED LOANS	207,559	201,992
ORDINARY DEBTOR ACCOUNTS	-	-
VALUES NOT ALLOCATED	136	232
NON-PERFORMING LOANS	7,911	7,130
ACCOUNTS RECEIVABLE	9,280	9,142
TOTAL	304,453	348,045

DISTRIBUTION OF NON-PERFORMING AND IRRECOVERABLE NON-PERFORMING DEBTS

NON-PERFORMING DEBTS AND IRRECOVERABLE NON-PERFORMING DEBTS (IN €K)	31.12.2018		31.12.2017	
	DEBTS	RESERVES	DEBTS	RESERVES
NON-PERFORMING DEBTS	4,250	2,430	4,606	2,403
SECURED LOANS				
CASH CREDITS	3,204	1,851	4,087	2,227
RESTRUCTURED LOANS	-	-	-	-
MORTGAGES AND HOUSING LOANS	1,047	579	519	176
ORDINARY ACCOUNTS AND OCH	-	-	-	-
DECLASSIFIED DEBTS - PRINCIPLE OF CONTAGION	-	-	-	-
	-	-		
NON-PERFORMING IRRECOVERABLE DEBTS	7,422	1,333	8,114	2,402
SECURED LOANS	7,357	1,268	5,791	1,294
CASH CREDITS	65	65	365	326
MORTGAGES AND HOUSING LOANS	-	-	-	-
ORDINARY ACCOUNTS AND OCH	-	-	1,958	782
DEBTOR ACCOUNTS	-	-	-	-
LATE INTEREST	1,899	1,899	2,103	2,104
TERMINATION CLAUSE/ ASSIGNED LOANS		-		784
TOTAL	13,572	5,662	14,823	7,693

STATEMENT OF PROVISIONS FOR NON-PERFORMING LOANS

NATURE OF DEBTS (IN K €)	GROSS DEBTS ON NON-PERFORMING	RESERVES	NET DEBTS ON NON-PERFORMING
CASH CREDITS	3,269	1,916	1,353
SECURED LOANS	7,357	1,268	6,089
HOUSING LOANS	1,047	579	468
ORDINARY ACCOUNTS AND OCH	-	-	-
DEBTOR ACCOUNTS	-	-	-
LATE INTEREST/ CTX PENALTIES	1,899	1,899	
TERMINATION CLAUSE/ ASSIGNED RECEIVABLES	-	-	-
TOTAL	13,572	5,662	7,910

Assignments of loans made through the framework transfer agreement are accompanied by a termination clause for non-compliant loans. The corresponding provision was reclassified in 2018 as a liability, in provisions for risks and charges: it amounted to € 57,000 at 31.12.2018.

BREAKDOWN OF LOANS BY REMAINING TERM

REMAINING TERM (IN €K)	D ≤ 1 MONTH	1 MONTH < D ≤ 3 MONTHS	3 MONTH < D ≤ 6 MONTHS	6 MONTH < D ≤ 1 YEAR	1 YEAR < D ≤ 5 YEARS	D > 5 YEARS
LOANS WHOSE INITIAL TERM IS:						
<= 1 YEAR	15,639	30,688	51,863	109,369	-	-
> 1 YEAR	2,943	3,887	5,322	9,294	42,683	15,438

NOTE 5: SECURITIES AND SECURITIES TRANSACTIONS

	2018			2017
NATURE OF SECURITIES (IN K €)	GROSS VALUE	PREMIUM/ DISCOUNT PROVISIONS	NET VALUE	NET VALUE
BONDS AND OTHER LISTED SECURITIES	31,101	-	31,101	32,423
ACCOUNTS RECEIVABLE	216	-	216	215
TOTAL	31,317	-	31,317	32,638

NOTE 6 : FIXED ASSETS

NATURE OF FIXED ASSETS (IN K €)	GROSS VALUE - 2017	ACQUISITIONS IN THE FINANCIAL YEAR	TRANSFERS FROM ITEM TO ITEM	ACQUISITION IN THE FINANCIAL YEAR	GROSS VALUE - 2018
INTANGIBLE FIXED ASSETS	13,349	236	162	-8,512	5,235
LAND AND BUILDINGS	40,945	-	-	-	40,945
FIXED ASSETS EXCLUDING OPERATION	-	-	-	-	-
OTHER TANGIBLE FIXED ASSETS	31,501	1,285	1,022	-4,786	29,022
FIXED ASSETS UNDER LEASE	623	-	-	-	623
FIXED ASSETS UNDER CONSTRUCTION	34	277	-162	-	149
TANGIBLE FIXED ASSETS UNDER CONSTRUCTION	311	736	-1,022	-	25
TOTAL	86,763	2,534	-	-13,298	75,999

NOTE 7 : AMORTIZATIONS

NATURE OF FIXED ASSETS (IN K €)	GROSS VALUE - 2017	DEPRECIATION OF ASSETS IN THE FINANCIAL YEAR	ASSIGNMENTS IN THE FINANCIAL YEAR	AMORTISATION IN THE FINANCIAL YEAR	GROSS VALUE - 2018
INTANGIBLE FIXED ASSETS	11,735	298	-8,474	923	4,482
LAND AND BUILDINGS	20,105	6	-	679	20,790
FIXED ASSETS EXCLUDING OP- ERATING	624		-	-	624
OTHER TANGIBLE FIXED ASSETS	22,034		-4,636	1,819	19,217
FIXED ASSETS UNDER LEASE	-		-	-	-
TOTAL	54,499	304	-13,110	3,421	45,114

AMORTIZATION METHODS AND ESTIMATED DURATIONS OF USE		
LEASE RIGHT	NOT AMORTIZED	
SOFTWARE DEVELOPMENT AND ACQUISITION COSTS	LINEAR	1 TO 5 YEARS
SOFTWARE PACKAGE DEVELOPMENT AND ACQUISITION COSTS	LINEAR	5 YEARS
OFFICE EQUIPMENT AND FURNITURE	LINEAR	3 TO 5 YEARS
FIXTURES AND FITTINGS	LINEAR	5, 10,15 AND 20 YEARS
OPERATING BUILDINGS	LINEAR	80 YEARS
REVALUATION OF THE OPERATING BUILDING	LINEAR	44 AND 50 YEARS

Groupe Crédit Municipal de Paris holds no lease credit agreement at 31.12.2018;

NOTE 8 NOTE 8: ACCRUAL ACCOUNTS AND VARIOUS ASSETS

The “sundry debtors” account mainly consists of payments expected from the auctioneers, restitutions in respect of tax credits and participations of regional authorities in the financing of activities of the ABIS department.

NATURE OF ACCOUNTS (IN K €)	2018	2017
OTHER ASSETS	4,723	4,701
DEPOSITS AND SURETIES PAID	44	
SUNDRY DEBTORS	4,679	4,701
ACCOUNTS RECEIVABLE		
ACCRUAL ACCOUNTS	1,276	2,432
ACCRUAL ACCOUNTS	1,276	2,432
DEFERRED TAX ASSETS		-
TOTAL	5,999	7,133

NOTE 9: DEBTS WITH CREDIT INSTITUTIONS

NATURE OF ACCOUNTS (IN K €)	31.12.2018	31.12.2017
ORDINARY CREDITOR ACCOUNTS	0	140
TERM BORROWING AND ACCOUNT	27,857	40,714
SECURITIES SOLD UNDER UNCOLLATERALISED AGREEMENTS	-	-
OTHER SUMS DUE	-	-
PAYABLES	743	1,206
TOTAL	28,601	42,060

REMAINING TERM	D <= 1 MONTH	1 MONTH < D <= 3 MONTHS	3 MONTHS < D <= 6 MONTHS	6 MONTHS < D <= 1 YEAR	1 YEAR < D <=5 YEARS	D > 5 YEARS
TERM BORROWING AND ACCOUNTS (IN €K)		7,857		20,000		

NOTE 10 : CUSTOMER CREDITOR ACCOUNTS AND OTHER CUSTOMER DEPOSITS

NATURE OF ACCOUNTS (IN K €)	31.12.2018	31.12.2017
ORDINARY CREDITOR ACCOUNTS	-	-
SAVINGS ACCOUNTS SUBJECT TO THE SPECIAL REGIME	-	-
PASSBOOK ACCOUNTS	77,120	58,600
TERM ACCOUNTS	54,748	85,171
SHORT TERM SECURITIES	30	30
OTHER SUMS DUE	3,029	3,260
PAYABLES	1,246	2,567
TOTAL	136,173	149,628

REMAINING TERM	D <= 1 MONTH	1 MONTH < D <= 3 MONTHS	3 MONTH < D <= 6 MONTHS	6 MONTH < D <= 1 YEAR	1 YEAR < D <=5 YEARS	D > 5 YEARS
TERM CREDITOR ACCOUNTS (IN €K)	3,958	11,019	5,550	17,018	17,203	-

NOTE 11 : SECURITIES ON THE INTERBANK MARKET AND MARKETABLE LOANS

NATURE OF ACCOUNTS (IN K €)	31.12.2018	31.12.2017
NEU CP	517,796	542,889
NEU MTN	40,000	55,000
SECURITIES SOLD UNDER UNCOLLATERALISED AGREEMENTS	-	-
SUB-TOTAL	557,796	597,889
PAYABLES	504	94
TOTAL	558,300	597,983

DISTRIBUTION OF RESOURCES ACCORDING TO REMAINING TERM

REMAINING TERM	D <= 1 MONTH	1 MONTH < D <= 3 MONTHS	3 MONTH < D <= 6 MONTHS	6 MONTH < D <= 1 YEAR	1 YEAR < D <=5 YEARS	D > 5 YEARS
AMOUNT OF SECURITIES (IN K €)	115,168	224,243	94,153	114,232	10,000	-

NOTE 12: ACCRUAL ACCOUNTS AND OTHER LIABILITIES

NATURE OF ACCOUNTS (IN K €)	31.12.2018	31.12.2017
SUNDRY CREDITORS	5,528	7,622
ACCRUAL ACCOUNTS	721	956
RESTATEMENT OF DEFERRED TAX LIABILITIES	2,040	1,653
RESTATEMENT OF CORPORATE INCOME TAX	387	1,232
SUB-TOTAL OF ACCRUAL ACCOUNTS	3,148	3,840
TOTAL	8,676	11,462

NOTE 13: PROVISIONS FOR RISKS AND CHARGES

NATURE OF PROVISIONS (IN K €)	2017	ALLOWANCES IN THE FINANCIAL YEAR	WRITEBACKS IN THE FINANCIAL YEAR	2018
PROVISIONS FOR LOSSES AND CHARGES	1,728	-	5	1,723
PROVISIONS FOR DISPUTES	265	369	15	619
PROVISIONS FOR NON-PERFORMING COLLATERAL	19	14	8	25
PROVISIONS FOR THE RUN-OFF PROCESS	6,055	230	3,483	2,801
EXTRAORDINARY PSG PROVISIONS	-	-	-	-
PROVISIONS FOR INDEMNITIES ON HEALTHY DEBTS AND GUARANTEE CLAUSE	784	1,145	727	1,202
TOTAL	8,851	1,758	4,239	6,370

NOTE 14 : FUNDS FOR GENERAL BANKING RISKS

The fund for general banking risks remains unchanged at 31.12.2018 and amounts to €K 1 068

NOTE 15: EQUITY VARIATION TABLE

CHANGES IN EQUITY (IN €)	GROUP	MINORITY	TOTAL
EQUITY AT 31.12.2016	123,201,236	6	123,201,242
EQUITY GRANT RECEIVED	-		-
CAPITALISED BONUSES	304,806		304,806
DIVIDENDS PAID	-300,000		-300,000
DIVIDENDS RECEIVED			-
% VARIATION IN INTEREST		-	-
DEFERRED TAXES	-1,231,513		-1,231,513
PROFIT & LOSS FROM THE 2017 FINANCIAL YEAR	1,763,885		1,763,885
EQUITY AT 31.12.2017	123,738,414	6	123,738,420
EQUITY GRANT RECEIVED	1,500		1,500
CAPITALISED BONUSES	427,711		427,711
DISTRIBUTIONS	-		-
DIVIDENDS RECEIVED			-
% VARIATION IN INTEREST		-	-
DEFERRED TAXES	843,756		843,756
PROFIT & LOSS FROM THE 2018 FINANCIAL YEAR	4,836,676		4,836,676
EQUITY AT 31.12.2018	129,848,057	6	129,848,063

NOTES ON THE OFF- BALANCE SHEET

Amounts are shown in thousands of euros rounded up or down.

NOTE 16: FORWARD FINANCIAL INSTRUMENTS

None

NOTE 17: COMMITMENTS GIVEN OR RECEIVED

COMMITMENTS (IN €K)	31.12.2018	31.12.2017	NATURE OF GUARANTEES
COMMITMENTS GIVEN	7,857	20,743	
FINANCING COMMITMENTS	-	-	
GUARANTEE COMMITMENTS	-	29	
FIRST DEMAND GUARANTEE	7,857	20,714	GUARANTEE GIVEN TO CREDIT INSTITUTIONS
COMMITMENTS RECEIVED	308,036	324,263	
FINANCING COMMITMENTS	-	-	
GUARANTEES RECEIVED FROM CUSTOMERS	89,676	114,508	LOANS - SURETIES AND MORTGAGES
SECURED LOANS	218,360	209,755	AMOUNT OF THE AUCTIONEER GUARANTEE
IFT COMMITMENTS	-	-	
TOTAL	315,893	345,006	

NOTES ON THE PROFIT AND LOSS STATEMENT

Amounts are shown in thousands of euros rounded up or down.

NOTE 18: NET BANKING INCOME

NET BANKING INCOME (IN €K)	2018	2017
+ INCOME FROM CASH AND INTERBANK TRANSACTIONS	2,230	3,827
+ INCOME FROM SECURITIES TRANSACTIONS	1,838	9
+ INCOME FROM TRANSACTIONS WITH CUSTOMERS INTEREST	26,240	25,678
COMMISSION	23,228	22,710
+ INCOME FROM OFF-BALANCE SHEET TRANSACTIONS	3,012	2,968
+ OTHER BANK OPERATING INCOME	-	-
- CHARGES ON INTERBANK TRANSACTIONS	4,089	4,225
- CHARGES ON FINANCIAL TRANSACTIONS	-2,424	-2,592
- CHARGES ON TRANSACTIONS WITH CUSTOMERS	-1,414	-695
- CHARGES ON OFF-BALANCE SHEET TRANSACTIONS	107	-589
+ OTHER BANK OPERATING CHARGES	-	-
+ OTHER OPERATING INCOME	-583	-559
- OTHER OPERATING CHARGES	3,239	3,240
- AUTRES CHARGES D'EXPLOITATION	-12	-13
NET BANKING INCOME	33,310	32,531

In 2017, CDN interest was recorded as a reduction in charges on financial transactions, for an amount of - € 1.256 K. In 2018, these interests were presented as "income from securities transactions", amounting to - €1,838,000.

NOTE 19: OTHER NON-BANK OPERATING INCOME

OTHER OPERATING INCOME (IN €K)	31.12.2018	31.12.2017
INCOME FROM BUILDINGS	2,029	1,884
SUNDRY OPERATING INCOME (REINVOICED CHARGES)	440	383
OTHER SUNDRY OPERATING INCOME	770	973
TOTAL	3,239	3,240

NOTE 20: GENERAL OPERATING CHARGES

GENERAL OPERATING CHARGES (IN €K)	2018	2017
STAFFING COSTS	10,061	10,257
PERSONNEL REMUNERATION	7,485	7,774
SOCIAL SECURITY CHARGES	3,046	3,492
TAX CHARGES	829	889
OTHER PERSONNEL CHARGES	-13	23
PSE PROVISIONS	-1,286	-1,921
DUTY AND TAXES	733	530
EXTERNAL SERVICES	44	-10
LEASES	48	72
PSE PROVISIONS - BRANCH LEASES	-15	-100
TRAVEL AND TRANSPORT	11	18
OTHER EXTERNAL SERVICES	7,356	7,617
MAINTENANCE-REPAIR-SUPPLIES	2,395	2,054
EXTERNAL FEES	2,506	2,655
OTHER EXTERNAL SERVICES	2,610	3,132
PSE PROVISIONS ANCILLARY COSTS	-155	-224
TRANSFER OF POS CHARGES	-	-
TOTAL	18,194	18,394

NOTE 21: COST OF RISK

COST OF RISK (IN €K)	2018	2017
TRANSACTIONS WITH CUSTOMERS	-3,720	-10,080
NET ALLOWANCES FOR NON-PERFORMING LOANS	-1,641	-3,188
CAPITAL LOSSES ON SALES	-36	-32
LOSSES ON IRRECOVERABLE LOANS COVERED BY PROVISIONS	-1,834	-1,333
ALLOWANCE ON PROVISION FOR GUARANTEE CLAUSE	-	-784
CAPITAL LOSSES ON ASSIGNED LOANS	-199	-4,314
LOSSES ON IRRECOVERABLE LOANS NOT COVERED BY PROVISIONS	-10	-316
EXTRAORDINARY LOSSES COVERED BY PROVISIONS	-	-113
NET ALLOWANCES ON PROVISIONS FOR HAIRCUTS ON RESTRUCTURED LOANS	-	-
NET ALLOWANCES ON PROVISIONS FOR MORATORIUMS ON RESTRUCTURED LOANS	-	-
RECOVERIES ON AMORTISED LOANS	-	-
OTHER TRANSACTIONS	-393	-434
OPERATING PROVISIONS	-551	-612
OTHER WRITEBACKS OF PROVISIONS	158	178
TOTAL	-4,113	-10,514

During the 2018 financial year, CMP Banque assigned, under the framework agreement of sale concluded in June 2017, 248 files corresponding to non-performing loans with more than 180 days of unpaid debts or loans subject to an approved overindebtedness plan, with a gross face value of € 4.3 million and net value of € 1.9 million. These loan assignments led to a total capital loss of € 0.2 million.

Assignments of loans are accompanied by a termination clause for non-compliant loans. A corresponding Depreciation of € 57,000 was recorded in the accounts at 31.12.2018.

A provision of €1.1M has been made to hedge expected losses at 1 year on the healthy portfolio of unsecured loans. This is an approach based on the determination of a likelihood of default and a loss in the event of default, for outstanding loans that have not been downgraded and are deemed healthy.

NOTE 22: SUMMARY OF PROVISIONS

SUMMARY OF PROVISIONS (IN K €)	2017 PROVISIONS	RECLASSIFICATION OF THE FINANCIAL YEAR	ALLOWANCES FOR THE FINANCIAL YEAR	WRITEBACKS IN THE FINANCIAL YEAR	ASSIGNMENTS OF LOANS	2018 PROVISIONS
CREDIT INSTITUTION PROVISIONS	-		-	-	-	-
CUSTOMER PROVISIONS	7,693	-784	3,863	-2,794	-2,316	5,662
PROVISIONS ON INVESTMENT SECURITIES	0		-	-	-	0
PROVISIONS ON EQUITY INTERESTS	-			-	-	-
PROVISIONS FOR DEPRECIATION OF FIXED ASSETS	25		305	-	-	330
PROVISIONS FOR SUNDRY DEBTORS	87		42	-49	-	80
PROVISIONS FOR RISKS AND CHARGES	8,065	784	1,757	-4,240	-	6,366
TOTAL	15,870	-	5,967	-7,083	-2,316	12,438

NOTE 23: TAX REGIME

The Groupe Crédit Municipal de Paris has opted for the tax integration regime. The option was renewed at the end of 2018 for a further five years.

Corporation tax was calculated at the rate of 28% on the first 500,000 euros and 33. / 3% beyond that.

The tax savings made for the 2018 financial year due to the tax consolidation regime is € 558,902 of corporation tax and € 18,444 of social security contributions, for a total of € 577,346.

Deferred tax liabilities concern the revaluation of the Crédit Municipal de Paris operating property, which remains to be amortised. It benefits from deferred taxation. Deferred tax assets mainly relate to provisions that are not tax-deductible (provisions for CMP Banque run-off process).

	TAX RATE	EQUITY	TOTAL	TAX	NET PROFIT AND LOSS
CONSOLIDATED PROFIT AND LOSS			4,836,668		4,836,668
CORPORATION TAX			1,777,925	1,777,925	
DEFERRED TAXES			387,757	387,757	
TAX RELIEF					-
BASE			7,002,350	2,165,682	4,836,668

	TAX RATE	EQUITY	GROSS PROFIT AND LOSS	TAX	NET PROFIT AND LOSS
2017 DEFERRED TAX BASE	33.33 %		-4,958,126	-1,652,709	-3,305,417
2018 DEFERRED TAX BASE	33.33 %		6,121,396	2,040,465	4,080,931
2018 FISCAL PROFIT AND LOSS	3.30 %		6,850,763	2,256,921	4,593,842
UNTAXED PROFIT AND LOSS			-228,284		-228,284
EXPIRED BONUSES			-641,568	-213,856	-427,712
SPONSORSHIP TAX CREDIT			-141,830	-85,098	-56,732
TAX CREDIT - COMPETITIVENESS AND JOBS				-229,341	229,341
SOCIAL SECURITY CONTRIBUTION 3.3%			-	49,299	-49,299
TOTAL		-	7,002,351	2,165,682	4,836,669

NOTE 24: COMPETITIVENESS AND JOBS TAX CREDIT (CICE)

The tax credit of € 261.8 K generated in 2017 was used in 2018 for renovation works and the relocation of the CC ART service as well as the continuation of the work on upgrading underground safety standards as well for expenditures on CMP's information system.

NOTE 25: EXTRAORDINARY ELEMENTS

NATURE OF ACCOUNTS (IN K €)	2018	2017
EXTRAORDINARY CHARGES	172	95
CAPITAL LOSSES ON ASSIGNED ASSETS	-	-
CAPITAL LOSSES ON THE REALISATION OF PLEDGES	-	-
SECURITIES ANNULLED IN PREVIOUS YEARS	21	43
INDEMNITIES FOR IMPAIRED PLEDGERS	17	10
OTHER EXTRAORDINARY LOSSES	134	42
POS CHARGES PAID	-	-
POS ALLOWANCE/ WRITEBACK OF PROVISIONS	-	-
EXTRAORDINARY INCOME	90	52
MANDATES ANNULLED IN PREVIOUS YEARS	35	5
RECOVERIES AFTER DEBT WRITE OFF	-	-
EXTRAORDINARY SUNDRY INCOME	55	47
EXTRAORDINARY PROFIT	-82	-43

OTHER INFORMATION

Workforce

The full-time equivalent workforce at 31.12.2018 is 139.5 FTEs.

Remuneration

The amount of directors' attendance allowances distributed to the directors of CMP Banque for the 2018 financial year respects the framework of the allocated envelope of 36 K € voted by the General Meeting.

Fees of statutory auditors;

AMOUNT IN € EXCL. TAX	KPMG	GRANT THORNTON	TOTAL
PARENT COMPANY AUDIT	45,000	45,000	90,000
SUBSIDIARY AUDIT	70,000		70,000
SERVICES OTHER THAN THE CERTIFICATION OF ACCOUNTS	0	0	0
	115,000	45,000	160,000

Events after the end of the financial year

On 13 February 2018, The Board of Directors of CMP Banque opted for an outsourced management scenario for the loan portfolio and support functions, for the last phase of CMP Banque's run-off process. Outsourcing of support functions (accounting, tax, payroll and regulatory reporting) has been put in place as of January 2019.

Rapport des commissaires aux comptes sur les comptes consolidés

Crédit Municipal de Paris (E.P.A.)

Exercice clos le 31 décembre 2018

A l'attention du Conseil d'Orientation et de Surveillance du Crédit Municipal de Paris (E.P.A.),

Opinion

L'exécution de la mission qui nous a été confiée par votre Conseil d'Orientation et de Surveillance, nous avons effectué l'audit des comptes consolidés du Crédit Municipal de Paris (E.P.A.) relatifs à l'exercice clos le 31 décembre 2018, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes consolidés sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine, à la fin de l'exercice, de l'ensemble constitué par les personnes et entités comprises dans la consolidation.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance qui nous sont applicables, sur la période du 1er janvier 2017 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 3, paragraphe 1, du règlement (UE) n° 537/2014 ou par le code de déontologie de la profession de commissaire aux comptes.

Justification des appréciations – Points clés de l'audit

En application des dispositions des articles L. 823-9 et R. 823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes consolidés de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'audit des comptes consolidés pris dans leur ensemble et de la formation de notre opinion exprimée ci-dessus. Nous n'exprimons pas d'opinion sur des éléments de ces comptes consolidés pris isolément.

Mise en œuvre de la gestion externalisée du portefeuille résiduel de crédits

Risque identifié

A compter du 1er octobre 2018, dans le cadre d'un contrat de prestation de services, CMP – Banque a transféré la gestion de son portefeuille résiduel de crédits à un prestataire externe (cf. Note 1 de l'annexe).

La mise en place de cette nouvelle organisation constitue une évolution stratégique et opérationnelle majeure dans le cadre de la gestion extensive de la banque. Elle

s'est traduite par le transfert de données de gestion au prestataire et par une modification significative du processus de comptabilisation et de contrôle des écritures comptables liées à ce portefeuille.

Nous avons considéré la mise en œuvre de la gestion externalisée du portefeuille de crédits comme un point clé de l'audit pour les raisons suivantes :

- Risque opérationnel lié à la migration informatique des données de gestion ;
- Risque opérationnel induit par la mise en œuvre du nouveau processus de comptabilisation des écritures relatives au portefeuille de crédits sur le quatrième trimestre 2018.

Procédures d'audit mises en œuvre en réponse à ce risque

Nous avons pris connaissance du dispositif de gouvernance et de contrôle interne mis en place pour assurer le pilotage de la prestation externalisée.

Nous nous sommes assurés de la correcte migration informatique des données de gestion relatives au portefeuille de crédits par le biais de travaux de cadrage des bases d'inventaire au 30/09/2018 et au 31/12/2018.

Nous avons apprécié la fiabilité et la cohérence des données comptables transmises par le prestataire et enregistrées manuellement par CMP – Banque sur le quatrième trimestre au moyen des procédures substantives suivantes :

- Cadrage mensuel des écritures comptables relatives aux événements de gestion avec une contrepartie de trésorerie (prélèvements d'échéances, régularisations d'impayés, remboursements anticipés...) avec les flux financiers transitant sur le compte bancaire dédié à la gestion des crédits ;
- Reconstitution des stocks de fin de mois à partir des stocks de début de mois et des flux de la période ;
- Recalcul de l'amortissement des créances saines et rapprochement avec l'amortissement comptabilisé au quatrième trimestre ;
- Validation par sondage de la correcte classification comptable des créances à fin décembre 2018 (créances saines / douteuses / en procédure Banque de France) ;
- Rapprochement comptabilité / gestion des encours de crédits et des provisions associées à fin décembre 2018.

Nous avons vérifié que les notes annexes donnent une information appropriée.

Vérification des informations relatives au groupe données dans le rapport de gestion

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, à la vérification spécifique prévue par la loi des informations relatives au groupe, données dans le rapport sur la gestion du groupe.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes consolidés.

Informations résultant d'autres obligations légales et réglementaires

Désignation des commissaires aux comptes

Nous avons été nommés commissaires aux comptes du Crédit Municipal de Paris (E.P.A.) par votre Conseil d'Orientations et de Surveillance du 2 janvier 2007 pour le cabinet KPMG S.A. et du 23 mai 2013 pour le cabinet Grant Thornton.

Au 31 décembre 2018, le cabinet KPMG S.A. était dans la 12^{ème} année de sa mission sans interruption et le cabinet Grant Thornton dans la 6^{ème} année.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes consolidés

Il appartient à la direction d'établir des comptes consolidés présentant une image fidèle conformément des règles et principes comptables ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à la direction d'évaluer la capacité de l'établissement à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider l'établissement ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes consolidés ont été arrêtés par le Directeur Général.

Responsabilités des commissaires aux comptes relatives à l'audit des comptes consolidés

Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes consolidés. Notre objectif est d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L. 823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre établissement.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes consolidés ;
- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de l'établissement à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une certification avec réserve ou un refus de certifier ;
- il apprécie la présentation d'ensemble des comptes consolidés et évalue si les comptes consolidés reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle ;
- concernant l'information financière des personnes ou entités comprises dans le périmètre de consolidation, il collecte des éléments qu'il estime suffisants et appropriés pour exprimer une opinion sur les comptes consolidés. Il est responsable de la direction, de la supervision et de la réalisation de l'audit des comptes consolidés ainsi que de l'opinion exprimée sur ces comptes.

Rapport au comité d'audit

Nous remettons un rapport au comité d'audit qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives, que nous jugeons avoir été les plus importants pour l'audit des comptes consolidés de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537/2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L. 822-

10 à L. 822-14 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Neuilly-Sur-Seine et Paris La Défense, le 29 mars 2019

Les commissaires aux comptes

Grant Thornton
Membre français de Grant Thornton
International

Hervé GRONDIN
Associé



KPMG S.A.

Ulrich SARFATI
Associé



Management report

CRÉDIT MUNICIPAL DE PARIS

2018 is the third year of implementation of the “2020 In Action” strategic plan whose aim is to amplify the change dynamic that has been driving Crédit Municipal de Paris since its creation.

The 2018 financial year was decisive for the roll-out of the institution's strategic plan with the setting up of new products such as sharing products (Paris Partage account) and new services such as personal space on the Internet for online contract consultation and renewal for secured loans. Improving the service provided to our customers has thus been one of the priorities of 2018 with the renovation of the secured loans room, the physical reception area for customers of custody activities and of the delivery of lots (deposits) for auctions. The solid financial position of Crédit Municipal de Paris and the robustness of the economic model confirmed by the results of the 2018 financial year as well as its dominant position in the granting of secured loans is a solid asset for pursuing this transformation and renovation plan. It is in this context that Crédit Municipal de Paris also fully supports its banking subsidiary in the context of the run-off process decided in June 2015.

L'ACTIVITÉ EN 2018

In an environment of historically low interest rates and stable gold prices, Crédit Municipal de Paris confirms its financial strength and robustness of the fundamentals of its operating cycle.

The secured loans activity recorded a significant increase, as did rental income (+6.86%), which offset the decline in financial income, while other activities (sales and custody) posted solid results, albeit lower than forecast. These findings legitimise the areas of development of the strategic plan aimed at increasing the attractiveness of the secured loans business, boosting outstanding loans and developing all other operating income.

The level of outstanding secured loans exceeded, at 31 December, the € 214 million mark (€ 214.91 million) due to the double effect of the increase in renewals (+ € 4.47 million between 2018 and 2017) and new commitments (+ € 4.08 M between 2018 and 2017) which offsets the increase in clearing (+ € 3.65 M between 2018 and 2017). The number of contracts outstanding at 31 December thus saw a 3% increase (196,802 in 2018 against 19,1005 in 2017) for an average amount slightly higher in 2018 (€1,097.74) than in 2017 (€1,090.68).

Volumes of sales saw a reduction in number of contracts (8,699 contracts put on sale in 2018 against 9989 in 2017 i.e. -12.9%), fewer sales having been organised in 2018 (77) than in 2017 (80). On logically the amount of auctions therefore decreases (€ 11.33m in 2018 compared to € 11.71m in 2017, i.e. -3.31%) as well as bonuses paid to customers (€ 2.65m in 2018 compared with € 2.98m in

2017, i.e. -11%). These results are mainly explained by the increase observed in clearances (repayments of loans) and withdrawals from sale, evidence of an improvement of the financial capacities of our borrowers.

In terms of investment and refinancing activities, the maintenance of very low or even negative interest levels has a strong impact on the profile of financial profit, on the one hand by significantly reducing financial income as and when the oldest investments mature, and on the other hand by greatly reducing the interest expense of newly agreed refinancing. In this context, the goal of maintaining the performance of the investment and refinancing strategy in compliance with prudential and regulatory requirements is a major focus of the strategic project.

Crédit Municipal de Paris also continues to support its banking subsidiary in the run-off process, by providing it with the necessary financing lines for its activity.

Other operating income has displayed a contrasting trend: property income increased slightly (€ 2,029 million in 2018 compared with € 1,884 million in 2017) and should increase further with the leasing of the last available spaces, while income from custody activities is down despite the launch of the new brand CC ART (€ 0.49 million in 2018 against € 0.60 million in 2017), the level of income also reflecting the downward adjustment of rates. The number of customers of custody activities increased by 4% in 2018, a sign that the strategic repositioning of these activities is on track.

In 2018, the department of budget support and social innovation (ABIS) saw a decline in the amount of new incomers, as well as the number of people followed (-9% between 2017 and 2018).

The new mediation activity with creditors continued to grow (+ 21% in one year), mainly because of the new partnership with the Fonds d'action du travail temporaire (FASTT).

In 2018, ABIS also celebrated the 10th anniversary of the first personal microcredit in Paris, opened new permanent offices outside the city and launched new projects to improve the quality of services rendered (Budget management app.). Social innovation projects have increased (new collaboration with the social business incubator of the ESSEC “Antropia”, continuation of partnerships with the Fintech incubator SWAVE and with the Paris PIMMS). In addition, as in 2017, external sources of funding from the ABIS department continued to fall (-33% between 2018 and 2017) due to the further decline of public financing.

NET BANKING INCOME (NBI)

At 31.12.2018, net banking income amounted to € 24.76 million, up +2.82% compared to 2017 (€ 24.08 million). This growth results from the contrasting performance of the following elements:

▲ Net interest margin increased by € 0.755 million (+4.1%) to € 19.16 million in 2018 compared with € 18.41 million in 2017; this increase results from the maintenance of a generally favourable context of low rates whose recessive effect is much more notable on refinancing conditions than on the credit activity:

▲ Interest income and similar income increased slightly (+ 2.8%) to € 22.5 million in 2018 compared with € 21.9 million in 2017, due, on the one hand to negative-rate refinancing, which is a source of revenue and an increase in the interest earned on secured loans (+ € 0.45 million between 2018 and 2017);

▲ Interest and similar charges continue to fall (€ 3.36 million in 2018 compared with € 3.5 million in 2017, or -4%) resulting from the continuation in 2018 of a general reduction in interbank rates.

▲ A slight increase in the amount of commissions received (€ 2.1 million in 2018 compared with € 2.06 million in 2017, that is to say + 2.16%); this increase results from the increase in renewals and commitments during 2018; ▲ A decrease in other operating income (€ 3.73 million in 2018 compared with € 3.83 million in 2018, or -2.63%) following the review of the re-invoicing agreement concluded with the subsidiary CMP Banque (-€ 16 K), the decrease of Subsidies received for the ABIS business (- € 278.56 thousand) as well as the downward trend of revenues from custody activities that partially offset revenues from newly leased surfaces (+ € 145 K) .

OVERHEADS

These increased overall by 7.42% (€ 17.73m in 2018 compared with € 16.51m in 2017) under the effect of the convergent performance of the following different items:

▲ Increased personnel costs of € 0.9 million (€ 8.5 million in 2018 compared with € 7.6 million in 2017, i.e. + 12%) resulting mainly from the strengthening of the Crédit Municipal framework;

▲ The increase in expenditure on other external services of € 0.3 million (€ 5.6 million in 2018 compared with € 5.3 million in 2015, i.e. + 5.2%) resulting from the increase in fees and the increase in expenses related to computer maintenance, in particular savings and cash-flow management software.

▲ The review of the clauses of the intragroup invoicing agreement in 2016 also contributes to the increase in general expenses (€ 0.53m in 2016 against € 0.44 million in 2015, i.e. + 20.5%) as well as the increase in taxes and duty (€ 0.62 million in 2018 compared with € 0.4 million in 2017, or + 55%) as a result of the change in accounting for financial contributions (FRU, FGDR, ACPR).

COST OF RISK

The cost of risk, structurally low because of the guarantee constituted by the pledge held by Crédit Municipal de Paris in respect of loans granted, decreased by 5.59% (€ 0.24 million in 2018 compared with € 0.26 million) In 2017)

PROFIT AND LOSS

Operating income amounted to € 6.78 million in 2018, a decrease of € 530 thousand compared with 2017 (€ 7.31 million), or -7.26%, due to the increase in general expenses. The operating ratio thus rose, in 2018, to 71.6% against 68.6% in 2017 and therefore Remains in the vicinity of the 70% target set in the strategic plan.

The net book profit shows a surplus of € 4.90 million. This profit is up 21.63% compared with 2017 (€ 4.03 million).

It is suggested to the COS to allocate it to reserves for the sum of € 4,755,437.42 and deferred earnings for € 150,000.

PERFORMANCE OF EQUITY AND THE SOLVENCY RATIO

The base equity ratio stood at 26.50% at the end of December 2018, well above the regulatory minimum threshold of 8%.

PROFIT SHARING

Crédit Municipal de Paris, a municipal public credit and welfare institution, has no employee profit-sharing plan. There is no agreement on profit sharing.

EVENTS FOLLOWING THE CLOSE OF ACCOUNTS ON 31 DECEMBER 2018

There was no significant event after the closing date of 31.12.2018.

ACTIVITIES IN RESEARCH AND SUSTAINABLE DEVELOPMENT AND COMMITMENTS IN SUSTAINABLE DEVELOPMENT

Crédit Municipal de Paris does not have any research and development activities and is not currently involved in sustainable development activities.

Its main and historical mission, backed by the legal monopoly of secured lending, is to combat usury; this has been reinforced by a deepening and diversification of the services on offer, which favours the financial emancipation of households in difficulty (access to banking services, budget advice service, microcredit). The Crédit Municipal de Paris strives to create and promote sustainable development and solidarity.

INFORMATION ON PROVIDER PAYMENT DEADLINES

Crédit Municipal de Paris is not subject to the provisions of Article D441-4 of the Commercial Code.

The late payment of suppliers observed in the 2018 financial year was between:

- 1 and 15 days for 16.09% of the invoices received;
- between 16 and 30 days for 6.92% of the invoices received;
- between 31 and 60 days for 5.09 % of the invoices received;
- between 16 and 30 days for 6.92% of the invoices received;

DISTRIBUTION BY PAYMENT TRANCHE IS INDICATED IN THE TABLE BELOW FOR PAID INVOICES:

LATE PAYMENT : PAID INVOICES:	FROM 1 TO 15 DAYS	FROM 16 TO 30 DAYS	FROM 31 TO 60 DAYS	MORE THAN 60 DAYS	TOTAL
NUMBER OF INVOICES: PAID	300	129	95	48	572
AMOUNT	976,569.99	491,279.62	329,612.28	240,493.72	2,026,699.01
IN % OF THE NUMBER OF INVOICES RECEIVED (1865)	16.09 %	6.92 %	5.09 %	2.57 %	30.67 %

DISTRIBUTION BY PAYMENT TRANCHE IS INDICATED IN THE TABLE BELOW FOR INVOICES PENDING PAYMENT

LATE PAYMENT: UNPAID INVOICES	FROM 1 TO 15 DAYS	FROM 16 TO 30 DAYS	FROM 31 TO 60 DAYS	MORE THAN 60 DAYS	TOTAL
NUMBER OF INVOICES: UNPAID	0	5	7	26	38
TOTAL AMOUNT	0	4237.44	16,539.24	30,011.79	50,788.47
IN % OF THE NUMBER OF INVOICES RECEIVED (1865)	0 %	0.27 %	0.38 %	1.39 %	2.04 %

OTHER INFORMATION

The CMP does not finance or distribute any of the loans as defined in Article 80 (III) of Law No. 2005-32 of 18 January 2005 on programming for social cohesion, and benefiting in this respect from public guarantees.

According to the terms of article 514-1 of the Monetary and Financial Code, “municipal credit unions are Municipal credit and welfare institutions “. The geographical jurisdiction and the location of Crédit Municipal de Paris are therefore necessarily and exclusively backed by its municipal dimension. As a result, it has no location, and does not operate, outside Paris, or in non-cooperative states or territories within the meaning of Article 238-0 A of the General Tax Code.

As it is an administrative public institution, the remuneration policy and practices of Crédit Municipal de Paris fall within the scope and limits of the rules that apply to public and similar jobs, in accordance with the applicable statutory provisions.

CONCLUSIONS

Crédit Municipal de Paris posted a surplus in 2018 confirming the robustness of the economic model and the fundamentals of the establishment's operating cycle.

By undertaking a major modernisation project in 2016 (“2020 In Action” strategic plan), Crédit Municipal de Paris intends to combine growth and financial performance to serve its social purpose, develop new financial and solidarity services, offer flexible, innovative and considerate services, increase its attractiveness and the reputation of its services, modernise its organisation and make the most of its human resources.

These focuses, supported by the commitment of all employees of the establishment, must make it possible to consolidate, by asserting itself as an exemplary and innovative public service, the social and solidarity vocation of the institution at the service of all Parisians.

Crédit Municipal de Paris will also continue to fully support its subsidiary in the run-off process.

INFORMATION ON RISKS

EQUITY RATIO

(in thousands of Euros)

TURNOVER STATEMENT	2018
CAPITAL	47,000
+/- RESERVES AND RETAINED EARNINGS	74,399
FUNDS FOR GENERAL BANKING RISKS	0
+/- INTERMEDIATE PROFITS	0
- INTANGIBLE FIXED ASSETS	-903
- SIGNIFICANT INVESTMENT IN ENTITIES FROM THE FINANCIAL SECTOR.	-33,925
CATEGORY I BASE EQUITY	86,571
TOTAL EQUITY	86,571

EQUITY REQUIREMENTS

(in thousands of Euros)

CREDIT RISK EQUITY REQUIREMENTS	TOTAL EXP. GROSS	TOTAL EXP. NET	WEIGHTED TOTAL	EQUITY REQUIREMENTS
TOTAL EQUITY REQUIREMENTS	855,927	812,189	281,843	22,547
CENTRAL ADMIN. & CENTRAL BANKS	191,459	191,459	0	0
CREDIT INSTITUTIONS	362,456	362,456	72,491	5,799
COMPANIES	0	0	0	0
RETAIL CUSTOMERS	212,248	212,248	159,186	12,735
OTHER ELEMENTS	76,089	35,531	34,485	2,759
DEFAULT EXPOSURES	13,549	10,369	15,555	1,244
SHARES	126	126	126	10

OPERATIONAL RISK EQUITY REQUIREMENTS	TOTAL EXPOSURES	EQUITY REQUIREMENTS
TOTAL EQUITY REQUIREMENTS	44,838	3,587
TOTAL BANKING ACTIVITIES		0
TOTAL BANKING ACTIVITIES IN BASIC APPROACH	44,838	3,587
TOTAL BANKING ACTIVITIES IN STANDARD MEASUREMENT APPROACH		0
TOTAL BANKING ACTIVITIES IN ADVANCED MEASUREMENT APPROACH		0

TOTAL AMOUNT OF RISK EXPOSURE	326,681	26,134
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RATIO OF SOLVENCY TO BASE EQUITY	26.50 %
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SHORT TERM LIQUIDITY RATIO - LCR

(In Euros)

LIQUIDITY CUSHION	33,854
TOTAL OUTFLOWS	126,269
CASH INTAKES ENTIRELY EXEMPT	0
TREASURY INFLOWS SUBJECT TO CEILING OF 90 %	0
TREASURY INFLOWS SUBJECT TO CEILING OF 75 %	376,474
REDUCTION CORRESPONDING TO ENTIRELY EXEMPT CASH INFLOWS	0
REDUCTION CORRESPONDING TO CASH INFLOWS SUBJECT TO THE CEILING OF 90 %	0
REDUCTION CORRESPONDING TO CASH INFLOWS SUBJECT TO THE CEILING OF 75 %	94,701
NET CASH OUTFLOWS	31,567
LIQUIDITY REQUIREMENTS HEDGING RATIO (%)	107.24 %

At the end of December 2018, the short-term liquidity ratio stood at 107.24 % for a requirement set at 100%.

FINANCIAL PROFIT AND LOSS FROM THE LAST 5 FINANCIAL YEARS

	2014	2015	2016	2017	2018
CAPITAL AT THE END OF THE FINANCIAL YEAR	5,000,000.00	47,000,000.00	47,000,000.00	47,000,000.00	47,000,000.00
OPERATIONS AND PROFIT AND LOSS IN THE FINANCIAL YEAR					
PRE-TAX REVENUE (NBI)	21,229,220.74	23,534,544.20	23,745,705.36	24,081,155.04	24,760,872.31
PROFIT BEFORE TAXES, DEPRECIATION EXPENDITURE AND PROVISIONS	8,650,882.10	10,822,489.45	9,707,289.09	6,136,156.19	9,740,330.29
CORPORATE INCOME TAX	-96,560.44	2,369,756.00	-216,636.21	767,857.27	1,790,656.13
EMPLOYEE PROFIT SHARING DUE IN RESPECT OF THE FINANCIAL YEAR		-	-	-	
PROFIT AFTER TAX, EMPLOYEE PROFIT SHARING AND DEPRECIATION EXPENDITURE AND PROVISIONS	6,125,349.68	-35,586,997.10	6,881,234.41	4,033,205.21	4,905,437.42
PROFIT DISTRIBUTED PURSUANT TO ARTICLE L514-4 OF THE MONETARY AND FINANCIAL CODE	200,000.00	320,000.00	-	-	-
PERSONNEL					
AVERAGE NUMBER OF EMPLOYEES EMPLOYED DURING THE FINANCIAL YEAR	115.00	118.00	132.00	134.00	140.50
PAYROLL IN THE FINANCIAL YEAR	4,040,885.66	4,067,164.50	4,419,736.06	5,031,712.09	5,607,299.57
AMOUNT OF SUMS PAID IN RESPECT OF SOCIAL BENEFITS (SOCIAL SECURITY, SOCIAL WORKS)	1,980,247.58	1,835,387.78	1,923,531.45	2,250,246.94	2,359,973.62

PUBLISHABLE FINANCIAL STATEMENTS OF CRÉDIT MUNICIPAL DE PARIS

BALANCE SHEET

(In euros)

ASSET BALANCE SHEET (IN €)	2018	2017
CASH, CENTRAL BANKS, POST OFFICE BANKS	7,834,153.15	5,947,526.61
TREASURY NOTES AND EQUIVALENTS	-	-
RECEIVABLES WITH CREDIT INSTITUTIONS	515,003,870.04	529,432,784.49
TRANSACTIONS WITH CUSTOMERS	222,617,506.61	215,130,209.10
LEASE AND RENTAL CREDITS WITH PURCHASE OPTION	-	-
BONDS AND OTHER FIXED INCOME SECURITIES	31,738,046.38	70,639,935.02
BONDS AND OTHER VARIABLE INCOME SECURITIES	-	-
SHARES AND PORTFOLIO ACTIVITY	185,467.12	151,842.04
PARTS IN AFFILIATED COMPANIES	33,924,940.00	33,924,940.00
INTANGIBLE FIXED ASSETS	904,933.98	793,517.02
TANGIBLE FIXED ASSETS	29,979,512.37	30,355,761.68
CAPITAL SUBSCRIBED AND NOT PAID	-	-
OWN SHARES	-	-
OTHER ASSETS	4,531,273.95	4,411,385.61
ACCRUAL ACCOUNTS	271,262.31	1,354,507.39
TOTAL	846,990,965.91	892,142,408.96

(In euros)

LIABILITIES ASSET BALANCE SHEET (IN €)	2018	2017
CASH, CENTRAL BANKS, POST OFFICE BANKS	48.40	-
DEBTS WITH CREDIT INSTITUTIONS	20,431,506.85	20,431,506.84
TRANSACTIONS WITH CUSTOMERS	135,291,497.52	148,532,802.85
DEBTS REPRESENTED BY A SECURITY	558,299,983.74	597,983,221.42
OTHER LIABILITIES	4,825,430.61	2,374,151.68
ACCRUAL ACCOUNTS	89,351.04	103,620.09
PROVISIONS FOR RISKS AND CHARGES	1,748,262.50	1,746,870.00
SUBORDINATED DEBTS	-	-
FUNDS FOR GENERAL BANKING RISKS	-	-
EQUITY EXCLUDING FGBR	126,304,885.25	120,970,236.08
SUBSCRIBED CAPITAL	47,000,000.00	47,000,000.00
ISSUE PREMIUMS	-	-
RESERVES	34,280,470.88	29,818,053.92
REVALUATION DIFFERENCE	40,118,976.95	40,118,976.95
REGULATED PROVISIONS AND INVESTMENT SUBSIDIES	-	-
CARRIED FORWARD (+ / -)	-	-
PROFIT & LOSS FROM THE FINANCIAL YEAR (+ / -)	4,905,437.42	4,033,205.21
TOTAL	846,990,965.91	892,142,408.96

OFF BALANCE SHEET

(In euros)

OFF BALANCE SHEET (IN €)	2018	2017
COMMITMENTS GIVEN	7,857,142.84	20,714,285.70
FINANCING COMMITMENTS	-	-
GUARANTEE COMMITMENTS	7,857,142.84	20,714,285.70
COMMITMENTS ON SECURITIES	-	-
COMMITMENTS RECEIVED	218,359,981.43	209,754,503.54
COMMITMENTS TO CUSTOMERS	-	-
FINANCING COMMITMENTS RECEIVED	-	-
GUARANTEE COMMITMENTS RECEIVED FROM CUSTOMERS	218,359,981.43	209,754,503.54
COMMITMENTS ON FORWARD FINANCIAL INSTRUMENTS	-	-
TOTAL	226,217,124.27	230,468,789.24

PROFIT AND LOSS STATEMENT

(In euros)

PROFIT AND LOSS STATEMENT (IN €)	2018	2017
+ INTEREST AND SIMILAR INCOME	22,529,280.96	21,914,552.66
- INTEREST AND SIMILAR CHARGES	-3,367,361.74	-3,508,088.91
+ / - INCOME FROM LEASING AND SIMILAR CREDIT OPERATIONS	-	-
+ REVENUE FROM VARIABLE INCOME SECURITIES	-	-
+ COMMISSIONS	2,103,966.82	2,059,506.51
- COMMISSIONS	-71,805.91	-75,617.50
+ / - GAINS OR LOSSES ON TRADING PORTFOLIO TRANSACTIONS	-	-
+ / - GAINS OR LOSSES ON INVESTMENT PORTFOLIO AND SIMILAR TRANSACTIONS	-	-
+ OTHER OPERATING INCOME	3,732,843.12	3,833,503.09
- OTHER OPERATING CHARGES	-166,050.94	-142,700.81
NET BANKING INCOME	24,760,872.31	24,081,155.04
- GENERAL OPERATING CHARGES	-14,937,395.80	-13,900,525.08
- ALLOWANCES FOR AMORTIZATIONS AND PROVISIONS ON FIXED ASSETS	-2,799,827.97	-2,611,920.69
GROSS OPERATING INCOME	7,023,648.54	7,568,709.27
+ / - COST OF RISK	-244,408.77	-258,887.56
OPERATING INCOME	6,779,239.77	7,309,821.71
+ / - GAINS OR LOSSES ON FIXED ASSETS	-	-4,000,000.00
CURRENT INCOME BEFORE TAX	6,779,239.77	3,309,821.71
+/- EXTRAORDINARY INCOME	-83,146.22	-44,473.77
- CORPORATE INCOME TAX	-1,790,656.13	767,857.27
+/- ALLOWANCES/ WRITEBACKS OF FGBR AND REGULATED PROVISIONS	-	-
NET PROFIT AND LOSS FOR THE YEAR	4,905,437.42	4,033,205.21

ANNEX

1. ACCOUNTING PRINCIPLES AND METHODS

The accounts of Crédit Municipal de Paris have been drawn up in accordance with the principles of the banking profession and presented pursuant to ANC Regulation no. 2014-07 of 26 November 2014 applicable to credit institutions. The main accounting methods adopted by the institution are as follows:

1.1. General: the separation of financial years

Transactions are recorded in accordance with the principle of separation of financial years. Interest and similar fees are calculated pro rata temporis up to the close date, and are accounted for in the profit and loss statement.

1.2. Principles by categories

1.2.1. Rediscounting

Accrued interest not due and custody fees on secured loans are rediscounted on a monthly basis, calculated on a pro rata temporis basis until the closing date and accounted for in the income statement. Accrued interest not due and custody fees on secured loans are rediscounted on a monthly basis, calculated on a pro rata temporis basis until the closing date and accounted for in the profit and loss statement. custody fees for the CC ART (formerly Munigarde) art custody activity are also discounted monthly, calculated pro rata temporis until the closing date, and accounted for in the profit and loss statement.

1.2.2. Accounting of non-performing loans and provisioning

Regulation no. 2014-07 of the ANC of 26 November 2014 defines the criteria for the classification of non-performing loans in the balance sheet. Non-performing loans constitute all outstanding loans, matured or not matured, guaranteed or otherwise, owed by debtors in respect of which at least one commitment has a proven credit risk. A risk is proven when it is likely that the institution will not collect all or part of the sums due. In respect of the commitments entered into by the counterparty, irrespective of the existence of a guarantee or bond. The declassification of non-performing loans is carried out systematically, on a lump sum basis, when there are one or more payments outstanding for at least three months. The accounting of non-performing loans on secured loans meets regulatory and banking standards. Interest on secured loans is 100% provided for as of the third month of delay. Capital is provided for at a flat rate whose relevance is verified and adjusted if necessary each six months with respect to losses incurred over the past three years.

1.2.3. Savings accounts subscribed by individuals

Interest on passbook accounts is liquidated at the end of the year, except when closing the account, where it is settled pro rata temporis in respect of the current year. Interest on term accounts is paid at maturity, except in the event of an early close, when it is and term accounts are rediscounted each month, and calculated on a pro rata basis until the closing date and are accounted for in the profit and loss statement.

1.2.4. Securities transactions

Securities transactions include interventions on securities made from the outset with the intention of selling them at the end of a six-month holding period at the latest. At 31.12.2018, Crédit Municipal de Paris does not hold any assets in this category.

Investment securities include securities (Shares or bonds) acquired with a view to deriving direct income or capital gains therefrom. At 31.12.2018, Crédit Municipal de Paris holds a high-quality liquid asset portfolio of €30,000,000 valued at €31,101,000. These securities are recorded upon acquisition at their purchase value (face value, acquisition premium and accrued interest). The acquisition premium is spread over the holding period. At 31.12.2018, the market value is higher than the book value of the securities and as a result, no provision for depreciation has been accounted for.

Investment securities include fixed income securities, acquired with the intention of holding them in the long term. At 31.12.2018, Crédit Municipal de Paris no longer holds any investment securities.

Equity interests include all securities whose long-term holding is considered useful for the activity of the company, in particular because it makes it possible to exert an influence on the company issuing the securities, or to control it. At the end of the financial year, Crédit Municipal de Paris held 99.99% of the shares of CMP Banque, whose value in use is € 33,925 thousand. This takes into account a value in use based on the net amount of equity of CMP Banque at the end of the run-off process.

1.2.5. Transactions on forward financial instruments

Hedging and market transactions on financial futures concerning interest rates, exchange rates or shares are recorded pursuant to ANC regulation 2014-07. Of 26 November 2014

Thus, commitments are recorded in the off-balance sheet account at the face value of contracts. Expenses and income relating to forward financial instruments, aimed at managing the overall interest rate risk, are recorded pro rata temporis in the profit and loss account in the heading "gains or losses on investment portfolio and similar transactions".

At the end of the financial year, expenses and income relating to financial derivative instruments used as hedges, allocated from the outset to the elements identified, are recorded in the results in a manner symmetrical to the recognition of income and charges on the elements hedged. The rule of symmetry also applies to interest rate swaps. Thus, the unrealised interest differential is recognized pro rata temporis in the profit and loss statement, and the unrealised capital gain or loss adjusted by the amount of the rediscounting is also recorded. However, this amount differs depending on the element being hedged.

Unrealised capital gains and losses on hedged transactions, assessed at their nominal value (loans, borrowings, investment securities) not having not been translated into accounts, the unrealised gain or loss recognised on the rate swap agreement does not need to be taken into account. Conversely, gains and losses from hedges made on investment securities are taken into account for the calculation of provisions. Income and expenses pertaining to these transactions are accounted, symmetrically, in the same category as the income and expenses on the hedged items.

The CMP does not hold any financial futures at 31.12.2018.

1.2.6. Paid leave

Paid leave at Crédit Municipal de Paris is taken from 1 January to 31 March of the following year; a provision made up of the balance of leave of non-permanent personnel yet to be taken at 31.12.2018 is accounted for in general operating expenses by variation between two financial years.

1.2.7. Tangible and intangible fixed assets

Pursuant to ANC 2014-07, the method chosen to value assets was to calculate the fair value of an asset on the date of first application, and to break it down by components. On the basis of the assets analysed, only the building has been identified and valued by components. Acquisitions for the financial year related to this property are broken down according to the same components.

1.2.8. Provisions for risks and charges

This post encompasses:

- ▲ provisions intended to hedge risks and charges linked to banking transactions, that events occurring or under way make likely, clearly specified in terms of their object but whose realisation is uncertain;
- ▲ provisions intended to hedge risks and expenses that are not directly related to banking transactions, which are clearly specified as to their purpose and whose amount or maturity cannot be determined precisely.

1.2.9. Commitments related to pensions and time savings accounts

Pension commitments and time savings accounts are not subject to any provisioning and do not give rise to the recording of any commitment OFF BALANCE SHEET. The CMP does not manage any defined benefit plan and does not participate in capitalised pension plans. On the other hand, the employer regularly contributes to pension schemes according to the status of the officers in question (state civil pension, CNRACL, URSSAF).

1.2.10. Valuation methods of extraordinary income and expenses

Extraordinary income and expenses take into account not only elements that are not related to the normal business of the company during the financial year, but also those that are extraordinary in relation to their amounts.

1.2.11. Labour commitments

The Groupe Crédit Municipal de Paris has no employee profit sharing scheme. There is no agreement on profit sharing or any end-of-career benefits in Crédit Municipal de Paris.

Long service awards have not been provided for, the institution being signed up to the CNAS.

1.2.12. Revaluation

The revaluation was calculated in 1988 on buildings for a value of €40 M, with a tax deferral over a period of 44 years.

1.2.13. Information about transactions between related parties

Pursuant to ANC Regulation 2014-07, all transactions with related parties were concluded under normal market conditions.

2. EVENTS AFTER THE END OF THE FINANCIAL YEAR

There was no significant event after the closing date of 31.12.2018.

3. CHANGE OF ACCOUNTING METHODS

There has been no change in accounting policies or presentation of financial statements during the past financial year.

4. NOTES ON THE BALANCE SHEET

Amounts are shown in thousands of euros rounded up or down.

A. RECEIVABLES WITH CREDIT INSTITUTIONS

NATURE OF RECEIVABLES (IN K €)	2018	2017
ORDINARY ACCOUNTS	369,951	290,312
TERM LOANS AND ACCOUNT	134,042	226,927
ACCOUNTS RECEIVABLE	992	2,175
SUBORDINATED TERM ACCOUNTS	10,000	10,000
ACCOUNTS RECEIVABLE SUBORDINATED LOANS	19	19
TOTAL	515,004	529,433

The volume of receivables from credit institutions decreased by 2.72% as a result of a 40.93% fall mount of out-standing loans on term accounts and loans, while the volume of book accounts was 27.43% increase. The continued contribution of CMP's refinancing of CMP Banque was down sharply (€ 38m, of which € 10m in subordinated loan versus €95m in 2017).

REMAINING TERM
(in thousands of Euros)

REMAINING TERM	D <= 1 MONTH	1 MONTH < D <= 3 MONTHS	3 MONTH < D <= 6 MONTHS	6 MONTH < D <= 1 YEAR	1 YEAR < D <= 5 YEARS	D > 5 YEARS
TERM LOANS AND ACCOUNTS (IN €K)	-	-	522	78,520	55,000	-

B. CUSTOMER USES

INVENTORY (NET AMOUNT OF PROVISIONS)

(in thousands of Euros)

NATURE OF DEBTS (IN K €)	2018	2017
SECURED LOANS	207,559	201,992
VALUES NOT ALLOCATED	-	-
NON-PERFORMING LOANS	6,090	4,497
ACCOUNTS RECEIVABLE	8,968	8,641
TOTAL	222,617	215,130

Gross outstanding secured loans rose sharply (+ 2.75%) and in 2018 amounted to € 207.55m. The delay in the accounting of payments of sales at 30 days generates an increase in the volume of non-performing loans (+35.42%).

STATEMENT OF PROVISIONS FOR NON-PERFORMING LOANS

(in thousands of Euros)

NATURE OF DEBTS (IN K €)	GROSS DEBTS ON NON-PERFORMING LOANS	RESERVES	WRITE-BACKS	NET DEBTS ON NON-PERFORMING LOANS
SECURED LOANS	7,357	1,386	118	6,089
DECLASSIFICATION BY CONTAGION	3,075	-		3,075
RECEIVABLES MORE THAN THREE MONTHS OLD	3,152	256	118	3,014
NON-PERFORMING PLEDGES	1,130	1,130	-	-
DEBTOR ACCOUNTS	-	-	-	-
ACCOUNTS RECEIVABLE	1,847	1,854	7	-
TOTAL	9,204	3,240	125	6,089

Provisions for non-performing pledges were stable between 2017 and 2018.

Provisions on interest due increased between 2018 and 2017 by 12.88%.

The risk of non-recovery being measured on the basis of the recognition of the losses actually recorded on pledges offered for sale during the current year and the previous three financial years, the depreciation rate calculated by the ratio of the losses recorded to the amount of outstanding loans amounts to 4.38% in 2018, i.e. down three points from 2017.

BREAKDOWN OF HEALTHY CREDITS (EXCLUDING ACCOUNTS RECEIVABLE) ACCORDING TO THE REMAINING TERM

(in thousands of Euros)

REMAINING TERM	D <= 1 MONTH	1 MONTH < D <= 3 MONTHS	3 MONTH < D <= 6 MONTHS	6 MONTH < D <= 1 YEAR	1 YEAR < D <= 5 YEARS	D > 5 YEARS
AMOUNT (IN €K)	15,639	30,688	51,863	109,369		

C. SECURITIES AND SECURITIES TRANSACTIONS

These are broken down as follows:

(in thousands of Euros)

	GROSS VALUE - 2018	DEPRECIATION PROVISIONS	NET VALUE - 2018	NET VALUE - 2017
SECURITY INTEREST (IN €K)				
CMP BANQUE	84,037	50,112	33,925	33,925
SIEMP	5	-	5	5
LA PARISIENNE DE L'IMAGE	-	-	-	-
ABC MICROFINANCE	25	-	25	25
MICROFINANCE SOLIDAIRE	45	-	45	45
MICRODON SAS	50	-	50	50
SHAREHOLDER CERTIFICATES (IN €K)				
FGDR	59	-	59	27
TOTAL	84,221	50,112	34,109	34,077
SECURITIES TRANSACTIONS (IN €K)				
BONDS AND OTHER LISTED SECURITIES	31,101	-	31,101	32,423
ACCOUNTS RECEIVABLE	216	-	216	215
TOTAL	31,317	-	31,317	32,638

The securities held by CMP in its CMP Banque subsidiary were subject to a further depreciation of € 4 million in 2017, making it possible to take into account the financial consequences of the implementation of an outsourced management plan of the CMP Banque loan portfolio. No additional depreciation was necessary in 2018.

D. FIXED ASSETS

By convention, disposals of the financial year are presented as negatives. Fixed assets appear in the balance sheet for their purchase price.

(in thousands of Euros)

NATURE OF FIXED ASSETS (IN K €)	GROSS VALUE - 2018	ACQUISITIONS IN THE FINANCIAL YEAR	TRANSFERS FROM ITEM TO ITEM	ACQUISITION IN THE FINANCIAL YEAR	GROSS VALUE - 2017
INTANGIBLE FIXED ASSETS	3,278	236	162	-	2,880
LAND AND BUILDINGS	40,945	-	-	-	40,945
FIXED ASSETS EXCLUDING OPERATION	-	-	-	-	-
OTHER TANGIBLE FIXED ASSETS	28,946	1,285	1,022	-12	26,651
FIXED ASSETS UNDER LEASE	623	-	-	-	623
FIXED ASSETS UNDER CONSTRUCTION	149	277	-162	-	34
TANGIBLE FIXED ASSETS UNDER CONSTRUCTION	25	736	-1,022	-	311
TOTAL	73,966	2,534	-	-12	71,444

E. AMORTIZATIONS

(in thousands of Euros)

NATURE OF FIXED ASSETS (IN K €)	GROSS VALUE - 2018	ASSIGNMENTS IN THE FINAN- CIAL YEAR	AMORTISATION IN THE FINANCIAL YEAR	GROSS VALUE - 2017
INTANGIBLE FIXED ASSETS	2,525	-	402	2,123
LAND AND BUILDINGS	20,784	-	679	20,105
FIXED ASSETS EXCLUDING OPERATING	624	-	-	624
OTHER TANGIBLE FIXED ASSETS	19,148	-12	1,718	17,442
FIXED ASSETS UNDER LEASE	-	-	-	-
TOTAL	43,081	-12	2,799	40,294

Amortization methods and estimated useful lives are as follows:

NATURE OF WORKS (IN €K)	AMORTIZATION PERIOD	PURCHASE VALUE	NET VALUE - 2018	NET VALUE - 2017
BUILDING RENOVATION	15 ANS	1,373	325	350
SAFETY WORKS	15 ANS	2,197	723	773
RENOVATION OF THE ROOF	10 ANS	1,387	632	691
MOTORISING ACCESSES	15 ANS	94	6	5
HEATING, AIR CONDITIONING, ELECTRICITY	10 ANS	504	61	26
EDF HUT, GENERATOR	20 ANS	2,234	1,992	2,108
TOTAL	-	7,789	3,739	3,953

NATURE OF FIXED ASSETS

DEVELOPMENT AND SOFTWARE COSTS	STRAIGHT LINE	3 OR 5 YEARS
OFFICE EQUIPMENT AND FURNITURE	STRAIGHT LINE	3 AND 5 YEARS
FIXTURES AND FITTINGS	STRAIGHT LINE	5, 10, 15 AND 20 YEARS
REVALUATION OF THE BUILDING	STRAIGHT LINE	44 AND 50 YEARS

F. ACCRUAL ACCOUNTS AND VARIOUS ASSETS

(in thousands of Euros)

NATURE OF ACCOUNTS	2018	2017
ACCRUAL ACCOUNTS RELATING TO SECURITIES TRANSACTIONS	-	-
SUNDRY DEBTORS	4,531	4,411
ACCRUAL ACCOUNTS	271	1,355
ACCOUNTS RECEIVABLE	-	-
TOTAL	4,802	5,766

The "Sundry Debtors" account mainly comprises payments expected from auctioneers corresponding to sales made in November and December of 2018 (€ 2.92 million), expected refunds in respect of credits and tax refunds (€ 0.96 million), participation of local government in the financing of microcredit activities (€ 0.86 million) and payments expected of lessees (€ 0.11 million). Finally, at 31.12.2018, €83.8 K of services invoiced to CMP Banque were yet to be collected.

G. DEBTS WITH CREDIT INSTITUTIONS

(in thousands of Euros)

NATURE OF RECEIVABLES	2018	2017
TERM BORROWING AND ACCOUNT	20,000	20,000
ACCOUNTS RECEIVABLE	432	432
TOTAL	20,432	20,432

The item was stable in 2018.

DISTRIBUTION OF TERM ACCOUNTS AND LOANS ACCORDING TO REMAINING TERM

(in thousands of Euros)

REMAINING TERM	D <= 1 MONTH	1 MONTH < D <= 3 MONTHS	3 MONTH < D <= 6 MONTHS	6 MONTH < D <= 1 YEAR	1 YEAR < D <= 5 YEARS	D > 5 YEARS
TERM BORROWING AND ACCOUNTS (IN €K)				20,000		

H. CUSTOMER CREDITOR ACCOUNTS AND OTHER CUSTOMER DEPOSITS

(in thousands of Euros)

NATURE OF ACCOUNTS	2018	2017
SHORT TERM SECURITIES	30	30
TERM ACCOUNTS	54,748	85,171
PASSBOOK ACCOUNTS	77,120	58,600
OTHER SUMS DUE	2,146	2,164
PAYABLES	1,246	2,567
TOTAL	135,290	148,532

Since June 2012, Crédit Municipal de Paris has been distributing savings products to individuals to diversify its sources of refinancing. At 31.12.2018, these deposits consist of passbook accounts for € 77.12 million and term accounts for € 54.75 million. Term accounts have a term of 12, 18, 24 months renewable.

The volume of accounts receivable outstanding for customers is down (-8.91%) due to the combined effect of a significant fall in term accounts (-35.72%) and a sharp increase in passbook accounts (+ 31.6%), due to the relative attractiveness of the remuneration rates applicable in the current context, notwithstanding the revision of the rate grid that was carried out in 2017.

DISTRIBUTION OF TERM ACCOUNTS AND LOANS ACCORDING TO REMAINING TERM

(in thousands of Euros)

REMAINING TERM	D <= 1 MONTH	1 MONTH < D <= 3 MONTHS	3 MONTH < D <= 6 MONTHS	6 MONTH < D <= 1 YEAR	1 YEAR < D <= 5 YEARS	D > 5 YEARS
TERM CREDITOR ACCOUNTS (IN €K)	3,958	11,019	5,550	17,018	17,203	

I. MARKETABLE LOAN SECURITIES

(in thousands of Euros)

NATURE OF ACCOUNTS	2018	2017
NEU CP	517,796	542,889
NEU MTN	40,000	55,000
SECURITIES SOLD UNDER UNCOLLATERALISED AGREEMENTS	-	-
SUB-TOTAL	557,796	597,889
PAYABLES	504	94
TOTAL	558,300	597,983

BREAKDOWN OF RESOURCES (EXCLUDING ACCOUNTS PAYABLE) ACCORDING TO THE REMAINING TERM

(in thousands of Euros)

REMAINING TERM	D <= 1 MONTH	1 MONTH < D <= 3 MONTHS	3 MONTH < D <= 6 MONTHS	6 MONTH < D <= 1 YEAR	1 YEAR < D <= 5 YEARS	D > 5 YEARS
AMOUNT	115,168	224,243	94,153	114,232	10,000	0

J. ACCRUAL ACCOUNTS AND OTHER LIABILITIES

(in thousands of Euros)

NATURE OF ACCOUNTS	2018	2017
SUNDRY CREDITORS	4,825	2,374
ACCRUAL ACCOUNTS	89	104
TOTAL	4,914	2,478

The sundry lenders account mainly records the charges payable by the supplier (€ 4.09 million), social security contributions to be remitted to the tax authorities (€ 0.18 million) and creditors' debts (€ 0.25 million).

K. PROVISIONS FOR RISKS AND CHARGES

(in thousands of Euros)

NATURE OF PROVISIONS	NET VALUE - 2018	ALLOWANCES IN THE FINANCIAL YEAR	WRITEBACKS IN THE FINANCIAL YEAR	NET VALUE - 2017
RETIREMENT PROVISIONS	-	-	-	-
PROVISIONS FOR LOSSES AND CHARGES	1,723	-	5	1,728
PROVISIONS FOR RISKS AND CHARGES HAVING BORNE CORPORATION TAX	-	-	-	-
PROVISIONS FOR REDUNDANCIES	-	-	-	-
EXTRAORDINARY PSG PROVISIONS	-	-	-	-
PROVISIONS FOR NON-PERFORMING COLLATERAL	25	14	8	19
TOTAL	1,748	14	13	1,747

5. EQUITY

(in thousands of Euros)

EQUITY (IN €K)	31/12 2018	DIVIDENDS DISTRIBUTED	CAPITALISATION OF BONUSES	ADDITIONAL ALLOWANCE	DISTRIBUTION OF PROFITS	31/12 2017
INITIAL ALLOWANCE	47,000			-		47,000
RESERVES	34,279	-	428	-	4,033	29,818
SURPLUSES CAPITALISED	22,395				4,033	18,362
CAPITALISED BONUSES	11,884		428			11,456
REVALUATION DIFFERENCE	40,119					40,119
EQUITY GRANT RECEIVED	2					
CARRIED OVER	-					-
SUB-TOTAL	121,400	-	428	-	4,033	116,937
PROFIT & LOSS FROM THE FINANCIAL YEAR BEFORE ALLOCATION	4,905	-			-	4,033
TOTAL	126,305	-	428	-	4,033	120,970

The profit from the 2017 financial year of €4033,205.21 has been allocated to capitalised reserves.

6. NOTES ON THE OFF-BALANCE SHEET

A. SWAP TRANSACTIONS

Crédit Municipal de Paris no longer holds any swaps.

B. COMMITMENTS GIVEN OR RECEIVED

OFF BALANCE SHEET (IN €)	2018	2017
COMMITMENTS GIVEN	7,857,142.84	20,714,285.70
FINANCING COMMITMENTS	-	-
GUARANTEE COMMITMENTS	7,857,142.84	20,714,285.70
COMMITMENTS ON SECURITIES	-	-
COMMITMENTS RECEIVED	218,359,981.43	209,754,503.54
COMMITMENTS TO CUSTOMERS	-	-
FINANCING COMMITMENTS RECEIVED	-	-
GUARANTEE COMMITMENTS RECEIVED FROM CUSTOMERS	218,359,981.43	209,754,503.54
COMMITMENTS ON FORWARD FINANCIAL INSTRUMENTS	-	-
TOTAL	226,217,124.27	230,468,789.24

Crédit Municipal de Paris granted its subsidiary CMP Banque a first demand guarantee on the loan directly taken out by CMP Banque.

7. NOTES ON THE PROFIT AND LOSS STATEMENT

Amounts are shown in thousands of euros rounded up or down.

A. NET BANKING INCOME

<i>(in thousands of Euros)</i>	2018	2017
+ INCOME FROM CASH AND INTERBANK TRANSACTIONS	2,230	3,827
+ INCOME FROM SECURITIES TRANSACTIONS	1,838	9
+ INCOME FROM TRANSACTIONS WITH CUSTOMERS	17,956	17,394
INTEREST	15,852	15,334
COMMISSION	2,104	2,060
+ INCOME FROM OFF-BALANCE SHEET TRANSACTIONS	-	-
+ OTHER BANK OPERATING INCOME	2,609	2,745
- CHARGES ON INTERBANK TRANSACTIONS	-900	-1,068
- CHARGES ON FINANCIAL TRANSACTIONS	-1,059	-340
- CHARGES ON TRANSACTIONS WITH CUSTOMERS	-1,480	-2,176
- CHARGES ON OFF-BALANCE SHEET TRANSACTIONS	-	-
+ OTHER BANK OPERATING CHARGES	-166	-142
+ OTHER OPERATING INCOME	3,236	3,237
- OTHER OPERATING CHARGES	-	-1
NET BANKING INCOME (BEFORE REINVOICED CHARGES)	24,264	23,485
+ REINVOICED INTRA-GROUP CHARGES	497	597
NET BANKING INCOME WITH REINVOICED CHARGES	24,761	24,082

In 2017, CDN interest was recorded as a reduction in charges on financial transactions, for an amount of - € 1,256 K.. In 2018, these interests were presented as "income from securities transactions", amounting to - €1,838,000.

B. ANCILLARY INCOME

<i>(in thousands of Euros)</i>	2018	2017
INCOME FROM BUILDINGS	2,029	1,884
SUNDRY OPERATING INCOME (REINVOICED CHARGES)	440	383
OTHER SUNDRY OPERATING INCOME	767	970
INTRA-GROUP REINVOICING	299	315
RENTAL RECEIVED FROM CMP BANQUE	198	281
TOTAL	3,733	3,833

C. GENERAL OPERATING CHARGES

<i>(in thousands of Euros)</i>	2018	2017
STAFFING COSTS	8,533	7,607
PERSONNEL REMUNERATION	5,582	4,846
SOCIAL SECURITY CHARGES	2,358	2,247
TAX CHARGES	593	514
DUTY AND TAXES	625	402
EXTERNAL SERVICES	23	25
LEASES	14	15
REMUNERATION OF INTERMEDIARIES	-	-
TRAVEL AND TRANSPORT	9	10
OTHER EXTERNAL SERVICES	5,645	5,364
MAINTENANCE-REPAIR-SUPPLIES	1,835	1,532
EXTERNAL FEES	1,309	1,185
OTHER EXTERNAL SERVICES	2,501	2,647
INTRA-GROUP REINVOICING	111	501
TOTAL	14,937	13,899

D. COST OF RISK

(in thousands of Euros)

	2018	2017
COST OF RISK		
TRANSACTIONS WITH CUSTOMERS	-401	-437
NET ALLOWANCES FOR NON-PERFORMING LOANS	-351	-292
CAPITAL LOSSES ON SALES	-36	-32
EXTRAORDINARY ALLOWANCES	-	-113
EXTRAORDINARY LOSSES	-	-
LOSSES ON IRRECOVERABLE LOANS COVERED BY PROVISIONS	-14	-
LOSSES ON IRRECOVERABLE LOANS NOT COVERED BY PROVISIONS	-	-
OTHER TRANSACTIONS	158	178
NET ALLOWANCES FOR NON-PERFORMING OPERATING LOANS - THIRD PARTIES	-	-
NET ALLOWANCE ON FRNG	-	-
WRITEBACKS OF PROVISIONS	158	178
TOTAL	-243	-259

By convention, items of the cost of risk, in charges, are presented as negatives.

E. SUMMARY OF PROVISIONS (IN K €)

(in thousands of Euros)

SUMMARY OF PROVISIONS	2018 PROVISIONS	ALLOWANCES IN THE FINANCIAL YEAR	WRITEBACKS IN THE FINANCIAL YEAR	2017 PROVISIONS
CREDIT INSTITUTION PROVISIONS	-	-	-	-
CUSTOMER PROVISIONS	3,115	310	125	2,930
PROVISIONS ON INVESTMENT SECURITIES	-	-	-	-
PROVISIONS ON EQUITY INTERESTS	50,112	-	-	50,112
PROVISIONS FOR DEPRECIATIONS OF FIXED ASSETS	-	-	-	-
PROVISIONS FOR SUNDRY DEBTORS	64	42	35	57
PROVISIONS FOR RISKS AND CHARGES	1,748	13	14	1,747
TOTAL	55,039	365	174	54,846

F. EXTRAORDINARY ELEMENTS

(in thousands of Euros)

NATURE OF ACCOUNTS	2018	2017
EXTRAORDINARY CHARGES	172	95
CAPITAL LOSSES ON ASSIGNED ASSETS	-	-
SECURITIES ANNULLED IN PREVIOUS YEARS	21	43
INDEMNITIES FOR IMPAIRED PLEDGES	17	10
OTHER EXTRAORDINARY LOSSES	134	42
EXTRAORDINARY INCOME	90	52
MANDATES ANNULLED IN PREVIOUS YEARS	35	5
RECOVERIES AFTER DEBT WRITE OFF	-	-
EXTRAORDINARY SUNDRY INCOME	55	47
EXTRAORDINARY PROFIT	-82	-43

G. TAX REGIME

Corporation tax was calculated at the rate of 28% for the first €500K of fiscal profit, and 33.1/3% for the remainder; the item also includes the social security contribution on profits at 3.30%.

	PRE-TAX PROFIT	TAXES	PROFIT AFTER TAX
CURRENT PROFIT	6,779,240	1,790,656	4,988,584
EXTRAORDINARY PROFIT	-83,146	-	-83,146
NET PROFIT AND LOSS	6,696,094	1,790,656	4,905,437

Crédit Municipal de Paris is the consolidating company of the Groupe Crédit Municipal de Paris. As such, the institution is part of a tax consolidation scope in which its subsidiary CMP Banque participates. The adjustment of corporation tax, after calculating the tax consolidation, is retained by the parent company. An agreement was signed between Crédit Municipal de Paris and CMP Banque to formalise this fiscal integration. The option was renewed at the end of the 2018 financial year for a further five-year period.

Its inter-annual performance results

- ▲ from the economic performance of each entity
- ▲ the run-off process of the subsidiary, which also authorises certain deductibilities from taxable income.

Thus,

- ▲ With regard to the EPA, in 2018, net income before tax was € 6,779,000;
- ▲ With regard to CMP Banque, the net profit before tax is €319,000;
- ▲ At the CMP Group level, for 2018, net income before tax amounted to € 7,085,000 and taxable income to € 6,851,000 generating corporation tax of € 2,306,000.

H. COMPETITIVENESS AND JOBS TAX CREDIT (CICE)

Pursuant to Article 244 quater C of the General Tax Code, in 2017 Crédit Municipal de Paris benefited from a tax credit aimed at improving its competitiveness.

CICE	2018	2017
AMOUNT	216,610	232,207

The amount of the 2017 CICE was used for the renovation and relocation of the CC ART service as well as continuation of work upgrading the safety of the basement.

8. OTHER INFORMATION

A. WORKFORCE

At 31.12.2018, the available workforce was 142 officers and 128.5 in FTEs.

B. PERSONAL TRAINING ACCOUNT

At 31.12.2018, the number of hours available for the Personal Training Account was 14,100.

C. REMUNERATION

No attendance allowances are allocated to members of the Guidance and Supervisory Board. The remuneration of executives is not mentioned, this amounting to providing information regarding their individual remuneration.

D. FEES OF STATUTORY AUDITORS

AMOUNT IN € EXCL. TAX	KPMG	GRANT THORNTON	TOTAL
PARENT COMPANY AUDIT	45,000	45,000	90,000
SERVICES OTHER THAN THE CERTIFICATION OF ACCOUNTS	0	0	0
TOTAL	45,000	45,000	90,000

E. PROPOSED DISTRIBUTION OF PROFITS

It will be proposed to distribute the profit from the 2018 financial year to reserves for the amount of €4 775 408, and to deferred earnings for €150 K.

9. SUBSIDIARIES AND HOLDINGS

FINANCIAL REPORTING

(in thousands of Euros)

DETAILED INFORMATION ON EACH SUBSIDIARY AND HOLDING WHOSE VALUE EXCEEDS 1% OF CAPITAL WHOSE PUBLICATION IS MANDATORY	CAPITAL	EQUITY OTHER THAN CAPITAL	SHARE OF CAPITAL HELD (IN %)	PROFIT AND LOSS FOR THE LAST FINANCIAL YEAR IN (€K)
SUBSIDIARIES OVER 50% OWNED CMP BANQUE 55, RUE DES FRANCS BOURGEOIS 75004 PARIS SIREN N° B 451 309 728 CIB CODE: 50140 A HOLDINGS OF BETWEEN 10 AND 50% NONE	84,037		99.99	319

GENERAL INFORMATION ON ALL SUBSIDIARIES AND HOLDINGS	SUBSIDIARIES		HOLDINGS	
	FRENCH	FOREIGN	FRENCH	FOREIGN
BOOK VALUE OF SECURITIES HELD:				
GROSS	84,037	-	185	-
NET	33,925	-	185	-
AMOUNT OF LOANS AND ADVANCES GRANTED	20,000	-	-	-
AMOUNT OF SUBORDINATE LOANS	10,000	-	-	-
AMOUNT OF COMMITMENTS AND SURETIES GIVEN	10,357	-	-	-
AMOUNT OF DIVIDENDS RECEIVED	-	-	-	-

A framework agreement of means of the CMP group signed on 16 October 2007 between Crédit Municipal de Paris and its subsidiary CMP Banque define the operating procedures of this group by specifying the nature and content of the tasks performed by each entity on behalf of the group.



Crédit Municipal de Paris
55, rue des Francs Bourgeois
75004 Paris
SIREN N° B 451 309 728
CIB CODE: 50140 A
HOLDINGS OF BETWEEN 10 AND 50%
NONE



Crédit Municipal de Paris
55, rue des Francs Bourgeois
75004 Paris
SIREN N° B 451 309 728
CIB CODE: 50140 A
HOLDINGS OF BETWEEN 10 AND 50%
NONE

Crédit Municipal de Paris - Etablissement Public Administratif (E.P.A.)

Siège social : 55, rue des Francs Bourgeois - 75004 Paris
Capital social : 6 47 000 000

Rapport des commissaires aux comptes sur les comptes annuels

Fait à Paris le 31 décembre 2018

A l'attention du Conseil d'Orientation et du Surveillance du Crédit Municipal de Paris (E.P.A.)

Opinion

En exécution de la mission qui nous a été confiée par vos Conseils d'Orientation et de Surveillance, nous avons effectué l'audit des comptes annuels du Crédit Municipal de Paris (E.P.A.) relatifs à l'exercice clos le 31 décembre 2018, tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de l'établissement à la fin de cet exercice.

L'opinion formée ci-dessus est conforme avec le contenu de notre rapport au comité d'audit.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de nos normes sont indiquées dans la partie « Responsabilités des commissaires aux comptes relatives à l'audit des comptes annuels » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance qui nous sont applicables, sur la période du 1^{er} janvier 2019 à la date d'émission de notre rapport, et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, de la règle n° 1 (UE) n° 53/2014 ou par le code de déontologie de la profession de commissaire aux comptes.

Justification des appréciations - Points clés de l'audit

En application des dispositions des articles L. 823-8 et R.823-7 du code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives ou, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes annuels de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ainsi portées s'inscrivent dans le contexte de l'unité des comptes annuels pris dans leur ensemble et de la formation de notre opinion exprimée ci-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes annuels pris isolément.

Dépréciation des titres de participation

Risque identifié

Les titres de participation détenus par le Crédit Municipal de Paris (E.P.A.) dans sa filiale sont évalués à leur coût d'acquisition et dépréciés sur la base de leur valeur d'utilité, fondée sur la juste valeur économique de CMP - Banque au terme de la gestion extinctive de l'établissement (cf. Note 1.2.4 de l'annexe).

Nous avons considéré l'estimation du montant de la dépréciation des titres de participation CMP-Banque comme un point clé de l'audit pour les raisons suivantes :

- recours important au jugement de la direction ;
- sensibilité de la détermination de la juste valeur économique de CMP - Banque aux scénarii de gestion externalisée, établis par la direction dans le cadre de la poursuite de la gestion extinctive de la banque, aux hypothèses de calcul utilisées ainsi qu'aux paramètres de marché ;
- risque d'incidence matérielle sur les résultats de l'établissement.

Procédures d'audit mises en œuvre en réponse à ce risque

Sur la base des informations qui nous ont été communiquées, nos travaux ont consisté à apprécier la cohérence de la valeur d'utilité retenue et à vérifier le calcul du montant de la dépréciation constatée.

Nous avons évalué le caractère raisonnable des principales hypothèses et des paramètres utilisés dans le calcul de la juste valeur économique de CMP - Banque sur la base des projections financières réalisées selon différents scénarii de gestion externalisée issus des plans stratégiques établis par le management.

Nous avons vérifié que la note annexe 4.C donne une information appropriée.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires.

Informations données dans le rapport de gestion et dans les autres documents sur la situation financière et les comptes annuels adressés aux membres du Conseil d'Orientación et de Surveillance.

Nous n'avons pas observé et n'avons pas formulé de réserve sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du Directeur Général et dans les autres documents sur la situation financière et les comptes annuels adressés aux membres du Conseil d'Orientación et de Surveillance.

Informations résultant d'autres obligations légales et réglementaires

Désignation des commissaires aux comptes

Nous avons été nommés commissaires aux comptes du Crédit Municipal de Paris (E.P.A.) par vos Conseils d'Orientación et de Surveillance du 2 janvier 2007 pour le cabinet KPMG S.A. et du 23 mai 2013 pour le cabinet Grant Thornton.

Au 31 décembre 2018, le cabinet KPMG S.A. était dans la 12^{ème} année de sa mission sans interruption et le cabinet Grant Thornton dans la 6^{ème} année.

Responsabilité de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes annuels

Il appartient à la direction d'établir des comptes annuels présentant une image fidèle conformément aux règles et principes comptables français ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes annuels, il incombe à la direction d'évaluer la capacité de l'établissement à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf s'il est prévu de liquider l'établissement ou de cesser son activité.

Il incombe au comité d'audit de suivre le processus d'élaboration de l'information financière et de valuer l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant, de l'audit interne, en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes annuels ont été arrêtés par le Directeur Général.

Responsabilité des commissaires aux comptes relatives à l'audit des comptes annuels

Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes annuels. Notre objectif est d'obtenir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer en détail ou économiquement que les utilisateurs des comptes prennent en sa fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la viabilité ou la qualité de la gestion de votre établissement.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long de cet audit. En outre :

- il identifie et évalue les risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définit et met en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne ;
- il prend connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, et non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- il apprécie le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes annuels ;
- il apprécie le caractère approprié de l'application par la direction de la convention comptable de continuité d'exploitation et, selon les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de l'établissement à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport, étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. S'il conclut à l'existence d'une incertitude significative, il attire l'attention des lecteurs de son rapport sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une qualification avec réserve ou un refus de certifier ;
- il apprécie la présentation d'ensemble des comptes annuels et évalue si les comptes annuels reflètent les opérations et événements sous-jacents de manière à en donner une image fidèle.

Rapport au comité d'audit

Nous remettons un rapport au comité d'audit qui présente notamment l'étendue des travaux d'audit et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit figurent les risques d'anomalies significatives que nous jugeons avoir été les plus importants pour l'audit des comptes annuels de l'exercice et qui constituent de ce fait les points clés de l'audit, qu'il nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537/2014 confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L.822-10 à L.822-14 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Paris La Défense, le 29 mars 2019

KPMG S.A.

GRANT THORNTON


Ulrich Sarfat
Associé


Hervé Grondin
Associé

Management report

CMP BANQUE

During the 2018 financial year, the third year of the business's run-off process, CMP Banque prepared and carried out, within the framework of the DRAIN project, the outsourcing of all its residual activities, following the mandate given to the Chief Executive Officer of CMP Banque by the Board of Directors on 13 February 2018.

Following a consultation and tender process, the management of the loan portfolio was entrusted to EOS France. This outsourcing operation has been operational since 1 October 2018. Mazars was hired to manage, from 1 January 2019, accounts, tax matters, regulatory reports and social management. The operational and financial control of this run-off process enables, beyond our forecasts, a profit of € 319,000 after accounting for new provisions for risks and charges, for €1.37 million, including € 1.14 million dedicated to improving the portfolio's risk hedge. As a reminder, the portfolio's outstandings amounted to €132.91M at 31/12/2017.

ACTIVITY IN 2018

The 2018 accounts of CMP Banque confirm the control of the financial impacts linked to the implementation of this run-off process, which started with the cessation of commercial and banking activities in mid-September 2015 and continued with the disposal of the riskiest and worst

performing assets in December 2015, July 2016 and June 2017.

For the close of the annual accounts, the company accounts of CMP Banque at 31 December 2018 are still in accordance with the accounting rules applicable to a going concern.

In addition, CMP Banque will be able to benefit from the refinancing of its parent company throughout the run-off period. The tax agreement between CMP Banque and Crédit Municipal de Paris is also maintained over the period.

The business plan that was developed for this period took into account the normal expected outflow of outstanding loans incorporating historical data from the portfolio management as well as the assignment of the portfolio of risky and non-performing loans and monthly flows of bad debts and over-indebtedness.

2018 PROFIT AND LOSS STATEMENT

Profit and loss statement at 31.12.2018 (in €M)

IN €M	2018 ACCOUNTS IN PUBLISHABLE	2018 ACCOUNTS - ANALYTICAL VERSION	VARIATION BETWEEN PUBLISHABLE AND ANALYTICAL VERSION	2017 ACCOUNTS IN PUBLISHABLE
NET BANKING INCOME	9,157	9.157	0.000	11.669
GENERAL OPERATING EXPENSES (*)	-4.968	-4.517	0.451	-6.451
COST OF RISK	-3.870	-4.321	-0.451	-10.256
NET PROFIT	0.319	0.319	0.000	-5.038

(*) including capital losses on fixed assets & CICE loan for € -0.175 million

NB: The following table presents an analytical version of the profit and loss statement where the writebacks of provisions corresponding to expenses relating to the implementation of outsourcing of management of the loan portfolio, for which a provision had been constituted in the 2017 accounts (Derain project), have been reclassified into the corresponding expenses in order to better compare the level of general operating expenses between 2017 and 2018. The comments presented below on operating expenses and the cost of risk are based on this analytical version.

NET BANKING INCOME (NBI)

At 31 December 2018, net banking income amounted to € 9.15 million, including € 7.10 million in respect of interest margins.

Interest earned on loans amounted to € 7.09 million, down 39% compared to 2017, taking into account the amortization of outstanding amounts and early repayments. Refinancing costs amount to € 1.84 million, down 28% compared with the previous year.

Net commissions are set at € 1.98 million, a very slight decrease of 5% compared to the previous year. This virtual stability can be explained by a significant increase in commissions received for group insurance contracts, i.e. € 1.46 million.

OVERHEADS

At € 4.51 million, general operating expenses (including depreciation and amortisation), as in the previous year, decreased significantly (-33%).

This change corresponds to a reduction in the overall structural and operational costs of the bank in relation to outsourced management. We also observe:

- ▲ A decrease in staff costs of 44% with a salaried workforce that fell from 21 people at the end of 2017 to 11 at the end of 2018, after the departure of 10 employees in 2018,
- ▲ A continued fall in general operating expenses (including intra-group amortisation and re-invoicing, excluding personnel costs) of 35.9%

COST OF RISK

The cost of risk amounted to € 4.32 million, slightly above our forecasts (€ 4.09 million) and down sharply compared to 2017 (-58%).

The main component of this cost of risk is related to the result of the monthly sale of new non-performing debt flows when they accumulate 180 days of unpaid debts and receivables subject to an overindebtedness plan as of the approval of the definitive plan:

- ▲ In 2018, monthly assignments to CREDINVEST represented 248 files for a gross taxable amount of € 4.27 million and provisioned for € 2.30 million. They generated a book capital loss of €0.19M. The provision for guarantee clause accounted at the end of 2018 amounted to € 0.06 million.

- ▲ Allowances for non-performing loans (with defaults between 90 and 180 days) and files in the Banque de France admissibility procedure amounted to € 2.35 million for the 2018 financial year, of which € 2.30 million was allocated to flows transferred each month and integrated into the calculation of the book capital loss.

Net losses on non-performing loans and personal recovery procedures pronounced by over-indebtedness commissions amount to € 0.04 million.

The establishment of a new provision for an amount of € 1.14 million intended to improve the hedging of our portfolio of unsecured healthy loans, in the knowledge that the rate of change to non-performing is close to 7%. Ultimately, the average provisioning rate for non-performing loans stood at 58.31% at the end of 2018 against 64.40% at the end of 2017 (including late interest).

Excluding late interest, the average rate of depreciation on non-performing loans stood at 57.8% at the end of 2018 against 52.2% at the end of 2017

NET PROFIT AND LOSS

2018 shows a profit of € 0.31 million.

The General Meeting will be recommended, at the proposal of the Board of Directors, to distribute the profit from the financial year, i.e. € 318 987.80 to retained earnings.

It should be recalled that €0 of dividend was paid to shareholders in respect of the last 3 financial years.

PERFORMANCE OF EQUITY AND THE SOLVENCY RATIO

As at 31 December 2018, the ratio to base equity went from 28.46% at the end of 2017 to 45.92% at the end of 2018. The ratio to total shareholders' equity, including the € 10m subordinated loan, stood at 57.22% at the end of 2018 against 35.62% at the end of 2017 for a threshold set at 9.875% by the ACPR.

At 31 December 2018, CMP Banque's equity amounted to € 40.645 million (excluding subordinated loan) and was less than half of the share capital which is €84.037 M.

The business plan for the 2019 financial year shows a sufficient level of regulatory capital compared to the rules of the CRD4.

PROFIT SHARING

Employee participation in the share capital at 31 December 2018 is equal to zero. No shares of CMP Banque are held by personnel of the company or personnel of companies related to it within the framework of a company savings plan.

EVENTS FOLLOWING THE CLOSE OF ACCOUNTS ON 31 DECEMBER 2018

The 2019 financial year will be fully dedicated to operational supervision and monitoring of the two providers EOS France and Mazars. They will respectively perform the outsourced management of the residual healthy portfolio and the outsourcing of accounting and tax activities, the processing of regulatory statements and payroll.

THE PROCESSING OF REGULATORY STATEMENTS AND PAYROLL.

The company has no research and development activities. Likewise, the bank is not currently engaged in sustainable development actions.

COMPETITIVENESS AND JOBS TAX CREDIT (CICE)

In accordance with Article 244 quater C of the General Tax Code, Since 2013, CMP Banque has benefited from a tax credit aimed at improving its competitiveness. The tax credit generated in 2017 for € 29.6 thousand was used in 2018 for expenses incurred in upgrading the information system.

CONCLUSION

2018 marks a new stage in the management of CMP Banque's run-off process with the operational implementation of the outsourcing of all of its residual activities.

At the HR level, as expected, the main consequence of global outsourcing will be the abolition of almost all the positions held by the remaining 11 employees of the bank. One of the main objectives of this run-off procedure is to support the repositioning of employees of CMP Banque. Thus, at the end of December 2018, 110 employees out of a total of 121 left CMP Banque within the framework of the job protection plan. Among them, 100 have found a new position, including 33 with the City of Paris and Credit Municipal de Paris.

CMP Banque being a banking institution, an effective General Management will be maintained to meet the obligations of the Monetary and Financial Code. The general management will rely on an ad hoc steering system carried out by the CMP, whose cornerstone will be financial management.

The financial profits for the 2018 financial year confirms the very good control of the cost of this run-off process with:

- ▲ accumulated profit and loss for the 2016, 2017 and 2018 financial years resulting in a limited loss of € 0.70 million,
- ▲ the capacity to improve hedging of the risk of outstanding unsecured healthy loans,
- ▲ a successful and efficient adjustment of the bank's structural and operating costs.

This performance in the difficult and delicate context of the run-off process is the responsibility of CMP Banque's senior management, through the quality and commitment of its management and involvement in the implementation of projects. The employees of CMP Banque have also contributed to this result with an efficient and professional participation in the performance of works.

The updated business plan, taking into account the profit and loss for 2018 and the outsourcing of the bank's activities, confirms and supports the fact that the overall cost of this run-off process would not result in additional equity requirements.

With the support of the Board of Directors and Crédit Municipal de Paris, CMP Banque's General Management will examine solutions that would enable a request for withdrawal of banking authorisation while maintaining the outsourcing system. This is why the profit and loss account for the 2018 financial year includes a provision of € 0.23 million for a securitisation project.

The hypothesis of the sale of the residual portfolio between 2020 and 2023, adopted in the original business plan, remains an option. It should be underlined that the projected size of the healthy portfolio would be around € 44 million at the end of 2019 and € 24 million at the end of 2020.

REPORT ON CORPORATE GOVERNANCE

The Board of Directors of CMP Banque comprises 6 directors including a legal entity, Crédit Municipal de Paris, 99.99% shareholder of CMP Banque.

As a legal entity and in accordance with the articles of association of CMP Banque, Crédit Municipal de Paris has appointed a permanent representative in the person of its Chief Executive Officer.

The latter is subject to the same conditions and obligations as if he were a member of the Board in his own name.

The terms of office of the directors were renewed at the Ordinary General Meeting of 31 March, 2017 for a period of 4 years, which will expire at the General Meeting called to approve the financial statements for the 2020 financial year.

The Chief Executive Officer of CMP Banque is a corporate officer and is appointed by the Board of Directors for a renewable term of 3 years.

The Board of Directors of 13 December 2017 renewed the term of office of the current Chief Executive Officer as of 19 January 2018 for a renewable term of three years in accordance with the articles of association of CMP Banque.

The list of directors and corporate officers of CMP Banque and their other mandate (s) can be found in annex 1.

ANNEX 1: LIST OF DIRECTORS AND CORPORATE OFFICERS OF CMP BANQUE AND THEIR OTHER MANDATE (S) - MARCH 2019

MR. FRÉDÉRIC MAUGET

CEO of Crédit Municipal de Paris Permanent Representative of Crédit Municipal de Paris

MR. JEAN PHILIPPE BRINET

Chairman of the Board of Directors of CMP Banque

MR. JEAN PAUL ESCANDE

Director of CMP Banque
CIC Sud Ouest : Director and non-voting member
Schröder et Schyler S.A. : Chair of the board

MRS VALÉRIE DE BREM

Director of CMP Banque Élogie-Siemp :
CEO Soreqa: CEO

MR. OLIVIER PASTRE

Director of CMP Banque IM. Bank (Tunis):
Chairman of the board CA Indosuez Gestion: Director

MR. JEAN MARC MAURY

Director of CMP Banque

MR. PHILIPPE ZAMARON

CEO of CMP Banque, corporate officer

ANNEX 2: PAYMENT TERMS OF PROVIDERS AND CUSTOMERS

		ARTICLE D. 441 I. - 1° OF THE CODE OF COMMERCE: INVOICES NOT SETTLED AT THE END OF THE FINANCIAL YEAR					
		0 DAY (INDICATIVE)	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	91 DAYS AND MORE	TOTAL (1 DAY AND MORE)
(A) LATE PAYMENT TRANCHE							
NUMBER OF INVOICES CONCERNED	22	2	-	-	1	3	
TOTAL AMOUNT OF INVOICES CONCERNED (INCLUDING TAX) - IN €K)	92	8	-	-	-	8	
PERCENTAGE OF TOTAL PURCHASES INCL. TAX FOR THE YEAR	92.31 %	99.30 %	0.00 %	0.00 %	0.70 %	100 %	
PERCENTAGE OF TURNOVER INCL. TAX FOR THE YEAR							
(B) INVOICES EXCLUDED FROM (A) RELATING TO CONTESTED OR UNRECOGNISED DEBTS AND RECEIVABLES							
NUMBER OF INVOICES: EXCLUDED	NONE						
TOTAL AMOUNT OF INVOICES EXCLUDED	NONE						
(C) REFERENCE PAYMENT PERIODS USED (CONTRACTUAL OR LEGAL, COMM. CODE, ART. L. 441-6 OR ART. L. 443-1)							
PAYMENT PERIODS USED FOR THE CALCULATION OF LATE PAYMENTS	- LEGAL DEADLINES. 30 DAYS FROM THE DATE OF THE INVOICE						
		ARTICLE D. 441 I. - 2° OF THE CODE OF COMMERCE: INVOICES ISSUED AND NOT SETTLED AT THE END OF THE FINANCIAL YEAR					
		0 DAY (INDICATIVE)	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	91 DAYS AND MORE	TOTAL (1 DAY AND MORE)
(A) LATE PAYMENT TRANCHE							
NUMBER OF INVOICES CONCERNED	NONE						
TOTAL AMOUNT OF INVOICES CONCERNED (INCLUDING TAX) - IN €K)	NONE						
PERCENTAGE OF TOTAL PURCHASES INCL. TAX FOR THE YEAR	NONE						
PERCENTAGE OF TURNOVER INCL. TAX FOR THE YEAR	NONE						
(B) INVOICES EXCLUDED FROM (A) RELATING TO CONTESTED OR UNRECOGNISED DEBTS AND RECEIVABLES							
NUMBER OF INVOICES: EXCLUDED	NONE						
TOTAL AMOUNT OF INVOICES EXCLUDED	NONE						
(C) REFERENCE PAYMENT PERIODS USED (CONTRACTUAL OR LEGAL, COMM. CODE, ART. L. 441-6 OR ART. L. 443-1)							
PAYMENT PERIODS USED FOR THE CALCULATION OF LATE PAYMENTS	NONE						

		ARTICLE D. 441-II : INVOICES RECEIVED AND SUBJECT TO LATE PAYMENT DURING THE FINANCIAL YEAR				
	0 DAY (INDICATIVE)	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	91 DAYS AND MORE	TOTAL (1 DAY AND MORE)
(A) LATE PAYMENT TRANCHE						
NUMBER OF INVOICES CONCERNED	395	36	13	9	22	80
TOTAL NUMBER OF INVOICES INVOLVED INCLUSIVE OF TAX (IN €K)	2,146	185	30	35	30	280
PERCENTAGE OF TOTAL PURCHASES INCL. TAX FOR THE YEAR	88.46 %	66.01 %	10.57 %	12.53 %	10.88 %	100 %
PERCENTAGE OF TURNOVER INCL. TAX FOR THE YEAR						
(B) INVOICES EXCLUDED FROM (A) RELATING TO CONTESTED OR UNRECOGNISED DEBTS AND RECEIVABLES						
NUMBER OF INVOICES EXCLUDED	NONE					
TOTAL AMOUNT OF INVOICES EXCLUDED	NONE					
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL, COMM. CODE, ART. L. 441-6 OR ART. L. 443-1)						
PAYMENT PERIODS USED FOR THE CALCULATION OF LATE PAYMENTS	LEGAL DEADLINES. 30 DAYS FROM THE DATE OF THE INVOICE					

		ARTICLE D. 441-II : INVOICES ISSUED AND SUBJECT TO LATE PAYMENT DURING THE FINANCIAL YEAR				
	0 DAY (INDICATIVE)	1 TO 30 DAYS	31 TO 60 DAYS	61 TO 90 DAYS	91 DAYS AND MORE	TOTAL (1 DAY AND MORE)
(A) LATE PAYMENT TRANCHE						
NUMBER OF INVOICES CONCERNED	NONE					
TOTAL NUMBER OF IN- VOICES INVOLVED INCLU- SIVE OF TAX (IN €K)	NONE					
PERCENTAGE OF TOTAL PURCHASES INCL. TAX FOR THE YEAR	NONE					
PERCENTAGE OF TURN- OVER INCL. TAX FOR THE YEAR	NONE					
(B) INVOICES EXCLUDED FROM (A) RELATING TO CONTESTED OR UNRECOGNISED DEBTS AND RECEIVABLES						
NUMBER OF INVOICES EXCLUDED	NONE					
TOTAL AMOUNT OF INVOICES EXCLUDED	NONE					
(C) REFERENCE PAYMENT TERMS USED (CONTRACTUAL OR LEGAL, COMM. CODE, ART. L. 441-6 OR ART. L. 443-1)						
PAYMENT PERIODS USED FOR THE CALCULATION OF LATE PAYMENTS	NONE					

Bank transactions and related transactions are not included in information reported in customer payment terms.

ANNEX 3: FINANCIAL PROFIT AND LOSS FROM THE LAST 5 FINANCIAL YEARS

NATURE OF INDICATIONS (IN €K)	2014	2015	2016	2017	2018
CAPITAL AT THE END OF THE FINANCIAL YEAR					
SHARE CAPITAL	60,037,000.00	84,037,000.00	84,037,000.00	84,037,000.00	84,037,000.00
NUMBER OF ORDINARY SHARES EXISTING	6,003,700	8,403,700	8,403,700	8,403,700	8,403,700
NUMBER OF PRIORITY DIVIDEND SHARES (WITHOUT VOTING RIGHT) EXISTING	0	0	0	0	0
MAX. NUMBER OF FUTURE SHARES TO BE CREATED	0	0	0	0	0
BY CONVERSION OF BONDS	0	0	0	0	0
BY SUBSCRIPTION	0	0	0	0	0
OPERATIONS AND PROFIT AND LOSS IN THE FINANCIAL YEAR					
PRE-TAX TURNOVER (NBI)	18,968,915.26	15,760,241.56	18,487,622.16	11,669,454.27	9,156,639.41
PROFIT BEFORE TAXES, DEPRECIATION EXPENDITURE AND PROVISIONS	4,171,281.59	-16,157,907.49	11,178,967.89	6,079,383.64	5,103,103.04
CORPORATE INCOME TAX	189,432.00	160,000.00	39,580.00	29,591.00	12,731.31
EMPLOYEE PROFIT SHARING DUE IN RESPECT OF THE FINANCIAL YEAR	0.00	0.00	0.00	0.00	0.00
PROFIT AFTER TAXES, PROFIT SHARING, DEPRECIATION EXPENDITURE AND PROVISIONS	-3,200,676.20	-24,485,722.82	4,014,705.51	-5,037,814.82	318,987.80
DISTRIBUTED PROFIT	0.00	0.00	0.00	0.00	0.00
PROFIT PER SHARE					
PROFIT AFTER TAXES, PROFIT SHARING, BUT BEFORE DEPRECIATION EXPENDITURE AND PROVISIONS	0.73	-1.90	1.33	0.73	0.61
PROFIT AFTER TAXES, PROFIT SHARING, DEPRECIATION EXPENDITURE AND PROVISIONS	-0.53	-2.91	0.48	-0.60	0.04
DIVIDEND ALLOCATED TO EACH SHARE	0.00	0.00	0.00	0.00	0.00
PERSONNEL					
AVERAGE NUMBER OF EMPLOYEES EMPLOYED DURING THE FINANCIAL YEAR	123	122	48	32	17
PAYROLL AMOUNT FOR THE FINANCIAL YEAR (*)	6,411,339.86	4,483,186.47	2,147,981.32	1,559,415.47	960,335.84
AMOUNT IN RESPECT OF SOCIAL BENEFITS (SOCIAL SECURITY, SOCIAL WORKS)	3,284,172.17	2,496,801.30	667,377.46	603,768.99	12,036.51

Given the context of the run-off process, and to compare data on a like by like basis, redundancy payments are excluded from the payroll. For information, in 2018, the payroll including redundancy payments linked to the implementation of the job protection plan (PSE) stood at 1 853 793.81 Euros.

ANNEX 4: INFORMATION ON RISKS

EQUITY RATIO

Determination of equity - Summary statement of the solvency ratio

TURNOVER STATEMENT		31 December 2018
BASE EQUITY		40,645
CAPITAL		84,037
+/- RESERVES AND RETAINED EARNINGS		-44,460
FUNDS FOR GENERAL BANKING RISKS		1,068
- INTANGIBLE FIXED ASSETS		0
ADDITIONAL EQUITY		
CMP SUBORDINATED LOAN		10,000
1. TOTAL EQUITY PROPRES		50,645

2. EQUITY REQUIREMENTS	TOTAL EX. GROSS	TOTAL EX. NET	TOTAL WEIGHTED	EQUITY REQUIREME
2.1. STANDARD CREDIT RISK APPROACH				
2.1.1 CENTRAL ADMIN. & CENTRAL BANKS	3	3	0	0
2.1.2. CREDIT INSTITUTIONS	11,390	11,390	2,278	182
2.1.3 COMPANIES	0	0	0	0
2.1.4. RETAIL CUSTOMERS	79,879	79,879	59,909	4,793
2.1.5. DEFAULT EXPOSURES	4,368	1,821	1,821	146
2.1.6 SHARES	0	0	0	0
2.1.7. OTHER ASSETS	1,521	1,429	1,429	114
SUB-TOTAL 1	97,161	94,522	65,438	5,235
OFF BALANCE SHEET	0	0	0	0
SUB-TOTAL 2	97,161	94,522	65,438	5,235
2.2. BASIC OPERATIONAL RISK APPROACH			23,066	1,845
2. TOTAL AMOUNT OF RISK EXPOSURE/ TOTAL EQUITY REQUIREMENTS			88,503	7,080

3. RATIO OF SOLVENCY TO BASE EQUITY **45.92 %**

RATIO OF SOLVENCY TO TOTAL EQUITY **57.22 %**

SHORT TERM LIQUIDITY RATIO - LCR

The short-term liquidity ratio - LCR stood at 2923240% as at 31-12-2018 for a requirement fixed at 100%.

FINANCIAL STATEMENTS

BALANCE SHEET

(In Euros)

ASSETS	31.12.2018	31.12.2017
CASH, CENTRAL BANKS, POST OFFICE BANKS	2,923.24	671,175.39
TREASURY NOTES AND EQUIVALENTS	0.00	0.00
RECEIVABLES WITH CREDIT INSTITUTIONS	11,389,749.28	35,209,295.44
TRANSACTIONS WITH CUSTOMERS	81,836,074.99	132,915,154.77
BONDS AND OTHER FIXED INCOME SECURITIES	0.00	0.00
BONDS AND OTHER VARIABLE INCOME SECURITIES	0.00	0.00
SHARES AND PORTFOLIO ACTIVITY	0.00	20,090.62
PARTS IN AFFILIATED COMPANIES	0.00	0.00
LEASE AND RENTAL CREDITS WITH PURCHASE OPTION	0.00	0.00
INTANGIBLE FIXED ASSETS	0.00	857,197.29
TANGIBLE FIXED ASSETS	0.00	257,599.70
CAPITAL SUBSCRIBED AND NOT PAID	0.00	0.00
OWN SHARES	0.00	0.00
OTHER ASSETS	288,463.92	527,096.01
ACCRUAL ACCOUNTS	1,004,946.46	1,076,559.86
TOTAL	94,522,157.89	171,534,169.08

LIABILITIES	31.12.2018	31.12.2017
CENTRAL BANKS, POST OFFICE BANKS	0.00	0.00
DEBTS WITH CREDIT INSTITUTIONS	36,601,958.45	107,117,317.09
TRANSACTIONS WITH CUSTOMERS	883,226.93	1,095,846.07
DEBTS REPRESENTED BY A SECURITY	0.00	0.00
OTHER LIABILITIES	786,995.08	5,346,291.87
ACCRUAL ACCOUNTS	644,349.77	990,607.11
PROVISIONS FOR RISKS AND CHARGES	4,622,174.63	6,319,641.71
SUBORDINATED DEBTS	10,019,444.44	10,019,444.44
FUNDS FOR GENERAL BANKING RISKS	1,067,676.75	1,067,676.75
EQUITY EXCLUDING FGBR	39,896,331.84	39,577,344.04
SUBSCRIBED CAPITAL	84,037,000.00	84,037,000.00
ISSUE PREMIUMS	0.00	0.00
RESERVES	129,705.44	129,705.44
REVALUATION DIFFERENCES	0.00	0.00
REGULATED PROVISIONS AND INVESTMENT SUBSIDIES	0.00	0.00
CARRIED FORWARD (+ / -)	-44,589,361.40	-39,551,546.58
PROFIT & LOSS FROM THE FINANCIAL YEAR (+ / -)	318,987.80	-5,037,814.82
TOTAL	94,522,157.89	171,534,169.08

OFF BALANCE SHEET	31.12.2018	31.12.2017
COMMITMENTS GIVEN	0.00	29,138.28
FINANCING COMMITMENTS GIVEN	0.00	0.00
GUARANTEE COMMITMENTS GIVEN	0.00	29,138.28
COMMITMENTS RECEIVED	89,676,404.00	114,508,112.73
FINANCING COMMITMENTS RECEIVED	0.00	0.00
GUARANTEE COMMITMENTS RECEIVED	89,676,404.00	114,508,112.73

SIMPLIFIED

(In Euros)

BANK OPERATING INCOME AND CHARGES	31.12.2018	31.12.2017
+ INTEREST AND SIMILAR INCOME	7,376,334.31	11,691,539.92
- INTEREST AND SIMILAR CHARGES	-273,109.18	-2,553,548.85
+ / - INCOME FROM LEASING AND SIMILAR CREDIT OPERATIONS	0.00	0.00
+ REVENUE FROM VARIABLE INCOME SECURITIES	0.00	0.00
+ COMMISSION (INCOME)	920,650.20	1,790,297.34
- COMMISSION (CHARGES)	-403,710.31	-583,812.02
+ / - GAINS OR LOSSES ON TRADING PORTFOLIO TRANS.	0.00	0.00
+ / - GAINS OR LOSSES ON INVESTMENT PORTFOLIOS AND SIMILAR	0.00	-42,339.61
+ OTHER OPERATING INCOME	1,580,210.90	1,425,331.66
- OTHER OPERATING CHARGES	-43,736.51	-58,014.17
NET BANKING INCOME	9,156,639.41	11,669,454.27
- GENERAL OPERATING CHARGES	-3,865,883.97	-5,590,070.63
- ALLOWANCES FOR AMORTIZATIONS AND PROVISIONS ON FIXED ASSETS	-927,144.59	-890,749.08
GROSS OPERATING INCOME	4,363,610.85	5,188,634.56
+ / - COST OF RISK	-3,869,701.96	-10,256,040.38
OPERATING INCOME	493,908.89	-5,067,405.82
+ / - GAINS OR LOSSES ON FIXED ASSETS	-187,652.40	0.00
CURRENT INCOME BEFORE TAX	306,256.49	-5,067,405.82
+/- EXTRAORDINARY INCOME	0.00	0.00
- CORPORATE INCOME TAX	12,731.31	29,591.00
+/- ALLOWANCES/ WRITEBACKS OF FGBR AND REGULATED PROV.	0.00	0.00
NET PROFIT AND LOSS FOR THE YEAR	318,987.80	-5,037,814.82

ANNEX TO THE 2018 ANNUAL ACCOUNTS

1. ACCOUNTING PRINCIPLES AND METHODS

The annual accounts of CMP Banque are prepared in accordance with generally accepted accounting principles in France and in accordance with provisions applicable to banks, as defined by the French Accounting Standards Authority, in particular regulation ANC 2014-07 approved by order of 26 November 2014, on the preparation and publication of the annual individual accounts of credit institutions.

Transactions are recorded in compliance with the precautionary principle, in accordance with the base assumptions, namely that of an on-going concern, the permanence of accounting methods from one year to the next, and the independence of financial years. The method adopted for the valuation of items recorded in the accounts is the historical cost method, and all balance sheet items are presented, as applicable, net of amortization, provisions and value corrections.

1.1. Characteristic facts and significant events

Board of Directors of CMP Banque of 8 and 30 June 2015 authorised the Chief Executive Officer to implement and set the conditions of a run-off process which will be spread over a period of time. Since 2015, the main effects of the implementation of the run-off process have been:

In operational terms:

- ▲ stopping the marketing of products and services as of September 2015 and the closure of commercial branches implemented from 2016 and until the end of 2017,
- ▲ stopping the processing of operations involving the management of banking products (management of current and savings accounts) during H1 2016.
- ▲ assignments concluded in December 2015 for the healthy mortgage portfolio (OCH) and in July 2016 for almost the entire bad debt portfolio including OCH.
- ▲ the assignment on 28 June 2017 of all outstanding risky and non-performing loans identified at 31 December 2016 (bad debts, compromised loans and overindebtedness plans) and at 1 January 2017, the monthly sale of new flows of bad debt flows once they reach 180 days of default, and receivables subject to an Overindebtedness plan, as of the approval of the definitive plan.
- ▲ the outsourcing to a specialist partner of the management of the residual loan portfolio for customer relations and reminders of unpaid maturities as of 1 October 2018. A computer migration of management data at 30 September 2018 was carried out. In the last quarter of 2018: accounts were kept by CMP Banque on the basis of manual records.

In organisational and labour terms:

- ▲ the negotiation and implementation of a Job Protection (PSE) plan covering the entire workforce with departures staggered, originally, between early 2016 and the end of 2020,
- ▲ after getting the approval of the DIRECCTE to the job protection plan, the board of directors of 9 December 2015 noted the implementation of the first redundancies at the beginning of 2016,

- ▲ at 31 December 2018, 110 employees out of a total of 121 (excluding corporate officers) at 31-12-2015 left CMP Banque within the framework of the job protection plan.

In legal terms:

- ▲ It was decided not to undertake, at this stage, the initially envisaged process for the withdrawal of banking authorisation, to maintain access to the FICP (Personal Credit Payment Incident File) for the management of receivables held by CMP Banque.

For the close of the annual accounts, in this context, the company accounts of CMP Banque at 31 December 2018 are still in accordance with the accounting rules applicable to a going concern.

The business plan that was developed in respect of this run-off period took the normal expected outflows into account.

Loans incorporating historical data from portfolio management. It also provides that CMP Banque will be able to benefit from refinancing, throughout the run-off period, from its parent company, Crédit Municipal de Paris.

Changes in 2018 in provisions accounted in 2015 for the implementation of the run-off process are presented in Notes on the balance sheet - Note K - page 12, and Notes to the profit and loss statement - Note A - page 15, Note B - page 16.

1.2. Change of accounting methods

There has been no change in accounting or presentation policies in relation to the financial statements prepared, approved and published at 31 December 2017.

1.3. Transactions with customers: handling credit risk

Transactions with customers are composed of:

- ▲ on the asset-side, customer loans presented at the value of capital due, plus any accrued interest calculated on the close date, net of haircuts and impairments established in respect of credit risk.
- ▲ on the liabilities side, the other amounts due are correlated to outstanding loans and represent funds received from customers, pending identification and allocation to loan files for the payment of unpaid instalments or in the event of early repayment of receivables.

For the handling of credit risk, CMP Banque applies ANC regulation 2014-07 approved by order of 26 November 2014, concerning the preparation and publication of annual individual accounts of credit institutions

1.3.1. Classification of customer loans outstanding

Since 1 January 2017, CMP Banque has been carrying out the monthly assignment of non-performing loans after 180 days of non-payment and loans which are the subject of an over-indebtedness plan as of the approval of the definitive plan.

Outstanding loans are classified as healthy loans, non-performing loans and irrecoverable non-performing loans.

Non-performing loans consist of all loans due from debtors with at least one commitment and a proven credit risk. A risk is proven when it is likely that the institution will not collect all or part of the sums due in respect of the commitments entered into by the counterparty, irrespective of the existence of a guarantee or bond.

Irrecoverable non-performing receivables are receivables whose recovery is irreparably compromised and do not meet the eligibility criteria for the assignment of receivables.

CMP Banque no longer accounts for loans restructured under non-market conditions, due to the financial situation of a debtor. Cases subject to a request for an overindebtedness plan (called the admissibility phase) are identified in the information system, declassified as non-performing loans and assigned upon approval of the plan.

Non-performing loans are reinstated as healthy loans when payments resume on a regular basis for amounts corresponding to the original contractual maturities, and when the counterparty no longer shows a risk of default.

Late interest on non-performing loans is fully impaired. These depreciations are recorded in such a way as to neutralise interest at the level of net banking income

1.3.2. Segmentation of outstanding loans

Given the specialisation of Groupe Crédit Municipal de Paris in the distribution of cash loans to individuals, the institution has carried out a segmentation of these outstanding loans based on the nature of the loans distributed.

No internal ranking system has been used.

1.3.3. Taking risk reduction instruments into account

CMP Banque does not use any loan derivatives or financial sureties.

1.3.4. Impairment of non-performing loans and irrecoverable non-performing loans

Since the implementation of the framework agreement for the sale of non-performing loans with more than 180 days of outstanding payments, and loans subject to a plan approved by the Over-Indebtedness Commission, CMP Banque applies depreciation rates on the basis of the average loss rates observed in 2018 by type of loan:

For loans falling within the scope of the framework transfer agreement:

- ▲ a depreciation rate is applied to non-performing loans from 90 days to 180 days corresponding to the average loss rate observed on assignments of loans of the same kind carried out in 2018;
- ▲ a depreciation rate corresponding to the average loss rate observed upon the sale of the over-indebtedness plans approved in 2018

Irrecoverable non-performing loans are forfeited and fully provided for pending their transfer to losses.

Given the deadlines taken into account for the assignment of non-performing loans and over-indebtedness, no additional interest rate corresponding to the impact of discounting is calculated.

1.3.5. Presentation in the profit and loss statement

The net expense for the year for risks, excluding impairment charges, is included in the profit and loss statement under the heading "Cost of risk"; it consists of the allocations and the share of irrecoverable loans not covered by impairments, reduced by write-backs into impairment accounts.

The capital loss corresponding to the difference between the net book value of the loans sold and the purchase price is recognised in the income statement under the heading "Cost of risk".

1.4. Accounting treatment of commissions and fees related to the awarding or acquiring of a loan

CMP Banque applies regulation ANC 2014-07 approved by decree of 16 November 2014, relating to the preparation and publication of annual individual accounts of credit institutions.

Commissions and costs falling within the scope of application of the Regulation are spread over the effective life of the loan.

CMP Banque has opted for the alternative method staggering the capital remaining due on a pro rata basis.

1.5. Securities transactions

Securities transactions include securities transactions carried out from the outset with the intention of selling them no later than the end of a six month holding term.

At 31.12.2018, CMP Banque did not hold any assets in this category.

Investment securities includes securities (shares or bonds) acquired for the purpose of obtaining a direct income or a capital gain.. At the end of the financial year, a valuation is carried out of the securities. Capital losses are recorded by way of a provision for depreciation. Unrealised capital gains are not accounted. At 31.12.2018, CMP Banque did not hold any assets in this category.

Investment securities include fixed income securities, acquired with the intention of holding them in the long term and hedged by interest rate swap agreements.

At 31.12.2018, CMP Banque did not hold any assets in this category.

Equity interests include all securities whose long term holding is deemed useful for the company's activity.

At 31.12.2018, CMP Banque did not hold any assets in this category.

1.6. Transactions on forward financial instruments and other loan derivatives exposures.

At 31 December 2018, CMP Banque does not hold any financial futures and has no direct or indirect exposure to derivative loan instruments such as CDO, CMBS or other "sub prime" exposures such as RMBS. Moreover, CMP Banque is not exposed to leverage transactions.

1.7. Fixed assets and amortisations

The institution applies regulation ANC 2014-03 relating to the amortisation and depreciation of assets.

1.8. 1.8. Provisions for risks and charges

This post encompasses:

▲ provisions intended to hedge risks and charges linked to banking transactions, that events occurring or under way make likely, clearly specified in terms of their object but whose realisation is uncertain.

▲ provisions intended to hedge risks and charges not directly linked to banking transactions, clearly specified as to their purpose, and whose amount and/or maturity cannot be established precisely.

A provision has been made to hedge expected losses at 1 year on the healthy portfolio of unsecured loans. This is an approach based on the determination of a likelihood of default and a loss in the event of default, for outstanding loans that have not been downgraded and are deemed healthy.

1.9. Information on transactions between related parties

Pursuant to ANC Regulation 2014-07, all transactions with related parties were concluded under normal market conditions.

1.10. Labour commitments

An employee profit sharing plan has been instituted in accordance with legal provisions. Participation is linked to the profits of the company; it therefore exists to the extent that the profits of the year make it possible to release a positive profit sharing reserve.

A profit sharing agreement, formalised with employee representative bodies, is applicable as of 1 January 2012. The company has not formalised an agreement with employee representative bodies for the implementation of a profit-sharing plan.

As leave is taken from 1 January to 30 April of the following year, the debt representing leave yet to be taken on 31 December is recorded in personnel liabilities. Within the framework of the agreement on the reduction of working hours, the institution authorises the creation of a time savings account, which allows employees who so wish to accumulate leave days or develop a monetised savings to compensate for specific end-of career leave, leave for personal reasons, part-time leave or statutory unpaid leave. Time savings accounts (CET) are recorded as personnel liabilities.

Given the context of the run-off process and the implementation of the job protection plan (PSE) covering the entire workforce, CMP Banque does not include provisions for end-of-career benefits. Excluding redundancies in the framework of the job protection plan (PSE), CMP Banque establishes provisions for redundancies on the basis of foreseeable or actual disputes on the termination date.

Pensions and retirement funds of CMP staff Banque are borne by interbranch organisations to which contributions are periodically paid. These are borne in the relevant financial year. CMP Banque has no early retirement commitments for personnel. Long service awards are no longer provided for.

2. EVENTS FOLLOWING THE CLOSE OF ACCOUNTS ON 31 DECEMBER 2018

The Board of Directors of 13 February 2018 adopted a scenario of outsourced management of the loan portfolio and support functions for the completion of the CMP Banque run-off process. The second phase of this scenario concerning support functions (accounting, tax, payroll and regulatory reporting) has been implemented as of January 2019.

3. NOTES ON THE BALANCE SHEET

A. CUSTOMER USES

INVENTORY (AMOUNTS NET OF DEPRECIATION):

	31.12.2018			31.12.2017		
NATURE OF DEBTS (IN K €)	GROSS OUT- STANDING	HAIRCUT/ DEPRECIATION	NET OUTSTANDING	GROSS OUT- STANDING	DÉCOTE / DÉPRÉCIATIONS	NET OUT- STANDING
CASH CREDITS	78,785		78,785	128,502		128,502
CASH LOANS- RESTRUC- TURED RECEIVABLES	0	0	0	0	0	0
HOUSING LOANS	782		782	1,047		1,047
HOUSING LOANS - RESTRUCTURED RECEIVABLES	0	0	0	0	0	0
ORDINARY ACCOUNTS DEBTORS (O/W OCH*)	0		0	0		0
VALUES NOT ALLOCATED	136		136	232		232
NON-PERFORMING LOANS	4,368	2,547	1,821	7,396	4,763	2,633
ACCOUNTS RECEIVABLE	312		312	501		501
TOTAL	84,383	2,547	81,836	137,678	4,763	132,915

* (OCH : Opening of mortgage loan)

The framework transfer agreement of 15 June 2017 includes, as of 1 January 2017, the monthly transfer of new flows of non-performing loans after 180 days of non-payment and loans which are the subject of an over-indebtedness plan as of the approval of the definitive plan.

DISTRIBUTION OF NON-PERFORMING AND IRRECOVERABLE NON-PERFORMING DEBTS

	31.12.2018			31.12.2017		
NON-PERFORMING DEBTS AND IRRECOVERABLE NON-PERFORMING DEBTS (IN €K)	GROSS OUT-STANDING AMOUNTS	HAIRCUT/ DEPRECIATION	NET OUT-STANDING AMOUNTS	GROSS OUT-STANDING AMOUNTS	HAIRCUT/ DEPRECIATION	NET OUT-STANDING AMOUNTS
NON-PERFORMING DEBTS	4,250	2,430	1,821	4,606	2,404	2,202
CASH CREDITS	3,204	1,851	1,353	4,087	2,227	1,859
RESTRUCTURED LOANS	-	-	-	-	-	-
MORTGAGES AND HOUSING LOANS	1,047	579	468	519	176	343
ORDINARY ACCOUNTS AND OCH	-	-	-	-	-	-
DECLASSIFIED DEBTS - PRINCIPLE OF CONTAGION	-	-	-	-	-	-
NON-PERFORMING DEBTS IRRECOVERABLE	65	65	-	2,323	1,108	1,215
CASH CREDITS	65	65	-	365	326	39
MORTGAGES AND HOUSING LOANS	-	-	-	-	-	-
ORDINARY ACCOUNTS AND OCH	-	-	-	1,958	782	1,176
LATE INTEREST	52	52	-	467	467	-
TERMINATION CLAUSE/ ASSIGNED RECEIVABLES	-	-	-	-	784	784
TOTAL	4,368	2,547	1,821	7,396	4,763	2,633
AVERAGE PROVISIONING RATE	58.31 %			64.40 %		

The average impairment rate (provision and haircut / overall non-performing debts - including late interest depreciated at 100%) stood at 58.31% at the end of December 2018; and 64.40% at the end of 2017.

Assignments of loans made through the framework transfer agreement are accompanied by a termination clause for non-compliant loans. The corresponding provision has been reclassified, in 2018, as a liability, in provisions for risks and charges: it amounted to € 57 K at 31.12.2018.

BREAKDOWN OF HEALTHY AND RESTRUCTURED LOANS, EXCLUDING ACCOUNTS RECEIVABLE AND ORDINARY CURRENT ACCOUNTS ACCORDING TO THE REMAINING TERM

REMAINING TERM	D ≤ 1 MONTH	1 MONTH < D ≤ 3 MONTHS	3 MONTH < D ≤ 6 MONTHS	6 MONTH < D ≤ 1 YEAR	1 YEAR < D ≤ 5 YEARS	D > 5 YEARS
LOANS WHOSE INITIAL TERM IS:						
≤ 1 YEAR	0	0	0	0	0	0
> 1 YEAR	2,943	3,887	5,322	9,294	42,683	15,438

B. SECURITIES TRANSACTIONS

BALANCE AT 31.12.2018 (IN €K)	GROSS VALUE	IMPAIRMENTS	NET VALUE
INVESTMENT SECURITIES	0	0	0
OWNERSHIP SECURITIES	0	0	0
ACCOUNTS RECEIVABLE	0	0	0
TOTAL	0	0	0

BALANCE AT 31.12.2017 (IN €K)	GROSS VALUE	IMPAIRMENTS	NET VALUE
INVESTMENT SECURITIES	0	0	0
OWNERSHIP SECURITIES	0	0	0
ACCOUNTS RECEIVABLE	0	0	0
TOTAL	0	0	0

C. SECURITY INTERESTS

CMP Banque has no stake in the capital of other companies.

D. FIXED ASSETS

NATURE OF FIXED ASSETS (IN K €)	GROSS VALUE 31.12.2017	ACQUISITIONS IN THE FINANCIAL YEAR	TRANSFERS IN THE FINANCIAL YEAR	ASSIGNMENTS IN THE FINANCIAL YEAR	GROSS VALUE 31.12.2018
INTANGIBLE FIXED ASSETS	10,469	0	0	-8,512	1,957
TANGIBLE FIXED ASSETS	4,850	0	0	-4,774	76
FIXED ASSETS EXCLUDING OPERATING	0	0	0	0	0
FIXED ASSETS UNDER LEASE	0	0	0	0	0
INTANGIBLE FIXED ASSETS UNDER CONSTRUCTION	0	0	0	0	0
TANGIBLE FIXED ASSETS UNDER CONSTRUCTION	0	0	0	0	0
TOTAL	15,319	0	0	-13,286	2,033

Fixed assets are shown on the balance sheet at their purchase value. Intangible fixed assets mainly consist of software.

E. AMORTIZATIONS

NATURE OF FIXED ASSETS (IN K €)	AMORTISATION STOCK AT 31.12.2017	DEPRECIATION OF ASSETS IN THE FINANCIAL YEAR	AMORTISATION IN THE FINANCIAL YEAR	ASSIGNMENTS IN THE FINANCIAL YEAR	STOCK OF AMORTIZATIONS 31.12.2018
INTANGIBLE FIXED ASSETS	9,612	298	521	-8,474	1,957
TANGIBLE FIXED ASSETS	4,592	6	101	-4,624	76
FIXED ASSETS EXCLUDING OPERATING	0	0	0	0	0
FIXED ASSETS UNDER LEASE	0	0	0	0	0
TOTAL	14,205	304	622	-13,098	2,033

Fixed assets are amortised according to the straight line method according to their estimated life span. During 2018, CMP Banque scrapped part of the furniture and fixtures and fittings corresponding to the former premises occupied before a relocation took place in June 2018. This resulted in the recognition of a capital gain on disposals of fixed assets of €188K. In addition, depreciation of € 305,000 in fixed assets was recognised in light of the reduction in the operating structure of CMP Banque for the first half of 2019, which will result in the scrapping of all non-amortised assets at that date.

Amortisation methods and estimated useful lives are as follows:

LEASE RIGHT	NOT AMORTIZED	
SOFTWARE DEVELOPMENT AND ACQUISITION COSTS	STRAIGHT LINE	1 AND 3 YEARS
SOFTWARE DEVELOPMENT AND ACQUISITION COSTS	STRAIGHT LINE	5 YEARS
IT EQUIPMENT	STRAIGHT LINE	3 YEARS
OFFICE EQUIPMENT AND FURNITURE	STRAIGHT LINE	3 AND 5 YEARS
AGENCEMENTS ET INSTALLATIONS	STRAIGHT LINE	5 AND 10 YEARS

F. ACCRUAL ACCOUNTS AND VARIOUS ASSETS

OTHER ASSETS (IN €K)	ASSET VALUES 31.12.2018	ASSET VALUES 31.12.2017
INDUSTRIAL DEVELOPMENT SECURITIES (TDI)	0	0
DEPOSITS AND SURETIES PAID	44	110
SUNDRY DEBTORS	244	417
ACCOUNTS RECEIVABLE	0	0
TOTAL	288	527

ACCRUAL ACCOUNTS (IN €K)	ASSET VALUES 31.12.2018	ASSET VALUES 31.12.2017
PREPAID CHARGES	0	15
INCOME RECEIVABLE	1,001	549
INCLUDING RECEIVABLES WITH RELATED COMPANIES	12	139
OTHER ACCRUAL ACCOUNTS	3	513
INCLUDING RECEIVABLES WITH RELATED COMPANIES	0	0
TOTAL	1,005	1,077

ACCRUAL ACCOUNTS (IN €K) DETAIL OF INCOME RECEIVABLE	ASSET VALUES 31.12.2018	ASSET VALUES 31.12.2017
INCOME RECEIVABLE - SUNDRY	4	5
MANAGEMENT FEES AND SUBSIDISATION OF INTEREST RECEIVABLE	0	1
MANAGEMENT FEES AND SUBSIDISATION OF INTEREST RECEIVABLE (CNAS)	0	0
COMMISSION ON GROUP INSURANCE RECEIVABLE	986	405
RELATED COMPANY: REINVOICING Q4 2017 RECEIVABLES	12	139
TOTAL	1,001	549

Income receivable is income acquired in consideration of service provided during the financial year and whose payment takes place after end of the financial year.

G. DEBTS WITH CREDIT INSTITUTIONS

INVENTORY:

NATURE OF ACCOUNTS (IN K €)	LIABILITY VALUE 31.12.2018	LIABILITY VALUE 31.12.2017
ORDINARY CREDITOR ACCOUNTS	0	140
ORDINARY CREDITOR ACCOUNTS - SHARE WITH RELATED COMPANIES	0	1
TERM BORROWING AND ACCOUNTS	7,857	20,714
TERM BORROWING - SHARE WITH RELATED COMPANIES	28,000	85,000
OTHER SUMS DUE	1	0
PAYABLES	311	774
ACCOUNTS PAYABLE - SHARE WITH RELATED COMPANIES	432	488
TOTAL	36,602	107,117

BREAKDOWN OF RESOURCES, EXCLUDING CURRENT ACCOUNTS AND ACCOUNTS PAYABLE ACCORDING TO THE REMAINING TERM:

REMAINING TERM	D ≤ 1 MONTH	1 MONTH < D ≤ 3 MONTHS	3 MONTH < D ≤ 6 MONTHS	6 MONTH < D ≤ 1 YEAR	1 YEAR < D ≤ 5 YEARS	D > 5 YEARS
TERM BORROWING AND ACCOUNTS	0	7,857	0	28,000	0	0
& SECURITIES SOLD UNDER UNCOLLATERALISED AGREEMENTS	0	0	0	0	0	0

H. CUSTOMER CREDITOR ACCOUNTS AND OTHER CUSTOMER DEPOSITS

INVENTORY:

NATURE OF ACCOUNTS (IN K €)	LIABILITY VALUE 31.12.2018	LIABILITY VALUE 31.12.2017
ORDINARY CREDITOR ACCOUNTS	0	0
SAVINGS ACCOUNTS SUBJECT TO THE SPECIAL REGIME	0	0
TERM ACCOUNTS	0	0
OTHER SUMS DUE	883	1,096
PAYABLES	0	0
TOTAL	883	1,096

In the framework of the run-off processed, CMP Banque closed the account management, deposit and customer investment management activities.

The other amounts due are correlated to outstanding loans and represent funds received from customers, pending identification and allocation to loan files for the payment of unpaid instalments or in the event of early repayment of receivables.

I. SECURITIES ON THE INTERBANK MARKET AND MARKETABLE LOANS

NATURE OF ACCOUNTS (IN K €)	31.12.2018	31.12.2017
B.O.N. ISSUED	-	-
C.D.N. ISSUED	0	0
B.M.T.N. ISSUED	0	0
SECURITIES SOLD UNDER UNCOLLATERALISED AGREEMENTS DELIVERED	-	-
SHORT TERM SECURITIES		
SUB-TOTAL	0	0

PREMIUM/ DISCOUNT ON C.D.N.	-	-
PAYABLES	0	0
TOTAL	0	0

J. ACCRUAL ACCOUNTS AND OTHER LIABILITIES

SUNDRY CREDITORS (IN €K)	LIABILITY VALUES 31.12.2018	LIABILITY VALUES 31.12.2017
SECURITY DEPOSITS AND BONDS RECEIVED	0	4,523
PROVIDER CHARGES PAYABLE	73	199
INCLUDING DEBTS WITH RELATED COMPANIES	0	0
SUNDRY FISCAL CREDITORS	0	0
SUNDRY CORPORATE CREDITORS	260	416
OTHER SUNDRY CREDITORS	454	209
TOTAL	787	5,346

Prepaid income consists mainly of interest rate subsidies paid by CMP Banque's partners in connection with the distribution of subsidised agreed loans.

Charges payable are charges generated during the financial year and whose payment takes place after end of the financial year.

ACCRUAL ACCOUNTS (IN €K)	LIABILITY VALUES 31.12.2018	LIABILITY VALUES 31.12.2017
PREPAID INCOME	80	355
O/W SUBSIDISED INTEREST	80	355
O/W WORKING CAPITAL - "LOCA" SCHEME	0	0
CHARGES PAYABLE	407	453
INCLUDING DEBTS WITH RELATED COMPANIES	83	98
OTHER ACCRUAL ACCOUNTS	157	183
TOTAL	644	991

ACCRUAL ACCOUNTS (IN €K) DETAIL OF CHARGES PAYABLE	LIABILITY VALUES 31.12.2018	LIABILITY VALUES 31.12.2017
PARTNER CHARGES PAYABLE	0	0
PERSONNEL CHARGES PAYABLE	0	0
PROVIDER CHARGES PAYABLE	324	355
RELATED COMPANY: REINVOICING Q4 2017 PAYABLE	83	98
TOTAL	407	453

K. PROVISIONS FOR RISKS AND CHARGES

NATURE OF PROVISIONS (IN K €)	NET VALUE 31.12.2017	2018 ALLOWANCES	2018 WRITEBACKS	NET VALUE 31.12.2018
PROVISIONS FOR CUSTOMER DISPUTES	215	346	15	546
PROVISIONS FOR HR DISPUTES	50	23	0	73
PROVISIONS FOR THE RUN-OFF PROCESS	6,055	230	3,483	2,801
PROVISIONS ON HEALTHY DEBTS AND GUARANTEE CLAUSE	784	1,145	727	1,202
TOTAL	7,104	1,744	4,226	4,622

The provision for the run-off process established in 2015 covers:

- ▲ the cost of the employment protection plan (PSE) for an amount of € 15.05 M including all compensation paid to employees, expenses and support costs and fees of legal advisors and repositioning firms.
- ▲ the cost related to the closure of the account management activities valued at € 3.99 million.
- ▲ the cost related to the closure of the commercial network, which mainly concerns the early termination of commercial leases and estimated at €1.56M.

Writebacks of provisions used in respect of realized expenses were accounted during the 2018 financial year:

- ▲ at € 1.4 million for the Job Protection Plan (PSE), the balance of € 2.4 million at 31.12.2018 representing CMP Banque's commitments to current employees and whose departures will be staggered between now and 2019;
 - ▲ at €15,000 for costs related to the closure of the sales network; the provision made in 2015 was accordingly fully settled at 31.12.2018;
 - ▲ for € 1.59 million relating to the close of banking operations; the provision established in 2015 consequently being settled in full at 31.12.2018.
 - ▲ a provision of €1.1M has been made to hedge expected losses at 1 year on the healthy portfolio of unsecured loans. This is an approach based on the determination of a likelihood of default and a loss in the event of default, for outstanding loans that have not been downgraded and are deemed healthy.
- Assignments of loans made through the framework transfer agreement are accompanied by a termination clause for non-compliant loans. The corresponding provision was reclassified in 2018 as a liability, in provisions for risks and charges: it amounted to € 57,000 at 31.12.2018 vs €784 K at 31.12.2017.

L. EQUITY

(IN €K)	31.12.2017	DISTRIBUTION OF 2017 PROFITS	CAPITAL INCREASE	31.12.2018
CAPITAL	84,037		0	84,037
STATUTORY RESERVE	130			130
RESERVES	0			0
REVALUATION DIFFERENCES	0			0
CARRIED OVER	-39,552	-5,038		-44,590
PROFIT AND LOSS	-5,038	5,038		319
TOTAL	39,577	0	0	39,896

PROFIT & LOSS FROM THE FINANCIAL YEAR

O/W: ALLOCATION TO EQUITY 5,038

The capital of CMP Banque consists of 8,403,700 shares of 10 euros; it is 99.9% owned by CRÉDIT MUNICIPAL DE PARIS. The accounts of CMP Banque are consolidated by CREDIT MUNICIPAL DE PARIS.

In October 2015, CREDIT MUNICIPAL DE PARIS carried out a capital increase of € 24 million to support CMP Banque's shareholders' equity with regard to the loss generated in 2015, given the accounting of provisions related to the implementation of the run-off process.

M. OTHER EQUITY ELEMENTS

(IN €K)	31.12.2017	VARIATIONS IN THE 2018 FINANCIAL YEAR	31.12.2018
SUBORDINATED LOAN - SHARE WITH RELATED COMPANIES	10,000	0	10,000
PAYABLES ON SUB. DEBT - SHARE WITH RELATED COMPANIES	19	0	19
FRBG _FUNDS FOR GENERAL BANKING RISKS	1,068	0	1,068
TOTAL	11,087	0	11,087

In 2013, Crédit Municipal de Paris, the majority shareholder of CMP Banque, proceeded with the bank's capital increase in the form of a repayable subordinated loan of € 10 million, with a term of 10 years.

The fund for general banking risks remains unchanged at 31.12.2018 and amounts to €K 1 068.

4. NOTES ON THE OFF - BALANCE SHEET

COMMITMENTS GIVEN AND RECEIVED

COMMITMENTS GIVEN AND RECEIVED (IN €K)	31.12.2018	31.12.2017	NATURE
COMMITMENTS GIVEN			
GUARANTEE COMMITMENTS IN FAVOUR OF CUSTOMERS	-	29	RENTAL DEFAULT GUARANTEES
SUB-TOTAL	-	29	SUB-TOTAL
COMMITMENTS RECEIVED			
GUARANTEE COMMITMENTS RECEIVED FROM CUSTOMERS	89,676	114,508	SURETIES AND MORTGAGES
SUB-TOTAL	89,676	114,508	SUB-TOTAL
TOTAL	89,676	114,537	

5. NOTES ON THE PROFIT AND LOSS STATEMENT

A. NET BANKING INCOME

(IN €K)	31.12.2018	31.12.2017
+ INCOME FROM CASH AND INTERBANK TRANSACTIONS	0	0
+ INCOME FROM SECURITIES TRANSACTIONS	0	0
+ INCOME FROM TRANSACTIONS WITH CUSTOMERS	8,284	13,465
. O/W INTEREST	7,376	11,692
. O/W COMMISSIONS	908	1,773
+ INCOME FROM OFF-BALANCE SHEET TRANSACTIONS	0	0
+ OTHER BANK OPERATING INCOME	1,480	938
- CHARGES ON CASH AND INTERBANK TRANSACTIONS	-1,524	-2,210
- CHARGES ON FINANCIAL TRANSACTIONS	-355	-355
- CHARGES ON TRANSACTIONS WITH CUSTOMERS	1,587	-2
. O/W INTEREST	1,590	0
. O/W COMMISSIONS	-3	-2
- CHARGES ON OFF-BALANCE SHEET TRANSACTIONS	0	0
+ OTHER BANK OPERATING CHARGES	-417	-603
+ BALANCE OF PROFIT ON FINANCIAL TRANSACTIONS		
- BALANCE OF LOSS ON FINANCIAL TRANSACTIONS	0	-42
+ OTHER OPERATING INCOME	3	4
- OTHER OPERATING CHARGES	-12	-25
NBI BEFORE REINVOICED CHARGES	9,046	11,169
REINVOICED INTRA-GROUP CHARGES	111	501
NBI BEFORE REINVOICED CHARGES	9,157	11,669

Costs relating to the implementation of the run-off process were covered in 2015 by provisions and in particular the costs related to the early closing of customer deposit accounts accounted for as expenses on transactions with customers for € 3.99 million.

During the 2018 financial year, the residual provision of € 1.59 million accounted at 31.12.2017 was written back in the item "Interest on transactions with customers". Consequently, the provision of €3.99M established in 2015 was settled in full at 31.12.2018.

B. GENERAL OPERATING CHARGES

(IN €K)	31.12.2018	31.12.2017
- STAFFING COSTS	1,528	2,649
. PERSONNEL REMUNERATION	1,903	2,928
. SOCIAL SECURITY CHARGES	688	1,245
. TAX CHARGES	236	375
. TRAINING COSTS	36	67
. PAID LEAVE/ CET	-49	-44
. PROVISIONS FOR END-OF-CAREER BENEFITS	0	0
. PROVISIONS FOR REDUNDANCIES	-14	45
. PSE PROVISIONS - IL	-1,272	-1,966
- DUTY AND TAXES	108	128
- EXTERNAL SERVICES	22	-35
. LEASES	34	57
. TRAVEL AND TRANSPORT	2	8
. GE PROVISIONS - BRANCH LEASES	-15	-100
- OTHER EXTERNAL SERVICES	1,711	2,252
. MAINTENANCE-REPAIR-SUPPLIES	560	522
. EXTERNAL FEES	1,197	1,470
. OTHER EXTERNAL SERVICES	109	485
. PSE PROVISIONS - ANCILLARY COSTS	-155	-224
- INTRA-GROUP REINVOICED CHARGES (CMP)	299	315
- RENTAL PAID TO CMP	198	281
TOTAL	3,866	5,590

The provisions relating to the job-protection plan were accounted in 2015 partly as personnel expenses (legal and additional benefits) for an amount of € €12.91 million and for the remainder as general operating expenses at the level of € € 2.14 million (ancillary costs: expenses and support costs and fees for legal advisors and repositioning firms). At the end of 2017, given the writebacks of provisions used in relation to the expenses incurred, the amount of the residual provisions amounted to € 3.85 million.

Moreover, the cost associated with the early termination of commercial leases, within the framework of the closure of the commercial network was covered for €1.56M and accounted for in general operating charges. At the end of 2017, a provision of € 15,000 was maintained to cover expenses expected in 2018.

Writebacks of provisions used in respect of realized expenses were accounted during the 2018 financial year:

- ▲ at € 1.4 million for the Job Protection Plan (PSE), the balance of € 2.4 million at 31.12.2018 representing CMP Banque's commitments to current employees and whose departures will be staggered in 2019;
- ▲ at K € 15 for costs related to the closure of the commercial network. The provision established in 2015 is accordingly settled in full at 31.12.2018.

C. OPERATING RATIO

(IN €K)	31.12.2018	31.12.2017
NET BANKING INCOME	9,157	11,669
GENERAL OPERATING CHARGES	3,866	5,590
AND DEPRECIATION EXPENDITURE	927	891
OPERATING RATIO	52.34 %	55.54 %

D. COST OF RISK

During the 2018 financial year, CMP Banque assigned, under the framework agreement of sale concluded in June 2017, 248 files corresponding to non-performing loans with more than 180 days of unpaid debts or loans subject to an approved overindebtedness plan, with a gross face value of € 4.3 million and net value of € 1.9 million. These loan assignments led to a total capital loss of € 0.2 million.

Assignments of loans are accompanied by a termination clause for non-compliant loans. A corresponding Depreciation of € 57,000 was recorded in the accounts at 31.12.2018.

A provision of €1.1M has been made to hedge expected losses at 1 year on the healthy portfolio of unsecured loans. This is an approach based on the determination of a likelihood of default and a loss in the event of default, for outstanding loans that have not been downgraded and are deemed healthy.

(IN €K)	31.12.2018	31.12.2017
CUSTOMER IMPAIRMENTS	- 3,319	- 9,644
TOTAL ALLOWANCES	- 5,560	- 15,077
DEPRECIATION PAYMENTS ON ACCOUNTS RECEIVABLE	- 3,531	- 8,329
CASH LOANS	- 3,531	- 8,329
PROPERTY LOANS	+ 0	+ 0
ACCOUNTS RECEIVABLE AND OCH	+ 0	+ 0
ALLOWANCE ON PROVISION FOR GUARANTEE CLAUSE	+ 0	- 784
LOSSES COVERED BY IMPAIRMENTS ON CUSTOMER RECEIVABLES	- 2,019	- 5,648
CASH LOANS	- 1,041	- 1,308
PROPERTY LOANS	+ 0	- 25
ACCOUNTS RECEIVABLE AND OCH	- 778	+ 0
CAPITAL LOSSES ON ASSIGNED LOANS	- 199	- 4,314
LOSSES NOT COVERED BY DEPRECIATION ON CUSTOMER RECEIVABLES	- 10	- 316

TOTAL WRITE BACKS	+ 2,241	+ 5,433
WRITEBACKS ON DEPRECIATIONS ON ACCOUNTS RECEIVABLE	+ 2,241	+ 5,433
CASH LOANS	+ 1,459	+ 5,056
PROPERTY LOANS	+ 0	+ 27
ACCOUNTS RECEIVABLE AND OCH	+ 782	+ 350
RECOVERIES ON AMORTISED LOANS ASSIGNED	+ 0	+ 0

OPERATING PROVISIONS	- 551	- 612
ALLOCATIONS TO OPERATING PROVISION ACCOUNTS	- 599	- 612
ALLOCATION TO HEALTHY DEBTS AND GUARANTEE CLAUSE	- 1,145	+ 0
OPERATING LOSSES	+ 0	+ 0
WRITE BACKS ON OPERATING PROVISIONS USED	+ 1,193	+ 0

TOTAL COST OF RISK	- 3,870	- 10,256
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E. SUMMARY OF IMPAIRMENTS AND PROVISIONS

(IN €K)	IMPAIRMENT PROVISIONS 31.12.2017	2018 RECLASSIFICATION	2018 ALLOWANCES	2018 WRITE-BACKS	2018 ASSIGNMENT OF LOANS	IMPAIRMENT PROVISIONS 31.12.2018
CREDIT INSTITUTION	0	0	0	0	0	0
CLIENTS	4,763	-784	3,553	2,669	2,316	2,547
INVESTMENT SECURITIES	0	0	0	0	0	0
SECURITY INTERESTS	0	0	0	0	0	0
FIXED ASSETS	25	0	305	0	0	330
SUNDRY DEBTORS	30	0	0	14	0	16
RISQUES & CHARGES	6,320	784	1,744	4,226	0	4,622
<i>O/W: OP. RECORDED IN OPERATING PROFIT</i>			1,744	4,226		
<i>O/W: OP. RECORDED IN EXTRAORDINARY PROFIT</i>			0	0		
TOTAL	11,137	0	5,602	6,909	2,316	7,515

F. TAX REGIME

CMP Banque is part of a tax consolidation scope whose parent company is CREDIT MUNICIPAL DE PARIS. A tax consolidation agreement has been concluded between the two entities, and states that CMP Banque pays, as a contribution to the payment of the tax of the companies of the group, an amount equal to the tax for which it would be liable if it were taxable separately. The amounts calculated in respect of corporation tax by CMP Banque are due to the parent company. CMP Banque posted a fiscal deficit at 31 December 2018. The accumulated amount of deficits to be carried over into future years amounts to € 49.9 million after deducting the 2018 taxable profit.

6. OTHER INFORMATION

A. WORKFORCE

The full-time equivalent workforce at 31 December 2018 (excluding corporate officers) is 11 persons and is broken down as follows: executives: 10 people; non-executives: 1 person.

B. INDIVIDUAL TRAINING RIGHT

The personal training account (CPF) managed at the national level by the Caisse des Dépôts et Consignations, which entered into force on 1 January 2015, replaces the individual training right (DIF) previously implemented by companies.

C. COMPETITIVENESS AND JOBS TAX CREDIT (CICE)

Pursuant to Article 244 quater C of the General Tax Code, since 2013 CMP Banque has benefited from a tax credit aimed at improving its competitiveness. The tax credit generated in 2017 for € 29.6 thousand was used in 2018 for expenses incurred in upgrading the information system.

D. REMUNERATION

At 31 December 2018, the total taxable net income of the 5 highest paid employees of CMP Banque amount to € 383,000.

E. FEES OF STATUTORY AUDITORS

The amount of fees paid for the statutory audit is €70 K excluding tax for 2018. No fees were paid for services other than certification of accounts.

F. ATTENDANCE ALLOWANCES

The amount of attendance allowances distributed to the directors for the 2018 financial year falls within an amount set by the General Meeting of € 36,000.

G. PROPOSED DISTRIBUTION OF PROFITS

It will be proposed to distribute the profit and loss from the 2018 financial year to retained earnings.



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Siège social
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Nanterre Cedex - La Défense Cedex
France

CMP - Banque S.A.

Siège social : 55, rue des Francs Bourgeois - 75004 Paris
Capital social : 6,64 (32/100)

Rapport du commissaire aux comptes sur les comptes annuels

Exercice clos le 31 décembre 2018

A l'attention de l'assemblée générale de la société CMP - Banque.

Opinion

En exécution de la mission qui nous a été confiée par votre assemblée générale, nous avons effectué l'audit des comptes annuels de la société CMP - Banque relatifs à l'exercice clos le 31 décembre 2018 tels qu'ils sont joints au présent rapport.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de la société à la fin de cet exercice.

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au titre d'audit.

Fondement de l'opinion

Référentiel d'audit

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France. Nous jugeons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

Les responsabilités qui nous incombent en vertu de ces normes sont indiquées dans la partie « Responsabilités du commissaire aux comptes relatives à l'audit des comptes annuels » du présent rapport.

Indépendance

Nous avons réalisé notre mission d'audit dans le respect des règles d'indépendance qui nous sont applicables, sur la période du 1^{er} janvier 2018 à la date d'émission de notre rapport et notamment nous n'avons pas fourni de services interdits par l'article 5, paragraphe 1, du règlement (UE) n° 527/2014 ou par le code de déontologie de la profession de commissaire aux comptes.



CMP - Banque S.A.
Rapport du commissaire aux comptes sur les comptes annuels
27 mars 2019

Observation

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur le paragraphe 1.1 de la note 1 « Principes et méthodes comptables » du format des comptes annuels qui rappelle que les comptes annuels de CMP - Banque au 31 décembre 2018 ont été établis selon les règles applicables en situation de continuité d'exploitation.

Justification des appréciations - Points clés de l'audit

Un applicatif des dispositions des articles L. 823-6 et R.823-7 du code de commerce en affecte la justification de nos appréciations, nous portons à votre connaissance les points clés de l'audit relatifs aux risques d'anomalies significatives qui, selon notre jugement professionnel, ont été les plus importants pour l'audit des comptes annuels de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

Les appréciations ci-dessus portées s'inscrivent dans le contexte de l'audit des comptes annuels pris dans leur ensemble et de la formation de notre opinion exprimée ci-dessus. Nous n'exprimons pas d'opinion sur ces éléments de ces comptes annuels pris isolément.

Mise en œuvre de la gestion externalisée du portefeuille de crédits

Risque identifié

A compter du 1^{er} octobre 2018, dans le cadre d'un contrat de prestation de services, CMP - Banque a transféré la gestion de son portefeuille relatif au crédits à un prestataire externe (cf. Note 1.1 de l'annexe).

La mise en place de cette nouvelle organisation constitue une évolution stratégique et opérationnelle majeure dans le cadre de la gestion effective de la banque. Elle s'est traduite par le transfert de compétences de gestion du prestataire et par une modification significative du processus de comptabilisation et de contrôle des écritures comptables liées à ce portefeuille. Nous avons considéré la mise en œuvre de la gestion externalisée du portefeuille de crédits comme un point clé de l'audit pour les raisons suivantes :

- Risque opérationnel lié à la migration informatique des données de gestion ;
- Risque opérationnel issu de la mise en œuvre du nouveau processus de comptabilisation des écritures relatives au portefeuille de crédits sur le quatrième trimestre 2018.

Procédures d'audit mises en œuvre en réponse à ce risque

Nous avons pris connaissance du dispositif de gouvernance et de contrôle interne mis en place pour assurer le pilotage de la prestation externalisée.

Nous nous sommes assurés de la correcte migration informatique des données de gestion relatives au portefeuille de crédits par le biais de relevés de cadence des bases d'inventaire du 30/09/2018 et du 31/12/2018.

Nous avons également vérifié la fiabilité et la cohérence des données comptables issues des données et enregistrées manuellement par CMP - Banque sur le quatrième trimestre 2018.

moyen des procédures substantives suivantes :

- Contrôle manuel des écritures comptables relatives aux événements de gestion avec une correspondance de trésorerie (prélèvements d'échéances, régularisations d'impayés, remboursements anticipés ...) avec les flux financiers transitant sur le compte bancaire dédié à la gestion des crédits ;
- Reconstitution des stocks de fin de mois à partir des stocks au début de mois et des flux de la période ;
- Recalcul du rapprochement des créances salées et rapprochement avec l'amortissement cumulé issu du quatrième trimestre ;
- Validation par sondage de la correcte classification comptable des créances à fin décembre 2018 (créances salées / douteuses / en procédure française / française) ;
- Rapprochement comptable / gestion des encours de crédits et des provisions associés à fin décembre 2018.

Nous avons vérifié que les notes annexes donnent une information appropriée.

Vérifications spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnelle applicables en France, aux vérifications spécifiques prévues par les textes légaux et réglementaires.

Informations données dans le rapport de gestion et dans les autres documents sur la situation financière et les comptes annuels adressés aux actionnaires

Nous n'avons pas d'observation à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du conseil d'administration et dans les autres documents sur la situation financière et les comptes annuels adressés aux actionnaires.

La sincérité et la concordance avec les comptes annuels des informations relatives aux débits de paiement mentionnées à l'article D.441-4 du code de commerce appellent de notre part l'observation suivante :

Comme indiqué dans le rapport de gestion, ces informations reflètent pas les opérations bancaires et les opérations connexes, votre société considérant qu'elles n'ontrent pas dans le périmètre des informations à produire.

Informations relatives au gouvernement d'entreprise

Nous constatons de l'existence, dans le rapport du conseil d'administration sur le gouvernement d'entreprise, des informations requises par l'article L.228-37-4 du code de commerce.

Informations résultant d'autres obligations légales et réglementaires

Désignation des commissaires aux comptes

Nous avons été nommés commissaires aux comptes de la société CMP - Banque par votre assemblée générale du 19 mai 2017.

Au 31 décembre 2018, le cabinet KPMG S.A. était dans la 12^{ème} année de sa mission sans interruption.

Responsabilités de la direction et des personnes constituant le gouvernement d'entreprise relatives aux comptes annuels

Il appartient à la direction d'établir des comptes annuels présentant une image fidèle conformément aux règles et principes comptables français ainsi que de mettre en place le contrôle interne qu'elle estime nécessaire à l'établissement de comptes annuels ne comportant pas d'anomalies significatives, que celles-ci procèdent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes annuels, il incombe à la direction d'évaluer la capacité de la société à poursuivre son exploitation, de présenter dans ces comptes, le cas échéant, les informations nécessaires relatives à la continuité d'exploitation et d'appliquer la convention comptable de continuité d'exploitation, sauf si est prouvée de liquider la société ou de cesser son activité.

Il appartient au conseil d'audit de suivre le processus d'élaboration de l'information financière et de suivre l'efficacité des systèmes de contrôle interne et de gestion des risques, ainsi que le cas échéant, le contrôle interne en ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Les comptes annuels ont été arrêtés par le conseil d'administration.

Responsabilités du commissaire aux comptes relatives à l'audit des comptes annuels

Objectif et démarche d'audit

Il nous appartient d'établir un rapport sur les comptes annuels. Notre objectif est d'établir l'assurance raisonnable que les comptes annuels pris dans leur ensemble ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, sans toutefois garantir qu'un audit réalisé conformément aux normes d'exercice professionnel permet de systématiquement détecter toute anomalie significative. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes prennent en se fondant sur ceux-ci.

Comme précisé par l'article L.823-10-1 du code de commerce, notre mission de certification des comptes ne consiste pas à garantir la sincérité ou la qualité de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes d'exercice professionnel applicables en France, le commissaire aux comptes exerce son jugement professionnel tout au long du processus d'audit. En outre :

- l'identification et l'évaluation des risques que les comptes annuels comportent des anomalies significatives, que celles-ci proviennent de fraude ou résultent d'erreurs, défini et mis en œuvre des procédures d'audit face à ces risques, et recueille des éléments qu'il estime suffisants et appropriés pour fonder son opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses estimations ou le contournement du contrôle interne ;
- prend connaissance du contrôle interne pertinent pour l'audit, afin de définir des procédures d'audit appropriées en la circonstance, et noté dans ce but d'exprimer une opinion sur l'efficacité du contrôle interne ;
- il apprécie la pertinence appropriée des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par la direction, ainsi que les informations les concernant fournies dans les comptes annuels ;
- il apprécie la pertinence appropriée de l'application par la direction de la convention comptable de continuité d'exploitation et, sur les éléments collectés, l'existence ou non d'une incertitude significative liée à des événements ou à des circonstances susceptibles de mettre en cause la capacité de la société à poursuivre son exploitation. Cette appréciation s'appuie sur les éléments collectés jusqu'à la date de son rapport étant toutefois rappelé que des circonstances ou événements ultérieurs pourraient mettre en cause la continuité d'exploitation. Si l'auditeur a noté une incertitude significative, il alerte l'actionnaire par le biais de son rapport sur les informations fournies dans les comptes annuels au sujet de cette incertitude ou, si ces informations ne sont pas fournies ou ne sont pas pertinentes, il formule une conclusion avec réserve ou un refus de certifier ;
- il apprécie la présentation d'ensemble des comptes annuels et l'exactitude des comptes annuels reflétant les opérations et événements et, s'agissant de matériel à se donner une image fidèle.

Rapport au comité d'audit

Nous remettons un rapport au comité d'audit qui présente notamment l'étendue des travaux effectués et le programme de travail mis en œuvre, ainsi que les conclusions découlant de nos travaux. Nous portons également à sa connaissance, le cas échéant, les faiblesses significatives du contrôle interne que nous avons identifiées pour ce qui concerne les procédures relatives à l'élaboration et au traitement de l'information comptable et financière.

Parmi les éléments communiqués dans le rapport au comité d'audit, figurent les risques d'anomalies significatives que nous jugeons avoir été les plus importants pour l'audit des comptes annuels de l'exercice et qui se rapportent à ce fait les points clés de l'audit, sur nous appartient de décrire dans le présent rapport.

Nous fournissons également au comité d'audit la déclaration prévue par l'article 6 du règlement (UE) n° 537/2014 confirmant notre indépendance, au sens des règles applicables en France

telles qu'elles sont fixées notamment par les articles L.822-10 à L.822-14 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Paris La Défense, le 27 mars 2019

KPMG S.A.


Ulrich Sarfaty
Associé

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CMP - Banque S.A.

Siège social : 55, rue des Francs Bourgeois - 75004 Paris
Capital social : € 84 037 000

Rapport spécial du commissaire aux comptes sur les conventions réglementées

Assemblée générale d'approbation des comptes de l'exercice clos le 31 décembre 2018

Mesdames, Messieurs, les Actionnaires,

En vertu que j'ai de mon statut aux comptes de votre société, nous vous présentons notre rapport sur les conventions réglementées.

Il nous appartient de vous communiquer, sur la base des informations qui nous ont été fournies, les caractéristiques, les modalités essentielles ainsi que les motifs justifiant de l'intérêt pour la société des conventions dont nous avons été avisés ou que nous aurions découvertes à l'occasion de notre mission, sans avoir à nous prononcer sur leur utilité et leur bien-fondé ni à rechercher l'existence d'autres conventions. Il vous appartient, selon les termes de l'article R. 225-37 du code de commerce, d'apprécier l'intérêt qui s'attache à la conclusion de ces conventions en vue de leur approbation.

Par ailleurs, il nous appartient, le cas échéant, de vous communiquer les informations relatives à l'article R. 225-31 du code de commerce relatives à l'exécution, au cours de l'exercice écoulé, des conventions déjà approuvées par l'assemblée générale.

Nous avons mis en œuvre, au fil de nos travaux, des procédures que nous avons estimé nécessaires à l'égard de la démarche professionnelle de la Compagnie nationale des commissaires aux comptes relative à cette mission.

CONVENTIONS SOUMISES À L'APPROBATION DE L'ASSEMBLÉE GÉNÉRALE

Conventions autorisées et conclues au cours de l'exercice écoulé

Nous vous informons qu'il ne nous a été communiqué d'aucune convention autorisée et conclue au cours de l'exercice écoulé à soumettre à l'approbation de l'assemblée générale en application des dispositions de l'article L. 225-38 du code de commerce.

CMP - Banque S.A.
Rapport spécial du commissaire aux comptes sur les conventions réglementées
27 mars 2019

CONVENTIONS DÉJÀ APPROUVÉES PAR L'ASSEMBLÉE GÉNÉRALE

Nous vous informons qu'il ne nous a été communiqué d'aucune convention déjà approuvée par l'assemblée générale dont l'exécution se serait poursuivie au cours de l'exercice écoulé.

Paris La Défense, le 27 mars 2019

KPMG S.A.



Ulrich Sarfaty
Associé

DRAFT RESOLUTIONS SUBMITTED TO THE ORDINARY GENERAL MEETING ON 10 APRIL 2019

FIRST RESOLUTION

Subject: Approval of the management report

The general meeting approves the management report of the Board of Directors of 21 March 2019.

SECOND RESOLUTION

Subject: Approval of accounts

The general meeting, having read the management report and the general report of the statutory auditors, approves the financial statements for the year ended 31 December 2018 as presented to it, which shows a profit of 318 987.80 euros.

It also approves the transactions reflected in these accounts and summarised in these reports.

THIRD RESOLUTION

Subject: distribution of profit

The General Meeting, at the proposal of the Board of Directors, decides to distribute the profit and loss from the financial year,
i.e. a profit of € 318,987.80, to retained earnings.

It should be recalled that €0 of dividend was paid to the shareholders for the 2015 financial year, € 0 for the 2016 financial year and € 0 for the 2017 financial year.

FOURTH RESOLUTION

Subject: Determination of the sums allocated to directors as attendance allowances.

Pursuant to Article 18 of the Company's Articles of Association which provides that
"the general meeting may grant directors, as attendance fees,
a fixed annual amount determined by this meeting, the amount of which
is charged to the general expenses of the Company ", it is decided to set the amount
allocated for 2019 at €36,000.

FIFTH RESOLUTION

Subject: Total remuneration envelope

The general meeting declares that it has been consulted on the total remuneration paid during the past financial year to the persons mentioned in article L511-13 of the Monetary and Financial Code, within the framework of the remuneration policy provided for in article L511.71 of the same code.

The General Meeting approves this envelope.

SIXTH RESOLUTION

Subject: End of the mandate of the lead and alternate auditors

The mandates of KPMG SA, represented by Mr. Ulrich SARFATI, lead auditor and deputy auditor
Isabelle GOALEC, end at the end of the General Meeting.
of 10 April 2019

The 2018 financial year is indeed the sixth year certified by this auditor, who took up these functions in 2007.

The end of the mandate of KPMG SA and Mrs Isabelle GOALEC
should therefore be notified.

SEVENTH RESOLUTION

Subject: Appointment of an auditor

The Board of Directors proposes to the general meeting of shareholders the appointment of KPMG SA, represented by Mr Ulrich SARFATI as Statutory Auditor, for a term of four years, which will expire following the decisions of the 2023 General Meeting called to approve the financial statements for the 2022 financial year, subject to the approval of the Prudential Supervisory and Resolution Authority.

HUITIÈME RÉOLUTION

Subject: Powers

The General Meeting grants all powers to the holder of a certified copy or an extract of these minutes for the purpose of carrying out all legal filing and publicity formalities.

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