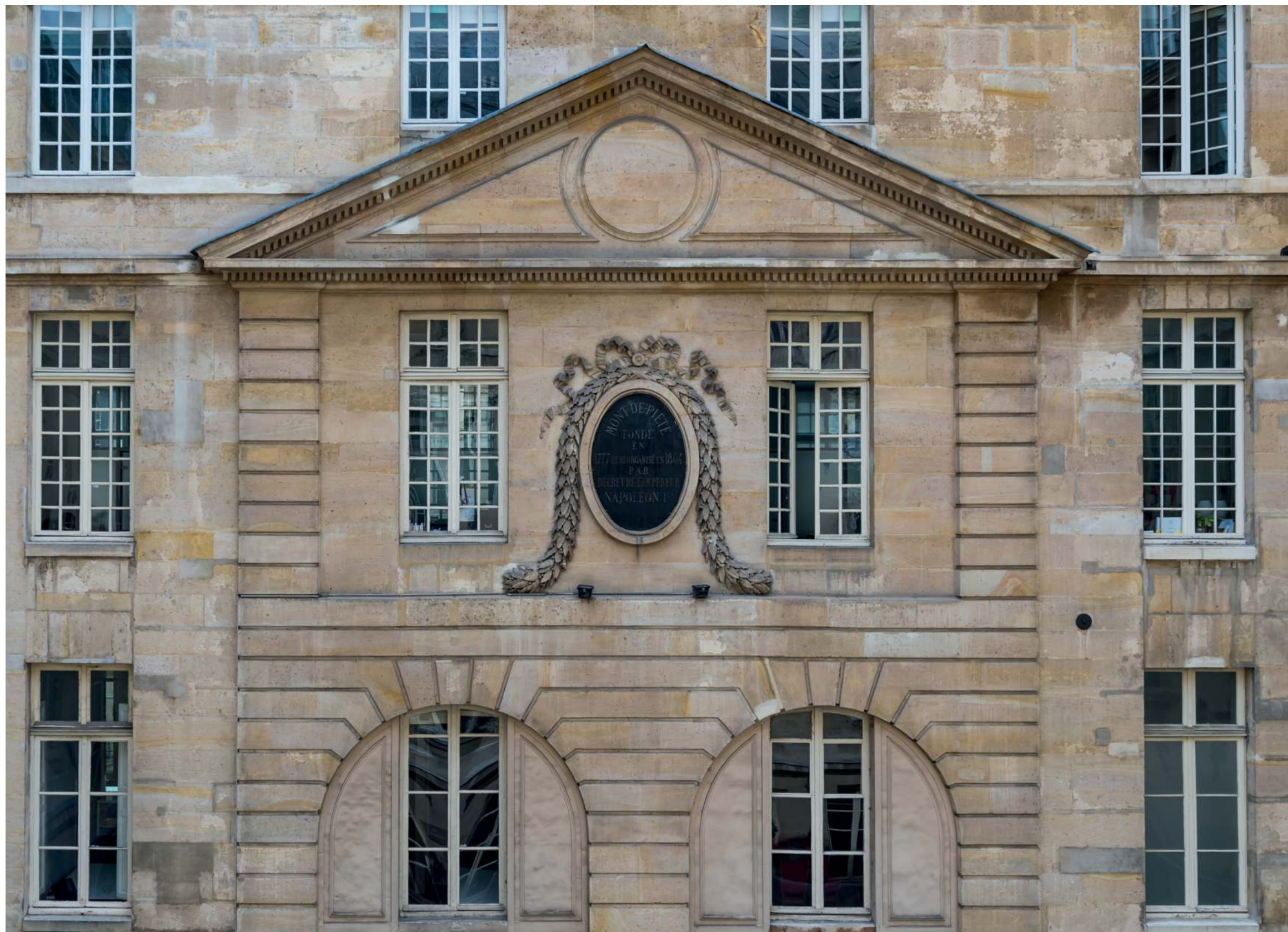




# FINANCIAL REPORT

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COUNCILLOR OF PARIS,  
VICE-CHAIR OF THE STEERING AND  
SUPERVISORY BOARD  
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CHAIRMAN OF THE BOARD  
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MANAGEMENT REPORT  
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# Editorial



“

*Crédit Municipal de Paris has affirmed its desire to promote the values of solidarity and mutual aid, to place art and culture at the heart of the city and to contribute to the emergence of virtuous finance.*

**Bernard Gaudillère**

COUNCILLOR OF PARIS, VICE CHAIRMAN OF THE STEERING AND SUPERVISORY BOARD

In 2019, Crédit Municipal de Paris was once again able to carry out its social mission while posting very good financial results. - which attest to the soundness and relevance of its business model. Thus, outstanding secured loans reached €215.9 million this year and NBI €27 million (compared to €24.8 million in 2018). These excellent results, which I am delighted about, are also evidence of a real commitment on the part of all Crédit Municipal de Paris staff, whose work is to be commended. It was a particularly fruitful year for Crédit Municipal de Paris, with many projects undertaken - including the holding of the first edition of the "1% art market" scheme and the launch of the second edition, the comprehensive free clearing operation for secured loan customers, the renewal of the "Point Conseil Budget" label for the budget support activity, support for the Women's Foundation and their project for a Parisian venue dedicated to gender equality, assistance provided to the partner associations of the "Paris Partage" passbook savings account and the creation of two new websites dedicated respectively to the institution Crédit Municipal de Paris and its conservation centre CC ART.

Thus, more than ever before in 2019, Crédit Municipal de Paris has affirmed its desire to spread the values of solidarity and mutual aid, to place art and culture at the heart of the city and to contribute to the emergence of virtuous finance. We can also be pleased that the run-off management process of CMP Banque, the banking subsidiary of Crédit Municipal de Paris, was carried out in accordance with the roadmap. This run-off process should be completed, as scheduled, in 2020. As advocated in the bank's strategic plan adopted in 2016, Crédit Municipal de Paris also focused on improving the reception of the public and the quality of the service provided to users. It has thus deployed new signage in the secured loans room, opened new reception areas for the beneficiaries of budget support and additional conservation areas for CC ART's customers. Providing an exemplary public service to the people of Ile-de-France has always been our priority. This same fundamental requirement will drive the institution in 2020.

# Editorial

“

*The operational and financial control of run-off management since its implementation is to be emphasised.*

**Jean-Philippe Brinet**

CHAIRMAN OF THE BOARD OF DIRECTORS OF CMP BANQUE



The 2019 financial year is the culmination of this run-off management carried out since September 2015 with the disposal of the residual portfolio of healthy and non-performing receivables, which was completed in December 2019 (effective as of 1 December 2019). The financial terms of this last sale made it possible to limit the capital loss on the outstandings sold, which totalled €53 million. The net profit and loss for the 2019 financial year, better than budgeted, shows a loss of €-2.74 M after taking into account this capital loss and the cost of the early repayment of the subordinated loan of €10 M amounting to €1.64 M. It should be emphasised that excluding exceptional items, the result is positive at €0.40 million. This result, which is particularly impressive in a difficult context of the run-off process, confirms that the decision to outsource the portfolio management which started in October 2018 and administrative functions from January 2019, proved to be timely in this last phase of CMP Banque's run-off management. The operational and financial control of this run-off process since its implementation is to be emphasised. Thus, the cumulative capital loss on disposals made between the end of 2015 and the end of 2019 amounts to -€4.91 million, and over the same period, the cumulative profit for the years 2016 to

2019 represents only a loss of €-3.45 M. Put another way, during this period, the intrinsic operation of the bank and the steering of the run-off process generated a positive result. As CMP Banque no longer has any banking activity with the sale of its residual portfolio of bank loans, the City of Paris and Crédit Municipal have quite logically decided to proceed with the early dissolution without liquidation of CMP Banque. This dissolution procedure was initiated after obtaining the decision to withdraw approval from the European Central Bank on 31 January 2020 with a date of effect of 12 February 2020. An Extraordinary General Meeting held on 27 February 2020, by Crédit Municipal de Paris as sole shareholder, approved this dissolution without liquidation of CMP Banque. This legal dissolution operation automatically entails the universal transfer of CMP Banque's assets and liabilities to Crédit Municipal de Paris with a date of effect of 31 March 2020. I would like to highlight the results of this run-off process which lasted a little over 5 years:

- The total cost of the run-off process, after taking into account the forecast loss for Q1 2020, amounts to -€28.37 M, including a loss of €-24.48 M for financial year 2015 (including the provision of €15 M for the EPS) and a cumulative loss over the period 01/01/2016 - 31/03/2020 of -€3.89 M. 01/01/2016 - 31/03/2020 de -3,89 M€.
- The level of this cost is certainly significant, but it should be compared with the first estimates, established 5 years ago, which were of around €50 million.

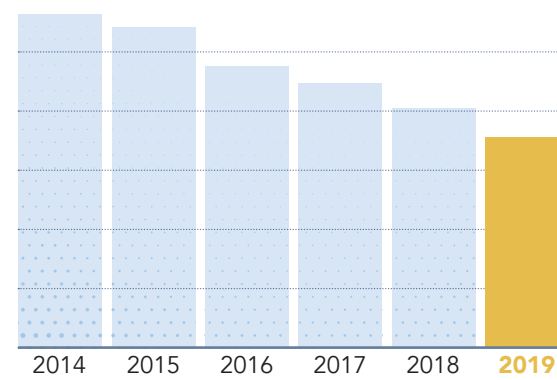
- There was no need to seek additional financing and the intrinsic value of CMP Banque at 31 March 2020 is higher than the value of CMP Banque shares in the balance sheet of Crédit Municipal de Paris.
- The management of the Jobs Safeguard Plan has been quite remarkable because at the end of March 2020, out of the 121 employees made redundant during this 5-year period, 108 had found a new job, including 36 with the City of Paris and Crédit Municipal de Paris and 6 employees are currently of support for their repositioning.

On behalf of the Board of Directors of CMP Banque, I would like to pay tribute to the excellent managerial and professional performance of the Managing Director of CMP Banque, Philippe Zamaron, in the implementation and execution of this run-off process. The Managing Director of CMP Banque has demonstrated, with the effective support of his Deputy Managing Director, Brigitte Delmotte, excellent know-how in the financial and operational management of the projects put in place. He was able to mobilize the human resources in place and showed a significant and constant personal commitment to the repositioning of the employees laid off. I would like to thank the MD of Crédit Municipal de Paris, Frédéric Mauget, and the Chairman of the Steering and Supervisory Board of Crédit Municipal de Paris, Bernard Gaudillère, who, together with the members of the Board of Directors of CMP Banque and the Steering and Supervisory Board, have of Crédit Municipal de Paris, carefully supported the orientations and decisions that had to be taken. Finally, the City of Paris, by supporting the governance bodies of the Crédit Municipal de Paris Group in the management of the CMP Banque file, made a major contribution to the repositioning of employees.

## GRUPE CRÉDIT MUNICIPAL DE PARIS

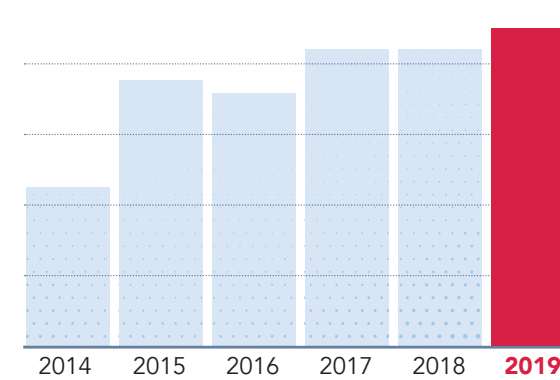
### Total balance sheet (in M€)

1,256 1,200 1,105 934 869 **845**



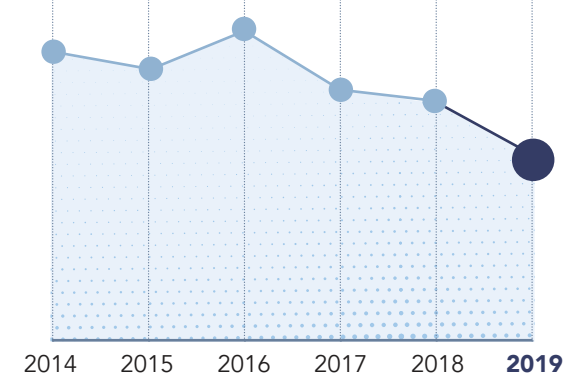
### Equity (in M€)

78.4 114.5 109.6 125.4 125.1 **128.1**



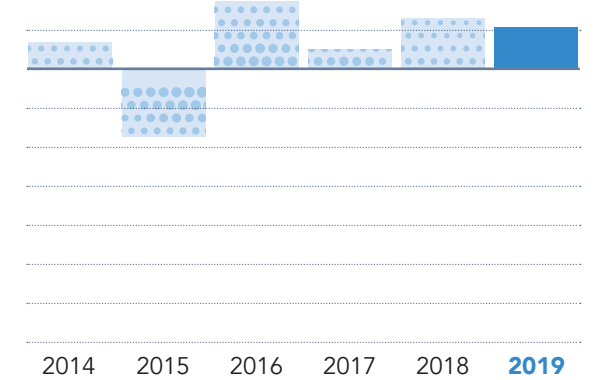
### Net banking income (in M€)

38.9 38 41 34.7 33.3 **29.9**



### Net profit and loss (in M€)

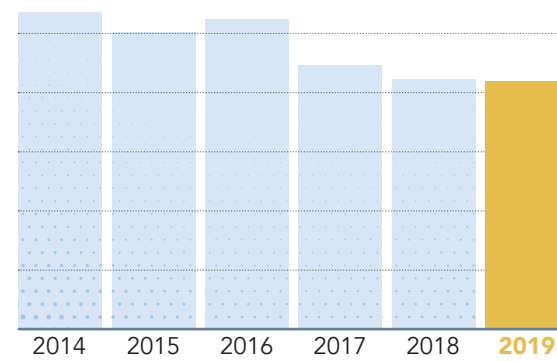
2.36 -8.89 7.63 1.76 4.84 **4.32**



## CRÉDIT MUNICIPAL DE PARIS

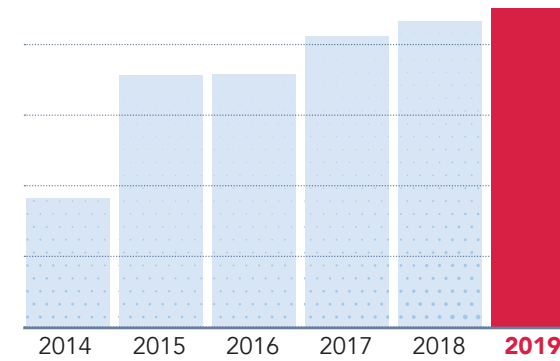
### Total balance sheet (in M€)

1,070 1,003 1,048 892 847 **838**



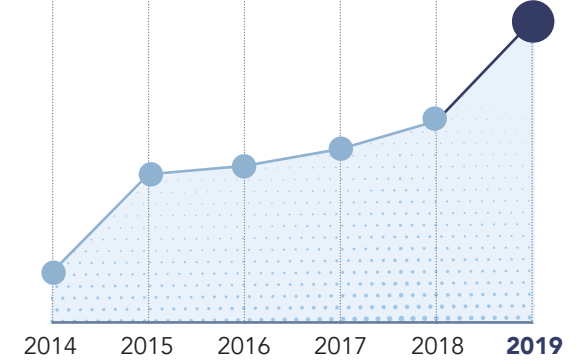
### Equity (in M€)

36.4 71.3 71.6 82.2 86.5 **90.2**



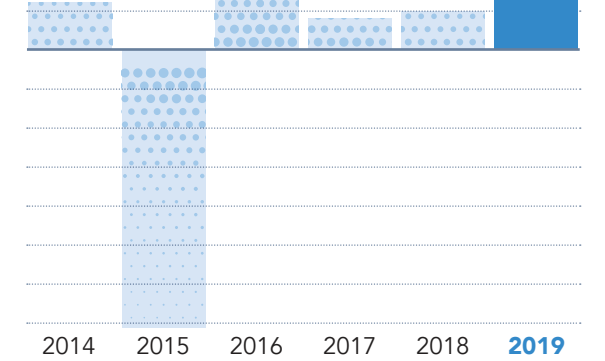
### Net banking income (in M€)

21.2 23.5 23.7 24.1 24.76 **27.15**



### Net profit and loss (in M€)

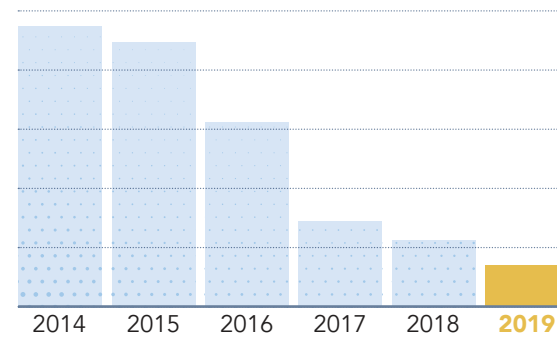
6.12 -35.58 6.88 4.03 4.90 **8.69**



## CMP BANQUE

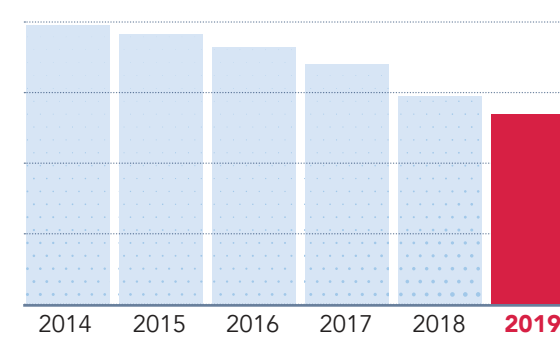
### Total balance sheet (in M€)

457 445 321 172 94 **52**



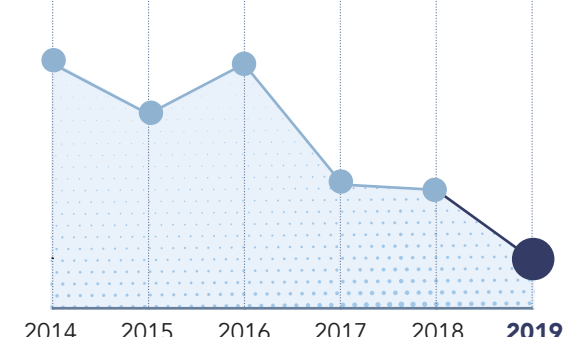
### Equity (in M€)

52.2 51.7 50.2 49.8 40.6 **35.8**



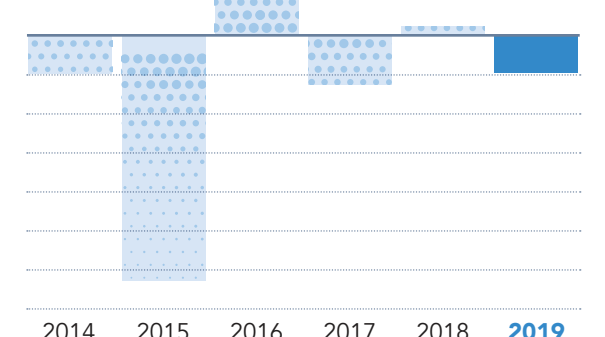
### Net banking income (in M€)

19 15.8 18.5 11.7 9.15 **3.08**



### Net profit and loss (in M€)

-3.20 -24.48 4.02 -5.04 0.31 **-2.74**



# Management report

## GROUPE CRÉDIT MUNICIPAL DE PARIS

**In 2019, the Group's situation evolved in two different ways, with net profit of 8.7 million for Crédit Municipal de Paris and net profit of €2.7 million for CMP Banque. The consolidated profit and loss thus stands at €4.3 M in 2019 after a 2018 financial year that generated profit of €4.8 M thanks to the support of the two entities.**

The Group's net banking income is notably down (-10.33%) to €29.9m in 2019 compared with €33.3m in 2018, mainly due to a sharp decline in the net interest margin (-€3.3m, i.e. -12.7%), the corollary of the attrition in the NBI of CMP Banque, in a situation where on run-off process. Interest income has declined -12.27% compared to 2018 (-€3.50 million), mainly due to the consequent decrease in these products at the level of CMP Banque (€-3.44 M).

Interest expenses continue to decrease (€-0.17 M, i.e. -7.3%) under the contrasting effect of:

- the decrease in charges on interbank transactions (-1.41 million euros, i.e. -58% compared to 2018), due to the gradual maturity of refinancing operations previously concluded at higher rates than those currently offered by the market ;
- the increase in charges on customer transactions, which rose from €0.1 million to €1.1 million between 2018 and 2019, mainly due to the writeback of the balance of the provision set up in 2015 by CMP Banque to meet the costs of the run-off process.

Gross operating income came to €9.6 million, down compared with 2018 (-15.42%), mainly due to the reduction in CMP Banque's net banking income, following the continuation of the run-off process.

The operating income is €5.9 M including a decrease of the cost of risk of the order of 10.94%. Structurally low for Crédit Municipal de Paris due to the special nature of secured loans and the guarantee provided by the collateral, the cost of risk has evolved favourably for CMP Banque mainly due to the sale of residual healthy and non-performing loans in December 2019.

Current profit before tax amounted to €7.4 million, and net group income to €5.82 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 € 1.88 million, including a deferred tax of € 2.18 million.

The Group's equity ratio at 31.12.2019 was 36.82% compared to 30.49% at 31 December 2018 and the amount of equity excluding the fund for general banking risks stands at 134.75 million (€129.84 million in 2018).

The group's liquidity ratio stood, at 31.12.2019, at 236.15%

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)

Turnover statement	2019
Capital	47,000
+/- reserves and retained earnings	83,436
Funds for general banking risks	1,068
+/- intermediate profits	0
- Intangible fixed assets	-3,383
- significant investment in entities from the financial sector.	
CATEGORY I BASE EQUITY	128,121
<b>TOTAL EQUITY</b>	<b>128,121</b>

### Equity requirements

(in thousands of Euros)

CREDIT RISK EQUITY REQUIREMENTS	Total exp. gross	Total exp. net	Total weighted	Equity requirements
Total equity requirements	886,735	841,260	282,875	22,629
Central Admin. & Central Banks	218,469	218,469	0	0
Credit institutions	363,273	363,273	72,655	5,812
Companies	0	0	0	0
retail customers	213,834	213,834	160,375	12,830
Other elements	77,968	35,665	34,880	2,790
Default exposures	13,065	9,893	14,839	1,187
Shares	126	126	126	10

OPERATIONAL RISK EQUITY REQUIREMENTS	Total exposures	Equity Requirements
Total equity requirements	65,314	5,225
Total banking activities		0
Total banking activities in basic approach	65,314	5,225
Total banking activities in standard measurement approach		0
Total banking activities in advanced measurement approach		0
<b>TOTAL AMOUNT OF RISK EXPOSURE</b>	<b>348,189</b>	<b>27,854</b>

RATIO OF SOLVENCY TO BASE EQUITY	36.80%
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## Short term liquidity ratio - LCR

(in thousands of Euros)

Liquidity cushion	68,935
Total outflows	116,765
Cash intakes entirely exempt	0
Treasury inflows subject to ceiling of 90%	0
Treasury inflows subject to ceiling of 75%	406,741
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%	87,573
Net cash outflows	29,191
<b>Liquidity requirements hedging ratio (%)</b>	<b>236.15 %</b>

At the end of December 2019, the short-term liquidity ratio stood at 236.15% for a requirement set at 100%.

## FINANCIAL STATEMENTS

### Balance sheet

Balance sheet assets (in €) 2019	2019	2018
Cash, central banks, post office banks	74,774,689	7,837,076
Treasury notes and equivalents	0	0
Receivables with credit institutions	507,025,282	487,941,879
Transactions with customers	223,725,338	304,453,582
Lease and rental credits with purchase option	0	0
Bonds and other fixed income securities	409,202	31,738,046
Bonds and other variable income securities	2,410,650	0
Shares and portfolio activity	203,420	185,467
Shares in affiliated companies	0	0
Intangible fixed assets	972,027	904,934
Property, plant and equipment	29,144,685	29,979,512
Capital subscribed and not paid	0	0
Equity	0	0
Other assets	5,657,751	4,723,726
Accrual accounts	216,515	1,276,209
<b>Total</b>	<b>844,539,560</b>	<b>869,040,431</b>

Balance sheet liabilities (in €) 2019	2019	2018
Cash, central banks, post office banks	0	48
Debts with credit institutions	1,234	28,601,169
Transactions with customers	142,963,865	136,174,724
Debts represented by a security	554,979,832	558,299,984
Other liabilities	2,081,503	5,528,582
Accrual accounts	2,938,891	3,149,754
Provisions for risks and charges	5,752,059	6,370,437
Subordinated debts	0	0
Funds for general banking risks	1,067,677	1,067,677
Minority interests & results	-2	-2
<b>Equity excluding FGBR</b>	<b>134,754,501</b>	<b>129,848,057</b>
Subscribed capital	47,000,000	47,000,000
Issue premiums	0	0
Reserves	39,650,883	34,410,171
Revaluation difference	40,118,977	40,118,977
Regulated provisions and investment subsidies	0	0
Carried forward (+ / -)	5,841,686	5,522,699
Carried forward (+ / -) (deferred taxes)	-2,175,003	-2,040,465
Profit & loss from the financial year (+ / -)	4,317,958	4,836,676
<b>Total</b>	<b>844,539,560</b>	<b>869,040,431</b>



Off Balance Sheet (in €) 2019	2019	2018
Commitments given	-	7,857,143
Financing commitments	-	-
Guarantee commitments	-	7,857,143
Commitments on securities	-	-
<b>Commitments received:</b>	<b>219,870,028</b>	<b>308,036,385</b>
Financing commitments	-	-
Guarantee commitments	219,870,028	308,036,385
Commitments on securities	-	-
IFT commitments	-	-
<b>Total</b>	<b>219,870,028</b>	<b>345,006,040</b>

## Profit and loss statement

(In euros)

	2019	2018
+ interest and similar income	25,069,832	28,576,595
- Interest and similar charges	-2,143,271	-2,311,451
+ / - income from leasing and similar credit operations	0	0
+ revenue from variable income securities	0	0
+ commissions	3,127,780	3,024,617
- commissions	-508,415	-475,516
+ / - gains or losses on trading portfolio transactions	0	0
+ / - gains or losses on investment portfolio transactions and similar	-87,150	0
+ Other operating income	4,612,827	4,705,083
- other operating charges	-206,211	-209,787
<b>Net banking income</b>	<b>29,865,390</b>	<b>33,309,541</b>
- general operating charges	-17,300,598	-18,195,309
- allowances for amortizations and fixed asset provisions	-2,933,715	-3,726,973
<b>Gross operating income</b>	<b>9,631,077</b>	<b>11,387,259</b>
+ / - cost of risk	-3,663,756	-4,114,111
<b>Operating income</b>	<b>5,967,321</b>	<b>7,273,148</b>
+ / - gains or losses on fixed assets	0	-187,652
<b>Current income before tax</b>	<b>7,467,321</b>	<b>7,085,496</b>
+/- extraordinary income	-4,633	-83,146
- corporate income tax	-1,644,738	-2,165,682
+Allowances/ writebacks of FGBR and regulated provisions		0
Minority interests	8	8
<b>Net profit and loss for the year</b>	<b>4,317,958</b>	<b>4,836,676</b>

## ANNEX

### Note 1: Principles behind the preparation of consolidated accounts by Crédit Municipal de Paris Group

#### SCOPE AND CONSOLIDATION METHODS

Le Crédit Municipal de Paris (SIREN 267500007) whose registered office is 55, rue des Francs-Bourgeois in Paris 75004 controls exclusively its subsidiary CMP Banque, in 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 financial accounts include 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 set out in the Authority's Regulation No 2014-07 Accounting Standards ;
- the methods defined by the Group for its consolidation and in accordance with general accounting principles applicable in France to credit institutions and investment firms.

The accounts of the companies included in the scope of consolidation are closed on 31 December.

#### KEY FACTS AND SIGNIFICANT EVENTS

CMP Banque's Board of Directors meetings of 8 and 30 June 2015 authorised the MD to launch and implement a run-off process, the effects of which will be spread out over time. Since 2015 the main effects of the implementation of the run-off process have been:

#### In operational terms

- the cessation of marketing of products and services from September 2015 and the closure of sales branches implemented from 2016 until the end of 2017;
- the discontinuation of the handling of banking product management transactions (current and savings account management activities) during H1 2016;
- assignments concluded in December 2015 for the healthy mortgage portfolio (OCH) and in July 2016 for almost the entire irrecoverable bad debt portfolio of the OCH;
- the sale at 28 June 2017 of all risky and non-performing loans identified at 31.12.2016 (bad debts, irrecoverable non-performing loans and over-indebtedness plans) and, as of 1 January 2017, the monthly transfer of new flows of non-performing loans when they reach 180 days of unpaid invoices and loans subject to an overindebtedness process as of the approval of the final plan;
- the outsourcing to a partner specialising in the management of the residual loan portfolio for customer relationships 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 first quarter of 2018: accounts were kept by CMP Banque on the basis of manual entries.

#### In organisational and labour terms:

- negotiation and implementation of a protection plan Job Protection (PSE) plan covering the entire workforce with departures staggered, originally, between early 2016 and the end of 2020;
- after obtaining the validation of the DIRECCTE on the job protection plan, the Board of Directors of 9 December 2015 recorded the implementation of the first redundancies in early 2016;
- at 31 December 2018, 110 employees out of a total of 121 (excluding corporate officers) at 31.12.2015-2015 left CMP Banque within the framework of the

#### Developments in the 2019 financial year:

The 2019 financial year is the culmination of the run-off process carried out since 2015; several operations have been carried out to complete the end of CMP Banque's activities:

- at the beginning of 2019, the accounting functions, payroll management and production of regulatory reporting were outsourced to a specialised firm. This new step has led to the phased departure of 10 of the 11 employees still in place on 31.12.2018 ;
- In December 2019, CMP Banque sold the totality of its residual loans outstanding, both healthy and non-performing, on the basis of the inventories as at 30.11.2019 with the assignee's dividend entitlement date fixed as 1 December 2019. Healthy loans, 5,639 cases for a gross face value of €50.28 M, and non-performing loans, 184 cases with a face value of €2.69 M were sold on 20.12.2019 to two separate mutual securitisation funds. This assignment plan was approved by the Supervisory and Steering Board of Crédit Municipal and the Board of Directors of CMP Banque on 2 July 2019 and its completion Confirmed at the beginning of 2019 after informing the Paris Board at the end of September 2019. These assignments generated a total capital loss of €1.50 million, of which €1.47 million in healthy loans and €0.03 million in non-performing loans. CMP Bank has opted for recognition of capital losses in cost of risk. In addition, and in compliance with Regulation (EU) No. 2017/2402 creating a general framework for securitisation and establishing the principle of a 5% risk retention by the originator institution in its Article 6, CMP Banque has acquired bonds from the mutual securitisation fund (FCT) bearing healthy loans, created for this purpose, non-performing loans having been assigned to an FCT. set up in 2009.
- At the end of December 2019, with the agreement of the Autorité de Contrôle Prudentiel et de Résolution (Prudential Supervisory Authority), CMP Banque carried out the early repayment of the €10 million subordinated loan granted by Crédit Municipal de Paris in 2013 for 10 years in order to support the equity of its subsidiary. A cash balance of €1.64 million was paid and recorded as a financing expense;

- in this context of the end of banking operations, an application for withdrawal of a banking licence was filed on 9 October 2019 with the ACPR.

#### Events following the close of accounts on 31 December 2019

The European Central Bank notified, by letter dated 31 January 2020 its agreement to the withdrawal of CMP Banque's banking license taking effect on 12 February 2020. In this context, the City of Paris and Crédit Municipal de Paris wish to proceed with the early dissolution without liquidation of CMP Banque. To this end, Crédit Municipal de Paris plans to acquire the shares currently held by the directors of CMP Banque in order to hold the entire share capital of the latter.

Crédit Municipal de Paris will thus be able to consider, in the context of the Extraordinary General Meeting of 27 February 2020, that it may proceed, pursuant to Article 1844-5, paragraph 3 of the Civil Code, with early dissolution without liquidation of the company. This dissolution will result in the universal transfer of the assets of the dissolved company to its sole director, 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 according to the liability method, correspond to all future differences between accounting and tax results arising when the book value of an asset or 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 Group's consolidated net income includes the impact of deferred taxes in the amount of 0.13 M€.

##### Revaluation reserve

In accordance with regulation 2014-03, the revaluation reserve for the building held by Crédit Municipal de Paris was maintained in consolidated shareholders' equity.

#### Note 2: Information on accounting rules and principles

The consolidated financial statements are prepared in accordance with Regulation 99-07 of the Regulatory Committee of 24 November 1999 as amended by CRC Regulation 2004-18, which transposes into French law the European directives applicable to the accounts of financial companies, and amended by NCA Regulation 2016-10 of 12 December 2016 amending the annex to this regulation. Transactions are recorded in accordance with the principle of prudence, in line with the basic assumptions of going concern, consistency of accounting methods from one financial year to the next, and 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 shown, where appropriate, net of depreciation, provisions and value adjustments.

#### 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 customer term accounts is re-discounted. Other fees are recorded according to the criterion of the due date, the date of collection or payment.

#### TANGIBLE 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 are deemed to be those carried out from the outset with the intention of selling them no later than the end of a six month holding term. Groupe Crédit Municipal de Paris does not hold any assets of this category at 31.12.2019;
- investment securities includes securities (shares or bonds) acquired for the purpose of obtaining a direct income or a capital gain. At the year-end, securities outstanding are valued on the basis of their market value at 31 December; capital losses are recognised by means of a provision for depreciation. Unrealised capital gains are not accounted. As at 31.12.2019, Crédit Municipal Group no longer holds a high quality liquid asset portfolio ;
- 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 31.12.2019;

#### NON-CONSOLIDATED EQUITY INTERESTS

Non-consolidated equity interests are recorded at their historical cost. At the end of the financial year, an assessment is made of the value in use of these securities and, if necessary, provisions are recorded as a deduction from the 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 31.12.2019, Groupe Crédit Municipal de Paris holds a portfolio of non-consolidated equity interests of € 125,000.

#### FORWARD FINANCIAL INSTRUMENTS

Hedging and market transactions in interest rate, foreign exchange or equity futures are recorded in accordance with the provisions of ANC Regulation 2014-07. Thus, commitments are recorded in off-balance sheet accounts for the face value of the contracts. Expenses and income relating to forward financial instruments, intended to manage overall interest rate risk, are recorded on a pro rata temporis basis in the income statement under the heading "gains or losses on transactions in investment portfolios and similar".

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 profit and loss symmetrically to the recognition of income and charges on the elements hedged. The rule of symmetry also applies to interest rate swaps. Thus the unrealised accrued interest differential is recognised on a pro rata temporis basis in the profit and loss statement, and the unrealized gain or loss adjusted by the rediscounted amount is also posted. However, this amount differs depending on the element being hedged.

Unrealised gains and losses on hedged operations, valued at their face value (loans, borrowings, investment securities) have not been reflected in the accounts, and therefore the unrealised gain or loss on the interest rate swap contract does not have to be taken into account. On the other hand, gains and losses arising from hedges of marketable securities are taken into account in the calculation of provisions. Products and charges bearing on these transactions are accounted, symmetrically, in the same category as the income and expenses on the hedged items.

At 31.12.2019, Crédit Municipal de Paris Group did not hold any forward financial instruments.

#### TRANSACTIONS WITH CUSTOMERS: HANDLING CREDIT RISK

Transactions with customers are composed of:

- on the assets side, customer loans presented at their outstanding capital value and ordinary debit accounts recorded at their face value, plus accrued interest calculated at the balance sheet date, and net of haircuts and write-downs for 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 credit files for the settlement of outstanding maturities or in the event of early repayment of claims.

In processing credit risk, 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.

#### 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 where at least one commitment presents a proven credit risk. A risk is deemed to exist when it is likely that the institution will not receive all or part of the sums due in respect of the commitments entered into by the counterparty, regardless of the existence of a guarantee or surety. Irrecoverable non-performing loans are loans unpaid for 180 days, and for which the payment term has been brought forward before being assigned the following month.

Since 1 January 2017, CMP Banque has been assigning non-

performing loans on a monthly basis once they reach 180 days overdue and loans treated as over-indebted as of the approval of the final 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 accounts for 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 Crédit Municipal de Paris Group's specialisation in the distribution of cash loans to individuals, these outstandings are segmented based on the nature of the loans distributed.

No internal ranking system has been used.

#### Declassification of non-performing loans

According to the contagion principle, all loans granted to the same counterparty with at least one loan declared non-performing or irrecoverable are downgraded to 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 doubtful and compromised doubtful loans

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

#### SECURED LOANS

Secured loans are subject to the same rules of declassification into non-performing or non-performing irrecoverable loans. Interest is earmarked at 100% and capital is subject to a statistical depreciation, from the third month of delay, based on a loss rate calculated over the last 3 sliding years by the ratio of the losses actually recorded to the amount of the irrecoverable non-performing capital.

It is specified that, in accordance with Article 2084 of the French Civil Code, these credits are subject to specific regulations, with Crédit Municipal de Paris being able to proceed with the sale by 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 Assignment 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 rate of losses observed on the disposal of the over-indebtedness plans approved in 2018.

Irrecoverable non-performing loans are forfeited and fully earmarked pending write-off. 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 cost of risk for the year, excluding depreciation on interest is included in the profit and loss statement under "Cost of risk" and consists of allowances and the portion of irrecoverable loans not covered by depreciations, minus write-backs in impairment accounts.

The Crédit Municipal de Paris Group records depreciations corresponding, at present value, to all of its forecast losses on non-performing or irrecoverable non-performing loans.

### PROVISIONS FOR RISKS AND CHARGES

This post encompasses:

- provisions intended to cover risks and charges related to banking transactions, that events that have occurred or are in progress make likely, clearly specified as to their purpose 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 can not 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, a public administrative institution, is not required to implement a profit-sharing or incentive scheme. Moreover, the granting of retirement benefits does not apply to the institution.

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 balances of leave of non-permanent personnel yet to be taken at 31.12.2019 is recorded under general operating expenses by variation between two financial years.

CMP Banque has set up an employee profit-sharing scheme in accordance with legal provisions. Profit sharing 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 worker representative bodies, is applicable as of 1 January 2012. The company has not formalised an agreement with employee representative bodies for incentive and profit-sharing plans. 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 paid leave days or develop monetized savings to compensate for specific end-of-career leave, leave for personal reasons, a move to part-time work 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 a job protection plan (PSE) covering the entire workforce, CMP Banque does not make provisions for end-of-career indemnities. Excluding redundancies in connection with the implementation of the employment protection plan (PSE), CMP Banque makes provisions for redundancies on the basis of foreseeable or proven disputes at the balance sheet date.

The pensions and retirement benefits of CMP Banque staff are paid for by inter-professional bodies to which contributions are periodically paid. These are recorded in charges in the relevant financial year. CMP Banque has no early retirement commitments for personnel. Long service awards are no longer provided for.

Crédit Municipal de Paris does not manage any defined benefit plans and does not participate in funded 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, CNRAFL, 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 2019 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 with related parties were concluded under normal market conditions.

### FIRST DEMAND GUARANTEE

The first demand guarantee granted by Crédit Municipal de Paris to its subsidiary CMP Banque in connection with the subscription of a loan expired on March 31, 2019.

### CHANGES IN ACCOUNTING METHODS AND PRESENTATION

There has been no change in accounting or presentation policies in relation to the financial statements prepared, approved and published at 31 December 2018.

### 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 €)	2019	2018
Ordinary account	401,587	381,341
Term loans and account	115,000	106,042
Other amounts dues - credit institution	-	-
Accounts receivable	438	560
<b>Total</b>	<b>517,025</b>	<b>487,943</b>

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)	10,000	5,000	-	-	100,000	-

### Note 4: Customer uses

Nature of debts (in k €)	31.12.2019	31.12.2018
Cash credits	-	78,785
Cash loans- restructured receivables	-	-
Housing loans	-	782
Housing loans - restructured receivables	-	-
Secured loans	208,946	207,559
Ordinary accounts receivable	-	-
Values not allocated	-	136
Non-performing loans	5,768	7,911
Accounts receivable	9,012	9,280
<b>Total</b>	<b>223,726</b>	<b>304,453</b>

## DISTRIBUTION OF NON-PERFORMING AND IRRECOVERABLE NON-PERFORMING DEBTS

Non-performing debts and irrecoverable non-performing debts (in €k)	31.12.2019		31.12.2018	
	Debts	Provisions	Debts	Provisions
<b>Non-performing debts</b>	-	-	4,250	2,430
Secured loans				
Cash credits	-	-	3,204	1,851
Restructured loans	-	-	-	-
Mortgages and housing loans	-	-	1,047	579
Ordinary accounts and OCH	-	-	-	-
Declassified debts - principle of contagion	-	-	-	-
<b>Non-performing irrecoverable debts</b>	6,954	1,187	7,422	1,333
Secured loans	6,954	1,187	7,357	1,268
Cash credits	-	-	65	65
Mortgages and housing loans	-	-	-	-
Ordinary accounts and OCH	-	-	-	-
Debtor accounts	-	-	-	-
<b>Late Interest</b>	1,919	1,919	1,899	1,899
Termination clause/ assigned loans	-	-	-	-
<b>Total</b>	<b>8,873</b>	<b>3,106</b>	<b>13,572</b>	<b>5,662</b>

## STATEMENT OF PROVISIONS FOR NON-PERFORMING LOANS

Nature of debts (in k €)	Gross debts on non-performing loans	Provisions	Net debts on non-performing loans
Cash credits	-	-	-
Secured loans	6,954	1,187	5,767
Housing loans	-	-	-
Ordinary accounts and OCH	-	-	-
Debtor accounts	-	-	-
Late interest/ CTX penalties	1,919	1,919	-
Termination clause/ assigned receivables	-	-	-
<b>Total</b>	<b>8,873</b>	<b>3,106</b>	<b>5,767</b>

## 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	16,742	30,901	52,333	108,970	-	-
1 year	-	-	-	-	-	-

## Note 5: Equity instruments and securities transactions

Type of security (in €K)	2019			2018
	Gross value	Haircut/ depreciation Provisions	Net value	Net value
Bonds and other listed securities	-	-	-	31,101
Receivables	-	-	-	216
<b>Total</b>	-	-	-	<b>31,317</b>

## Note 6: Depreciable

Type of fixed assets (in K€) Gross value	Gross value 2018	Acquisitions of financial year	Transfers from post to post	Assignment of financial year	Gross value 2019
Intangible fixed assets	5,235	40	98	-2,666	2,707
Land and buildings	40,945	-	-	-	40,945
Non-operating fixed assets	-	-	-	-	-
Other tangible fixed assets	29,022	986	59	-303	29,764
Fixed assets under lease	623	-	-	-	623
Fixed assets under construction	149	420	-98	-	471
Tangible fixed assets under construction	25	149	-59	-	115
<b>Total</b>	<b>75,999</b>	<b>1,595</b>	<b>-</b>	<b>-2,969</b>	<b>74,625</b>

## Note 7: Depreciation

Nature of fixed assets (in k €)	Gross value - 2018	Impairment financial year	Assignment of financial year	Amortization in the financial year	Gross value - 2019
Intangible fixed assets	4,482	-	- 2,377	99	2,204
Land and buildings	20,784	-	-	679	21,463
Non-operating fixed assets	624	-	-	-	624
Other tangible fixed assets	19,224	-	- 871	1,863	20,216
Fixed assets under lease	-	-	-	-	-
<b>Total</b>	<b>45,114</b>	<b>-</b>	<b>- 3,248</b>	<b>2,641</b>	<b>44,507</b>

### Amortization methods and estimated durations of use

Lease right		Not amortized
Software development and acquisition costs	Linear	1 TO 3 YEARS
Software package development and acquisition costs	Linear	5 years
Computer hardware	Linear	3 years
Office equipment and furniture	Linear	3, 5 AND 6 YEARS
fixtures and fittings	Linear	5, 10, 15 and 25 years
Revaluation of the operating building	Linear	50 years

Groupe Crédit Municipal de Paris holds no lease credit agreement at 31.12.2019;

## Note 8: Accrual accounts and various assets

The "sundry debtors" account mainly consists of payments expected from the auctioneers.

Nature of accounts (in k €)	2019	2018
<b>Other assets</b>	<b>5,658</b>	<b>4,723</b>
Deposits and sureties paid	44	44
Misc. debtors	5,614	4,679
Accounts receivable		
<b>Accrual accounts</b>	<b>216</b>	<b>1,276</b>
Accrual accounts	216	1,276
Deferred tax assets		-
<b>Total</b>	<b>5,874</b>	<b>5,999</b>

## Note 9: Debts with credit institutions

Nature of accounts (in k €)	2019	2018
Ordinary accounts payable	0	-
Term borrowing and account	-	27,857
Pension values	-	-
Other sums due	-	-
Payables	-	743
<b>Total</b>	<b>0</b>	<b>28,601</b>

## Note 10: Customer creditor accounts and other customer deposits

Nature of accounts (in k €)	2019	2018
Ordinary accounts payable	-	-
Special savings accounts	-	-
Passbook accounts	98,073	77,120
Term accounts	42,112	54,748
Short term securities	30	30
Other sums due	2,348	3,029
Payables	400	1,246
<b>Total</b>	<b>142,963</b>	<b>136,173</b>

Remaining term	D <= 1 MONTH	1 mois < D <= 3 mois	3 mois < D <= 6 mois	6 mois < D <= 1 an	1 YEAR < D <= 5 years	D > 5 YEARS
Term creditor accounts (in €k)	1,961	5,832	4,985	9,672	19,662	-

## Note 11: Securities on the interbank market and marketable loans

Nature of accounts (in k €)	2019	2018
C.D.N.	544,967	517,796
B.M.T.N.	10,000	40,000
Securities sold under un-collateralised agreements	-	-
<b>Sub-total</b>	<b>554,967</b>	<b>557,796</b>
Payables	13	504
<b>Total</b>	<b>554,980</b>	<b>558,300</b>

### 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 in K€	95,063	231,333	83,147	135,424	10,000	0



**Note 12: Accrual accounts and other liabilities**

Nature of accounts (in k €)	2019	2018
Sundry creditors	2,081	5,528
Accrual accounts	629	721
Restatement of deferred tax liabilities	2,175	2,040
Restatement of corporate income tax	134	387
Sub-total of accrual accounts	2,938	3,148
<b>Total</b>	<b>5,019</b>	<b>8,676</b>

**Note 13: Provisions for risks and charges**

Type of provisions (in K€)	2018	Allowances in the financial year	Writebacks in the financial year	2019
Provisions for losses and charges	1,738	-	-	1,738
Provisions for disputes	619	1,009	212	1,416
Provisions for non-performing collateral	10	1	3	8
Provisions for the run-off process	2,801	-	2,106	695
Extraordinary PSG provisions		1,352	-	1,352
Provisions on healthy debts and guarantee clause	1,202	500	1,159	543
Provisions for CMP Banque run-off process	-	-	-	-
<b>Total</b>	<b>6,370</b>	<b>2,862</b>	<b>3,480</b>	<b>5,752</b>

**Note 14: Funds for general banking risks**

The fund for general banking risks remains unchanged at 31.12.2019 and amounts to €K 1,068.

**Note 15: Equity variation table**

Changes in equity (in €)	Group	Minority	TOTAL
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
Dividends paid			
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
Equity grant received			-
Capitalised bonuses	485,275		485,275
Distributions	- 150,000		- 150,000
Dividends received			-
Deferred Taxes	253,226		253,226
Profit & loss from the 2019 financial year	4,317,958		4,317,958
EQUITY AT 31.12.2019	134,754,516	6	134,754,522

**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 and received

COMMITMENTS (IN €K)	2019	2018	Nature of guarantees
Commitments given	-	7,857	
Financing commitments	-	-	
Guarantee commitments	-	-	
First demand guarantee	-	7,857	Guarantee given to credit institutions
Commitments received:	219,870	308,036	
Financing commitments	-	-	
Guarantees received from customers	-	89,676	Loans - sureties and mortgages
Secured loans	219,870	218,360	Amount of the secured guarantee
IFT commitments	-	-	
<b>Total</b>	<b>219,870</b>	<b>315,893</b>	

### 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)	2019	2018
+ income from cash and interbank transactions	3,210	2,230
+ income from securities transactions	1,583	1,838
+ income from transactions with customers	23,024	26,240
Interests	19,899	23,228
Commissions	3,125	3,012
+ income from off-balance sheet transactions	-	-
+ other bank operating income	3,667	4,089
- charges on interbank transactions	- 1,013	- 2,424
- charges on financial transactions	- 2,592	- 1,414
Expenses on customer transactions	- 1,140	107
- charges on off-balance sheet transactions	-	-
Other banking operating expenses	- 651	- 583
+ Other operating income	3,780	3,239
- other operating charges	-	- 12
<b>Net banking income</b>	<b>29,868</b>	<b>33,310</b>

### Note 19: Other non-bank operating income

Other operating income (in €k)	2019	2018
Income from buildings	2,272	2,029
Sundry operating income (re invoiced charges)	421	440
Other miscellaneous operating income	1,087	770
<b>Total</b>	<b>3,780</b>	<b>3,239</b>

### Note 20: General operating charges

General operating charges (in €k)	2019	2018
Personnel expenses	10,904	10,061
Personnel remuneration	7,517	7,485
Social charges	3,204	3,046
Tax charges	815	829
Other personnel charges	- 4	- 13
PSE PROVISIONS	- 628	- 1,286
Duty and taxes	530	733
External services	57	44
Leases	39	48
PSE provisions - branch leases	-	- 15
Travel and transport	18	11
Other external services	5,810	7,356
Maintenance-repair-supplies	2,327	2,395
External fees	2,146	2,506
Other external services	2,601	2,610
PSE provisions ancillary costs	- 1,264	- 155
Transfer of POS charges	-	-
<b>Total</b>	<b>17,301</b>	<b>18,194</b>

## Note 21: Cost of risk

Cost of risk (in €k)	2019	2018
<b>Transactions with customers</b>	<b>- 2,803</b>	<b>- 3,720</b>
Net allowances for non-performing loans	- 1,104	- 1,641
Capital losses on sales	- 28	- 36
Losses on irrecoverable loans covered by provisions	- 114	- 1,834
Allowance on provision for guarantee clause	-	-
Capital losses on assigned loans	- 1,456	- 199
Losses on irrecoverable loans not covered by provisions	- 26	- 10
Extraordinary losses covered by provisions	- 75	-
Net allowances on provisions for moratoriums on restructured loans	-	-
Net allowances on provisions for moratoriums on restructured loans	-	-
Recoveries on amortised loans	-	-
<b>Other transactions</b>	<b>- 860</b>	<b>- 393</b>
Operating provisions	- 1,130	- 551
Other writebacks of provisions	270	158
<b>Total</b>	<b>- 3,663</b>	<b>- 4,113</b>

During the 2019 financial year, CMP Banque assigned, under the framework agreement of sale concluded in June 2017, 176 files corresponding to non-performing loans with more than 180 days of unpaid debts or loans subject to an approved over indebtedness 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 gain of € 0.5 million. The sale of the remaining healthy and non-performing loans was concluded on 20.12.2019, for a dividend commencement date fixed at 1 December 2019 for the assignee. Within this framework, 5,639 healthy loans were sold for a gross face value of €50.28 million and a net face value of €49.13 million, taking into account the €1.1 million provision set up at the end of 2018; a capital loss of €1.47 million was recorded in this segment. For non-performing loans, 184 cases were sold, with a gross face value of €2.69 M and a net face value of €1.13 M, resulting in a capital loss on sale of €0.03 M.

Assignments of loans are accompanied by a termination clause for non-compliant loans. A corresponding depreciation of €0.50 million was recorded in the accounts at 31.12.2019.

## Note 22: Summary of provisions

Summary of provisions (in k €)	2018 PROVISIONS	Reclassification in the year	Allocations for the year	Writebacks in the financial year	Assignments of loans	2019 PROVISIONS
Credit institution provisions	-	-	-	-	-	-
Customer provisions	5,662	-	2,057	- 1,274	- 3,339	3,106
Provisions on investment securities	0	-	87	-	-	87
Provisions on equity interests	-	-	-	-	-	-
Provisions for impairment of assets	330	-	-	- 305	-	25
Provisions for sundry debtors	64	-	27	- 25	-	66
Provisions for risks and charges	6,386	-	1,569	- 2,409	- 1,145	4,401
<b>Total</b>	<b>12,442</b>	<b>-</b>	<b>3,740</b>	<b>- 4,013</b>	<b>- 4,484</b>	<b>7,685</b>

## Note 23: Tax system

The Groupe Crédit Municipal de Paris has opted for the tax integration regime. The option was renewed at the end of fiscal year 2018 for a new 5-year period.

Corporation tax was calculated at the rate of 28% on the first 500,000 euros and 33. / 31% beyond that.

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). The deferred tax expense affects the consolidated profits to the amount of €134,538.

	Tax rate	Equity	Total	Taxes	Net income
Consolidated profit and loss			5,817,950		5,817,950
Corporation tax			1,510,200	1,510,200	
Deferred Taxes			134,538	134,538	
Tax relief					-
Base			7,462,688	1,644,738	5,817,950

	Tax rate	Equity	Gross profit and loss	Taxes	Net income
2018 deferred tax base	33.33%		- 6,121,396	- 2,040,465	- 4,080,931
2019 deferred tax base	31.00%		7,016,139	2,175,003	4,841,136
2019 fiscal profit and loss	31.00%		6,016,314	1,850,057	4,166,257
ID accrual				- 10,442	10,442
Untaxed profit and loss			1,406,938		1,406,938
Expired bonuses			- 708,041	- 218,022	- 490,019
Sponsorship tax credit			- 147,266	- 147,266	-
Competitiveness and employment tax credit				-	-
Social security contribution 3.3%			-	35,873	- 35,873
<b>Total</b>			<b>7,462,688</b>	<b>1,644,738</b>	<b>5,817,950</b>

## Note 24: Competitiveness and jobs tax credit (CICE)

Crédit Municipal de Paris benefited in 2019 from a remaining tax credit aimed at improving its competitiveness. This concerned an accrual relating to financial year 2017.



## Note 25: Extraordinary elements

Nature of accounts (in k €)	2019	2018
<b>Extraordinary charges</b>	<b>1,440</b>	<b>172</b>
Capital losses on assigned assets	-	-
Capital losses on the realisation of pledges	-	-
Securities annulled in previous years	30	21
Indemnities for impaired pledges	22	17
Other extraordinary losses	1,388	134
POS charges paid	-	-
POS Allowance/ writeback of provisions	-	-
<b>Extraordinary income</b>	<b>1,437</b>	<b>90</b>
Mandates annulled in previous years	62	35
Recoveries after debt write off	-	-
Extraordinary sundry income	1,375	55
<b>Extraordinary income</b>	<b>- 3</b>	<b>- 82</b>

## OTHER INFORMATION

### Workforce

The full-time equivalent workforce at 31.12.2019 is 140.10 FTEs.

### Remuneration

The amount of directors' fees distributed to CMP Banque's directors for the 2019 financial year respects the framework of the €36,000 budget voted by the General Meeting.

### Fees of statutory auditors;

AMOUNT IN € EXCL. TAX	KPMG	Grant Thornton	Total
Parent company audit	50,000	45,000	95,000
Subsidiary audit	70,000		70,000
Services other than the certification of accounts	2,000	0	2,000
	<b>122,000</b>	<b>45,000</b>	<b>167,000</b>



KPMG S.A.  
Siège social  
Tour EQHO  
2 Avenue Gambetta  
CS 60055  
92066 Paris la Défense Cedex  
France



29, rue du Pont  
92200 Neuilly-Sur-Seine  
France

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

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

## Rapport des commissaires aux comptes sur les comptes consolidés

Exercice clos le 31 décembre 2019

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

### Opinion

En 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 2019, 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 1<sup>er</sup> 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, 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-avant. Nous n'exprimons pas d'opinion sur des éléments de ces comptes consolidés pris isolément.

#### Cession du portefeuille de créances

##### Risque identifié

Dans le contexte de la gestion extinctive de CMP Banque, plusieurs opérations sont intervenues en fin d'année 2019.

- CMP Banque a procédé à la cession de l'intégralité de son portefeuille de créances, d'une valeur nette comptable de 50,3 M€ à deux fonds commun de titrisation (FCT) pour un prix de cession de 48,7 M€.
- CMP Banque s'est porté acquéreur de 5% des parts principales et des parts subordonnées émises par le FCT pour un montant total de 2,4 M€.
- L'emprunt subordonné souscrit auprès du Crédit Municipal de Paris pour un montant de 10 M€ a été remboursé par anticipation. Ce remboursement anticipé a entraîné la constatation d'une soulte intragroupe pour un montant de 1,6 M€.

Ces opérations ayant une incidence significative sur le bilan et le compte de résultat du Groupe CMP, nous les avons considérées comme un point clé de l'audit.

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

Nous avons obtenu et examiné l'ensemble de la documentation juridique, financière et comptable de chacune de ces opérations.

Nous nous sommes assurés de la correcte traduction comptable de ces opérations, en particulier :

- L'enregistrement de la sortie du portefeuille de créances et de l'encaissement du prix de cession dans le poste Coût du risque ;
- Le classement des parts de Fonds Commun de Titrisation acquises dans la catégorie Titres de placement ;
- L'élimination des produits et charges intragroupes relatifs à la soulte sur emprunt subordonné.

Nous avons vérifié que ces opérations font l'objet d'une information suffisante et appropriée dans les états financiers et leurs annexes.

### 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 des informations relatives au groupe, données dans le rapport de 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 par votre Conseil d'Orientation 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 2019, le cabinet KPMG S.A. était dans la 13<sup>ème</sup> année de sa mission sans interruption et le cabinet Grant Thornton dans la 7<sup>ème</sup> 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 aux règles et principes comptables français 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 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 s'il est prévu de liquider la société 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 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 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 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. 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.

#### Les commissaires aux comptes

Paris La Défense, le 28 février 2020

Neuilly-Sur-Seine, le 28 février 2020

KPMG S.A.

Grant Thornton

  
Ulrich Sarfati  
Associé

  
Leslie Fitoussi  
Associé



# Management report

## CRÉDIT MUNICIPAL DE PARIS

**2019 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 2019 financial year was critical for the deployment of the establishment's strategic plan with the implementation of the new organisation of the secured loans department, the continuation of the development work concerning the physical reception of customers, increasing the amount of space dedicated to real estate rental and conservation space rentals, and strengthening the reputation of Crédit Municipal de Paris in order to attract new customers. Crédit Municipal de Paris' solid financial position and the robustness of its business model, as confirmed by its results for the 2019 financial year, as well as its dominant position in the granting of secured loans, are solid assets for pursuing this in-depth transformation and renovation plan. It is in this context that Crédit Municipal de Paris also fully supports its banking subsidiary in the framework of the run-off process decided in June 2015, with a universal transfer of assets planned for 2020.

### ACTIVITY IN 2019

In an environment of historically low interest rates and rising gold prices, Crédit Municipal de Paris confirms its financial strength and the robust fundamentals of its operating cycle. The secured loan activity maintained its level of turnover (€18.16 million), whereas the end of the financial year was marked by a decrease in customer flow caused by the social movement against pension reform. Financial income reached an exceptional level due to the early repayment of the subordinated loan by CMP Banque, representing €1.641 million in additional income. After a declining in profits in 2018, revenues from sales and conservation activities are again on the rise. Finally, rental income rose more strongly than in the previous year (+11.32% instead of +6.86%). These observations justify the development of the strategic plan aimed at strengthening the attractiveness of secured loans, boosting outstanding loans and developing all other operating revenues. The level of outstanding secured loans at 31 December exceeded the €215 million mark (€215.90 million): an opposite effect was observed between the increase in renewals (+€4.41 million between 2019 and 2018) and the reduction in new commitments (-€2.31 million between 2018 and 2019); the number of decommitments is increasing (+€3.930 million between 2018 and 2019) while remaining significantly lower than the number of commitments (52,543 decommitments for 64,654 commitments). The number of contracts in progress at 31 December is up 2.50% (197,291 in 2019 compared to 196,802 in 2018) for an average amount in 2019 (€1,097.96)

comparable to that of 2018 (€1,097.74). Sales volume decreased in terms of the number of contracts (8,166 contracts put up for sale in 2019 compared to 8,699 in 2018, i.e. -6.1%), with fewer sales being organised in 2019 (76) than in 2018 (77). However, the amount of auctions increased between the two financial years (12.22 M in 2019 compared to €11.33 M in 2018, i.e. +7.86%) as well as bonuses paid to customers (€2.65 million in 2018 compared with €3.36 million in 2019, i.e. +26.80%). These results can be explained on the one hand by the increase in online sales via "Interencheres" and on the other hand by the rise in the price of gold. With regard to investment and refinancing activities, the maintenance of very low or even negative interest levels has a strong impact on the profile of financial results, on the one hand by significantly reducing financial income as the oldest investments mature, on the one hand, and, on the other hand, by very significantly reducing the interest expense on newly contracted refinancing. In this context, the objective of maintaining the performance of the investment and refinancing strategy while complying with prudential and regulatory obligations is a major focus of the strategic project. Other operating income shows a similar trend: income from buildings increases by 11.32% (€2.272 million in 2019 compared to €2.041 million in 2018) thanks to the rental of the last available spaces; income from conservation activities is up 9.04% thanks to the provision of new private reserves and the air-conditioning of 9 units. In 2019, the Budget Support and Social Innovation Department (ABIS) maintained the level of attendance by new entrants (1,534 Ile-de-France residents in 2019 for 1,566 in 2018). In addition, nearly 2,560 beneficiaries are receiving ongoing personalised support. In addition, the ABIS management has undertaken several structuring projects to improve the quality of service to users (training of volunteers, new information system, new beneficiary pathways, reorganisation of skills and remits). Its collective information offer has been strengthened and the Pilot Budget application has been downloaded more than 30,000 times during 2019. External sources of funding for the ABIS Directorate have fallen slightly (-2% between 2018 and 2019) and the reduction in funding by the departmental boards is largely offset by the grant obtained within the framework of the renewal of the "Point Conseil Budget" label.

### NET BANKING INCOME (NBI)

At 31.12.2019, net banking income amounted to € 24.76 million, up +9.65% compared to 2018 (€ 24.08 million). This growth results from the contrasting performance of the the following:

- The net interest margin increased by €2.347 million (+12%) to €21.51 million in 2019 compared with €19.16 million in 2018; this increase is due to the continuation of a generally favourable context of falling interest rates, the recessive effect of which is much more notable on refinancing conditions than on credit activity:
  - Interest and similar income increased by 5% to € 23.6 million in 2019, compared with € 22.5 million in 2018, due to a balancing payment by CMP Banque for the early repayment of a loan (€ 0.98 million for all cash and interbank transactions) and the increase in interest received from secured loans (€ 0.11 million between the two years);
  - Interest and similar charges continue to fall (€2.08 million in 2019 compared with €3.36 million in 2018, i.e. -38%) as a result of the general downward trend in interbank rates continuing in 2019;
- a very slight increase in the amount of commissions received (€2.12 million in 2019 compared to €2.10 million in 2018, i.e. +0.83%); this increase is the result of the increase in renewals during 2019 ;
- a very slight increase also in other products 3.74 million in 2019 compared with €3.73 million in 2018, i.e. an increase of +0.26%), thanks to the increase in income from property rental and conservation, while subsidies to the ABIS management were slightly down.

### OVERHEADS

Overall, they are up 3.40% (€18.34 million in 2019 compared with €17.73 million in 2018) due to the convergent performance of the following items:

- the increase in personnel expenses of €0.44 million (€9.00 million in 2019 compared with €8.56 million in 2018, i.e. +5%) resulting mainly from the creation of four new positions and the strengthening of Crédit Municipal's management team;
- the increase in expenditure on IT maintenance of €127 K of €0.3 M (€5.6 M in 2018 compared to €5.3 M in 2015, i.e. +5.2%) resulting from the implementation of new tools for services (Access for the ABIS department, market monitoring tools for cash management and Safewatch for control);
- the increase in security charges of €106 K due to greater demand on the service provider, who now provides night duty and whose staff has been increased on weekend shifts.

### COST OF RISK

The cost of risk, which is structurally low due to the guarantee constituted by the pledges held by Crédit Municipal de Paris in respect of the loans granted, fell by 61% (€0.09 million in 2019 compared with €0.24 million in 2018).

### PROFIT AND LOSS

Operating income in 2019 amounted to €8.71 million, an increase of €1.97 million compared to 2018 (€6.78 million), i.e. + 28.47%, mainly due to the net interest margin. The cost/income ratio thus rises to 67.6% in 2019 compared to 71.6% in 2018 and thus remains close to the 70% target set in the strategic plan. Pre-tax income from ordinary activities came to €10.2 million. In

view of the universal transfer of assets and liabilities (TUP) from CMP Banque to Crédit Municipal de Paris scheduled for 2020, part of the balance sheet depreciation on CMP Banque shares has been reversed, in the amount of €1.5 million. This partial write-back is justified by the uncertainties inherent in such an UPT process.

The net book profit shows a surplus of € 4.90 million. This profit is up 77.55% compared with 2018 (€ 4.03 million). It is proposed to the COS to allocate it to reserves for the sum of € 8,544,798.40 and deferred earnings for € 150,000.

### PERFORMANCE OF EQUITY AND THE SOLVENCY RATIO

The base equity ratio stood at 28.07% at the end of December 2019, 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 2019

On 31 January 2020, the European Central Bank informed Crédit Municipal de Paris that the banking license of its subsidiary CMP Banque would be withdrawn with effect from 12 February 2020, making it possible to speed up the timetable leading to the universal transfer of assets and liabilities (Article 1844-5 of the French Civil Code) from CMP Banque to its parent company, Crédit Municipal de Paris.

### ACTIVITIES BEARING ON 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). Crédit Municipal de Paris is thus committed to the emergence and promotion of innovative social finance tools for sustainable and socially responsible development.

### INFORMATION ON PROVIDER AND CUSTOMER PAYMENT DEADLINES

Crédit Municipal de Paris is not subject to the provisions of Article L.442-4 of the Commercial Code. Late payment of suppliers in the 2019 financial year was between:

- 1 and 15 days for 15.50% of the invoices received;
- between 16 and 30 days for 2.84% of the invoices received;
- between 31 and 60 days for 1.36% 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: Invoices paid	FROM 1 to 15 days	FROM 16 to 30 days	FROM 31 to 60 days	more than 60 days	TOTAL
Number of invoices paid	284	52	25	15	376
Amount	1,204,684.02	125,286.01	6,518.16	115,354.93	1,451,843,12
As a % of the number of invoices received (1,832)	15.50%	2.84%	1.36%	0.82%	20,52%

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

RETARD DE PAIEMENT : Factures non payées	FROM 1 to 15 days	FROM 16 to 30 days	FROM 31 to 60 days	more than 60 days	TOTAL
Number of invoices paid	4	1	4	8	17
Total amount	13,892.19	6,690	15,374.85	12,831.54	48,788.58
As a % of the number of invoices received (1,832)	0.22%	0.05%	0.22%	0.44%	0.93%

**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 public municipal credit and social assistance 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, nor 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.

**CONCLUSION**

Crédit Municipal de Paris posted a surplus in 2019 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 guidelines, supported by the commitment of all the institution's employees, should make it possible to strengthen, by asserting itself as an exemplary and innovative public service, the social and solidarity vocation of the establishment at the service of all the people of Ile-de-France.

Crédit Municipal de Paris continues to fully support its subsidiary in the run-off process up to the universal transfer of assets planned for April 2020.

## INFORMATION ON RISKS

### EQUITY RATIO

(in thousands of Euros)

TO Statement	2019
Capital	47,000
+/- reserves and retained earnings	79,640
Funds for general banking risks	0
+/- intermediate profits	0
- Intangible fixed assets	-972
- significant investment in entities from the financial sector.	-34,425
<b>CATEGORY I BASE EQUITY</b>	<b>90,243</b>
<b>TOTAL EQUITY</b>	<b>90,243</b>

### EQUITY REQUIREMENTS

(in thousands of Euros)

EQUITY REQUIREMENTS BEARING ON CREDIT RISK	Total Gross Exp.	Total Net Exp.	Total Weighted	Equity Requirements
Total equity requirements	847,132	801,683	281,340	22,507
Central Admin. & Central Banks	185,970	185,970	0	0
Credit institutions	356,345	356,345	71,269	5,701
Companies	0	0	0	0
Retail customers	213,834	213,834	160,375	12,830
Other elements	77,792	35,515	34,731	2,779
Default exposures	13,065	9,893	14,839	1,187
Shares	126	126	126	10

OPERATIONAL RISK EQUITY REQUIREMENTS	Total exposures	Equity Requirements
Total equity requirements	45,789	3,663
Total banking activities		0
Total banking activities in basic approach	45,789	3,663
Total banking activities in standard measurement approach		0
Total banking activities in advanced measurement approach		0
<b>TOTAL AMOUNT OF RISK EXPOSURE</b>	<b>327,129</b>	<b>26,170</b>

RATIO OF SOLVENCY TO BASE EQUITY	27.59%
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## SHORT TERM LIQUIDITY RATIO - LCR

(in thousands of Euros)

<b>Liquidity cushion</b>	<b>36,436</b>
Total outflows	106,765
Cash intakes entirely exempt	
Treasury inflows subject to ceiling of 90%	
Treasury inflows subject to ceiling of 75%	403,355
Reduction corresponding to entirely exempt cash inflows	
Reduction corresponding to cash inflows subject to the ceiling of 90%	
Reduction corresponding to cash inflows subject to the ceiling of 75%	80,073
<b>Net cash outflows</b>	<b>26,691</b>
<b>Liquidity requirements hedging ratio (%)</b>	<b>136.51%</b>

At the end of December 2019, the short-term liquidity ratio stood at 136.51% for a requirement set at 100%.

## FINANCIAL PROFIT AND LOSS FROM THE LAST 5 FINANCIAL YEARS

	2015	2016	2017	2018	2019
<b>Capital at the end of the financial year</b>	47,000,000.00	47,000,000.00	47,000,000.00	47,000,000.00	47,000,000.00
<b>Operations and profit and loss in the financial year</b>					
Pre-tax revenue (NBI)	23,534,544.20	23,745,705.36	24,081,155.04	24,760,872.31	27,145,406.00
Profit before taxes, depreciation expenditure and provisions	10,822,489.45	9,707,289.09	6,136,156.19	9,740,330.29	13,009,695.00
Profit tax	2,369,756.00	-216,636.21	767,857.27	1,790,656.13	1,510,199.79
Employee profit-sharing due for the financial year	-	-	-	-	-
Profit after taxes, profit sharing, depreciation expenditure and provisions	-35,586,997.10	6,881,234.41	4,033,205.21	4,905,437.42	8,694,798.40
Result distributed pursuant to Article L514-4 of the Monetary and Financial Code	320,000.00	-	-	-	-
<b>Staff</b>					
Average number of employees employed during the financial year	118	132	134	140,5	146,5
Total payroll for the year	4,067,164.50	4,419,736.06	5,031,712.09	5,607,299.57	5,819,799.64
Amount paid in respect of social benefits (Social Security, social works)	1,835,387.78	1,923,531.45	2,250,246.94	2,359,973.62	2,550,616.60

## PUBLISHABLE FINANCIAL STATEMENTS OF CRÉDIT MUNICIPAL DE PARIS

### BALANCE SHEET

In Euros

Balance sheet assets (in €) 2019	2018	2018
Cash, central banks, post office banks	42,276,336.44	7,834,153.15
Treasury notes and equivalents	-	-
Receivables with credit institutions	500,096,864.01	515,003,870.04
Transactions with customers	223,725,338.07	222,617,506.61
Lease and rental credits with purchase option	-	-
Bonds and other fixed income securities	409,202.26	31,738,046.38
Bonds and other variable income securities	-	-
Shares and portfolio activity	203,420.11	185,467.12
Shares in affiliated companies	35,424,940.00	33,924,940.00
Intangible fixed assets	972,027.28	904,933.98
Tangible fixed assets	29,144,684.66	29,979,512.37
Capital subscribed and not paid	-	-
Equity	-	-
Other assets	5,633,787.52	4,531,273.95
Accrual accounts	193,266.62	271,262.31
	<b>838,079,866.97</b>	<b>846,990,965.91</b>

In Euros

Balance sheet liabilities (in €)	2019	2018
Cash, central banks, post office banks		48.40
Debts with credit institutions	-	20,431,506.85
Transactions with customers	142,963,865.37	135,291,497.52
Debts represented by a security	554,979,831.96	558,299,983.74
Other liabilities	1,492,446.61	4,825,430.61
Accrual accounts	211,205.71	89,351.04
Provisions for risks and charges	3,097,559.32	1,748,262.50
Subordinated debts	-	-
Funds for general banking risks	-	-
Equity excluding FGBR	135,334,958.00	126,304,885.25
Subscribed capital	47,000,000.00	47,000,000.00
Issue premiums	-	-
Reserves	39,521,182.65	34,280,470.88
Revaluation difference	40,118,976.95	40,118,976.95
Regulated provisions and investment subsidies	-	-
Carried forward (+ / -)	-	-
Profit & loss from the financial year ( + / - )	8,694,798.40	4,905,437.42
<b>Total</b>	<b>838,079,866.97</b>	<b>846,990,965.91</b>



## OFF BALANCE SHEET

In Euros

Off Balance Sheet (in €)	2019	2018
<b>Commitments given</b>	-	7,857,142.84
Financing commitments	-	-
Guarantee commitments	-	7,857,142.84
Commitments on securities	-	-
<b>Commitments received:</b>	<b>219,870,028.17</b>	<b>218,359,981.43</b>
Commitments to customers	-	-
Financing commitments received	-	-
Guarantee commitments received from customers	219,870,028.17	218,359,981.43
<b>Commitments on forward financial instruments</b>	-	-
<b>Total</b>	<b>219,870,028.17</b>	<b>226,217,124.27</b>

## SIMPLIFIED

In Euros

Profit and loss statement (in €)	2019	2018
+ interest and similar income	23,589,206.43	22,529,280.96
- Interest and similar charges	- 2,080,003.02	- 3,367,361.74
+ / - income from leasing and similar credit operations	-	-
+ revenue from variable income securities	-	-
+ commissions	2,121,622.24	2,103,966.82
- commissions	- 57,344.04	- 71,805.91
+ / - gains or losses on trading portfolio transactions	-	-
+ / - gains or losses on investment portfolio transactions and similar	-	-
+ Other operating income	3,742,435.99	3,732,843.12
- other operating charges	- 170,511.35	- 166,050.94
<b>Net banking income</b>	<b>27,145,406.25</b>	<b>24,760,872.31</b>
- general operating charges	- 15,407,304.03	- 14,937,395.80
- allowances for amortizations and fixed asset provisions	- 2,933,715.14	- 2,799,827.97
<b>Gross operating income</b>	<b>8,804,387.08</b>	<b>7,023,648.54</b>
+ / - cost of risk	- 94,756.32	- 244,408.77
<b>Operating income</b>	<b>8,709,630.76</b>	<b>6,779,239.77</b>
+ / - gains or losses on fixed assets	1,500,000.00	-
<b>Current income before tax</b>	<b>10,209,630.76</b>	<b>6,779,239.77</b>
+/- extraordinary income	- 4,632.57	- 83,146.22
- corporate income tax	- 1,510,199.79	- 1,790,656.13
+Allowances/ writebacks of FGBR and regulated provisions	-	-
<b>Net profit and loss for the year</b>	<b>8,694,798.40</b>	<b>4,905,437.42</b>

## NOTES TO THE 2019 ANNUAL ACCOUNTS

### 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. OVERVIEW: 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.

#### 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 matured and not matured loans, secured or unsecured, owed by debtors where one commitment at least has a proven credit risk. A risk is deemed to exist when it is likely that the institution will not receive all or part of the sums due in respect of the commitments entered into by the counterparty, regardless of the existence of a guarantee or surety. 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 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 case of early closure, where it is paid pro rata temporis for the duration of the contract. Accrued interest not due on passbook and term accounts are rediscounted monthly, calculated pro rata temporis until the balance sheet date, and recorded in the income statement.

##### 1.2.4. Securities transactions

Securities transactions are considered those carried out from the outset with the intention of selling them no later than the end of a six month holding term. At 31.12.2019, Crédit Municipal de Paris does 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.. 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. A provision for impairment must be recorded when the market value is lower than the book value. At 31.12.2019, Crédit Municipal de Paris no longer holds a portfolio of high quality liquid assets. Investment securities include fixed income securities acquired with the intention of holding them in the long term. At 31.12.2019, Crédit Municipal de Paris no longer holds any investment securities. Equity interests are considered to be 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 close of the financial year, Crédit Municipal de Paris held 99.99% of the shares of CMP Banque, whose value in use is € 35,425 thousand. This takes into account the net amount of CMP Banque's equity at the end of the run-off process.

##### 1.2.5. Transactions on forward financial instruments

Hedging and market transactions in interest rate, foreign exchange or equity futures are recorded in accordance with the provisions of ANC Regulation No. 2014-07 of November 26, 2014. Thus, commitments are recorded in off-balance sheet accounts for the face value of the contracts. Expenses and income relating to forward financial instruments, intended to manage overall interest rate risk, are recorded on a pro rata temporis basis in the income statement under the heading "gains or losses on transactions in investment portfolios and similar". 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 accrued interest differential is recognised on a pro rata temporis basis in the income statement, and the unrealized gain or loss adjusted by the amount of the rediscount is also posted. However, this amount differs depending on the element being hedged. Unrealised gains and losses on hedged operations, valued at their face value (loans, borrowings, investment securities) not having been reflected in the accounts, the unrealised gain or loss on the interest rate swap does not have to be taken into account. On the other hand, gains and losses arising from hedges of marketable securities are taken into account in the calculation of provisions. Products and charges bearing on these transactions are accounted, symmetrically, in the same category as the income and expenses on the hedged items. Crédit Municipal de Paris does not hold any forward financial instruments at 31.12.2019.

### 1.2.6. Paid leave

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 31.12.2019 is recorded in the 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. Based on 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 cover risks and charges related to banking transactions, that events that have occurred or are in progress make likely, clearly specified as to their purpose 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 can not be determined precisely.

### 1.2.9. Commitments relating 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 off-balance sheet commitments.

Crédit Municipal de Paris does not manage any defined benefit plans and does not participate in funded 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

Exceptional income and expenses take into account not only items that are not related to the normal activity of the company during the financial year, but also those that are exceptional in terms of their amounts.

### 1.2.11. Labour commitments

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. No provision is made for long-service medal bonuses, as the institution is a member of the CNAS.

### 1.2.12. Revaluation

The revaluation was calculated in 1988 on buildings for a value of €40 M, with a tax deferral

### 1.2.13. Information on 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

On 31 January 2020, the European Central Bank informed Crédit Municipal de Paris that the banking license of its subsidiary CMP Banque would be withdrawn with effect from 12 February 2020, making it possible to speed up the timetable leading to the universal transfer of assets and liabilities (Article 1844-5 of the French Civil Code) from CMP Banque to its parent Crédit Municipal de Paris.

## 3. CHANGE OF ACCOUNTING METHODS

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

## 4. NOTES ON THE BALANCE SHEET

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

### A. RECEIVABLES WITH CREDIT INSTITUTIONS

(in thousands of Euros)

Nature of receivables (in k €)	2019	2018
Ordinary accounts	384,659	369,951
Term loans and account	115,000	134,042
Accounts receivable	438	992
Subordinated term accounts	-	10,000
Accounts receivable subordinated loans	-	19
<b>Total</b>	<b>500,097</b>	<b>515,004</b>

The volume of receivables from credit institutions decreased by 2.89% as a result of a 14.20% fall mount of outstanding loans on term accounts and loans, while the volume of book accounts was 39.75% increase. Crédit Municipal de Paris' contribution to the refinancing of CMP Banque ended in December, marking a new stage in the subsidiary's run-off process.

### 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 an < D <= 5 ans	D > 5 YEARS
Term loans and accounts (in €k)	10,000	5,000			100,000	-

### B. CUSTOMER USES

#### INVENTORY (NET AMOUNT OF PROVISIONS)

(in thousands of Euros)

Nature of outstandings (in k €)	2019	2018
Secured loans	208,946	207,559
Values not allocated	-	-
Non-performing loans	5,768	6,090
Accounts receivable	9,012	8,968
<b>Total</b>	<b>223,726</b>	<b>222,617</b>

Gross outstanding secured loans rose sharply (+ +0.67%) and in 2019 amounted to € 207.55m.

## STATEMENT OF PROVISIONS FOR NON-PERFORMING LOANS

(in thousands of Euros)

Nature of outstandings (in k €)	Gross debts on non-performing loans	Provisions	Writebacks	Net debts on non-performing loans
Secured loans	6,954	1,394	207	5,767
Declassification by contagion	2,956	-	-	2,956
Receivables more than three months old	2,868	264	207	2,811
Non-performing pledges	1,130	1,130	-	-
Debtor accounts	-	-	-	-
Accounts receivable	1,919	2,432	513	-
<b>Total</b>	<b>8,873</b>	<b>3,826</b>	<b>720</b>	<b>5,767</b>

Provisions for non-performing pledges were stable between 2018 and 2019. Provisions on interest due increased between 2018 and 2019 by 3.92%.

Since the risk of non-recovery is measured on the basis of the actual losses recorded on pledges offered for sale during the current year and the previous four financial years, the depreciation rate calculated by the ratio of the losses recorded to the amount of outstanding loans amounts to 1.97% in 2019, i.e. down three points from 2018.

## 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€)	16,742	30,901	52,333	108,970		

## C. SECURITIES AND SECURITIES TRANSACTIONS

These are broken down as follows:

(in thousands of Euros)

	Gross value - 2019	Depreciation provisions	Write backs of impairments	Net value - 2019	Net value - 2018
<b>Security interest (in €k)</b>					
CMP Banque	84,037	50,112	1,500	35,425	33,925
Microfinance	25	-	-	25	25
ABC MICROFINANCE	25	-	-	25	25
MICRODON SAS	50	-	-	50	50
Don Boule de neige	20	-	-	20	20
Elogie SIEMP	6	-	-	6	6
<b>Shareholder certificates (in €k)</b>					
FGDR	77	-	-	77	59
<b>Total</b>	<b>84,240</b>	<b>50,112</b>		<b>35,628</b>	<b>34,110</b>
<b>Securities transactions (in €k)</b>					
Bonds and other listed securities	-	-	-	-	31,101
Accounts receivable	-	-	-	-	216
<b>Total</b>					<b>31,317</b>

Crédit Municipal de Paris no longer holds any bonds as at 31/12/2019, whereas it held €31 million as at 31/12/2018. Crédit Municipal de Paris has recourse to the mechanism for increasing the level of liquidity with the Banque de France to meet its obligations to hold high quality liquid assets.

## D. FIXED ASSETS

By convention, disposals of the financial year are presented as negatives. Fixed assets are shown on the balance sheet at their purchase value.

(in thousands of Euros)

Nature des immobilisations (en K€)	Gross value 2019	Acquisitions of financial year	Transfers of post to post	Assignment of financial year	Gross value 2018
Intangible fixed assets	2,707	40	98	- 709	3,278
Land and buildings	40,945	-	-	-	40,945
Immobilisations hors exploitation	-	-	-	-	-
Other tangible fixed assets	29,739	986	59	- 252	28,946
Fixed assets under lease	623	-	-	-	623
Fixed assets under construction	471	420	- 98	-	149
Tangible fixed assets under construction	115	149	- 59	-	25
<b>Total</b>	<b>74,600</b>	<b>1,595</b>	<b>-</b>	<b>- 961</b>	<b>73,966</b>

## E. AMORTIZATIONS

(in thousands of Euros)

Type of fixed assets (in K€) Gross value	Gross value 2019	Assignments of financial year	Amortization in the financial year	Gross value 2018
Intangible fixed assets	2,205	- 710	390	2,525
Land and buildings	21,463	-	679	20,784
Non-operating fixed assets	624	-	-	624
Other tangible fixed assets	20,191	- 825	1,868	19,148
Fixed assets under lease	-	-	-	-
<b>Total</b>	<b>44,483</b>	<b>- 1,535</b>	<b>2,937</b>	<b>43,081</b>

Amortisation methods and estimated useful lives are as follows:

Type of work (in K€)	Duration of amortization	Purchase value	Net value 2019	Net value 2018
Building renovation	15 years	1,376	269	325
Safety works	15 years	2,335	700	723
Renovation of the roof	10 years	1,389	573	632
Motorising accesses	15 years	115	40	6
Heating, air conditioning, electricity	15 years	522	73	61
EDF hut, generator	15 years	2,234	1,877	1,992
<b>Total</b>		<b>7,971</b>	<b>3,532</b>	<b>3,739</b>



Nature of fixed assets		
Development and software costs	Linear	3 years
office equipment and furniture	Linear	5 and 6 years
fixtures and fittings	Linear	10, 15, 20 and 25 years
revaluation of the building	Linear	50 years

## F. ACCRUAL ACCOUNTS AND VARIOUS ASSETS

(in thousands of Euros)

Nature of accounts (in k €)	2019	2018
Accrual accounts relating to securities transactions	-	-
Misc. debtors	5,634	4,531
Accrual accounts	193	271
Accounts receivable	-	-
<b>Total</b>	<b>5,827</b>	<b>4,802</b>

The "Sundry Debtors" account mainly comprises payments expected from auctioneers corresponding to sales made in November and December of 2019 (€ 2.73 million), expected refunds in respect of tenants (€0.44M), refunds in respect of credits and tax refunds (€ 0.26 million), microcredit activities (€0.11M). Finally, at 31.12.2019, €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 (in k €)	2019	2018
Term borrowing and account	-	20,000
Accounts receivable	-	432
<b>Total</b>	<b>-</b>	<b>20,432</b>

Crédit Municipal de Paris no longer carries any debt on credit institutions.

## 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 account (IN €K)						

## H. CUSTOMER CREDITOR ACCOUNTS AND OTHER CUSTOMER DEPOSITS

In Euros

Nature of accounts (in k €)	2019	2018
Short term securities	30	30
Term accounts	42,112	54,748
Passbook accounts	98,073	77,120
Other sums due	2,348	2,146
Payables	400	1,246
<b>Total</b>	<b>142,963</b>	<b>135,290</b>

Since June 2012, Crédit Municipal de Paris has been distributing savings products to individuals to diversify its sources of refinancing. At 31.12.2019, 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 (+5.67%) due to the combined effect of a significant fall in term accounts (-23.08%) and a sharp increase in passbook accounts (+ +27.17%), 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
Forward accounts payable (in K€)	1,961	5,832	4,985	9,672	19,662	

## I. MARKETABLE LOAN SECURITIES

(in thousands of Euros)

Nature of accounts (in k €)	2019	2018
C.D.N.	544,967	517,796
B.M.T.N.	10,000	40,000
Securities sold under un-collateralised agreements	-	-
<b>Sub-total</b>	<b>554,967</b>	<b>557,796</b>
Payables	13	504
<b>Total</b>	<b>554,980</b>	<b>558,300</b>

## 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 in K€	95,063	231,333	83,147	135,424	10,000	0

## J. ACCRUAL ACCOUNTS AND OTHER LIABILITIES

(in thousands of Euros)

Nature of accounts (in k €)	2019	2018
Sundry creditors	1,492	4,825
Accrual accounts	211	89
<b>Total</b>	<b>1,703</b>	<b>4,914</b>

The sundry lenders account mainly records the charges payable by the supplier (€0.84 million), social security contributions to be remitted to the tax authorities (€ 0.21 million) and creditors' debts (€ 0.16 million). Accounts payable corresponded to an amount of €3.51 million as of 12/31/2018, i.e. a decrease of €2.67 million in this account.

## K. PROVISIONS FOR RISKS AND CHARGES

(in thousands of Euros)

Nature of provisions (in k €)	Net value - 2019	Allocations for the year	Writebacks in the financial year	Net value - 2018
Retirement provisions	-	-	-	-
Provisions for losses and charges	1,738	-	-	1,738
Provisions for risks and charges having borne corporation tax	-	-	-	-
Provisions for redundancies	-	-	-	-
Extraordinary PSG provisions	1,352	1,352	-	-
Provisions for non-performing collateral	8	1	3	10
<b>Total</b>	<b>3,098</b>	<b>1,353</b>	<b>3</b>	<b>1,747</b>

## 5. EQUITY

(in thousands of Euros)

Equity (in K€)	2019	Dividends distributed	Capitalisation of bonuses	Supplement of allowance	Assignment of the Profit and loss	2018
Initial allowance	47,000	-	-	-	-	47,000
Reserves	39,520	-	485	-	4,755	34,279
Capitalised surplus earnings	27,151	-	-	-	4,755	22,395
Capitalised bonuses	12,369	-	485	-	-	11,884
Revaluation difference	40,119	-	-	-	-	40,119
Equity grant received	2	-	-	-	-	2
Carried over	-	-	-	-	-	-
Sub-total	126,641	-	485	-	4,755	121,400
Profit for the year before allocation and distribution	8,695	-	-	-	-	-
<b>Total</b>	<b>135,336</b>	<b>-</b>	<b>485</b>	<b>-</b>	<b>4,755</b>	<b>121,400</b>

The profit from the 2018 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 AND RECEIVED

Off balance sheet (in €)	2019	2018
Commitments given	-	7,857,142.84
Financing commitments	-	-
Guarantee commitments	-	7,857,142.84
Commitments on securities	-	-
Commitments received:	219,870,028.17	218,359,981.43
Commitments to customers	-	-
Financing commitments received	-	-
Guarantee commitments received from customers	219,870,028.17	218,359,981.43
Commitments on forward financial instruments	-	-
<b>Total</b>	<b>219,870,028.17</b>	<b>226,217,124.27</b>

The first demand guarantee granted by Crédit Municipal de Paris to its subsidiary CMP Banque in connection with the subscription of a loan expired on 31 March 2019.

## 7. NOTES ON THE PROFIT AND LOSS STATEMENT

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

### A. NET BANKING INCOME

(in thousands of Euros)

Net banking income (in €k)	2019	2018
+ income from cash and interbank transactions	3,210	2,230
+ income from securities transactions	1,583	1,838
<b>+ income from transactions with customers</b>	<b>18,088</b>	<b>17,956</b>
Interests	15,966	15,852
Commissions	2,122	2,104
+ income from off-balance sheet transactions	-	-
+ other bank operating income	2,829	2,609
- Charges on interbank transactions	- 468	- 900
- Charges on financial transactions	- 529	- 1,059
Expenses on customer transactions	- 1,140	- 1,480
- Charges on off-balance sheet transactions	-	-
Other banking operating expenses	- 170	- 166
+ Other operating income	3,466	3,236
- other operating charges	-	-
<b>Net banking income (before re-invoiced charges)</b>	<b>26,869</b>	<b>24,264</b>
+ Re-invoiced intra-group charges	276	497
<b>Net Banking Income with re-invoiced charges</b>	<b>27,145</b>	<b>24,761</b>

### B. ANCILLARY INCOME

(in thousands of Euros)

Accessory income (in K€)	2019	2018
Income from buildings	2,272	2,029
Sundry operating income (re-invoiced charges)	421	440
Other miscellaneous operating income	773	767
Intra-group re-invoicing	174	299
Rent received from CMP Banque	103	198
<b>Total</b>	<b>3,743</b>	<b>3,733</b>

### C. GENERAL OPERATING CHARGES

(in thousands of Euros)

General operating charges (in €k)	2019	2018
<b>Personnel expenses</b>	<b>9,022</b>	<b>8,533</b>
Personnel remuneration	5,843	5,582
Social charges	2,551	2,358
Tax charges	628	593
<b>Duty and taxes</b>	<b>472</b>	<b>625</b>
<b>External services</b>	<b>53</b>	<b>23</b>
Leases	38	14
Remuneration of intermediaries	-	-
Travel and transport	15	9
<b>Other external services</b>	<b>5,780</b>	<b>5,645</b>
Maintenance-repair-supplies	2,006	1,835
External fees	1,223	1,309
Other external services	2,551	2,501
<b>Intra-group re-invoicing</b>	<b>80</b>	<b>111</b>
<b>Total</b>	<b>15,407</b>	<b>14,937</b>

### D. COST OF RISK

(in thousands of Euros)

Cost of risk (in €k)	2019	2018
<b>Transactions with customers</b>	<b>- 364</b>	<b>- 401</b>
Net allowances for non-performing loans	- 260	- 351
Capital losses on sales	- 28	- 36
Extraordinary allowances	-	-
Extraordinary losses	- 75	-
Losses on irrecoverable loans covered by provisions	- 1	- 14
Losses on irrecoverable loans not covered by provisions	-	-
<b>Other transactions</b>	<b>270</b>	<b>158</b>
Net allowances for non-performing operating loans - third parties	-	-
Net allowance on FRNG	-	-
Writebacks of provisions	270	158
<b>Total</b>	<b>- 94</b>	<b>- 243</b>

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

## E. SUMMARY OF PROVISIONS

(in thousands of Euros)

Summary of provisions (in k €)	2019 PROVISIONS	Allocations for the financial year	Writebacks in the financial year	2018 PROVISIONS
Credit institution provisions	-	-	-	-
Customer provisions	3,106	711	720	3,115
Provisions on investment securities	-	-	-	-
Provisions on equity interests	48,612	-	1,500	50,112
Provisions for depreciation of fixed assets	-	-	-	-
Provisions for sundry debtors	66	27	25	64
Provisions for risks and charges	3,098	1,353	3	1,748
<b>Total</b>	<b>54,882</b>	<b>2,091</b>	<b>2,248</b>	<b>55,039</b>

## F. EXTRAORDINARY ELEMENTS

(in thousands of Euros)

Nature of accounts (in k €)	2019	2018
Extraordinary charges	1,440	172
Capital losses on assigned assets	-	-
Securities annulled in previous years	30	21
Compensation for impaired pledges	22	17
Other extraordinary losses	1,388	134
Extraordinary income	1,437	90
Mandates annulled in previous years	62	35
Recoveries after debt write off	-	-
Extraordinary sundry income	1,375	55
<b>Exceptional result</b>	<b>- 3</b>	<b>- 82</b>

## G. TAX REGIME

Corporation tax was calculated at the rate of 28% for the first €500K of fiscal profit, and 33.1/31% for the remainder; the item also includes the social security contribution on profits at 3.30%.

	PROFIT BEFORE TAX	TAXES	PROFIT AFTER TAX
CURRENT PROFIT	10,209,631	1,510,200	8,699,431
EXTRAORDINARY PROFIT	- 4,633	-	- 4,633
NET PROFIT AND LOSS	10,214,264	1,510,200	8,704,064

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 consolidation. 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 2019, net income before tax was € 6,779,000;
- With regard to CMP Banque, the net profit before tax is €2,742,000
- At the CMP Group level, for 2019, net income before tax amounted to € 7,472,000 and taxable income to € 6,016,000 generating corporation tax of € 1,510,000.

## H. COMPETITIVENESS AND JOBS TAX CREDIT (CICE)

In accordance with Article 244 quater C of the French General Tax Code, in 2019 the Crédit Municipal de Paris benefited from a remaining tax credit intended to improve its competitiveness. This is an adjustment for the 2017 financial year.

CICE	2019	2018
Amount	704	216,610

## 8. OTHER INFORMATION

### A. WORKFORCE

At 31.12.2019, the available workforce was 151 officers and 138.10 in FTEs.

### B. PERSONAL TRAINING ACCOUNT

At 31.12.2019, 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. 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	50,000	45,000	95,000
Services other than the certification of accounts	0	0	0
<b>TOTAL</b>	<b>50,000</b>	<b>45,000</b>	<b>95,000</b>

### E. PROPOSED DISTRIBUTION OF PROFITS

It will be proposed to distribute the profit from the 2019 financial year to reserves for the amount of €4,775,408, and to deferred earnings for €150 K.



## 9. SUBSIDIARIES AND HOLDINGS

### Financial reporting

Detailed information on each subsidiary and participation whose value exceeds 1% of the capital publication ban	Capital (in K€)	Equity other than capital	Share of capital held (in%)	Profit or loss (from the last financial year ended in €k)
<b>Subsidiaries over 50% owned</b> CMP Banque 55, rue des Francs Bourgeois 75004 PARIS SIREN n° B 451,309,728 CIB CODE: 50140 A	84,037		99.99	- 2,742
<b>Holdings between 10 and 50%.</b> None				

General information on all subsidiaries and shareholdings (in K€)	Subsidiaries		Shares	
	French	Foreign	French	Foreign
Book value of securities held:				
Gross	84,037	-	203	-
Net	35,425	-	203	-
Amount of loans and advances granted	-	-	-	-
Amount of subordinate loans	-	-	-	-
Amount of commitments and sureties given	-	-	-	-
Amount of dividends received	-	-	-	-

A framework agreement for the grouping of CMP resources signed on October 16, 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.



Grant Thornton  
 29 Rue du Pont  
 92200 Neuilly-sur-Seine  
 France

Siège social



KPMG S.A.  
 Tour EQHO  
 2 Avenue Gambetta  
 CS 60055  
 92066 Paris la Défense Cedex  
 France

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

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

### Rapport des commissaires aux comptes sur les comptes annuels

Exercice clos le 31 décembre 2019

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

#### Opinion

En exécution de la mission qui nous a été confiée par votre Conseil 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 2019, 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 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 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 1er 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, 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 devons porter 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.

Nous avons déterminé qu'il n'y a pas de point clé de l'audit à communiquer dans notre rapport.

### **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.

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 et dans les autres documents adressés aux membres du Conseil d'Orientation et de Surveillance sur la situation financière et les comptes annuels.

### **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'Orientation 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 2019, le cabinet KPMG S.A. était dans la 13<sup>ème</sup> année de sa mission sans interruption et le cabinet Grant Thornton dans la 7<sup>ème</sup> année.

### **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 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 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 annuels ont été arrêtés par le Directeur Général.

### **Responsabilités 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 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 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 certification 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.

Neuilly-sur-Seine et Paris La Défense, le 28 février 2020

Les commissaires aux comptes

Grant Thornton  
Membre français de Grant Thornton  
International

  
Leslie Fitoussi  
Associée

KPMG S.A.

  
Ulrich Sarfati  
Associé



# Management report

## CMP BANQUE

**The 2019 financial year is the culmination of this run-off process carried out since September 2015 with the disposal of the residual portfolio of healthy and non-performing loans and loans in the eligibility phase, which was carried out in December 2019, with a dividend start date of 1 December 2019.**

**H**ealthy loans representing a gross outstanding amount of 50.28 million euros <sup>(1)</sup> were sold to a mutual securitisation fund, FONCRED III. 2.62 million (1) in non-performing loans and loans in the eligibility phase, i.e. a gross outstanding amount of €2.62 million, were acquired by the CREDINVEST Mutual Securitisation Fund. The two mutual securitisation funds (FCT) mandated EOS France to manage the assigned loans, this having the benefit of ensuring operational continuity (CMP Banque had outsourced the management of its portfolio to EOS France in October 2018). This assignment plan was approved by the Supervisory and Steering Board of Crédit Municipal and the Board of Directors of CMP Banque on 2 July 2019 and its completion was confirmed in early October 2019 after informing the Paris Board at the end of September 2019. Over the period January 2019 - November 2019, CMP Banque's profit and loss account showed better than expected results due to good control of expenses and a lower cost of risk compared to the previous year. This favourable development has enabled us to achieve a better-than-expected 2019 result, i.e. a loss of €2.74 million after taking into account the capital loss on the outstandings sold of €1.50 million and the cost of the early repayment of the subordinated loan of €10 million amounting to €1.64 million, i.e., excluding exceptional items, a positive result of €0.40 million.

### 2019 profit and loss statement

Profit and loss statement at 31.12.2018 (in €M)

In M€	2019 Accounts Publishable format	2019 Accounts Analytical version	Change v. publishable/ v. analytical	2018 Accounts Publishable format
Net banking income	3,078	3,078	-	9,157
General operating charges (*)	- 2.251	- 2.066	0.185	-4.968
Cost of risk	- 3.569	- 3.754	- 0.185	-3.870
<b>Résultat net</b>	<b>- 2.742</b>	<b>- 2.742</b>	<b>- 0.000</b>	<b>0.319</b>

(\*) For 2018: including capital losses on fixed assets & CICE loan for € -0.175 million

NB: The above table presents an analytical version of the profit and loss statement where the writ-backs of provisions corresponding to certain expenses relating to the fixed costs of implementing the outsourcing of accounting functions, regulatory reporting and payroll management, as well as legal work related to the evolution of CMP Banque, for which a provision had been made in the 2017 accounts, have been reclassified in the corresponding expenses in the amount of €185 K. The comments presented below on operating expenses and the cost of risk are based on this analytical version.

### Activity in 2019

The outsourcing of portfolio management, which started in October 2018, has gone smoothly both operationally and financially. In other words, CMP Banque's operating account reflects and confirms the operational and financial control of this run-off process since its implementation. For the close of the annual accounts, the company accounts of CMP Banque at 31 December 2019 are still in accordance with the accounting rules applicable to a going concern. It should be pointed out that CMP Banque's balance sheet records as assets the holding of €2.5 million worth of bonds issued by the FCT FONCRED III, which redeemed the healthy loans.

Due to a provision of European regulations concerning the repurchase of loans by FCT calling on investors, and applicable since 1 January 2019, CMP Banque took a risk share set at a minimum of 5% of the amount of the face value of the sale. CMP Banque continued to reduce its debt in fiscal 2019 while benefiting from the refinancing of its parent company. The tax agreement between CMP Banque and Crédit Municipal de Paris is maintained over the period.

<sup>(1)</sup> The gross outstanding portfolio as at 31/12/2018 amounted to €84.38 M, of which €4.36 M were non-performing loans

The net profit and loss for the 2019 financial year shows a loss of € -2.74 million, mainly due to the capital loss on the disposal of residual loans outstanding and to the balancing payment paid for the early repayment of the subordinated loan granted by Crédit Municipal de Paris in 2013 for a period of 10 years.

The net interest margin stood at €1.42 million at the end of 2019 and €7.10 million at the end of 2018, down 80%. This change is directly related to the decrease in outstanding loans and the neutralisation of the portfolio's impact in December due to the final disposal. In addition, refinancing expenses include the payment of the balance related to the early repayment of the subordinated loan in the amount of €1.64 million.

Net commissions amounted to €1.30 million, down 34% vs. 2018 (-34%) due to the decline in outstanding loans. Total annual commissions received for group insurance contracts covering credits amounted to €0.83 million compared with €1.5 million for 2018, down 43%.

In the end, net banking income came to €3.08 million compared with €9.16 million last year, representing a decrease of €6.08 million (-66%). The total level of expenses as at 31.12.2019 is slightly below expectations: €2.07 M realised vs. €2.22 M expected and is down 42% compared to 2018.

During the financial year, the number of salaried employees decreased from 11 at the end of 2018 to 1 person (excluding corporate officers). Write-backs of provisions related to the PSE have been recognised according to the timing of the departures and amounted to €1.67 million. The end of the run-off process made it possible to adjust the amount of expenditure yet to come under the various PSE envelopes and to outsource a write-back of unused provisions in the amount of €0.25 million. The residual balance at the end of 2019 of €0.53 million covers the expenses for support and training for those still covered by the reclassification assistance scheme and all the rights of the last employee in position who will be leaving at the end of the first quarter of 2020.

General operating expenses (excluding depreciation, amortization and intra-group re-invoicing) amounted to €1.21 million, down 24% compared to the previous year (€1.59 million). It should be noted that the total remuneration paid for the outsourced management of outstanding loans and the collection of outstanding debts amounted to €0.292 million.

The cost of risk stood at €3.75 million, down 3% compared to €3.87 million for the 2018 financial year. Until 31.11.2019, the item changes mainly as a result of monthly sales of receivables on the one hand and the coverage of doubtful loans on the other hand. In December 2019, the capital loss recorded on the sale of residual loans is integrated as well as an adjustment to the various provisions for liabilities and charges.

At the end of 2019, the cost of risk includes:

- the book capital losses generated by the disposal of €1.46 million in receivables;
- provisions for non-performing loans and BDF accounts receivable, set up until 31.11.2019 and amounting to € 0.84 million;
- receivables written off for €0.22 M;

- movements in provisions for liabilities and charges for €1.05 M.

With regard to disputes over trade receivables, provisions were accounted for during the year to cover new cases. A procedure initiated in 2015 ended favourably this year and allowed a write-back of a provision of €141 K.

In addition, due to the run-off process and future dissolution of CMP Banque, a provision of €0.50 million has been set aside to cover the legal contingencies that may arise from former customers who have benefited from a bank loan and whose loans have been assigned. Indeed, in its capacity as initial lender, CMP Banque remains liable for any debt resulting from the cancellation of the contract concluded with a debtor whose claim has been assigned or from any order to pay damages for events prior to the date of assignment. Finally, an additional allowance of €0.50 million was taken into account for the provision for the guarantee clause (compensation in the event of the sale of non-compliant loans) based on 1% of the face value of the loans sold (the basis of which includes the outstandings sold as at 20.12.2019 and the monthly flows from June to November 2019); the provision therefore stands at €0.54 million as at 31.12.2019.

### Net income

2019 shows a loss of EUR -2,742,310.07.

The Board of Directors will make a proposal to the General Meeting to allocate the profit and loss for the financial year, i.e. -2,742,310.07 euros, to retained earnings.

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

### Changes in shareholders' equity and solvency ratio

As of 31 December 2019, the ratio on total shareholders' equity, no longer including the €10 million subordinated loan (which was repaid early), stood at 194.18% at the end of 2019 versus 57.22% at the end of 2018 for a threshold set at 9.875% by the ACPR.

At 31 December 2019, CMP Banque's shareholders' equity, including the FGBR, amounted to €38.221 million and was less than half of the share capital of €84.037 million.

### Employee profit-sharing

The employee profit-sharing at 31 December 2019 is equal to zero. No CMP Banque shares are held by the company's staff and by the staff of companies linked to it through a company savings plan.

### Events following the close of accounts on 31 December 2019

As CMP Banque no longer has any banking activity with the sale of its residual portfolio of bank loans, the City of Paris and Crédit Municipal de Paris wish to proceed with the early dissolution of the company. To this end, Crédit Municipal de Paris plans to acquire the shares currently held by the directors of CMP Banque in order to hold the entire share capital of the latter.

Crédit Municipal de Paris can thus envisage proceeding, within the framework of the provisions of Article 1844-5 paragraph 3 of the French Civil Code, with the early dissolution without liquidation of the company. Indeed, this dissolution will result in the universal transmission of the assets of the dissolved company to its sole director.



As this dissolution procedure can only be carried out after obtaining a decision to withdraw the European Central Bank's (ECB) licence, an application for the withdrawal of a banking licence was submitted to the ACPR on 9 October 2019. The European Central Bank approved the withdrawal of the banking license on 31 January 2020 with a date of effect of February 12, 2020.

In agreement with the banking authorities (ACPR and Banque de France), Crédit Municipal de Paris will replace CMP Banque contributing to the Fichier national des Incidents de remboursement des Crédits aux Particuliers (FICP).

### Activities in research and development & sustainable development commitments

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)

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 amounted to €12.7 K.

### Conclusion

Since the implementation of CMP Banque's run-off process in September 2015, CMP Banque's General Management, with the support of the General Management of Crédit Municipal de Paris, the Board of Directors of CMP Banque and the Steering and Supervisory Board of Crédit Municipal de Paris, has dedicated itself to systematically and regularly examining opportunities to dispose of the portfolio.

The cumulative capital loss on disposals amounts to -€4.99 million, a figure to be compared with the cumulative result for the financial years 2016 to 2019, i.e. a loss of -€4.58 million. Put another way, during this period, the intrinsic operation of the bank and the steering of the run-off process did not generate any losses other than capital losses.

The financial income for financial year 2019 perfectly confirms this analysis with a net income of €-2.74 M and income excluding exceptional items of €+0.40 M and after the allocation of a provision for legal contingencies of €500 K and a provision for a return clause on assigned loans of €500 K. As indicated in the management report for the financial year 2018, it has not been and will not be necessary to seek additional financial contributions. It should be noted that the overall cost of this run-off process, i.e.

-27.93 million, is below the figure in the business plan drawn up at the beginning of 2018, i.e. -35 million euros.

The outsourcing of support functions (Finance/Accounting, regulatory reporting, payroll processing), implemented at the beginning of 2019, resulted in the elimination of 10 positions out of a total of 11 employees.

Thus, at the end of December 2019, only one employee is in position, namely the Chief Financial Officer as the second effective executive alongside the Chief Executive Officer. On that date, of the 120 employees who left CMP Banque as part of the job protection plan, 106 have found a new position, including 35 with the City of Paris and Crédit Municipal de Paris.

In terms of timing, the early dissolution without liquidation of CMP Banque with a universal transfer of CMP Banque's assets and liabilities to CMP should be effective at the beginning of the second quarter of 2020.

The Board of Directors of CMP Banque underlines, on the one hand, the involvement of the two executives in this run-off process at the operational and financial levels and, on the other hand, the excellent managerial and strategic performance of the Managing Director of CMP Bank in the implementation, realisation and completion of this run-off process and the PSE (Job protection plan).

### Report on corporate governance

The Board of Directors of CMP Banque comprises 6 directors, including one legal entity, Crédit Municipal de Paris, a 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 shall be 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.

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 CMP Banque's directors and officers and their other mandate(s) appears in Annex 1.

## ANNEX 1: LIST OF DIRECTORS AND CORPORATE OFFICERS OF CMP BANQUE AND THEIR OTHER MANDATE(S) FEBRUARY 2020

### Mr Frédéric MAUGET

Chief Executive Officer 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.: Chairman of the Board and Director

### 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 and Director  
Fondation Colbert: Director

### Mr Jean-Marc MAURY

Director of CMP Banque

### Mr Philippe ZAMARON

CEO of CMP Banque, corporate officer

## ANNEX 2: PAYMENT TERMS FOR SUPPLIERS AND CUSTOMERS

### ARTICLE D. 441 I. - 1° OF THE CODE OF COMMERCE: Invoices not settled at the end of the financial year

	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day or more)
<b>(A) Late payment tranche</b>						
Number of invoices concerned	9					1
Total amount of invoices concerned (incl. tax- in K€)	77	5	-	-	-	5
Percentage of total purchases including tax for the year	93,87%	6,13%	0,00%	0,00%	0,00%	100%
Percentage of turnover incl. tax for the year						
<b>(B) Invoices excluded from (A) relating to contested or unrecognised debts and receivables</b>						
Number of invoices excluded			NONE			
Total amount of invoices excluded			NONE			
<b>(C) Reference payment periods used (contractual or legal, comm. code, art. l. 441-6 or art. l. 443-1)</b>						
Payment terms 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 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 jour et plus)
<b>(A) Late payment tranche</b>						
Number of invoices concerned			NONE			
Total amount of invoices concerned (incl. VAT - in K€)			NONE			
Percentage of total purchases incl. Tax for the year			NONE			
Percentage of turnover incl. tax for the year			NONE			
<b>(B) Invoices excluded from (A) relating to contested or unrecognised debts and receivables</b>						
Number of invoices excluded			NONE			
Total amount of invoices excluded			NONE			
<b>(C) Reference payment periods used (contractual or legal, comm. code, art. l. 441-6 or art. l. 443-1)</b>						
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 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day or more)
<b>(A) Late payment tranche</b>						
Number of invoices concerned	238					54
Total amount of invoices concerned (incl. tax- in K€)	1,380	357	1	71	-	429
Percentage of total purchases including tax for the year	76,28%	19,71%	0,06%	3,94%	0,00%	23,72%
Percentage of turnover incl. tax for the year						
<b>(B) Invoices excluded from (A) relating to contested or unrecognised debts and receivables</b>						
Number of invoices excluded			NONE			
Total amount of invoices excluded			NONE			
<b>(C) Reference payment periods used (contractual or legal, comm. code, art. l. 441-6 or art. l. 443-1)</b>						
Payment terms used for the calculation of late payments	- Lega 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 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day or more)
<b>(A) Late payment tranche</b>						
Number of invoices concerned			NONE			
Total amount of invoices concerned (incl. tax- in K€)			NONE			
Percentage of total purchases incl. Tax for the year			NONE			
Percentage of turnover incl. tax for the year			NONE			
<b>(B) Invoices excluded from (A) relating to contested or unrecognised debts and receivables</b>						
Number of invoices excluded			NONE			
Total amount of invoices excluded			NONE			
<b>(C) Reference payment periods used (contractual or legal, comm. code, art. l. 441-6 or art. l. 443-1)</b>						
Payment periods used for the calculation of late payments	NONE					

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

Nature of indications (in €k)	2015	2016	2017	2018	2019
<b>CAPITAL AT THE END OF THE FINANCIAL YEAR</b>					
Share capital	84,037,000.00	84,037,000.00	84,037,000.00	84,037,000.00	84,037,000.00
Number of existing ordinary shares	8,403,700	8,403,700	8,403,700	8,403,700	8,403,700
Number of preferred shares (non-voting) existing	0	0	0	0	0
Maximum number of future shares to be created	0	0	0	0	0
By bond conversion	0	0	0	0	0
By exercising warrants	0	0	0	0	0
<b>OPERATIONS AND PROFIT AND LOSS IN THE FINANCIAL YEAR</b>					
Turnover excluding taxes (NBI)	15,760,241.56	18,487,622.16	11,669,454.27	9,156,639.41	3,077,852.61
Income before tax, depreciation, amortization provisions and profit sharing	-16,157,907.49	11,178,967.89	6,079,383.64	5,103,103.04	826,689.87
Corporate Income taxes	160,000.00	39,580.00	29,591.00	12,731.31	0.00
Employee profit-sharing due for the financial year	0.00	0.00	0.00	0.00	0.00
Income after tax, profit sharing of employees and depreciation and amortisation, and provisions	-24,485,722.82	4,014,705.51	-5,037,814.82	318,987.80	-2,742,310.07
Distributed profit	0.00	0.00	0.00	0.00	0.00
<b>PROFIT PER SHARE</b>					
Income after tax, employee profit-sharing but before depreciation, amortisation and provisions	-1.90	1.33	0.73	0.61	0.10
Profit after taxes, profit sharing, depreciation expenditure and provisions	-2.91	0.48	-0.60	0.04	-0.33
Dividend allocated to each share	0.00	0.00	0.00	0.00	0.00
<b>PERSONNEL</b>					
Average number of employees employed during the financial year	122	48	32	17	7
Total payroll for the year (*)	4,483,186.47	2,147,981.32	1,559,415.47	960,335.84	743,033.81
Amount paid for social benefits (social security, social works)	2,496,801.30	667,377.46	603,768.99	311,420.83	259,782.11

(\*) 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 2019, 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 2019	
<b>Base equity</b>				<b>35,811</b>	
Capital				84,037	
+/- Reserves and retained earnings				-46,883	
Funds for general banking risks				1,068	
Securitisation position				-2,411	
<b>Additional equity</b>					
CMP subordinated loan				0	
<b>1. Total shareholders' equity</b>				<b>35,811</b>	
<b>2. Equity requirements</b>					
2.1. Standard credit risk approach		<b>Total gross ex</b>	<b>Total net ex.</b>	<b>Total weighted</b>	<b>Total equity requirements</b>
2.1.1 CENTRAL Admin. & central banks		32,498	32,498	0	0
2.1.2. CREDIT INSTITUTIONS		16,928	16,928	3,386	271
2.1.3 COMPANIES		0	0	0	0
2.1.4. RETAIL CUSTOMERS		0	0	0	0
2.1.5. DEFAULT EXPOSURES		0	0	0	0
2.1.6 SHARES		0	0	0	0
2.1.7. OTHER ASSETS		142	117	117	9
<b>Sub-total 1</b>		<b>49,569</b>	<b>49,544</b>	<b>3,502</b>	<b>280</b>
Off-balance sheet		0	0	0	0
<b>Sub-total 2</b>		<b>49,569</b>	<b>49,544</b>	<b>3,502</b>	<b>280</b>
2.2. Basic operational risk approach				14,940	1,195
<b>2. Total amount of risk exposure/ total equity requirements</b>				<b>18,442</b>	<b>1,475</b>
<b>3. Ratio of solvency to base equity</b>				<b>194.18%</b>	
<b>Ratio of solvency to total equity</b>				<b>194.18%</b>	

### SHORT TERM LIQUIDITY RATIO - LCR

The short-term liquidity ratio - LCR stood at 491% as at 31-12-2019 for a requirement fixed at 100%.



## ÉTATS FINANCIERS

### BALANCE SHEET

In Euros

ASSETS	2019	2018
Cash, central banks, post office banks	32,498,352.20	2,923.24
Treasury notes and equivalents	0.00	0.00
Receivables with credit institutions	16,928,418.17	11,389,749.28
Transactions with customers	0.00	81,836,074.99
Bonds and other fixed income securities	0.00	0.00
Bonds and other variable income securities	2,410,650.00	0.00
Shares and portfolio activity	0.00	0.00
Shares in affiliated companies	0.00	0.00
Lease and rental credits with purchase option	0.00	0.00
Intangible fixed assets	0.00	0.00
Tangible fixed assets	0.00	0.00
Capital subscribed and not paid	0.00	0.00
Equity	0.00	0.00
Other assets	93,550.52	288,463.92
Accrual accounts	23,248.64	1,004,946.46
<b>Total</b>	<b>51,954,219.53</b>	<b>94,522,157.89</b>
LIABILITIES	2019	2018
CENTRAL BANKS, POST OFFICE BANKS	0.00	0.00
Debts with credit institutions	10,001,234.22	36,601,958.45
Transactions with customers	0.00	883,226.93
Debts represented by a security	0.00	0.00
Other liabilities	640,433.65	786,995.08
Accrual accounts	436,353.90	644,349.77
Provisions for risks and charges	2,654,499.24	4,622,174.63
Subordinated debts	0.00	10,019,444.44
Funds for general banking risks	1,067,676.75	1,067,676.75
<b>EQUITY EXCLUDING FGFR</b>	<b>37,154,021.77</b>	<b>39,896,331.84</b>
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
Provisions réglementées et Subv. d'investissement	0.00	0.00
Carried forward (+ / -)	-44,270,373.60	-44,589,361.40
<b>PROFIT &amp; LOSS FROM THE FINANCIAL YEAR (+ / -)</b>	<b>-2,742,310.07</b>	<b>318,987.80</b>
Exc. Income / Expenses (+ / -)	0.00	0.00
<b>Total</b>	<b>51,954,219.53</b>	<b>94,522,157.89</b>

OFF BALANCE SHEET	2019	2018
COMMITMENTS GIVEN	0.00	0.00
Financing commitments given	0.00	0.00
Guarantee commitments given	0.00	0.00
COMMITMENTS RECEIVED	0.00	89,676,404.00
Financing commitments received	0.00	0.00
Guarantee commitments received	0.00	89,676,404.00

### SIMPLIFIED

INCOME AND EXPENSES FROM BANKING TRANSACTIONS	2019	2018
+ Interest and similar income	<b>3,933,204.99</b>	7,376,334.31
- Interest and similar charges	-2,515,848.03	-273,109.18
+ / - Income from leasing and similar credit operations	0.00	0.00
+ revenue from variable income securities	0.00	0.00
+ Commission (income)	1,006,157.45	920,650.20
- Commission (charges)	-451,071.19	-403,710.31
+ / - gains or losses on trading portfolio transactions	0.00	0.00
+ / - Gains or losses on portfolio trans. Investment & ass.	-87,150.00	0.00
+ Other operating income	1,228,259.39	1,580,210.90
- other operating charges	-35,700.00	-43,736.51
<b>NET BANKING INCOME</b>	<b>3,077,852.61</b>	<b>9,156,639.41</b>
- general operating charges	-2,251,162.74	-3,865,883.97
- Allowances for depreciation, amortisation and provisions for fixed assets	0.00	-927,144.59
<b>GROSS OPERATING INCOME</b>	<b>826,689.87</b>	<b>4,363,610.85</b>
+ / - cost of risk	-3,568,999.94	-3,869,701.96
<b>OPERATING INCOME</b>	<b>-2,742,310.07</b>	<b>493,908.89</b>
+ / - gains or losses on fixed assets	0.00	-187,652.40
<b>CURRENT INCOME BEFORE TAX</b>	<b>-2,742,310.07</b>	<b>306,256.49</b>
+/- extraordinary income	0.00	0.00
- corporate income tax	0.00	12,731.31
+ / - Allowances/ Write-backs in regulated FGFR. and prov.	0.00	0.00
<b>NET PROFIT AND LOSS FOR THE YEAR</b>	<b>-2,742,310.07</b>	<b>318,987.80</b>

# NOTES TO THE 2019 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 accordance with the principle of prudence, in line with the basic assumptions of going concern, consistency of accounting methods from one financial year to the next, and independence of financial years. The method used for the valuation of items entered in the accounts is the historical cost method and all balance sheet items are presented, where appropriate, net of depreciation, provisions and value adjustments.

### 1.1 SIGNIFICANT EVENTS & KEY FACTS

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. The main effects of the implementation of the run-off process have been:

#### *In operational terms:*

- the cessation of the marketing of products and services from September 2015 and the closure of sales agencies implemented from 2016 until the end of 2017;
- the discontinuation of the handling of banking product management transactions (current and savings account management activities) during H1 2016;
- assignments concluded in December 2015 for the healthy mortgage portfolio (OCH) and in July 2016 for almost the entire irrecoverable non-performing debt portfolio
- the sale as at 28 June 2017 of all risky and non-performing outstandings identified as at 31.12.2016 (non-performing loans, irrecoverable non-performing loans and credit plans). Over-indebtedness and, as of 1 January 2017, the monthly transfer of new flows of non-performing loans when they reach 180 days of unpaid invoices and loans subject to an over-indebtedness process as of the approval of the final 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. IT migration of management data as 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 plan (PES) covering the entire workforce, with departures staggered, initially, between the beginning of 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 carried out 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.

#### *Developments in the 2019 financial year:*

The 2019 financial year is the culmination of the run-off process carried out since 2015; several operations have been carried out to complete the end of CMP Banque's activities:

- at the beginning of 2019, the accounting, payroll management and regulatory reporting functions were outsourced to a specialised firm. This new step has led to the phased departure of 10 of the 11 employees still in place on 31.12.2018 ;
- during the month of December 2019, CMP Banque sold all of the residual loans outstanding, both healthy and non-performing,, based on the inventories as at 30.11.2019 with a dividend start date of 1 December 2019 for the assignee. Healthy loans, 5,639 cases with a gross face value of €50.28 million, and non-performing loans, 184 cases with a face value of €2.69 M were sold on 20.12.2019 to two separate mutual securitisation funds.

This assignment plan was approved by the Supervisory and Steering Board of Crédit Municipal and the Board of Directors of CMP Banque on 2 July 2019 and its completion was confirmed in early October 2019 after informing the Paris Board at the end of September 2019.

These assignments generated a total capital loss of €1.50 million, of which €1.47 million in healthy loans and €0.03 million in non-performing loans. CMP Banque has opted to record capital losses in cost of risk.

In addition, and in compliance with Regulation (EU) No. 2017/2402 creating a general framework for securitisation and establishing the principle of a 5% risk retention by the originator institution in its Article 6, CMP Banque has acquired bonds from the mutual securitisation fund (FCT) bearing healthy loans, created for this purpose, since the non-performing loans have been assigned to an FCT that was set up in 2009.

- at the end of December 2019, with the agreement of the Autorité de Contrôle Prudentiel et de Résolution, CMP Banque proceeded with the early repayment of the €10 million subordinated loan granted by Crédit Municipal de Paris in 2013 for 10 years in order to support the equity of its subsidiary. A cash balance of €1.64 million was paid and recorded as a financing expense;

- in this context of the end of banking operations, a request for withdrawal of a banking license was filed with the supervisory authorities on 9 October 2019.

For the close of the annual accounts, in the framework set out in point 2 "EVENTS FOLLOWING THE CLOSE OF ACCOUNTS OF 31 DECEMBER 2019", the financial statements of CMP Banque at 31 December 2019 are prepared in accordance with the accounting rules applicable to a going concern.

The changes in 2018 in the provisions accounted in 2015 for the implementation of the run-off process are presented in Notes on the balance sheet - - Note K - page 11, and Notes to the income statement - Note A - page 14, Note B - page 15.

### 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 2018.

### 1.3 TRANSACTIONS WITH CUSTOMERS: HANDLING CREDIT RISK

Until 30 November 2019, customer transactions are composed:

- on the assets side, of customer loans presented at their outstanding capital value, plus interest as applicable calculated at the balance sheet date, net of discounts and rebates. impairment losses for credit risk ;
- on the liabilities side, other amounts due are correlated to outstanding loans and represent funds received from customers, awaiting identification and allocation to credit files for the settlement of unpaid maturities or in the event of early repayment of receivables.

In processing credit risk, 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.

#### *1.3.1. Classification of customer loans outstanding*

Since 1 January 2017, CMP Banque has been assigning non-performing loans on a monthly basis once they reach 180 days overdue and loans treated as over-indebted as of the approval of the final plan.

Until 30 November 2019:

- outstanding loans are classified as healthy loans, outstanding doubtful loans and compromised doubtful loans ;
- Non-performing loans consist of all loans due from debtors with at least one commitment and a proven credit risk. A risk is deemed to exist when it is likely that the institution will not receive all or part of the sums due in respect of the commitments entered into by the counterparty, regardless of the existence of a guarantee or surety;
- Irrecoverable non-performing loans are loans for which recovery is irremediably 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 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 contractual maturities and when the counterparty no longer presents a default risk.

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.

#### *1.3.2. Segmentation of outstanding loans*

In view of CMP Banque's specialisation in the distribution of treasury loans to individuals, the institution has segmented these outstanding amounts based on the nature of the loans distributed. No internal ranking system has been used.

#### *1.3.3. Inclusion of risk mitigation instruments*

CMP Banque does not use credit derivatives or financial collateral.

#### *1.3.4. Depreciation 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, and until 30 November 2019, 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 Assignment Agreement:

- an impairment 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;
- an impairment rate corresponding to the average rate of losses observed on the disposal of the over-indebtedness plans approved in 2018.

Irrecoverable non-performing loans are forfeited and fully earmarked pending write-off.

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 cost of risk for the year, excluding depreciation on interest is included in the profit and loss statement under "Cost of risk" and consists of allowances and the portion of irrecoverable loans not covered by depreciations, minus write-backs in 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 GRANTING OR ACQUISITION OF A CONTRIBUTION

CMP Banque applies regulation ANC 2014-07 approved by order of 26 November 2014, relating to the establishment and publication of individual annual 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 of deferral in proportion to the capital remaining due.

Following the definitive assignment of trade receivables in December 2019, with a fixed date of commencement of dividend entitlement at 1 December 2019 for the assignee, the share of commissions received or paid that had not yet been deferred at 30.11.2019 was fully reintegrated into the income statement.

#### 1.5 SECURITIES TRANSACTIONS

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

As at 31.12.2019, CMP Banque held no 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 recognised by means of a provision for impairment. Unrealised capital gains are not accounted as at 31.12.2019, CMP Banque holds a bond portfolio of the CTF acquiring the residual healthy loan amounts in accordance with the EU Securitisation Regulation 2017/2402, in application of the risk retention obligation described in Article 6.

Investment securities include fixed-income securities acquired with the intention of holding them on a long-term basis and hedged by interest rate swaps.

At 31.12.2019, CMP Banque did not hold any assets in this category.

Equity securities are considered to be all securities whose lasting possession is deemed useful for the company's activity. At 31.12.2019, CMP Banque did not hold any assets in this category.

#### 1.6 TRANSACTIONS IN FORWARD FINANCIAL INSTRUMENTS AND OTHER CREDIT DERIVATIVE EXPOSURES

As at December 31, 2019, CMP Banque does not hold any forward financial instruments and has no direct or indirect exposure to credit derivative instruments such as CDOs, CMBS or other subprime 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 PROVISIONS FOR RISKS AND CHARGES

This post encompasses:

- provisions intended to cover risks and expenses related to banking transactions, whether or not events have occurred or are expected to occur in the future. The prices make probable, clearly specified as to their purpose 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 can not be determined precisely.

#### 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. Profit sharing 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 paid leave days or develop monetized savings to compensate for specific end-of-career leave, leave for personal reasons, a move to part-time work 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 a job protection plan (PSE) covering the entire workforce, CMP Banque does not make provisions for end-of-career indemnities. Excluding redundancies in connection with the implementation of the employment protection plan (PSE), CMP Banque makes provisions for redundancies on the basis of foreseeable or proven disputes at the balance sheet date.

The pensions and retirement benefits of CMP Banque staff are paid for by inter-professional bodies to which contributions are paid periodically. These are paid for when they are called in. 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 2019

By letter dated 31 January 2020, The European Central Bank notified its agreement to the withdrawal of CMP Banque's banking license as of 12 February 2020.

In this context, the City of Paris and Crédit Municipal de Paris wish to proceed with the early dissolution without liquidation of CMP Banque. To this end, Crédit Municipal de Paris plans to acquire the shares currently held by the directors of CMP Banque in order to hold the entire share capital of the latter.

Crédit Municipal de Paris will thus be able to consider, at the Extraordinary General Meeting of 27 February 2020, proceeding, pursuant to the provisions of Article 1844-5 paragraph 3 of the French Civil Code, with the early dissolution without liquidation of the company. This dissolution will result in the universal transfer of the assets and liabilities of the dissolved company to its sole director, Crédit Municipal de Paris.

## 3. NOTES ON THE BALANCE SHEET

### A. CUSTOMER USES

#### INVENTORY (AMOUNTS NET OF DEPRECIATION):

Nature of outstandings (in k €)	31.12.2019			31.12.2018		
	Gross outstanding amounts	Haircut/ depreciation	Net outstanding amounts	Gross outstanding amounts	Haircut/ depreciation	Net outstanding amounts
Cash credits	0		0	78,785		78,785
Cash loans- restructured receivables	0	0	0	0	0	0
Housing loans	0		0	782		782
Housing loans - Receivables receivables	0	0	0	0	0	0
Ordinary accounts receivable (of which OCH*)	0		0	0		0
Non-allocated values	0		0	136		136
Non-performing loans	0	0	0	4,368	2,547	1,821
Accounts receivable	0		0	312		312
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>84,383</b>	<b>2,547</b>	<b>81,836</b>

\*(OCH: Opening of mortgage loan)

The framework Assignment Agreement of 15 June 2017 includes the monthly sale of new flows of non-performing loans once they reach 180 days of unpaid invoices and receivables treated as over-indebted as of the approval of the final plan. This arrangement was maintained until the assignment on 26.11.2019.

On 20.12.2019, CMP Banque sold all of the residual loans outstanding, both healthy and non-performing, based on the inventories as at 30.11.2019 with a dividend start date of 1 December 2019 for the assignee.



## Distribution of non-performing and irrecoverable non-performing debts:

Non-performing debts and irrecoverable non-performing debts (in €k)	31.12.2019			31.12.2018		
	Gross outstanding amounts	Haircut/ depreciation	Net outstanding amounts	Gross outstanding amounts	Haircut/ depreciation	Net outstanding amounts
<b>Non-performing outstandings</b>	-	-	-	4,250	2,430	1,821
Cash credits	-	-	-	3,204	1,851	1,353
Restructured loans	-	-	-	-	-	-
Mortgages and housing loans	-	-	-	1,047	579	468
Ordinary accounts and OCH	-	-	-	-	-	-
Downgraded outstandings - Principle of contagion-	-	-	-	-	-	-
<b>Non-performing irrecoverable debts</b>	-	-	-	65	65	77
Cash credits	-	-	-	65	65	77
Mortgages and housing loans	-	-	-	-	-	-
Ordinary accounts and OCH	-	-	-	-	-	-
Late Interest	-	-	-	52	52	77
Termination clause/ assigned receivables	-	-	-	-	-	-
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,368</b>	<b>2,547</b>	<b>1,821</b>

Assignments of loans are accompanied by a termination clause for non-compliant loans. The corresponding provision, reclassified in 2018 under liabilities, provisions for liabilities and charges amounted to €543 K at 31.12.2019.

## B. SECURITIES TRANSACTIONS

Balance at 31.12.2019 (in €k)	Gross value	Impairments	Net value	Unrealised capital gain
Securities held for sale	0	0	0	
Investment securities	2,498	-87	2,411	0
Receivables from equity interests	0	0	0	
<b>TOTAL</b>	<b>2,498</b>	<b>-87</b>	<b>2,411</b>	

Balance at 31.12.2018 (in €k)	Gross value	Impairments	Net value	Unrealised capital gain
Securities held for sale	0	0	0	
Investment securities	0	0	0	0
Receivables from equity interests	0	0	0	
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	

As at 31.12.2019, CMP Banque holds a bond portfolio of the CTF acquiring the residual healthy loan amounts in accordance with EU Securitisation Regulation 2017/2402, in application of the risk retention obligation described in Article 6.

The bonds acquired are divided into different tranches:

- tranche A: 1.97 million, i.e. 197 shares with a par value of ten thousand euros;
- Tranche C: 0.52 million, i.e. 52 shares with a par value of ten thousand euros;
- Tranche C: 8 K€, i.e. 52 shares with a par value of one hundred and fifty euros.

A Bonds are senior, interest-bearing bonds that are redeemable first on a monthly basis.  
C Bonds, non-interest-bearing subordinated bonds will only be amortised monthly after full and complete amortisation of A Bonds.  
C Bonds, subordinated, interest-bearing bonds, will only be amortised once A and C Bonds have been fully and completely amortised.

An impairment allowance of 3.5% has been set aside for 87 K€ on the basis of a lump-sum estimate of losses on completion.

## 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 31.12.2018	Acquisitions in the financial year	Transfers in the financial year	Assignments in the financial year	GROSS VALUE 31.12.2019
Intangible fixed assets	1,957	0	0	-1,957	0
Tangible fixed assets	76	0	0	-51	25
Non-operating fixed assets	0	0	0	0	0
Fixed assets under lease	0	0	0	0	0
Fixed assets under construction Intangible	0	0	0	0	0
Fixed assets under construction tangible	0	0	0	0	0
<b>TOTAL</b>	<b>2,033</b>	<b>0</b>	<b>0</b>	<b>-2,008</b>	<b>25</b>

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

## E. AMORTIZATIONS

Nature of fixed assets (in k €)	Depreciation and amortisation stock 31.12.2018	Depreciation of assets in the financial year	Amortisation in the financial year	Assignments in the financial year	Depreciation and amortisation stock 31.12.2019
Intangible fixed assets	1,957	0	-291	-1,667	0
Tangible fixed assets	76	0	-5	-46	25
fixed assets excluding operation	0	0	0	0	0
Fixed assets under lease	0	0	0	0	0
<b>TOTAL</b>	<b>2,033</b>	<b>0</b>	<b>-295</b>	<b>-1,713</b>	<b>25</b>

Fixed assets are amortised according to the straight line method according to their estimated life span.

In view of the proposed dissolution of the operational structure, all assets were scrapped during the 2019 financial year, with the exception of a piece of land which CMP Banque acquired in 2015 as part of a procedure to recover a disputed debt. This asset, which is fully impaired, may be transferred to Crédit Municipal via the universal asset transfer transaction.

## F. ACCRUAL ACCOUNTS AND VARIOUS ASSETS

OTHER ASSETS (IN €K)	ASSET VALUES 31.12.2019	ASSET VALUES 31.12.2018
Deposits and sureties paid	44	44
Misc. debtors	50	244
Accounts receivable	0	0
<b>Total</b>	<b>94</b>	<b>288</b>

ACCRUAL ACCOUNTS (IN €K)	ASSET VALUES 31.12.2019	ASSET VALUES 31.12.2018
Prepaid expenses	5	0
Income receivable	18	1,001
<i>of which receivables with related companies</i>	18	12
Other accrual accounts	0	3
<b>Total</b>	<b>23</b>	<b>1,005</b>

Income receivable is income acquired in return for services rendered during the financial year and settled after the balance sheet date.

## G. DEBTS WITH CREDIT INSTITUTIONS

### INVENTORY:

Nature of accounts (in k €)	LIABILITY VALUE 31.12.2019	LIABILITY VALUE 31.12.2018
Ordinary creditor accounts	0	0
Ordinary creditor accounts - share with related companies	0	0
Term borrowing and accounts	0	7,857
Term borrowing - share with related companies	10,000	28,000
Other sums due	1	1
Payables	0	311
Accounts payable - share with related companies	0	432
<b>Total</b>	<b>10,001</b>	<b>36,602</b>

The term loan of €10 million was taken out on 26.11.2019 for a period of 2 months at a rate of 0%.

During the year, CMP Banque made the repayment:

- of the 7.9 million financial loan contracted on 15.03.2012 and due on 01.03.2019;
- of the 20 million intra-group term loan contracted on 10.07.2012 and due on 10.07.2019;
- of the 8 million intra-group term account contracted on 26.11.2018 and due on 26.11.2019.

## Breakdown of resources, excluding current accounts and accounts payable according to the remaining term:

Remaining term :	D <= 1 m.	1 m. < D <= 3 m.	3 m. < D <= 6 m.	6 m. < D <= 1 year	1 YEAR < D <= 5 years	D > 5 YEARS
Term borrowing and accounts	10,000	0	0	0	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 31.12.2019	LIABILITY VALUE 31.12.2018
Ordinary accounts payable	0	0
Special savings accounts	0	0
Term accounts	0	0
Other sums due	0	883
Payables	0	0
<b>Total</b>	<b>0</b>	<b>883</b>

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

Other amounts due are correlated to outstanding loans and represent funds received from customers, awaiting identification and allocation to credit files for the settlement of unpaid maturities or in the event of early repayment of receivables. These transactions were fully settled as at 31.12.2019 in the context of the sale of the residual outstanding loans during December 2019.

## I. SECURITIES ON THE INTERBANK MARKET AND MARKETABLE LOANS

Nature of accounts (in k €)	31.12.2019	31.12.2018
WARRANT issued	-	-
CDN issued	0	0
MTNB issued	0	0
Securities sold under uncollateralised agreements delivered	-	-
Short term securities		
<b>Sub-total</b>	<b>0</b>	<b>0</b>
Payables	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## J. ACCRUAL ACCOUNTS AND OTHER LIABILITIES

SUNDRY CREDITORS (IN €K)	Liability values 31.12.2019	Liability values 31.12.2018
Security deposits and bonds received	0	0
Provider charges payable	82	73
including debts with related companies	0	0
Sundry fiscal creditors	11	0
Sundry corporate creditors	56	260
Other sundry creditors	491	454
<b>Total</b>	<b>640</b>	<b>787</b>

ACCRUAL ACCOUNTS (IN €K)	Liability values 31.12.2019	Liability values 31.12.2018
Prepaid income	0	80
o/w subsidised interest	0	80
o/w working capital - "Loca" scheme	0	0
Charges payable	176	407
including debts with related companies	51	83
Other accrual accounts	260	157
<b>Total</b>	<b>436</b>	<b>644</b>

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

## K. PROVISIONS FOR RISKS AND CHARGES

Nature of provisions (in k €)	Net value 31.12.2018	2019 Allowances	2019 Writebacks	2019 Reclassification	Net value 31.12.2019
Provisions for customer disputes	546	955	141		1,360
Provisions for HR disputes	73	38	71	16	56
Provisions for the run-off process	2,801	0	2,106		695
Provisions s/encours sains & clause de guarantee	1,202	500	1,159		543
<b>Total</b>	<b>4,622</b>	<b>1,493</b>	<b>3,476</b>	<b>16</b>	<b>2,654</b>

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

- the cost of the job protection plan (PSE) for an amount of €15.05 M including all indemnities paid to employees, expenses and support costs and the fees of legal counsel 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 1.56 million.

The provisions relating to the last two points were fully settled as at 31.12.2018.

Writebacks of provisions used in respect of realized expenses were accounted during the 2019 financial year in the amount of €1.89 million for the job protection plan (PSE), the balance of €0.5 million at 31.12.2019 representing CMP Banque's commitments to people still covered by the reclassification assistance scheme and all the rights and expenses of supporting the last employee in position whose departure will be effective at the end of the first quarter of 2020.

With regard to disputes on trade receivables, provisions totalling €0.45 million were accounted to cover the following new cases in financial year 2019.

In addition, due to the run-off process and future dissolution of CMP Banque, a provision of €0.50 million has been set aside to cover the legal contingencies that may arise from former customers who have benefited from a bank loan and whose loans have been assigned. Indeed, in its capacity as initial lender, CMP Banque remains liable for any debt resulting from the cancellation of the contract concluded with a debtor whose loan has been assigned or from any order to pay damages for events prior to the date of assignment.

The €1.1 million provision set aside at the end of 2018 for the healthy portfolio of unsecured loans was fully written back following the sale of residual outstanding loans during December 2019.

Assignments of loans are accompanied by a termination clause for non-compliant loans. The corresponding provision amounts to €543 K at 31.12.2019 vs €57 K at 31.12.2018.

## L. EQUITY

(In K€)	31.12.2018	Distribution of Profit 2018	Increase of capital	31.12.2019
Capital	84,037		0	84,037
Statutory reserve	130			130
Reserves	0			0
Revaluation surplus	0			0
Carried over	-44,590	319		-44,271
Profit and loss	319	-319		-2,742
<b>Total</b>	<b>39,896</b>	<b>0</b>	<b>0</b>	<b>37,154</b>

### PROFIT & LOSS FROM THE FINANCIAL YEAR

Of which: allocation to shareholders' equity

-319

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.

Since 31.12.2017, CMP Banque's net shareholders' equity has been less than half of the share capital of €84.04 million. The continuity of the activity was approved at the Extraordinary General Meeting of 06 April 2018.



## M. OTHER EQUITY ELEMENTS

(In K€)	31.12.2018	Variations in the 2019 financial year	31.12.2019
Subordinated loan - share with related companies	10,000	-10,000	0
Payables on subord. loan_Share with affiliated companies	19	-19	0
FRBG_funds for general banking risks	1,068	0	1,068
<b>Total</b>	<b>11,087</b>	<b>-10,019</b>	<b>1,068</b>

In 2013, Crédit Municipal de Paris, the majority shareholder of CMP Banque, increased the bank's equity in the form of a €10 million, 10-year reimbursable subordinated loan.

Following the sale of the remaining outstanding loans in December 2019, CMP Banque, in consultation with Crédit Municipal de Paris, and with the approval of the Autorité de Contrôle Prudentiel et de Résolution, proceeded with the early repayment of the €10 million subordinated loan, resulting in the payment of a €1.64 million balance.

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)	2019	31.12.2018	Nature
Commitments given			
Guarantee commitments in favour of customers	-	-	Rental default guarantees
<b>Sub-total</b>			<b>Sub-total</b>
Commitments received			
Guarantee commitments received from customers	-	89,676	Sureties and mortgages
<b>Sub-total</b>	-	<b>89,676</b>	<b>Sub-total</b>
<b>Total</b>	-	<b>89,676</b>	

Following the sale of the residual outstanding loans during December 2019, the off-balance sheet items were fully settled at 31.12.2019, the commitments received being exclusively composed of real estate guarantees and mortgages provided by customers as security for the financing granted.

## 5. NOTES ON THE PROFIT AND LOSS STATEMENT

### A. NET BANKING INCOME

(IN €K)	31.12.2019	31.12.2018
+ Income from treasury and interbank transactions	0	0
+ income from securities transactions	0	0
+ income from transactions with customers	4,936	8,284
. o/w interest	3,933	7,376
. o/w commissions	1,003	908
+ income from off-balance sheet transactions	0	0
+ other bank operating income	838	1,480
- Expenses on treasury and interbank transactions	-545	-1,524
- Charges on financial transactions	-1,976	-355
Expenses on customer transactions	0	1,587
. o/w interest	0	1,590
. o/w commissions	0	-3
- Expenses on off-balance sheet transactions	0	0
Other banking operating expenses	-481	-417
+ balance of profit on financial transactions		
- Balance of loss on financial transactions	-87	0
+ Other operating income	314	3
- other operating charges	0	-12
<b>NBI BEFORE REINVOICED CHARGES</b>	<b>2,998</b>	<b>9,046</b>
Reinvoiced intra-group charges	80	111
<b>NBI WITH REINVOICED CHARGES</b>	<b>3,078</b>	<b>9,157</b>

Following the final assignment of trade receivables in December 2019, with a dividend start date on 1 December 2019 for the assignee, the share of commissions received, i.e. € 0.41 million, and paid, i.e. € 0.25 million, still to be spread over 30.11.2019, has been fully reintegrated into commissions on customer transactions.

At the end of December 2019, with the agreement of the Autorité de Contrôle Prudentiel et de Résolution, CMP Banque proceeded with the early repayment of the €10 million subordinated loan granted by Crédit Municipal de Paris in 2013 for 10 years to support the equity of its subsidiary. A balance of €1.64 million was paid and recorded as an expense on financial transactions.

## B. GENERAL OPERATING CHARGES

(In K€)	31.12.2019	31.12.2018
<b>- Staffing costs</b>	<b>1,884</b>	<b>1,528</b>
. Personnel remuneration	1,674	1,903
. Social security charges	653	688
. Tax charges	187	236
. Training costs	56	36
. PAID LEAVE/ CET	-60	-49
. Provisions for redundancies	0	-14
. PSE PROVISIONS - IL	-628	-1,272
<b>- duty and taxes</b>	<b>58</b>	<b>108</b>
<b>- external services</b>	<b>4</b>	<b>22</b>
. Leases	1	34
. Travel and transport	3	2
. GE PROVISIONS - BRANCH LEASES	0	-15
<b>- Other external services</b>	<b>30</b>	<b>1,711</b>
. Maintenance/ repair/ supplies	321	560
. External fees	923	1,197
. Other external services	50	109
. PES provisions - ancillary costs	-1,264	-155
<b>- Intra-group invoiced charges (CMP)</b>	<b>174</b>	<b>299</b>
<b>- Rental paid to CMP</b>	<b>103</b>	<b>198</b>
<b>Total</b>	<b>2,251</b>	<b>3,866</b>

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 2018, given the writebacks of provisions used in relation to the expenses incurred, the amount of the residual provisions amounted to € 3.85 million.

Writebacks of provisions used in respect of realized expenses were accounted during the 2019 financial year were accounted during the 2019 financial year in the amount of €1.89 million for the job protection plan (PSE) The balance of €0.5 million at 31.12.2019 represents CMP Banque's commitments to the people still covered by the reclassification aid scheme and all the rights and expenses of the last employee in position whose departure will be effective at the end of the 1st quarter of 2020.

Fees mainly cover expenses related to the outsourcing of loan portfolio management and accounting and regulatory reporting functions, legal advice on the sale of residual loan outstandings and the preparation of the universal dissolution/transfer of assets and liabilities, statutory auditing and support for employees in a repositioning situation.

## C. OPERATING RATIO

(In K€)	31.12.2019	31.12.2018
Net banking income	3,078	9,157
General operating charges	2,251	3,866
Depreciation and amortization	-	927
Operating ratio	73.14%	52.34%

Depreciation charges for the financial year, i.e. 295 K€, are fully covered by the write-backs of provisions set aside for the 2018 financial year.

## D. COST OF RISK

During the 2019 financial year, CMP Banque assigned, under the framework agreement of sale concluded in June 2017, 176 cases corresponding to non-performing loans with more than 180 days of unpaid debts or loans subject to an approved over indebtedness 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 gain of € 0.5 million.

The sale of the remaining healthy and non-performing loans was concluded on 20.12.2019, for a dividend commencement date fixed at 1 December 2019 for the assignee. Within this framework, 5,639 healthy loans were sold for a gross face value of €50.28 million and a net face value of €49.13 million, taking into account the €1.1 million provision set up at the end of 2018; a capital loss of €1.47 million was recorded in this segment. For non-performing loans, 184 cases were sold, with a gross face value of €2.69 M and a net face value of €1.13 M, resulting in a capital loss on sale of €0.03 M.

Assignments of loans are accompanied by a termination clause for non-compliant loans. A corresponding impairment of 0.50 million is recorded in the accounts at 31.12.2019.

With regard to disputes on trade receivables, provisions totalling €0.45 million have been accounted to cover new cases arising in financial year 2019.

Moreover, as the various assignment contracts signed in respect of healthy loans and non-performing and irrecoverable non-performing loans provide for the continued liability of the assignor for any debt resulting from the cancellation of the contract concluded with an assigned debtor or from any order against the assignor to pay damages where this order results from an event prior to the date of assignment, a provision of €0.50 million has been set aside.

(In K€)	31.12.2019	31.12.2018
<b>CUSTOMER IMPAIRMENTS</b>	<b>- 2,439</b>	<b>- 3,319</b>
<b>TOTAL ALLOWANCES</b>	<b>- 2,905</b>	<b>- 5,560</b>
<b>Depreciation payments on accounts receivable</b>	<b>- 1,310</b>	<b>- 3,531</b>
Cash credits	- 1,310	- 3,531
Property loans	+ 0	+ 0
<b>Losses covered by impairments on customer receivables</b>	<b>- 1,569</b>	<b>- 2,019</b>
Cash credits	- 113	- 1,041
Property loans	+ 0	+ 0
Net capital loss on assigned loans	- 1,456	- 199
<b>Losses not covered by impairments on customer receivables</b>	<b>- 26</b>	<b>- 10</b>
<b>TOTAL WRITE BACKS</b>	<b>+ 466</b>	<b>+ 2,241</b>
<b>Writebacks on depreciations on accounts receivable</b>	<b>+ 466</b>	<b>+ 2,241</b>
Cash credits	+ 466	+ 1,459
Property loans	+ 0	+ 0
Accounts receivable and OCH	+ 0	+ 782
<b>OPERATING PROVISIONS</b>	<b>- 1,130</b>	<b>- 551</b>
Allocations to operating provision accounts	- 993	- 599
Allocation to healthy debts and guarantee clause	- 500	- 1,145
Operating losses & guarantee clause	- 76	+ 0
Write backs on operating provisions used	+ 439	+ 1,193
<b>TOTAL COST OF RISK</b>	<b>- 3,569</b>	<b>- 3,870</b>

#### E. SUMMARY OF IMPAIRMENTS AND PROVISIONS

(In K€)	Provisions Impairments 31.12.2018	Reclassification 2019	Allowances 2019	Write backs 2019	Loan assignments 2019	Provisions Impairments 31.12.2019
Credit institution	0	0	0	0	0	0
Customers	2,547	0	1,346	554	3,339	0
Investment securities	0	0	87	0	0	87
Security interests	0	0	0	0	0	0
Fixed assets	330	0	0	305	0	25
Misc. debtors	16	-16	0	0	0	0
Risks & charges	4,622	16	1,568	2,406	1,145	2,655
<b>Total</b>	<b>7,515</b>	<b>0</b>	<b>3,001</b>	<b>3,265</b>	<b>4,484</b>	<b>2,767</b>

#### 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 drawn up between the two entities, and stipulates that CMP Banque pays, as a contribution to the payment of corporate income tax of the Group, an amount equal to the tax it would be liable to pay if it were taxed 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 2019.

The accumulated amount of deficits to be carried over into future years amounts to € 49.9 million after deducting the 2019 taxable profit.

#### 6.6. OTHER INFORMATION

##### A. WORKFORCE

The full-time equivalent workforce at 31 December 2019 (excluding corporate officers) is 2 persons and is broken down as follows: corporate officer: 1 person; executive: 1 person.

The average number of employees for fiscal year 2019 is 7.

##### B. INDIVIDUAL TRAINING RIGHT

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

##### C. REMUNERATION

At December 31, 2019, the total net taxable amount of the remuneration of the 5 highest paid persons of CMP Banque amounts to 331 K€.

##### D. FEES OF STATUTORY AUDITORS

The amount of fees paid for the statutory audit is €70 K excluding tax for 2019. In 2019, the statutory auditors also issued a certificate on a calculation of compensation for which the fees amounted to 2 K€ excluding tax.

##### E. DIRECTORS' FEES

The amount of directors' fees distributed to the directors for the 2019 financial year falls within a budget set by the General Meeting of 10.04.2019 at €36 K.

##### F. PROPOSED DISTRIBUTION OF PROFITS

It will be proposed to distribute the profit and loss from the 2019 financial year to retained earnings.





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KPMG - Banque S.A.  
Rapport de commissaire aux comptes sur les comptes annuels  
2019 (exercice 2019)

## KPMG - Banque S.A.

Siège social : 59 rue des Francs Bourgeois - 75004 Paris  
Capital social : 1 04 000 000

### Rapport de commissaire aux comptes sur les comptes annuels

Exercice clos le 31 décembre 2019

A l'attention de l'assemblée générale de la société KPMG - Banque

#### Opinion

Tu es en train de lire l'impression que nous nous avons écrite. Nous avons effectué l'audit des comptes annuels de la société KPMG - Banque relatifs à l'exercice clos le 31 décembre 2019 tel qu'il est présenté en résumé ci-dessous.

Nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une « vraie image fidèle » des opérations de la société à l'échelle de la période considérée et du patrimoine de la société à la fin de cet exercice.

L'opinion formulée ci-dessus est en lien avec les conclusions de notre rapport au comité d'audit.

#### Fonctionnement de l'opinion

##### Responsabilité d'audit

Nous avons effectué notre audit selon les normes professionnelles applicables en France. Nous estimons que les informations de base que nous avons obtenues sont suffisantes et appropriées pour rendre notre opinion.

Les observations qui nous ont été faites au cours de nos missions nous ont permis de noter dans le cadre de l'exercice d'audit des irrégularités relatives à l'audit des comptes annuels de cet exercice présent rapport.

##### Indépendance

Nous avons vérifié notre indépendance d'audit dans le respect des règles d'indépendance qui nous sont applicables sur la période du 1<sup>er</sup> janvier 2019 à la date d'émission de notre rapport, et nous avons obtenu des services internes par l'intermédiaire du paragraphe 1 du règlement (UE) n° 540/2014 de la Commission de déontologie de la profession de commissaire aux comptes.

##### Observations

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur les points suivants relatifs à notre rôle de commissaire aux comptes tel qu'il est défini par les articles 125 et 126 du règlement (UE) n° 540/2014 de la Commission de déontologie de la profession de commissaire aux comptes.

signifié à KPMG Banque le 31 janvier 2020, ainsi qu'il est exposé ci-dessous en résumé ci-dessous.

#### Justification des aspects relatifs à l'opinion de l'audit

En ce qui concerne les dépenses des employés, nous avons effectué l'audit des comptes relatifs à la justification de nos appréciations, nous avons vérifié les documents de base relatifs à l'audit existant sur ces dépenses et les dépenses qui, selon nous, ont un impact professionnel, ont été prises en compte pour l'audit des comptes annuels de l'exercice ainsi que les dépenses que nous avons appréciées lors de nos missions.

Les aspects relatifs aux pratiques d'audit dans le contexte de l'audit des comptes annuels pris dans leur ensemble et de la formation de notre opinion exprimée ci-dessus ont été examinés dans les documents de base relatifs aux comptes annuels de cet exercice.

#### Risque de matérialité des dépenses

##### Risque identifié

Dans le contexte de la gestion collective de KPMG Banque, nous avons identifié un risque intervenant en fin d'exercice 2019.

- KPMG Banque a procédé à la clôture de l'exercice de son portefeuille de produits, dont la valeur de son portefeuille de 50,8 M€ à la fin de l'exercice de clôture (PCT) par un produit de 50,8 M€.
- KPMG Banque a procédé à la clôture de son portefeuille de produits et des produits financiers à la fin de l'exercice par le PCT par un produit de 4 M€.
- Le produit financier a été remboursé par le Crédit Municipal de Paris pour un montant de 10 M€ à la fin de l'exercice de clôture. Ce remboursement a été effectué à la fin de l'exercice de clôture pour un montant de 10 M€.

Ces opérations ont été effectuées et ont été prises en compte dans le compte de résultat de KPMG Banque pour l'exercice 2019 tel qu'il est exposé ci-dessus.

#### Précisions d'audit mises en œuvre en réponse à ce risque

Nous avons examiné et vérifié l'ensemble de la documentation juridique financière et comptable de chacune de ces opérations.

Nous nous sommes assurés de la correcte réalisation comptable de ces opérations en particulier :

- L'enregistrement de la sortie du portefeuille de produits de son portefeuille de produits de clôture dans le compte de résultat de l'exercice ;
- L'enregistrement des produits financiers dans le compte de résultat de l'exercice ;
- La prise en compte de la sortie de son portefeuille de produits de son portefeuille de produits de clôture dans le compte de résultat de l'exercice.

Nous sommes satisfaits de nos conclusions et nous recommandons à l'assemblée générale de la société KPMG Banque de valider ces conclusions et d'approuver les comptes annuels de l'exercice 2019.

### Vérifications spécifiques

Nous avons examiné, en tant qu'expert aux normes d'exercice professionnel applicables en France, aux méthodes spécifiques prévues par les textes relatifs à 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 avons pu nous appuyer, à l'appui sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion et dans les autres documents adressés aux actionnaires et les comptes annuels adressés aux actionnaires.

Nous avons vérifié la sincérité et la concordance avec les comptes annuels des informations relatives aux articles L. 823-1 et suivants de la loi n° 44-1141 du 26 octobre 1944 relative au statut des banques.

### Informations relatives au gouvernement d'entreprise

Nous avons vérifié, dans le rapport de conseil d'administration sur le gouvernement d'entreprise, les informations requises par l'article 226-17-4 du code de commerce.

### Informations résultant d'autres obligations légales et réglementaires

#### Désignation des commissaires aux comptes

Nous avons été nommés par l'assemblée générale de la société CNP Banque par votre assemblée générale du 15 mai 2019.

En 2019, nous avons travaillé avec KPMG F.A. dans la 100<sup>ème</sup> 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 qui sont une image fidèle conforme aux principes comptables français ainsi que de mettre en place la gouvernance interne et/ou externe nécessaire à l'établissement de comptes annuels conformes aux obligations légales, réglementaires et contractuelles.

En tant qu'administrateurs des comptes annuels, il nous a été demandé de vérifier la sincérité et la concordance avec les comptes annuels des informations relatives aux articles L. 823-1 et suivants de la loi n° 44-1141 du 26 octobre 1944 relative au statut des banques.

Il nous a été demandé de vérifier la sincérité et la concordance avec les comptes annuels des informations relatives aux articles L. 823-1 et suivants de la loi n° 44-1141 du 26 octobre 1944 relative au statut des banques.

contenu de l'audit interne, en ce qui concerne les procédures relatives à l'évaluation et au contrôle de la conformité avec les principes comptables français.

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

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

##### Objectif et portée de l'audit

L'audit a pour objet d'établir un rapport sur les comptes annuels. Notre objectif est d'obtenir l'assurance raisonnable que les comptes annuels exposés dans le rapport ne comportent pas d'anomalies significatives. L'assurance raisonnable correspond à un niveau élevé d'assurance, mais n'est pas une garantie. Les anomalies peuvent être détectées par un audit réalisé conformément aux normes de la profession et selon des méthodes rigoureuses, mais elles ne sont pas détectées. Les anomalies peuvent être détectées par un audit réalisé conformément aux normes de la profession et selon des méthodes rigoureuses, mais elles ne sont pas détectées. Les anomalies peuvent être détectées par un audit réalisé conformément aux normes de la profession et selon des méthodes rigoureuses, mais elles ne sont pas détectées.

Comme précisé au paragraphe 226-10-4 du code de commerce, notre mission de certification des comptes annuels ne porte pas sur la sincérité et la concordance de la gestion de votre société.

Dans le cadre d'un audit réalisé conformément aux normes de la profession applicable et de nos obligations de confidentialité, nous avons pu constater, lors de nos procédures de certification, l'existence de faits qui nous ont permis de constater que :

- il existe une anomalie significative, c'est-à-dire une anomalie qui a une incidence sur la sincérité et la concordance des comptes annuels, en ce qui concerne les procédures d'audit interne et/ou externe relatives aux éléments du bilan, du compte de résultat et/ou du compte de gestion de votre société. Cette anomalie a été constatée lors de nos procédures de certification des comptes annuels et/ou lors de nos procédures de certification des comptes annuels.
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...la validité de ces données d'information financière et comptable, et  
une telle validation des données est effectuée sur les informations fournies dans les  
comptes et n'est pas destinée à garantir que toutes les informations ne sont pas fausses  
ou qu'elles ne sont pas trompeuses. L'opérateur de la plateforme n'est pas responsable de  
ce contenu.

- + il approuve la présentation d'ensemble des données financières et comptables  
consolidées ainsi que les applications de la réglementation en matière de données  
financières.

**Rapport de gestion 2019**

...nous présentons un rapport de comité d'audit qui présente notamment l'état des travaux  
effectués, le programme de travail mis en œuvre ainsi que les conclusions relatives aux  
travaux. Nous sommes également à sa disposition, si vous souhaitez les tableaux  
significatifs de contrôle interne ou nous avons constaté par ailleurs une erreur les  
pour les besoins de l'établissement de la balance des risques au complet et l'annexe.

Parmi les éléments supplémentaires nous le rapport de gestion d'audit, nous avons les notes  
d'audit qui signifient que nous jugeons avoir été les plus importants pour l'audit des  
comptes annuels de l'exercice et qui conduisent de ce fait à la publication de nos  
comptes de profit dans le présent rapport.

Nous nous sommes également au comité d'audit la déclaration prévue au point 3.1.4 du règlement  
UE n° 539/2014 concernant notre indépendance au sein de la règle applicable en France  
selon laquelle nous ne sommes pas le sujet de l'UE n° 539/2014 au titre de la commission  
et la réglementation de la profession de commissaire aux comptes. En outre, nous  
nous nous entretenons avec le comité d'audit afin de nous assurer de notre indépendance et  
des mesures de divulgation appropriées.

Paris le Février 17 2020

KPMG SA

Ulrich Soria  
Associé

## DRAFT TEXT OF THE RESOLUTIONS SUBMITTED TO THE ORDINARY GENERAL MEETING OF 27 FEBRUARY 2020

### First resolution

**Subject: Approval of the management report**

The general meeting approves the management report of the Board of Directors of 12 February 2020.

### Second resolution

**Subject: Approval of accounts**

The General Meeting, having considered the management report and the general report of the Statutory Auditors, approves the annual financial statements for the financial year ending 31 December 2019 as presented, which show a loss of -2,742,310.07 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 € 2,742 310.07, 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 and €0 for the 2018 financial year.

### Fourth resolution

**Subject: Determination of the amounts allocated to directors as remuneration for their activity**

Pursuant to Article 18 of the Company's Articles of Association, which provides that "Since the General Meeting may allocate to the Directors, as directors' fees, a fixed annual sum to be determined by the General Meeting, the amount of which shall be charged to the Company's general expenses", it was decided to set the amount allocated for 2020 at €11,675. In light of the pending dissolution of CMP Banque, the General Meeting notes that this sum will be paid to the directors at the same time as their remuneration for the 2019 financial year.

### Fifth resolution

**Subject: Overall remuneration package**

The General Meeting declares that it has been consulted on the total amount of 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 referred to in Article L511.71 of the same code. The General Meeting approves this package.

### Sixth resolution

**Subject: regulated agreements**

The General Meeting, having considered the report on regulated agreements, approves this report.

### Seventh resolution

**Subject: power of attorney**

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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