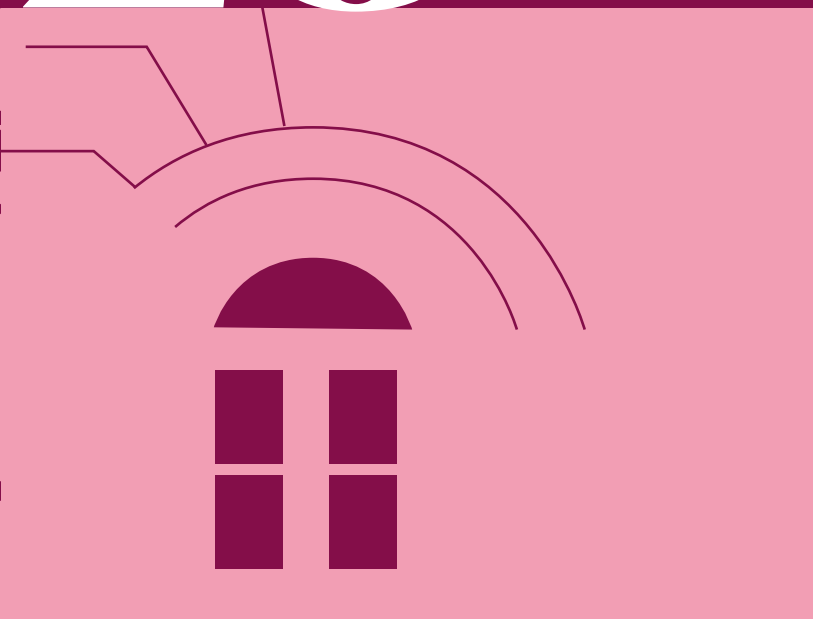


FINANCIAL REPORT

2023



CRÉDIT MUNICIPAL
DE PARIS 
MODERNE DEPUIS 1637

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EDITORIAL BY FRÉDÉRIC MAUGET

Managing Director
of Crédit Municipal de Paris

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EDITORIAL BY PAUL SIMONDON

Vice-Chairman of the Guidance and
Supervisory Board, Deputy Mayor
of Paris in charge of finance,
budget, green finance
and funeral affairs

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MANAGEMENT REPORT

Crédit Municipal de Paris



Exemplary conduct and engagement show Crédit Municipal de Paris' commitment to this exciting future.

FRÉDÉRIC MAUGET

Managing Director
of Crédit Municipal de Paris

In 2023, against a backdrop of soaring interest rates, Crédit Municipal de Paris was forced, like other financial players, to question its vision of resilience and translate it into action.

Resilience is first and foremost confidence in our foundations. I am delighted, for example, that 2023 saw a major revival in our pawnbroking business, which had slowed down as a result of the health crisis. The year also saw an increase in the activities of our CC ART conservation centre, and an increase in our savings deposits and rental income. We have worked hard to improve and enhance our services. Ultimately, although Crédit Municipal de Paris has logically seen a fall in its net banking income in 2023, our net income is 21% higher than the budget forecast.

Resilience also means protecting the essentials. Our commitment to solidarity lies at the heart of our mission, and the problematic economic climate has not caused us to take a single step backwards. In 2023, on the contrary, we chose to go further. We increased our support for associations to €686,000, or 29% of net profit for 2023. We maintained our investment in the ecological transition, representing €4m between now and 2025. We supported cultural players with €256,000. Finally, we stood by our employees, providing €220,000 for their training.

Leading by example and commitment, this is how Crédit Municipal de Paris intends to take on this exciting future.





Crédit Municipal de Paris remains true to the motto that has guided it over the centuries : “modern since 1637.”

PAUL SIMONDON

Vice-Chairman of the Guidance and Supervision Board, Deputy Mayor of Paris in charge of finance, budget, green finance and funeral affairs

As a financial institution, how can we meet the major challenge of rising interest rates? Crédit Municipal de Paris’ response is particularly interesting to this crucial question.

In line with the strategy set out in its Héraklès strategic plan, Crédit Municipal de Paris started by consolidating its expertise and strengthening its original and unique business model. 2023 proved the solidity of the income generated by the institution’s historic pawnbroking business and the activities developed over the last few decades, such as home savings, auctions and art conservation.

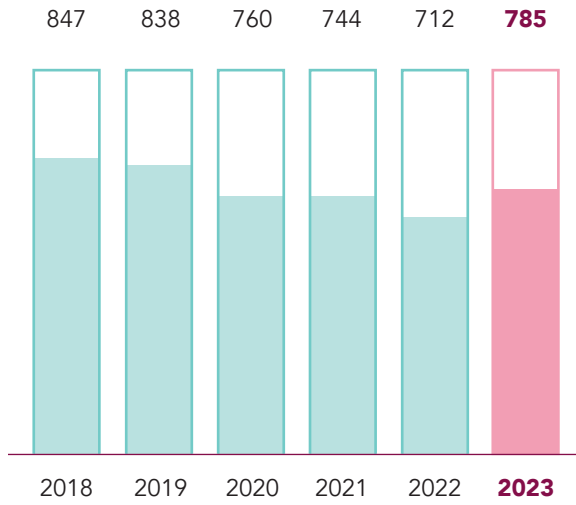
But Crédit Municipal de Paris has not limited itself to simply supporting its core activities. In a particularly restrictive environment, the institution has opted for the future. As a result, it has rolled out a series of strong measures aimed at raising the profile of its activities. and strengthening the mission of the

institution: making the investment portfolio greener, diversifying the budget support service and creating a new offer for legal entities, developing new services within the art conservation services, opening up pawnbroking to new types of objects, making massive investments to adapt the building to new environmental challenges.

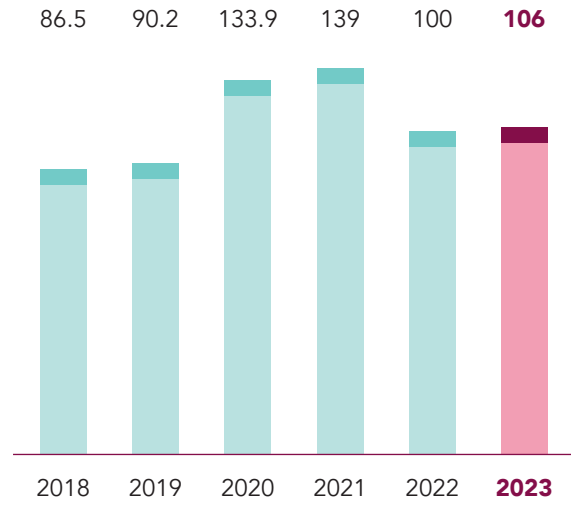
Crédit Municipal de Paris is preparing for and welcoming the future. And so, more than ever, it remains true to the motto that has guided it over the centuries: “modern since 1637.”

Key figures for 2023

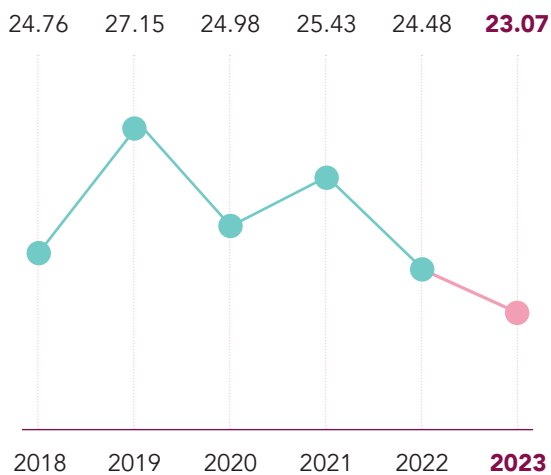
Balance sheet total in millions of euros



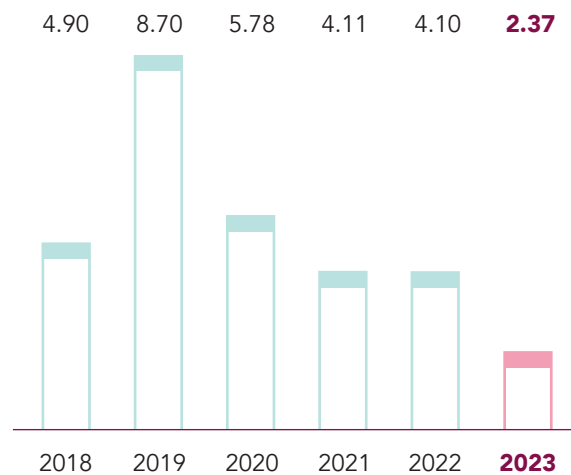
Shareholders' equity in millions of euros



Net banking income in millions of euros



Net income in millions of euros



2023 Management Report

Crédit Municipal de Paris

At the end of 2022, when the budget forecasts were being drawn up, 2023 was predicted to be a pivotal year, marking the transition for Crédit Municipal de Paris from a period characterised by a significant contribution from financial activities to net banking income, on the one hand, by a difficult rebound in the pawnbroking business following the health crisis, and on the other hand, to a new era marked by renewed dynamism in banking production and confirmation of the solidity of income from the bank's other activities.

After a decade buffeted by negative interest rates, the sudden and rapid rise in interest rates has led to an expected contraction in net banking income in 2023, but the stronger than expected growth in pawnbroking, Crédit Municipal de Paris's main and historic business, the development of activities in the conservation and appraisal of valuable objects, the solidity of income from the property portfolio, combined with tight control over general operating costs, made it possible, in the end, to achieve net profit 21% higher than budgeted.

Activity in 2023

Activity in 2023 was characterised by significant and contrasting changes in the various activities of Crédit Municipal de Paris.

Regarding cash management, 2023 was marked by several increases in key ECB rates, with the deposit facility rate reaching 4% in Q4 2023 despite the gradual decline in the HICP (Harmonised Index of Consumer Prices) rate, which remained too high in relation to the ECB's 2% target. This monetary policy tightening had a direct impact on the rise in market rates and consequently on Crédit Municipal de Paris' refinancing rates, which rose sharply throughout the year, leading to a significant fall in financial income.

At the same time, funds collected from individuals in passbook accounts and term accounts have been particularly buoyant, with savings

accounts up by 11% to almost €142m at the end of 2023, compared with €127m at the end of 2022, an unprecedented increase since the launch of this offering in 2012. The revaluation of the interest rate scale on several occasions in 2023 limited the fall in outstandings that marked 2021 (-4%) and 2022 (-11%). Nearly €20m has been collected in the Paris Partage solidarity savings account, in which part of the interest earned is donated by savers to the three partner associations of Crédit Municipal de Paris.

After the collapse in pawnbroking outstandings (PSG), which lost €35m between the end of 2019 (€217m) and the end of 2021 (€182m), i.e. almost 16%, as the business embarked on its difficult recovery from the shock of the health crisis linked to the Covid 19 pandemic, the upturn seen in 2022 (+€12m, or +6%) was clearly confirmed in 2023, with a further increase of +11%, bringing GSP outstandings to €214m at 31-12-2023, driven by an 8% rise in new business in 2023 compared with 2022. Over 150,000 customers resorted to pawnbroking this year. The number of active customers increased significantly over the year, rising from 66,354 at the end of 2022 to 68,072 at the end of 2023. This significant change occurred at a time when pawnbroking rates rose by an average of 200 bp at the beginning of the year, which enabled Crédit Municipal de Paris to offer particularly competitive rates compared with other banks for consumer loans and revolving credit.

Auction results, on the other hand, were

down by almost 21% compared with 2022. Total auctions in 2023 amounted to €13m for 70 sales, compared with €17m for 79 sales in 2022. This is a cyclical situation resulting from the absence of new pawnbroking contracts during the lockdown period and a weak rebound in activity until August 2022. However, 2023 saw an exceptional sale of Burgundy and Bordeaux grands crus, with rare and remarkable bottles generating a profit of nearly €766k for this sale alone. In 2023, relatively few contracts went on sale compared with the previous two years, with a monthly average of almost 300 contracts, compared with the usual figure of double that.

In 2023, the CC ART conservation activity benefited from the results of canvassing work that had been underway for several months. There was a strong flow of new contracts in and out throughout the year. CC ART has also developed and launched a range of ancillary services to better meet its customers' needs, including wooden crate packaging, assistance with framing and restoring works of art, and practical advice on conserving and showcasing works at customers' premises.

The activity of the Financial Inclusion and Culture Department has also been sustained: synergy with the pawnbroking scheme has been strengthened, with the result that 26% of the beneficiaries of the Parcours Budget scheme are first-time pawnbroking customers. In total, more than 3,000 people received support in 2023, with an average of 3 appointments per beneficiary. The educational dimension, in a collective format, took on

greater importance, with almost 470 people receiving information or awareness-raising sessions organised on site: These include "Mes finances, mode d'emploi" (my finances, how to use them), "Parlons d'argent" (lets talk about money) and "Accompagner l'utilisateur dans sa relation à l'argent" (helping users manage money) in independent retirement homes, young workers' hostels, universities (UP Cité students) and the Seine-Saint-Denis departmental council (for RSA recipients and social workers).

We are also encouraged by the start-up of our new business for corporate customers, launched last spring. Finally, 2023 was also marked by a strengthening of the assignments entrusted by the DRIEETS, particularly in the context of the Aide Budget experiment and the launch of the experiment to coordinate and train the Budget Advice Points (PCB) in Paris.

Net banking income (NBI)

At the end of 2023, NBI was €23.07m, down almost 6% on the 2022 figure of €24.48m.

As a result of a macro-economic environment characterised by persistently high inflation, albeit steadily falling since the end of 2022, and a financial environment in which interest rates continued to rise, Crédit Municipal de Paris' refinancing rates rose steadily over the year. The 3 month reference rate, the swap rate against Ester, thus increased from 2.26% in December 2022 to 3.87% in December 2023 and, as a result, Crédit Municipal de Paris' 3-month refinancing rate on these same dates increased from 2.37% to 3.99%.

Against this backdrop of a sharp rise in interest rates, the average rate on the refinancing portfolio also rose sharply, from 1.75% in December 2022 to 4.05% in December 2023, with the average maturity of refinancing increasing from 83 to 104 days between the end of 2022 and the end of 2023. This change can be explained by debt issues with longer maturities in 2023, as part of an overall strategy of matching financing and investments. Also in 2023, several major changes were made to

the investment portfolio in order to adapt cash management to the rapid rise in interest rates and to the objectives set in terms of reducing the institution's carbon footprint. However, Crédit Municipal de Paris was faced with a scarcity of sufficiently profitable investment vehicles that met the demanding constraints of its very cautious risk policy and was unable to deploy its full investment strategy.

This situation explains the drastic fall in financial income to €0.34m at the end of 2023 compared with €1.8m at the end of 2022, a collapse of almost 81% over the year.

Conversely, income from pawnbroking rose more sharply than forecast in the 2023 budget, to €15.66m at 31 December 2023, compared with €15.15m at 31 December 2022, up by €0.5m, or 3%, as a result of the increase in outstandings and the measured change in the institution's interest rate scale.

Auctions have struggled to meet the target set in the 2023 budget framework. The decline in the number of lots offered for sale, resulting in an 11% fall in the number of sales organised throughout the year, weighed on the performance of this business sector with revenues of €3m for 2023 compared with €3.8m for 2022, a fall of 20%. However, the business did generate a total of €5.3m in bonuses, which will be passed on to borrowers.

The conservation business grew by 24%, generating earnings of €0.79m in 2023 and €0.64m in 2022.

The Financial Inclusion and Culture Department also made a greater contribution to Crédit Municipal de Paris' NBI, increasing from €0.25m in 2022 to €0.29m in 2023 as a result of the subsidies paid by the various public and private institutional partners.

Lastly, income from leasing space in the operating building to public bodies or private companies remained solid, rising by 6% to €2.94m at end-2023, compared with €2.77m at end-2022, as a result of the annual

reevaluation of fees in line with the upward trend in indexation indices.

General operating expenses

Despite another year of high inflation, Crédit Municipal de Paris has managed to contain general operating expenses, which remained stable between 2022 and 2023 at €16.8m. The company has paid particular attention to justifying expenditure and, wherever possible, has made substantial savings to absorb the uncontrollable rise in certain costs.

The main changes are as follows:

- An increase in the payroll by 5%, or €502K: 10.4m in 2023 compared with €9.9m (+€0.5m) in 2022 as a result of the full-year effect of government measures taken to support purchasing power (increase in the index point, exceptional purchasing power bonus, increase in the employer's share for public transport, etc.). The context of high inflation has also prompted the bank to support national measures to support the remuneration of its employees by increasing, for example, the envelope dedicated to the complementary annual allowance (CIA);
- The increase in payroll was entirely offset by lower expenditure in other sectors: -€156k (-14% for IT expenditure and -€146k (-21%) for communication expenditure due to the postponement of certain projects to 2024, -€144k (-52%) for general administration expenditure, -€110k (-12%) for legal fees and expenses;
- Finally, energy costs, which rose sharply in 2023, resulting in a €160k (+29%) increase in building maintenance and operating costs, were also absorbed by the reduction in certain operating costs, such as pawnbroking -€84k (-8%), and by the reduction in logistics costs: -55 K€ (-13 %).

Depreciation allowances show a slight decrease of 4%, from €2.9m in 2022 to €3m in 2023, as a result of investments made this year. Gross operating income was €3.24m at the end of 2023, compared with €4.71m at the end of 2022, down €1.46m, mainly due to the fall in NBI.

Cost of risk

Changes in the cost of risk must be analysed with that of exceptional income. Excluding exceptional items, the cost of risk linked to the current pawnbroking activity, which is structurally low due to the guarantee provided by the pledges held by Crédit Municipal de Paris, remained so in 2023: the amount of net allocations to bad PSG loans was therefore -€144k in 2023 compared with -€149k in 2022, and the amount of losses actually accounted for at the end of auctions remained insignificant at -€17k at the end of 2023 compared with -€23k at the end of 2022. Turning to litigation, certain operating provisions of the former banking subsidiary, transferred via the transfer of all assets and liabilities in March 2020, which became irrelevant during the year, were written back in the amount of €178k.

The provision of €87k set aside for the shares held by Crédit Municipal de Paris in the securitization fund that was the assignee of the residual loan portfolios of its former banking subsidiary was written back in full, as the shares held had reached the end of their amortisation period and amounted to €8k at the end of 2023.

A provision of €0.87m was also set aside to cover the latest developments in a legal case. But as our insurance company's obligation to compensate the institution in full was assured by the judgement in this case, the expected corresponding reimbursement has been recognised as extraordinary income, thereby totally neutralising the financial impact of this dispute.

Finally, a provision for liabilities and charges of €2m set aside to cover risks not covered by insurance companies was reclassified by writing the provision back, with a corresponding allocation to the Fund for General Banking Risks.

Results

Although net banking income fell over the year by €1.4m to €23.07m in 2023 (compared with €24.48m in 2022), general operating

expenses and depreciation and amortisation were remarkably contained at €19.83m (compared with €19.77m in 2022) against a backdrop of inflation that is still very marked.

The cost/income ratio therefore rose to 85.9% in 2023 from 80.8% in 2022.

Finally, the net book income shows a surplus of €2.37m, down sharply on the 2022 figure (€4.1m).

Distribution of net profit for the 2023 financial year

The net profit for 2023 is €2,369,175.46.

It was proposed that the COS allocate €1,719,175.46 of this profit to reserves and €650,000 to retained earnings.

Changes in shareholders' equity and solvency ratio

The core capital ratio stood at 28.79% at end-December 2023, compared with 23.40% at end-December 2022, above the minimum regulatory threshold of 10.5%.

At its meeting on 29 March 2023, the Guidance and Supervisory Board approved an increase of €42m in the institution's initial allowance, through the incorporation of reserves formed from accumulated surpluses from previous years.

The €4,099,460.81 profit for the 2022 financial year was allocated to capitalised reserves (€3,449,460.81) and to retained earnings (€650,000), which were distributed to Crédit Municipal de Paris' partner associations.

Employee profit-sharing

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

Events after the close of the balance sheet on 31 December 2023

There were no significant post balance sheet events at 31 December 2023.

Research, sustainable development and commitments regarding sustainable development

Crédit Municipal de Paris has no research and development activities and is not currently involved in sustainable development actions. Its main and historic mission, based on the legal monopoly on pawnbroking, is to combat usury. This mission has been strengthened by an expanded and diverse range of services to promote the financial independence of households in difficulty (access to banking services, budget advice points, microcredit). Crédit Municipal de Paris is committed to developing and promoting innovative social finance tools that promote sustainable development and solidarity.

Information on supplier and customer payment terms

Crédit Municipal de Paris is not subject to the provisions of Article D.441-6 of the Commercial Code.

The late payment of suppliers observed in the 2023 financial year is between:

- 1 and 15 days for 0.33% of the invoices received;
- 16 and 30 days for 0.22% of the invoices received;
- 31 and 60 days for 0.05% of the invoices received;
- more than 60 days for 0.05% of the invoices received.

The breakdown by tranche is shown in the table below for paid invoices:

LATE PAYMENT : Paid invoices (1,822)	from 1 to 15 days	from 16 to 30 days	from 31 to 60 days	more than 60 days	TOTAL
Number of paid invoices	6	4	1	1	12
Amount	9,510.09	44,161.98	4,043.00	378.00	58,093.07
As a % of the number of invoices received (1,822)	0.33%	0.22%	0.05%	0.05%	0.66%

No outstanding invoices are overdue:

LATE PAYMENT : Unpaid invoices (0)	from 1 to 15 days	from 16 to 30 days	from 31 to 60 days	more than 60 days	TOTAL
Number of unpaid invoices	-	-	-	-	-
Total amount	-	-	-	-	-
As a % of the number of invoices received (1,822)	0.00%	0.00%	0.00%	0.00%	0.00%

Other information

Crédit Municipal de Paris does not finance or distribute any loans as defined in article 80 III of law no. 2005-32 of 18 January 2005 on social cohesion and benefiting from public guarantees in this respect.

Pursuant to article L.514-1 of the French Monetary and Financial Code, "caisses de crédit municipal are public municipal credit and welfare institutions".

Crédit Municipal de Paris' geographical scope and location are therefore necessarily and exclusively based on its municipal dimension. As a result, it has no offices or activities outside Paris, nor in non-cooperative states or territories within the meaning of Article 238-0 A of the General Tax Code.

As a public administrative institution, the remuneration policy and practices of Crédit Municipal de Paris fall within the framework and limits of the rules applicable to public and similar positions, in accordance with the applicable statutory provisions.



RISK INFORMATION - PRUDENTIAL RATIOS

Shareholders' equity (in thousands of euros)	
Capital	47,000
+/- Reserves and retained earnings	59,258.11
Fund for general banking risks	2,000
+/- Intermediate result	0
- Intangible assets	- 2,143.51
- Significant investment in entities in the financial sector	0
CATEGORY I CORE CAPITAL	106,114.60
TOTAL SHAREHOLDERS' EQUITY	106,114.60

Capital requirements and capital ratio (In thousands of euros)	
Shareholders' equity	106,114.60
Total amount of exposure to risk	369,065.37
Establishments	98,737.84
Companies	18,337.52
Retail customers	163,252.07
Exposures to default	4,743.31
Actions	151.37
Other elements	38,228.90
Amount of exposure to operational risk	45,614.35
Solvency ratio on core capital	28.75%

Leverage ratio (in thousands of euros)	
Total exposure for leverage ratio purposes	781,703.11
Shareholders' equity	106,114.60
Leverage ratio	13.57%

Short-term liquidity ratio - LCR (In thousands of euros)	sept. 23	oct. 23	nov. 23	Dec. 23
Liquidity cushion	79,521.95	88,207.32	107,732.84	130,737.31
Total output	174,302.79	147,827.24	187,753.74	179,850.39
Net cash outflow	43,307.97	44,687.43	51,751.45	68,221.48
LCR	183.62%	197.39%	208.17%	191.64%

Long-term liquidity ratio - NSFR (In thousands of euros)	
Stable financing required	251,697.50
Stable financing available	307,512.02
Long-term liquidity ratio (NSFR)	122.18%

FINANCIAL INCOME FOR THE LAST 5 YEARS

In € million	2019	2020	2021	2022	2023
Capital at year-end	47,000,000.00	47,000,000.00	47,000,000.00	5,000,000.00	47,000,000.00
Transactions and profit and loss for the year					
Pre-tax turnover (NBI)	27,145,406.00	24,976,179.71	25,431,390.15	24,477,536.69	23,074,035.19
Profit before tax, employee profit-sharing, depreciation and provisions	13,233,469.70	11,234,388.35	9,317,546.79	7,557,054.69	8,831,603.57
Income tax	1,510,199.79	1,439,057.00	2,092,556.00	1,993,326.00	907,056.00
Employee profit-sharing due for the year	0.00	0.00	0.00	0.00	0.00
Profit after tax, employee profit-sharing, depreciation, amortisation and provisions	8,694,798.40	5,783,848.81	4,114,787.87	4,099,460.81	2,369,175.46
Profit and loss distributed pursuant to Article L514-4 of the French Monetary and Financial Code	0.00	0.00	0.00	0.00	0.00
Average workforce during the year	146.5	152.5	153	152	152
Total payroll for the year	5,819,799.64	5,920,173.19	6,056,072.83	6,726,910.93	6,954,416.83
Amount paid Under employee benefits (social security, social works)	2,550,616.60	2,495,455.34	2,609,094.89	2,909,895.55	3,012,260.21

PUBLISHABLE FINANCIAL STATEMENTS

Balance sheet

Balance sheet assets (in €)	31/12/2023	31/12/2022
Cash, Central Banks, CCP	131,428,309.53	97,298,184.11
Government bills and similar assets	-	-
Loans and advances to credit institutions	267,378,494.53	216,443,046.51
Customer transactions	222,764,017.75	198,446,976.83
Bonds and other fixed income securities	125,530,084.08	163,762,266.05
Bonds and other variable income securities	7,800.00	184,231.24
Equity interests and other long-term investments	323,197.45	334,374.08
Shares in affiliated companies	-	-
Leasing and rental with purchase option	-	-
Simple rental		
Intangible fixed assets	2,143,512.90	1,744,430.00
Tangible fixed assets	31,317,614.75	29,286,658.02
Unpaid subscribed capital	-	-
Treasury shares	-	-
Other assets	3,825,015.27	4,145,087.34
Accruals and deferred income	86185.80	96117.09
TOTAL ASSETS	784,804,232.06	711,741,371.27

Balance sheet liabilities (in €)	31/12/2023	31/12/2022
Cash, Central Banks, C.C.P.	-	-
Amounts owed to credit institutions	-	-
Customer transactions	147,392,104.70	131,887,304.76
Debts represented by a security	523,160,955.17	468,234,283.31
Other liabilities	2,341,750.90	2,317,947.16
Accruals and deferred income	751,841.85	556,526.03
Provisions for liabilities and charges	1,365,348.49	2,672,254.52
Subordinated debts	-	-
Fund for General Banking Risks	2,000,000.00	-
Equity excluding general banking risks	107,792,230.95	106,073,055.49
Subscribed capital	47,000,000.00	5,000,000.00
Share premium	-	-
Reserves	18,304,078.54	56,854,617.73
Revaluation surplus	40,118,976.95	40,118,976.95
Regulated provisions and investment grants		-
Retained earnings (+/-)		-
Profit for the year (+/-)	2,369,175.46	4,099,460.81
TOTAL LIABILITIES	784,804,232.06	711,741,371.27

Off balance sheet

Off Balance Sheet (in €)	31/12/2023	31/12/2022
Commitments given	-	-
Funding commitments	-	-
Guarantee commitments	-	-
Commitments on securities	-	-
Commitments received	201,920,947.52	185,666,295.89
Funding commitments	-	-
Guarantee commitments	201,920,947.52	185,666,295.89
Commitments on securities	-	-
Total	201,920,947.52	185,666,295.89

Profit and loss statement

Profit and loss statement (in €)	31/12/2023	31/12/2022
+ Interest and similar income	31,778,103.85	21,136,423.18
- Interest and similar charges	- 18,453,820.05	- 2,595,698.57
+ Income from variable income securities	-	-
+ Commission (income)	5,171,469.41	1,773,506.94
- Commissions (expenses)	- 202,704.55	- 56,654.67
+/- Gains/losses on trading portfolio transactions	-	-
+/- Gains/losses on investment portfolio transactions	-	-
+ Other operating income	4,934,108.56	4,472,415.17
- Other operating expenses	- 153,122.03	- 252,455.36
Net Banking Income	23,074,035.19	24,477,536.69
- General operating expenses	- 16,826,700.05	- 16,873,846.99
- Depreciation and provisions on fixed assets	- 3,003,874.62	- 2,897,349.09
Gross operating profit	3,243,460.52	4,706,340.61
+/- Cost of risk	1,143,933.47	1,433,081.21
Operating profit	4,387,393.99	6,139,421.82
+/- Gains or losses on fixed assets	-	-
Current income before tax	4,387,393.99	6,139,421.82
+/- Exceptional profit	888,837.47	- 46,635.01
- Corporate income tax	- 907,056.00	- 1,993,326.00
+/- Allowances/ writebacks of FGBR and regulated provisions	- 2,000,000.00	-
NET PROFIT FOR THE YEAR	2,369,175.46	4,099,460.81

NOTES TO THE 2023 FINANCIAL STATEMENTS

I. Accounting principles and methods

The annual accounts of Crédit Municipal de Paris (CMP) are prepared in accordance with generally accepted accounting principles in France and in accordance with the provisions applicable to banks, as defined by the French Accounting Standards Authority, including ANC regulation no. 2014-07 of 26 November 2014 as amended by ANC regulation no. 2020-10 of 22 December 2020 relating to the preparation and publication of the individual annual accounts of credit institutions.

1.1. General

Transactions are accounted for on an accruals basis. Asset items that are subject to amortisation or depreciation are stated at their net value.

Accrued interest receivable or payable is grouped with the asset or liability item to which it relates. They are calculated pro rata temporis up to the balance sheet date and are recorded in the profit and loss account by offsetting a balance sheet account.

1.2. Comparability of accounts

There have been no changes in accounting policies or presentation from the accounts prepared, approved and published at 31 December 2022.

1.3. Principles by category

1.3.1. Transactions with customers: specific features of pawnbroking

Articles D.514-1 et seq. of the French Monetary and Financial Code define the business of Crédit Municipal de Paris (CMP), which essentially consists of granting loans to individuals in return for the temporary deposit of tangible personal property, the value of which is assessed beforehand by enforcement officers¹, public and ministerial officers, duly authorised to carry out this activity on behalf of

Crédit Municipal de Paris. The borrower retains ownership of the item, with Crédit Municipal de Paris merely acting as custodian.

The amount lent varies between 50% and 70% of the valuation carried out by the auctioneers, depending on the nature of the item pledged and its condition. Crédit Municipal de Paris may nevertheless grant a loan for an amount exceeding the assessment of the enforcement officers, within certain limits set out in the Monetary and Financial Code.

The loan is granted for a renewable period of one year. The borrower may repossess the property at any time by repaying the capital borrowed, interest and the corresponding accrued charges. Upon expiry, the agreement may be renewed subject to payment of any interest and charges due. In this case, a new one-year agreement is drawn up.

In the event of failure to repay the loan, Crédit Municipal de Paris is authorised to put the items up for sale by public auction, with the proceeds of the sale being allocated to the reimbursement of Crédit Municipal de Paris, covering its costs and those of the court clerks. If the proceeds of the sale exceed the sums due, the excess, known as the "surplus", is paid back to the borrower, who has two years in which to request repayment. Upon expiry of this period, these sums are kept by the establishment, unless an exceptional dispensation is granted by the Guidance and Supervisory Board.

The court-enforcement officers provide the institution with a guarantee: when the pledge is sold and the proceeds of the sale are not sufficient to pay off the amounts owed to the institution, the enforcement officers reimburse

the difference to Crédit Municipal de Paris up to a maximum of 50% of their initial estimate. Where Crédit Municipal de Paris has granted a loan for an amount greater than that guaranteed by the enforcement officers and the amount of the sale turns out to be less than the loan granted but greater than the amount guaranteed by the court-appointed agents, the resulting financial loss shall be borne by Crédit Municipal de Paris.

1.3.1.1. Treatment of credit risk

Transactions with customers are made up of:

- on the assets side, customer loans are stated at their outstanding principal value, plus accrued interest calculated at the balance sheet date, as applicable, and net of provisions for credit risk;
- on the liabilities side, other amounts due are correlated to outstanding loans and represent funds received from customers, pending identification and allocation to contracts, and capital gains arising on the auction of pledged assets (known as the 'surplus') and accruing to customers.

Turning to the treatment of credit risk, Crédit Municipal de Paris applies ANC rule 2014-07 approved by order of 26 November 2014, amended by ANC rule 2020-10 of 22 December 2020, relating to the preparation and publication of the individual annual accounts of credit institutions.

¹ Since 1 July 2022, the profession of enforcement officer has resulted from the merger of two professions: bailiff and official auctioneer.

1.3.1.2. Classification of outstanding loans to customers

Outstanding loans are classified as performing loans, bad loans and impaired loans.

Bad loans consist of all outstanding amounts owed by 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 under the commitments entered into by the counterparty, regardless of the existence of a guarantee or surety.

Impaired bad debts are debts whose recovery is permanently compromised (see 1.3.1.5).

Late payment interest on bad debts is written off in full. These depreciations are recorded as interest neutralisation in Net Banking Income.

Under article L.711-5 of the French Consumer Code, pawnbroking agreements are excluded from the system for dealing with over-indebtedness. So there are no restructured receivables in the institution's accounts. What is more, debts arising from pawnbroking cannot be written off by applying the measures set out in 2° of article L.733-7 et seq of the same code.

1.3.1.3. Segmentation of outstandings

Given the specific features of pawnbroking agreements, outstanding loans are not segmented. No internal rating system is used.

1.3.1.4. Considering risk reduction instruments

Given the specific features of the pawnbroking agreement, Crédit Municipal de Paris does not use credit derivatives or financial collateral.

1.3.1.5. Depreciation of bad and impaired loans

Pawnbroking loans are downgraded and impaired when they have been outstanding for at least three months or when there is a particular management status entailing a risk of non-recovery of the debt.

Pawnbroking loans outstanding for at least three months from the loan's due date are systematically downgraded to bad loans and impaired in accordance with the following rules:

- Capital: depreciation on the basis of a statistical rate based on actual losses recorded on pledges offered for sale ;
- Late interest: flat-rate provisioning at 100 %.

The statistical provisioning rate is calculated on the basis of the losses actually recorded following the sale of the pledges, after deducting the portion borne by the enforcement officers as part of their guarantee.

Pawnbroking loans that have been unpaid for at least three months and have a special management status that entails a risk of total non-recovery of the debt are downgraded to impaired loans and written down to 100% of the capital of the loans concerned. This category of bad debts covers various situations:

- Pledges for which the enforcement officers' guarantee can no longer be activated ;
- Pledges represented by forgeries for which the guarantee of the enforcement officers should be activated as long as they haven't been challenged ;
- Some of these items have been seized by the courts and are no longer kept in the bank's warehouses.

Unpaid invoices from the CC ART business (rental of space for storing works of art or bottles of wine) are downgraded to compromised bad debts and provisioned in full as soon as they are at least three months overdue.

1.3.1.6. Presentation in the profit and loss account

The net charge for the year in respect of risks, excluding the impairment of interest, is shown in the profit and loss account under "Cost of risk"; it comprises provisions and the portion of irrecoverable loans not covered by impairment, less write-backs to impairment accounts.

1.3.2. Savings accounts taken out by private individuals

Interest on passbook accounts is calculated at the end of the year, except when the account is closed, when it is calculated pro rata temporis for the current year.

Interest on term accounts is paid at maturity, except in the event of early closure, when it is paid pro rata temporis over the term of the agreement.

Accrued interest not yet due on passbook and term accounts is calculated pro rata temporis up to the balance sheet date and recognised in the profit and loss account through an offset entry in the balance sheet.

1.3.3. Securities transactions

Securities transactions are transactions in securities made from the outset with the intention of selling them at the end of a holding period of six months at the latest.

At 31.12.2023, Crédit Municipal de Paris did not hold any assets in this category.

Securities (shares or bonds) acquired with a view to generating direct income or capital gains are considered to be investment securities. At the end of the financial year, the shares are valued. Losses are recognised through a provision for impairment. Unrealised gains are not recognised.

At 31.12.2023, Crédit Municipal de Paris did not hold any assets in this category.

Investment securities are fixed-income securities acquired with the intention of holding them on a long-term basis.

At 31.12.2023, Crédit Municipal de Paris held investment securities with a net book value of €125.5 million.

Equity interests include all securities whose long-term holding is deemed to be useful to the company's business.

At 31.12.2023, Crédit Municipal de Paris held equity investments in solidarity organisations for a net value of €151k.

1.3.4. Forward financial instruments

Hedging and market transactions in interest rate, foreign exchange and equity futures are recorded in accordance with the provisions of ANC regulation no. 2014-07 of 26 November 2014, as amended by ANC regulation no. 2020-10 of 22 December 2020.

Income and expenses relating to forward financial instruments, designed to manage overall interest rate risk, are recorded pro rata temporis in the profit and loss account under "Gains and losses on investment portfolio and similar transactions".

At the end of the financial year, income and expenses relating to forward financial instruments used as hedges, allocated from the outset to identified items, are recognised in the profit and loss account on a symmetrical basis with the income and expenses on the hedged items.

To protect itself against a possible fall in the price of gold, which is currently very high, Crédit Municipal de Paris has set up a hedging instrument backed by the pawnbroking loan outstanding. This transaction, for a term of less than 12 months, is set up at the beginning of the financial year. The gain or loss recognised on maturity of the transaction is recognised as income or expense on an off-balance sheet transaction.

At 31.12.2023, Crédit Municipal de Paris held no open hedging positions.

1.3.5. Intangible and tangible fixed assets

The institution applies ANC regulation no. 2014-07 of 26 November 2014, amended by ANC regulation no. 2020-10 of 22 December 2020, relating to the depreciation and impairment of assets. Based on the information analysed, only the building has been identified and valued by component. Acquisitions during the financial year related to this building are broken down into the same components.

1.3.6. Revaluation

Crédit Municipal de Paris owns operating buildings in the 4th arrondissement of Paris.

In 1988, the value of the real estate assets was discounted for a total of €40m recorded in the "free revaluation reserves", account with a tax deferral for 44 years.

The corresponding annual depreciation is added back when calculating taxable income for the year.

The depreciation periods applied since the financial year 2020 are as follows:

Nature of the fixed assets		
Development costs and software	5 years	Linear
Office equipment and furniture	3, 5 and 10 years	Linear
Fixtures and fittings	10, 15, 20 and 25 years	Linear
Revaluation of the building	50 years	Linear

1.3.7. Commitments on pensions And time savings accounts

Paid leave and RTT must be taken between 1 January and 31 December of the current year. Crédit Municipal de Paris records a provision made up of the rights held by staff in time savings accounts (CET).

No provisions are made for pension commitments and no off-balance sheet commitments are recorded. Crédit Municipal de Paris does not manage any defined benefit plans and does not participate in any defined contribution pension schemes capitalisation. On the other hand, the employer regularly contributes to pension schemes according to the status of the staff concerned (civil service pension, CNRACL, URSSAF).

1.3.8. Profit-sharing and incentive schemes

Crédit Municipal de Paris has no employee profit-sharing scheme. Crédit Municipal de Paris does not have a profit-sharing agreement or an end-of-career bonus. No provision is made for long-service awards, as the company is a member of the Comité National d'Action

Sociale (CNAS), an association serving local government employees.

1.3.9. Provisions for liabilities and charges

A provision for liabilities and charges is recognised when an outflow of resources is likely, the purpose of which is clearly specified but the timing or amount of which are not precisely known at the balance sheet date. The amount of the provision already set aside is reviewed annually and it is maintained, added to, partially or fully reversed depending on changes in the risk or expense.

1.3.10. Methods of evaluating exceptional income and expenses

Exceptional income or expenses are recognised in respect of major events that are exceptional in terms of their amount and unusual in that they do not relate to the normal and ordinary operation of the establishment.

1.3.11. Information on transactions between related parties

Pursuant to ANC regulation 2014-07 as amended by ANC regulation 2020-10, all

transactions with related parties were entered into under normal market conditions.

2. Post-balance sheet events

A provision of €873k was set aside at 31 December 2023 in respect of a dispute (see note M to the balance sheet and note C to the profit and loss account). The corresponding settlement was made on 21 February 2024. In 2023, Crédit Municipal de Paris increased and diversified its investment vehicles.



3. Notes to the balance sheet

A. Receivables with credit institutions

Type of receivables (in K€)	31/12/2023	31/12/2022
Ordinary accounts	77,536	4,826
Term accounts and loans	186,000	211,000
Related receivables	3842	617
Subordinated term loans	-	-
Related receivables	-	-
Total	267,378	216,443

At 31.12.2023, deposits in passbook and term accounts were 22% (or €48m) higher than at the end of 2022.

Passbook accounts account for 97% of funds held in ordinary accounts.

BREAKDOWN BY REMAINING TERM TO MATURITY

Remaining term	T ≤ 1 month	1 month < T ≤ 3 months	3 months < T ≤ 6 months	6 months < T ≤ 1 year	1 year < T ≤ 5 years	D > 5 years
Term deposits and loans (in K€)	-	-	78,000	10,3000	5,000	-

B. Utilisation by customers

INVENTORY (NET OF PROVISIONS)

Nature of outstanding amounts (in K€)	31/12/2023	31/12/2022
Pawnbroking	208,539	186,472
Unassigned values	-	-
Bad debts	4,594	4,705
Related receivables	9,632	7,270
Total	222,764	198,447

Gross pawnbroking outstandings increased by €22m (+12%) between 31.12.2022 (€186m) and 31.12.2023 (€208m).

STATEMENT OF IMPAIRMENT ON BAD DEBTS

Nature of outstanding amounts (in K€)	Gross outstandings 31/12/2023	Impairment 31/12/2023	Net outstandings 31/12/2023	Net outstandings 31/12/2022
Bad loans (downgrading by contagion)	1,544	-	1,544	2,121
Bad loans	3,064	14	3,050	2,584
Impaired loans	1,255	1,255	-	-
Related receivables	2,280	2,280	-	-
Total	8,143	3,549	4,594	4,705

Total net bad loans remained stable between 2022 and 2023: 4,594k at 31.12.2023 compared with €4,705k at 31.12.2022.

The risk of non-recovery is measured on the basis of losses actually recorded on pledges put up for sale during the current financial year and the three previous financial years. As a result, the impairment rate is calculated as the ratio of losses actually recorded to the amount of bad pawnbroking loans outstanding. At the end of 2023, this rate was 0.47%, compared with 0.61% at the end of 2022.

BREAKDOWN OF SOUND LOANS (EXCLUDING RELATED RECEIVABLES) BY REMAINING TERM

Remaining term	T ≤ 1 month	1 month < T ≤ 3 months	3 months < T ≤ 6 months	6 months < T ≤ 1 year	1 year < T ≤ 5 years	D > 5 years
Outstanding amounts (in K€)	11,723	30,405	51,607	112,997	1,807	-

C. Bonds and other fixed income securities

Type of accounts (in K€)	31/12/2023	31/12/2022
NEU CP issued	78,570	155,000
NEU MTN issued	45,000	10,000
Securities delivered under repo agreement	-	-
Subtotal	123,570	165,000
NEU CP coupons issued discounted	-	-2,048
Related receivables	1,960	810
Total	125,530	163,762

BREAKDOWN BY REMAINING TERM TO MATURITY

Remaining term	T <= 1 month	1 month < T <= 3 months	3 months < T <= 6 months	6 months < T <= 1 year	1 year < T <= 5 years	D > 5 years
NEU CP (in K€)	23,407	10,062	11,551	33,550	-	-
NEU MTN (in K€)	-	-	-	-	45,000	-

D. Bonds and other variable income securities

In thousands of euros	Gross value - 2023	Acquisitions during the year	Disposals/amort. for the year	Impairment losses for the year	Net value 2023	Net value 2022
Securities transactions						
Bonds and listed securities	271	-	264	-	8	184
Related receivables	-	-	-	-	-	-
Total	271	-	264	-	8	184

To comply with European banking regulations, Crédit Municipal holds bonds issued by the FCT FONCRED III securitization fund, which acquired the residual receivables portfolio of the former subsidiary CMP-Banque, which was absorbed in 2020. The net value of the securities held was €184k at the end of 2022, €690k at the end of 2021 and €1,398k at the end of 2020, decreasing steadily in line with the amortisation of the underlying receivables portfolio. At 31.12.2023, the portfolio had reached the end of its amortisation period and the net value of securities held was €8k.

E. Equity investments

Break down as follows:

In thousands of euros	Gross value - 2023	Acquisitions during the year	Disposals/ amort. for the year	Impairment losses for the year	Net value 2023	Net value 2022
Equity investments	151	-	-	-	151	151
Microfinance	25	-	-	-	25	25
ABC Microfinance	-	-	-	-	-	-
Don Boule de neige	20	-	-	-	20	20
Elogie SIEMP	6	-	-	-	6	6
Coopérative Carbone VDP-MGP	100	-	-	-	100	100
Shareholder certificates						
FGDR	183		11	-	172	183
Total	334	-	11	-	323	334

Crédit Municipal de Paris holds equity investments in solidarity organisations for a total net value of 51k and shareholder certificates with the FGDR for €172k.

In 2022, the bank also subscribed to shares in the Coopérative Carbone de la Ville de Paris et de la Métropole du Grand Paris for a net value of €100k within the framework of its overall strategy to reduce its carbon footprint.

F. Fixed assets

By convention, disposals of fixed assets for the year are shown with a negative sign. Fixed assets are recorded in the balance sheet at their historical acquisition cost.

Type of fixed assets (in K€)	Gross value - 2023	Acquisitions during the year	Transfers from item to item	Assignment for the year	Gross value - 2022
Intangible fixed assets	5,734	125	859	-	4,751
Land and buildings	40,945	-	-	-	40,945
Other tangible fixed assets	39,774	2,525	1,865	-	35,382
Non-operating fixed assets	17	-	-	-	17
Intangible fixed assets in progress	206	847	-859	-	218
Tangible fixed assets in progress	562	1,937	-1,865	-	492
Total	87,238	5,434	-	-	8,1805

Crédit Municipal de Paris' 2022-2025 strategic plan includes an ambitious €16m investment programme, €12m of which is devoted to property investments aimed at renovating and reducing the carbon footprint of operating buildings located in the centre of Paris. A budget of €4m has been earmarked to speed up the digitisation of the services offered by the institution.

Disposals during the year mainly represent the scrapping of used equipment and furniture (€127k for 2023).

Crédit Municipal de Paris owns operating buildings in the 4th arrondissement of Paris. The corresponding fixed assets are recorded by component:

Type of component (in K€)	Amortization term	Purchase value	Net value 2023	Net value 2022
Renovation of the building	20 years	3,172	1,760	1,050
Safety work	20 years	2,706	545	549
Renovation of the roof	20 years	1,500	444	451
Motorised access	20 years	191	101	82
Heating, air conditioning, electricity	20 years	721	221	173
EDF cabin Generator	20 years	2,235	1,414	1,530
Total		10,525	4,485	3,835

G. Depreciation

Type of fixed assets (in K€)	Gross value 2023	Disposals for the year	Depreciation for the year	Gross value 2022
Intangible fixed assets	3,797		573	3,224
Land and buildings	24,165	-	676	23,489
Non-operating fixed assets	623	-	-	623
Other tangible fixed assets	25,192	-	1,758	23,434
Total	53,777	-	3,007	50,771

The depreciation methods and estimated useful lives are as follows:

Nature of the fixed assets		
Development costs and software	5 years	Linear
Office equipment and furniture	3, 5 and 10 years	Linear
Fixtures and fittings	10, 15, 20 and 25 years	Linear
Revaluation of the building	50 years	Linear

H. Accruals and other assets

Type of accounts (in K€)	31/12/2023	31/12/2022
Settlement accounts for securities transactions	-	-
Miscellaneous debtors	3,825	4,145
Accruals and deferred income	86	96
Related receivables	-	-
Total	3,911	4,241

The “Sundry debtors” account consists mainly of payments expected from auctioneers for auctions held in November and December 2023 (€2.2m). A receivable of €874k is also included, relating to the expected reimbursement from an insurance company in connection with the latest developments in a litigation case.

Prepayments and accrued income comprise bills of exchange presented for collection and awaiting settlement. They represented €86k at the end of 2023 and €96k at the end of 2022.

I. Amounts owed to credit institutions

Type of receivables (in K€)	31/12/2023	31/12/2022
Term accounts and loans	-	-
Related receivables	-	-
Total	-	-

Crédit Municipal de Paris does not hold any debt with credit institutions in the form of term accounts or loans.

J. Customer accounts payable and other customer deposits

Type of accounts (in K€)	31/12/2023	31/12/2022
Short term securities	-	-
Term accounts	43,608	24,624
Passbook accounts	99,336	102,465
Other amounts due	3,854	4,702
Related debts	593	96
Total	147,392	131,887

In 2023, total funds deposited by customers in term deposit accounts and passbook accounts rose by €15.8m, giving a total of €143m at the end of 2023 compared with €127m at the end of 2022.

At 31.12.2023, customer deposits consisted of passbook accounts (€99.3m) and term accounts (€43.6m) with renewable terms of 12, 18 or 24 months.

Other amounts due mainly comprise surpluses (i.e. capital gains from auction sales) to be paid to customers or pending expiry of a limitation period (see 1.3.1.). They stood at €3.34m at 31.12.2023.

BREAKDOWN OF TERM ACCOUNTS BY REMAINING TERM TO MATURITY

Remaining term	T ≤ 1 month	1 month < T ≤ 3 months	3 months < T ≤ 6 months	6 months < T ≤ 1 year	1 year < T ≤ 5 years	D > 5 years
Term accounts (in K€)	257	7,938	3,534	6,165	25,713	-

K. Debts represented by a security

Type of accounts (in K€)	31/12/2023	31/12/2022
NEU CP	492,000	456,908
NEU MTN	35,000	10,000
Securities delivered under repo agreement	-	-
Subtotal	527,000	466,908
NEU CP coupons discounted	- 8,851	-
Related debts	5,011	1,326
Total	523,161	468,234

The total amount of refinancing provided by Crédit Municipal de Paris increased by €60 million (+13%) between 2023 (€527 million) and 2022 (€467 million), due in part to the increase in pawnbroking outstandings (see note B - Customer assets).

DISTRIBUTION OF RESOURCES (EXCLUDING RELATED DEBTS) ACCORDING TO THE REMAINING TERM TO MATURITY

Remaining term	T ≤ 1 month	1 month < T ≤ 3 months	3 months < T ≤ 6 months	6 months < T ≤ 1 year	1 year < T ≤ 5 years	D > 5 years
NEU CP (in K€)	173,000	174,000	90,000	55,000	-	-
NEU MTN (in K€)	-	-	-	-	35,000	-

L. Accruals and other liabilities

Type of accounts (in K€)	31/12/2023	31/12/2022
Sundry creditors	2,342	2,318
Accruals and deferred income	752	557
Total	3,094	2,875

Sundry creditors mainly comprise accrued expenses payable to suppliers (€1.3m), contributions payable to social security and tax bodies (€0.6m) and deposits from tenants and customers of the CC ART conservation business (€0.3m).

Accruals and deferred income include, inter alia, provisions set aside for employee time savings accounts (€0.3m), funds transferred by the former subsidiary CMP-Banque awaiting processing (€0.3m) and interest on solidarity passbooks donated by savers, awaiting repayment to partner associations (€0.1m).

M. Provisions for liabilities and charges

Nature of provisions (in K€)	Net value 2023	Allowances for the year	Write-backs for the year	Net value 2022
Provisions for losses and charges	-	-	177	177
PRC provisions subject to corporation tax	-	-	2,000	2,000
Provisions for litigation	1,366	874	-	492
Exceptional provisions PSG	-	-	2	2
Provisions for doubtful pledges	-	-	2	2
Total	1,366	874	2,181	2,672

In the 2023 financial year, due to the positive outcome of certain disputes taken over from the former subsidiary CMP-Banque, write-backs of provisions amounting to €0.18m were recorded. In view of the latest developments in a legal case, a provision of €0.87m was recorded in the 2023 accounts.

An own insurer provision of €2m, intended to cover risks not currently borne by insurance companies, has been reclassified to the reserve for general banking risks.

N. Fund for general banking risks

An own insurer provision of €2m, intended to cover risks not currently borne by insurance companies, has been reclassified to the reserve for general banking risks.

O. Shareholders' equity

Equity (in K€)	31/12/2023	Incorporation of reserves	Distributed dividends	Payment to associations	Distribution of profit	31/12/2022
Initial allowance	47,000	42,000		-		5,000
Retained earnings	-		-	- 650	650	-
Reserves	18,312		-	-	3,449	56,863
Capitalised surpluses	4,389	- 42,000			2,808	43,581
Capitalised bonuses	13,923				641	13,282
Revaluation surplus	40,119					40,119
Capital gains or losses on disposals	- 8					- 8
Retained earnings	-					-
Subtotal	105,423				4,099	101,974
Profit for the previous year allocation and distribution	2369					4099
Total	107,793	-		- 650	4,099	106,073

In 2015, the City of Paris provided Crédit Municipal de Paris with an additional €42 million to support its equity capital in the context of the winding-up of its banking subsidiary, CMP-Banque. As this project was completed with the TUP of CMP-Banque in March 2020, Crédit Municipal de Paris, with a surplus of equity capital, was able to transfer €42 million to the City of Paris at the end of the 2022 financial year, by balancing the corresponding supplementary endowment account.

At its meeting on 29 March 2023, the Guidance and Supervisory Board approved an increase of €42m in the establishment's initial endowment, by incorporating the reserves created by the accumulated surpluses from previous years. The €4,099,460.81 profit for the 2022 financial year was allocated to capitalised reserves (€3,449,460.81) and to retained earnings (€650,000), which were distributed to Crédit Municipal de Paris' partner associations.

4. Notes on off-balance sheet items

A. Swap transactions

Crédit Municipal de Paris does not hold any swaps.

B. Commitments given and received

Off-balance sheet (in K€)	31/12/2023	31/12/2022
Commitments given	-	-
Funding commitments	-	-
Guarantee commitments	-	-
Commitments on securities	-	-
Commitments received	201,921	185,666
Funding commitments	-	-
Guarantee commitments	201,921	185,666
Commitments on securities	-	-
Commitments on forward financial instruments	-	-
Total	201921	185666

Off-balance sheet commitments relate exclusively to guarantees received from the Statutory Auditors in connection with the pawnbroking business and represent 50% of the estimated value of the assets plus accrued interest on loans. The estimated value of pledged assets was €365m at 31 December 2023.



5. Notes to the Profit and Loss Account

A. Net banking income

Net Banking Income (in K€)	31/12/2023	31/12/2022
+ Income from treasury and interbank operations	11,109	1,346
+ Income from securities transactions	5,345	2,624
+ Income from customer transactions	17,214	14,969
<i>Interests</i>	15,324	13,195
<i>Commissions</i>	1,890	1,774
+ Income from off-balance sheet transactions	-	-
+ Other banking income	3,281	3,971
- Expenses on interbank transactions	-	-
- Expenses on financial operations	- 15,968	- 2,163
- Expenses on customer transactions	- 2,457	- 434
- Expenses on off-balance sheet transactions	- 29	-
- Other banking operating expenses	- 356	- 309
+ Other operating income	4,934	4,472
- Other operating expenses	-	-
Net Banking Income	23,074	24,477

Income from cash and interbank transactions, €11.1m in 2023, consists of interest on funds deposited by Crédit Municipal de Paris in passbook or term accounts and interest on minimum reserves held with the Banque de France.
Income from securities transactions, €5.3m in 2023, represents interest on the investment portfolio made up of securities.

Income from customer transactions, €17.2m in 2023, is made up of interest and commission on Pawnbroking agreements.

Other banking income, €3.3m in 2023, consists of commissions received for the auction of pledged items.

Financial expenses represent interest on securities acquired by the bank with a view to refinancing, and amount to €15.9m in 2023.

Expenses on customer transactions, €2.5m in 2023, comprise interest on investment vehicles offered to customers: passbook accounts and term accounts.

Expenses on off-balance sheet transactions, €29k in 2023, comprise interest on the gold hedging instrument backed by outstanding pawnbroking loans.

Other banking operating expenses, €356k in 2023, represent commissions paid on investment or refinancing transactions.

Details of other operating income

Other operating income (in K€)	31/12/2023	31/12/2022
Rental of buildings	2,509	2,345
Income from the conservation activity	577	580
Expired bonuses	1,129	872
Other income	720	675
Total	4,934	4,472

Fees from leased space in operating buildings amounted to €2.5m in 2023.

Income from the CC ART business (rental of storage space for valuables) amounted to €0.6m in 2023.

Surpluses from the auction of pledged, unclaimed and time-barred items amounted to €1.1m by the end of 2023.

Other income, €0.7m at 31.12.2023, mainly comprises re-invoicing of general operating expenses and subsidies received from partners for the budget advice and support activity (DICF).

B. General operating expenses

General operating expenses (in K€)	31/12/2023	31/12/2022
Staffing costs	10,829	10,276
Staff remuneration	7,129	6,695
Social security charges	3,007	2,901
Tax charges	694	680
Taxes and duties	442	573
External services	24	26
Rentals	17	17
Remuneration of intermediaries	-	-
Transport and travel	6	9
Other external services	5,532	5,998
Maintenance - Repairs - Supplies	1,779	1,975
External fees	1,207	1,277
Other external services	2,546	2,746
Total	16,827	16,874

C. Cost of risk

By convention, the cost of risk items in expenses are shown with a negative sign.

Cost of risk (in K€)	31/12/2023	31/12/2022
Net allowances - Customer transactions	- 161	- 173
Net allowances for bad debts	- 144	- 149
Capital losses on sales	-17	- 23
Losses on non-recoverable bad debts	-	-1
Net allowances - Other transactions	- 960	- 1,064
Net allowances for bad operating loans - Third parties	-	
Allocation to other operating provisions	- 960	- 64
Non-operating allowances	-	-1000
Net write backs	2,266	2,670
Net write backs of provisions for impairment in value of securities	87	
Net write backs of operating provisions	2,178	2670
Total	1,144	1,433

Net allocations to bad loans represent the net flows of impairments recorded on bad pawnbroking loans, i.e. -€144k for 2023. Capital losses on sales (-€17k for 2023) consist of the loss to be borne by Crédit Municipal de Paris on the capital losses generated by the auction, after deducting the guarantee provided by the enforcement officers.

A new charge to operating provisions was recorded in the 2023 financial year in light of the latest developments in a legal case.

Net write backs of provisions, i.e. +€2.1m, represent write backs of provisions booked as a result of the positive outcome of certain disputes taken over from the former subsidiary CMP-Banque, on the one hand, and the reclassification of a provision for liabilities and charges to the FGBR, on the other.

A write back of the provision of €87k set aside for the securities portfolio of the FCT FONCRED III securitization fund, the buyer of the residual receivables portfolio of the former subsidiary CMP-Banque, absorbed in 2020, was recorded as a result of the end of amortisation of the portfolio, the residual value of which stood at €8k at 31.12.2023.



D. Summary of provisions

Summary of provisions (in K€)	2023 Provisions	Allowances for the year	Write-backs for the year	2022 Provisions
Provisions for credit institutions	-	-	-	-
Customer provisions	3,549	199	121	3,471
Provisions for investment securities	-	-	-	-
Provisions for equity securities	25	-	-	25
Provisions for impairment of fixed assets	-	-	-	-
Provisions for miscellaneous debtors	1,545	155	-	1,390
Provisions for liabilities and charges	1,365	874	2,180	2,672
Total	6,484	1,227	2,301	7,558

E. Exceptional items

Type of accounts (in K€)	31/12/2023	31/12/2022
Exceptional expenses	70	1,845
Losses on disposal of assets	-	-
Cancelled securities from previous years	42	67
Compensation for damaged collateral	20	12
Other exceptional losses	8	1766
Extraordinary income	959	1,798
Cancelled mandates from previous years	-	1
Recoveries after write-off	-	-
Miscellaneous extraordinary income	959	1,797
Extraordinary income	889	- 47

Exceptional income of €0.87m was recognised at 31.12.2023, mainly representing the expected reimbursement from an insurance company in connection with the latest developments in a dispute.

F. Fund for general banking risks

Type of accounts (in K€)	31/12/2023	Allowances for the year	Write-backs for the year	31/12/2022
+/- Allowances or write backs of FGBR	2,000	2,000	-	-
Total	2,000	2,000	-	-

An own insurer provision of €2m, intended to cover risks not currently borne by insurance companies, has been reclassified to the reserve for general banking risks.

G. Tax system

Corporation tax has been calculated at a rate of 25% on all taxable income; the item also includes the 3.30% social contribution on profits.

6. Other information

A. Workforce

At 31.12.2023, the workforce stood at 152, representing 140 FTEs.

B. Remuneration

No attendance fees are awarded to the members of the Guidance and Supervisory Board. Remuneration of directors is not mentioned, as this would be tantamount to providing information about their individual remuneration.

C. Fees paid to the Statutory Auditors

Amount in € excl.	KPMG	Grant Thornton	Total
Certification of accounts	56,258	48,802	10,5060
Services other than certification of accounts	0	0	0
Total	56,258	48,802	10,5060

D. Proposed distribution of profit

It will be proposed to allocate the profit for the 2023 financial year to reserves in the amount of € 1,719,175.46 and to retained earnings in the amount of € 650,000.

E. Post-balance sheet events

Crédit Municipal de Paris has no direct exposure to Russia, Ukraine, Belarus, Israel or Palestine, or to commodities affected by conflicts and the macro-economic crisis.

At the preparation date of the 2023 accounts, no operational or financial item has been identified that would call into question the company's ability to continue as a going concern.

7. Affiliates and holdings

Informations financières (en K€)				
Detailed information on each affiliate and holding whose value exceeds 1% of the authorised capital for publication	Capital	Shareholders' equity other than capital	Share of capital held (in %)	Results (profit or loss for the last financial year)
Affiliates over 50% owned				
None	-	-	-	-
Holdings of between 10 and 50%				
None	-	-	-	-

Overall information on all subsidiaries and holdings (in K€)	Subsidiaries		Shareholdings	
	French	Foreign	French	Foreign
Book value of securities held				
• Gross	-	-	348	-
• Net	-	-	323	-
Amount of loans and advances granted	-	-	-	-
Amounts of subordinated loans	-	-	-	-
Amount of commitments and guarantees given	-	-	-	-
Amount of dividends received	-	-	-	-

At 31.12.2023, Crédit Municipal de Paris held equity investments in solidarity organisations for a total net value of €51k, as well as shares in the Coopérative Carbone de la Ville de Paris et de la Métropole du Grand Paris for a net value of €100k.

Furthermore, the net value of the FGDR certificates held by the institution was €172k.

Photo credits :
p. 3 : Aurélia Blanc ; p. 4 : Erwan Floch' / Mairie du 10e.





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Rapport des commissaires aux comptes sur les comptes annuels

Exercice clos le 31 décembre 2023

À l'attention du Conseil d'Orientation et de Surveillance du Crédit Municipal de Paris,

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 relatifs à l'exercice clos le 31 décembre 2023, tels qu'ils sont joints au présent rapport.

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

L'opinion formulée ci-dessus est cohérente avec le contenu de notre rapport au 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 prévues par le code de commerce et par le code de déontologie de la profession de commissaire aux comptes, sur la période du 1^{er} janvier 2023 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.

KPMG S.A., société d'exercice comptable et de commissaires aux comptes inscrite au Tableau de l'Ordre des experts comptables de Paris sous le n° 14-30585101 et rattachée à la Compagnie régionale des commissaires aux comptes de Versailles et de Paris.
Société française membre du réseau KPMG constitué de cabinets indépendants affiliés à KPMG International Limited, une société de droit anglais, private company limited by guarantee.

Société anonyme à conseil d'administration.
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SAS d'Expertise Comptable et de Commercial
aux Comptes au capital de 2 297 184 € inscrite au
Tableau de l'Ordre de la région Paris Ile-de-France,
et membre de la Compagnie régionale de Versailles.
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Justification des appréciations – Points clés de l'audit

En application des dispositions des articles L.821-53 et R.821-180 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 annuels de l'exercice, ainsi que les réponses que nous avons apportées face à ces risques.

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

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.

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

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

La sincérité et la concordance avec les comptes annuels des informations relatives aux délais de paiement mentionnées à l'article D.441-6 du code de commerce appellent de notre part l'observation suivante : comme indiqué dans le rapport de gestion, ces informations n'incluent pas les opérations bancaires et les opérations connexes, votre société considérant qu'elles n'entrent pas dans le périmètre des informations à fournir.

Autres vérifications ou informations prévues par les textes légaux 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 2023, le cabinet KPMG S.A. était dans la 17^{ème} année de sa mission sans interruption et le cabinet Grant Thornton dans la 11^{ème} 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 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 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 821-55 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 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 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 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 au comité d'audit un rapport 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.

Nous fournissons également au comité d'audit la déclaration prévue par l'article L.821-63 du code de commerce confirmant notre indépendance, au sens des règles applicables en France telles qu'elles sont fixées notamment par les articles L.821-27 à L.821-34 du code de commerce et dans le code de déontologie de la profession de commissaire aux comptes. Le cas échéant, nous nous entretenons avec le comité d'audit des risques pesant sur notre indépendance et des mesures de sauvegarde appliquées.

Paris La Défense, le 4 avril 2024

KPMG SA



Valéry Foussé

Associé

Neuilly-sur-Seine, le 4 avril 2024

GRANT THORNTON



Azarias Sekko

Associé

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