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# FINANCIAL REPORT

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**EDITORIAL BY FRÉDÉRIC MAUGET,**  
Managing Director  
of Crédit Municipal de Paris

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**EDITORIAL BY PAUL SIMONDON,**  
Deputy Mayor of Paris in charge of  
finance, budget and green finance,  
Vice-Chairman of the Orientation and  
Supervisory Board

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**KEY FIGURES 2020**

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Crédit Municipal de Paris

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**INTERVIEW WITH FRÉDÉRIC MAUGET,**  
MANAGING DIRECTOR OF CRÉDIT MUNICIPAL DE PARIS  
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Crédit Municipal de Paris has demonstrated its resilience in an unprecedented and particularly constrained context. The institution thus undertook an in-depth reorganisation of its services to continue to provide the best possible public service to the people of Paris and the Ile-de-France. Several measures have made it possible to guarantee the quality of service, including the roll-out of an appointment system for the secured lending activity, the dematerialisation of auctions and the acceleration of digitisation in all departments.

Crédit Municipal de Paris has also affirmed its commitment to solidarity by launching a new free clearance operation and paying out over 1 million euros to associations to deal with the health crisis.

In 2020, our institution also completed the support of its banking subsidiary CMP-Banque in the context of the run-off decided with the City of Paris in 2015. The entire process was carried out in accordance with the financial roadmap set at the time. Special attention was paid to the employees of this subsidiary, 95% of whom were able to return to work. I would like to thank Philippe Zamaron, who was the Managing Director of CMP-Banque for five years, and his deputy Brigitte Delmotte, who has since joined Crédit Municipal de Paris as Deputy Managing Director, for their exemplary work throughout these years.

2020 was the final year of our strategic plan "2020 in Action". Over the past five years, Crédit Municipal de Paris has been able to deploy its innovative strength and mobilise the necessary resources to achieve and even exceed its objectives. We are determined to continue our efforts to amplify this virtuous dynamic of change.

After an unusual year, marked by an unprecedented health crisis, Crédit Municipal de Paris ended 2020 with a solid financial balance sheet. Its results attest to the robustness of its model and its strong capacity to adapt.

The closure of the facility during the first lockdown inevitably led to a decline in income related to the secured lending business, with turnover at €17.51m in 2020, compared to €18.16m in 2019. In contrast, income from the custody business continued to grow and rental income remained stable. At the end of 2020, NBI reached €24.98m, down 8% compared to 2019 but exceeding the level reached at the end of 2018.

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**INTERVIEW WITH PAUL SIMONDON,**

DEPUTY MAYOR OF PARIS IN CHARGE OF FINANCE, BUDGET AND GREEN FINANCE,  
 VICE-CHAIRMAN OF THE ORIENTATION AND SUPERVISORY BOARD  
 .....



Crédit Municipal de Paris has rethought its internal operations to welcome the public in perfectly secure conditions and to encourage remote procedures. With the implementation of an appointment system for secured lending customers, the proportion of online transactions has grown rapidly - more than 80% of contract renewals were carried out remotely at the end of 2020. Auction customers were able to make use of digital sales and the monitoring of budget support beneficiaries online was maintained. Savings and custody activities also continued throughout the year.

The effectiveness of these measures reinforces the results of the "2020 In Action" strategic plan that the institution adopted at the end of 2016. The projects undertaken within this framework, whether involving the creation of the Livret Paris Partage, the launch of the CC ART conservation centre, the digitalisation of services or the restructuring of the budget support service, reinforce Crédit Municipal de Paris' desire to assert itself as an exemplary and innovative public service. In addition, in 2020, Crédit Municipal de Paris successfully completed the run-off of its banking subsidiary CMP-Banque, with a rigour that we can only commend.

Finally, the year was marked by the renewal of the Orientation and Supervisory Board, of which I am pleased to be Vice-Chairman from now on. More than ever, Crédit Municipal de Paris is a key player in social finance and the art world.

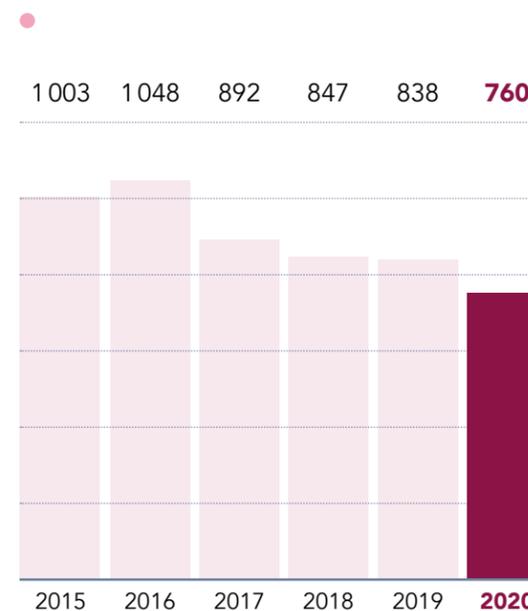
For Crédit Municipal de Paris, like all economic and social stakeholders, 2020 was an unusual year. Against this backdrop, the institution nevertheless provided proof of its robustness, as shown by the results at the end of the year, with NBI standing at €24.98 million and secured lending turnover at €17.51 million.

While the 2020 financial year reflects the scale of the challenges posed by the health crisis, it also demonstrates a determination to continue activities and guarantee access to services for all Ile-de-France residents, through a rapid and smart reorganisation.

## CRÉDIT MUNICIPAL DE PARIS

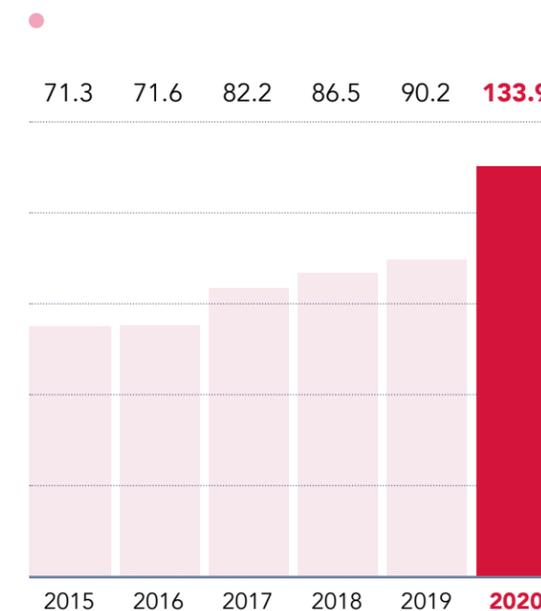
### TOTAL BALANCE SHEET

In thousands of euros



### EQUITY

In thousands of euros



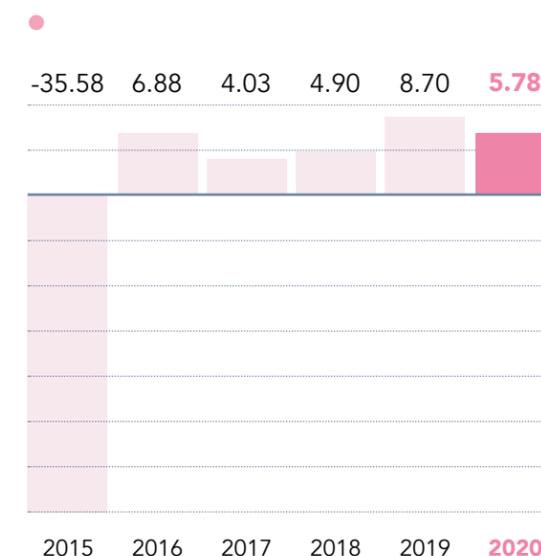
### NET BANKING INCOME

In thousands of euros



### NET INCOME

In thousands of euros



# Crédit Municipal de Paris Management report

**2020 is the fifth and final year of implementation of the "2020 In Action" strategic plan, whose ambition is to boost the dynamic of change that has driven Crédit Municipal de Paris since its creation.**

2020 was naturally marked by developments that could not be anticipated. The health crisis led to profound changes in the organisation of Crédit Municipal de Paris, the highlights of the year being the introduction of a generalised appointment-based system for the secured lending activity, the deployment of fully digitised auctions, the acceleration of the digitisation of customer relations with, in particular, more than 80% of renewals carried out remotely, and the rapid introduction of teleworking for more than one third of the workforce. The year was also marked by the continuation of shop renovation work and the launch of a new free clearance operation. Crédit Municipal de Paris also supported its banking subsidiary within the framework of the run-off decided in June 2015: the banking licence of its subsidiary was withdrawn on 12 February 2020 and CMP-Banque was absorbed by the universal transfer of assets to Crédit Municipal de Paris, effective since 31 March 2020. The occurrence of the Covid-19 pandemic from February onwards led to an overall drop in the level of activity of the operational business lines, as Crédit Municipal de Paris was forced to close its doors from 15 March to 12 May 2020. However, the solidity of the institution's financial base made it possible to limit the financial impact on the results for the year.

## ACTIVITY IN 2020

Faced with this unprecedented economic situation, Crédit Municipal de Paris nevertheless continued to benefit from a very favourable environment thanks to historically low or even negative interest rates and the continued high level of gold prices.

The secured lending business has seen a decline in its level of turnover (€17.51m in 2020 compared to €18.16m in 2019), which has been particularly noticeable since the introduction of the first lockdown in March when the establishment closed its doors.

Financial income and income from the sales activity have thus followed a downward trajectory.

Revenues from custody activities, on the other hand, continued to increase as in the previous year. Finally,

income from rentals to external entities remained relatively stable.

These findings lead to an overall change in results compared to the dynamic trend of previous years.

The level of outstanding secured lending loans approached the €195 million mark on 31 December (€194.58 million). The year 2020 was marked by a very sharp drop in commitments (-49.9%) with 30,879 contracts in 2020 compared to 61,654 in 2019, the weight of the latter in relation to total production thus falling from 29% to 17%. The year was also marked by a drop in decommitments, but to a lesser extent: the number of decommitments fell by only 16%.

(43,950 contracts in 2020 compared to 52,543 in 2019). The number of renewals, on the other hand, is following a slightly upward trajectory, with an increase of 1.8% (152,450 contracts in 2020 against 149,742 in 2019), i.e. a performance almost identical to the previous year (+2.3%).

As a corollary, the number of loan contracts outstanding at 31 December is down by 10.41% (176,742 in 2020 compared with 197,291 in 2019) for an average amount in 2020 (€1102.37) comparable to that of 2019 (€1097.96).

The volume of sales recorded a significant decrease in the number of contracts (6,062 contracts put up for sale in 2020 compared with 8,166 in 2019, i.e. -25.7%), as fewer sales were organised in 2020 (70 compared with 76 in 2019). It should be noted that no sales were held during the period of the first lockdown and that there could be a partial catch-up during the rest of the year. The amount of auctions thus fell only slightly between the two financial years (€11.75 million in 2020 compared with €12.22 million in 2019, i.e. -3.85%), even though the amount of bonuses paid to customers increased (€3.76 million in 2020 compared with €3.36 million in 2019, i.e. +10.64%). These results can be explained on the one hand, by the strong growth in online sales via Interencheres since the resumption of sales in May and, on the other hand, by the continued high level of gold prices. As regards investment and refinancing activities,

the maintenance of very low, or even negative, interest rates has a strong impact on the profile of financial income, on the one hand by significantly reducing financial income as the oldest investments mature, and on the other hand by greatly reducing the interest burden on newly contracted refinancing. Maintaining the performance of the investment and refinancing strategy in compliance with prudential and regulatory obligations is a major focus of the strategic plan. Other operating income is also increasing: property income is up by 1.28% (€2.301 million in 2020 compared to €2.272 million in 2019), income from custody activities is up thanks to the new spaces offered during 2019 (+16.27% compared to the previous year).

In 2020, the Budgetary Support and Social Innovation Department (ABIS) adapted to ensure continuity of service despite health constraints, as remote support for the public was introduced.

Nearly 900 residents of Ile-de-France (compared to 1,534 in 2019) who are financially vulnerable have benefited from a budgetary diagnosis and 2,514 are being supported. The decline in activity is largely explained by the difficulty of accessing our services during the initial lockdown and opening up, the freezing of the microcredit activity by partner banks for nearly 3 months, but also by the prolonged absence of the majority of volunteers.

However, it is worth noting that over the last 6 months, the overall use of the service has grown by an average of 15% a month. Furthermore, the deployment of the new organisation has continued: 3 new financial inclusion officers have been recruited to strengthen the operational team, as well as 4 volunteers. The new support pathway with a single access point and a single cross-sectional analysis of the household budget situation is now operational.

Finally, external sources of funding for the ABIS directorate suffered a 7% drop between 2019 and 2020 as the number of active partnerships decreased.

## NET BANKING INCOME (NBI)

As at 31.12.2020, NBI reached €24.98m, down -7.99% compared to 2019 (€27.15m).

This development can be broken down as follows:

- the net interest margin fell by €2.517 million (-11.7%) to €18.99 million in 2020 compared with €21.51 million in 2019; this change can be broken down as follows:
  - Interest and similar income is down (-14%) to €20.18m in 2020 compared to 23.59 M in 2019, due firstly to the closing of the loans taken out by CMP-Banque with the EPA in December 2019 (-2.44 M€ of interest received between the two financial years), secondly to the drop in interest received from pledge loans (-0.55 M€ between 2019 and 2020) and finally to the drop in interest received on the passbook accounts held by the institution (-0.34 M€ between the two financial years);
  - Interest and similar expenses continued to fall (€1.18 million in 2020 compared to €2.08 million in 2019, i.e.

-43%), mainly as a result of the closing of a blank term loan on behalf of the subsidiary and repaid in 2019 (€0.47 million between the two financial years) and the reduction in interest paid to clients of the solidarity savings activity.

- a slight decrease in the amount of commissions received (€2.02 million in 2020 compared to €2.12 million in 2019, i.e. -4.60%); this variation is mainly due to the decrease in custody fees received on pledged items.
- an increase in the amount of other operating income (€4.22M in 2020 compared to €3.74M in 2019, i.e. +12.83%); this variation is explained by the change in accounting method for bonuses that are due to expire (€0.591 million in 2020). On a like-for-like basis (i.e. excluding capitalised bonuses), there was a slight decrease in other operating income due in particular to the significant decrease in charges due by the subsidiary (-0.18 M€), partially offset by the increase in income from the conservation activity (+0.09 M€).

## OVERHEADS

Increased overall by 5.33% (€19.32 million in 2020 compared with 18.34 million in 2019) mainly due to the evolution of the following items:

- Subsidies to legal entities have increased by €991K (€1,369K in 2020 compared to €377K in 2019): in effect during the health crisis, Crédit Municipal de Paris decided to implement an exceptional sponsorship operation of €1.03 million to support the most vulnerable people, the main subsidy of €700,000 having been allocated to Secours Populaire,
- the increase in other services of 158 K€ (481 K€ in 2020 against 323 K€ in 2019) corresponds to the use of temporary workers and the time lag in billing for CRA services,
- the increase in IT maintenance expenditure of 113K (€1,085K in 2020 compared to €972K in 2019) results from the takeover of the hosting and IT archiving expenses of the former subsidiary CMP-Banque,
- On the other hand, auction fees paid to auctioneers fell by €128,000 (€772,000 in 2020 compared to €900,000

### THE COST OF RISK

The cost of risk, which is structurally low due to the guarantee provided by the pledges held by Crédit Municipal de Paris for the loans granted, increased by 1,072% (€1.11 million in 2020 compared to €0.09 million in 2019). Two factors explain this significant change. On the one hand, allocations to provisions for bad debts and those relating to other operating provisions increased by €227K and €342K respectively between the two financial years, given the sharp increase in unpaid debts from both customers and tenants. On the other hand, a free clearance operation was launched in October 2020 and concerns borrowers who took out a secured loan before the year 2000, whereas the previous operation which took place in 2019 concerned customers whose total secured loans did not exceed €100: the total amount of free clearances between the two years thus increased by €397K.

### INCOME

The operating income in 2020 is €4.55 million, down €4.16 million compared to 2019 (€8.71 million), or -47.76%, due to the combined effect of a downward variation in the net interest margin and upward variations in general expenses and the cost of risk.

The cost/income ratio rose to 77.4% in 2020 from 67.6% in 2019, exceeding the 70% target set in the strategic plan. The current result before tax amounts to € 7.1 million.

Within the framework of the transfer of all assets and liabilities of CMP-Banque to Crédit Municipal de Paris, Crédit Municipal recorded a merger bonus of €2.55 million under gains and losses on fixed assets.

Finally, net book income shows a surplus of €5.78 million. This result is 33.49% lower than in 2019 (€8.69 million). This net income was allocated to reserves in the amount of €5,333,848.81 and to retained earnings in the amount of €450,000.

### EVOLUTION OF EQUITY AND SOLVENCY RATIO

The core equity ratio stood at 41.58% at the end of December 2020, well above the minimum regulatory threshold of 8%.

### EMPLOYEE PROFIT SHARING

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

### EVENTS AFTER 31 DECEMBER 2020

There were no significant events after the 31 December 2020 cut-off date.

### RESEARCH AND SUSTAINABLE DEVELOPMENT ACTIVITIES AND COMMITMENTS TO 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 of secured lending, is to combat usury; it has been strengthened by a deepening and diversification of the range of services promoting the financial emancipation of households in difficulty (access to banking services, budget advice point, microcredit).

Crédit Municipal de Paris is committed to developing and promoting innovative social finance tools for sustainable and inclusive development.

### 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 delay in payment of suppliers observed in the 2020 financial year is:

- between 1 and 15 days for 8.57% of the invoices received,
- between 16 and 30 days for 1.81% of invoices received,
- between 31 and 60 days for 2.36% of invoices received,
- more than 60 days for 0.99% of invoices received.

### THE BREAKDOWN BY TRANCHE IS SHOWN IN THE TABLE BELOW FOR PAID INVOICES:

LATE PAYMENT: Invoices paid	from 1 to 15 days	16 to 30 days	31 to 60 days	more than 60 days	TOTAL
Number of paid invoices	156	33	43	18	250
Amount	961,671.52	121,732.82	230,966.86	70,452.16	1,384,823.36
As a % of the number of invoices received (1,821)	8.57 %	1.81%	2.36 %	0.99 %	13.73 %

### THE BREAKDOWN BY TRANCHE IS SHOWN IN THE TABLE BELOW FOR INVOICES PENDING PAYMENT:

LATE PAYMENT: Unpaid invoices	from 1 to 15 days	16 to 30 days	31 to 60 days	more than 60 days	TOTAL
Number of unpaid invoices	0	0	1	0	1
Total amount	0	0	628	0	628
As a % of the number of invoices received (1,821)	0 %	0 %	0.05 %	0 %	0.05 %

### FURTHER INFORMATION

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

According to the terms of Article L.514-1 of the Monetary and Financial Code, "Crédit Municipal banks are public communal credit and social assistance institutions". The geographical jurisdiction and location of Crédit Municipal de Paris are therefore necessarily and exclusively based on its municipal dimension. As a result, it does not have any offices or carry out any 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 that apply to public and similar jobs, in accordance with the applicable statutory provisions.

### CONCLUSION

Crédit Municipal de Paris posted a surplus in 2020, demonstrating the financial strength of the institution in the current health crisis.

In the last year, Crédit Municipal continued to implement, as far as possible, the actions set out in its "2020 In Action" plan. Over the entire period, Crédit Municipal was able to combine growth and financial performance in the service of its social mission, develop new financial and solidarity-based services, offer flexible, innovative, and caring services, strengthen its attractiveness and the reputation of its services, and finally modernise its organisation and develop its human resources.

These orientations, supported by the commitment of all the institution's employees, have made it possible to consolidate the institution's social and solidarity-based mission at the service of all the people of Ile-de-France, by affirming its status as an exemplary and innovative public service.

Finally, the "2020 In Action" strategic plan aimed to support the run-off of CMP-Banque, an objective that was fully achieved, with the universal transfer of its banking subsidiary's assets effective as of 31 March 2020.

## RISK INFORMATION

### EQUITY RATIO

In thousands of euros

TO STATEMENT	2020
Capital	47,000
Reserves and retained earnings	88,325
Fund for general banking risks	0
+ / - Interim result	0
- Intangible assets	- 1,392
- Significant investment in financial sector entities	0
Basic category I equity	133,933
<b>Total equity</b>	<b>133,933</b>

### EQUITY REQUIREMENTS

In thousands of euros

EQUITY REQUIREMENTS FOR CREDIT RISK	Total gross exp.	Total net exp.	Weighted total	PS requirements
<b>Total Equity Requirements</b>	<b>807,134</b>	<b>758,577</b>	<b>275,625</b>	<b>22,050</b>
Central authorities & central banks	181,793	181,793	0	0
Credit institutions	339,677	339,677	67,935	5,435
Companies	0	0	0	0
Retail customers	193,372	193,372	145,029	11,602
Other elements	80,416	35,532	50,382	4,031
Default exposures	11,800	8,152	12,228	978
Shares	76	51	51	4

EQUITY REQUIREMENTS FOR OPERATIONAL RISK	Total exposure	EQ requirements
<b>Total Equity Requirements</b>	<b>47,492</b>	<b>3,799</b>
Total banking activities		0
Total banking activities under the basic approach	47,492	3,799
Total banking activities under the standard measurement approach		0
Total banking activities under the advanced measurement approach		0
<b>Total amount of risk exposure</b>	<b>323,117</b>	<b>25,849</b>

<b>SOLVENCY RATIO TO BASE EQUITY</b>	<b>41.45%</b>
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### SHORT-TERM LIQUIDITY RATIO - LCR

In thousands of euros

<b>LIQUIDITY CUSHION</b>	<b>41,436</b>
Total output	107,901
Fully exempted cash inflows	
Cash inflows subject to the 90% cap	
<b>Cash inflows subject to the 75% cap</b>	<b>334,785</b>
Reduction corresponding to fully exempted cash inflows	
Reduction corresponding to cash inflows subject to the 90% cap	
Reduction corresponding to cash inflows subject to the 75% cap	80,926
<b>Net cash outflow</b>	<b>26,975</b>
<b>Liquidity coverage ratio (%)</b>	<b>153.69 %</b>

At the end of December 2020, the short-term liquidity ratio stood at 153.69% against a requirement of 100%.

### FINANCIAL INCOME FOR THE LAST 5 FINANCIAL YEARS

	2016	2017	2018	2019	2020
<b>CAPITAL AT YEAR-END</b>	47,000,000.00	47,000,000.00	47,000,000.00	47,000,000.00	47,000,000.00

OPERATIONS AND RESULTS FOR THE YEAR					
Turnover before tax (GNP)	23,745,705.36	24,081,155.04	24,760,872.31	27,145,406.00	24,976,179.71
Profit before tax, profit-sharing, depreciation and provisions	9,707,289.09	6,136,156.19	9,740,330.29	13,233,469.70	11,234,388.40
Income tax	-216,636.21	767,857.27	1,790,656.13	1,510,199.79	1,439,057.00
Employee profit-sharing due for the year	-	-	-	-	-
Profit after tax, employee profit-sharing, depreciation and provisions	6,881,234.41	4,033,205.21	4,905,437.42	8,694,798.40	5,783,848.81
Profit distributed pursuant to Article L514-4 of the Monetary and Financial Code		-	-	-	-

STAFF					
Average number of employees during the year	132	134	140.5	146.5	152.5
Amount of payroll for the year	4,419,736.06	5,031,712.09	5,607,299.57	5,819,799.64	5,920,173.19
Amount paid for social benefits (social security, social work etc.)	1,923,531.45	2,250,246.94	2,359,973.62	2,550,616.60	2,495,455.34

# PUBLISHABLE FINANCIAL STATEMENTS OF CRÉDIT MUNICIPAL DE PARIS

## BALANCE SHEET

En euros

Balance sheet assets (in €)	31/12/2020	31/12/2019 pro forma	31/12/2019
Cash, Central Banks, C.C.P.	46,759,248.71	42,276,336.44	42,276,336.44
Government securities and similar assets	-	-	-
Loans and advances to credit institutions	474,919,877.86	500,096,864.01	500,096,864.01
Customer transactions	201,705,556.93	223,725,338.07	223,725,338.07
Leasing and renting with a purchase option	-	-	-
Bonds and other fixed income securities	381,063.95	409,202.26	409,202.26
Bonds and other variable income securities	1,398,424.60	-	-
Shares and portfolio activity	176,997.01	203,420.11	203,420.11
Shares in affiliated companies	-	35,424,940.00	35,424,940.00
Intangible assets	1,391,952.21	972,027.28	972,027.28
Tangible assets	28,813,980.17	29,144,684.66	29,144,684.66
Unpaid subscribed capital	-	-	-
Own shares	-	-	-
Other assets	3,983,809.14	5,633,787.52	5,633,787.52
Accruals and deferred income	410,321.29	193,266.62	193,266.62
<b>Total</b>	<b>759,941,231.87</b>	<b>838,079,866.97</b>	<b>838,079,866.97</b>

En euros

Balance sheet liabilities (in €)	31/12/2020	31/12/2019 pro forma	31/12/2019
Cash, Central Banks, C.C.P.	-	-	-
Amounts owed to credit institutions	-55.50	-	-
Customer transactions	152,567,911.55	142,963,865.37	142,963,865.37
Debts represented by a security	458,801,111.71	554,979,831.96	554,979,831.96
Other liabilities	1,596,305.59	1,492,446.61	1,492,446.61
Accruals and deferred income	449,272.30	211,205.71	211,205.71
Provisions for liabilities and charges	5,417,879.41	3,097,559.32	3,097,559.32
Subordinated debts	-	-	-
Fund for General Banking Risks	-	-	-
<b>Equity excluding general banking risks</b>	<b>141,108,806.81</b>	<b>135,334,958.00</b>	<b>135,334,958.00</b>
Subscribed capital	47,000,000.00	47,000,000.00	47,000,000.00
Share premium	-	-	-
Reserves	48,055,981.05	39,035,525.62	39,521,182.65
Revaluation surplus	40,118,976.95	40,118,976.95	40,118,976.95
Regulated provisions and investment grants	-	-	-
Retained earnings (+ / -)	150,000.00	-	-
Income for the year (+ / -)	5,783,848.81	9,180,455.43	8,694,798.40
<b>Total</b>	<b>759,941,231.87</b>	<b>838,079,866.97</b>	<b>838,079,866.97</b>

## OFF-BALANCE SHEET

En euros

Off Balance Sheet (in €)	31/12/2020	31/12/2019
<b>Commitments given</b>	<b>-</b>	<b>-</b>
Funding commitments	-	-
Guarantee commitments	-	-
Commitments on securities	-	-
<b>Commitments received</b>	<b>197,694,266.58</b>	<b>219,870,028.17</b>
Commitments to customers	-	-
Funding commitments received	-	-
Guarantee commitments received from customers	197,694,266.58	219,870,028.17
<b>Commitments on forward financial instruments</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>197,694,266.58</b>	<b>219,870,028.17</b>

## PROFIT AND LOSS ACCOUNT

En euros

Profit and loss statement (in €)	31/12/2020	31/12/2019 pro forma	31/12/2019
+ Interest and similar income	20,175,997.73	23,589,206.43	23,589,206.43
- Interest and similar charges	- 1,183,797.25	- 2,080,003.02	- 2,080,003.02
+ / - Income from leasing and similar operations	-	0.00	0.00
+ Income from variable income securities	-	0.00	0.00
+ Commissions	2,023,951.26	2,121,622.24	2,121,622.24
- Commissions	- 42,695.45	- 57,344.04	- 57,344.04
+ / - Gains or losses on trading portfolio transactions	-	0.00	0.00
+ / - Gains or losses on investment and similar portfolio transactions	-	0.00	0.00
+ Other operating income <sup>(1)</sup>	4,215,567.16	4,446,114.82	3,742,435.99
- Other operating expenses	- 212,843.74	- 170,511.35	- 170,511.35
<b>Net Banking Income</b>	<b>24,976,179.71</b>	<b>27,849,085.08</b>	<b>27,145,406.25</b>
- General operating expenses	- 16,419,050.31	- 15,407,304.03	- 15,407,304.03
- Depreciation and provisions on fixed assets	- 2,900,939.96	- 2,933,715.14	- 2,933,715.14
<b>Gross operating income</b>	<b>5,656,189.44</b>	<b>9,508,065.91</b>	<b>8,804,387.08</b>
+ / - Cost of risk	- 1,110,542.58	- 94,756.32	- 94,756.32
<b>Operating income</b>	<b>4,545,646.86</b>	<b>9,413,309.59</b>	<b>8,709,630.76</b>
+ / - Gains or losses on fixed assets	2,601,827.30	1,500,000.00	1,500,000.00
<b>Current income before tax</b>	<b>7,147,474.16</b>	<b>10,913,309.59</b>	<b>10,209,630.76</b>
+ / - Extraordinary income	75,431.65	- 4,632.57	- 4,632.57
- Profit Tax <sup>(2)</sup>	- 1,439,057.00	- 1,728,221.59	- 1,510,199.79
+ / - Allocations to / write backs from general banking risks and regulated provisions	-	0.00	0.00
<b>Net income for the year</b>	<b>5,783,848.81</b>	<b>9,180,455.43</b>	<b>8,694,798.40</b>

The new method of accounting for bonuses leads to the following two changes in the production of the income statement:

(1) Lapsed bonuses during the accounting period are recorded under Other operating income for an amount of € 592K in the financial year 2020.

(2) The taxation associated with these bonuses, which under the previous accounting method was neutralised in the profit and loss statement, will have an impact of €166k on the profit tax item in 2020.

# NOTES TO THE 2020 ANNUAL ACCOUNTS

## 1. ACCOUNTING PRINCIPLES AND METHODS

The financial statements of Crédit Municipal de Paris have been prepared in accordance with the principles of the banking profession and presented 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 applicable to credit institutions. The main accounting policies adopted by the institution are as follows:

### 1.1. GENERAL: THE SEPARATION OF FINANCIAL YEARS

Transactions are accounted for on an accrual basis. Interest and similar fees are calculated on a pro rata temporis basis up to the balance sheet date and are recognised in the profit and loss statement.

### 1.2. PRINCIPLES BY CATEGORIES

#### 1.2.1. Discounting

Accrued interest not yet due and custody fees on secured lending operations are rediscounted monthly, calculated pro rata temporis up to the cut-off date and recorded in the profit and loss statement. Interest earned on the institution's investment operations is rediscounted monthly, calculated on a time-proportion basis up to the cut-off date and recognised in the profit and loss statement. Custody fees from the CC ART (formerly Munigarde) art conservation activity are also rediscounted monthly, calculated pro rata temporis up to the closing date, and recognised in the profit and loss statement.

#### 1.2.2. Accounting for bad debts and provisions

ANC regulation no. 2014-07 of 26 November 2014, as amended by ANC regulation no. 2020-10 of 22 December 2020, defines the criteria for classifying bad debts on the balance sheet. Bad debts are made up of all outstanding amounts due and undue, whether secured or not, owed by debtors for whom at least one commitment presents a proven credit risk. A risk is deemed to exist when it is probable 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. Debts are downgraded to "bad", on a flat-rate basis, when one or more payments have been outstanding for at least three months. The accounting of bad debts for secured lending complies with regulatory and banking standards. Interest on secured lending loans is provisioned at 100% from the third month of delay. Capital is provisioned at a flat rate, the relevance of which is checked and adjusted if necessary each month in the light of losses incurred over the last three rolling years.

#### 1.2.3. Savings accounts taken out by individuals

Interest on passbook accounts is settled at the end of the year, except when the account is closed, when it is settled pro rata temporis for the current year. Interest on term accounts is paid at maturity, except in the case of early closure, when it is paid on a pro rata basis over the life of the contract. Accrued interest not yet due on passbook and term accounts is rediscounted monthly, calculated

pro rata temporis up to the closing date, and recognised in the profit and loss account.

#### 1.2.4. Securities transactions

Trading securities are those that are traded from the outset with the intention of selling them at the latest after a holding period of six months.

As at 31.12.2020, Crédit Municipal de Paris did not hold any assets in this category.

Securities (shares or bonds) acquired with a view to obtaining direct income or a capital gain are considered to be investment securities. These securities are recorded at acquisition for their purchase value (par value, acquisition premium and accrued interest).

The acquisition premium is spread over the holding period. A provision for impairment must be recognised when the market value is lower than the book value. As of November 2019, Crédit Municipal de Paris no longer holds a portfolio of high-quality liquid assets. As at 31.12.2020, 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 31.12.2020, Crédit Municipal de Paris held investment securities with a net book value of €1,399k.

Indeed, CMP-Banque had transferred a portfolio of receivables to the Securitization Mutual Fund FONCRED III in December 2019. Due to a provision in European regulations, the former subsidiary had to subscribe to €2.5 million in bonds issued by the FCT FONCRED III, corresponding to 5% of the face value of this transfer of healthy receivables.

All securities whose long-term possession is considered useful for the company's activity, in particular because it enables it to exercise influence over the issuing company or to ensure control over it, are considered to be equity securities.

Prior to 31 March 2020, the effective date of the transfer of all assets and liabilities of CMP-Banque to Crédit Municipal de Paris, Crédit Municipal de Paris held 99.99% of the shares of CMP-Banque, whose value in use was set at €35,425k. The result of the cancellation of these shares is a merger bonus recognised under Gains and losses on fixed assets in the income statement. At 31 December 2020, Crédit Municipal de Paris held equity securities in solidarity organisations for a total value in use of €51k.

#### 1.2.5. Transactions in 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 26 November 2014, as amended by ANC Regulation No. 2020-10 of 22 December 2020.

Thus, liabilities are recorded in the off-balance sheet accounts at the par value of the contracts.

Expenses and income relating to forward financial instruments, intended to manage the overall interest rate risk, are recorded pro rata temporis in the income statement under the heading "Gains or 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 statement in

a symmetrical manner to the recognition of income and expenses on the hedged items. The symmetry rule also applies to interest rate swaps.

Thus the unrealised interest differential is recognised pro rata temporis in the income statement, and the unrealised gain or loss adjusted by the amount of the discount is also recorded. However, the recognition of this amount differs depending on the item hedged.

As the unrealised gains and losses on hedged transactions, valued at their par value (loans, borrowings, investment securities), have not been translated into the accounts, the unrealised gain or loss on the interest rate swap contract does not have to be taken into account.

On the other hand, the gains and losses from hedges of investment securities are taken into account in the calculation of provisions. Income and expenses relating to these transactions are recognised symmetrically under the same heading as income and expenses on the hedged items.

The CMP does not hold any forward financial instruments at 31.12.2020.

#### 1.2.6. Paid leave

Paid leave at Crédit Municipal de Paris is taken from 1 January to 31 March of the following year, and a provision for the balance of non-permanent staff leave still to be taken at 31 December 2020 is recorded in general operating expenses for each change between two financial years.

#### 1.2.7. Intangible and tangible assets

Pursuant to ANC regulation no. 2014-07 of 26 November 2014, as amended by ANC regulation no. 2020-10 of 22 December 2020, the method chosen to value assets consisted of calculating the fair value of an asset on the date of first application and breaking it down by component. On the basis of the assets analysed, only the building was identified and valued by component.

Acquisitions during the year related to this building are broken down into the same components.

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

Nature of the fixed assets		
Development costs and software	Straight line	3 years
Office equipment and furniture	Straight line	5 and 6 years
Fixtures and fittings	Straight line	10 - 15 - 20 and 25 years
Revaluation	Straight line	50 years

Fixed asset category	Duration applicable in 2019	Duration applicable in 2020
Intangible fixed assets		
Concessions and similar rights,		
patents, licences, trademarks, processes, software	3 years	5 years
Tangible fixed assets		
Computer equipment: server, network and IPBX telephone equipment.	3 years	5 years
Large furniture (desks, cupboards, etc.)	5 years	10 years
Building fixtures and fittings	15 years	20 years
Electrical facilities	15 years	20 years

#### 1.2.8. Provisions for risks and charges

This item covers:

- provisions intended to cover risks and charges related to banking operations which events that have occurred, or are in progress, make probable, clearly specified as to their purpose but whose materialisation is uncertain,
- provisions intended to cover risks and charges not directly related to banking transactions, clearly specified as to their purpose, and whose amount or maturity cannot be precisely determined.

#### 1.2.9. Pension liabilities and time savings accounts

Pension liabilities and time savings accounts are not subject to any provisions and do not give rise to any off-balance sheet commitments. The CMP does not manage any defined benefit schemes and does not participate in any funded pension schemes. On the other hand, the employer regularly contributes to pension schemes depending on the status of the staff concerned (civil pension, CNRAFL, URSSAF).

#### 1.2.10. Methods of evaluating extraordinary income and expenses

Extraordinary income and expenses include not only items that are not related to the normal activity of the company during the financial year, but also those that are of an exceptional nature in terms of their amounts.

#### 1.2.11. Profit-sharing and incentive schemes

Crédit Municipal de Paris has no employee profit-sharing scheme. There is no profit-sharing agreement, nor any end-of-career allowance within Crédit Municipal de Paris. No provision is made for long-service awards, as the establishment is a member of the CNAS.

### 1.2.12. Revaluation

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

### 1.2.13. Information on transactions with related parties

Pursuant to ANC regulation 2014-07 as amended by ANC regulation 2020-10, all transactions with related parties were concluded under normal market conditions.

## 2. CONSEQUENCES OF THE HEALTH CRISIS ON THE ACTIVITY OF THE CMP

The occurrence of the Covid-19 pandemic led to profound changes in the organisation of Crédit Municipal de Paris.

The highlights of the year following this health crisis were the introduction of a general appointment system for secured lending, the deployment of fully digital auctions, the acceleration of the digitisation of customer relations, with more than 80% of renewals carried out remotely, and the rapid introduction of teleworking for more than a third of the workforce.

## 3. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant post balance sheet events as at 31.12.2020.

## 4. CHANGE IN ACCOUNTING POLICIES

Crédit Municipal de Paris will apply a change in accounting method as of the 2020 financial year concerning lapsed bonuses for the production of its accounts in banking format. From now on, bonuses will be recognised under "Other operating income" in the income statement, whereas until the 2019 financial year they were recognised directly under "Reserves" within equity.

## 5. NOTES ON THE BALANCE SHEET

Amounts are given in thousands of euros to the nearest round number.

### A. RECEIVABLES WITH CREDIT INSTITUTIONS

In thousands of euros

Type of receivables (in K €)	31/12/2020	31/12/2019
Ordinary accounts	326,714	384,659
Account and Term Loans	148,000	115,000
Related receivables	205	438
Subordinated term loans	-	-
Related receivables Subordinated loans	-	-
<b>Total</b>	<b>474,919</b>	<b>500,097</b>

The volume of receivables with credit institutions decreased by 5.03% (i.e. -25.2 M €) under the effect of a significant drop of 15.06% in the amount of the volume of passbook accounts, while the outstanding amount on term accounts and loans increased by 28.70%. Crédit Municipal has therefore chosen to hold a higher proportion of term accounts in this item.

### REMAINING TERM

In thousands of euros

Remaining term	D <= 1 month	1 month < D <= 3 months	3 months < D <= 6 months	6 months < D <= 1 year	1 year < D <= 5 years	D > 5 years
Term account and loans (in K€)					14,8000	-

### B. CUSTOMER APPLICATIONS

#### INVENTORY (NET OF PROVISIONS)

In thousands of euros

Nature of the outstanding amounts (in K €)	31/12/2020	31/12/2019
Secured lending	185,648	208,946
Unattributed values	-	-
Bad debts	7,748	5,768
Accounts receivables	8,310	9,012
<b>Total</b>	<b>201,706</b>	<b>223,726</b>

Gross outstandings on secured loans decreased significantly (-11.15%) and stood at €185.65 million at the end of 2020.

## STATEMENTS OF IMPAIRMENT ON BAD DEBTS

In thousands of euros

Nature of the outstanding amounts (in K €)	Gross outstanding bad debts	Provisions	Write backs	Net outstanding bad debts
<b>Secured lending</b>	<b>8,934</b>	<b>1,304</b>	<b>118</b>	<b>7,748</b>
Downgrading by contagion	2,879	-	-	2,879
Receivables of more than three months	4,932	174	110	4,868
Bad pledges	1,123	1,130	8	1
Accounts receivable	-	-	-	-
Related receivables	2,202	2,312	110	-
<b>Total</b>	<b>11,136</b>	<b>3,616</b>	<b>228</b>	<b>7,748</b>

Impairments on bad pledges fall very slightly between 2019 and 2020 by 0.61%.

Impairments on interest due increased between 2019 and 2020 by 14.75%.

As the risk of non-recovery is measured on the basis of losses actually recorded on pledges put up for sale during the current year and the three previous years, the impairment rate calculated by the ratio of losses recorded to the amount of loans outstanding is 1.30% in 2020, i.e. a decrease of 0.67 points compared to 2019.

## BREAKDOWN OF HEALTHY LOANS (EXCLUDING ACCOUNTS RECEIVABLES) BY REMAINING TERM

In thousands of euros

Remaining term	D <= 1 month	1 month < D <= 3 months	3 months < D <= 6 months	6 months < D <= 1 year	1 year < D <= 5 years	D > 5 years
Amount (in K€)	19,512	28,938	42,149	95,049		

## C. EQUITY SECURITIES AND SECURITIES TRANSACTIONS

Are broken down as follows:

In thousands of euros	Gross value 2020	Changes in the amount of depreciation	Net value 2020	Net value 2019
<b>Equity securities (in K €)</b>				
CMP-Bank	-	-	-	35,425
Microfinance	25	-	25	25
ABC Microfinance	25	-25	-	25
Microdon SAS	-	-	-	50
Don Boule de neige	20	-	20	20
Elogie SIEMP	6	-	6	6
<b>Shareholder's certificate (in K €)</b>				
FGDR	126	-	126	77
<b>Total</b>	<b>202</b>	<b>- 25</b>	<b>177</b>	<b>35,628</b>
<b>Securities transactions (in K €)</b>				
Bonds and other listed securities	1,486	- 87	1,399	-
Accounts receivables	-	-	-	-
<b>Total</b>	<b>1,486</b>	<b>- 87</b>	<b>1,399</b>	<b>-</b>

Crédit Municipal de Paris has held bonds since the transfer of all its assets and liabilities on 31/03/2020. Within the framework of the sale of a portfolio of receivables to the FCT FONCRED III, CMP-Banque had to subscribe to bonds issued by this fund in order to meet the requirements of European regulations.

## D. FIXED ASSETS

By convention, disposals during the year are shown with a negative sign. Fixed assets are recorded in the balance sheet at their acquisition price.

In thousands of euros

Type of fixed assets (in K €)	Gross value 2020	Acquisitions during the year	Item-to-item transfers	Disposals in the year	Gross value 2019
Intangible assets	3,527	52	768	0	2,707
Land and buildings	40,945	25	-	- 25	40,945
Non-operating assets	-	-	-	-	-
Other tangible assets	31,705	1,694	273	- 1	29,739
Assets under lease	623	-	-	-	623
Fixed intangible assets in progress	453	750	- 768	-	471
Fixed tangible in progress	337	495	- 273	-	115
<b>Total</b>	<b>77,590</b>	<b>3,016</b>	<b>-</b>	<b>- 26</b>	<b>74,600</b>

## E. DEPRECIATION

In thousands of euros

Type of fixed assets (in K €)	Gross value 2020	Disposals in the year	Depreciation for the year	Gross value 2019
Intangible assets	2,588	-	383	2,205
Land and buildings	22,143	- 25	705	21,463
Non-operating assets	624	-	-	624
Other tangible assets	22,029	-	1,838	20,191
Assets under lease	-	-	-	-
<b>Total</b>	<b>47,384</b>	<b>- 25</b>	<b>2,926</b>	<b>44,483</b>

Depreciation methods and the estimated lifetimes are as follows:

Nature of the works (in K €)	Depreciation term	Purchase value	Net value 2020	Net value 2019
Renovation of the building	20 years	1,396	235	269
Safety work	20 years	2,404	631	700
Renovation of the roof	20 years	1,448	558	573
Motorised access	20 years	115	37	40
Heating, air conditioning, electricity	20 years	524	66	73
EDF Generator hut	20 years	2,235	1,761	1,877
<b>Total</b>	<b>-</b>	<b>8,122</b>	<b>3,288</b>	<b>3,532</b>

## Nature of the assets

Development costs and software	Straight line	5 years
Office equipment and furniture	Straight line	3 - 5 and 10 years
Fixtures and fittings	Straight line	10 - 15 - 20 and 25 years
Revaluation of the building	Straight line	50 years

## F. ACCRUALS AND MISCELLANEOUS ASSETS

In thousands of euros

Type of accounts (in K €)	31/12/2020	31/12/2019
Settlement accounts for securities transactions	-	-
Miscellaneous debtors	3,984	5,634
Accruals and deferred income	410	193
Accounts receivables	-	-
<b>Total</b>	<b>4,394</b>	<b>5,827</b>

The "Sundry debtors" account is mainly composed of expected payments from auctioneers corresponding to sales carried out in November and December 2020 (€1.64 million), receivables from litigation relating to the secured lending business (€1.36 million) and expected refunds of tax credits and refunds (€0.36 million).

## G. DEBTS WITH CREDIT INSTITUTIONS

In thousands of euros

Type of receivables (in K €)	31/12/2020	31/12/2019
Term accounts and loans	-	-
Accounts receivables	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Crédit Municipal de Paris no longer has any debt with credit institutions.

## BREAKDOWN OF ACCOUNTS AND TERM LOANS BY REMAINING TERM

In thousands of euros

Remaining term	D <= 1 month	1 month < D <= 3 months	3 months < D <= 6 months	6 months < D <= 1 year	1 year < D <= 5 years	D > 5 years
Account and term loans (in K€)						

## H. ACCOUNTS PAYABLE TO CUSTOMERS AND OTHER CUSTOMER DEPOSITS

En euros

Type of accounts (in K €)	31/12/2020	31/12/2019
Cash certificates	30	30
Term accounts	42,609	42,112
Passbook accounts	106,604	98,073
Other amounts due	2,961	2,348
Accounts payable	363	400
<b>Total</b>	<b>152,567</b>	<b>142,963</b>

Since June 2012, Crédit Municipal de Paris has been distributing savings products to individuals to diversify its sources of refinancing. At 31 December 2020, these deposits consisted of passbook accounts for €106.60 million and term accounts for €42.60 million. The term accounts have a renewable term of 12, 18 or 24 months. The outstanding volume of customer credit accounts increased (+6.72%) under the combined effect of a very slight increase in term accounts (+1.18%) and a stronger increase in passbook accounts (+8.70%), due to the relative attractiveness of the interest rates paid in the current context, notwithstanding the revisions of the rate schedule in March and November 2020.

## BREAKDOWN OF TERM ACCOUNTS AND LOANS BY REMAINING TERM

In thousands of euros

Remaining term	D <= 1 month	1 month < D <= 3 months	3 months < D <= 6 months	6 months < D <= 1 year	1 year < D <= 5 years	D > 5 years
Term accounts payable (in K€)	2,241	3,890	4,810	14,525	17,143	

## I. DEBTS REPRESENTED BY A SECURITY

In thousands of euros

Type of accounts (in K €)	31/12/2020	31/12/2019
C.D.N.	448,788	544,967
B.M.T.N.	10,000	10,000
Securities given on repo	-	-
<b>Subtotal</b>	<b>458,788</b>	<b>554,967</b>
Accounts payable	13	13
<b>Total</b>	<b>458,801</b>	<b>554,980</b>

The overall refinancing amount of Crédit Municipal de Paris fell by 17.33% (-€96.1M) between 2019 and 2020. The main reasons for this change are the recovery of CMP-Banque's cash, the decrease in outstanding secured loans, the increase in outstanding solidarity savings and the generation of cash through net banking income.

## DISTRIBUTION OF RESOURCES (EXCLUDING ACCOUNTS RECEIVABLE DEBTS) ACCORDING TO THE REMAINING TERM TO MATURITY

In thousands of euros

Remaining term	D <= 1 month	1 month < D <= 3 months	3 months < D <= 6 months	6 months < D <= 1 year	1 year < D <= 5 years	D > 5 years
Amount in K€	105,160	208,292	1,10,221	25,115	10,000	0

## J. ACCRUALS AND OTHER LIABILITIES

In thousands of euros

Type of accounts (in K €)	31/12/2020	31/12/2019
Sundry creditors	1,596	1,492
Accruals and deferred income	449	211
<b>Total</b>	<b>2,045</b>	<b>1,703</b>

Sundry creditors mainly include charges to suppliers (€0.94m), contributions to be paid back to social security and tax bodies (€0.23m), tenants' deposits (€0.16m).

## K. PROVISIONS FOR RISKS AND CHARGES

In thousands of euros

Nature of provisions (in K €)	Net value 2020	Increases during the year	Write backs during the year	Net value 2019
Provisions for pensions	-	-	-	-
Provisions for losses and charges	4,059	2,321	-	1,738
Provisions for risks and charges that have borne the IS	-	-	-	-
Provisions for redundancy	-	-	-	-
Exceptional provisions PSG	1,352	-	-	1,352
Provisions for bad pledges	6	1	3	8
<b>Total</b>	<b>5,417</b>	<b>2,322</b>	<b>3</b>	<b>3,098</b>

The increase in balance sheet provisions mainly concerns the write back of provisions previously recorded in the CMP-Banque balance sheet: provisions for customer disputes in the amount of €1,360k, provisions for the disposal of receivables in the amount of €543k, and provisions dedicated to the run-off process and including a job protection plan in the amount of €258k.

## 6. EQUITY

In thousands of euros

Equity (in K €)	31/12/2020	Dividends distributed	Capitalisation of bonuses	Changes linked to disposals	Distribution of profit	31/12/2019
Initial allocation	47,000			-		47,000
Retained earnings	150				150	-
<b>Reserves</b>	<b>48,064</b>	<b>-</b>		<b>-</b>	<b>8,545</b>	<b>39,520</b>
Capitalised surpluses	35,695				8,545	27,151
Capitalised bonuses	12,369					12,369
Revaluation surplus	40,119					40,119
Gain or loss on disposal	- 8			- 10		2
Retained earnings	-					-
<b>Subtotal</b>	<b>135,325</b>	<b>-</b>		<b>- 10</b>	<b>8,695</b>	<b>126,641</b>
Income for the year before allocation and distribution	5,784	-				8,695
<b>Total</b>	<b>141,109</b>	<b>-</b>		<b>- 10</b>	<b>8,695</b>	<b>135,336</b>

The profit for the financial year 2019 of 8,694,798.40 was charged against capitalised reserves for 8,544,798.40 and carried forward for €150,000.

### PRO FORMA PRESENTATION OF EQUITY:

Equity (in K €)	31/12/2020	Dividends distributed	Capitalisation of bonuses	Changes linked to disposals	Distribution of profit	31/12/2019 pro forma
Initial allocation	47,000			-		47,000
Retained earnings	150				150	-
<b>Reserves</b>	<b>48,064</b>	<b>-</b>		<b>-</b>	<b>9,030</b>	<b>39,035</b>
Capitalised surpluses	36,181				9,030	27,151
Capitalised bonuses <sup>(2)</sup>	11,884					11,884
Revaluation surplus	40,119					40,119
Capital allowance received	- 8			- 10		2
Retained earnings	-					-
<b>Subtotal</b>	<b>135,325</b>	<b>-</b>		<b>- 10</b>	<b>9,180</b>	<b>126,156</b>
Profit for the year before allocation and distribution <sup>(1)</sup>	5,784	-				9,180
<b>Total</b>	<b>141,109</b>	<b>-</b>		<b>- 10</b>	<b>9,180</b>	<b>135,336</b>

The new method of accounting for bonuses leads to an increase in profit for the year of €426,000 in 2020 (1). At the same time, the amount of the capitalised bonuses item is reduced by the same amount (2).

## 7. NOTES ON OFF-BALANCE SHEET ITEMS

### A. SWAP TRANSACTIONS

Crédit Municipal de Paris no longer holds any swaps.

### B. COMMITMENTS GIVEN AND RECEIVED

Off Balance Sheet (in €)	31/12/2020	31/12/2019
Commitments given	-	-
Funding commitments	-	-
Guarantee commitments	-	-
Commitments on securities	-	-
<b>Commitments received</b>	<b>197,694,266.58</b>	<b>219,870,028.17</b>
Commitments to customers	-	-
Funding commitments received	-	-
Guarantee commitments received from customers	197,694,266.58	219,870,028.17
Commitments on forward financial instruments	-	-
<b>Total</b>	<b>197,694,266.58</b>	<b>219,870,028.17</b>

Off-balance sheet commitments relate exclusively to guarantees received in the secured lending business.

## 8. NOTES ON THE PROFIT AND LOSS STATEMENT

Amounts are given in thousands of euros to the nearest round number.

### A. NET BANKING INCOME

In thousands of euros

Net Banking Income (in K €)	31/12/2020	31/12/2019 pro forma	31/12/2019
+ Income from treasury and interbank operations	364	3,210	3,210
+ Income from securities transactions	1,635	1,583	1,583
<b>+ Income from customer transactions</b>	<b>17,475</b>	<b>18,088</b>	<b>18,088</b>
Interests	15,451	15,966	15,966
Commissions	2,024	2,122	2,122
+ Income from off-balance sheet transactions	-	-	-
+ Other banking operating income	2,725	2,829	2,829
- Expenses on interbank transactions	-	- 468	- 468
- Expenses on financial operations	- 373	- 529	- 529
- Expenses on customer transactions	- 854	- 1,140	- 1,140
- Expenses on off-balance sheet transactions	-	-	-
- Other banking operating expenses	- 213	- 170	- 170
+ Other operating income*	4,148	4,170	3,466
- Other operating expenses	-	-	-
<b>Net Banking Income (before re-invoiced expenses)</b>	<b>24,907</b>	<b>27,573</b>	<b>26,869</b>
+ Intra-group re-invoiced expenses	66	276	276
<b>Net Banking Income with re-invoiced expenses</b>	<b>24,973</b>	<b>27,849</b>	<b>27,145</b>

### \*DETAIL OF OTHER OPERATING INCOME:

Other operating income (in K €)	31/12/2020	31/12/2019 pro forma	31/12/2019
Rental of buildings	2,301	2,272	2,272
Products of the conservation business	559	475	475
Lapsed bonuses	592	704	-
Other products	696	719	719
<b>Total</b>	<b>4,148</b>	<b>4,170</b>	<b>3,466</b>

### B. ANCILLARY INCOME

In thousands of euros

Ancillary income (in K €)	31/12/2020	31/12/2019
Income from buildings	2,301	2,272
Miscellaneous operating income (rebilled expenses)	416	421
Other miscellaneous operating income	839	773
Intra-group re-invoicing	41	174
Rent received from CMP-Bank	26	103
<b>Total</b>	<b>3,623</b>	<b>3,743</b>

### C. GENERAL OPERATING EXPENSES

In thousands of euros

General operating expenses (in K €)	31/12/2020	31/12/2019
Staff costs	9,053	9,022
Staff remuneration	5,936	5,843
Social security charges	2,481	2,551
Tax charges	636	628
Taxes and duties	506	472
External services	45	53
Rental	24	38
Remuneration of intermediaries	-	-
Transport and travel	21	15
<b>Other external services</b>	<b>6,766</b>	<b>5,780</b>
Maintenance-Repair-Supplies	2,033	2,006
External fees	1,109	1,223
Other external services	3,624	2,551
Intra-group re-invoicing	49	80
<b>Total</b>	<b>16,419</b>	<b>15,407</b>

#### D. COST OF RISK

In thousands of euros

Cost of risk (in K €)	31/12/2020	31/12/2019
Customer transactions	- 1,328	- 364
Net provision for bad debts	- 486	- 260
Losses on sales	- 14	- 28
Allocation to other operating provisions	- 342	
Exceptional allocations	-	-
Exceptional losses	- 472	- 75
Bad debt losses covered by provisions	- 14	- 1
Losses on bad debts not covered by provisions	-	-
Other operations	219	270
Net allowances on operating bad debts - Third parties	-	-
Net allocation to NGF	-	-
Write backs of provisions	219	270
<b>Total</b>	<b>- 1,109</b>	<b>- 94</b>

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

#### E. SUMMARY OF PROVISIONS

In thousands of euros

Summary of provisions (in K €)	Provisions 2020	Change during the year	Provisions 2019
Provisions for credit institutions	-	-	-
Customer provisions	3,389	283	3,106
Provisions for investment securities	-	-	-
Provisions for equity investments	25	- 48,587	48,612
Provisions for impairment of fixed assets	-	-	-
Provisions for miscellaneous debtors	259	194	66
Provisions for liabilities and charges	5,418	2,320	3,098
<b>Total</b>	<b>9,091</b>	<b>- 45,790</b>	<b>54,882</b>

#### F. GAINS OR LOSSES ON FIXED ASSETS

In thousands of euros

Gains or losses on fixed assets (in K €)	31/12/2020	31/12/2019
TUP bonus	2,550	-
Other gains	102	1,500
Carrying amount of assets disposed of	- 25	-
Other losses	- 25	-
<b>Total</b>	<b>2,602</b>	<b>1,500</b>

#### G. EXTRAORDINARY ITEMS

In thousands of euros

Type of accounts (in K €)	31/12/2020	31/12/2019
Extraordinary expenses	42	1,440
Losses on disposal of assets	-	-
Cancelled securities from previous years	29	30
Compensation for impaired collateral	6	22
Other extraordinary losses	7	1,388
Extraordinary income	117	1,437
Cancelled mandates from previous years	92	62
Recoveries after write-off	-	-
Miscellaneous extraordinary income	25	1,375
<b>Extraordinary income</b>	<b>75</b>	<b>- 3</b>

#### H. TAX REGIME

Corporation tax was calculated at a rate of 28% for the entire tax income; the item also includes the social security contribution on profits at 3.30%.

	Income before tax	Taxes	Income after tax
CURRENT INCOME	7,147,475	1,439,057	5,708,418
EXTRAORDINARY INCOME	75,432		75,432
NET INCOME	7,222,907	1,439,057	5,783,850

#### I. COMPETITIVENESS AND EMPLOYMENT TAX CREDIT (CICE)

Article 86 of Finance Act No. 2017-1837 of 30 December 2017 for 2018, modified by article 155 of Finance Act No. 2018-1317 of 28 December 2018 for 2019 abolishes the CICE scheme for remuneration paid as of 1 January 2019.

In 2019, Crédit Municipal de Paris benefited from a balance of tax credit for an adjustment concerning the 2017 financial year.

CICE	2020	2019
Amount		704

## 9. OTHER INFORMATION

### A. WORKFORCE

As at 31.12.2020, the workforce consisted of 154, with 140.3 FTE.

### B. PERSONAL TRAINING ACCOUNT

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

### C. REMUNERATION

No attendance fees are allocated to members of the Policy and Supervisory Board. The remuneration of managers is not mentioned, as this would be tantamount to providing information on their individual remuneration.

### D. AUDITORS' FEES

Amount in € excl. VAT	KPMG	Grant Thornton	Total
Certification of accounts	50,000	45,000	95,000
Services other than 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 of the 2020 financial year to reserves in the amount of € 5,333,848.81 and to retained earnings in the amount of € 450,000.

## 10. SUBSIDIARIES AND HOLDINGS

### Financial information

Details of each subsidiary and holding exceeding 1% of capital subject to publication	Capital (in K €)	Equity other than capital	Share of capital held (in %)	Profits or losses for the last financial year in K €)
Subsidiaries more than 50% owned None	-	-	-	-
Holdings 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	-	-	202	-
Net	-	-	177	-
Amount of loans and advances granted	-	-	-	-
Amounts of subordinated loans	-	-	-	-
Amount of commitments and guarantees given	-	-	-	-
Amount of dividends received	-	-	-	-



**Grant Thornton**  
SAS d'Expertise Comptable et de Commissariat 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 RCS Nanterre 632 013 843 29 rue du Pont 92200 Neuilly-Sur-Seine



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

### Crédit Municipal de Paris

Etablissement Public Administratif  
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 2020

A 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 2020, 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 prévues par le code de commerce et par le code de déontologie de la profession de commissaire aux comptes sur la période du 1er janvier 2020 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.

## Observations

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur le point suivant exposé dans la note 4 de l'annexe des comptes annuels appelée « Changement de méthode comptable » concernant le changement de méthode comptable relatif aux bonis prescrits. Depuis le 1<sup>er</sup> janvier 2020, ils sont comptabilisés dans le poste « Autres produits d'exploitation bancaire » du compte de résultat alors que jusqu'en 2019 ils étaient comptabilisés directement au poste « Réserves » au sein des capitaux propres.

## Justification des appréciations - Points clés de l'audit

La crise mondiale liée à la pandémie de COVID-19 crée des conditions particulières pour la préparation et l'audit des comptes de cet exercice. En effet, cette crise et les mesures exceptionnelles prises dans le cadre de l'état d'urgence sanitaire induisent de multiples conséquences pour les entreprises, particulièrement sur leur activité et leur financement, ainsi que des incertitudes accrues sur leurs perspectives d'avenir. Certaines de ces mesures, telles que les restrictions de déplacement et le travail à distance, ont également eu une incidence sur l'organisation interne des entreprises et sur les modalités de mise en œuvre des audits.

C'est dans ce contexte complexe et évolutif que, 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 du Directeur Général 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 2020, le cabinet KPMG S.A. était dans la 14<sup>ème</sup> année de sa mission sans interruption et le cabinet Grant Thornton dans la 8<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 26 mars 2021

GRANT THORNTON  
Membre français de Grant Thornton International



Leslie Fitoussi  
Associée

KPMG S.A.



Ulrich Sarfati  
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