

**FINANCIAL STATEMENTS OF**

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**BNP PARIBAS HOME LOAN SFH**

**Dated 31 DECEMBER 2019**

## INCOME STATEMENT AT 31/12/2019

In euros	Notes	31/12/2019	31/12/2018
Interest and similar income	2.a	447 817 079	468 243 721
Interest and similar expenses	2.a	(447 095 010)	(467 447 410)
Revenues from variable-income securities			-
Commissions (income)	2.b	1 250 000	1 250 000
Commissions (expenses)	2.b	(352 672)	(96 848)
Gains or losses on transactions on trading portfolios		(0)	294
Gains or losses on transactions on investment portfolios and similar		-	-
Other income from banking operations - Single Resolution Fund	2.c	1 368 591	1 298 498
Other expenses on banking operations		-	-
<b>NET BANKING INCOME</b>		<b>2 987 989</b>	<b>3 248 254</b>
Labour costs		-	-
Other administrative expenses	2.c	(802 657)	(711 899)
<i>Including (S) ingle (R) esolution (F) und (1)</i>			
Various Bank Operating Charges		(1 368 591)	(1 298 498)
Amortisation and impairment charge on tangible and intangible fixed assets		-	-
<b>GROSS OPERATING PROFIT</b>		<b>816 741</b>	<b>1 237 857</b>
Cost of risk		-	-
<b>OPERATING PROFIT</b>		<b>816 741</b>	<b>1 237 857</b>
Gains or losses on capitalised assets			
Net transfers to regulated provisions			
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		<b>816 741</b>	<b>1 237 857</b>
Net exceptional income/expense			
Corporate income tax	2.d	(243 818)	(381 591)
<b>NET PROFIT</b>		<b>572 923</b>	<b>856 266</b>

## BALANCE SHEET AT 31/12/2019

In euros	Notes	00/01/1900	31/12/2018
<b>ASSETS</b>			
Cash, Central Banks, PO accounts		1 790	1 972
Treasury bills and similar securities		-	-
Loans and advances to banks	3.a	29 504 315 414	29 725 149 099
Transactions with clients		-	-
Bonds and other fixed-income securities		-	-
Equities and other variable-income securities		-	-
Equity investments and other long-term securities	3.c	-	-
Interests in group companies		-	-
Lease financing with purchase option		-	-
Intangible fixed assets		-	-
Tangible fixed assets		-	-
Treasury shares		-	-
Other assets	3.b	1 444 451	1 060 552
Adjustment accounts	3.d	205 915 090	222 951 534
<b>TOTAL ASSETS</b>		<b>29 711 676 745</b>	<b>29 949 163 157</b>
<b>LIABILITIES</b>			
<b>DEBTS</b>			
Central Banks, PO accounts	3.a	-	-
Amounts due to banks	3.a	2 300 005 208	1 300 004 242
Transactions with clients		-	-
Debt securities	3.e	27 052 942 734	28 281 116 206
Other liabilities	3.b	25 940	73 626
Adjustment accounts	3.d	31 887 167	40 871 970
Provisions for contingencies and charges		-	-
Subordinated debt	3.f	40 032 978	40 032 317
<b>TOTAL DEBTS</b>		<b>29 424 894 027</b>	<b>29 662 098 361</b>
<b>SHAREHOLDERS' EQUITY</b>			
	4.b		
Share capital subscribed		285 000 000	285 000 000
Premium on shares			
Reserves		1 115 490	1 072 677
Retained earnings		94 305	135 853
Profit for the period		572 923	856 266
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>286 782 719</b>	<b>287 064 796</b>
<b>TOTAL LIABILITIES</b>		<b>29 711 676 745</b>	<b>29 949 163 157</b>
<b>OFF-BALANCE-SHEET ITEMS</b>			
<b>COMMITMENTS GIVEN</b>			
Finance commitments		-	-
Guarantee commitments		1 302 068	1 060 552
Commitments on securities		-	-
<b>COMMITMENTS RECEIVED</b>			
Finance commitments		-	-
Guarantee commitments		-	-
Commitments on securities		-	-

\* Banque de France Bank Account

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## CORPORATE FINANCIAL STATEMENTS

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## **1. SUMMARY OF THE ACCOUNTING PRINCIPLES APPLIED BY BNP PARIBAS HOME LOAN SFH**

The financial statements of BNP Paribas Home Loan SFH have been prepared in accordance with general accounting principles applicable in France to banks, as appearing in ANC Regulation No. 2014-07 dated 26 November 2014.

The income statement dated 31 December 2019 and the related notes to the Financial Statements provide comparative information for 31 December 2018.

The method adopted for valuing items recorded in the accounting records is historical cost.

The main methods applied are as follows:

### **Loans and advances to banks and clients**

Loans and advances to banks cover all loans and advances, including the subordinated type, made within the context of banking transactions to banks with the exception of those represented by certificates. They also include repo securities in any transaction medium and loans and advances relating to delivered repurchases. These are broken down into on-demand and term loans.

Loans and advances to banks and clients are stated in the balance sheet at face value plus accrued interest not yet due.

### **Debt Securities**

Debt securities are recorded at amortized cost.

Premiums on shares or redemption of bond borrowings are amortised on an actuarial basis over the term of the borrowing.

### **Derivative financial instruments held for hedging purposes**

Following modification of the BNP Paribas rating and in accordance with the issue program documentation, on 13 January 2012 BNP Paribas Home Loan SFH installed contracts for hedging the rate risks with BNP Paribas SA within the framework of the "Hedging Strategy", after having obtained approval from the rating agencies.

Within that framework,

- the derivative financial instruments designated as hedging instruments for the Company's assets and liabilities represent 120,144,173 € and are classified in category b), micro-hedging, in application of ANC Regulation No. 2014-07.
- the derivative financial instrument for hedging the underlying assets in terms of collateral and its mirror swap, representing -32,252,172,612 €, has been classified in category a), isolated open positions, in application of ANC Regulation No. 2014-07 and constitute a uniform whole.

The swaps held are held only for hedging purposes

The income and charges relative to the forward derivative financial instruments used for hedging purposes, originally assigned to an identified element or to an identified uniform set of elements, are posted to earnings in a way symmetrical with the posting of the income and charges on the hedged elements and under the same accounting heading.

The charges and income relative to the forward financial instruments having the purpose of hedging and managing a global interest rate risk are entered prorata temporis under earning.

### **Recognition of income and charges**

Interest and related commissions are recognised as they arise, on a prorata basis.

Commissions not similar in nature to interest and corresponding to the provision of services are recognised as of the date on which the services are provided or on a pro-rata basis for the duration of the service rendered when that service is continuous.

Income and charges in foreign currencies are stated at the converted value as of the date of the transaction.

### **Foreign currency transactions**

Receivables and liabilities denominated in foreign currencies are valued at the spot exchange rate as of the balance sheet date.

The conversion of these transactions denominated in foreign currencies as of the balance sheet date gives rise to a difference recognised through profit or loss.

Income and charges denominated in foreign currencies and relating to loans or borrowings are recorded in the income and charges accounts opened in each of the foreign currencies concerned, with the conversion being made at the monthly closeout dates.

### **Information concerning transactions between affiliated parties**

In the light of the company's business and of its capital link (subsidiary 99.99% held by BNP Paribas SA), the obligations of ANC No. 2014-07 concerning presentation of the information about affiliated parties are inapplicable.

### **Tax consolidation rules**

BNP Paribas Home Loan SFH is consolidated by the "Groupe Fiscal France", the group head of which is BNP Paribas since 01/01/2005.

With respect to corporation tax, pursuant to the terms of the tax consolidation agreement, the tax is determined by the subsidiary as if there were no tax consolidation.

The amount calculated in this way, after deduction of the tax credits if any, is due to the parent company, BNP PARIBAS SA.

## **Consolidation**

The accounts of BNP Paribas Home Loan SFH are included on the basis of the full consolidation method in the consolidated accounts of BNP Paribas S.A.

## **General information**

- Within the context of the issuance of housing bonds, BNP Paribas has collateralised, for BNP Paribas Home Loan SFH, a pool of real estate loans totalling 32,252,172,612 € as of 31 December 2019.

This pool is used to an extent of 28,900,869,598 € in connection with the existing issues.

- Following changes in the BNP Paribas rating and pursuant to the documentation of the issue program, on 13 January 2012 BNP Paribas Home Loan SFH installed hedging contracts with BNP Paribas SA within the framework of the hedging strategy after having obtained the rating agencies' approval.

The company has its registered office in France and, in accordance with the provisions of Article L. 513-29 of the French Monetary and Financial Code does not have any branch or subsidiary established abroad, including in non-cooperative countries.

## 2. NOTES ON THE INCOME STATEMENT AT 31/12/2019

### 2.a INTEREST MARGIN

Under the headings "Interest and similar income" and "Interest and similar expenses" BNP Paribas Home Loan SFH shows the calculated income on financial instruments carried at amortised cost.

In euros	00/01/1900		31/12/2018	
	Income	Expenses	Income	Expenses
<b>Banks</b>	<b>447 817 079</b>	<b>(7 728 956)</b>	<b>468 243 721</b>	<b>(7 215 863)</b>
Demand accounts, loans and borrowings	447 817 079	(7 728 956)	468 243 721	(7 215 863)
<b>Debt securities</b>		<b>(439 366 053)</b>		<b>(460 231 548)</b>
Bonds		(438 594 113)		(459 448 124)
Term subordinated debt		(771 940)		(783 423)
<b>Interest income and expenses</b>	<b>447 817 079</b>	<b>(447 095 010)</b>	<b>468 243 721</b>	<b>(467 447 410)</b>

Interest income and expenses on hedging derivatives are shown with the income from the items for which they contribute to hedging the risks

### 2.b COMMISSIONS

In euros	00/01/1900		31/12/2018	
	Income	Expenses	Income	Expenses
<b>Banking and financial transactions</b>	<b>1 250 000</b>	<b>(352 672)</b>	<b>1 250 000</b>	<b>(96 848)</b>
Securities trading	1 250 000	(352 672)	1 250 000	(96 848)
<b>Commission income and expenses</b>	<b>1 250 000</b>	<b>(352 672)</b>	<b>1 250 000</b>	<b>(96 848)</b>

In euros	00/01/1900		31/12/2018	
	Income	Expenses	Income	Expenses
<b>Gains or losses on trade portfolio transactions</b>		<b>(0)</b>	<b>294</b>	
<b>Commission income and expenses</b>		<b>-</b>	<b>294</b>	<b>-</b>



## 2.c OPERATING GENERAL EXPENSES & VARIOUS OPERATING INCOME

In euros	00/01/1900	31/12/2018
<b>Other administrative expenses</b>	<b>(802 657)</b>	<b>(711 899)</b>
<i>Remuneration of intermediaries</i>	<i>(700 941)</i>	<i>(662 164)</i>
<i>Taxes and duties</i>	<i>(101 716)</i>	<i>(49 735)</i>
<i>Guarantee fund and (S)ingle (R)esolution (F)und</i>		
<b>Total general operating expenses</b>	<b>(802 657)</b>	<b>(711 899)</b>
<i>Guarantee fund and (S)ingle (R)esolution (F)und ( 1 )</i>	<i>(1 368 591)</i>	<i>(1 298 498)</i>
<b>Total Various Bank Operating Charges</b>	<b>(1 368 591)</b>	<b>(1 298 498)</b>

(1) Reallocation of the contribution to the (S)ingle (R)esolution (F)und to miscellaneous bank operating charges

In euros	00/01/1900	31/12/2018
<b>Various operating income</b>	<b>1 368 591</b>	<b>1 298 498</b>
Other various operating income <sup>(1)</sup>	1 368 591	1 298 498

(1) European Regulation No. 806/2014 of the Single Resolution Fund.  
2019 call for fund in an amount of 1 368 591 euros with re invoicing to BNP PARIBAS pursuant to the 2019 Fee

## 2.d CORPORATE INCOME TAX

In euros	00/01/1900	31/12/2018
<b>Current tax for the period</b>	<b>(243 818)</b>	<b>(381 591)</b>
<b>Corporate income tax</b>	<b>(243 818)</b>	<b>(381 591)</b>

### 3. NOTES ON THE BALANCE SHEET AT 31/12/2019

#### 3.a AMOUNTS DUE TO AND FROM BANKS

In euros	00/01/1900	31/12/2018
<b>Loans and receivables</b>	<b>29 504 315 414</b>	<b>29 725 149 099</b>
Ordinary debit accounts	13 360 435	13 547 994
Term accounts and loans	29 490 954 978	29 711 601 105
<b>Loans and amounts due from banks</b>	<b>29 504 315 414</b>	<b>29 725 149 099</b>
<i>Including associated receivables</i>	<i>276 763 058</i>	<i>285 418 536</i>

In euros	00/01/1900	31/12/2018
<b>Ordinary credit accounts</b>	<b>0</b>	<b>0</b>
<b>Debts and borrowings</b>	<b>2 300 005 208</b>	<b>1 300 004 242</b>
<b>Amounts due to banks</b>	<b>2 300 005 208</b>	<b>1 300 004 242</b>
<i>Including associated liabilities <sup>(1)</sup></i>	<i>0</i>	<i>0</i>

<sup>(1)</sup> Interest rates on collateral being negative, the interest was attached to assets in 2019 as in 2018

#### 3.b OTHER ASSETS AND LIABILITIES

In euros	00/01/1900	31/12/2018
<b>Miscellaneous payables</b>	<b>1 444 451</b>	<b>1 060 552</b>
<i>Including (S)ingle (R)esolution (F)und</i>	<i>1 302 068</i>	<i>1 060 552</i>
<b>Other assets</b>	<b>1 444 451</b>	<b>1 060 552</b>
<b>Miscellaneous creditors</b>	<b>25 940</b>	<b>73 626</b>
<b>Other liabilities</b>	<b>25 940</b>	<b>73 626</b>

As at 31/12/2019, no trade payables appeared in the BNP Paribas Home Loan SFH accounts

### 3c ADJUSTMENT ACCOUNTS

In euros	00/01/1900	31/12/2018
<b>Accrued income</b>	811 737	793 620
<b>Other debit adjustment accounts</b>	205 103 354	222 157 914
<i>Prepaid charges</i>	205 103 354	222 157 914
<b>Adjustment accounts – assets</b>	<b>205 915 090</b>	<b>222 951 534</b>
<b>Accrued expenses</b>	989 585	1 011 000
<b>Other credit adjustment accounts</b>	30 897 582	39 860 970
<i>prepaid income</i>	30 897 582	39 860 970
<i>Other adjustment accounts</i>	0	0
<b>Adjustment accounts – liabilities</b>	<b>31 887 167</b>	<b>40 871 970</b>

The adjustment accounts – assets include the zero-coupon bond redemption premiums still to be spread out for 186,9 M€ in 2019 (194,4 M€ in 2018).

### 3.d DEBT SECURITIES

In euros	00/01/1900	31/12/2018
<b>Bonds</b>	26 817 953 338	28 041 244 563
<b>Associated liabilities</b>	234 989 396	239 871 643
<b>Debt securities</b>	<b>27 052 942 734</b>	<b>28 281 116 206</b>

### 3.e SUBORDINATED DEBT

In euros	00/01/1900	31/12/2018
<b>Repayable subordinated debt</b>	40 000 000	40 000 000
<b>Associated liabilities</b>	32 978	32 317
<b>Subordinated debt</b>	<b>40 032 978</b>	<b>40 032 317</b>

## 4. ADDITIONAL INFORMATION

### 4.a POST-CLOSING EVENTS

The coronavirus outbreak, which began at the close of 2019, was not recognized as a pandemic by the World Health Organisation until 11 March 2020. Many Governments and regulatory agencies took various measures to curb its spread by imposing travel restrictions and through quarantines, closures of businesses and other activities, and containment of certain areas. These measures are bound to affect global supply chains and demand for goods and services and will therefore have a significant impact on global growth.

Concurrently, fiscal and monetary policies have been eased so as to bolster the economy. While these government measures and their effects are still evolving, uncertainty remains high about the extent of the damage that this epidemic may have caused to both local and global economies. The financial statements at December 31, 2019 have been prepared on a going concern basis and have discounted the effects of this event after the balance sheet date. This epidemic might have a more or less severe impact on the financial statements for the financial year 2020. These will depend in particular on the financial health of customers prior to the epidemic and the effectiveness of governmental and financial support measures they will be able to avail themselves of [and on the extent of the damage affecting their business activities or workforce. While the effect of these events on [the entity] is largely unpredictable as the pandemic continues to spread, these impacts will primarily affect the valuation of assets. These will be mitigated by the effects of the package of counter-cyclical measures.

### 4.b CHANGES IN SHARE CAPITAL IN EUROS

	Number of shares				Nominal value
	at the beginning of the accounting period	created during the accounting period	redeemed during the accounting period	at the end of the accounting period	
Ordinary shares	28 500 000			28 500 000	10 euros
Redeemed shares					
Preferred shares without voting rights					
Preferred shares					
Partnership shares					
Investment certificates					

### 4.c CHANGES IN SHAREHOLDERS' EQUITY

in euros	31/12/2018	Increases in accounts	Decreases in accounts	00/01/1900
<b>Equity</b>	<b>285 000 000</b>	-	-	<b>285 000 000</b>
Premium on shares				
- Legal reserve	1 072 677	42 813		1 115 490
Retained earnings	135 853	(41 548)		94 305
Profit for the period	856 266	572 923	(856 266)	572 923
<b>Shareholders' equity</b>	<b>287 064 796</b>	<b>574 189</b>	<b>(856 266)</b>	<b>286 782 719</b>

#### 4.d NOTIONAL ON FINANCIAL INSTRUMENTS

In euros	31/12/2018
Exchange rate derivatives	240 288 346
Interest-rate derivatives	-
<b>OTC financial forward instruments</b>	<b>240 288 346</b>

The capital gain on the issuers' swaps before allowing for the borrowers' swaps on the issues as of 31/12/2019 is: 21 287 752

#### 4.e AGING OF APPLICATIONS AND SOURCES OF FUNDS

In euros	Remaining term				Provisions	Total
	Up to 3 months	3 months - 1 year	1 year - 5 years	Over 5 years		
<b>APPLICATIONS</b>						
<i>Demand receivables</i>	13 362 225	0	0	0		<b>13 362 225</b>
<i>Term receivables</i>	2 625 000 000	2 738 191 919	12 750 000 000	11 101 000 001		<b>29 214 191 920</b>
<b>SOURCES</b>						
<b>Amounts due to banks</b>	2 300 000 000	-				<b>2 300 000 000</b>
<b>Debt securities</b>	0	2 738 191 918	12 750 000 000	11 329 761 420		<b>26 817 953 338</b>
<b>Transactions with clients</b>						-
<b>Subordinated debt</b>	-	-	15 000 000	25 000 000		<b>40 000 000</b>

**Table of earnings for the last five financial years**

Indicator	31/12/2015	31/12/2016	31/12/2017	31/12/2018	00/01/1900
<b>Financial position at the end of the year</b>					
Share capital	285 000 000	285 000 000	285 000 000	285 000 000	285 000 000
Number of existing ordinary shares	28 500 000	28 500 000	28 500 000	28 500 000	28 500 000
Number of convertible bonds	None	None	None	None	None
<b>Actual operating earnings</b>					
Net banking income	2 134 976	2 335 795	2 703 795	3 248 254	2 987 989
Earnings before taxes, depreciation and amortisation	149 842	499 583	1 097 269	1 237 857	816 741
Corporate income tax	(56 813)	(166 265)	(368 059)	(381 591)	(243 818)
Earnings after taxes, depreciation and amortisation	93 029	333 318	729 210	856 266	572 923
Distributed earnings	-	-	1 140 000	855 000	570 000*
<b>Earnings per share</b>					
Earnings after taxes, but before depreciation and amortisation	0,00	0,01	0,03	0,03	0,02
Earnings after taxes, depreciation and amortisation	0,00	0,01	0,03	0,03	0,02
Dividend paid per share	0	0	0,04	0,03	0,02
<b>Personnel</b>					
Number of employees	None	None	None	None	None
Payroll costs	None	None	None	None	None
Total fringe benefits paid (social security, welfare initiatives, etc.)	None	None	None	None	None

\* Subject to the General Shareholders' Meeting of 15 April 2019

**PricewaterhouseCoopers Audit**

63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

**Deloitte & Associés**

6, place de la Pyramide  
92908 Paris-La Défense Cedex

French simplified joint-stock company  
(*société par actions simplifiée*) with  
capital of €2,188,160

RCS Nanterre 572 028 041

# BNP Paribas Home Loan SFH

French joint-stock company (*société anonyme*)

1, boulevard Haussmann, 75009 Paris

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## Statutory Auditors' report on the financial statements

For the year ended 31 December 2019

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*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of BNP Paribas Home Loan SFH for the year ended 31 December 2019. The financial statements were approved by the Board of Directors

on 26 March 2020 based on information available at that date and in the evolving context of the Covid-19 health crisis.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Board of Directors, acting as the Company's Specialised Committee as defined in article L.823-19 of the French Commercial Code (*Code de commerce*).

## **Basis for opinion**

### **Audit framework**

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

### **Independence**

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2019 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

### **Justification of assessments – Key audit matters**

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we are required to inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

We determined that there were no key audit matters to discuss in our report on the financial statements approved in the context set out above.



## **Specific verifications**

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

### **Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements**

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report approved on 26 March 2020 and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements, with the exception of the matter described below.

Concerning the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D.441-4 of the French Commercial Code, we have the following matter to report:

As indicated in the management report, these disclosures do not include banking and related transactions as the Company considers that such disclosures are not within the scope of the information to be provided.

Management has confirmed that events that have occurred and information that has come to light relating to the Covid-19 crisis since the financial statements were closed will be reported to the Annual General Meeting called to approve these financial statements.

### **Report on corporate governance**

We attest that the corporate governance section of the Board of Directors' management report sets out the information required by article L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by the Company from companies controlling it or controlled by it. Based on this work, we have the following

matter to report concerning the accuracy and fair presentation of this information: as indicated in the report on corporate governance, this information does not include the remuneration and benefits paid by BNP Paribas S.A. to the relevant corporate officers in their capacity as employees of BNP Paribas S.A., if they do not also hold a corporate office.

## **Report on other legal and regulatory requirements**

### **Appointment of the Statutory Auditors**

We were appointed Statutory Auditors of BNP Paribas Home Loan SFH by the Annual General Meetings held on 18 September 2006 for PricewaterhouseCoopers Audit and 12 September 2012 for Deloitte & Associés.

At 31 December 2019, Deloitte & Associés and PricewaterhouseCoopers Audit were in the eighth and the fourteenth consecutive year of their engagement, respectively, and the third year since the Company qualified as a public interest entity as defined under European law.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Board of Directors, acting as the Company's Specialised Committee as defined in article L.823-19 of the French Commercial Code, is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## **Responsibilities of the Statutory Auditors relating to the audit of the financial statements**

### **Objective and audit approach**

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's

ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Report to the Board of Directors, acting as the Company's Specialised Committee as defined in article L.823-19 of the French Commercial Code**

We submit a report to the Board of Directors, acting as the Company's Specialised Committee as defined in article L.823-19 of the French Commercial Code, which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Board of Directors, acting as the Company's Specialised Committee as defined in article L.823-19 of the French Commercial Code, includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Board of Directors, acting as the Company's Specialised Committee as defined in article L.823-19 of the French Commercial Code, with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Board of Directors, acting as the Company's Specialised Committee as defined in article L.823-19 of the French Commercial Code.

Neuilly-sur-Seine and Paris-La Défense, 30 March 2020

The Statutory Auditors

PricewaterhouseCoopers Audit Deloitte & Associés

Ridha Ben Chamek

Laurence Dubois