



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

RSM Paris
26, rue Cambacérès
75 008 Paris



Promontoria MMB S.A.S.

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December 2019

Promontoria MMB S.A.S.

Tour Europlaza

20, avenue André Prothin

92 063 Paris La Défense

This report contains 87 pages



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This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Promontoria MMB S.A.S.

Registered office: Tour Europlaza
20, avenue André Prothin
92 063 Paris La Défense
Share capital: €1 000 000

Statutory auditors' report on the consolidated financial statements

For the year ended 31 December 2019

To the sole Shareholder of Promontoria MMB S.A.S.

Opinion

In compliance with the engagement entrusted to us by your sole Shareholder, we have audited the accompanying consolidated financial statements of Promontoria MMB S.A.S. for the year ended 31 December 2019. These accounts were approved by the President on 22 April 2020 on the basis of the elements available at this date in an evolving context of health crisis linked to Covid-19.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the External Audit Committee.

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 those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Furthermore, the non-audit services that we provided to your Company and its controlled undertakings during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements are as follows:

- **RSM Paris** : The main services delivered during 2019 are related to:
 - o For Promontoria MMB S.A.S.:
 - The issuance of a comfort letter in the context of the issuance of a subordinated debt
 - o For MMB SCF S.A.:
 - The issuance of two comfort letters in the context of covered bonds issuance
 - o For My Money Bank S.A.:
 - The issuance of a report related to interim dividends distribution
 - The production of a summary report, as part of the IT migration of certain applications in a new infrastructure, relating to the review of compliance of the expected environment with accounting and regulatory requirements and the adequacy of the new tools with the accounts closing process
- **KPMG S.A.** : The main services delivered during 2019 are related to:
 - o For Promontoria MMB S.A.S.:
 - The issuance of a comfort letter in the context of the issuance of a subordinated debt
 - o For MMB SCF S.A.:
 - The issuance of two comfort letters in the context of covered bonds issuance
 - o For My Money Bank S.A.:
 - The issuance of a report related to interim dividends distribution

Emphasis of Matter

We draw attention to the following matter described in Note 3.5 and 3.6 to the consolidated financial statements relating to the effects of the application of IFRS 16 – *Leases* and in Note 3.5 relating to the effects of the application of IFRIC 23 – *Uncertainty over Income Tax Treatments* on the consolidated financial statements as of 31 December 2019. Our opinion is not modified in respect of this matter.

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 (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment,

were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Allowance for loan and lease losses

Key audit matter description:

As part of its banking activities, Promontoria MMB Group is exposed to the credit risk. As of 31 December 2019, the Group holds loans and advances to customers for an amount net of impairment by M€ 5 372 and the impairment amounts to M€ 70.7. Loans and advances to customers are measured at amortized cost and impaired based on Expected Credit Losses (ECL) methodology, accordingly with IFRS 9 – Financial instruments. Impairment losses are determined either on an individual or collective basis. Collective impairments are calculated using statistical models and recognized on portfolios presenting similar credit risk profile and not being individually impaired. The estimate of ECL, requires the exercise of judgment, in particular to define the criteria for significant credit risk deterioration, model assumptions used to build and run the models that calculate the ECL and assess forward looking scenarios.

We deemed the assessment of credit risk and the measurement of ECL to be a key audit matter as they represent a significant area of judgement and require management to make estimates to assess credit risk.

The information relating to the recognition and methodology used to estimate expected credit losses are mainly described in note 6.4 to the consolidated financial statements.

Our audit response:

We focused our work on the most significant loans and/or customer loan portfolios at the reporting date.

Our procedures consisted of:

- understanding of the group's internal control and governance plan set to monitor the loans impairment estimate and testing the design and the operating effectiveness of key internal controls relating to the assessment of the credit risk and the measurement of expected losses;
- examining the compliance of policies and methodologies implemented by the Group with IFRS 9 - Financial instruments;
- involving Credit risk specialists to assess the reasonableness of the methodology applied and the relevance of the parameters and assumptions used by the Group to determine the expected credit losses, including forward-looking scenarios;
- performing substantive procedures, by sampling, to evaluate the data quality and ensure the completeness and accuracy of calculated expected losses.

We also ensured that the qualitative and quantitative information disclosed in the notes to consolidated financial statements relating to credit risk are appropriate.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors. With regard to the events which occurred and the elements known after the date of closing of the accounts relating to the effects of the health crisis linked to Covid-19, the management indicated to us that they will be the subject of a communication to the general meeting called to approve the accounts

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce), is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Promontoria MMB S.A.S. by the sole Shareholder on 30 May 2017 for RSM Paris and on 4 November 2016 for KPMG S.A.

As at 31 December 2019, RSM Paris and KPMG S.A. were respectively in the 3rd year and 4th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 is expected to liquidate the Company or to cease operations.

The External Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the President.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from 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 of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.
- Obtains an understanding of internal control 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the External Audit Committee

We submit a report to the External Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the External Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the External Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the External Audit Committee] the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, on the 7 May 2020

Paris, on the 7 May 2020

The statutory auditors

French original signed by

Fabrice Odent
Partner

Nicolas Bourhis
Partner

Sébastien Martineau
Partner