



SocramBanque

2022 ANNUAL REPORT



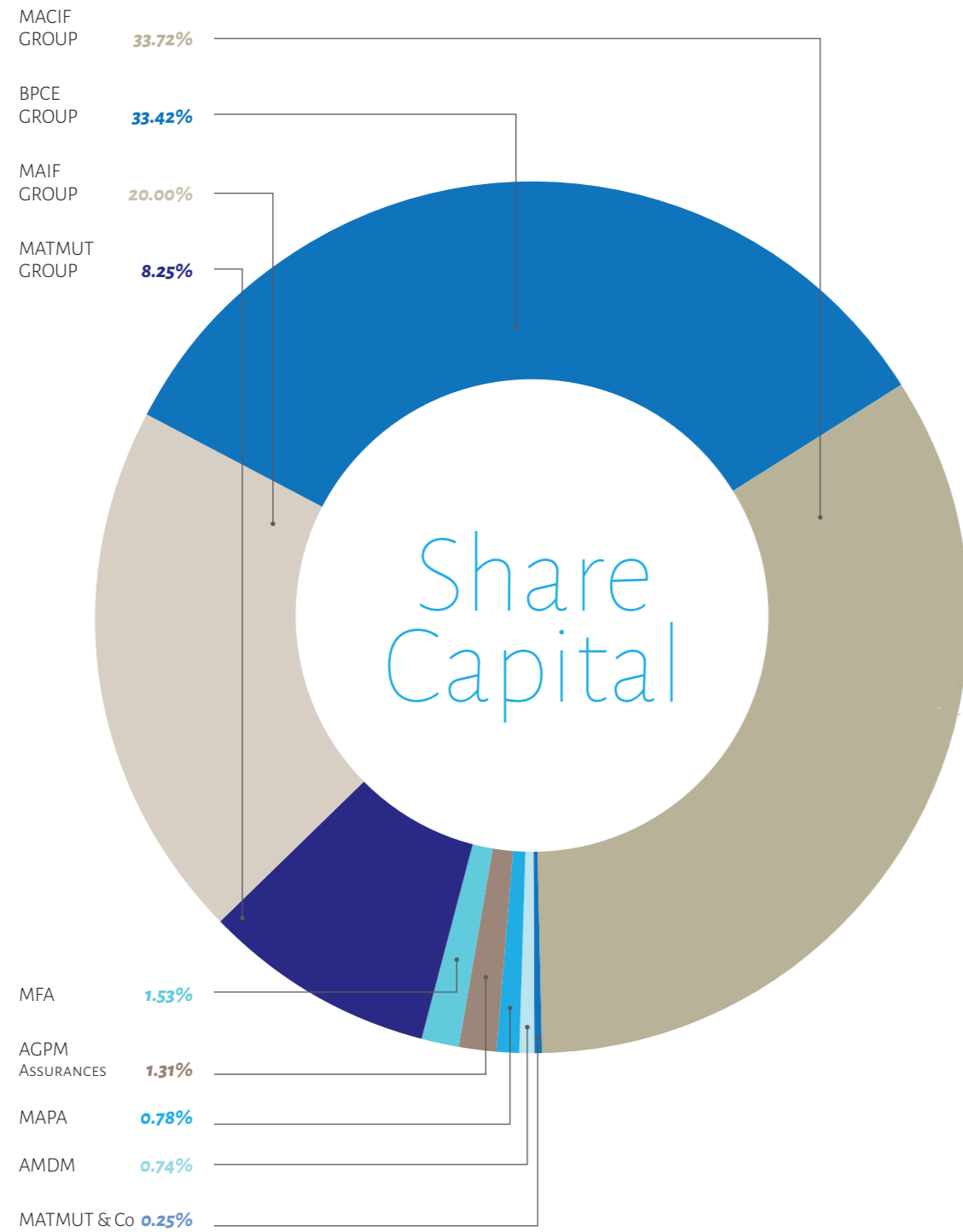


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Socram Banque



Shareholders

On January 1 st , 2023	Number of shares held
MACIF GROUP	1,180,109
BPCE GROUP	1,169,700
MAIF GROUP	700,004
MATMUT	288,750
MFA	53,633
AGPM ASSURANCES	45,693
MAPA	27,328
AMDM	26,024
MATMUT & Co	8,750
OTHERS	9
Total	3,500,000

Board of Directors

on January 1st, 2023

HONORARY PRESIDENT

Jean SIMONNET

ADMINISTRATORS

Pascal MICHARD

Chairman of the Management Board

• MACIF GROUP

Mutuelle Assurance des Commerçants et Industriels de France

Represented by **Odile EZERZER**, Mutavie's Managing Director

Rémi CERDAN

Macif's Board Member

Alain LEBRUN

Macif's Board Member

Luca HAIDARI

Macif's Strategy and Performance Director

• BPCE GROUP

BPCE

Represented by **Thierry MIRANDE**, Natixis' Borrower's Insurance Director

Daniel SPITEZKI

BPCE Group's Strategic Management Control Director

• MAIF GROUP

Mutuelle d'Assurance des Instituteurs de France

Represented by **Arnaud COURDESSES**, Maif's Board Member

Hélène N'DIAYE

Maif's Deputy Managing Director - Division of Life Insurance services, Data and Actuarial related products

Christophe CASES

Maif's Economic Management Director

• MATMUT GROUP

Mutuelle Assurance des Travailleurs Mutualistes

Represented by **Stéphane MULLER**, Matmut's Deputy Managing Director - Finance and Economic Control Division

Matmut & Co

Represented by **Tristan de LA FONCHAIS**, Matmut & Co's Deputy Managing Director

• MFA

Mutuelle Fraternelle d'Assurances

Represented by **Vincent BOYER**, MFA's Chairman and Managing Director

• AGPM ASSURANCES

Assurance Générale de Prévoyance Militaire

Represented by **Régis WEISSLINGER**, AGPM's Finance Director

• MAPA

Mutuelle d'Assurance des Professions Alimentaires

Represented by **Vincent LOIZEIL**, MAPA's Managing Director

• AMDM

Assurance Mutuelle des Motards

Represented by **Patrick JACQUOT**, AMDM's Chairman and Managing Director

NON-VOTING DIRECTORS

Nicolas GOMART

Matmut's Managing Director

Jocelyn CHARLIER

Macif's Distribution and Customer relations Director

MANAGEMENT BOARD SPECIALIZED COMMITTEES

• AUDIT COMMITTEE

Daniel SPITEZKI

Chairman

Odile EZERZER

Stéphane MULLER

• REMUNERATION COMMITTEE

Nicolas GOMART

Chairman

Arnaud COURDESSES

Patrick JACQUOT

Alain LEBRUN

Management

on January 1st, 2023

EXECUTIVE COMMITTEE

within the meaning of article L.511-13 of the French Monetary and Financial Code

Philippe MOULAY

Managing Director

Jean-Paul MÉNAGÉ

Deputy Managing Director

MANAGEMENT COMMITTEE

Philippe MOULAY

Managing Director

Jean-Paul MÉNAGÉ

Deputy Managing Director

Olivier AIRIAU

Finance Director

Jean-Marcel CHESNEAU

Organization, Projects and Information system Director

Gérard DUFOORT

Business development and Customer experience Director

Nadège DUPRIEZ-BENTO

Audit Director

Marie-Bénédicte JAMME-FEULVARC'H

Human Resources and Legal Department Director

Yann MARCHAND

Risks Director

Isabelle PREDIAL

Customer relations and Banking operations Director

Key figures

	2022	2021
New loans generated during the year	55,233	54,471
Savings accounts opened during the year	9,083	8,234
Customers	407,735	422,745
Outstanding loans (in number)	179,923	177,581
Current accounts	87,813	97,946
Savings accounts	112,904	113,392
Outstanding of current and savings accounts	1,118 M€	1,121 M€
Not due outstanding loans	1,249 M€	1,155 M€
Banking transactions	31,701,746	32,959,290
Consolidated net banking income	44,5 M€	47 M€
Consolidated net profit or loss	2,7 M€	1,6 M€

Extract from the 2022 management report

Ladies and Gentlemen,

We have called this Combined Ordinary and Extraordinary General Meeting, in accordance with the requests of the law and our Company's Articles of Association, to report to you on the transactions carried out during the 2022 financial year and submit for your approval the financial statements for the year ended 31 December 2022, as well as a change to two articles of our Articles of Association. You were invited to the Meeting in the prescribed legal way, and all documents and reports specified by the regulations in force were made available to you within the legal deadlines.

At its meeting on 10 May 2022, the Board of Directors adopted its Rules of Procedure. These rules specify the Board's operating procedures (notices of meetings, attendance lists, role of the chairman in organising discussions, votes, minutes, etc.), particularly in the context of remote meetings. We present below the joint management report relating to the corporate financial statements and the consolidated financial statements.

COMPANY ACTIVITY

● MACROECONOMIC CONTEXT

After a recovery in 2021, French economic growth slowed in 2022 to 2.6%.

Impacted by inflation, consumer spending fell in the food and energy sectors but continued to grow in services.

Investment continued to grow but slowed at the end of the year.

Consumer prices accelerated sharply in 2022 (+5.2% year-on-year vs 2021) due to the acceleration of energy prices (+23.1% on average) and food prices (+6.8% on average).

As a result of this weaker economic environment, interest rates rose sharply during the year. Coupled

with rising inflation, this led to higher rates of return on regulated savings.

With unemployment down by -0.3% over the year, the labour market held up well, but this trend came to a halt in the last quarter.

As measured by the Association of Financial Companies, consumer credit production for individuals increased over the year (+7.6%) but slowed sharply at the end of the year.

In this context, the French automotive market experienced another disappointing financial year due to persistent production difficulties.

New passenger car registrations amounted to 1.529 million vehicles, down 7.8% compared with 2021.

The second-hand market, due to the scarcity of recent vehicles, which fell by -13.5% year-on-year. This reduction in supply has also sent prices higher. It should be noted that in this depressed market, more than 20% of new cars is electric or hybrid.

Within the scope of the Association of Financial Companies, regular credit financing for new cars fell by -11.9% while leasing transactions with a purchase option increased by 8.6%.

For used vehicles, lease financing, although still in minority, increased (+21.2%) faster than traditional credit (+4.3%).

● HIGHLIGHTS OF THE YEAR

The third consecutive year of crises (2020 health crisis, 2021 logistics and sector crisis, 2022 geopolitical crisis with energy tensions), 2022 saw a slowdown in consumption in a highly inflationary context, which inevitably impacts our activities.

However, in this context, we remain focused on our development and continue to implement our strategic plan.

2022 appears to be a pivotal year in our work, when we consolidated the "dynamics" initiated previously and accentuated our first rapid gains, while carrying out the major structuring projects of our strategic plan.

In terms of development, our actions mainly concerned the redesign of the renovations loan, the marketing of a new specific project loan, the implementation of management solutions for a leasing offer that will be carried out in 2023 and a 100% digitised loan subscription process under a new brand.

In 2022, we continued to diversify our exposure in the financing of customers' projects with encouraging results and, ultimately, a little less exposure to the automotive sector.

Our customers are particularly satisfied with our relationship, with a further improvement in perception of the quality of our services (95% on credit).

Note that a new three-year agreement for €150 million of funding support from shareholders in the event of a liquidity crisis came into force on 1 April 2022.

2022 was also devoted to the continued strengthening of the operational security (cyber risk) of the information system.

Moreover, we have begun to work on the development of the future Information System master plan in connection with the company's new scope of activity.

More generally, we have continued our transformations, including organisational changes within banking operations, in order to strengthen the performance, cohesion and commitment of our teams.

● SOCRAM BANQUE'S ACTIVITY

In this turbulent economic context, Socram Banque recorded stronger business results than in 2021 in the consumer credit and bank savings activities.

LENDING ACTIVITY

Socram Banque's production grew by 1.4% compared with 2021 in terms of loan approvals, with 55,233 loans granted, and by 9.6% in terms of funds dispensed to €592 million.

Production by type of financed goods

Socram Banque continues to diversify its financing offering. This year, this resulted in a lower proportion of financing dedicated to the acquisition of vehicles and a significant increase in financing dedicated to renovations and other types of loans.

Breakdown of financed assets by type

This year, two financing transactions were carried out in connection with the restructuring of OFI's share capital.

Outstandings

At the end of the financial year, Socram Banque's loan book contained 179,923 outstanding loans with a value of €1,249,308, up by 5.1% from 2021.

CURRENT ACCOUNT AND SAVINGS ACCOUNT ACTIVITIES

The savings account business grew by 10.7% with 9,083 savings accounts opened during the year.

At the year end of the financial year, the portfolio included a total of 201,174 current and savings accounts (down 5%), for outstandings of €1,118 million.

Sight and savings deposits were virtually unchanged from 2021 (-0.2%).

Number of accounts opened	2022	2021
Current accounts	64	94
Savings accounts	9,083	8,234
TOTAL	9,147	8,328

Portfolio at the end of the financial year	2022	2021
Current accounts	87,813	97,946
Savings accounts	112,904	113,392
TOTAL	200,717	211,338

Month-end/year-end balance (€K)	2022	2021
Current accounts	382,177	414,337
Savings accounts	735,917	706,171
TOTAL	1,118,094	1,120,508

* Management data at 31/12/2022

FINANCIAL POLICY AND REFINANCING

The main goal of Socram Banque's financial management is to ensure the company's financial equilibrium by combining the best sources of financing, in the best conditions, with security, solvency and profitability mechanisms.

It is determined based on changes in the structure of its balance sheet, characterised by a temporary reduction in the gap between customer lending and customer deposits (increase in deposits recorded on the balance sheet).

► Financing raised on the markets comes from the issuance of securities at market interest rates as part of the short- or medium-term marketable securities programme.

► In March 2022, Socram Banque dissolved the FCT Titrisocram 2017 securitisation fund created in 2017. The bank purchased the fund's residual receivables for a total of €33 million and redeemed the subordinated shares it held at nominal value, i.e. €32.9 million. The impact on 2022 income is -€0.08 million.

At 31 December 2022, the bank's refinancing structure was as follows:

Refinancing	2022 in €K	2022 as a %
Equity	231,162	18.14%
Guarantee fund	49,500	3.88%
Bank deposits	881,663	69.19%
Market rate securities	112,000	8.79%
TOTAL	1,274,325	100%



RISK MANAGEMENT POLICY

INTERNAL CONTROL

Socram Banque has implemented its internal control system to meet the requirements of banking regulations, in particular the amended order of 3 November 2014.

This system, steered by management and integrated into the bank's operational processes, is focused on two departments: Risks and Compliance and Internal Audit, with the aim of preventing and controlling the various risks linked to Socram Banque's activity.

PERMANENT CONTROL

In accordance with Article 13 of the amended order of 3 November 2014, Socram Banque has introduced a permanent control system placed under the responsibility of the Risks and Compliance department, reporting to the Deputy Chief Executive Officer, who is also in charge of the risk management function.

The Risks and Compliance Manager is responsible for permanent control and compliance management, two of the internal control system's four key functions.

Socram Banque has defined the organisation of internal control functions at all levels and for all departments in conditions that ensure:

- ▶ the separation of responsibilities between departments in charge of carrying out transactions and departments in charge of validating and settling them, and
- ▶ the existence of two levels of permanent control.

The permanent control roles assigned to the Risks and Compliance department are:

- ▶ carrying out permanent control of compliance, security and transaction validation,

- ▶ working with project managers to roll out permanent control IT tools,
- ▶ ensuring that all risks are covered by the permanent control system,
- ▶ ensuring that first-level controls are consolidated and of high quality,
- ▶ implementing the second-level permanent control plan,
- ▶ contributing to the risk policies covering all of the bank's risks and the control of its activities,
- ▶ implementing the second-level control plan and action plans according to the results of the controls,
- ▶ drawing up action plans to mitigate compliance risk,
- ▶ coordinating with the French regulator : ACPR.

At a general level, the results of these permanent controls and any identified risks or anomalies are reported to General Management, and give rise, if applicable, to the implementation of action plans designed to prevent and/or correct identified risks.

PERIODIC CONTROL

The Internal Audit Manager, who reports to the Chief Executive Officer, is responsible for internal audit control, one of the internal control system's four key functions.

The goal of Socram Banque's Internal Audit department is to use periodic controls or internal audits to ensure that the internal control system as a whole is consistent and effective, in accordance with provisions of the amended order of 3 November 2014. Internal audits are carried out on all Socram Banque's activities, including those that are outsourced.

Their priority goals are to assess and to report to Socram Banque's effective managers and supervisory body on:

the level of incurred risk, procedural compliance, transactional compliance, and the effectiveness and relevance of the bank's permanent control systems,

- ▶ the consistency, accuracy and proper enforcement of its risk assessment and control systems and its internal control system,
- ▶ the adequacy of the processes put in place to control its activities and manage its risks,
- ▶ the effective implementation of recommendations made by previous audits and by regulators.

To fulfil its mission, the Internal Audit department draws up and keeps up to date an inventory of the audit scope. It ensures that all activities and corresponding risks are covered by full audits, carried out in cycles at a frequency defined according to each activity's and process' overall risk level and which, in any case, may not exceed five years. If necessary it uses external expertise to help carry out audit assignments.

The Audit and Risks Committee validates the annual programme of the Internal Audit department.

Internal audit missions give rise to recommendations ranked by order of importance and reviewed regularly.

In 2022, the Internal Audit department completed its audit plan as scheduled. At the request of the Audit and Risks Committee, it also reported on the implementation of recommendations on a quarterly basis, to facilitate the escalation of any alerts in compliance with the amended order of 3 November 2014 on internal control.

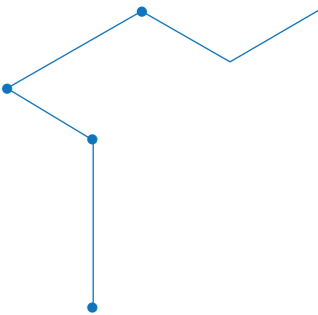
RISK PREVENTION, CONTROL AND MONITORING

In the context of the organisation of its internal control system, Socram Banque has defined its business and risk management policy for the types of risk to which it is exposed in the following charters:

- ▶ General Organisation Policy Charter,
- ▶ Internal Control System Management Charter,
- ▶ Financial Activity and Financial Risk Management Charter,
- ▶ Lending Activity and Credit and Counterparty Risk Management Charter,
- ▶ Business and Operational Risk Management Charter,
- ▶ Business Compliance and Compliance Risk Management Charter.

In accordance with the provisions of the CRD directives and the amended order of 3 November 2014 on internal control as regards risk assessment, monitoring and control, at its meeting of 10 September 2015 the Board of Directors entrusted the Deputy Chief Executive Officer and effective manager with responsibility for the risk management function. This person both oversees and is assisted by the Risks and Compliance department to carry out this risk management role.

Risk mapping is a key component of the system. It draws in particular on internal control results to identify risks, define their criticality and specify any action plans to be rolled out to mitigate them. The risk scope covers all entities that the bank consolidates or controls as well as all activities – including those that are outsourced – subject to operational risks.



CREDIT AND COUNTERPARTY RISK

Socram Banque's activities expose it to:

- **credit and counterparty risks**, given that its main business is granting loans,
- **concentration risk on a single group of customers:** Socram Banque distributes its products mainly to individuals who are members and customers of mutual insurance companies, as well as to these companies' subsidiaries and employees,

Each of these risks is monitored using reports that track the quality of the customer portfolio (existing and new business), for both the lending and the current or savings accounts activities.

As regards credit and counterparty risk, counterparty default risk is defined as Socram Banque's failure to recover debts owed by its customers, either in the form of loans or, for its current account activity, debit balances.

As regards concentration risk, Socram Banque assesses its exposure by counterparty or group of counterparties at a level that it deems reasonable given that it carries out business almost exclusively with individuals in France for low average unit amounts.

As well as applying regulatory ratios, the bank sets internal limits, monitors compliance therewith and reports on the results to the various bodies concerned

At the regulatory level, Socram Banque calculates its weighted exposures using the standard method.

FINANCIAL RISKS

In the context of its financial transactions, Socram Banque is exposed to:

- **Interest rate risk**, given that it enters into fixed- and variable-rate transactions, both on and off the balance sheet.

Socram Banque applies a hedging policy to manage its interest rate risk. This policy:

- is designed to protect its financial margin,
- is based on a rate gap maturity tranche approach,

- favours the use of fixed rate payer swaps.

- **Liquidity risk**, given that Socram Banque can tap the financial markets or banking partners to round out the refinancing of its lending activity.

In the context of its liquidity management, in accordance with the amended order of 3 November 2014 Socram Banque has defined:

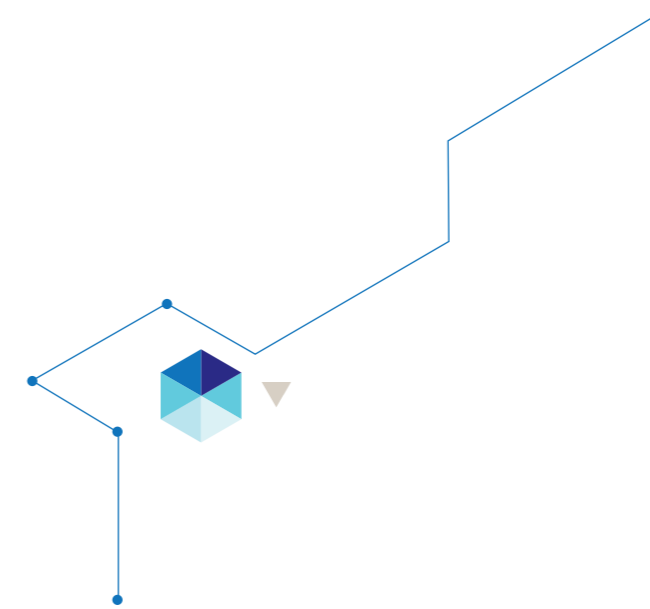
- the bank's liquidity risk tolerance level and related limits,
- emergency plans: simulations to deal with a temporary market closure, taking into account the shareholder support agreement that came into force on 1 April 2022, for a period of three years, i.e. until 31 March 2025, and whose renewal for a new three-year period has been approved by shareholders,
- a liquidity restoration plan based on shareholder support.

- **Counterparty and concentration risk**, on its securities portfolio, on refinancing commitment drawdowns and on derivatives. Socram Banque mitigates this risk by choosing counterparties for its refinancing commitments and derivatives transactions solely among highly-rated European banks.

Socram Banque monitors these risks by means of reports that measure both risk exposure and compliance with the bank's related thresholds and limits.

OPERATIONAL RISKS

Socram Banque's business exposes it to operational risks affecting its day-to-day activities. The bank defines its operational risk as the risk of loss due to inadequacies or failures attributable to internal procedures, staff or internal systems or to external events.



Socram Banque has introduced guidelines on exposure to operational risks in the form of:

- **guidelines for managing** outsourced essential services,
- **guidelines for IT risk management** and the information system security policy,
- **guidelines for the continuity management system**,
- **guidelines for the protection of personal data protection**
- **incident collection**, which makes it possible to identify risk components, measure their criticality and, if necessary, adapt the risk rating established by risk mapping as well as the related action plans.

These operational risks are monitored by the various bodies concerned through reports or specific update meetings, depending on the risks noted.

COMPLIANCE RISK

Socram Banque's business entails compliance risks arising from its day-to-day activities and its regulatory environment.

The bank's definition of compliance risk refers in particular to anti-money laundering and terrorist financing (AML/TF) due diligence, the application of the asset-freezing mechanism against corruption and influence peddling and compliance with customer protection rules.

On Compliance: the Compliance department's opinion must be sought for on-going projects and new processes and products.

Socram Banque has introduced a regulatory watch system revolving around the compliance function with the goal of preparing for regulatory changes and so ensuring that they are taken into account into future plans.

CSR POLICY

Socram Banque is committed to a social responsibility approach, both internally through responsible management of its human capital, and externally, through its desire to translate its values into services and relations with its customers, to control its impact on the environment and to commit itself within its region.

Adopted by the Board of Directors on 11 May 2021, its CSR Charter formalises this approach in line with its values, business lines and ambitions, which is based on three major commitments:

- Acting as a committed financial institution
- Acting as a willing economic player within its region
- Acting as a responsible employer

In 2022, the first full year of deployment of the CSR policy, we implemented these commitments and, in particular, in a context of collective mobilisation around energy conservation, acted effectively to limit the bank's ecological footprint. The carbon audit launched at the end of the year will make it possible to fully measure the impact of the measures implemented and make our CSR policy more effective.



FINANCIAL STATEMENTS

CORPORATE FINANCIAL STATEMENTS

ACCOUNTING METHOD

There were no changes in the accounting method for the 2022 financial year.

PROFIT/LOSS

The 2022 financial year closed with a net profit of €2,282,461.26.

As Socram Banque was not subject to any tax adjustments in the 2022 financial year, Article 223 d of the French General Tax Code (Code général des impôts) does not apply.

The corporate result was characterised by a fall in net banking income linked to the consequences of the health crisis offset by a reduction in operating expenses and the cost of risk.

CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING METHOD

There were no changes in the accounting method for the 2022 financial year.

CONSOLIDATION SCOPE

The bank's consolidation scope includes the following entities:

- Socram Banque,
- The following non-trading property companies (sociétés civiles immobilières) wholly owned by Socram Banque:
 - SCI du 24 février,
 - SCI du Vieux Colombier,
 - SCI 24/24.
- SARL Socram Immo of which Socram Banque owns 100%, whose corporate purpose is to rent assets of any kinds and in particular furniture, information technology equipment and structures.

RECONCILIATION OF CORPORATE AND CONSOLIDATED FINANCIAL STATEMENTS

The corporate and consolidated financial statements are reconciled as follows:

Profit for the period	+€2,282K
Net profit from consolidated subsidiaries	+€305K
Cancellation of the impact of accelerated depreciation and amortisation	
Impact of desecuritisations	+€41K
Impact on taxes	+€82K
Consolidated net profit for the period	+€2,710K

EARNINGS

Following this trend, notably the fall in loan production in 2020 and 2021, which is still weighing on outstandings, as well as the run-off of the portfolio of sight accounts since 2020, net banking income contracted by 4.9%. At the same time, operating expenses and depreciation decreased by 7.9%. As a result, gross operating income rose by 14%. Consolidated net profit for the year increased by €1.1 million compared with 2021.

REGULATORY RATIOS

On the basis of the consolidated financial statements, the regulatory ratios* were as follows on 31 December 2022:

SOLVENCY RATIO

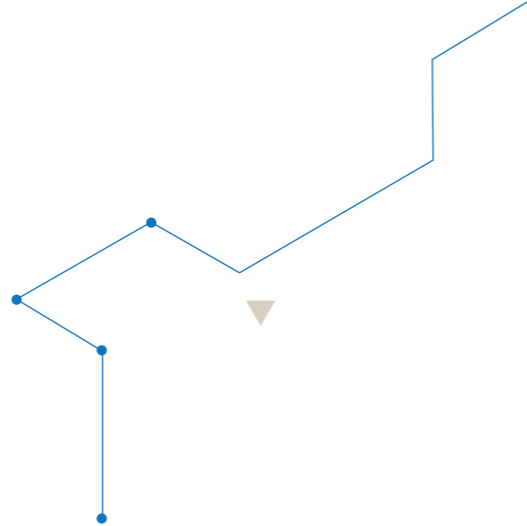
Category 1 core capital	€229,590K
Tier 2 capital	None
Weighted exposure	€1,081,171K
Solvency ratio	21.24%
Minimum regulatory ratio at 31/12/2022	10.50%

LIQUIDITY RATIO: SHORT-TERM LIQUIDITY RATIO (LCR), FOR A REGULATORY REQUIREMENT OF 100%, CALCULATED ON 31/12/2022

Net cash outflows	€37,541K
High-quality liquid assets: Level 1	€51,238K
High-quality liquid assets: Level 2	€0
LCR ratio	136.49%

RISK SPREADING RATIO: NO OUTSTANDINGS WITH A SINGLE CUSTOMER EXCEED 25% OF SOCRAM BANQUE'S EQUITY.

*These ratios were not audited by the Statutory Auditors.



BREAKDOWN OF TRADE PAYABLES BALANCE (CORPORATE FINANCIAL STATEMENTS)

INVOICES RECEIVED AND ISSUED NOT SETTLED AT THE CLOSING OF THE FINANCIAL YEAR AND WHOSE TERM IS IN ARREARS (CHART TO BE PUBLISHED IN I OF ARTICLE D441-4 OF THE FRENCH TRADE CODE)

This data only concerns transactions outside of banking activities.

	Article D. 441-I.1°: Past due invoices received but not settled at the end of the reporting period					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Length of payment arrears						
Number of invoices concerned						17
Total amount of invoices including VAT		181,894.64	17,157.64	-	22,518.00	221,570.28
Percentage of the total amount of purchases in the financial year including VAT		0.81%	0.08%	-	0.10%	0.98%
Percentage of revenue in the financial year including VAT						
(B) Invoices excluded from (A) concerning contested or unrecognised payables and receivables						
Number of invoices excluded						-
Total amount of invoices excluded including VAT						-
(C) Reference payment terms used (contractual or statutory - Article L.441-6 or Article L.443-1 of the French commercial code)						
Payment terms used to calculate late payments		Contractual term specified on invoice				

HOLDINGS

In 2022, Socram Banque finalised the acquisition of a company called Via Finances for €40,000, corresponding to the acquisition of all 750 shares, with a value of €10 each. This Company did not register any activity during the period, pending a definition of its corporate purpose in line with our strategic orientations. These financial statements were therefore not consolidated for fiscal year 2022.

The controlled companies at 31 December 2022 are as follows:

- ▶ three Sociétés Civile Immobilières, holding the operating buildings of Socram Banque (SCI 2 rue du 24 Février, SCI 24R24, SCI Vieux Colombier),
- ▶ two Sarl :
 - Socram Immo, which owns moveable property that it rents out to Socram Banque for its operations.
 - Via Finances, a laboratory for new products.

SHAREHOLDER STRUCTURE

In accordance with the provisions of Article L.233-6 of the French commercial code, shareholders that owned a significant share of the company's capital on 31 December 2022 are shown below:

- ▶ MACIF has over a third of the company's capital,
- ▶ BPCE has over a third of the company's capital,
- ▶ MAIF has a fifth of the company's capital,
- ▶ MATMUT has over a twentieth of the company's capital.

In accordance with the provisions set forth in Article L.225-102 of the French Trade Code, we inform you that no Socram Banque employees hold shares in our Company's equity.



CORPORATE PROFIT/LOSS: ALLOCATION PROPOSAL

The amount available for the distribution of dividends at year end is as follows:

Net profit for the financial year	€2,282,461.26
Retained earnings	€4,994,730.26
	€7,277,191.52

We propose to break down the net profit for the period as follows:

Dividend of € 0.4 per share	€1,400,000
General reserve	€0
Retained earnings	€ 5,877,191.52
	€7,277,191.52

We would also like to remind you that the following dividends were distributed in respect of the last three financial years:

Year	2019	2020	2021
Dividend paid per share	€0	€0	€0.40

DIRECTORS' FEES

In view of the projects under the strategic plan and the possibility of rounding out the governance system with new specialised committees, we propose an increase in the directors' fees for the 2022 financial year, to a maximum amount of €84,000.

MONITORING OF REMUNERATION IN THE BANKING SECTOR

In accordance with Article L.511-71 of the French monetary and financial code (Code monétaire et financier), we draw to your attention to the fact that total remuneration paid to the persons referred to therein came to €735,078.

APPOINTMENT OF A DIRECTOR

In accordance with Article 16 of Socram Banque's articles of association, we propose the appointment of Ms Milène Gréhan as director, to replace Mr Christophe Cases, who has resigned, for the remainder of his term of office, i.e. until the Ordinary General Meeting that will meet in 2027 to approve the financial statements for the financial year ending 31 December 2026.

RENEWAL OF DIRECTORSHIPS

In compliance with article 16 of Socram Banque's articles of association, we would like to propose to renew, for a six-year period, which will end at the General Meeting in 2029 to approve results for the financial year ending on 31 December, 2028, the terms of the following directors:

- Mr Daniel Spitezki,
- BPCE,
- MAIF,
- MATMUT,
- AMDM.

RESIGNATION OF A NON-VOTING MEMBER

We hereby inform you that Mr Dominique Mahe, who was appointed non-voting director at the Combined General Meeting of 10 May 2022 for a period of six years, informed us of his resignation on 6 September 2022. At this stage, he has not been replaced in his term of office.

EMPLOYEE SHARE OWNERSHIP

None of Socram Banque's employees own shares in the company.

SIGNIFICANT EVENTS ARISING BETWEEN THE END OF THE REPORTING PERIOD AND THE DATE OF DRAFTING OF THIS REPORT

On the date the accounts were closed by the Management Board, there were no events subsequent to the closure that could have a significant impact on the annual accounts.

FUTURE PROSPECTS

In a particularly uncertain environment, we are maintaining our strategic course, which demonstrates its full relevance through encouraging results.

In this sense, the diversification of our banking activities seems even more essential in order to be less dependent on the automotive sector, which is at the heart of our historical activity the subject of many uncertainties.

2022 seems to have marked a lasting change in the economic cycle with a return of inflation and a rise in interest rates that ends the period of "cheap money", but also a period when arbitrage on savings has re-emerged.

These markers, even if they can temporarily slow consumption, bring us back to the fundamentals of our banking activity and our raison d'être.

Once again, our financial strength combined with our strategic upgrading work are strengths that will underpin our growth.

The forthcoming discussions of our future 2024-2026 strategic plan will undoubtedly address the major societal issues (climate, ecological, energy, ageing and autonomy, etc.) to put them at the heart of the responses we wish to provide and our future development.

PRESENTATION OF THE ANNUAL FINANCIAL STATEMENTS

We present the 2022 annual financial statements in detail and submit them for your approval.

The rules of presentation and the methods of evaluation comply with the regulations. Your Statutory Auditors have provided details of the fulfilment of their audit assignment in their report on the annual financial statements.

We hereby ask you to kindly approve the financial statements presented to you and to grant discharge to the directors in post for their management during the past financial year.

AMENDMENT OF THE ARTICLES OF ASSOCIATION

We also present to you changes made to the articles of association with the aim of increasing the age limit of the Chairman of the Board of Directors from 70 to 73 years.

This development should foster, for the coming strategic cycle, continuity in the momentum instilled by the current 2021-2023 strategic plan.

AGREEMENTS REFERRED TO UNDER ARTICLE L.225-38 OF THE FRENCH COMMERCIAL CODE

The Board of Directors met on 8 December 2022 to review agreements approved in previous financial years that continued in 2022. It restated Socram Banque's reasons for and interests in these agreements, which are:

- Concerning the agreement signed on 18 September 2000 on outstanding payment risks, the mutual shareholders coverage of net losses exceeding a threshold of 0.5% of their respective average outstandings,
- Concerning the previously authorised Shareholder Support Protocol, which expired on 31 March 2022, renewed from 1 April 2022, for a period of three years (i.e. until 31 March 2025), the purpose of which remains the support of the shareholders in the event that Socram Banque faces a temporary liquidity crisis generating an urgent need for cash,

under conditions and provisions identical to the previous protocol. The maximum commitment to support shareholders remains set at €150 million.

- The supplemental agreement no. 1 to the brokerage mandate for banking and payment services transactions (IOBSP) between Macif, Macifin' and Socram Banque. This supplemental agreement ensures a significant reduction in current account commissions from 1 January 2017, accepted by Macif in its capacity as the Intermediary in Banking and Payment Services Transactions until breakeven is reached. This change of compensation arose from the Board of Directors' decision on 13 July 2016 to fully consolidate the current and savings accounts activity in Socram Banque's financial statements, following the exercise by Maif, BPCE and Macif, the members of the MASC joint venture (SEP), of their early withdrawal right. The reduction accepted by Macif will allow Socram Banque to attain its economic goals and to continue to develop these new activities.

At its meeting on 8 December 2022, the Board of Directors authorised:

- The bridge loan for a total amount of €12 million with OFIVALMO Partenaires for the purpose of financing the restructuring of the capital of OFIVALMO Partenaires by buying back shares representing 48.72% of its capital, from 30 November 2022. This loan is valid until 30 June 2023.
- The €12.8 million loan with OFI Holding to finance a balancing cash payment to OFIVALMO Partenaires in connection with the OFI capital reduction transaction. This loan is valid until 30 June 2028.

We request that you kindly approve these agreements covered by Article L.225-38 of the French commercial code as presented in the Statutory Auditors' report on regulated agreements.

Niort, 22 March 2023

FINANCIAL RESULTS FOR THE PAST FIVE YEARS IN EUROS

TYPE OF INDICATIONS	2018	2019	2020	2021	2022
Capital at the end of the financial year					
Equity	70,000,000	70,000,000	70,000,000	70,000,000	70,000,000
Number of shares in issue	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Number of shares with a priority dividend	0	0	0	0	0
Global profit/loss on actual operations					
Turnover excluding tax	53,149,615	53,360,962	52,257,040	47,783,305	45,863,454
Result before tax depreciation and provisioning system	8,587,958	10,952,954	6,721,460	6,157,296	4,651,265
Corporation tax	3,786,420	3,428,590	2,320,425	1,580,720	1,135,176
Employees' investments due in respect of the financial year	0	0	0	0	0
Profits after tax, depreciation and provisions	6,457,551	4,826,934	290,029	574,571	2,282,461
Amount of profits distributed	3,500,000	0	0	1,400,000	1,400,000*
Operating profit/loss reduced to one share					
Profits after tax but before depreciation and provisions	1,37	2,28	1,26	0,45	2,02
Profits after tax, depreciation and provisions	1,85	1,38	0,08	0,16	0,65
Dividend paid on each share	1,00	0	0	0,4	0,4*
Staff					
Average number of employees during the financial year	246	229	220	217	217
Total payroll amount	10,450,996	9,821,194	10,517,643	9,204,779	9,232,656
Sums paid in respect of social benefits (Social security, social projects, etc.)	5,251,578	4,976,256	5,366,415	4,574,257	4,657,020

(*): Proposal put to the Ordinary General Assembly held on 10 May 2023

Corporate Social Responsibility report 2022

Socram Banque aims to be a bank committed to a responsible approach internally, through social management of its human capital, and externally, through its desire to offer a quality service in its relationship with its customers, to control its impact on the environment and to commit itself within the local territory.

Its CSR Charter, adopted in 2021, formalises a global approach in line with its values, business lines and ambitions, which is based on three major commitments:

- *Acting as a committed financial institution*
- *Acting as a willing economic player within its region*
- *Acting as a responsible employer*

SOCRAM BANQUE OBTAINED “AFRC RELATION CLIENT 100 % FRANCE” CERTIFICATION IN 2022

In 2022, Socram Banque obtained the RELATION 100% CLIENT FRANCE certification certifying that 100% of the remote Customer Relationship service including pre-sales, sales and after-sales, in-house or subcontracted, is produced in France.

It is the second banking organisation to obtain this recognition, which reflects its desire to establish itself in its region, to promote real proximity to its

customers and to participate in the creation and maintenance of jobs in France.

These commitments are fully in line with its CSR policy and the values it shares with its distributors and shareholders. This certification rewards the commitment of the teams that work every day to provide quality and local services to members, which they attest to: the satisfaction survey conducted in 2022 to obtain their opinion on the credit activity showed an overall satisfaction rate of 95%, up 2 points compared to the previous survey.

ACTING AS A COMMITTED FINANCIAL INSTITUTION

As a responsible economic player, Socram Banque intends, through its business lines, to contribute to major societal causes. It wishes to support members in the energy transition by promoting sustainable mobility and enabling them to carry out renovation work on their homes via appropriate financing solutions.

SUPPORTING THE ENERGY TRANSITION

Its teams are working on a “green” offer, for which the electric mobility loan is the first project. Two of our distributors already offer this product. 875 vehicles, for a total amount of €12.5 million, were financed in 2022 and members were able to benefit, thanks to Socram Banque, from a 0.20 point reduction (on APR) compared with the standard acquisition scale. Our aim for 2023 is to enlarge this system with other distributors.

The energy works/renovation loan offer was updated during the year. 2023 should see the integration of the financing of this type of project in a “renovation work” package. The aim is to support members throughout their project, from energy diagnosis to the completion of their work by an EGM professional.

Digital technology in support of Socram Banque’s sustainable performance.

Digitalisation is a source of simplification and improvement in the efficiency of Socram Banque’s processes for its customers; it feeds into its CSR approach. A new 100% digital grey-label subscription package, SoDigi, was launched in 2022; this is a 100% digital grey-label package dedicated to the subscription of acquisition credits (auto/motorcycle).

ACTING AS A WILLING ECONOMIC PLAYER WITHIN ITS REGION

Socram Banque understands the climate emergency and its duty to set an example. It intends to fully assume its environmental responsibilities in terms of the energy transition and continuously strive to control its ecological footprint.

TAKING ACTION TO LIMIT OUR ECOLOGICAL FOOTPRINT

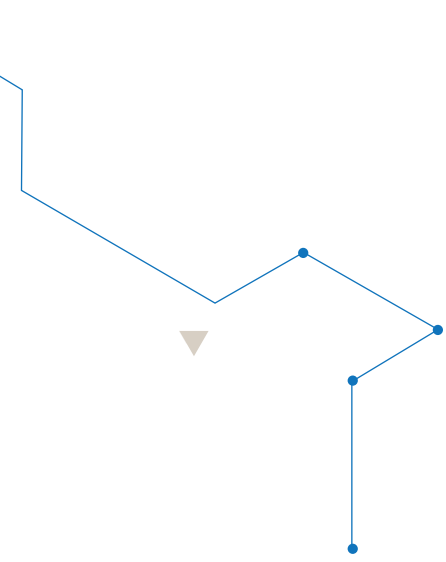
REDUCE ENERGY CONSUMPTION

Improving the energy performance of our premises is a constant major concern for the company, which joined the energy efficiency plan initiated by the government in October 2022.

The main actions implemented throughout the year are as follows:

- End of LED relamping of the building located at 2 rue du 24 février
- Switch to LED at two-thirds of the building located at 24 rue du 24 février with presence and brightness detection system
- Reduction of heating temperature from 22° to 19°
- Modification of air conditioning setting with activation from 25.5° vs 23.5°
- Reduction of air conditioning and heating operating times by one hour per day
- Installation of a high energy performance boiler at 2 rue du 24 février.

All of these measures have resulted in a reduction in electricity and gas consumption of 24% and 35% respectively compared to 2021.



In addition, a decision was taken to limit employees' business travel and to encourage meetings and training by videoconference.

Finally, the project to install photovoltaic shade structures in the car parks of our two buildings and panels on the roof terraces was launched, with completion scheduled for 2025.

The aim is solar energy self-sufficiency.

RAISING EMPLOYEE AWARENESS OF ECO-FRIENDLY ACTIONS

Because every action counts, including small everyday gestures, Socram Banque encouraged its employees throughout the year to adopt more eco-friendly behaviour.

On 18 March, as part of the World Recycling Day, awareness was raised about its fundamental role in protecting resources and the climate. This was an opportunity to install bins for the collection of masks as well as additional paper recycling bins and to provide employees with an eco-designed bottle to replace cups with water fountains.

The company also took advantage of the summer period to organise a major data clean-up on mailboxes, directories and digital devices. This digital challenge has freed up nearly 100 GB of data on servers and messaging systems.

Awareness of the theme of wild waste was raised with the participation of the "Niort cleaning" organised by the town hall as part of the World Clean Up Day.

To encourage employees to contribute to the Energy Conservation Plan implemented in October 2022, an awareness campaign on good usages was included in the approach.

This campaign, which is still being rolled out, is divided into 3 phases:

- ▶ Simple actions to save energy
- ▶ Reducing paper consumption
- ▶ Digital best practices

In terms of sustainable mobility, Socram Banque participated for the first time in 2022 in the mobility challenge organised in the Niortan conurbation, the objective of which is to encourage alternatives to individual use of cars for commuting purposes. On 23 June, 19 employees took up the challenge and travelled 450 km "differently", allowing the company to rank 3rd in its category.

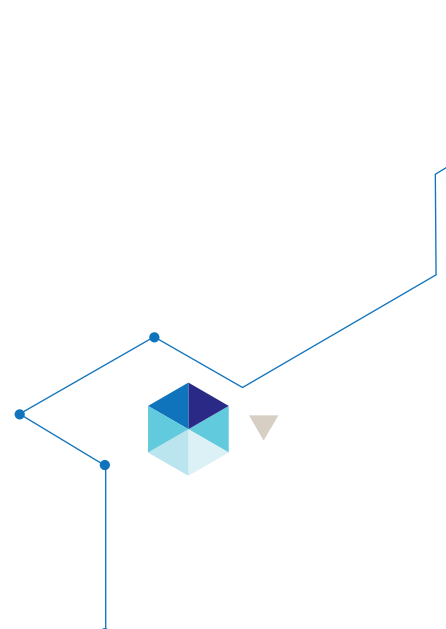
In addition, a working group made up of members of the social and economic committee (SEC) and the network of CSR correspondents considered measures to be implemented to promote sustainable mobility, in particular in addition to the bicycle bonus. In terms of carpooling, a "Blabla Socram" project has been set up as part of the Teamstarter initiative. Lastly, to facilitate its employees' use of electric vehicles, Socram Banque has opened three new charging terminals in its parking lots in addition to the 11 existing ones.

MANAGING WASTE

Recycling, at the heart of the circular economy, makes it possible to avoid wasting natural resources and energy, to secure the supply of raw materials to French industry and to reduce their environmental impact.

In 2022, 155.3 m3 of waste was collected and recycled at Socram Banque.

With nearly 90 m3 and 7,545 kg, paper is the biggest collection and recycling flow. This figure, which is higher than last year, does not reflect an increase in paper consumption but rather sorting carried out in the archives of the departments during the



redeployment of workspaces in 2022. Socram Banque also carried out, exceptionally, a major operation to destroy "customer" archives that led to the recycling of 40.8 tonnes of paper.

PROTECTING BIODIVERSITY

As part of the summer digital challenge "1GB released = 1m² reforested in Allonne", Socram Banque employees, through their collective action, contributed to the financing of the biodiversity project led by Créateur de forêt.

This mission company, recognised as a "company committed to nature", is carrying out various actions in favour of biodiversity including the Allonne en Gâtine poitevine project, a forest ecosystem on a hectare preserved for 99 years with hedgerows, grassland areas as well as the replanting of 560 trees and shrubs of 14 different species.

The collection of spring honey from the three beehives installed on the roof of the buildings was offered to employees, who on this occasion made an additional donation to the benefit of Créateur de forêt.

IMPLEMENTING A COMMITTED PURCHASING POLICY

Socram Banque's purchasing policy deployed in December 2022 is the foundation stone of our responsible purchasing approach. It lays down the principles around three pillars: quality at the best price as quickly as possible, supplier/service provider relations and responsible purchasing.

The desire to achieve a high level of performance in terms of CSR is expressed through concrete actions, in particular promoting ethics in practices, limiting the environmental impact of products and services throughout their life cycle, reducing health and social risks, favouring local companies and encouraging socially responsible purchasing.

The proximity criterion has always been taken into account in the choice of suppliers. In addition,

measures continue to be taken in favour of professional integration associations (ESAT). Socram Banque, however, is changing its purchasing habits by acquiring second-hand furniture to furnish its break rooms and meeting spaces and is exploring the refurbishment path.

● STRENGTHEN OUR REGIONAL ROOTS

Engagement within the local region, in conjunction with its stakeholders, is an integral part of the CSR policy of Socram Banque, which intends to contribute, through its actions, to the creation of local wealth and income.

2022 was an opportunity to confirm our commitment and local associative support.

Socram Banque renewed the agreement signed in 2021 with the Fire Brigade defining the procedures for the operational availability and training during working hours of a volunteer firefighter employee.

This year, the company also supported the Saint-Maixentaise association "Margot Step By Step" and partnered with Restos du Coeur de Niort as part of the "Boîte de Noël" joint venture. Through the Teamstarter initiative, employees were invited to make gifts for low-income families. Additionally, Socram Banque provided financial support to the association.

As part of its sports partnership with the "Les Chamois Niortais" football stadium, the company offers match tickets to the "Un petit zest de soleil" association, whose mission is to help children suffering from serious and chronic illnesses, monitored at the Centre Hospitalier de Niort.

In 2022, Socram Banque once again supported regional development and expansion initiatives.

It subsidised the Coulée niortaise and hired a team in the race to wear its colours. The company also pursued

its commitment to culture by supporting two music events in the region: the Niort Jazz Festival and the Artenetra Festival.



ACTING AS A RESPONSIBLE EMPLOYER

Aware of its responsibility as an employer, Socram Banque has committed to implementing an ambitious policy in terms of quality of life at work and management and support for human resources. Its projects in 2022 attest to proactive and attentive management of social issues.

Thus, April saw the establishment of Teamstarter, a crowdfunding platform enabling the creation and financing of projects that notably improve the working environment and more generally the quality of life at work thanks to a personal monthly budget allocated by Socram Banque to its employees. They have the opportunity to propose actions and raise the funds needed to make them a reality or simply to help their colleagues bring their projects to fruition.

18 projects were funded, such as the installation of "Ballons-Sièges" in addition to the office seats, the creation of a seating area, the delivery of fruit baskets to enhance coffee breaks, the provision of board games in relaxation areas and collective participation in the march organised by the city of Niort as part of the Pink October.

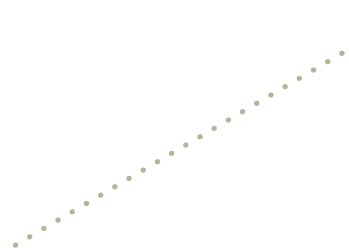
PROMOTING PROFESSIONAL EQUALITY AND DIVERSITY

Socram Banque is continuing its efforts in terms of professional equality and diversity in order to ensure equality at all levels.

In 2022, it implemented wage measures in the context of gender equality in the workplace for an amount representing 0.21% of the payroll.

Its gender equality index, which has been improving steadily since 2020, stands at 97% for this financial year.

Socram Banque has decided to become more actively involved in employment, professional equality and opportunities. Because recruiting work-study employees is a meaningful choice in terms of CSR, it has committed to supporting 13 young people in the workplace. These 13 work-study employees account for nearly 6% of the workforce.



STRENGTHEN OUR AMBITIONS TO SUPPORT AND DEVELOP "HUMAN CAPITAL"

In terms of support and development of "human capital", we continued in 2022 the strategic workforce planning approach and the new annual interview system implemented in 2021.

The Internal Regulations have been revised to include regulatory changes, an opportunity for the company to raise employee awareness of two fundamental principles: our policy of zero tolerance towards any act of sexual and/or moral harassment and our commitment to respect any employee who reports wrongful acts judicially.

IMPROVING QUALITY OF LIFE AT WORK

In terms of workplace safety, a day dedicated to first aid actions was organised for Socram Banque employees on 6 September, with 3 training sessions delivered by the SDIS des Deux-Sèvres, a fire safety awareness stand and a workshop dedicated to the operation of the defibrillator.

A guide on the security of premises and people within Socram Banque was produced and shared on this occasion. The success of this initiative will lead us to renew it in 2023.

Organising discussion time with employees to share the company's strategy and results and listen to them is an integral part of the company's policy.

This year, in addition to the information meetings and "A coffee with the CEO", informal meetings organised throughout the year between the teams and the CEO around a breakfast, on 9 September 2022, Socram Banque employees were invited to a cohesion day, co-organised with the SEC, with a friendly programme.

Finally, again to improve the quality of employees' working lives, a project to redeploy workspaces was begun 2022. Based on the needs reported by each department, the new organisation of these spaces has several objectives: to favour interactions and synergies between departments, to improve the ergonomics of workstations and to adapt to the new remote working method by creating a hybrid culture.

IN SUMMARY

2022 was marked by some excellent achievements in terms of CSR.

In order to be able to fully measure its impact and guide its strategy, in particular with a view to its next strategic plan, Socram Banque wished to measure its carbon footprint.

Work is underway and the lessons learned will make its commitments more effective and efficient and strengthen its position as a responsible financial player.



Consolidated balance sheet

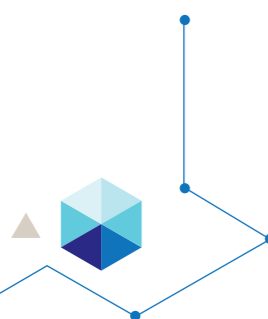
on December 31, 2022

Assets

	12/31/2022 Thousands EUR	12/31/2021 Thousands EUR
Interbank and assimilated transactions	303,264.64	356,967.90
Customer transactions (loans)	1,231,164.21	1,172,953.81
Leasing and similar transactions	0.00	0.00
Bonds, shares and other fixed-income and variable-income securities	0.00	0.00
Insurance company investments	0.00	0.00
Shareholdings, shares in the linked companies, other long-term securities	0.00	0.00
Tangible and intangible fixed assets	11,548.10	11,090.42
Goodwill	0.00	0.00
Trading and settlement account	0.00	0.00
Other prepayments and accrued income and miscellaneous assets accounts	13,484.98	14,525.72
Total assets	1,559,461.94	1,555,537.85

Liabilities

	12/31/2022 Thousands EUR	12/31/2021 Thousands EUR
Interbank and assimilated transactions	4,965.81	6,996.99
Customer transactions (deposits)	1,142,420.63	1,143,655.74
Debts represented by securities	112,266.04	103,812.30
Insurance company technical reserves	0.00	0.00
Trading and settlement account	0.00	0.00
Other prepayments and accrued income and miscellaneous liabilities accounts	17,828.83	18,968.24
Goodwill	0.00	0.00
Provisions	1,469.49	1,793.62
Subordinated debt	43,638.93	43,982.85
Fund for general banking risks (FGBR)	3,000.00	3,000.00
Minority interests	0.00	0.00
Equity excluding FGBR	233,872.20	233,328.11
Share capital	70,000.00	70,000.00
Share premiums	16,316.23	16,316.23
Retained earnings	144,846.18	145,436.38
Profit/Loss for the financial year +/-	2,709.79	1,575.50
Total liabilities	1,559,461.94	1,555,537.85



Consolidated balance sheet

on December 31, 2022

Off balance sheet

	12/31/2022 Thousands EUR	12/31/2021 Thousands EUR
Commitments given	41,232.55	34,705.67
Commitments given on banking deposits	15,750.56	17,052.59
Funding commitments	25,481.99	17,653.08
Guarantee commitments	0.00	0.00
Commitments concerning securities	0.00	0.00
Commitments given by the insurance business	0.00	0.00
Commitments received	150,000.00	150,000.00
Commitments received by the banking business	0.00	0.00
Funding commitments	0.00	0.00
Guarantee commitments	150,000.00	150,000.00
Commitments concerning securities	0.00	0.00
Commitments received by the insurance business	0.00	0.00

Consolidated profit and loss account

	12/31/2022 Thousands EUR	12/31/2021 Thousands EUR
+ Interests and similar incomes	57,039.98	56,325.88
- Interests and similar charges	23,854.29	21,287.10
+ Revenue from variable-income securities	0.00	0.00
+ Commissions (incomes)	9,990.60	10,512.65
- Commissions (charges)	972.56	983.49
+/- Gains or losses on portfolio trading transactions	0.00	0.00
+/- Gains or losses on portfolio investment and similar transactions	0.00	0.00
+ Other incomes from banking operations	2,345.13	2,381.12
- Other charges from banking operations	0.00	0.00
Net banking income	44,548.86	46,949.05
- General operating expenses	36,089.63	39,141.85
- Provisions for depreciation and provisions on tangible and intangible fixed assets	1,222.50	1,404.29
Gross operating profit/loss	7,236.73,	6,402.91,
+/- Cost of risk	-3,115.92	-345.67,
Operating profit/loss	4,120.81	6,057.24,
+/- Gains or losses on fixed assets	0.00	0.00
+/- Exceptional profit/loss	-357.75	-470.92
- Corporate tax	1,053.27	1,010.82
+/- Allowances/Reversals for banking risks and regulated provisions	0.00	-3,000.00
+/- Charges / write-backs of funds for general banking risks	0.00	0.00
+/- Minority interests	0.00	0.00
Net profit/loss	2,709.79,	1,575.50

Notes to the consolidated financial statements



HIGHLIGHTS OF THE YEAR

The third consecutive year of crises (2020 health crisis, 2021 logistics and sector crisis, 2022 geopolitical crisis with energy tensions), 2022 saw a slowdown in consumption in a highly inflationary context, which inevitably impacts our activities.

However, in this context, we remain focused on our development and continue to implement our strategic plan.

2022 appears to be a pivotal year in our work, when we consolidated the "dynamics" initiated previously and accentuated our first rapid gains while carrying out the major structuring projects of our strategic plan.

In terms of development, our actions mainly concerned the redesign of the renovations loan, the marketing of a new "coup de pouce" project loan, the implementation of management solutions for a leasing offer that will be deployed in 2023 and a 100% digitised loan subscription process under a grey label.

In 2022, we continued to diversify our financing of customer projects with encouraging results and, ultimately, a little less exposure to the automotive sector.

Our customers are particularly satisfied with our relationship, with a further improvement in perception of the quality of our services (95% on credit).

CONSOLIDATION OBLIGATION

Socram Banque put in place an initial non-deconsolidating securitisation transaction for small amounts when it created the Titriscram 2009-01 sub-fund in 2009. This sub-fund was dissolved in June 2011.

Consequently, Socram Banque has published consolidated financial statements since this date.

A new three-year agreement for €150 million of support from shareholders in the event of a liquidity crisis came into force on 1st April 2022.

2022 was also devoted to the continued strengthening of the operational security system (cyber risk) of the information system.

We have also started working on the development of the future Information System master plan in connection with the company's new scope of activity.

More generally, we have continued our transformations, including organisational changes within banking operations, in order to strengthen the performance, cohesion and commitment of our teams.

In March 2022, Socram Banque dissolved the FCT Titriscram 2017 securitisation fund created in 2017. The bank purchased the fund's residual receivables for a total of €33 million and redeemed the subordinated shares it held at nominal value, i.e. €32.9 million. The impact on 2022 income is -€0.08 million.

It carried out a new securitisation transaction in October 2017 with the creation of a €486 million securitisation fund (fonds commun de titrisation). It raised €450 million on the market by issuing senior bonds, and kept the subordinated bonds. This operation was renewable every 12 months and the most recent renewal took place in October 2018.

CONSOLIDATION SCOPE AND METHOD

SCOPE DEFINITION

Without entities under joint control or significant influence, as defined [in the applicable regulations], the consolidation scope includes:

- Companies under exclusive control, whose financial and operational policies the consolidating company has the power to direct;
- Special purpose entities within the meaning of Article 2020-01 of the ANC and CRC regulation no. 2004-4, insofar as they are under substantial control;

Entities that are controlled but which do not have a significant impact on the consolidated financial statements may be excluded from the consolidation scope. This situation is presumed to exist if a company's balance sheet or profit or loss does not have an impact of more than 1% on the consolidated group.

However, an entity below this threshold may be included in the consolidation scope if its activity or expected development gives it the nature of a strategic investment.

CONSOLIDATION SCOPE AND CHANGES

Consolidated entities	2022		2021	
	Consolidation method	% control and interest	Consolidation method	% control and interest
SOCRAM BANQUE	PC		PC	
FCT TITRISOCRAM 2017	Deconsolidated	0%	FC	100%
SOCRAM Immo	FC	100%	FC	100%
SCI du 24 février	FC	100%	FC	100%
SCI 24/24	FC	100%	FC	100%
SCI du Vieux Colombier	FC	100%	FC	100%

PC: parent company FC: full consolidation

Via Finances, acquired in February 2022 and whose registered office is at 2 rue du 24 février in Niort, is excluded from the consolidation scope due to the non-materiality of the entity in the Group's consolidated financial statements.

FULL CONSOLIDATION METHOD

Full consolidation consists in:

- Integrating into the financial statements of the consolidating company the components of the consolidated companies' financial statements, after any restatements;

- Eliminating transactions and financial statements between the fully consolidated company and other fully consolidated entities;
- Distributing the capital and profit or loss between the consolidating company's interests and minority interests.

ACCOUNTING PRINCIPLES AND VALUATION METHODS

● GENERAL RULES

The annual financial statements are presented in the publishable form recommended by CRC regulation no. 2020-01, as amended by CRC regulations nos. 2000-01 and 2005-05.

General accounting conventions have been applied in line with the principles of prudence, going concern, consistency of accounting methods and periodicity and in accordance with the rules for preparing and presenting annual financial statements generally accepted in France.

The historical cost method is used to value items recorded in the financial statements, and all balance sheet items are presented, where relevant, net of depreciation and amortisation, provisions and valuation adjustments.

● CHANGE OF ACCOUNTING METHODS

There was no change in the accounting principles enforced in the 2022 financial year.

● PRINCIPLES OF VALUATION OF BALANCE SHEET ITEMS

PRESENTATION OF TRANSACTIONS WITH CUSTOMERS

Customer loans are recorded in the balance sheet at their nominal value plus accrued interest not yet due, net of impairment provisions recorded in respect of credit risk. Commissions and marginal transaction costs are amortised. They are calculated for each loan, in proportion to the interest remaining to be received as a percentage of the total interest due on the loan over its term.

Signed commitments constituting off-balance sheet items comprise irrevocable financing commitments on which funds have not yet been paid as well as, in the case of the current account activity, overdrafts authorised but not yet used.

No collective provisions have been made

► Non-performing loans

Customer receivables, including customer loans and current accounts in debit, are classified as non-performing loans if they present a proven risk of partial or total non-recovery and are subject to a dispute procedure and, in all cases, if one or more instalments are paid more than three months past their due date. Socram Banque adapted its downgrading policy in 2022 to comply with the new European regulations applicable since 1st January 2021.

For a given borrower, the classification of an outstanding loan as non-performing leads, by extension, to the identical classification of all of the borrower's other outstanding amounts.

If no write-off is planned, non-performing loans may be reclassified as performing if payment of the original contractual instalments has resumed for 36 months.

If the prospects of recovery have severely deteriorated, non-performing loans concerned are classified as irrecoverable. This classification must be applied if the debt is written off and, in all cases, one year after a loan is classified as non-performing.

Restructured debts where the debtor has failed to meet the due dates are also considered as irrecoverable.

Restructured debts are debts held with counterparties that are experiencing financial difficulties such that the credit institution is obliged to modify the loan's initial characteristics (term, interest rate) to enable the counterparties to honour the payment of instalments. At the time of restructuring, the loan is subject to a write-down. The discount rate is the original effective interest rate. This write-down is recorded in profit or loss under loan loss provisions and in the balance sheet as a reduction in the corresponding debt.



Interest accrued and due but not received on non-performing loans is included in the financial statements under other banking operating income and written down accordingly. Interest incomes are no longer included in the financial statements once loans are classified as irrecoverable. Termination compensation and late payment interests relating to non-performing loans and irrecoverable debts are included in the financial statements upon receipt.

► Write-downs of non-performing loans

Non-performing loans are subject to write-downs recorded as a reduction in assets, intended to cover the probable loss that will result. In accordance with ANC regulation no. 2014-07, these write-downs correspond to the present value of all the losses forecast in respect of the non-performing or irrecoverable loans.

Forecast losses are equal to the difference between the initial contractual payments, less amounts already received, and the forecast payments. Estimation of these losses is subject to a statistical procedure for the categories of outstanding loans covered by the provisions of Article 2231-4 of ANC regulation no. 2014-07.

A different statistical procedure is used if the non-performing loan's various segments display dissimilar recovery characteristics.

In the case of most non-performing loans, forecast amounts and their spreading over time are determined on the basis of the estimated rate of occurrence of loan write-offs and statistical post-write-off recovery rates. These amounts are discounted at the average rate of return on loans over a rolling 24-month period.

In the case of debts restructured pursuant to over-indebtedness legislation, specific statistical non-performing loan recovery rates are applied.

By way of exception, outstanding loans with characteristics that preclude use of a statistical procedure are subject to an individual estimate of unrealised losses. Forecast payments are only then discounted if the discounting impact is material.

Provisions linked to the write-down of non-performing loans due to the risk of non-recovery are recorded under loan loss provisions.

Write-down reversals linked to the impact of time on discounting are recorded as a reduction in loan loss provisions.

Interest and re-invoiced costs recognised in respect of non-performing loans are provisioned in full.

SECURITIES PORTFOLIO

Treasury bills and other negotiable debt securities issued in France as well as similar instruments issued in foreign countries, transferable securities issued in France or abroad and, generally speaking, all debts represented by a security that can be traded on the market, are deemed to be fixed- or variable-rate interbank securities. They are divided into securities held for trading, securities held for sale and securities held for investment, based on holding intention, refinancing conditions, divestment criteria and the type of gains obtained.

At the end of the financial year, the company's securities portfolio comprised securities held for sale and securities held for trading, investments in associates and investments in subsidiaries and related companies. Socram Banque does not carry out any specialised portfolio management or trading portfolio activity.

► Securities held for sale

Securities held for sale are recorded neither as securities held for trading nor as securities held for investment.

Securities held for sale acquired in return for payment are recognised at cost, excluding acquisition expenses. Those acquired free of charge through an exchange or as payment in kind are recognised at market value. Any premiums or discounts are spread over the securities' residual terms.

They include the following securities:

- SICAV variable-capital investment fund shares subscribed to establish the liquidity buffer related to the short-term liquidity coverage ratio (LCR) requirement.

At the year end, they are valued based on the last known rate for listed securities and the probable market value for non-listed securities. Unrealised capital losses are calculated line by line and give rise to write-downs. Unrealised capital gains are not taken into account.

► Securities held for trading

This category includes, where applicable, cash funds. They are valued based on the last known rate at the close of the financial year. Overall differences stemming from price changes are recorded in profit or loss.

► Securities held for investment

The company has no securities held for investment.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE FIXED ASSETS

Non-current assets are valued in accordance with the applicable regulations concerning assets. They are included in the financial statements at their acquisition cost. The components of a fixed asset for which different periods of use are states, are recorded separately.

Depreciation on fixed assets is calculated according to the straight-line method based on the expected periods of use.

Capital gains and losses on transfers are recorded in the profit and loss account on the line "net gains on other fixed assets."

DEBTS

► Debts owed to credit institutions

Debts owed to credit institutions are broken down according to their initial maturity and the type of debt.

Interest accruing on these debts is included in the accrued interest account of the income statement.

► Debt securities

Debt securities are broken down by type of underlying. They include negotiable debt securities and bonds.

Issue premiums and costs are amortised at the point of issue.

Interest accruing on these securities is included in the accrued interest account of the income statement.

► Subordinated debt

This item concerns the Mutual Guarantee Fund (see note to statement of financial position concerning subordinated debt).

HEDGING TRANSACTIONS

Forward financial instruments correspond to forward interest rate instruments.

All of Socram Banque's transactions in financial forward markets are designed to hedge its financial margin.

Charges and income related to forward financial instruments used for hedging and assigned to a specific item at the outset re recorded in the profit/loss account in a manner that is symmetrical with the recording of income and charges relating to the hedged item.

Charges and income related to instruments used for financial hedging and overall rate risk management are recorded proportionally in the profit/loss account.

The market value of the financial futures instruments, referred to in the Appendix (note on additional information concerning financial futures instrument commitments), results from a calculation based on market valuation parameters. These valuations are determined internally; they nonetheless are compared with valuation elements from counterparties.

NOTES ON BALANCE SHEET ASSETS

● INTERBANK TRANSACTIONS

This item mainly includes reserve accounts with the Banque de France, funds centralised with the Caisse des Dépôts et Consignations, amounts deposited in regulated savings accounts and assets in banks.

RESIDUAL TERM (€K)	< 3 months	3 months < 6 months	6 months < 1 year	1 year < 5 years	> 5 years	Total 2022	Total 2021
Cash	0	-	-	-	-	0,1	0,3
DAB/ATM cash account	-	-	-	-	-	-	-
Mandatory Banque de France reserves	63,306	-	-	-	-	63,306	84,062
Centralised funds	-	-	-	215,914	-	215,914	211,315
Unallocated amounts	-	-	-	-	-	-	-
Accounts and loans	24,044	-	-	-	-	24,044	61,590
Securities received under repurchase agreements	-	-	-	-	-	-	-
Gross value	24,044	-	-	-	-	24,044	61,590
Impairment	-	-	-	-	-	-	-
Net value	24,044	-	-	-	-	24,044	61,590
TOTAL	87,351	-	-	215,914	-	303,265	356,968

Centralised funds are accrued in line with the increase in funds paid into the Livret A, Livret de Développement Durable et Solidaire (LDDS) and Livret d'Épargne Populaire (LEP) savings accounts held by customers.

● CUSTOMER TRANSACTIONS

The amount of customer lending represents all current loans and, for the current and savings account activities, overdrawn accounts. It comes to €1,231,165K including bad debts, net of provisions.

BREAKDOWN OF DEBTS ACCORDING TO THEIR RESIDUAL TERM (IN €K)

RESIDUAL TERM	< 3 months	3 months < 6 months	6 months < 1 year	1 year < 5 years	> 5 years	Total 2022	Total 2021
Current account debit amounts	4,967					4,967	5,637
Cash loans	111,843	95,818	176,788	708,665	108,264	1,201,378	1,143,347
<i>Of which loans to financial customers</i>	12,005				12,800	24,805	
Other loans to customers	-					-	-
Non-performing loans net of provisions	22,330					22,330	21,465
Accrued interest	2,422					2,422	2,405
Unallocated values to customer transactions	68					68	100
TOTAL	153,634					1,231,164	1,172,954

NON-PERFORMING LOANS - LENDING ACTIVITY (IN €K)

	2022	2021
Performing loans excluding accrued interest	1,199,997	1,141,999
Non-performing loans excluding accrued interest	56,268	57,360
<i>Of which, irrecoverable loans excluding accrued interest</i>	35,415	36,292
Provisions for loan impairment, including provision for discounting and Neiertz write-downs	34,329	35,895
<i>Of which provision for impairment of irrecoverable loans</i>	24,636	24,819
Coverage rate	61.01%	62.58%
Overall lending activity outstandings	1,256,265	1,199,359
Non-performing loan rate	4.48%	4.78%
Overall provisioning rate (Provisions / Overall outstandings)	2.73%	2.99%

Application of the new definition of default led to a downgrading of €9.9 million of outstanding loans that had not been downgraded according to the old criteria.

These outstandings were provisioned in the same way as other non-performing outstandings.

BANKING BUSINESS NON-PERFORMING LOANS (IN €K)

	2022	2021
Performing loans excluding accrued interest	6,348	6,985
Non-performing loans excluding accrued interest	1,958	2,311
<i>Of which, irrecoverable loans excluding accrued interest</i>	-	-
Provisions for loan impairment	1,567	1,849
Coverage rate	80.07%	80.01%
Overall current and savings account outstandings	6,926	7,661

BONDS AND OTHER FIXED-INCOME SECURITIES (IN €K)

At the end of 2013, Socram Banque subscribed to fixed rate term bonds in order to constitute the structural part of its liquidity cushion and these came to maturity in 2018.

In €K	2022	2021
French treasury bonds	-	-
Accrued interest	-	-
Total	-	-

SHARES AND OTHER VARIABLE-INCOME SECURITIES (IN €K)

This item mainly includes the SICAV funds. Some of these securities are eligible as level 1 high-quality liquid assets for the short-term liquidity coverage ratio (LCR) calculation.

In €K	2022	2021
SICAVs eligible for the short-term liquidity coverage ratio (LCR) calculation	-	-
Money-market SICAVs	-	-
Total	-	-

FIXED ASSETS

DEPRECIATION AND AMORTISATION METHODS

	Depreciation/ amortisation method	Term
Software and licences	Straight-line	4 years
Fixtures and fittings	Straight-line	4 to 10 years
Transport equipment	Straight-line	4 years
Equipment and tools	Straight-line	5 years
Building structure	Straight-line	60 years
Façades and roofs	Straight-line	30 years
Technical equipment	Straight-line	20 years
Refurbishments	Straight-line	10 years
Office equipment	Straight-line	5 to 10 years
Furniture	Straight-line	7 to 10 years
Computer hardware	Straight-line	4 years

MOVEMENTS DURING THE FINANCIAL YEAR (IN €K)

	At start of year	Increase	Decrease	At end of year	Dep., amort. & prov.	Net amount
Intangible fixed assets in progress	155	1,106	-	1,261	-	1,261
Certificate	-	-	-	-	-	-
Software	25,871	18	-	25,889	25,578	311
Intangible fixed assets	26,026	1,124	-	27,150	25,578	1,572
Land	1,054	0	-	1,054	0	1,054
Buildings	9,575	-	-	9,575	3,649	5,926
Fixtures and fittings	7,710	132	-	7,842	5,478	2,364
Transport equipment	100	-	26	74	74	-
Office furniture and computer equipment	3,861	454	-	4,315	3,682	632
Property, plant and equipment	22,300	586	26	22,860	12,884	9,976
GRAND TOTAL	48,326	1,710	26	50,010	38,462	11,548

OTHER ASSETS

In €K	2022	2021
Initial margin	242	382
Miscellaneous	4,981	7,267
Deferred taxes	815	733
TOTAL	6,038	8,382

PREPAYMENTS AND ACCRUED INCOME

In €K	2022	2021
Discounts on collection and other pending items	594	1,681
Prepayments or prepaid income	1,183	1,002
Income receivable on FFI	2	-
Other income receivable	5,668	3,461
TOTAL	7,447	6,144

NOTES ON BALANCE SHEET LIABILITIES

DEBTS OWED TO CREDIT INSTITUTIONS

This item corresponds to current refinancing obtained from credit institutions. It can be broken down as follows in terms of residual term (in €K):

RESIDUAL TERM	< 3 months	3 months < 6 months	6 months < 1 year	1 year < 5 years	> 5 years	Total 2022	Total 2021
Accounts and loans	4,966	-	-	-	-	4,966	6,997
Current	4,312	-	-	-	-	4,312	6,029
Term	654	-	-	-	-	654	968
Securities given under repurchase agreements	-	-	-	-	-	-	-
Current	-	-	-	-	-	-	-
Term	-	-	-	-	-	-	-
TOTAL	4,966	-	-	-	-	4,966	6,997

CUSTOMER TRANSACTIONS

This item, which increased due to the development of the current and savings account activities, is made up of the following components:

In €K	2022	2021
Current accounts	387,832	421,703
Savings accounts	754,455	721,802
of which, home savings accounts	1,263	1,386
of which, home savings plans	12,273	12,815
Accrued interest	71	76
Pending accounts	63	75
TOTAL	1,142,420	1,143,656

DEBT SECURITIES

This item essentially includes Socram Banque's refinancing transactions (negotiable debt securities and bonds linked to securitisation). In terms of

residual term, the breakdown of debt securities is as follows (in €K):

RESIDUAL TERM	< 3 months	3 months < 6 months	6 months < 1 year	1 year < 5 years	> 5 years	Total 2022	Total 2021
Long-term marketable securities	32,000	50,000	-	30,000	-	112,000	97,000
Bonds	-	-	-	-	-	-	6,782
Fixed-rate	-	-	-	-	-	-	-
Variable-rate	-	-	-	-	-	-	-
Adjustable-rate	-	-	-	-	-	-	-
Interest accrued on securities transactions	266	-	-	-	-	266	30
Interest accrued on negotiable securities	266	-	-	-	-	266	30
Interest accrued on bonds	-	-	-	-	-	-	-
TOTAL	32,266	50,000	-	30,000	-	112,266	103,812

OTHER LIABILITIES

In €K	2022	2021
Staff and social agencies	4,700	4,244
Other charges payable	10,143	9,993
Bond issue premium linked to securitisation	-	12
Other accruals and deferred income	1,146	1,389
Miscellaneous	1,840	3,329
Deferred taxes	-	-
TOTAL	17,829	18,967

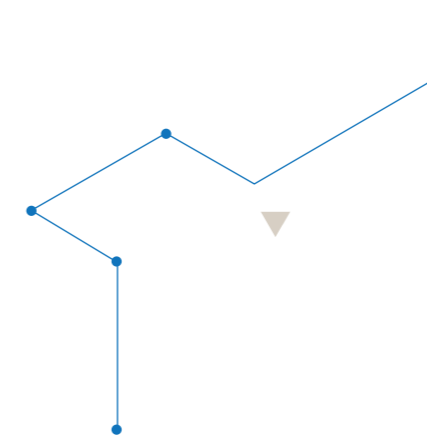
PROVISION FOR RISKS AND CHARGES

All outstanding transactions linked to the current account activity that are over three months in arrears are provisioned.

Home savings plans (PEL) are savings products marketed to the general public whose characteristics are defined by the 1965 law on home savings and the related implementing decrees.

Home savings products generate two types of commitment for banks that market them:

- the commitment to grant credit in the future to customers at a rate determined when the PEL contract was taken out;
- the commitment to remunerate savings in the future, for an unlimited length of time, at a rate determined when the PEL contract was taken out.



Commitments presenting potentially unfavourable consequences are assessed for each generation of home saving plans.

Risks related to these commitments are hedged by a provision for risks and charges on the liabilities side of the balance sheet.

A provision for disputes has been constituted to cover the risk of on-going procedures.

In €K	2022	2021
Bank suspense accounts	0	0
Provisions linked to home savings plans	311	376
Human relations disputes	1,158	1,417
TOTAL	1,469	1,793

SUBORDINATED DEBT

This item includes subscriptions to the Mutual Guarantee Fund, received by all borrowers at loans inception."

The Fund's operations and controls are described in the Socram Banque's borrowers' Mutual Guarantee Fund internal rule.

Subscriptions to the Mutual Guarantee Fund remain fixed at 2% of the initial loan amount. It contributes to Fund A. Following the entry into force

of CRD IV, they are no longer eligible for the calculation of regulatory capital.

Guarantee Fund A, as well as the income resulting from its investments, which are channelled into Fund B, are used to cover the risk and losses from non recoverable loans.

CHANGES IN THE MUTUAL GUARANTEE FUND DURING THE FINANCIAL YEAR

	Balance on 31/12/2021	Subscriptions	Repayments	Capitalisation of income	Use by Socram	Use	Receipts in respect of debts	Transfer from Fund A to Fund B	Balance on 31/12/2022
Fund A	43,236	7,953	7,791	-	524	-	-	3,195	39,678
Fund B	7,469	-	-	422	-	2,219	1,981	3,195	10,849
Fund B reserve	-6,722	-	-	-	-	167	-	-	-6,889
TOTAL	43,983	7,953	7,791	422	524	2,386	1,981	6,390	43,639

Fund B is managed by annual generation of loans. For prudential purposes and as in the previous year, the reservation for fund B is limited to 90% of the recoveries received on loans written off and the interest generated by the financing of the institution's credit activity.

An additional transfer of €3,195,000 was also carried out between sub-funds A and B following a reconciliation exercise. These are sums from loans that have been extinguished and for which the borrowers could not claim repayment of their subscription. The atypical nature of this transfer led to 90% of reservations not being applied.

● SHAREHOLDERS' EQUITY EXCLUDING FGFR

TABLE SHOWING CHANGE IN SHAREHOLDERS' EQUITY

In €K	Capital	Premiums	Consolidated reserves	Net profit or loss attributable to owners of the parent	Consolidated shareholders' equity attributable to owners of the parent	Non-controlling interests	Consolidated shareholders' equity attributable to owners of the parent
Situation on 31/12/2020	70,000	16,316	144,385	1,355	232,056	-	232,056
Change in equity	-	-	-	-	-	-	-
Distributions	-	-	-	-	-	-	-
Other changes	-	-	304	-	304	-	304
Appropriation of previous year's income	-	-	1,355	1,355	-	-	-
Profit/loss for the financial year	-	-	-	1,576	1,576	-	1,576
Situation on 31/12/2021	70,000	16,316	145,436	1,576	233,328	-	233,328
Change in equity	-	-	-	-	-	-	-
Distributions	-	-	1,400	-	1,400	-	1,400
Other changes	-	-	766	-	766	-	766
Appropriation of previous year's income	-	-	1,576	1,576	-	-	-
Profit/loss for the financial year	-	-	-	2,710	2,710	-	2,710
Situation on 31/12/2022	70,000	16,316	144,846	2,710	233,872	-	233,872

The company's capital is composed of 3,500,000 shares each with a nominal value of €20. Issue premiums are the result of the capital increase carried out in 1995 for €1,761,000 and the capital increases carried out in 1999 for €14,555,000.

● FUND FOR GENERAL BANKING RISKS

In €K	2022	2021
FGFR	3,000	3,000
TOTAL	3,000	3 000

Socram Banque decided to make an allocation to the general banking risks fund in 2021 to cover, on the one hand, credit risks not proven in an uncertain economic environment and, on the other hand, the expected impacts on the bank's transformation following the decision to enter a more dynamic phase in the run-off management of demand accounts from 2022.

● OFF-BALANCE SHEET

● FINANCING COMMITMENTS GIVEN

VEHICLE ACQUISITION LOANS

Commitments given in respect of vehicle acquisition loans where the funds have not been released amount to €18,252,000.

HOME IMPROVEMENT LOANS

Commitments given in respect of home improvement loans where the funds have not been provided, amount to €7,230,000.

UNUSED AUTHORISED OVERDRAFTS

Retail banking overdrafts that were authorised but not used came to €15,751,000.

● GUARANTEE COMMITMENT RECEIVED

A new commitment of support from shareholders in the event of a liquidity crisis came into force on 1st April 2019. For a total amount of €150,000,000, it is split among shareholders according to their share capital.

● INCOME STATEMENT

An income statement is drawn up for each activity (consumer credit and retail banking), with direct expenses allocated by activity and indirect expenses broken down using allocation keys.

● CHARGES

INTEREST AND SIMILAR CHARGES

This item includes all sums paid to banking organisations in respect of cash transactions, interbank transactions and securities transactions, as well as charges on interest rate and hedging instruments.

In €K	2022	2021
Charges on cash transactions	8,946	9,202
Charges on customer transactions	10,300	8,214
Charges on securities transactions	754	-
Charges on the provision of financial services	3,388	3,442
Miscellaneous banking operation charges	466	429
TOTAL	23,854	21,287

COMMISSIONS RECORDED IN CHARGES

Commissions can be broken down into:

In €K	2022	2021
Commissions on interbank transactions	137	153
Commissions on off-balance sheet transactions	598	600
Commissions on the provision of financial services	227	180
Commissions on securities transactions	10	51
TOTAL	972	984

OPERATING EXPENSES

This item includes:

In €K	2022	2021
External expenses	21,129	23,399
Taxes and duties	337	432
Payroll costs	14,623	15,311
TOTAL	36,090	39,142

ADDITIONS TO AMORTISATION

These correspond to write-downs on non-current assets. They amounted to €1,222k in 2022.

LENDING ACTIVITY LOAN LOSS PROVISIONS

In €K	2022	2021
Net allocation to provisions	394	-2,424
Expected credit losses	5,170	5,761
Receipts in respect of bad debts written off	2,376	-2,725
Losses underwritten by mutual companies	9	-24
Loan loss provisions before Guarantee Fund B	3,178	588
Recourse to be exercised on Fund B	167	1,752
Losses allocated to Fund B	2,219	-4,548
Receipts in respect of debts transferred to Fund B	1,981	2,179
Loan loss provisions	2,775	29

CURRENT AND SAVINGS ACCOUNT ACTIVITY LOAN LOSS PROVISIONS

In €K	2022	2021
Net allocation to provisions	282	-241
Expected credit losses	655	630
Receipts in respect of bad debts written off	32	-15
Loan loss provisions	341	374

NON-RECURRING CHARGES

These mainly concern:

In €K	2022	2021
Provisions for risks and charges	83	337
Miscellaneous	389	282
TOTAL	472	619

FGBR ALLOCATION

In €K	2022	2021
FGBR allocation	-	3,000
TOTAL	-	3,000

INCOME TAX

Income tax includes all taxes charged on profit, whether they are to be paid immediately or deferred.

All deferred liabilities are taken into account unlike deferred tax assets which are only included in the balance sheet if their use is probable.

Tax assets and liabilities are valued using the tax rates and rules in force at the end of the financial year, if the related provisions do not specify a change of the applicable tax rates or rules.

INCOME TAX (IN €K)

In €K	2022	2021
Consolidated profit/loss for the year	2,710	1,576
Tax recorded	1,053	1,011
Consolidated profit/loss for the year before tax	3,763	2,586
Tax rate applicable	25.0%	26.5%
Theoretical tax	941	685
Impact of the social contribution on the allowance of €760,000	9	-2
Family tax credit	-1	-4
Total temporary differences	-	-
Total permanent differences	102	23
Impact of rate differences	-	305
Impact of other items	2	3
Total theoretical tax	1,053	1,010
Tax recorded	1,053	1,010

TAX (CORPORATION TAX)

In €K	Profit/loss	Corporation tax
Operating profit/loss	4,121	1,127
Gains/losses on non-current assets	-	-
Non-recurring profit/loss	358	-74
Profit/loss before corporation tax	3,763	1,053

BREAKDOWN OF CURRENT AND DEFERRED TAXES

In €K	2022	2021
Current and deferred tax assets	1,053	1,011
Current taxes	1,135	1,581
Deferred taxes	82	-570
Current and deferred tax liabilities	-	-
Current taxes	-	-
Deferred taxes	-	-

INCOME

INTEREST AND SIMILAR INCOME

This can be broken down into:

In €K	2022	2021
Income on cash transactions	13,023	10,689
Income on customer transactions	42,926	44,640
Investment income	396	330
Income on means of payment	695	702
TOTAL	57,040	56,361

COMMISSION INCOME

Commission income can be broken down into:

In €K	2022	2021
Commissions on interbank transactions	-	-
Commissions on customer transactions	9,814	10,513
Commissions on the provision of financial services	177	-
TOTAL	9,991	10,513

OTHER BANKING OPERATING INCOME

This concerns:

In €K	2022	2021
New insurance business commissions	2,345	2,381
TOTAL	2,345	2,381

NON-RECURRING INCOME

In €K	2022	2021
Miscellaneous	114	148
TOTAL	114	148

ADDITIONAL INFORMATION

COMMITMENTS ON FORWARD FINANCIAL INSTRUMENTS

Transactions involving interest rate futures, which are designed to reduce the institution's overall exposure to interest rate risks, do not need to be included in off-balance sheet items.

For information, unwound contracts are grouped into two categories:

- Fixed-rate payer swaps are designed to hedge future fixed-rate gaps by maturity band.
- Variable-rate payer swaps are designed to hedge the risk attached to securitisation swaps, as these are eliminated by the consolidation of the FCT Titrisocram securitisation fund.

Option positions in €K	TOTAL	Less than 1 year	From 1 to 5 years
Fixed-rate payer swaps linked to securitisation	-	-	-
Other fixed-rate payer swaps	12,800	640	12,160
TOTAL	12,800	640	12,160

Given the drop in short-term interest rates since they were entered into, the valuation of SWAPS at the end of the year at market value results in an unrealised capital gain of €137K.

In the case of a negative valuation of the hedging swaps entered into in the context of securitisation transactions, Socram Banque undertook, by signing guarantee appendices, to provide liquid assets to match this valuation. At year-end, this amount was nil, given the change in the yield curve and the absence of an ongoing securitisation transaction.

DEBTS GUARANTEED BY COLLATERAL

As a guarantee, for certain loan contracts Socram Banque requires:

- the pledge of motorised vehicles,
- the pledge of taxi licences.

INSURANCE POLICY COVERING THE CREDIT RISK ASSOCIATED WITH TAXI LICENCES

The insolvency risk on the taxi licence financing loans that the company has granted since 1st May 2008 is guaranteed by a credit insurance policy covering the full amount of outstandings. This risk, which concerns the first eight years and last two years of the loans, is guaranteed according to procedures laid out in the abovementioned policy.

EARNINGS PER SHARE

In the absence of own shares or share subscription or purchase options issued by the Group, earnings per share are calculated by dividing earnings by the free float.

STATUTORY AUDITOR'S FEES, INCLUDING ALL TAXES

The amount of the auditor's fee is as follows (in €K):

	Groupe Y	PWC
Statutory audit of the corporate and consolidated financial statements	63	80
Specific assignments	2	8

RETIREMENT COMPENSATION

Undertakings related to retirement compensation came to €823,000 at the end of the financial year.

These obligations are fully covered by an insurance policy taken out with Mutavie.

REMUNERATION ALLOCATED TO MEMBERS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES FOR THE FINANCIAL YEAR

The total amount of directors' fees paid to members of the Board of Directors was €72,000.

Total remuneration paid to members of General Management came to €547,000.

AVERAGE HEADCOUNT PER CATEGORY

	2022	2021
Management	78	68
Non-management	140	149

TRANSACTIONS WITH RELATED PARTIES

During the year, the company did not enter into any significant transactions with related parties that did not take place on an arm's length basis.

EVENTS AFTER THE REPORTING DATE

No material events occurred between the reporting date and their approval by the Board of Directors.

On the date the accounts were closed by the Board of Directors, there were no events subsequent to the closure that could have a significant impact on the annual accounts.

Statutory Auditors' report on the consolidated financial statements

financial year ended 31 December 2022

OPINION

In accordance with the assignment entrusted to us by your General Meeting, we have audited Socram Banque's consolidated accounts concerning the financial year ending on 31 December 2022, as attached to the present report.

In our opinion, and in light of French generally accepted accounting principles, the consolidated financial statements give a true and fair view of the financial position of the Group and its consolidated persons and entities, of its assets and liabilities at the end of the financial year and of the results of its operations for the year then ended.

The above opinion is consistent with the content of our report to the Audit Committee.

BASIS FOR OUR OPINION

SCOPE OF THE AUDIT

We have carried out our audit in compliance with professional standards applicable in France. In our opinion, the information that we have collected forms an adequate and appropriate basis for our opinion.

Our responsibilities pursuant to these standards are stated in the section of this report entitled "Statutory Auditors' responsibilities as regards the audit of the consolidated financial statements".

INDEPENDANCE

We conducted our audit in accordance with the independence rules laid down by the French commercial code (Code de commerce) and the Code of Ethics for Professional Accountants for the period from 1 January 2022 to the date of issue of our report, and in particular we did not provide any services prohibited by paragraph 1 of Article 5 of EU regulation no. 537/2014.

BASIS OF OPINION - KEY AUDIT POINTS

Pursuant to the provisions of Articles L.823-9 and R.823-7 of the French commercial code on the basis of our opinion, we draw your attention to the key audit points pertaining to risks of significant anomalies that, in our professional opinion, were the most important for the audit of the consolidated financial statements for the financial year, as well as the solutions that we have provided for these risks.

The assessments given are thus an integral part of our audit approach for consolidated accounts, taken as a whole, and consequently contributed to the opinion we gave, expressed in the first part of this report. We do not express an opinion of elements of the consolidated accounts taken individually.

KEY AUDIT POINT: IMPAIRMENT PROVISIONS FOR CUSTOMER CREDIT RISK ON CONSUMER LOANS :

Risk identified	Notre approche d'audit
<p>Socram Banque Group is exposed to credit and counterparty risks. These risks, resulting from the inability of its customers or counterparties to honour their financial commitments, relate in particular to its customer lending activities.</p> <p>Impairment provisions are recognised on loan outstandings subject to demonstrable counterparty risk, the amount of which is determined using a statistical model that uses historical recovery data for portfolios of similar loans to calculate the expected future payments on these loans, as indicated in note 4.3.1, "Presentation of transactions with customers" in the notes to the annual financial statements.</p> <p>In our opinion, the identification and assessment of credit risk is a key audit point given that loans granted to customers represent a significant proportion of the balance sheet and that the resulting provisions constitute a significant estimate in the preparation of the financial statements and require management's judgement to determine the inputs and methods for calculating the impairment provisions for expected credit losses.</p> <p>Exposure to customer credit risk represented nearly 81% of Socram Banque's total consolidated assets as at 31 December 2022.</p> <p>Provisions for impairment of consumer loans amounted to €34,329,000, for gross outstandings of €1,256,265,000. Loan loss provisions on consumer credit activities in the 2022 financial year amounted to €2,775,000 (€28,000 less than in 2021).</p> <p>For further details on accounting policies and exposures, please refer to notes 4.3.1, 5.1, 5.2 and 8.1 of the notes to the consolidated financial statements.</p>	<p>Our work consisted in assessing the data and assumptions that management used to calculate impairment provisions for non-performing customer loans.</p> <p>In particular, we:</p> <ul style="list-style-type: none"> familiarised ourselves with the internal control procedures relating to the processes for listing exposures and calculating impairment provisions for the various loans; assessed the appropriateness of the data that management used to calculate impairment provisions at 31 December 2022; carried out independent recalculations of certain provisioning rates with the help of our specialists.

SPECIFIC VERIFICATIONS

We also carried out, in accordance with the auditing standards applicable in France and as stipulated by the applicable legal and regulatory provisions, the specific verifications of the information concerning the Group given in the management report of the Board of Directors.

We have no observations to make as to this information's reliability and concordance with the consolidated financial statements.

Other verifications or information required by laws and regulations.

DESIGNATION OF STATUTORY AUDITORS

The Ordinary General Meeting of 13 May 2014 appointed Groupe Y as Socram Banque's statutory auditors and that of 5 May 2010 appointed PricewaterhouseCoopers Audit.

As at 31 December 2022, Group Y cabinet was in the 19th consecutive year of its assignment and PricewaterhouseCoopers Audit its 13th.

RESPONSIBILITIES OF MANAGEMENT AND OTHER CORPORATE GOVERNANCE PARTICIPANTS IN RELATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

It is management's responsibility to draw up consolidated financial statements that present an accurate picture in light of French generally accepted accounting principles, and to put in place the internal controls it deems necessary to draw up these consolidated financial statements without material misstatements, whether they stem from fraud or error.

When drawing up the consolidated financial statements, management must assess the company's ability to continue its operations, to present in these financial statements, if applicable, any information concerning the company's operation as a going concern and to apply the accounting convention of going concern, unless it is planned for the company to be liquidated or to stop trading.

The Audit Committee is responsible for monitoring the financial information preparation process and the effectiveness of the internal control system and risk management systems, including, if applicable, the internal control procedures concerning collection and processing of accounting and financial information.

The Board of Directors has approved the consolidated financial statements.

STATUTORY AUDITORS' RESPONSIBILITIES AS REGARDS THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT GOAL AND APPROACH

It is our responsibility to prepare a report on the consolidated financial statements. Our goal is to obtain reasonable assurance that the consolidated financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance, without however guaranteeing that an audit carried out in compliance with applicable auditing standards can systematically identify all material misstatements. Misstatements can stem from fraud or error and are deemed to be material if it can be reasonably expected that, taken individually or as a whole, they will impact the economic decisions that users of these financial statements take on the basis thereof.

As specified in Article L.823-10-1 of the French commercial code, our financial statements audit assignment does not consist in affirming the viability or quality of your company's management.

In the framework of an audit carried out in compliance with the auditing standards applicable in France, the Statutory Auditors use their professional judgement throughout this audit.

Furthermore:

- ▶ they identify and assess the risks that the consolidated financial statements contain material misstatements – whether they stem from fraud or error – define and implement audit procedures to address these risks, and gather the information deemed sufficient and appropriate as a basis for their audit opinion. The risk of not detecting a material misstatement stemming from fraud is higher than for one stemming from an error, as fraud can involve collusion, falsification, voluntary omissions, false declarations or circumvention of internal controls;

- ▶ they obtain 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 company's internal control;
- ▶ they evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial statements made by management;
- ▶ they conclude on 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. Given that this assessment is based on information gathered up until the date on which their report is written, we remind you that any subsequent events or circumstances could impact the company's operation as a going concern. Should the auditors conclude that material uncertainty exists, they draw the attention of readers of the report to information given in the consolidated financial statements about this uncertainty or, should such information not be given or not be relevant, certify with reservations or refuse to certify the financial statements;
- ▶ they evaluate the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ as regards the financial disclosures concerning persons or entities included in the scope of consolidation, they gather the information deemed adequate and appropriate to express an opinion on the consolidated financial statements. The statutory auditors are in charge of the management, supervision and performance of the audit of the consolidated financial statements as well as the opinion expressed on these financial statements.

REPORT TO THE AUDIT COMMITTEE

We will submit a report to the Audit Committee describing the scope of the audit work and the work programme implemented, as well as the findings of said work. We will also inform it, if applicable, of any material weaknesses in the internal control system that we have identified as regards procedures for preparing the financial statements and processing accounting and financial information.

The information contained in the report to the Audit Committee includes details of risks of material misstatements that we deem to have been the most important for the audit of the consolidated financial statements for this financial year, which are thus the key points of this audit and which we describe in this report.

We will also provide the Audit and Risks Committee with the statement confirming our independence required under Article 6 of EU regulation no. 537-2014, within the meaning of the rules applicable in France as stipulated by Articles L.822-10 to L.822-14 of the French commercial code and in the Statutory Auditors' Code of Practice. If necessary, we shall meet with the Audit Committee to discuss the risks affecting our independence and the safeguard measures applied.

Bordeaux and Niort, 25 April 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Gaël Colabella

Gaël COLABELLA

Groupe Y Audit

Pierre Froidure

Pierre FROIDURE



S.A. WITH CAPITAL OF €70,000,000 - RCS NIORT 682 014 865
HEADQUARTERS: 2 RUE DU 24 FEBRUARY
CS 90 000 - 79092 NIORT CEDEX 9

TEL: 05 49 77 49 77 - FAX: 05 49 09 09 01
www.socrambanque.fr