

Investor Presentation

June 2022

Crédit Mutuel
ARKEA

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The consolidated financial statements for the year ended December 31, 2021 were approved by the Board of Directors of the Company on February 24 and were audited by the Company's statutory auditors.

In this presentation, revenues represent net banking and insurance income including gains and losses on disposal or dilution of companies accounted for by the equity method.

2022: KEY HIGHLIGHTS SO FAR

OVERALL PERFORMANCE

- Crédit Mutuel Arkéa officially became one of the first mission-led banks on May 10th
- Since the start of the year, work has been on-going to measure and monetise the group's extra-financial impacts

ESG DEVELOPMENTS

- On May 19th, Crédit Mutuel Arkéa became an official Signatory of the UN Principles for Responsible Banking
- On February 10th, Crédit Mutuel Arkéa and the European Investment Bank announced the signing of a new partnership to finance renewable energy projects for a total amount of €400 million

BUSINESS DEVELOPMENT

- Creation of business sectors dedicated to the sea and the wine-making industries to support professionals in Brittany and the South-West
- On April 6th, Crédit Mutuel Arkéa announced the sale of a majority stake in Leetchi and MANGOPAY to Advent International*
- On April 4th, Budget Insight announced the raise of \$35 M from PSG Equity* to become one of Europe's Open Finance leaders. Crédit Mutuel Arkéa will remain a shareholder.
- Following last year's announcement of a strategic partnership project with My Money Group, Crédit Mutuel Arkéa is implementing work to operate the IT activities of HBCE's retail banking business in France

**subject to regulatory approval*



A MISSION-LED COMPANY

CREDIT MUTUEL ARKEA : A MISSION-LED COMPANY

THE 5 COMMITMENTS OF OUR RAISON D'ÊTRE

Make our decisions by aiming for a **balanced approach between financial performance and positive impact** – societal and environmental – through the exercise of **cooperative governance** anchored in our **territories**.

Supporting each of our **stakeholders** in their **environmental transition**

Developing **regional cooperation** and committing to **local vitality**

Commit to **inclusion** and cultivate a **lasting relationship of trust** with all our **members and customers**, from pioneers to the most vulnerable

Promote our **collective commitment** to serve **common interest**, in particular by bringing to life our **mutualist values**

A MISSION-LED COMPANY

A deep and concrete commitment to serve major social and environmental transitions, which follows on from the adoption by the group of its **Raison d'Être in 2019**, and the launch in 2021 of **the strategic plan "Transitions 2024"**.

This project was submitted to the vote of the presidents of the local savings banks at the Annual General Meeting on May 10th, 2022: **Crédit Mutuel Arkéa officially became one of the first banks to obtain this status.**

The Mission committee will be appointed in June. It will include representatives from civil society and from within the group.

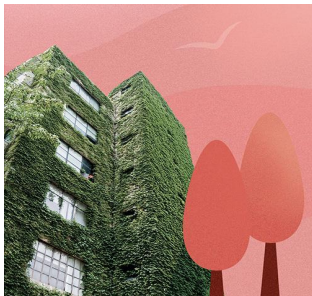
The group's missions will be organised around the five commitments already set out in application of the Raison d'Être.

THE STRATEGIC PLAN TRANSITIONS 2024

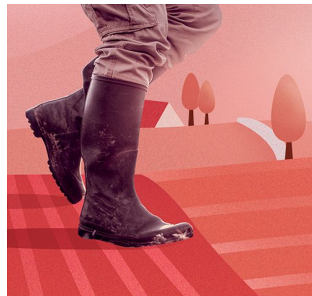
Adopted in January 2021, the plan positions the group as the agile financial partner for the transitions of the future.

It aims at strengthening its positive impact and its overall performance, financial and non-financial.

The strategic plan is structured into **4 strategic areas**, priorities for action to direct our business model.



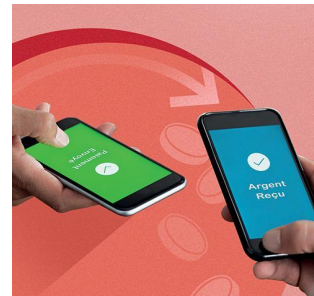
Enrich our positive impact range of products and services



Support the responsible development of territories



Personalise customer experience



Develop our partnership model

These strategic areas are supported by **5 execution levers**

- Promote our cooperative model **1**
- Set an example with our own actions and transitions **2**
- Improve collective efficiency **3**

- 4** Offer a singular experience to employees and local directors
- 5** Value an open innovation approach

CREDIT MUTUEL ARKEA ON THE ROAD TO OVERALL PERFORMANCE

In 2021, Crédit Mutuel Arkéa announced the implementation of a unique methodology that will enable it to measure its overall performance – combining financial and extra-financial performance.

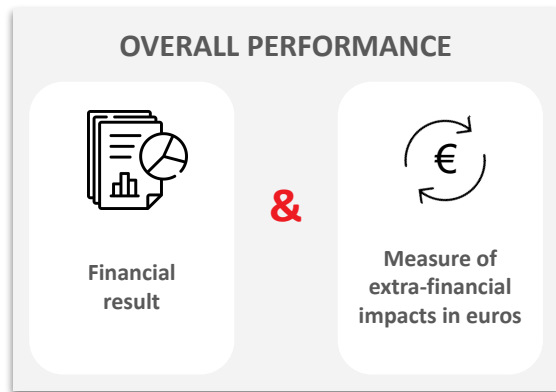
To increase its positive impact, Crédit Mutuel Arkéa promotes a balanced sharing of value with its stakeholders.

FINANCIAL PERFORMANCE

Revenues* of €2,531 M and net income group share of €574 M, at record levels

A very good commercial momentum, driven by all activities

Leading solvency levels (CET1 ratio of 17%)



EXTRA-FINANCIAL PERFORMANCE

First French bank to measure its extra-financial impacts in euros

Major progress in overall performance measurement in 2021, gradual deployment within the group in 2022

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EXTRA-FINANCIAL PERFORMANCE

EXTRA-FINANCIAL PERFORMANCE

In order to monitor its overall performance, Crédit Mutuel Arkéa has developed a methodology to measure its extra-financial performance in the context of financing (members & customers), its purchasing policy (suppliers) and its HR policy (employees).

CHOSEN APPROACH

- ▶ Starting with a top-down sectoral approach
- ▶ Selection of public reference databases for the valuation of the **24 selected indicators** (greenhouse gas emissions, jobs supported, etc.) and the choice of monetisation indices
- ▶ Monetisation of each extra-financial indicator in 3 steps

	Calculation stages	Stages description	Examples	Calculation method
1	Impact valuation	Quantified expression of impact	Amount of GHG emissions	Indicator value Unit (depending on indicator)
				x
2	Impact monetisation	Conversion of the impact into euros	GHG emissions benchmark	Monetisation index € per unit
				x
3	Impact determination	CM Arkéa's share of the company's value	Equal to 10% (for a loan of €100k with a client whose liabilities are of €1m)	Crédit Mutuel Arkéa' share %
				=
Outcome				Monetary value of the impact

EXTRA-FINANCIAL PERFORMANCE | CONTINUATION OF WORK

FIRST ESTIMATE FOR CREDIT MUTUEL ARKEA

On the basis of data as at 31/12/2020

While being scalable, the proven methodology was first implemented on Arkéa Banques Entreprises & Institutionnels and is now being rolled out to all Crédit Mutuel Arkéa banking and insurance businesses.

On the basis of data as at 31/12/2020, a first estimate has been made on :

- 75% of funding granted [≈ €50 bn]
- 95% of purchases made [≈ €460 M]
- 2 / 3 of group employees [6,485 full-time equivalents]

 **The 2020 extra-financial performance of Crédit Mutuel Arkéa has been estimated at €8 bn.**

Regarding financing, €1 million in loans granted by Crédit Mutuel Arkéa generates an average of €15,000 in negative environmental impacts and €175,000 in positive social impacts.

Extra-financial performance is a major step forward that will allow :

- ✓ To support the group and its stakeholders in changing and improving
- ✓ To assist the group's teams in their decision-making processes
- ✓ To assess long-term progress at all levels and establish a clear trajectory for progress

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2021 FINANCIAL PERFORMANCE

2021: A STRONG GROWTH MOMENTUM, A RECORD RESULT

Business development

Client portfolio
+ 4.0%
at 5.1 M

Gross outstanding loans
+ 9.0%
at €73.8 bn

Gross outstanding savings
+ 12.6%
at €155.0 bn

Financial results

Revenues*
€ 2,531 M
+ 17.3%

Cost of risk
€116 M
- 27.7%

Net income
group share
€574 M
+ 61.0%

Balance sheet structure, solvency & liquidity

Total assets
€179.3 bn
+ 5.8%

CET 1
Common Equity Tier One ratio
17.0%

Gross loan to deposit ratio
98.7%

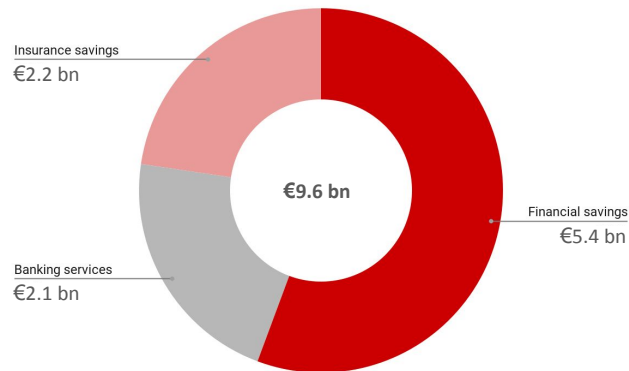
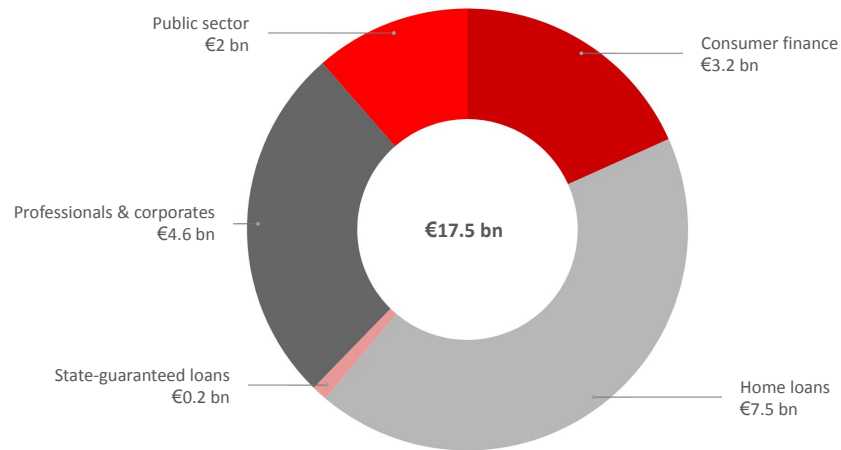
Fully committed to the execution of its Transitions 2024 medium-term plan and now a mission-led company, Crédit Mutuel Arkéa continues to take action to improve its overall financial and extra-financial performance

STRONG BUSINESS DEVELOPMENT

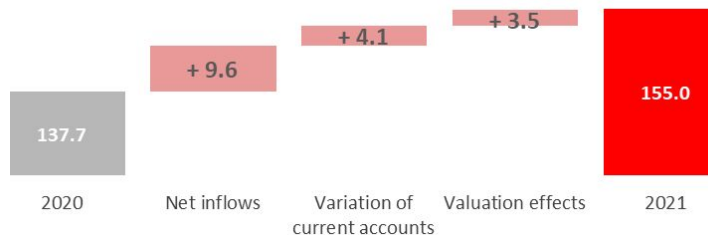
▶ 200,000 new clients: a portfolio up 4% compared to 2020, to more than 5 million clients.

▶ **A 2021 loan production of €17.5 bn**, increased by 7.5% compared to 2020. Excluding state-guaranteed loans, production increased by 19.1%.

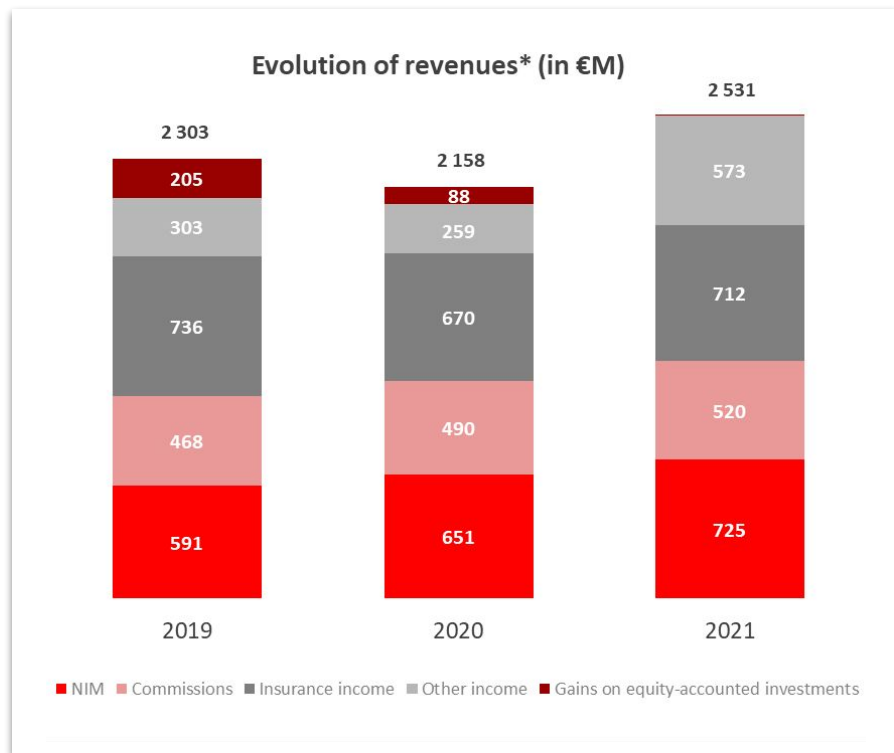
▶ **Outstanding savings at €155.0 bn, up 12.6%** compared to the end of 2020, driven by net inflows of €9.6 bn (+ 21.5% compared to 2020).



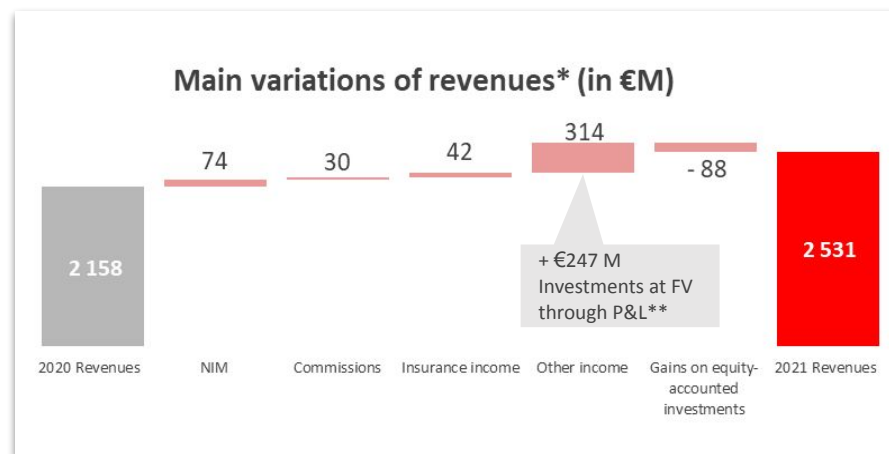
Evolution of outstanding savings (in €bn)



REVENUES* AT HISTORICAL HIGH



Revenues* are up by 17.3% at €2.5 bn compared to 2020 and by 9.9% compared to 2019, which was the previous all-time record

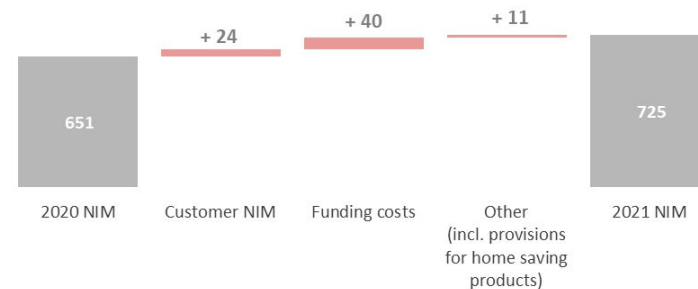


Main fair value evolutions (2021 vs. 2020)
Arkéa Capital : + €199 M
(vs - €59 M between 2020 and 2019)

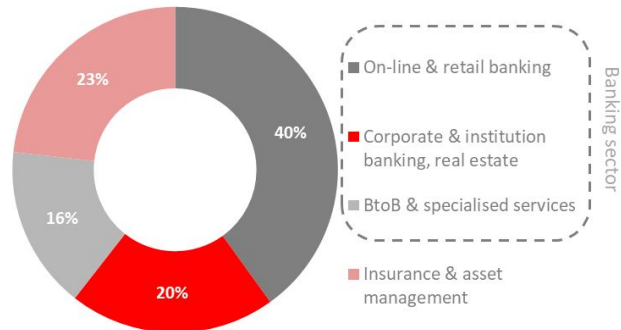
A DIVERSIFICATION OF REVENUE* SOURCES

Major strategic directions resulting in revenue diversification, enabling Crédit Mutuel Arkéa to be less dependent to interest rate levels, with a net interest margin (€725 M) making up 29% of revenues* in 2021

Main variations
of the net interest margin (in €M)



Sectoral distribution of revenues*

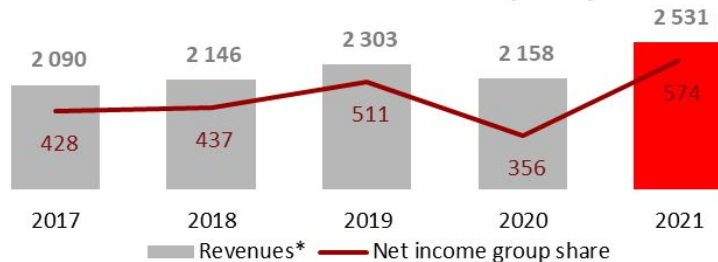


In 2021 :

- 16% of Crédit Mutuel Arkéa's revenues* come from the B2B & Specialised Services division (i.e. €409 M)
- 23% of Crédit Mutuel Arkéa's revenues* come from the Insurance and Asset Management division (i.e. €589 M)

RECORD NET INCOME AT €574 M

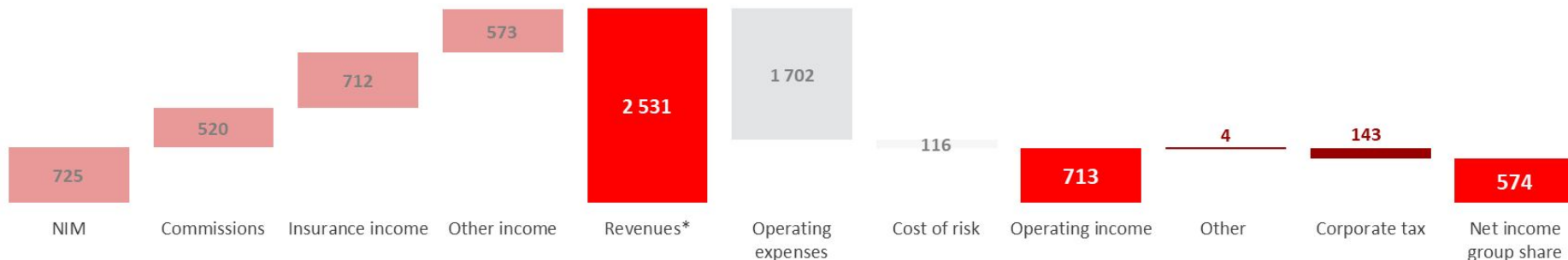
Evolution of revenues* and net income (in €M)



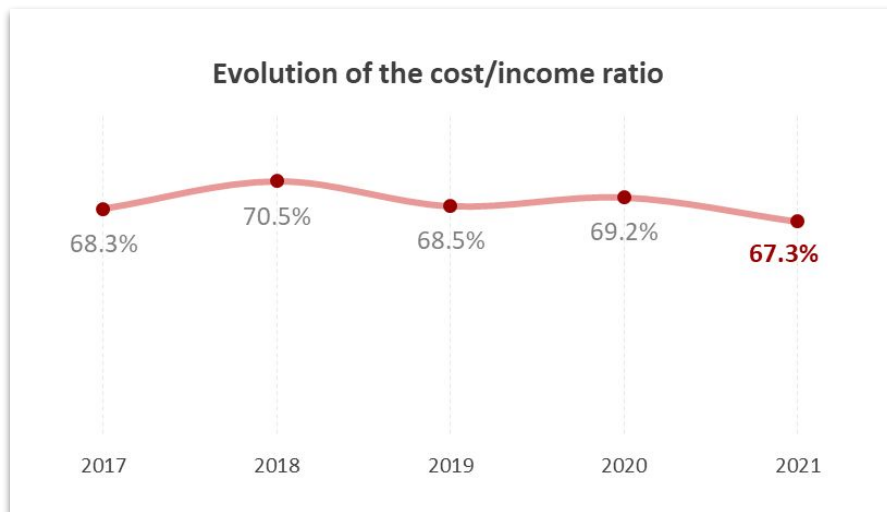
Δ In 5 years
Revenues* : + 21%
Net income : + 34%

Net income group share of €574 M, an all-time high, **up 61.0%**, driven by the valuation of Private Equity activities and the momentum of all the group's businesses

Build-up to net income (in €M)



A COST/INCOME RATIO OF 67.3%



A 2021 cost/income ratio at the best historical level



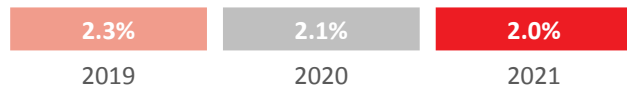
Operating expenses amounted to €1,702 M, up 14.0% compared to 2020

On a comparable basis*, operating expenses increased by €152 M (+9.9%) to €1,691 M, mainly due to:

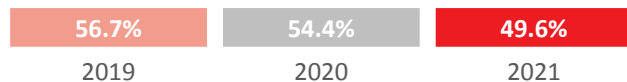
- personnel costs (+€92 M) to €935 M, driven by additional compensation linked to the sharp increase in results
- the group's regulatory and development projects, as part of the implementation of Transitions 2024 (+€61 M) at €756 M

A QUALITY LOAN PORTFOLIO

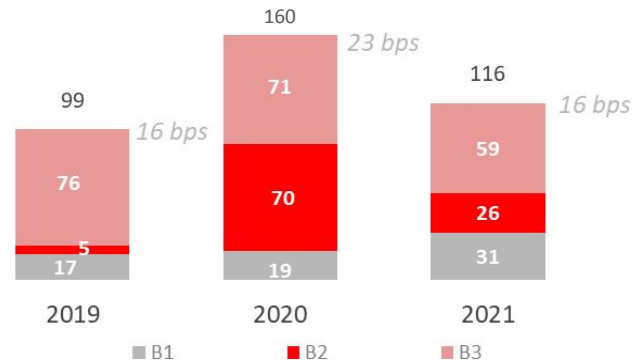
NPLs / Total outstanding loans



Provisions / Impaired loans



Cost of risk (in €M)



A cost of risk down to €116 M (-27.7% compared to 2020), **i.e. a level of 16 bps** of balance sheet client exposures (2019 level)

In 2021, this decrease of €44.3 M can be explained particularly by:

- A 2020 base effect linked to the adaptation of the calculation parameters [B1 / B2] to take into account the effects of the crisis
→ *Performing loans*: €72.9 bn
- A drop in the cost of risk [B3] compared to 2020, due to provision releases, in particular on housing and on a specific case
→ *Non-performing loans* : €1.4 bn

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CAPITAL, LIQUIDITY & FUNDING

LEADING SOLVENCY LEVELS

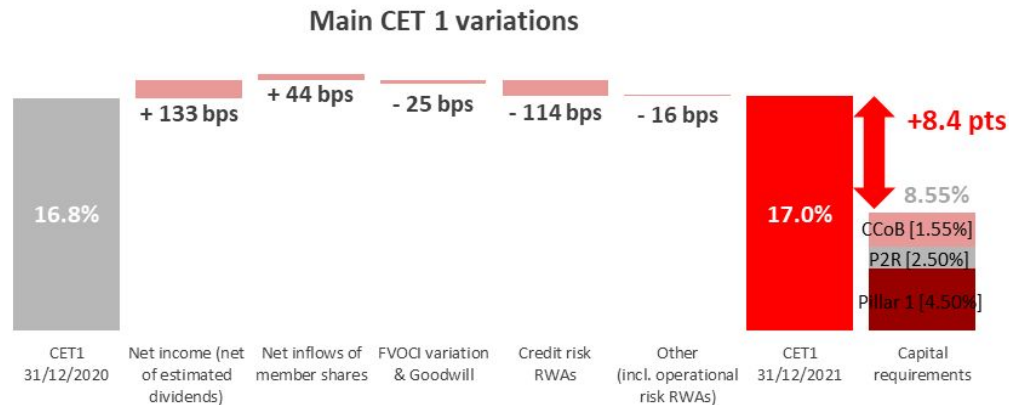
A strong balance sheet structure

- Total assets of €179.3 bn (+ 5.8%*)
- Shareholders' equity group share of €8.4 bn (+ 8.8%*) incl. **€2.5 bn of member shares** (+ 7.2%*)
- Regulatory capital of €9.1 bn (+ 5.4%*)

Solvency ratios significantly above regulatory requirements

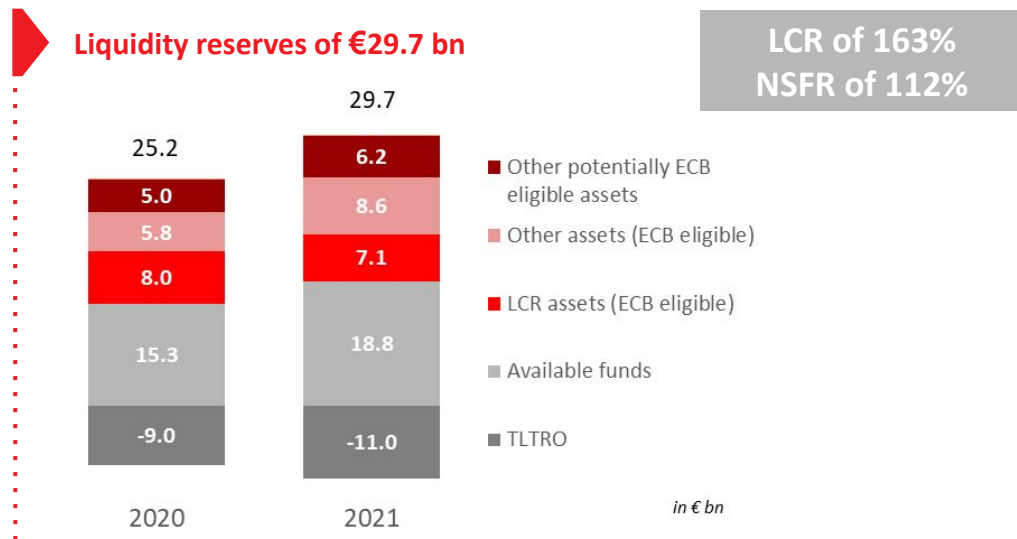
	31/12/2021	Regulatory requirements
CET 1 ratio	17.0%	8.55% (excl. P2G)
Total capital ratio	21.1%	13.25% (excl. P2G)
Leverage ratio**	7.2%	3.11%

An increase of the CET1 ratio



The preliminary projections made by Crédit Mutuel Arkéa, applying the provisions relating to the so-called "Basel IV" banking regulations, in the version published on October 27, 2021 by the European Commission, suggest the absence of a significant negative impact by 2025.

LIQUIDITY AND FUNDING



Crédit Mutuel Arkéa took part for €2 bn in the TLTRO III implemented by the ECB in H1 2021

1-year market redemptions **2.7x** covered by HQLAs and cash

Recent public bond issues

October 2021 (2022 pre-funding)

Senior Non Preferred

€500 M / 10Y / MS+70 bps

January 2022

Senior Preferred

€500 M/8Y/MS+55 bps

March 2022

Public Sector Covered Bond

€500 M/6Y/MS+5 bps

May 2022

Home Loan Covered Bond

€750 M/10Y/MS+7 bps

APPENDIX

GROUP LOCATIONS

387

sales outlets in Brittany
and the South West

21

regional business centres
for Arkéa Banque
Entreprises et
Institutionnels

7

regional offices
for Arkéa Capital

8

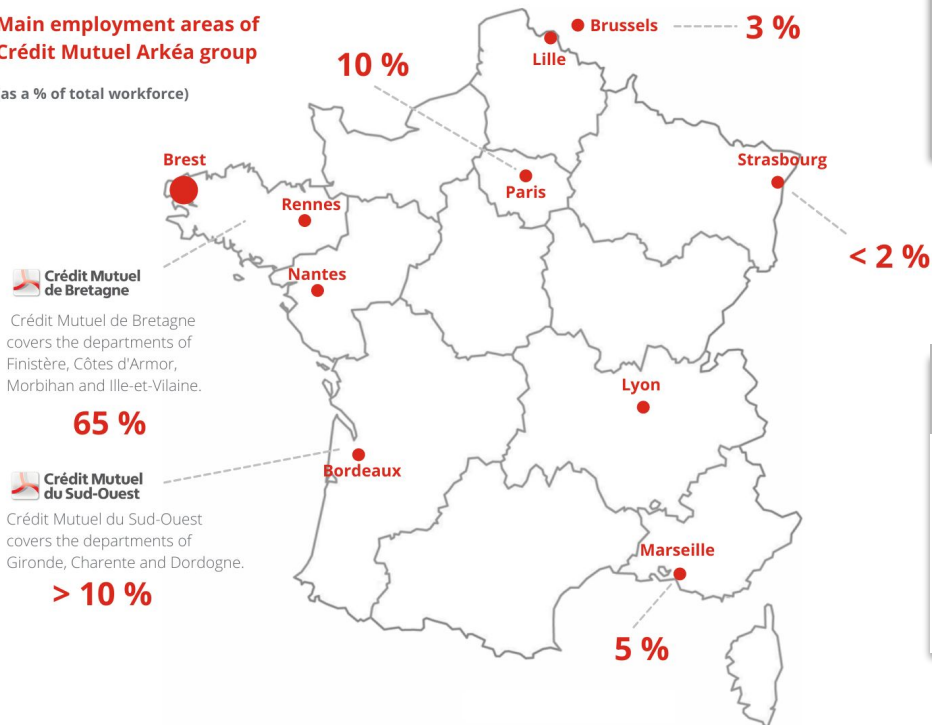
regional branches
for Financo

13

regional branches for
Arkéa Investment Services

Main employment areas of Crédit Mutuel Arkéa group

(as a % of total workforce)



A territorial group, **Crédit Mutuel Arkéa** is committed to maintaining decision-making centers and employment pools in the regions.

A regional base
and activities in Europe...

Keytrade Bank et ProCapital (Belgium)

Mangopay (United Kingdom, Germany,
Spain and Luxembourg)

Monext (business in 25 countries)

GROUP ACTIVITIES

Individuals and professionals



Non-banking activities for individuals



Corporates and institutions



BtoB services



Insurance & Asset management



More than 5 M clients of which 1.5 M members
Nearly 2,600 local directors in 294 local savings banks
More than 11,000 employees

A STRONG INVOLVEMENT IN THE HEALTH CRISIS CONTEXT

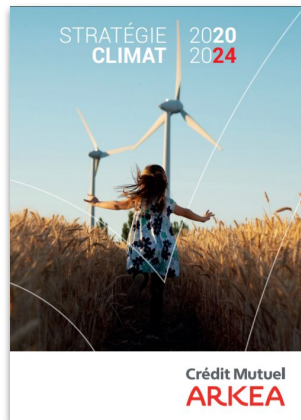
Crédit Mutuel Arkéa is fully engaged to closely support its customers, in particular professionals and corporates, that could face difficulties

- ▶ €2.1 bn of outstanding **State-guaranteed loans (PGEs)** distributed by Crédit Mutuel Arkéa, as at 31/12/2021
- ▶ €6 bn of outstanding loans have benefited from **deferrals of repayments**
 - For 97 % of these loans (in amount), clients have started repaying according to schedule
- ▶ Crédit Mutuel Arkéa's commitments to the **Prêts Participatifs Relance (PPRs)** scheme:
 - Distribution by local networks (Arkéa Banque E&I, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest)
 - Contribution from Suravenir up to €250 M to the investment fund dedicated to PPRs implementation
- ▶ Crédit Mutuel Arkéa's commitment to the **Obligations Relance (OR)** scheme :
 - Distribution by Arkéa Capital via the Territoires de Croissance group in “Grand Ouest” area (Brittany, Pays de la Loire, Nouvelle-Aquitaine and Centre-Val de Loire)
 - More than €200 million, contributed by 19 insurers including Suravenir, as well as by Caisse des Dépôts.

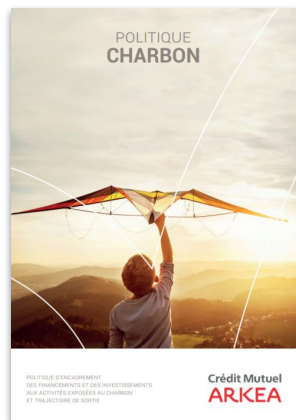
THE GROUP'S COMMITMENTS TOWARDS CLIMATE ISSUES

The Board of Directors of the Crédit Mutuel Arkéa group has set **two areas for implementing** its response strategy to the climate challenge:

1 Strengthening the group's commitment towards companies and territories to address climate issues



Our climate strategy formalises the group and its entities commitments to **transform financing and investment practices** in light of climate issues



Commitment to achieve a **total exit from coal by end of 2027**

2 Integrating climate as a performance and risk factor into the management of the group's activities



Commitment to **phasing out Unconventional Fossil Fuels by 2030**



1st TCFD climate report released

EXTRA-FINANCIAL PERFORMANCE | IMPLEMENTATION ON ABEI



Arkéa Banque Entreprise et Institutionnels, first subsidiary to test the methodology adopted by Crédit Mutuel Arkéa.

The calculations presented were made on the basis of data as of 31/12/2020

SPECIFICATIONS

9 indicators to capture extra-financial performance

Scope :

€12 bn of mid-long term financing covered by this first estimate (ie. 2/3 of financings)

€7 M of purchases (90% of purchases)

356 employees

2020 MEASURE

	€12 bn of loans	€7 M of purchases	356 employees
ENVIRONMENT	- €169 M	- €0.08 M	- €0.2 M
SOCIO-ECONOMIC	+ €4, 128 M	+ €3.4 M	+ €16.4 M
TOTAL	+ €3,959 M	+ €3.3 M	+ €16.2 M

IMPACTS

Based on outstandings as at 31/12/2020, ABEI activities generate **€4 bn of extra-financial positive impacts** to the benefit of its stakeholders (clients, suppliers and employees).

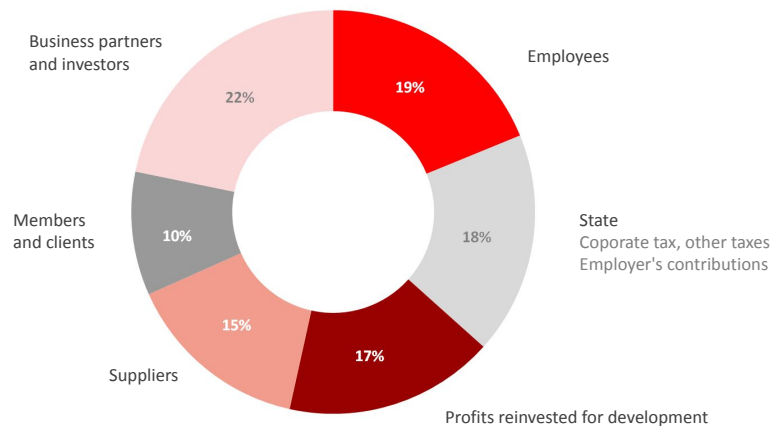
€1M of financing granted by ABEI generates an average of:

▶ **€15,000** of negative environmental impacts

▶ **€335,000** of positive social impacts

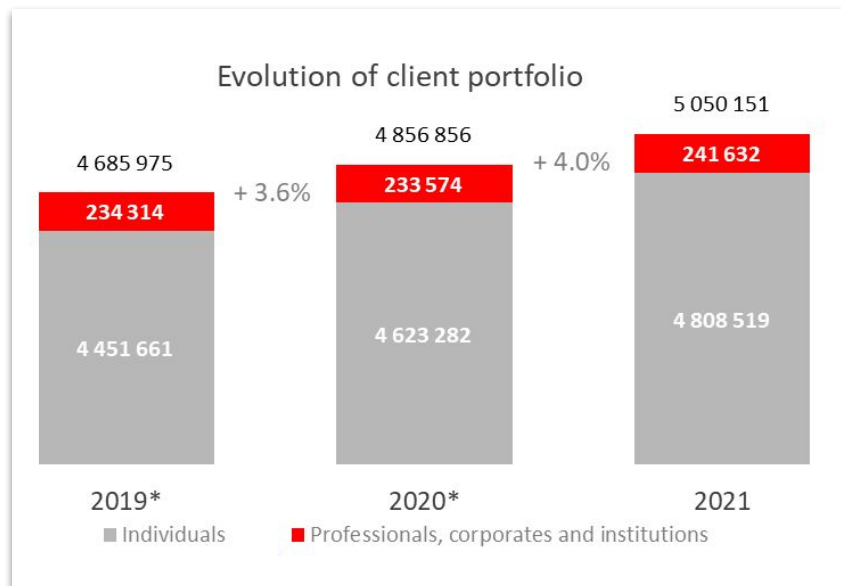
A VALUE CREATION SHARED WITH OUR STAKEHOLDERS

REDISTRIBUTION OF 2021 GROSS REVENUES*



▶ Crédit Mutuel Arkéa has chosen to be a cooperative and collaborative bank that favours **a balanced sharing of value** with its members, clients, employees, business partners and territories, **to increase its positive impact**

A GROWING CLIENT PORTFOLIO



* Restated portfolios following quality actions undertaken on dormant accounts

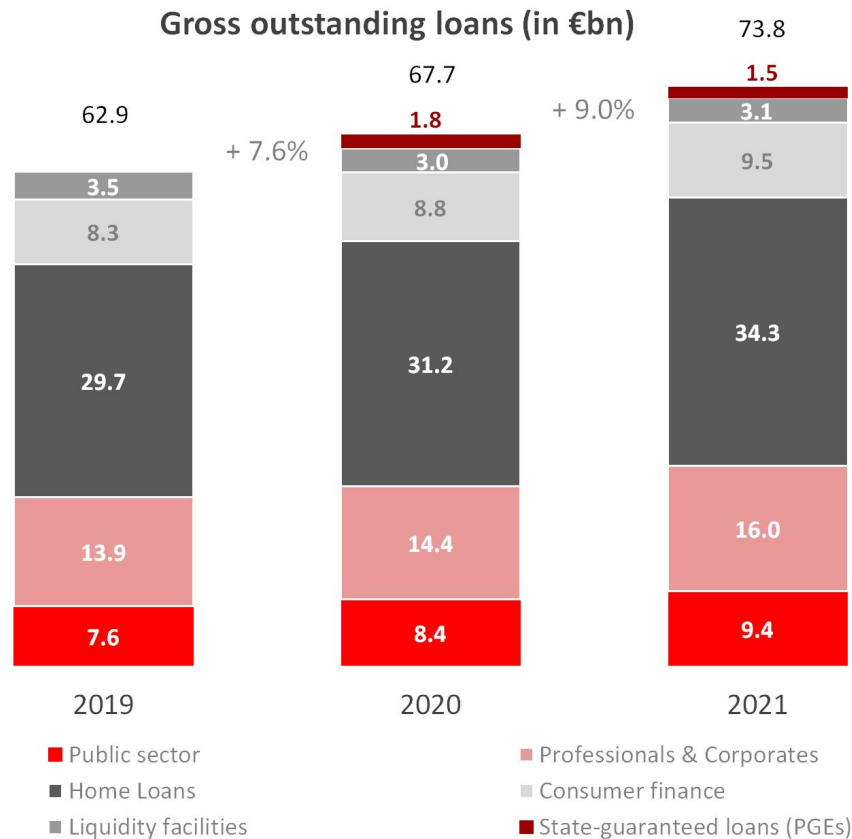


Client net acquisition mainly driven by :

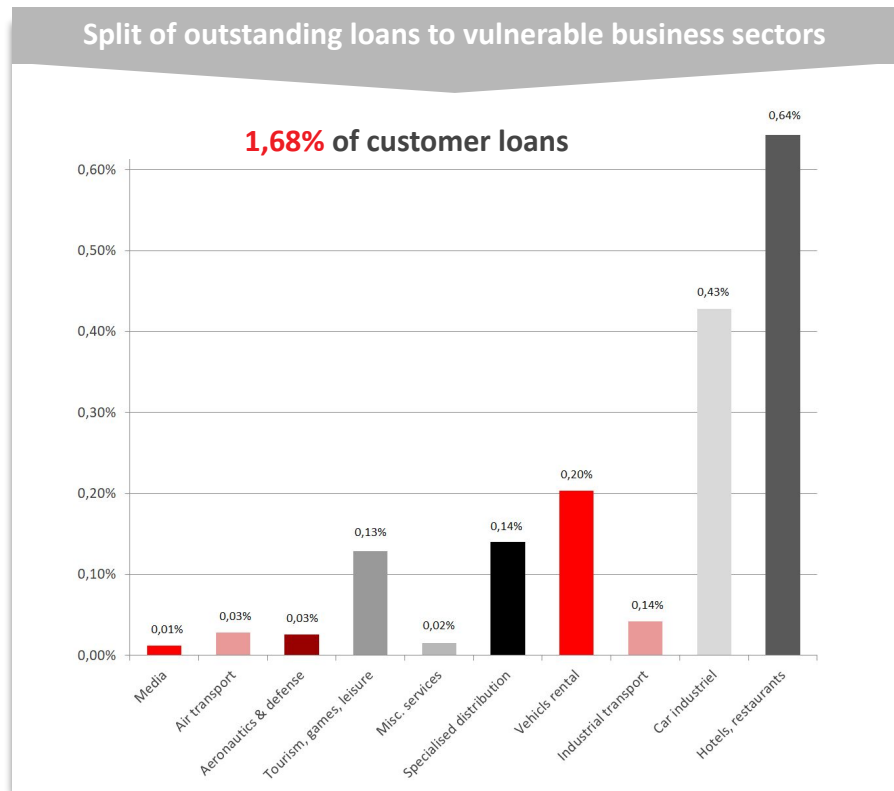
- **On-line banking** (+ 75,000 clients) and **local savings banks** (+ 22,000 clients)
- **Insurance** (+ 54,000 clients)
- **CFCAL**, a subsidiary specialising in loan consolidation (+ 38,000 clients)

A portfolio up 4% compared to 2020, to more than 5 million clients.

INCREASED OUTSTANDING LOANS



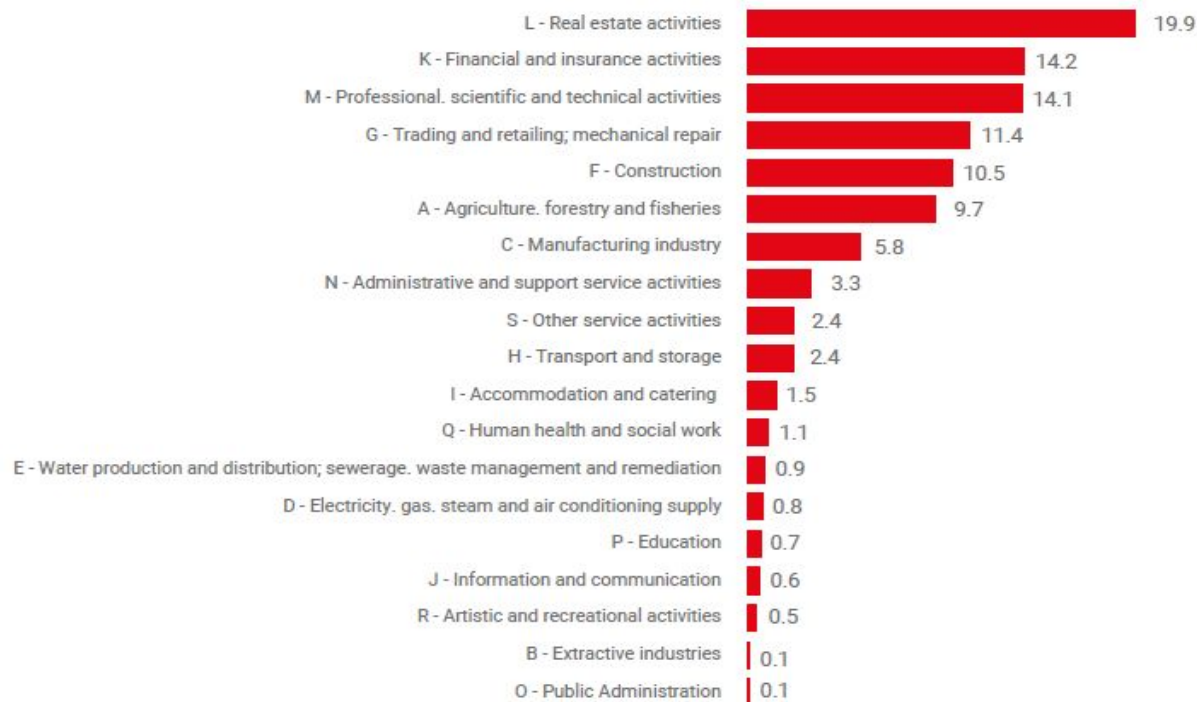
A VERY LIMITED EXPOSURE TO SECTORS CONSIDERED AS VULNERABLE



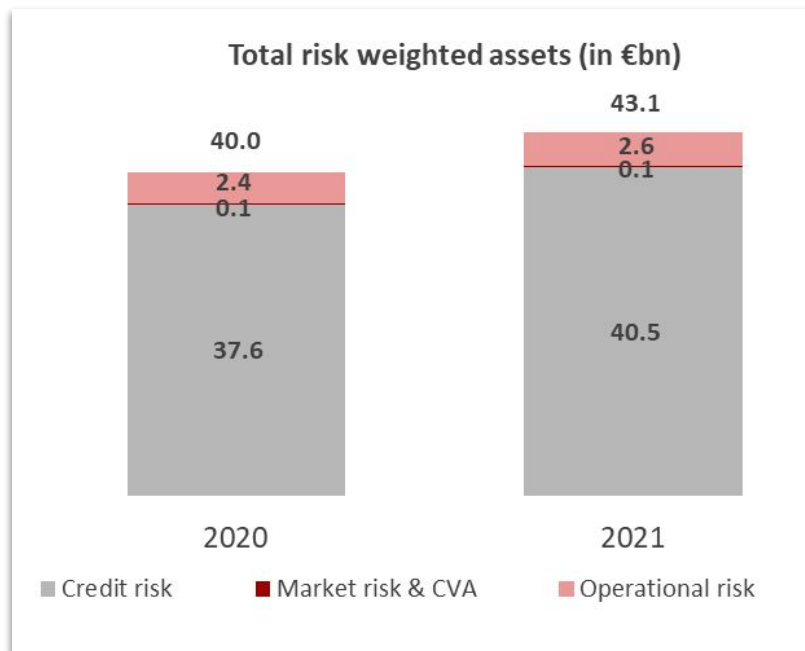
▶ **Less than 2% of outstanding customer loans have been granted to companies from a business sector considered as *vulnerable* to the economic effects of the Covid-19 health crisis**

WELL DIVERSIFIED EXPOSURES TO PROFESSIONALS AND CORPORATES

Sectoral breakdown of gross exposure (balance sheet and off-balance sheet outstanding) of professionals and companies



RISING WEIGHTED ASSETS IN CONNECTION WITH OUTSTANDING LOANS



► An increase of €3.1bn mainly driven by the growth of outstanding loans

94% of risk weighted assets relate to **credit risk** exposures, with :

- €7.9 bn using a standard approach
- €32.5 bn using an internal rating-based approach

QUALITY RATINGS

	MOODY'S INVESTORS SERVICE	Fitch Ratings
Issuer rating	Aa3	A-
Outlook	 Stable	 Stable
Long Term Senior Preferred debt	Aa3	A
Short Term Senior Preferred debt	P-1	F1
Long Term Senior Non Preferred debt	 A3	A-
Tier 2 Subordinated debt	Baa1	BBB

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Crédit Mutuel
ARKEA

The logo for Crédit Mutuel ARKEA is positioned in the bottom right corner. It features the words "Crédit Mutuel" in a dark grey, sans-serif font, with "ARKEA" in a larger, bold, red, sans-serif font directly below it. The background of the entire image is split diagonally from the top left to the bottom right, with a solid red area on the left and a white area on the right.