

Senior Non-Preferred Debt issuance

Investor Presentation

May 2017

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The consolidated financial statements of the Company for the years ended 31 December 2015 and 2016 have been audited and subject to an unqualified audit report by the auditors of the Company.



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Senior Non-Preferred Transaction Summary

Offering

- Inaugural Senior Non-Preferred (RegS) transaction for Crédit Mutuel Arkéa
- 7-year bullet structure, €500 M no-grow
- Expected rating: BBB+ (S&P)
- Issuance expected to be fully MREL (and TLAC) eligible

Rationale

- Increase of "bail-inable" debt levels by issuing new senior non-preferred debt
- Compliance with expected MREL requirements
- Protection of senior preferred bondholders

Key Investment Highlights

- A strong ability to organically generate CET1 capital
- A solid financial structure with leading solvency levels (16.5% total capital ratio) and limited MREL needs
- A group with a limited risk profile and strong fundamentals



Senior Non-Preferred Transaction Indicative terms

Issuer	Crédit Mutuel Arkéa
Issuer Rating	Aa3/Negative (Moody's) ; A/Stable (S&P)
Structure	Bullet
Issue Rating (expected)*	[BBB+] (S&P)
Status of the Notes	Senior Non-Preferred Notes The principal and interest on the Notes are Senior Non-Preferred Obligations, which constitute direct, unconditional, unsecured and senior (chirographaires) obligations of the Issuer, and rank and shall at all times rank: (a) pari passu among themselves and with other Senior Non-Preferred Obligations; (b) senior to Subordinated Obligations; and (c) junior to present and future claims benefiting from statutory preferences, including Senior Preferred Obligations. Subject to applicable law, if any judgment is issued for the judicial liquidation (liquidation judiciaire) of the Issuer or if the Issuer is liquidated for any other reason, the Noteholders will have a right to payment under the Notes: (a) only after, and subject to, payment in full of holders of Senior Preferred Obligations and other present and future claims benefiting from statutory preferences or otherwise ranking in priority to Senior Non-Preferred Obligations; and (b)subject to such payment in full, in priority to holders of Subordinated Obligations and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations.
Bail-in Acknowledgment	The Notes are subject to bail-in in accordance with the European Bank Recovery and Resolution Directive as transposed under French Law. Contractual recognition of bail-in power of the resolution authorities.
No Negative Pledge	There is no negative pledge in respect of the Notes.
Early Redemption Events	Callable in the case of a MREL Disqualification Event or in the case of a Tax Event (subject to the prior consent of the Relevant Prudential Authority and/or the Relevant Resolution Authority, if required). In such cases, the Issuer's option to redeem the Senior Non-Preferred Notes is subject to such redemption being permitted by the MREL Regulations.
MREL Disqualification Event	MREL Disqualification Event means, at any time, that all or part of the outstanding nominal amount of the Notes does not fully qualify as MREL Eligible Instruments, except where such non-qualification is due to the remaining maturity of such Notes being less than any period prescribed by the MREL Regulations.
Tax Event	If, by reason of any change in French laws or regulations, or any change in the official application or interpretation of such laws or regulations, becoming effective on or after the Issue Date, the Issuer would, on the occasion of the next payment of interest due in respect of the Notes, not be able to make such payment without having to pay additional amounts.
Substitution and Variation	In the event that a MREL Disqualification Event, Tax Event or Variation Event occurs and is continuing, the Issuer may, at its option, substitute all (but not some only) of the Notes or vary the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Noteholders, so that they become or remain Qualifying Notes, subject to (i) the prior consent of the Relevant Prudential Authority and/or the Relevant Resolution Authority if required and (ii) having given not more than forty-five (45) nor less than thirty (30) calendar days' notice to the Noteholders (which shall be irrevocable



Senior Non-Preferred Transaction Indicative terms

Waiver of Set-Off	No Noteholder may at any time exercise or claim any Waived Set-Off Rights against any right, claim or liability the Issuer has or may have or acquire against such Noteholder, directly or indirectly, howsoever arising (and, for the avoidance of doubt, including all such rights, claims and liabilities arising under or in relation to any and all agreements or other instruments of any sort, whether or not relating to such Note) and each Noteholder shall be deemed to have waived all Waived Set-Off Rights to the fullest extent permitted by applicable law in relation to all such actual and potential rights, claims and liabilities.			
No Event of Default	There are no events of default under the Notes which would lead to an acceleration of the Notes if certain events occur.			
Notional Amount	EUR Benchmark			
Issue Date	[•] [May] [2017]			
Settlement Date	[.]th [May] [2017]			
Maturity Date	[●] [May] [2024]			
Coupon payment date	Annually on [.]th [.]			
Coupon	[.]%			
First Coupon Date	[.]th [.] 2018			
Day Count Convention	Actual/Actual ICMA			
Business Day Convention	Fixed rate: Following Unadjusted			
Business Days	Payments : TARGET Calculation : TARGET			
Denomination	EUR 100,000			
Listing	Luxembourg			
Governing Law	The Notes are governed by, and shall be construed in accordance with, French law			
Documentation	Preliminary Prospectus dated [.]th [.] 2017			





2016 Key Takeaways

A **mid-tier** group adapted to current transformations

- An unusual growth profile in the current banking landscape, the only mid-tier bank in France
- An ambitious and original strategy: a firm territorial positioning, with forward commitments in digital and BtoB activities

A **robust** banking group matching market expectations

- Intrinsic performances confirming the merits of the strategy always independently implemented by Crédit Mutuel Arkéa
- Agility allowing speed of execution and transformation in a constantly changing universe

Performances confirming the effectiveness of our model as an autonomous bank

• Exceptional results reaching historic levels despite an unpromising economic environment



2016: a dynamic development, record financial results

Solid performances in an unpromising environment

Growing activities (*)

- Client portfolio growing by 350,000 (+9.8%)
- Outstanding loans increased by €2.3 bn (+5.1%)
- Outstanding savings higher by €14.1 bn (+16.3%)

Record net income

- Net banking & insurance income of €1,852 M, up by 4.1%
- Cost/income ratio down by 0.2 pt to 69.2%
- Cost of risk decreased by 4.5% to €103 M
- Net income increased by 13.5% to €336 M

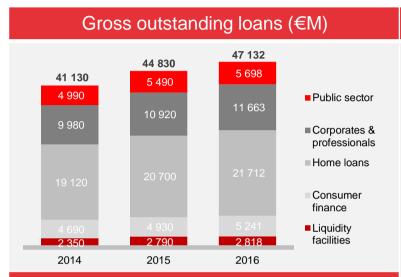
Real intrinsic strength

- Loan-to-deposit ratio of 100%
- CET1 ratio of 15.3% (**)
- Leverage ratio of 6.2% (**)
- LCR ratio of 130%

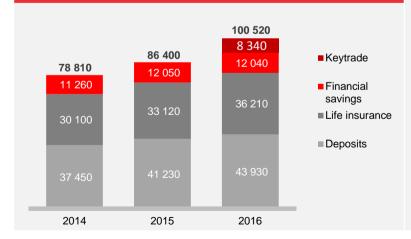
(*) Crédit Mutuel Arkéa acquired the Belgian online bank Keytrade in June 2016. Excluding Keytrade, the client portfolio grew by 3.1% (+110,000 clients); outstanding savings increased by 6.7% (+ €5.8 bn)



Growing activities



Outstanding savings (€M)



A continuous increase of outstanding loans and savings

- A client portfolio growing by 9.8%, to more than 3.9 M
 - Acquisition of Keytrade: intake of 240,000 customers
 - On a comparable basis, client portfolio increased by 3.1% to 3.7 M
- Outstanding loans increased by 5.1% to €47.1 bn
 - A loan production* of €10.9 bn
 - A 10.8%-decrease after a record year in 2015 (€12.2 bn)
 - €4.6 bn of new home loans and €4.3 bn of new loans to professionals, corporates and public sector
 - A 9.1%-growth of the consumer finance loan production, to €2 bn
- Outstanding savings growing by 16.3% to €100.5 bn
 - Acquisition of Keytrade: intake of €8.3 bn of outstanding savings
 - On a comparable basis, outstanding savings up by €5.8 bn to €92.2 bn (+6.7%)
 - Net savings inflows of €2.5 bn
 - A 51.5%-decrease, essentially with deposit net inflows reduced to €1bn vs. €2.6 bn in 2015, after reaching a loan-to-deposit ratio of 100%
- 372,000 new contracts (-0.5%) in general insurance and individual protection
 - Close 30% of new business contributed by external networks
 - A portfolio growing by 3.4%, reaching more than 2 M contracts
- (*) Excluding loan renegotiations

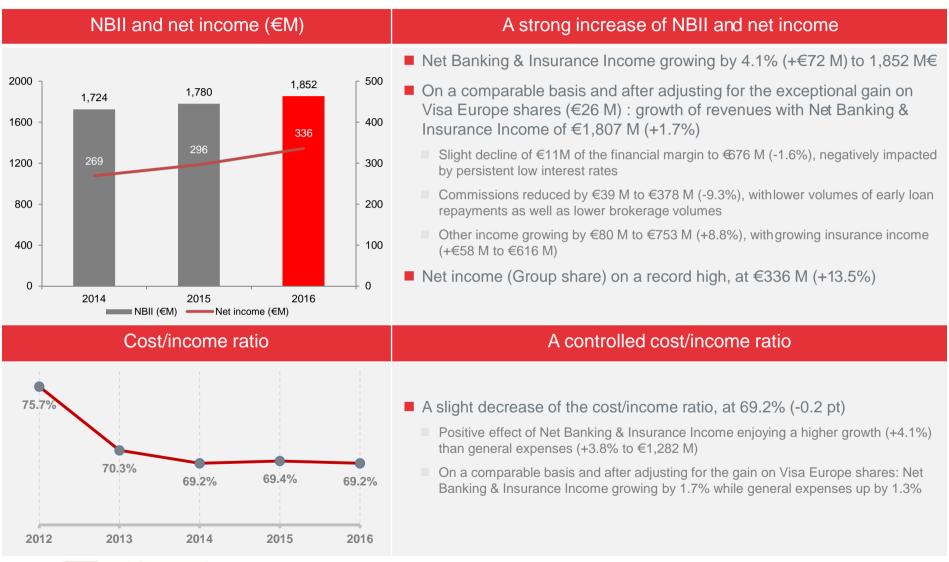


Income statement

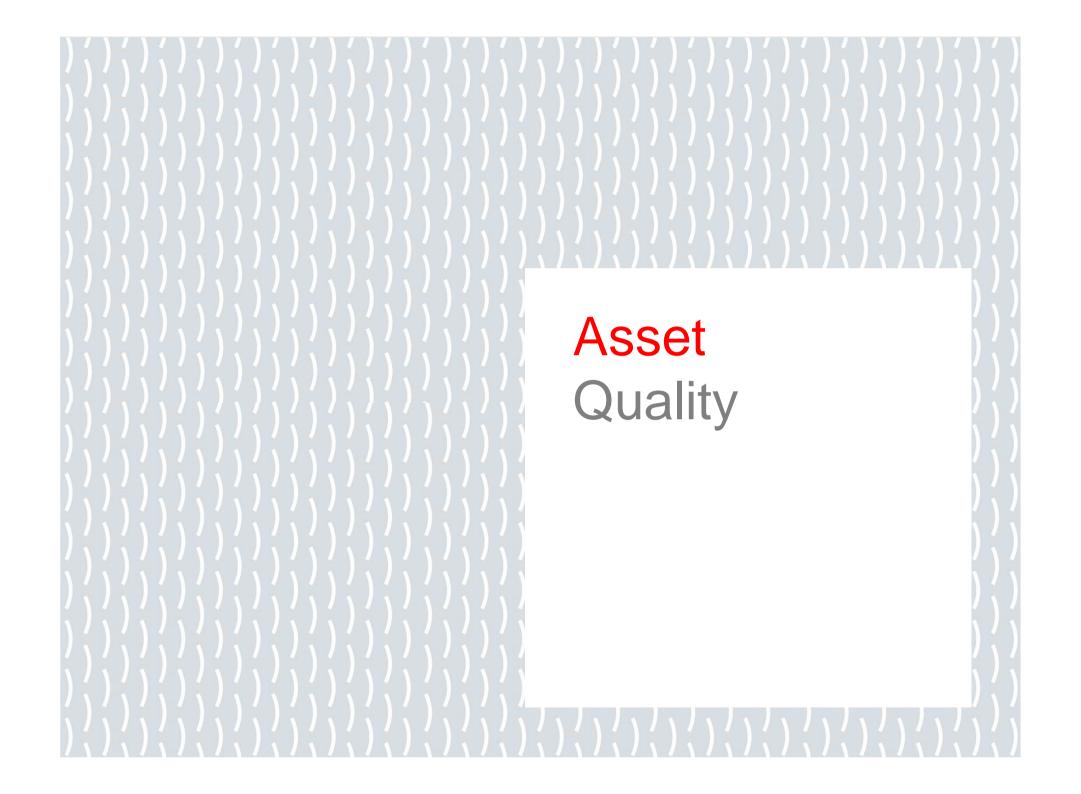
€M	2016	2015	% Var.
Net banking & insurance income (NBII)	1,852	1,780	+ 4.1 %
Operating expenses	1,282	1,235	+ 3.8 %
Gross operating income	570	545	+ 4.6 %
Cost of risk	103	108	- 4.5 %
Net operating income	466	437	+ 6.9 %
Net income Group share	336	296	+ 13.5 %



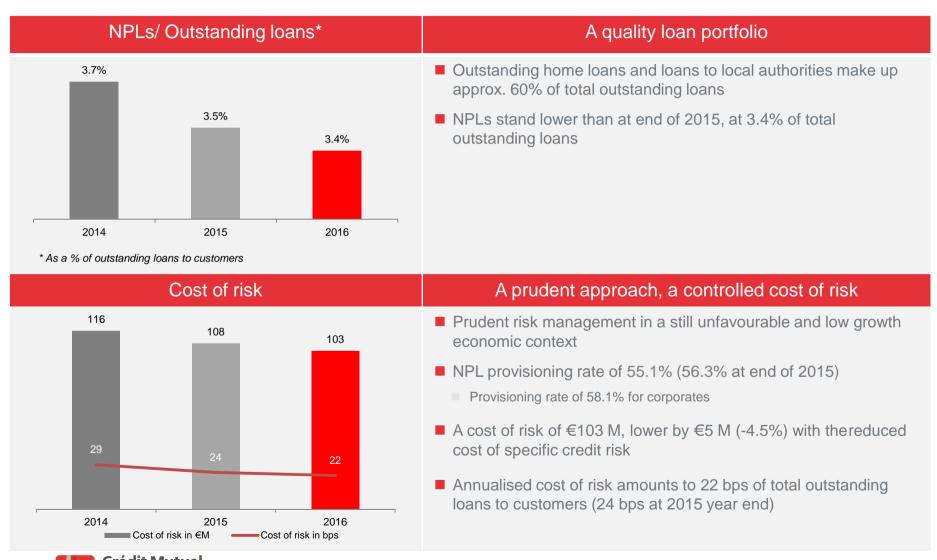
Record net income



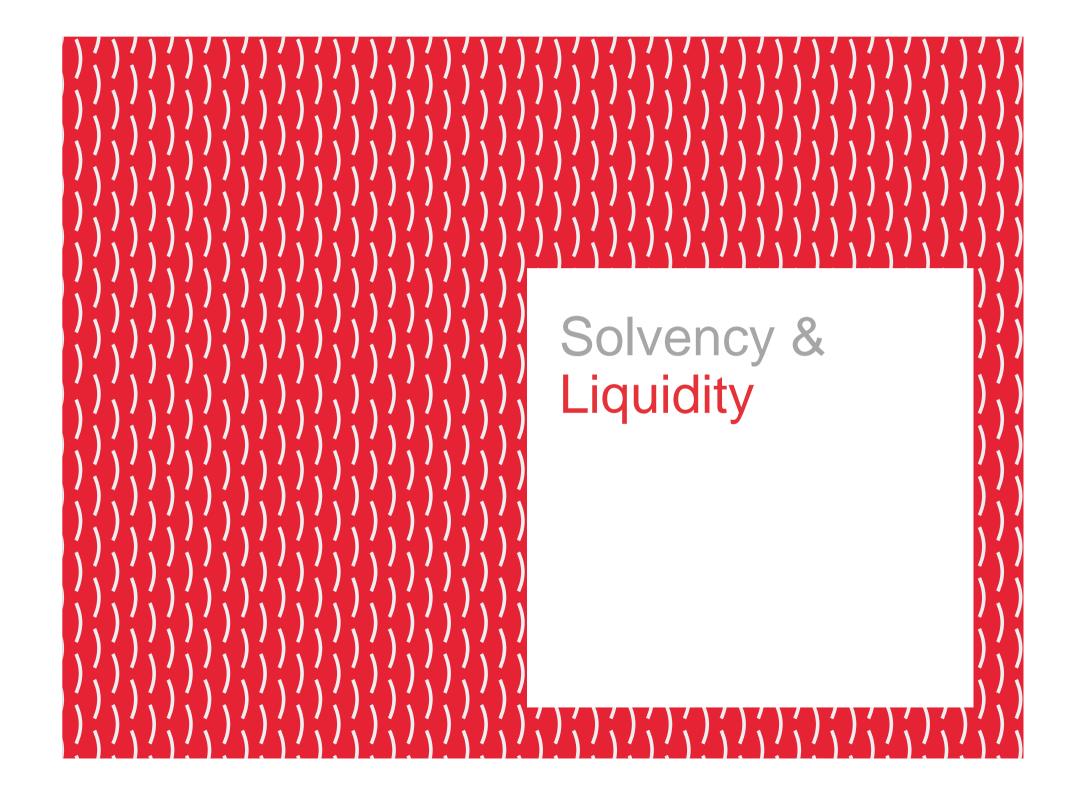




A decreased cost of risk







Increased Risk Weighted Assets

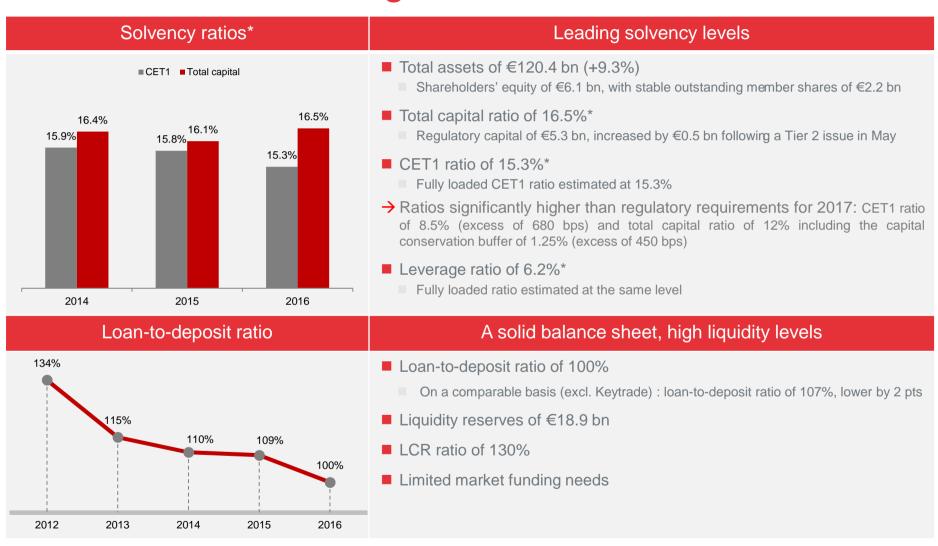
RWAs (€bn)	31/12/2016	31/12/2015	31/12/2014
Credit risk	29.6	27.6	25.6
Market risk	0.1	0.1	0.1
Operational risk	2.0	1.8	1.9
	31.7	29.6	27.6

Risk weighted assets & Total capital requirements

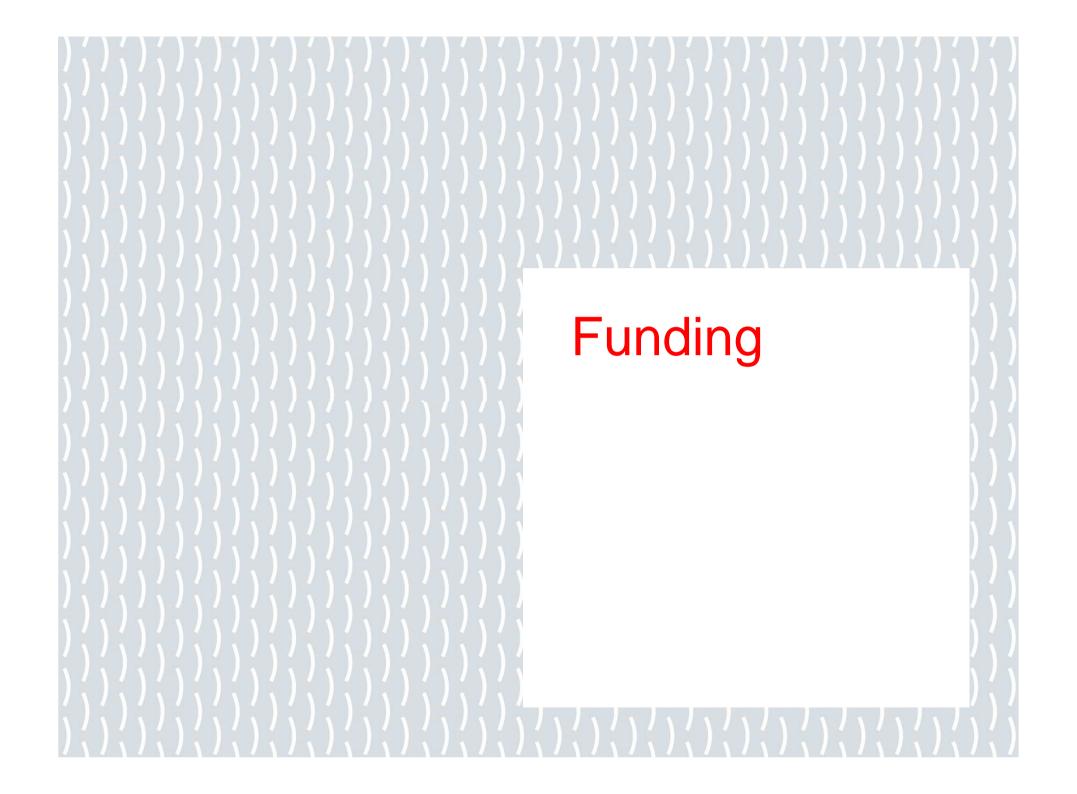
- RWAs of €31.7 bn at the end of 2016 (+7%)
- 93% of RWAs relate to credit risk exposures
- Total capital requirements of €2.5 bn, increased by €171 M since the end of 2015 in line with growing outstanding loans



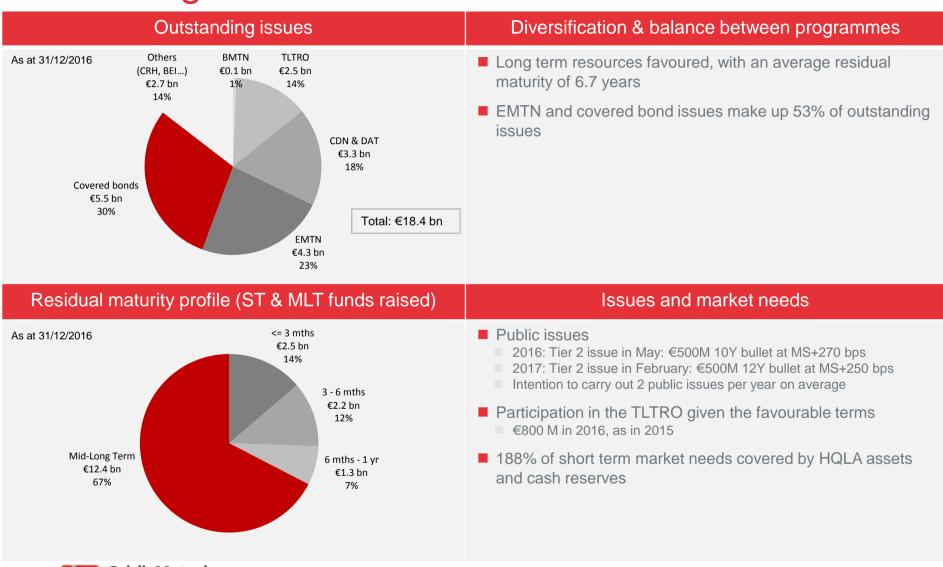
Real intrinsic strength







Funding



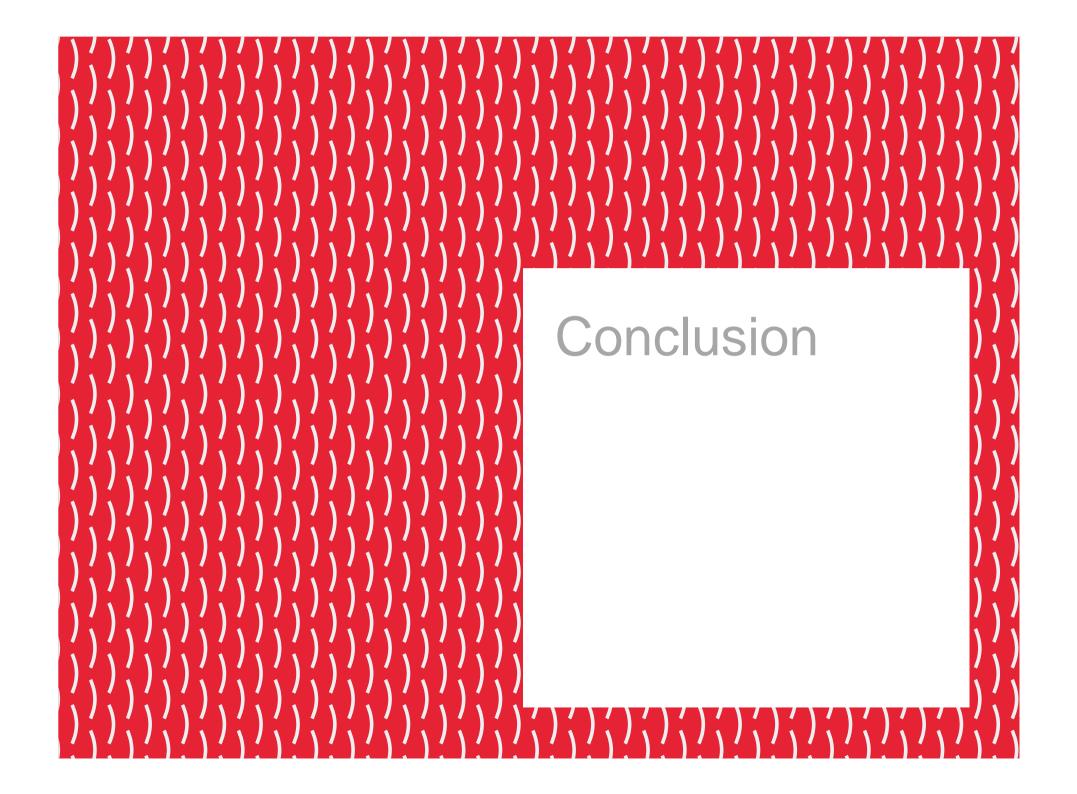


Ratings

Quality ratings illustrating Crédit Mutuel Arkéa's solidity

	Ratings
Moody's	 Long-term deposit: Aa3 Outlook: negative Senior unsecured short-term debt: P-1
STANDARD & POOR'S RATINGS SERVICES	 Senior unsecured long-term debt: A Outlook: stable Senior unsecured short-term debt: A-1





Conclusion

- 2016 financial results illustrate Crédit Mutuel Arkéa's solidity and the strength of its diversified business model combining growth and profitability
- Crédit Mutuel Arkéa's high solvency ratios show its ability to address regulatory capital requirements
- A Senior Non-Preferred transaction will help the Group fulfill its MREL needs





Income statement for the year ended 31st December 2016

€M	2016 IFRS	2015 IFRS	Variation	%
Net Banking & Insurance Income	1,852	1,780	72	4.1
Operating expenses	(1,282)	(1,235)	(47)	3.8
General operating expenses	(1,171)	(1,137)	(35)	3.0
Amortisation and depreciation	(111)	(99)	(12)	12.3
Gross operating income	570	545	25	4.6
Provisions for risks	(103)	(108)	5	(4.5)
Operating income	466	437	30	6.9
Shares of earnings of companies carried under equity method and income/loss on others assets	7	7	0	2.6
Pre-Tax income	473	443	30	6.8
Income tax	(137)	(147)	10	(6.6)
Net income – Group share	336	296	40	13.5
	-	-	-	
Net Banking & Insurance Income	336	296	40	13.5



Balance sheet as at 31st December 2016

Assets (€M)	31/12/2016 IFRS	31/12/2015 IFRS	Liabilities (M€)	31/12/2016 IFRS	31/12/201 IFR
Cash, due from central banks	3,617	2,113	Liabilities at fair value	1,172	1,09
Financial assets at fair value	19,565	15,830	Due to banks	7,087	6,45
Financial assets available for sale	38,973	36,268	Customer accounts	47,173	41,45
Due from banks	6,944	7,040	Debt securities in issue	12,870	13,78
Loans and advances to customers	46,656	44,368	Accruals, deferred income and sundry liabilities	4,949	3,59
Held-to-maturity financial assets	117	152	Insurance companies technical reserves	39,782	37,21
Accruals, prepayments and sundry assets	2,783	2,740	Provisions for contingencies and charges	397	36
Investment property	1,196	1,152	Subordinated debt	890	38
Goodwil	542	449	Shareholders' equity	6,070	5,77
			Share capital and reserves	2,203	2,20
			Consolidated reserves	3,239	2,98
			Unrealised or deferred gains or losses	292	29
			Net income	336	29
			Minority interest	3	
Total Assets	120,393	110.112	Total Liabilities	120,393	110,11





Crédit Mutuel Arkéa at a glance

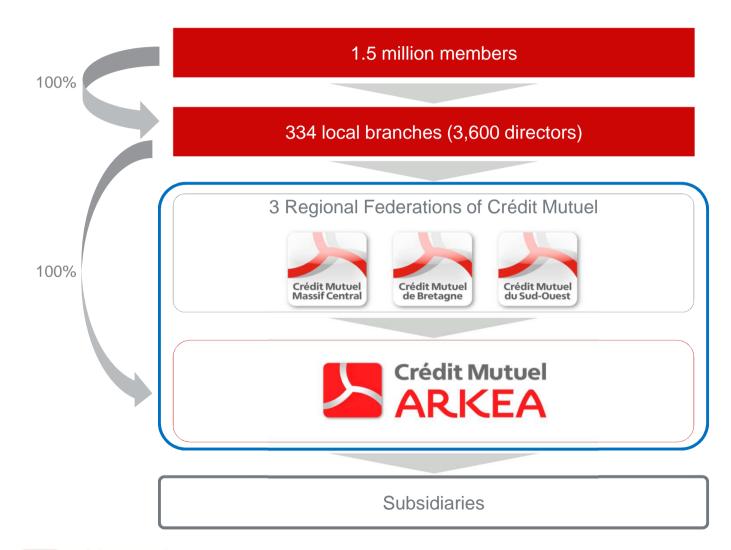
Key figures as at 31 st December 2016	Crédit Mutuel Arkéa's clients
■ 3.9 million customers, 1.5 million members	■ Private individuals
■ Total assets: €120.4 bn	■ Corporates & Professionals
■ Outstanding loans: €47.1 bn, outstanding savings: €100.5bn	Institutions
■ Shareholders' equity: €6 bn	■ Public Sector
■ CET1 ratio ("phased-in"): 15.3%*	
■ Estimated leverage ratio: 6.2%*	

Crédit Mutuel Arkéa's profile

- A cooperative banking and insurance company, Crédit Mutuel Arkéa Group comprises the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel du Massif Central federations as well as approximately 20 specialised subsidiaries, which cover all of the business lines in the financial arena.
- A cooperative and mutual banking institution, Crédit Mutuel Arkéa is not listed on the stock exchange. It is owned by its customer shareholders, who are both shareholders and customers. The Group, which combines a strong financial position and a long-term growth strategy, thereby puts its performance to work on behalf of the real economy and the projects of its 3.6 million customers.
- As a producer and distributor, Crédit Mutuel Arkéa can offer its clients a comprehensive line of banking, financial, asset management and insurance products and services, among others. The Group also stands apart through its development of private label banking services on behalf of other financial institutions and payments providers.



The stable structure of a cooperative group





Crédit Mutuel Arkéa Group profile



Retail banking for individuals













Retail banking for companies and institutions







Insurance and asset management business lines











BtoB market













Non-banking activities



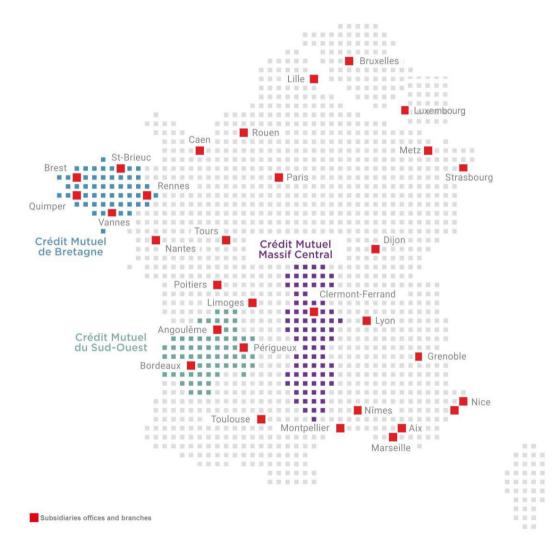






Crédit Mutuel Arkéa Group profile

- A network of **468 points of sale**, with 334 local branches in Brittany, the South-West and Massif Central
- **18 regional business centres** for Arkéa Banque Entreprises et Institutionnels
- A presence in Belgium with Keytrade Bank and ProCapital Securities Services. Keytrade Bank is also operating in Switzerland and Luxembourg
- Leetchi and Mangopay have a presence in the United Kingdom, Germany, Spain and Luxembourg
- Activities throughout Europe with Monext, subsidiary specialised in electronic payments





Arkéa 2020

Increasingly open our model and position ourselves as a solutions integrator

Retail banking for individuals

- Further develop our on-line banking business and adapt our networks
- Test new models

Manufacturers

- Intensify the development and the distribution of services through external networks
- Keep an opportunistic approach towards acquisitions, especially in the asset management area

Bank for professionals, corporates and institutions

- Assist these clients with services (mobilising less capital)
- Reinforce our position in key areas, e.g. the "digital entrepreneurship" sector

Services on account of third parties

- Broaden our product range to develop loyalty and attract new clients
- Assist our clients, in France and abroad





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