



# Investor update

23/04/2020

# Covid-19 health crisis:

## Measures undertaken to ensure business continuity & support our stakeholders



### Protecting employees and customers

- Teleworking rapidly and massively deployed from March 16, illustrating Arkéa's agility
- 96% of group workforce teleworking (excl. local savings banks)
- First institution in France to close all local banks, sales outlets and business centres to the public (Arkéa Banque E&I, Crédit Mutuel de Bretagne and Sud-Ouest networks)



### Guaranteeing a continuity of service

- Advisers remain available and can be reached by telephone or e-mail
- Members and customers are invited to carry out their transactions via remote channels, telephone, mobile application, internet
- All teams are mobilised to ensure continuity of service



### Supporting our customers

Specific measures taken to support individual, professional and corporate clients directly affected by the current health crisis, including:

- Development of cash management solutions
- Deferral of credit repayments for up to six months: 53,000 deferrals granted, representing more than €4.5 bn outstanding
- State-guaranteed loans ("Prêts Garantis par l'Etat") made available from March 25: 5,000+ loans granted to date, for a total of €1 bn. All PGEs approved by Arkéa Banque E&I were electronically signed.

# Arkéa's strengths in this context:

The resilience of a cooperative model serving an overall performance

- ▶ A regular, balanced & sustainable growth path
- ▶ An ability to generate mixed revenues\*
- ▶ A diversified loan book coupled with a low risk profile
- ▶ A strong financial structure, with high solvency & liquidity levels

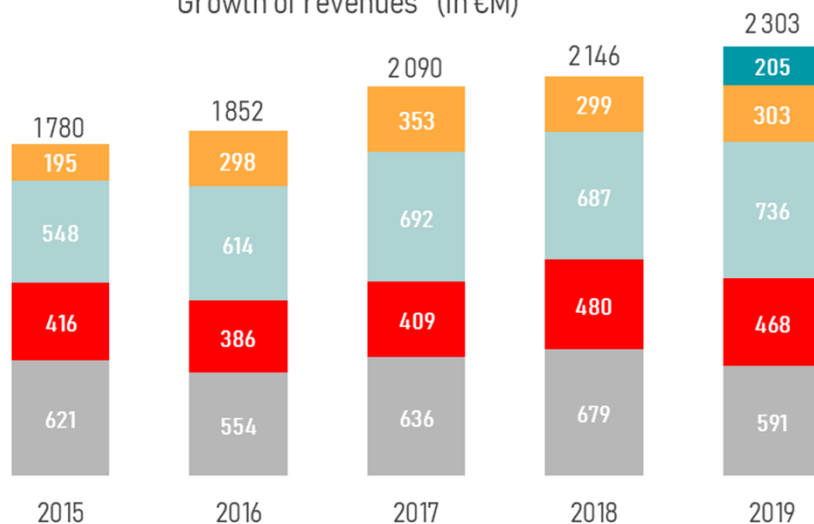
\* Net banking and insurance income including gains on disposal or dilution in investments in associates

# A regular, balanced and sustainable growth path



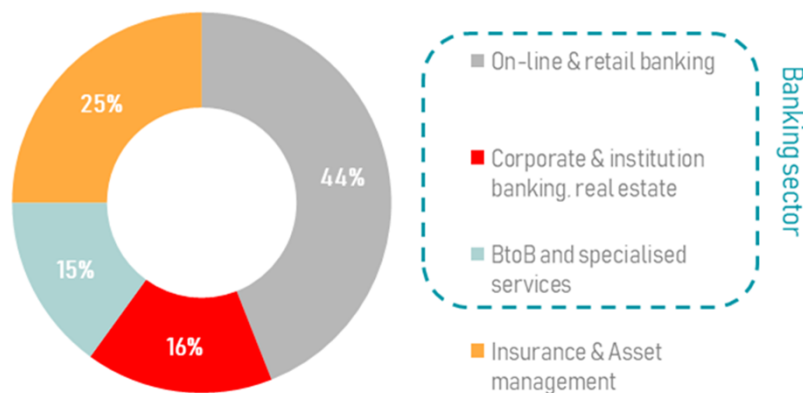
# An ability to generate mixed revenues\*

Growth of revenues\* (in €M)



■ NIM ■ Commissions ■ Insurance income ■ Other income ■ Gains on disposal or dilution in investments in associates

Sectorial distribution of 2019 revenues\*



\* Net banking and insurance income including gains on disposal or dilution in investments in associates

► **Major strategic directions** resulting in revenue diversification, enabling Arkéa to be less dependent to interest rate levels with a **net interest margin** making up **26% of revenues\* in 2019**

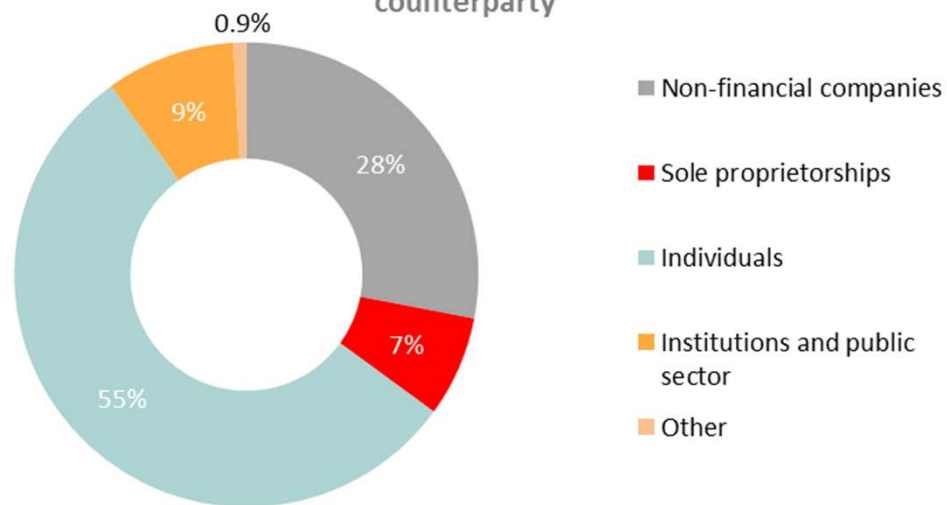
**Other income** (excl. sale of Primonial) and **insurance income** represent **46 % of revenues\* in 2019**

► **No proprietary trading activities**

► **A diversification of growth drivers and revenue sources, a balanced business model**

# A diversified loan book

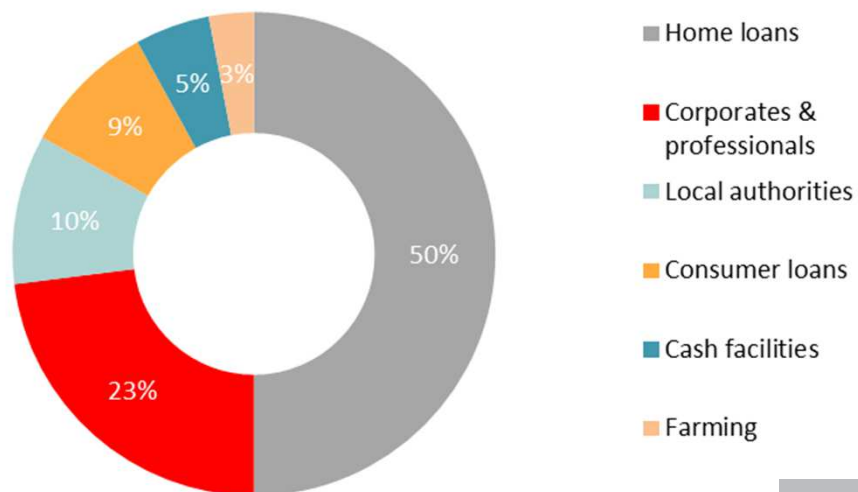
Breakdown of total outstanding loans by type of counterparty



► **55% of total outstanding loans are to individuals**

**Loans to non-financial companies** make up **28%** of outstanding loans

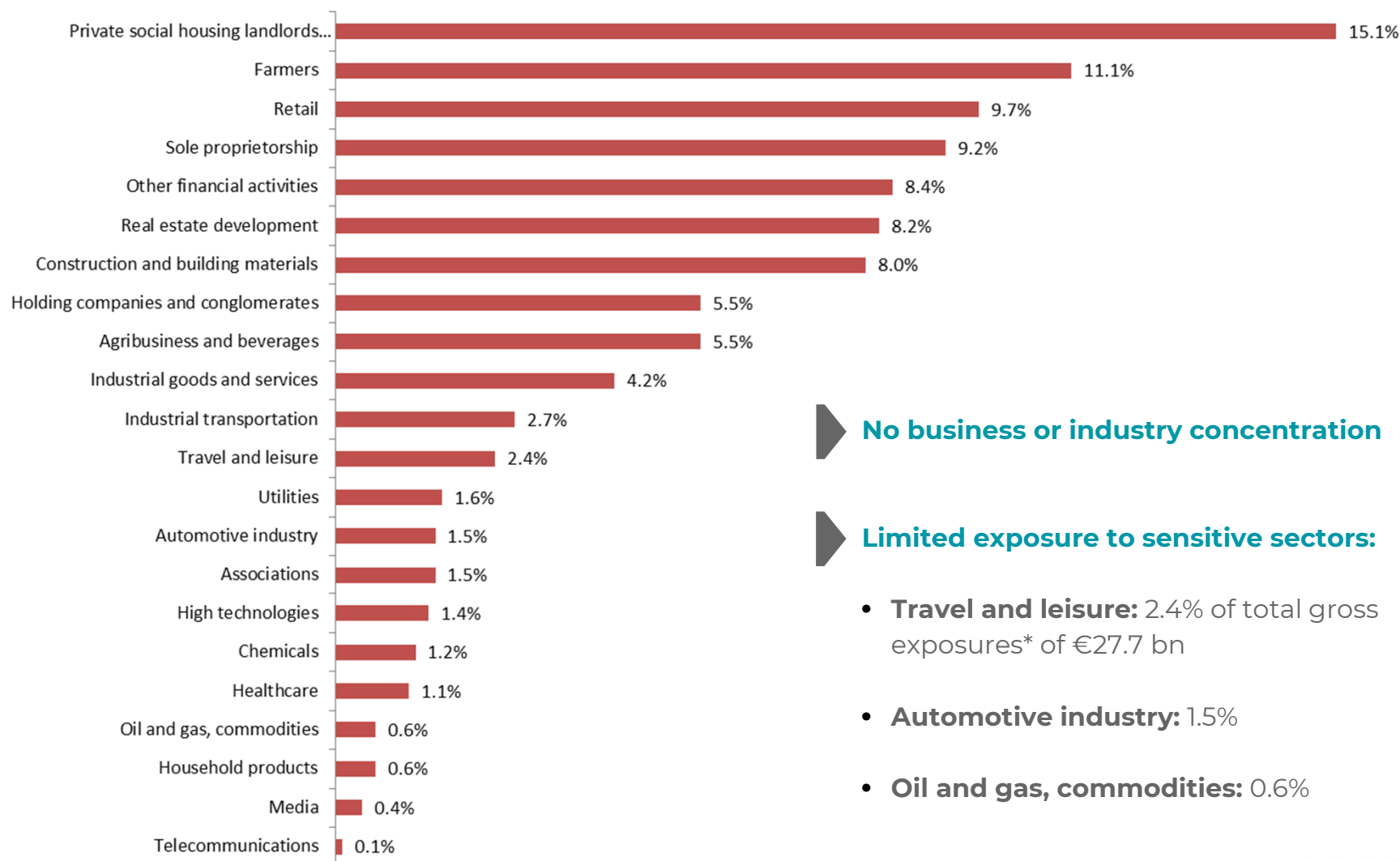
Outstanding loans by type of loans



► **Home loans and loans to local authorities represent 60% of total outstanding loans**

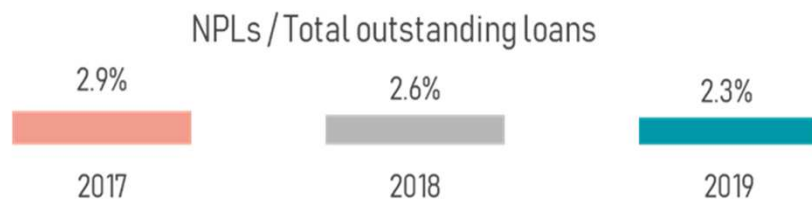
# Diversified industry exposures

## Gross exposures of business and companies by sector\*



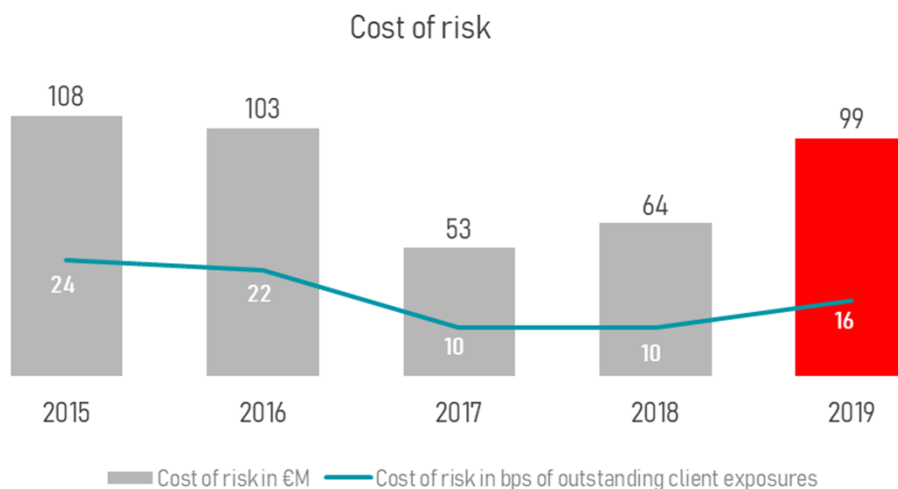
\* on- and off- balance sheet exposures as at 31/12/2019

# A low risk profile



## A quality loan portfolio

Outstanding loans of a good quality, **with a non-performing loan (NPL) ratio of 2.3%** at the end of 2019



**A cost of risk that remains moderate** in proportion to outstanding client exposures (16 bps), despite an increase in 2019



# High solvency levels

## ► A strong balance sheet structure

As at 31/12/2019:

- **Total assets of €157 bn** (+ 16.5% vs. 31/12/2018)
- **Shareholders' equity of €7.3 bn** (+ 9.6% vs. 31/12/2018)  
of which **€2.3 bn member shares** (+ 3.8% vs. 31/12/2018)
- **Regulatory capital of €8.1 bn** (+ 27.2% vs. 31/12/2018)

## ► Ratios significantly above regulatory requirements

	As at 31/12/2019	Regulatory requirements	Estimate post CMMC exit
<b>CET 1 ratio *</b>	<b>16.4%</b>	10% (excl. P2G)	16.5%
<b>Total capital ratio *</b>	<b>21.4%</b>	13.5% (excl. P2G)	21.6%
<b>Leverage ratio *</b>	<b>6.3%</b>	3%	6.5%

## ► The exit of CMMC on 1st January 2020 marginally impacts the group's solvency

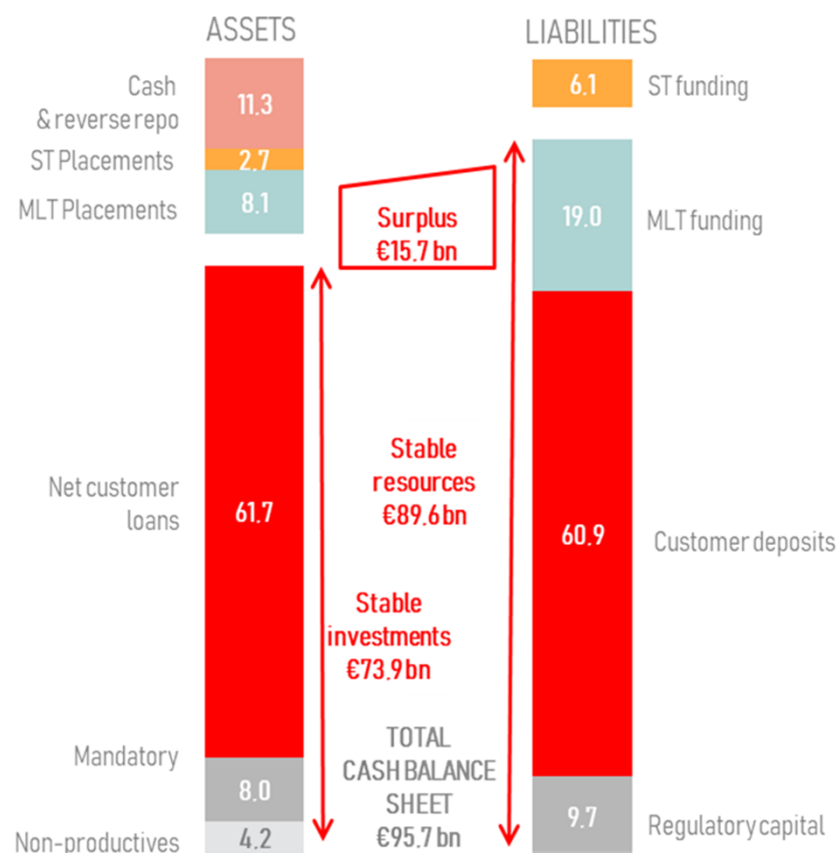
In the context of the disaffiliation of CMMC from Crédit Mutuel Arkéa as a credit institution on 1st January 2020, solvency ratios as at 31st December 2019, which were filed with the ECB, include, as requested, a deduction for CMMC member shares due to be reimbursed, while keeping RWAs of CMMC on the ratio's denominator.

\* Solvency ratios excluding Irrevocable Payment Commitments (12 bp-negative impact on CET1 ratio). Leverage ratio taking into account automatically applicable provisions of the European Delegated Act, but excluding provisions subject to prior authorisation of the supervisor

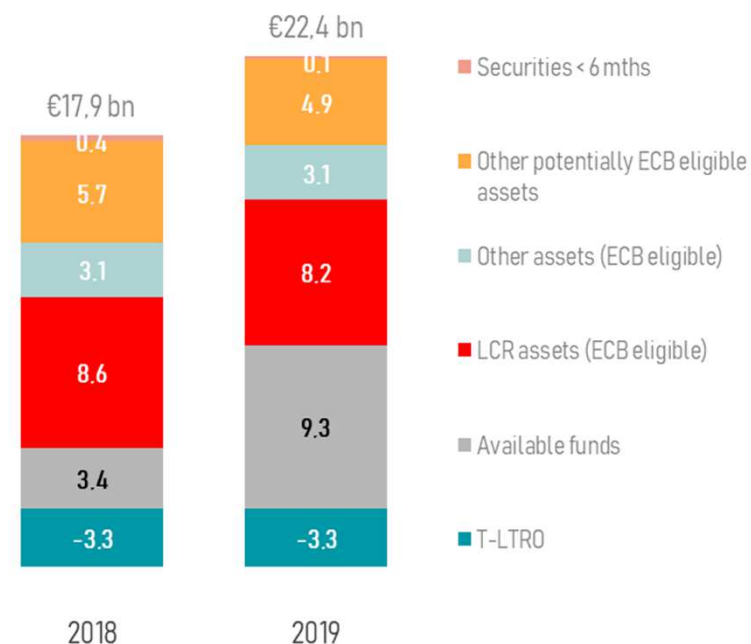
# High liquidity levels

As at 31/12/2019

## ► Surplus MLT funding of €15.7 bn



## ► Liquidity reserves of €22.4 bn



► 1-year market redemptions 2.1x covered by HQLAs and cash

A LCR of 146%

# Quality ratings

illustrating Arkéa's financial strength

MOODY'S  
INVESTORS SERVICE

Fitch  
Ratings

Long Term  
Senior Preferred debt

Aa3 (Negative)

A (Stable)

Short Term  
Senior Preferred debt

P-1

F1

Long Term  
Senior Non Preferred debt

Baa1

A-

Tier 2 Subordinated debt

Baa1

BBB

# Contacts



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The consolidated financial statements for the year ended December 31, 2019 were approved by the Board of Directors of the Company on March 3, 2020, and have been the subject of audit reports by the Company's statutory auditors.

In this presentation, revenues represent net banking and insurance income including gains on disposal or dilution in investments in associates, which amount to €205 M, of which €194 M relate to the gain on the sale of the shareholding in the Primonial group.



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