

ARKEA

Investor Presentation

November 2019



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The condensed consolidated financial statements for the six month period ended 30th June 2019 have been approved by the Board of Directors dated 28th August 2019 and have been subject to a limited review. They are available within the Company's universal registration document for the year ended 31st December 2018, constituting the half yearly financial report for the six month period ended 30th June 2019.

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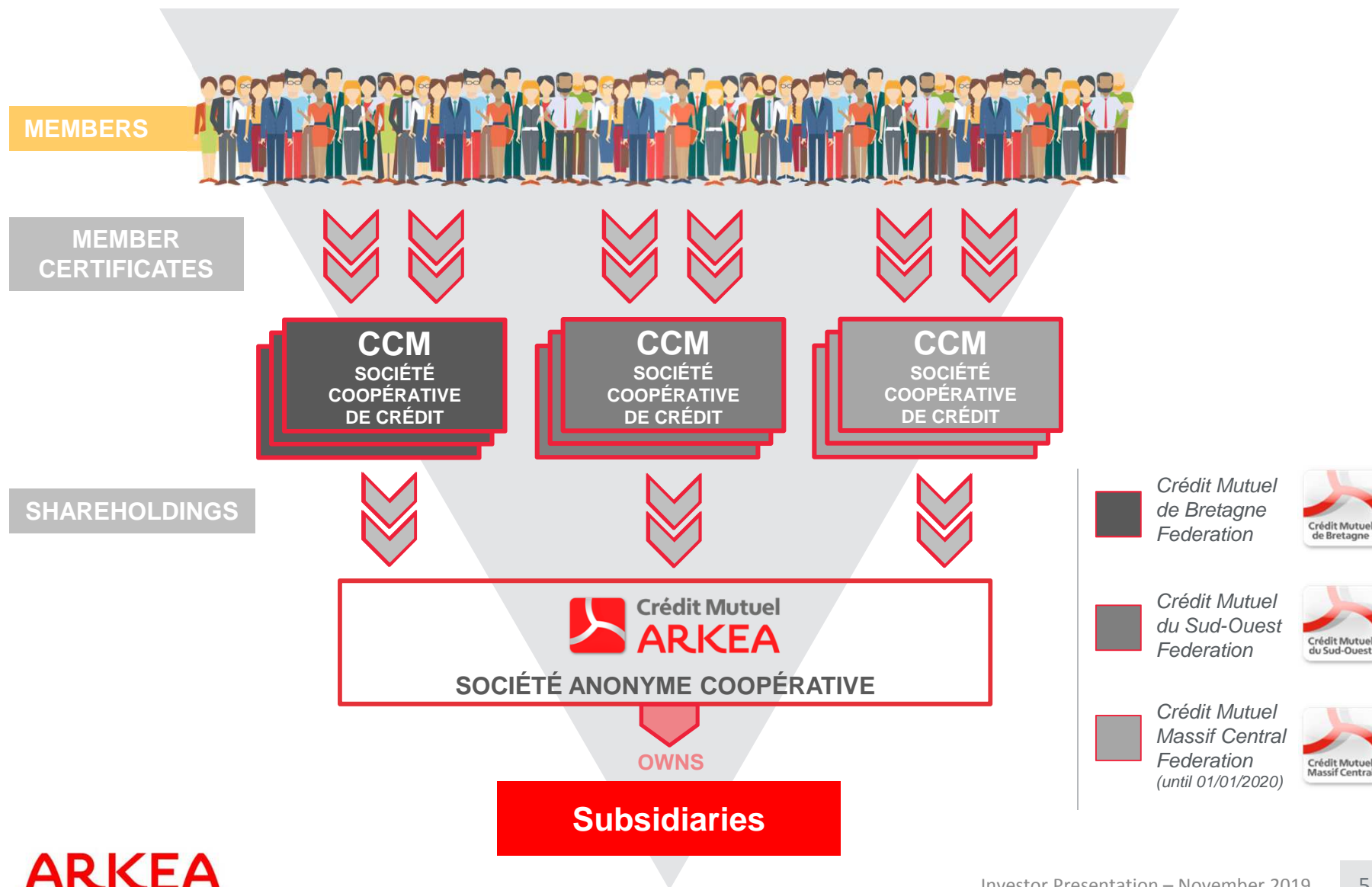
-  p.4 **Arkéa's organisation & development strategy**
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Arkéa's organisation & development strategy

Arkéa's cooperative organisation

 The **inverted pyramid** principle



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Arkéa group's activities



A **regional** base, an outreach
beyond historic territories of location

4.6 million clients of which 1.5 million members

3,016 directors in 328 local savings banks

10,500 employees

Retail banking



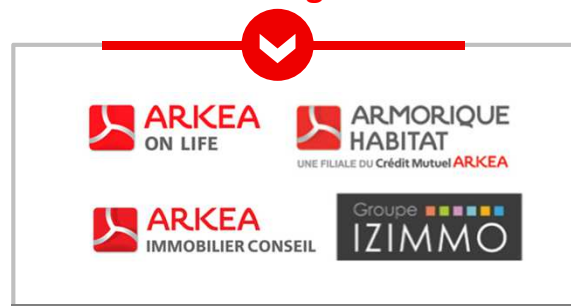
Corporates & institutions



Insurance – Asset Management



Non-banking activities



BtoB market



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The 3 key factors of Arkéa's strategy



An **innovative and collaborative** approach,
where one generates value **by creating
interactions with the ecosystem**



Territorial anchoring, particularly with the networks' coverage and a **dynamic investment policy** in regional companies



A culture of innovation that enables Arkéa to overcome historic boundaries and to grow the group's influence all over France and even beyond

- The group has thereby become **one of the leaders in on-line banking** in Europe with Fortuneo Banque and Keytrade Bank
- **The provision of white label banking services** also allows Arkéa to keep up to date with market knowledge and to continuously raise its performance standards



An intermediate size, in a “massifying” industry”, provides agility, proximity and the needed responsiveness to be **a reference partner of the digital ecosystem**, with which Arkéa implements various forms of co-operation

Territorial anchoring with private equity

Arkéa's financing activities **serve the regions** and their players

With 5 dedicated vehicles and **a €1bn investment capacity**, Arkéa Capital covers all business development stages

➤ 2 Innovation Capital vehicles for start-ups



West Web Valley

Digital economy



CSR fund

➤ 3 Development Capital vehicles for SMEs and Mid-caps



SME management projects



Support management to strengthen shareholder structure



Large regional companies

➤ With **more than half of its investments completed outside of Arkéa's historical regions**, Arkéa Capital supports the growth of companies throughout the entire French territory

Start-ups



Peinture à base d'algues



ARKÉA FOR THE PROPERTY

SMEs in the regions



Mid-caps



➤ More than 100 companies **in all business sectors**, with an average investment below €5 M

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Territorial anchoring with public sector lending



A **key player** in financing **local authorities** & **public institutions** in France



Arkéa Banque Entreprises & Institutionnels (ABEI) provides financing to **French public local authorities** as well as private players with missions of general interest:

- Local authorities: regions, “départements”, “métropoles”, municipalities and groups of municipalities
- Health & Care institutions
- Social housing organisations
- Local public companies and development agencies



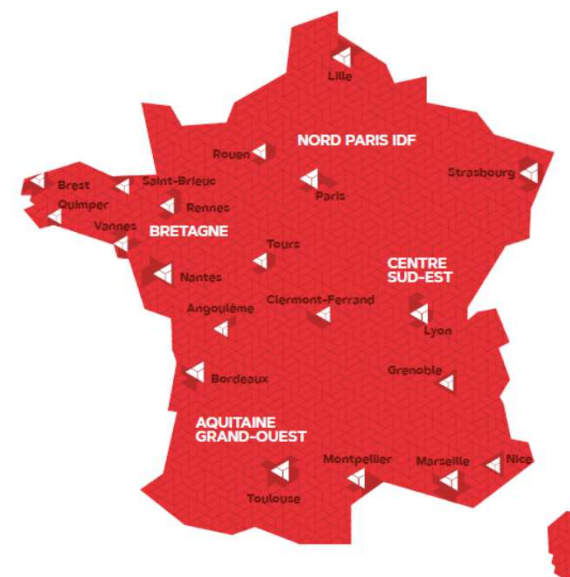
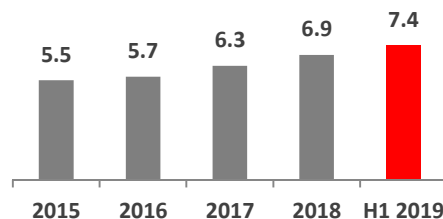
11 regions financed by ABEI, out of 13
2 out of 3 “départements”
15 of the largest “métropoles”



€7.4 bn of loans to the public sector on Arkéa’s balance sheet at the end of June 2019

- Includes loans generated by ABEI and the 3 Crédit Mutuel Federations
- 12% of total outstanding loans, with a regular growth of the book

Public sector loans (Md€)

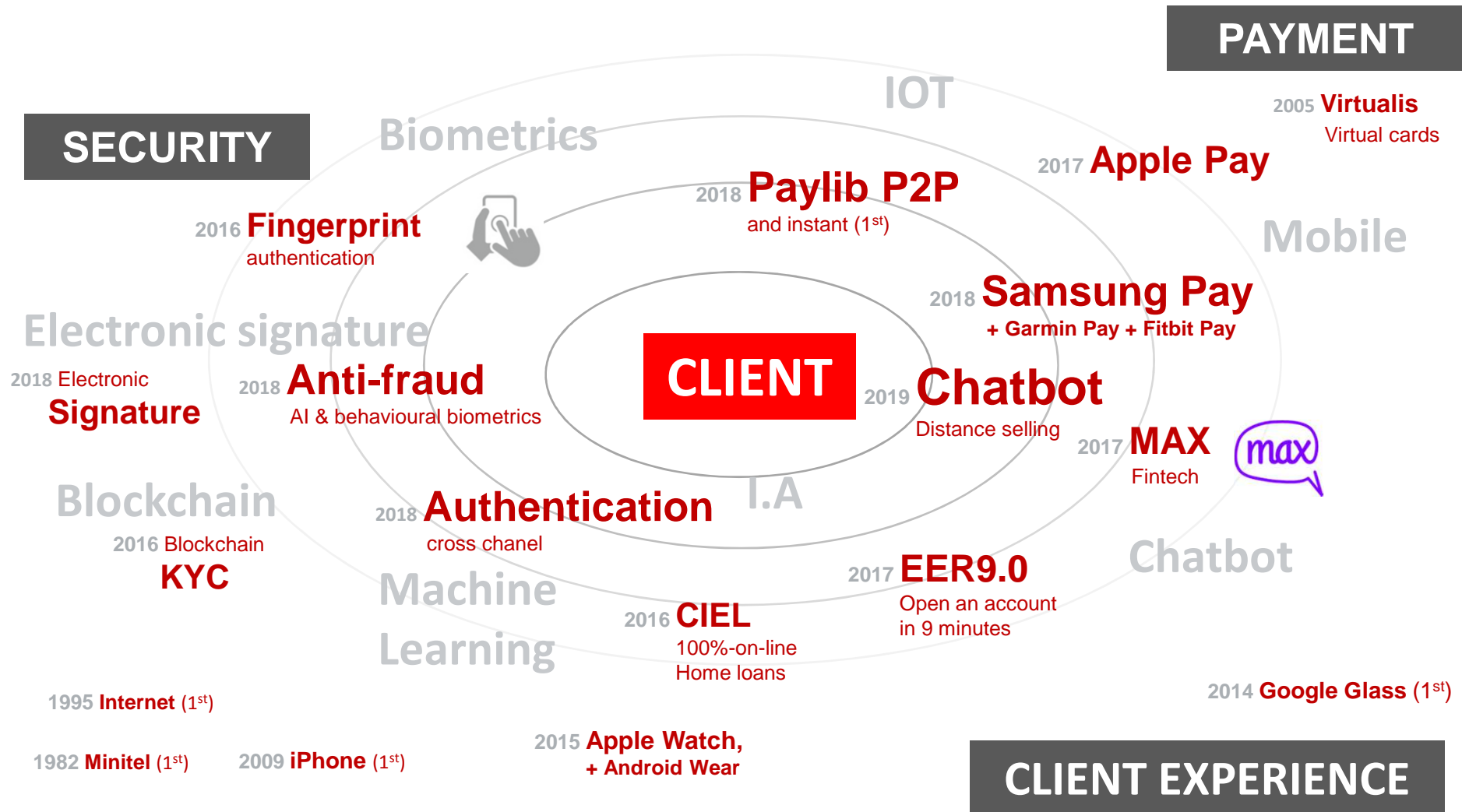


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A culture of innovation



Innovative solutions to support **members and clients'** life projects and to meet their expectations



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Main achievements in the first half of 2019

Territories



End of bank charges
for financially fragile populations

Capital investment in regional companies



1st investment completed by



A fund aimed at supporting
the Breton marine economy



A €500 M funding envelope
To support actions to revive town centres

Innovation



1st bank in France
to make **instant payment** via a mobile number **possible**

Mobile payment

Payment via
connected watch
(Mastercard)



Mobile payment
via Samsung Pay
(Max clients)



& via Google Pay
(Fortuneo et Max clients)



Les magasins U and
Monext present
the 'U paiement'
application



More customised services
with Google Cloud

BtoB



First transactions for



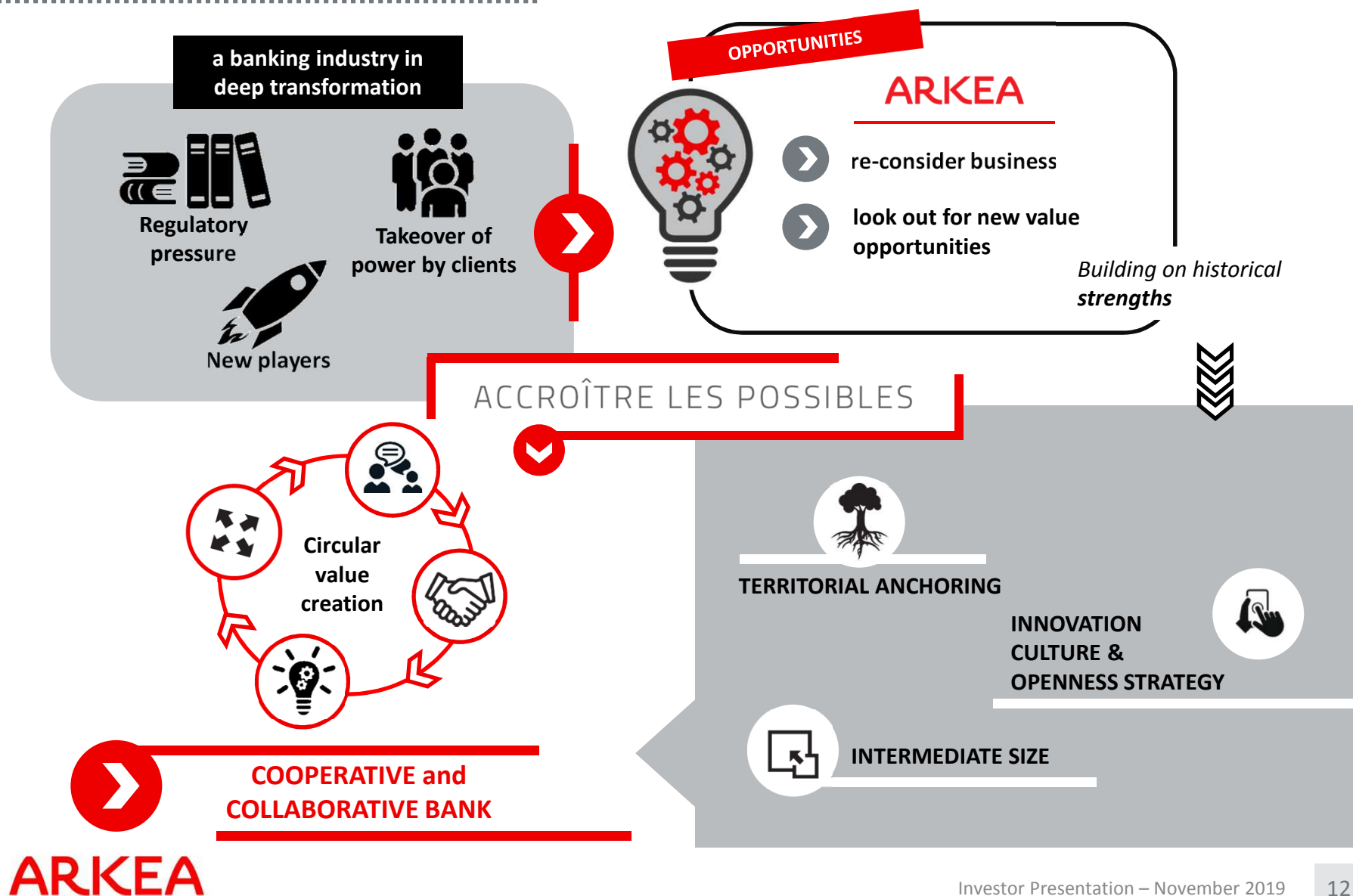
Deployment in Germany of an
all-inclusive offer of connected remote assistance services

40 % of e-commerce transactions
in France operated by



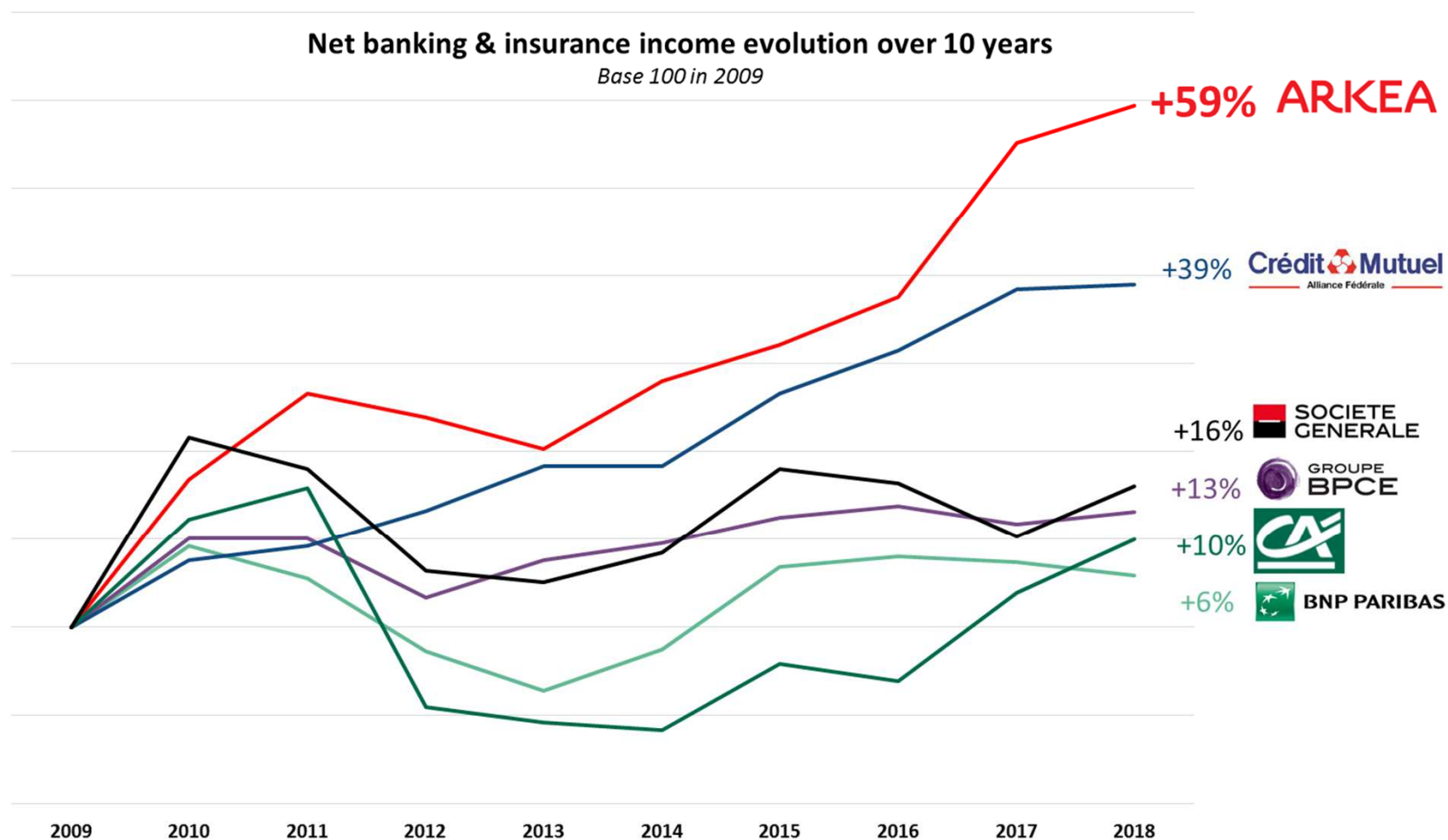
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A development strategy based on collaboration to create circular value



A pertinent strategy resulting in a significant income growth

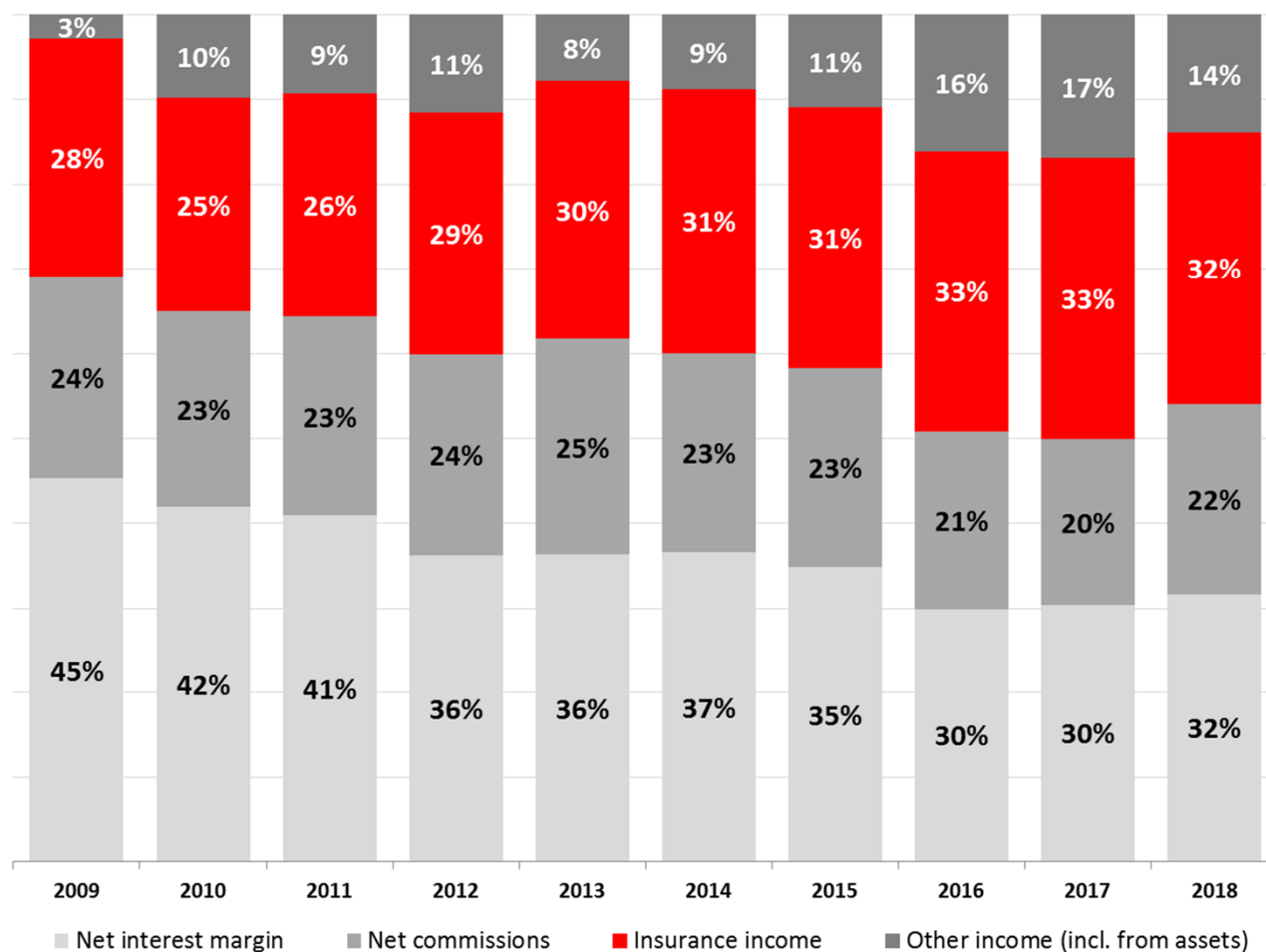
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ARKEA

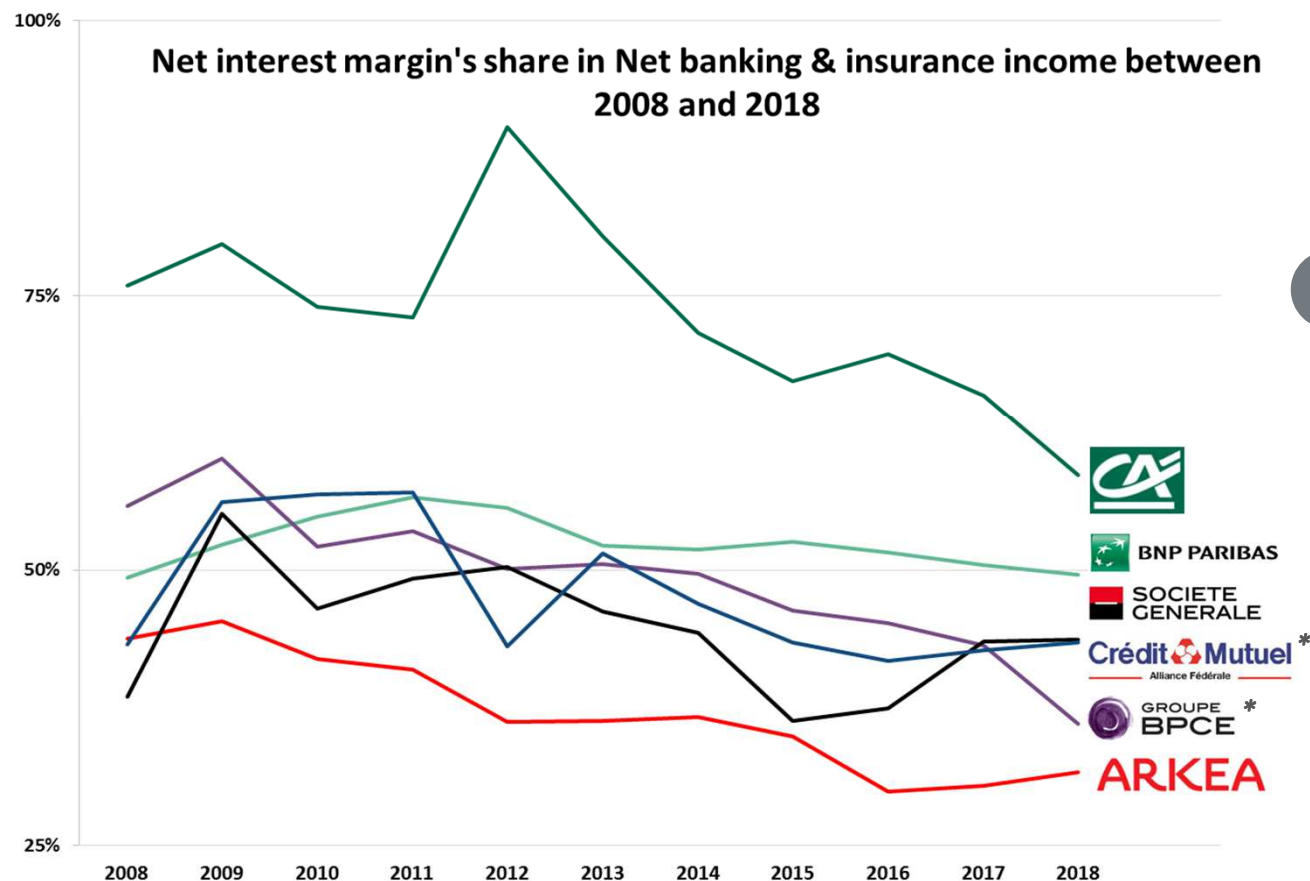
A growth coupled with a diversification of income sources

Distribution of net banking & insurance income over 10 years



A remarkable increase of the share of **insurance income** and **other income** that make up **46% of net banking and insurance income in 2018**

A lower dependence to interest rate fluctuations for Arkéa



Major strategic directions resulting in **revenue diversification**, enabling Arkéa to be **less dependent to interest rate levels**

A structure of assets generating regular income

With a balance sheet structure based on **loans to customers** and on **insurance**, Arkéa enjoys recurrent income

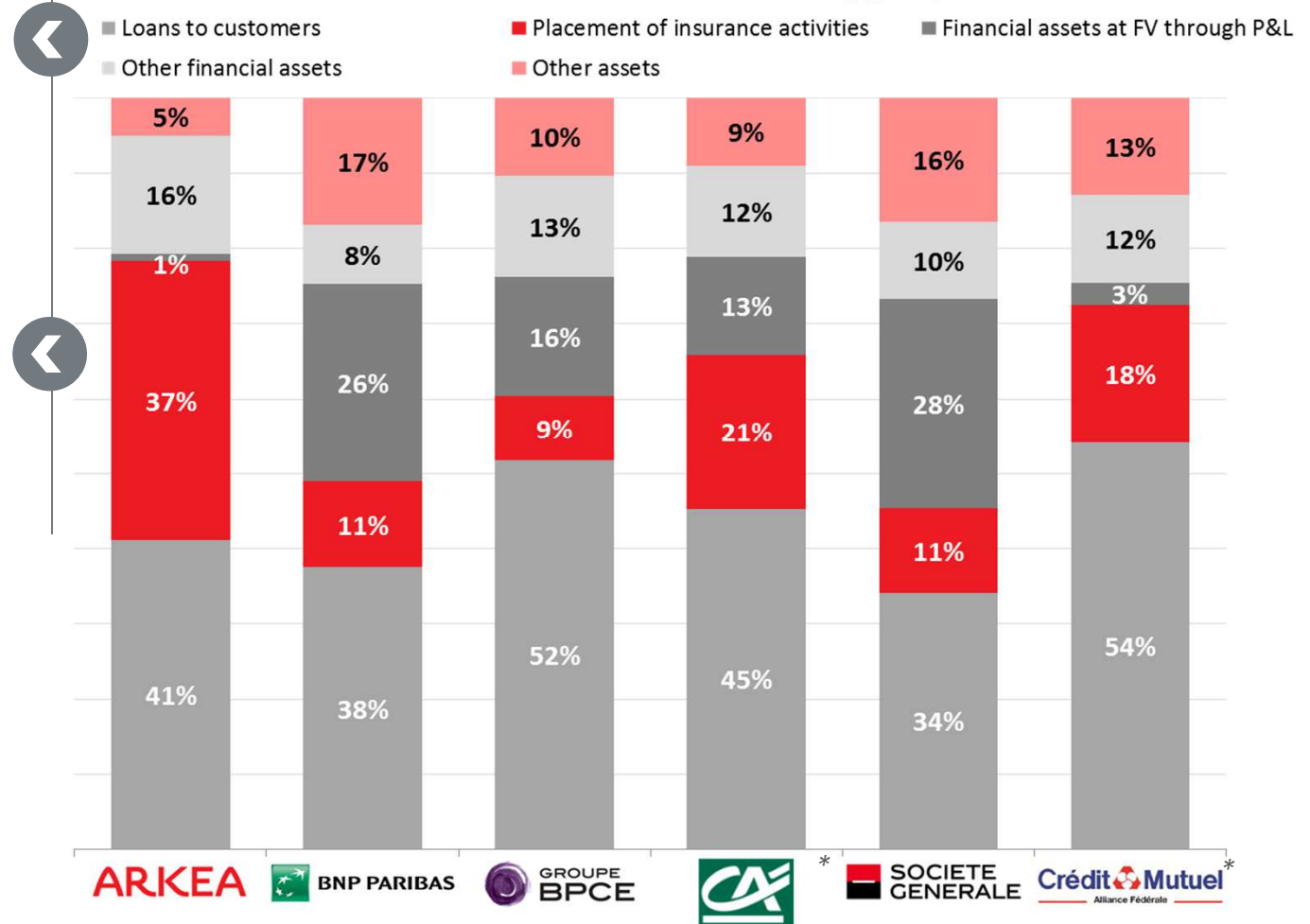
Moreover, only a small part of Arkéa's assets (1%) are classified as financial assets at fair value through profit or loss



A business model generating a regular, profitable and balanced growth

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Balance sheet assets of French banking groups

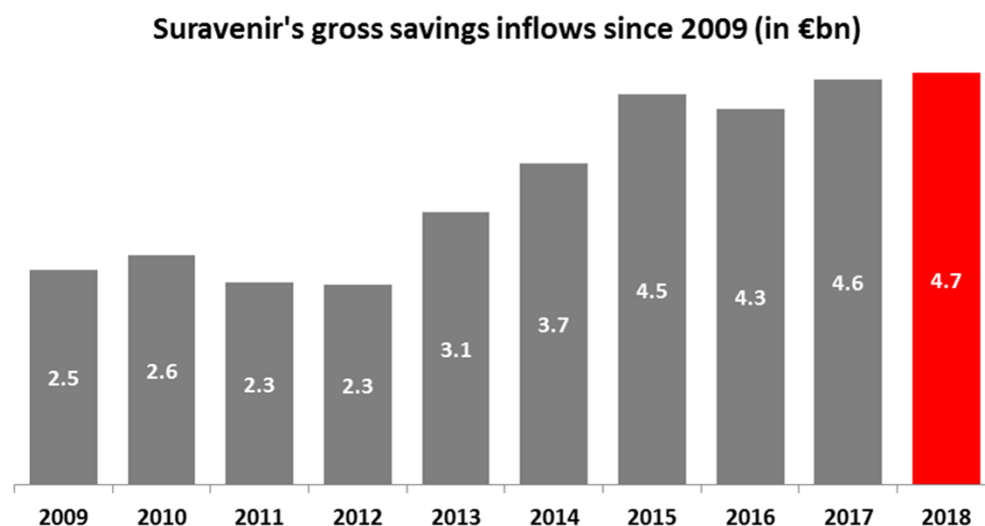


* Data as at 30/06/2018

An increase of savings inflows with the multiplicity of distributors

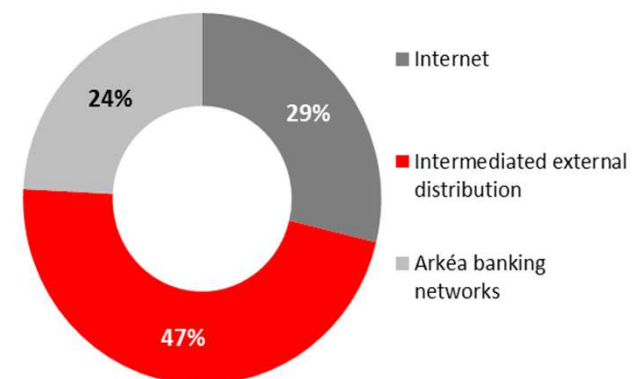
Arkéa's strategy of building external partnerships contributes to the income growth

➤ Suravenir: an illustration in life insurance



➤ An increase of **91 % in 10 years** of gross savings inflows

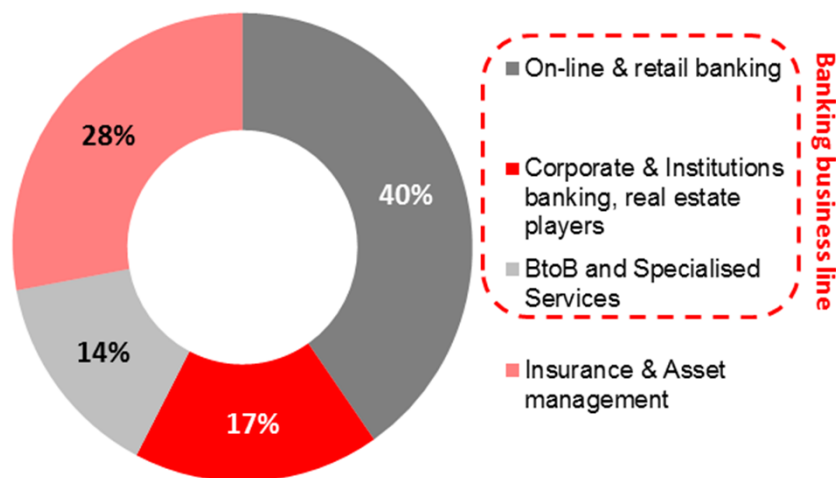
Distribution of gross savings inflows in 2018



➤ **76%** of Suravenir's gross savings inflows come from the **internet and from external distribution networks** (+ 4 pts vs. 2017)

A growth driven by a sectorial and geographic diversification

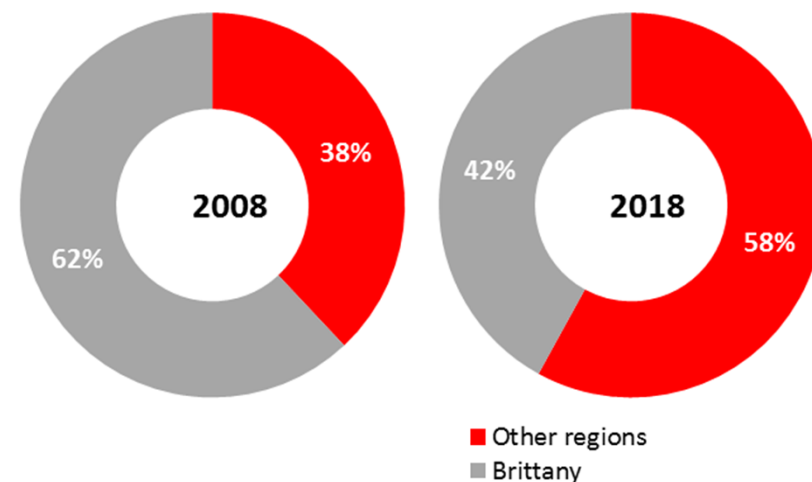
Sectorial distribution of H1-2019 revenues



B2B and B2B2C activities contribute to the income growth

14% of Arkéa's H1 2019 revenues come from the development of the B2B & Specialised Services division**

Net banking & insurance income by area*



In 2018, 58% of Net banking & insurance income was generated outside Brittany (vs. 38% in 2008)

An exceptional growth path since 2008

Growth since 31/12/2008



x 14

**Net income
(GROUP SHARE)**

€437 M y.e. 31/12/2018
versus €31 M
y.e. 31/12/2008



+ 98 %

**Net banking &
insurance income**

€2.15 bn y.e. 31/12/2018
versus €1.08 bn
y.e. 31/12/2008



+ 141 %

Outstanding savings

€111.2 bn as at 31/12/2018
versus €46.2 bn
as at 31/12/2008



+ 96 %

Total assets

€135 bn as at 31/12/2018
versus €69 bn
as at 31/12/2008



x 2.6

**Equity
(GROUP SHARE)**

€6.7 bn as at 31/12/2018
versus €2.6 bn
as at 31/12/2008



+ 93 %

Outstanding loans

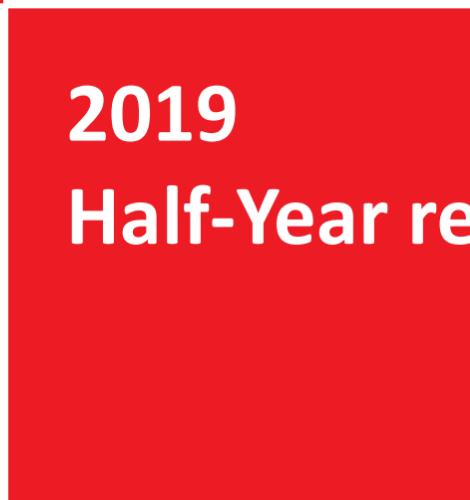
€56.5 bn as at 31/12/2018
versus €29.3 bn
as at 31/12/2008



An **outstanding** trajectory

- confirming **the pertinence of the business model** and **strategy**
- providing **resources for independence**

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2019
Half-Year results

Dynamics confirmed in the 1st half of 2019



Outstanding performances, a **robust** financial structure

Dynamic commercial development



Expanding **client** portfolio

+ 1.8 %



Increased outstanding gross **loans**

+ 5.2 %



Growing outstanding **savings**

+ 5.7 %

Revenues at their highest level



Revenues

Growing net banking & insurance income

€1,116 M i.e. + 3.1 %

Risk

Moderate cost of risk

€34 M i.e. 12 bps
of outstanding client
exposures

Net income

Slightly lower
net income group share

€244 M i.e. - 0.9 %

A robust financial structure



Gross **Loan to deposit** ratio

105 %

CET 1

Common Equity Tier One ratio

17.5 %

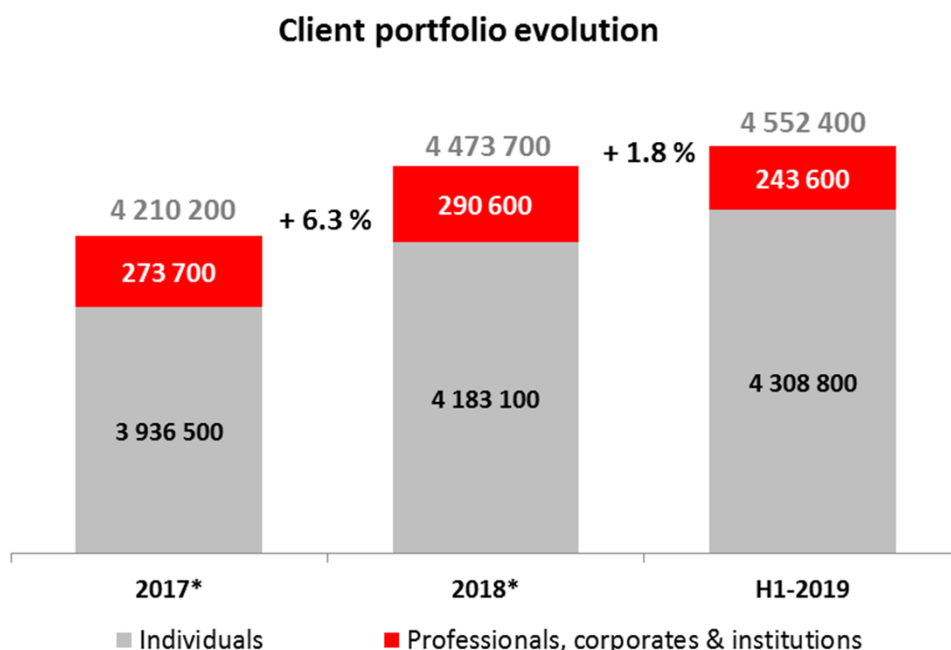
Liquidity

Liquidity reserves of

€19.1 bn

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A client portfolio growing by 1.8 %



128,600 new clients

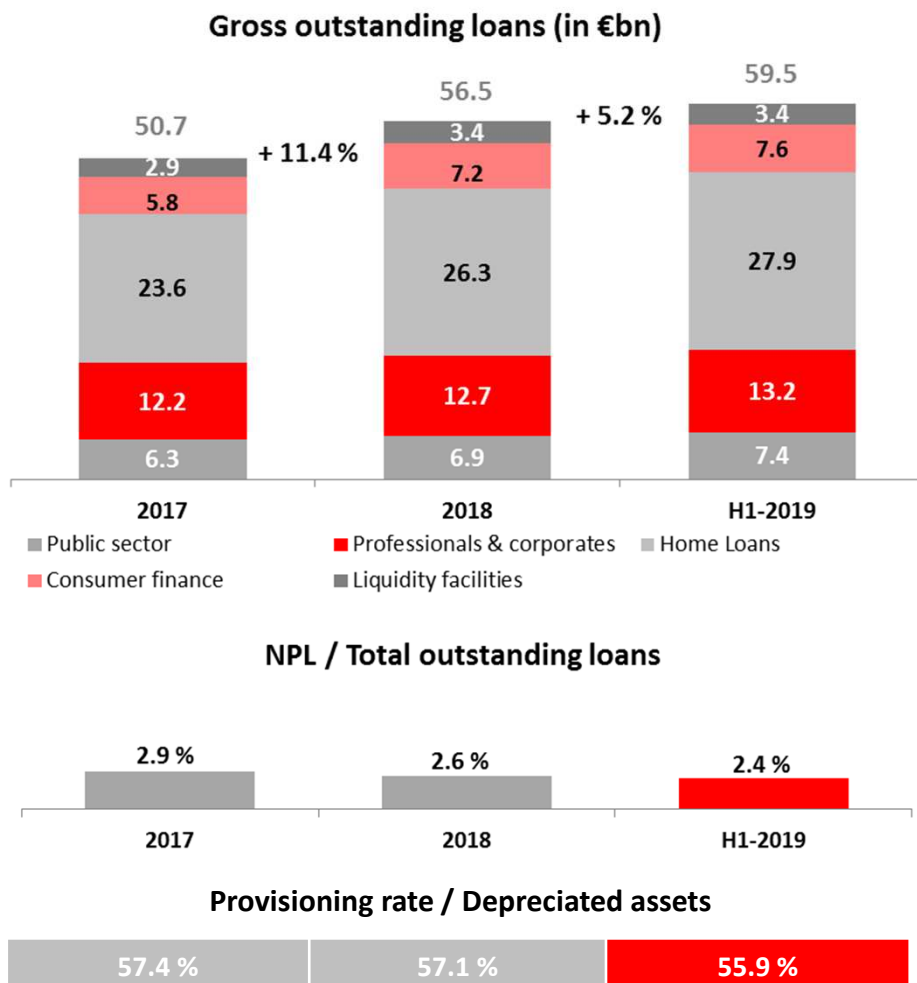
Customer acquisition driven mainly by subsidiaries : **the personal assistant max** (+34,000 clients), **insurance companies** (+43,000 clients), **on-line banking** (+26,000 clients)



A portfolio increased by 1.8 % compared to 2018, reaching 4.6 million clients.

On a comparable basis, the portfolio increased by 2.9% (sale of Leasecom in H1 2019)

Outstanding loans increased by 5.2 % to €59.5 bn



A growth of outstanding loans driven by a **€7.7 bn production in the first half of the year** (vs. €6.3 bn in H1 2018), covering all types of loans :

- **Loans to corporates and professionals** (+ 25 % to €2 bn)
- **Loans to individuals** (+ 11.6 % to €4.8 bn)
+ €3.2 bn in home loans
+ €1.6 bn in consumer finance
- **Loans to the public sector** (x2 to €0.9 bn)

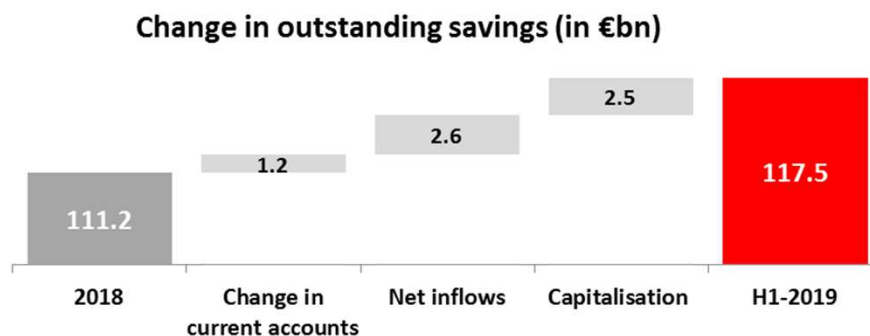
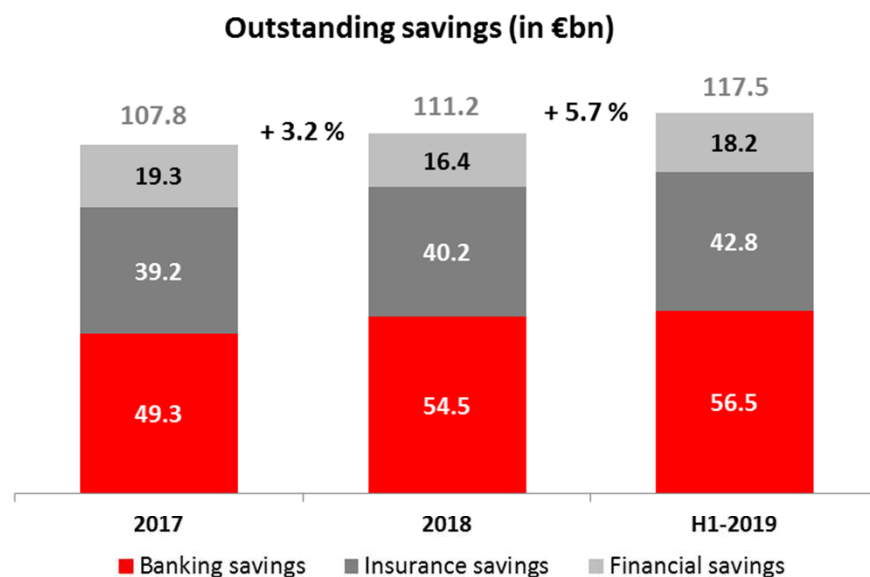


A quality loan portfolio

Outstanding loans of a good quality, with a **NPL ratio of 2.4 %**

A prudent approach over client credit risk with a **55.9% provisioning rate for balance sheet impaired loans**

Outstanding savings growing by 5.7 % to €117.5 bn



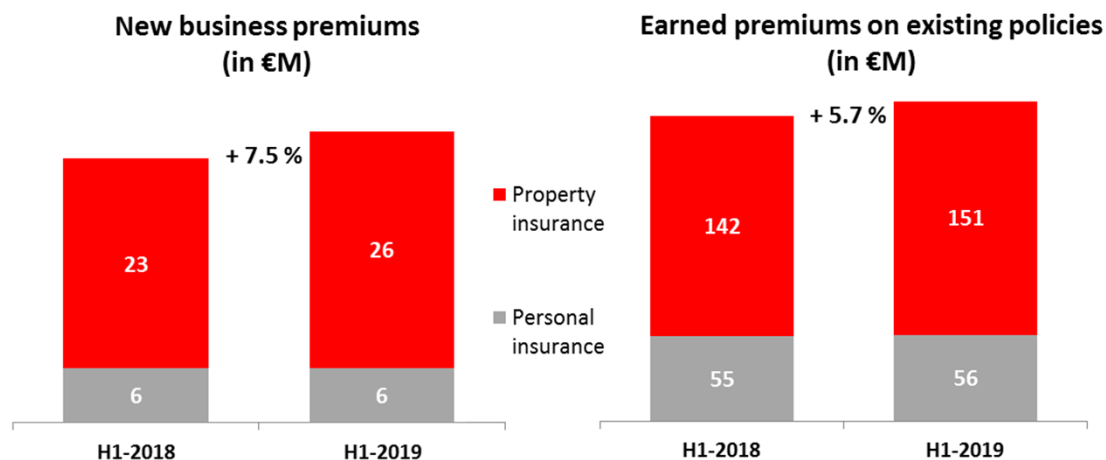
Outstanding savings at €117.5 bn, a 5.7 %-increase since end of 2018 driven by net inflows and capitalisation



Net inflows amount to €2.6 bn, up 59.5 % vs. H1 2018 :

- + €0.8 bn of **banking savings**
- + €1.2 bn of **insurance savings**
- + €0.7 bn of **financial savings**

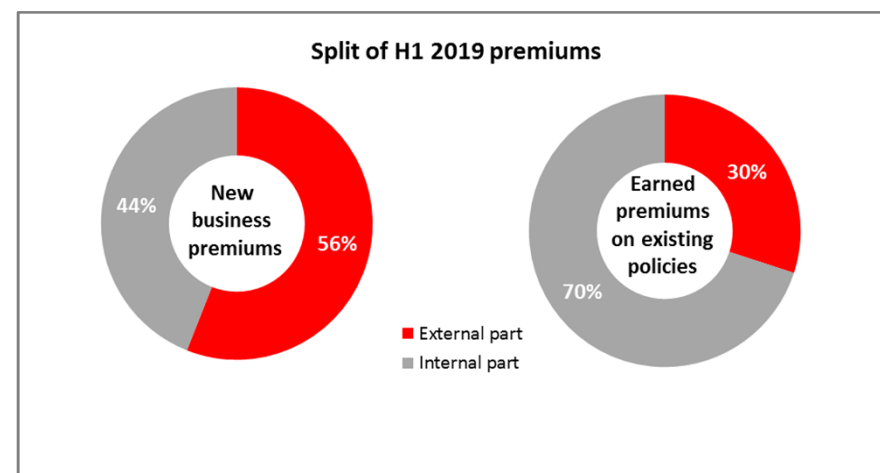
A strong commercial development of insurance activities



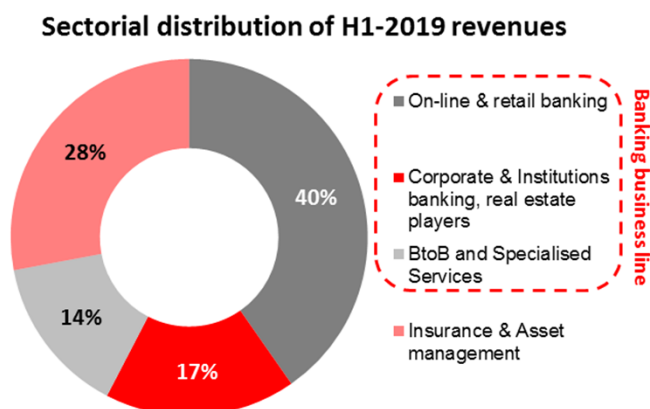
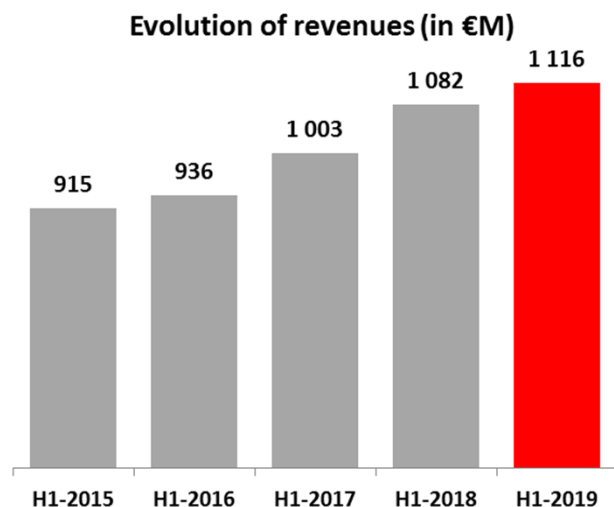
New business premiums are up €2 M and **earned** premiums on existing policies are up €11 M vs. H1 2018, mainly in property insurance

Business from external networks is growing and accounts for :

- **56 % of new business premiums** (+ 3 points vs. H1 2018)
- **30 % of earned premiums** on existing policies (+ 2 points vs. H1 2018)



Revenues growing by 3.1 % to a historic level of €1,116 M



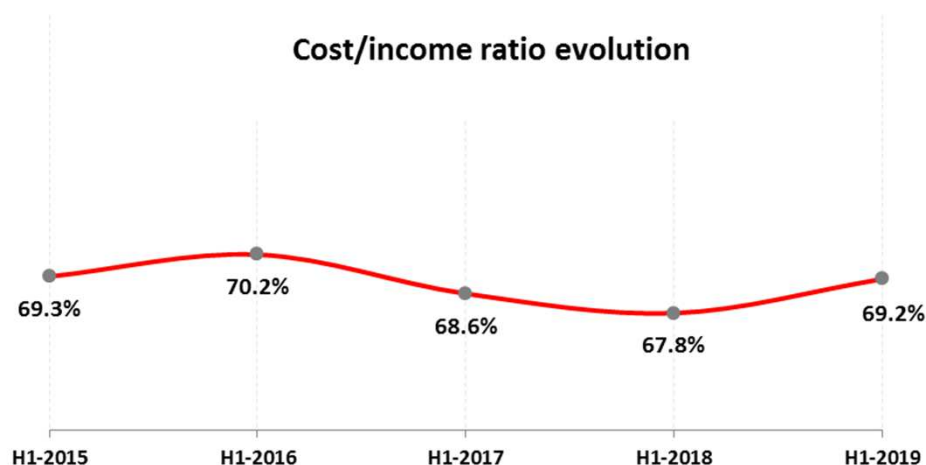
Revenues of the banking business line are down by 2.9% compared to H1 2018, to €804 M

On a comparable basis, revenues decreased by €23 M to €787 M:

- The financial margin decreased by €20 M to €389 M mainly due to **lower changes in value of equity instruments at fair value through P&L**
- Commissions are down by €8 M to €313 M with the implementation at the start of 2019 of a **ceiling on banking charges for financially vulnerable people and with the removal of banking incident charges for financially vulnerable clients benefiting from the dedicated services**
- Other operating income and charges grew by €5 M to €86 M

Revenues of the insurance and asset management business line increased by €57 M to €312 M, with the development of the business and the improvement in the claims level on all products compared to H1 2018

A cost/income ratio of 69.2 %



Operating expenses increased by €39 M to €773 M (+ 5.3 %)

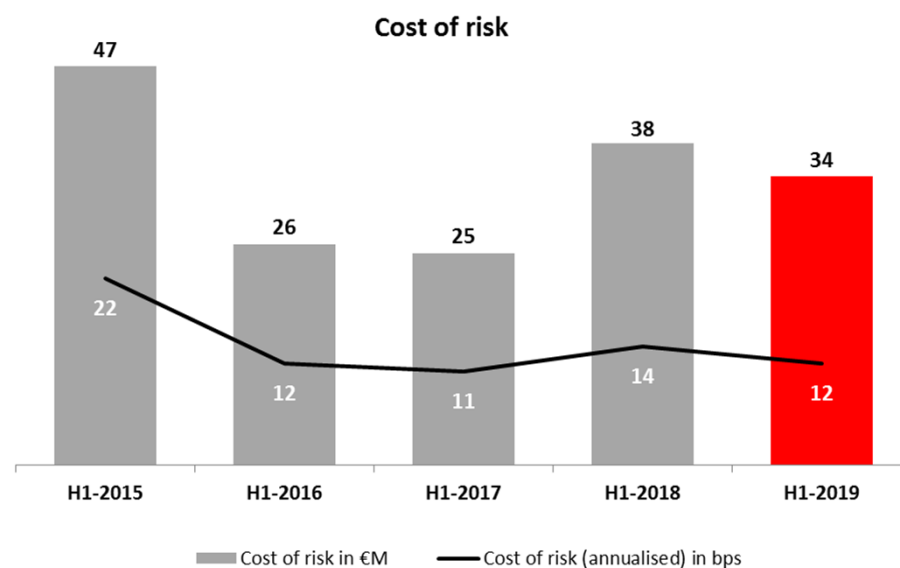
On a comparable basis, operating expenses increased by €44 M with :

- **Recruitment and remuneration policy** (+ €12 M)
- Other expenses linked to the **investment and development strategy of the group** (+ €29 M) including technological transformation and regulatory projects



A **69.2 %** cost/income ratio, stable over the last 5 half-year closings

A 10.4 % decrease of the cost of risk, at €34 M

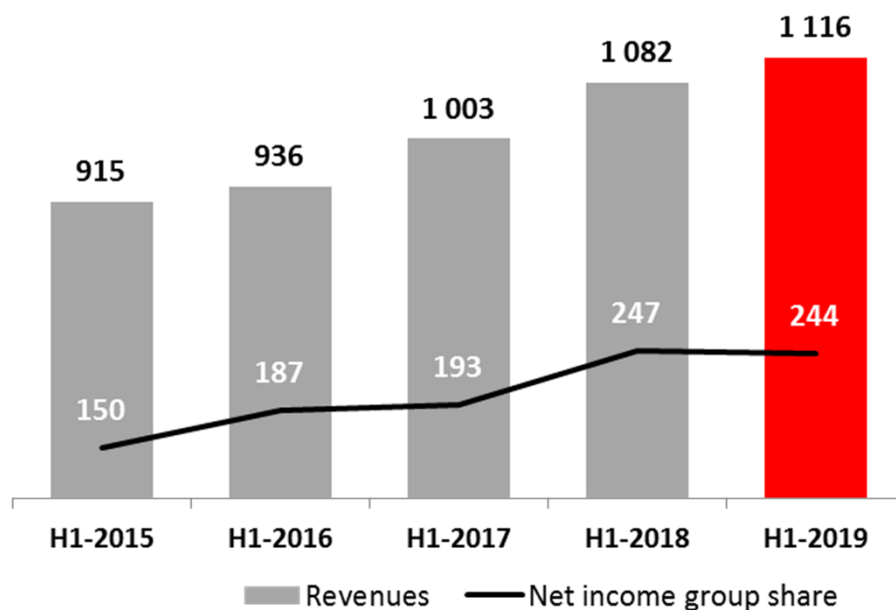


A cost of risk down by €4 M to €34 M, representing **a moderate proportion of outstanding client exposures (12 bps)**

- **Performing assets (Bucket 1 et 2)**
Outstanding performing assets increased by 6.3 % to €58.4 bn in H1 2019 (vs. a 5.4 % increase to €52.5 bn in H1 2018)
- **Depreciated assets (Bucket 3)**
Outstanding depreciated assets increased by 0.4 % to €1.4 bn in H1 2019 (vs. a 0.9 % decrease to €1.5 bn in H1 2018)

A net income (group share) of €244 M

Evolution of revenues and net income (in €M)



After a record level in 2018, net income (group share) reaches **€244 M**, slightly lower (-0,9 %) but still driven by **growing revenues**

2019 : a reference first half

After a record year in 2018, the 1st half of 2019 confirms the pertinence of Arkéa's development strategy with excellent results and ratios :

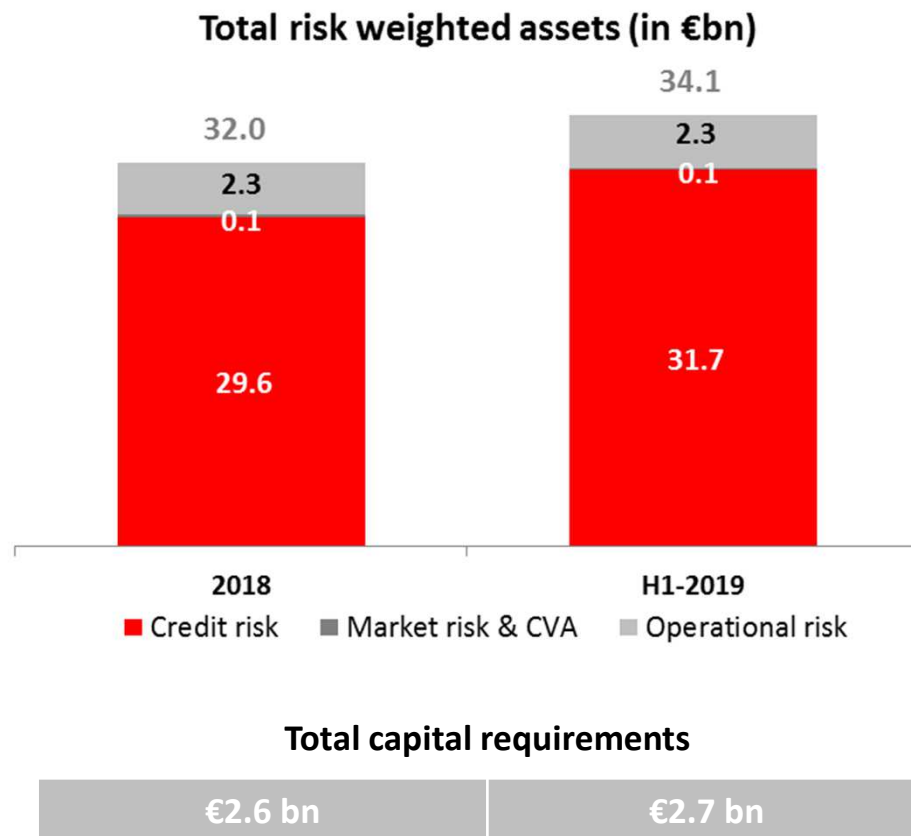
- On-going commercial development with **record revenues of €1,116 M**
- A **high asset quality** with a decreased cost of risk
- A growth path generating a **steady profitability** with net income of €244 M
- A **robust financial structure**, with high **solvency** and **liquidity** levels

➤ An original model combining growth and profitability



Financial Management

Risk weighted assets growing in line with outstanding loans



A €2.1 bn increase driven by the growth of outstanding loans

93 % of risk weighted assets relate to **credit risk**, with :

- €6.2 bn from a **standard approach**
- €25.5 bn from an **internal ratings-based approach**

Higher capital requirements in line with the growth of credit risk exposures

Leading solvency levels

A solid balance sheet structure

- Total assets of **€147.4 bn** (+ 9 % vs. 31/12/2018)
- Shareholders' equity of **€7.1 bn** (+ 5 % vs. 31/12/2018) with **€2.3 bn** of member shares



CET 1 ratio of 17.5 %*, stable since 31/12/2018 and largely above regulatory requirements of **9.76 %** (SREP – excl. P2G)



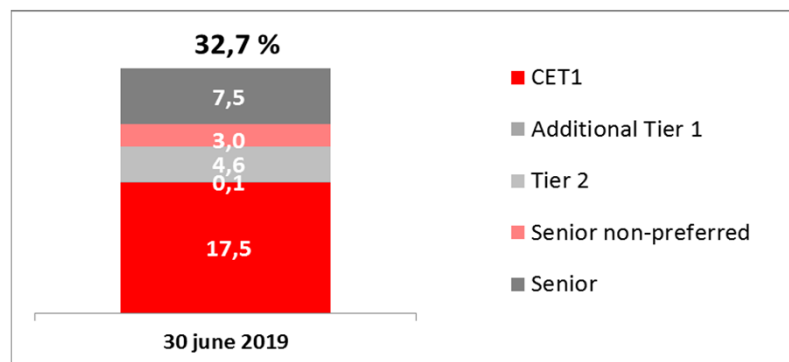
Total capital ratio of 22.1 %*, increased by 2.3 points since 31/12/2018 with Tier 2 bond issues in H1 2019, with regulatory requirements of **13.26 %**



Leverage ratio of 6.7 %*

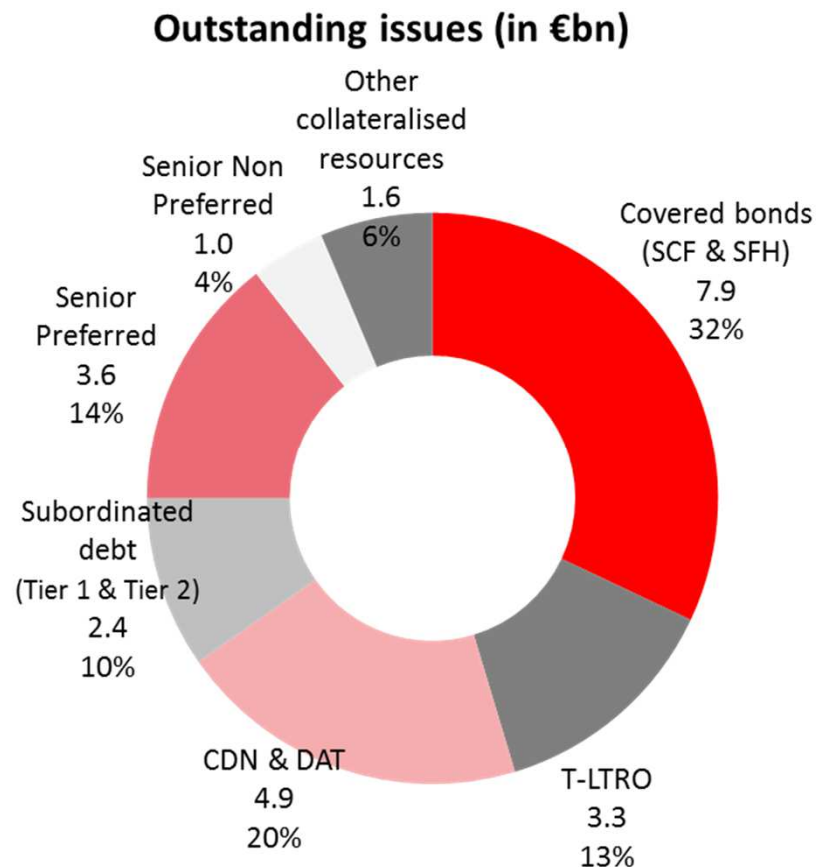
MREL Ratio*

(as a % of risk weighted assets)



* Solvency ratios including half-year results and excluding IPCs (-13 bp impact on CET1 ratio). Leverage ratio according to the "European delegated act", with automatically applicable provisions (mainly exclusion of insurance subsidiaries assets), excluding savings centralised with CDC and excluding provisions subject to prior authorisation (inter-company transactions)

Diversification and balance between funding programmes



Data as at 07/11/2019

ARKEA



2019 Public issues

Senior Preferred

6Y / MS + 110 bps
€500 M

10Y / MS + 75 bps
€500 M

9Y / MS + 70 bps
€500 M **Social Bond**

Senior Non Preferred

7Y / MS + 145 bps
€500 M

Tier 2

12Y / MS + 255 bps
€750 M

Covered Bonds

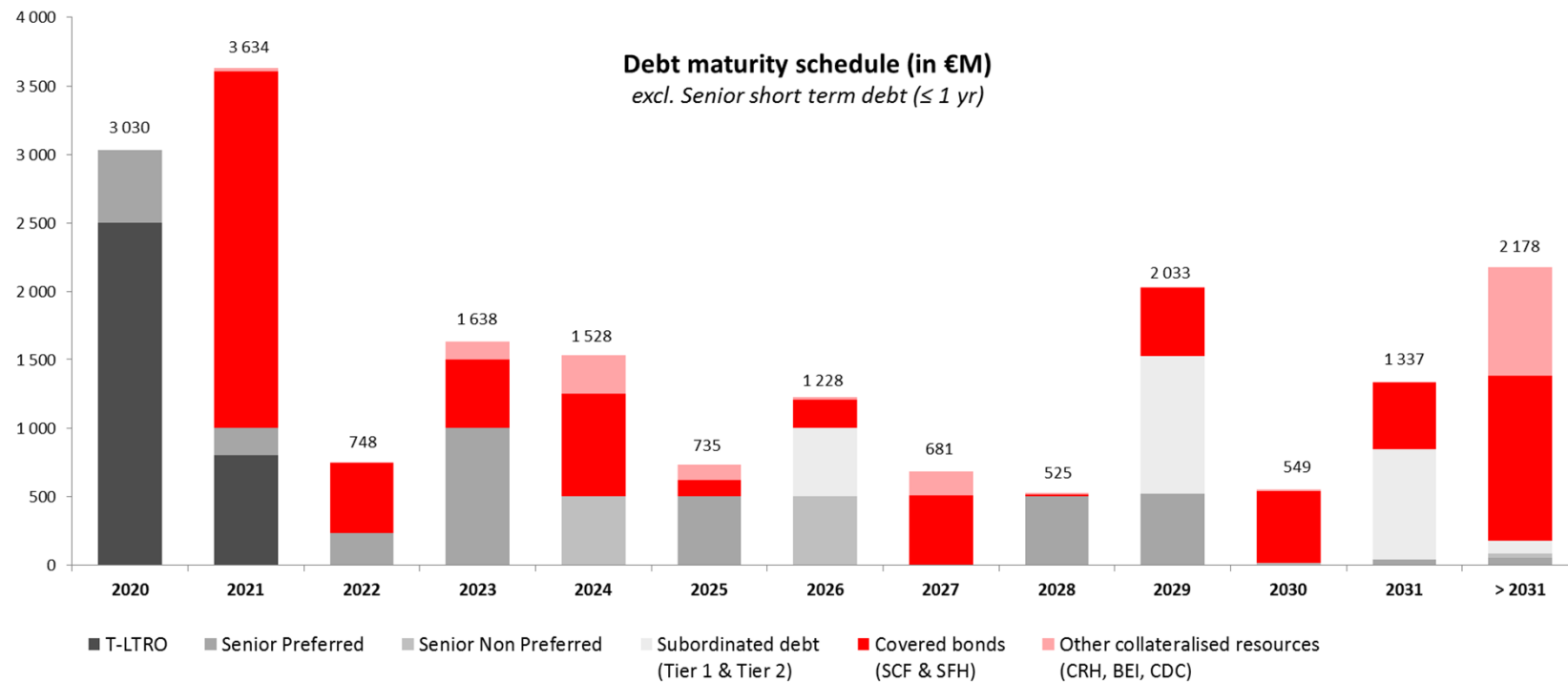
Home Loans - 10Y / MS + 6 bps
€500 M

Public Sector – 10Y / MS + 4 bps
€500 M

Long term resources favoured



**Average residual maturity
of 6.8 years**



Data as at 07/11/2019

Quality ratings illustrating Arkéa's financial solidity

**Long Term
Senior Preferred Debt**

Outlook

**Short Term
Senior Preferred Debt**

**Long Term
Senior Non Preferred Debt**

Tier 2 Subordinated Debt



MOODY'S
INVESTORS SERVICE

Aa3

Negative

P-1

Baa1

Baa1



Fitch
Ratings

A

Stable

F1

A-

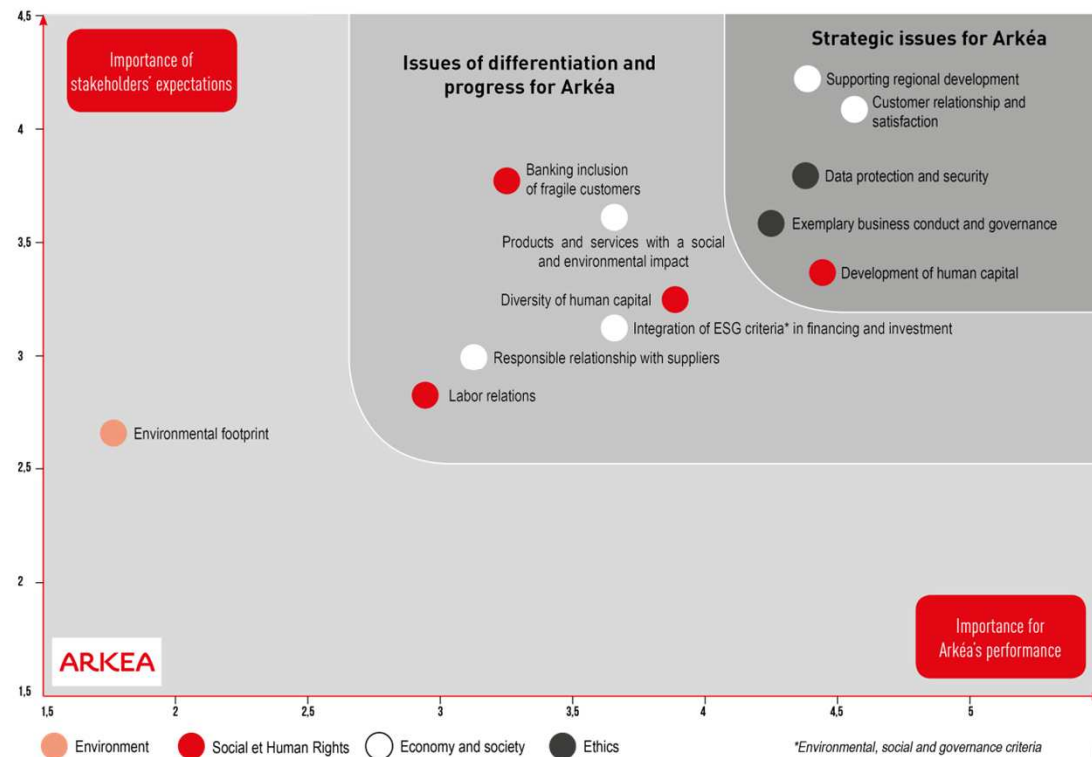
BBB+



Arkéa's Corporate Social Responsibility Strategy

Arkéa's CSR key issues

- Supporting regional development
- Banking inclusion and fragile customers
- Products and services with a social & environmental impact
- Integration of ESG criteria in financing and investment





Arkéa's ambition



Facilitate the **positive impact projects** of **stakeholders**



Support stakeholders: individuals, professionals, corporates, institutional clients, suppliers, partners



Through our businesses: financing and investments, savings, insurance



In a responsible approach: by supporting their positive impact projects and by integrating ESG criteria into financing and investment activities



At the **heart of our corporate strategy**



Local economic
development



Environmental
transition

Support of **local economic development**

Local authorities



€600 M

Granted in 2018

Arkéa Banque Entreprises & Institutionnels
finance local authorities
as well as partner agencies that deliver
local services to the public



Regional companies



Investment in regional companies'
equity

€200 M

In 2018

of which
10 new start-ups



Voluntary sector



70,700

Non-profit organisations

Among clients

Banking solutions, initiatives to support
non-profit associations that benefit to
employment, regional revitalisation,
solidarity or sustainable development



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Support of **local economic development**

In september 2019, Arkéa issued an **inaugural social senior preferred bond** from its sustainable bond framework, illustrating the group's **commitment to addressing social issues**

Social housing



€1 bn

Incentive loans
At the end of 2018

Arkéa Banque Entreprises & Institutionnels is the partner of choice for major groups that alone account for more than half of social housing units.

The group has acquired stakes in 35 public housing companies



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Armorique Habitat



A subsidiary dedicated
to social housing

With a rental
housing stock of
nearly

6,500

homes, it houses almost

10,000

people



Health & care institutions



2/3

of university hospitals (CHUs)
in Brittany

In the area of public health, the Arkéa group finances university hospitals (CHUs) and the main hospitals in Brittany



Support **stakeholders in transitions**

Investment fund

€20 M

to support entrepreneurs involved in energy transition, circular economy and societal entrepreneurship

WEPOSITIVEINVEST

CSR funding

€327 M

Specific funding envelope by Arkéa Banque Entreprises & Institutionnels used at the end of 2018



ESG assets

€28 bn

Under management by Federal Finance Gestion



Responsible investments

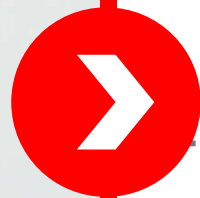
Investment products focused on responsible investment, with the creation of CSR term deposits and by reducing the UCITS range from 250 to 10 to firstly offer funds that meet ESG criteria



PRI signatories



ARKEA



Arkéa's commitments & ratings



Member of **UN Global Compact France**
(advanced level)

WE SUPPORT



Signatory of the **Principles for Responsible Investment (PRI)**
(group's asset management entities)



Signatory of the
supplier relations charter



Arkéa's CSR ratings

Vigeo Eiris

**Advanced ESG
Performance**
(SPO information)



Appendix



Arkéa
Home Loans SFH

Arkéa Home Loans SFH:

Key features



Arkéa Home Loans SFH's purpose is:

- To refinance Arkéa's home loan business
- To diversify and optimise Crédit Mutuel Arkéa's funding sources



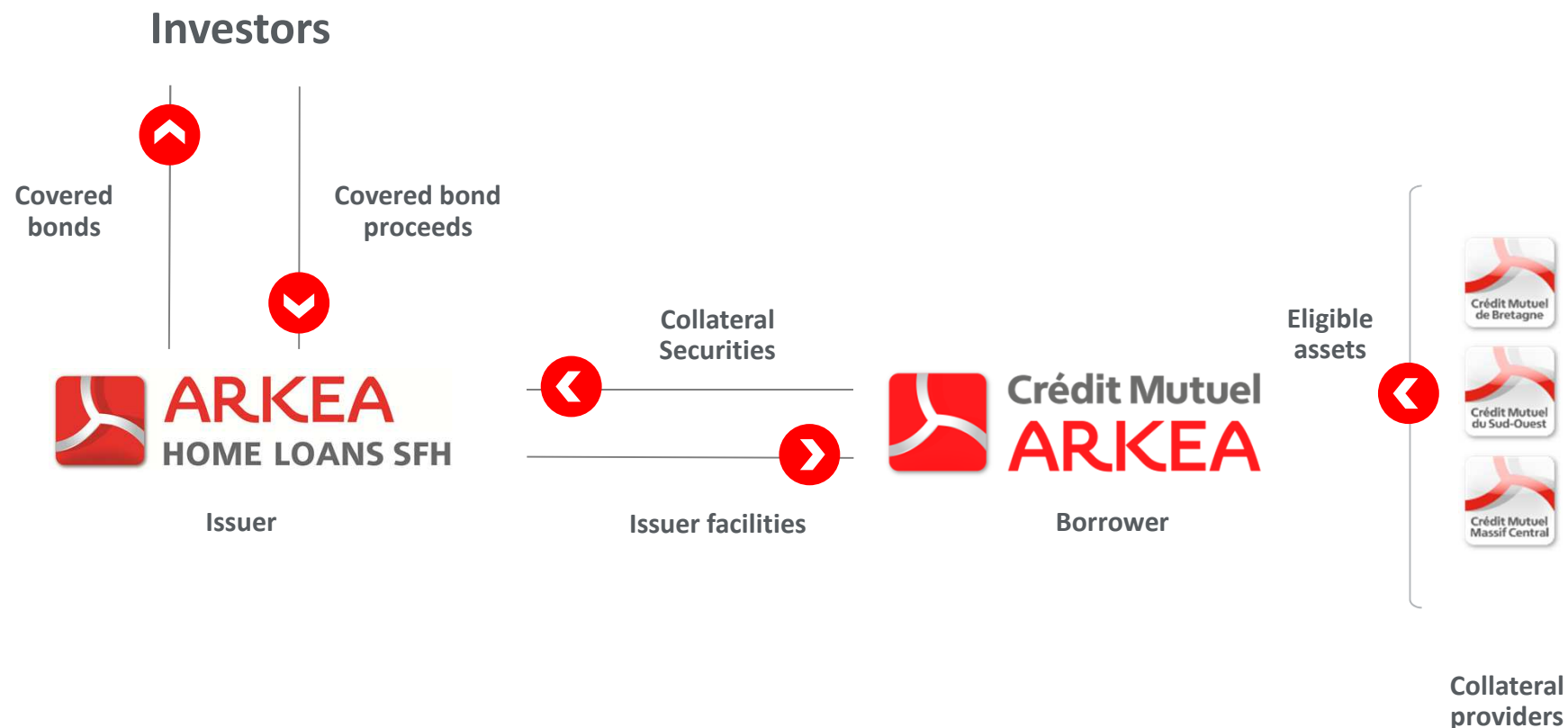
Arkéa Home Loans SFH is a regulated credit institution, licensed as a *Société de Financement de l'Habitat* under the **French legal framework**

- **Only eligible home loans**, refinanced with *Obligations de Financement de l'Habitat*
- **Legal privilege over assets** given to investors in *Obligations de Financement de l'Habitat*
- **Bankruptcy remoteness** of Arkéa Home Loans SFH from Crédit Mutuel Arkéa ensured by French law
- **Recourse** of Arkéa Home Loans SFH **on the cover pool and on Crédit Mutuel Arkéa**
- Regulation and supervision by the French Banking Authorities (ACPR)
- Close monitoring by the specific controller, with regular audit of the collateral portfolio



Arkéa Home Loans SFH is a French home loan covered bond programme with a cover pool including **EUR-denominated French home loans only**, originated by Crédit Mutuel Arkéa with conservative underwriting procedures and restrictive eligibility criteria

Arkéa Home Loans SFH: Structure overview



Arkéa Home Loans SFH:

Cover pool eligibility criteria



Main eligibility criteria

- Loans to individuals and French Sociétés Civiles Immobilières only
- Loans commercialised by Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central
- Home loans for purchase, renovation, building or refinancing
- Owner occupied property, vacation home or buy-to-let property located in France only
- Residual maturity between 2 months and 25 years
- No defaulted loans
- Only non-encumbered loans
- Loan-to-income ratio at 33% maximum
- Mortgages or guaranteed loans*
- Un-indexed and indexed LTVs below 100%

***Crédit Mutuel Arkéa has chosen external insurance companies to guarantee home loans (excl. mortgages)**


- The insurer provides an unconditional first demand guarantee to Crédit Mutuel Arkéa
- Home loans (excl. mortgages) granted by Crédit Mutuel Arkéa are guaranteed by CNP Caution (CNP Assurances, Moody's: A1/ S&P: A), AXA Caution (AXA, Moody's: Aa3, S&P: AA-, Fitch: AA-) or by L'Équité (Generali France, Moody's: Baa1/ Fitch: A-/AM Best: A)
- New loan production is guaranteed by CNP Caution and AXA Caution
- To a lesser extent Crédit Mutuel Arkéa may also use Crédit Logement's guarantee (Moody's: Aa3/ DBRS: AA)

ARKEA

Arkéa Home Loans SFH:

Programme characteristics




Arkéa Home Loans SFH 	
Programme size	€10 bn of <i>Obligations de Financement de l'Habitat</i>
Rating	Aaa (Moody's), AAA (Fitch)
Maturity of the bonds	Soft and hard bullet
Currency	EUR
Minimum collateralisation	Legal: 105 % Committed: 117%
Asset cover test	Over-collateralisation monitored monthly with Asset Cover Test
Liquidity	180 days of liquidity ahead to cover interest and principal amounts due Possibility for the Issuer to subscribe its own covered bonds for pledge as collateral with the ECB, up to 10% of outstanding covered bonds
Asset-liability management	Back-to-back loans to Crédit Mutuel Arkéa to ensure there is no mismatch
Risk weighting	Reduced risk weighting of 10% in Standard Approach according to the EU Capital Requirements Regulation (CRR)
UCITS compliance	Compliance with provision 52 (4) of the UCITS EU Directive
Listing	Luxembourg
Specific controller	Cailliau Dedouit et Associés

Arkéa Home Loans SFH:

Cover pool as at 31/10/2019



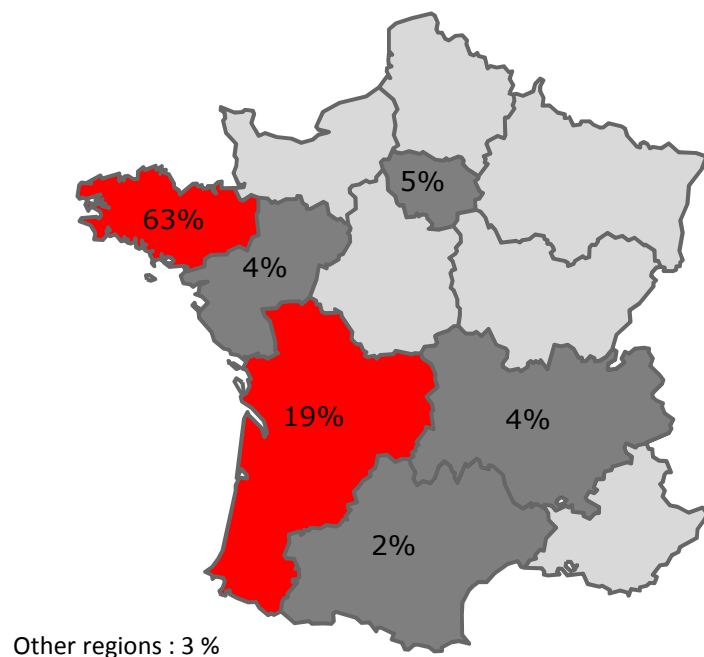
Arkéa Home Loans SFH 	
Assets	100% French prime home loans originated by Crédit Mutuel Arkéa
Current size	€9,632 M
Number of loans	199,870
Number of borrowers	119,157
Average loan balance	€48,189
Average LTV	Un-indexed : 67 % Indexed : 62 %
Repayment type	99.8% amortising
Seasoning	65 months
Average remaining terms	11.8 years
Issues outstanding	€7,309 M
Over collateralisation	131.8%

Arkéa Home Loans SFH: Cover pool as at 31/10/2019

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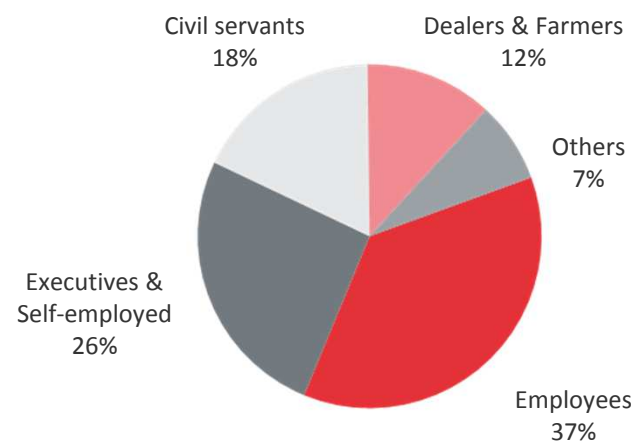


Geographical breakdown



Other regions : 3 %

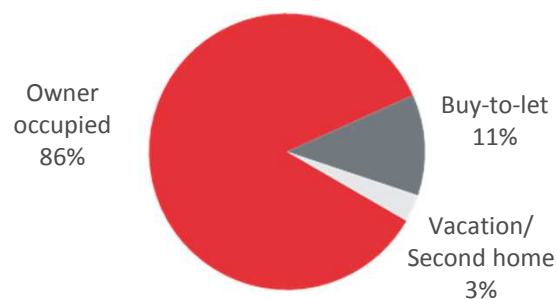
Borrowers by social category



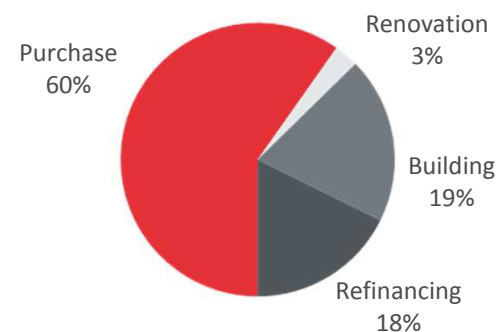
Arkéa Home Loans SFH: Cover pool as at 31/10/2019



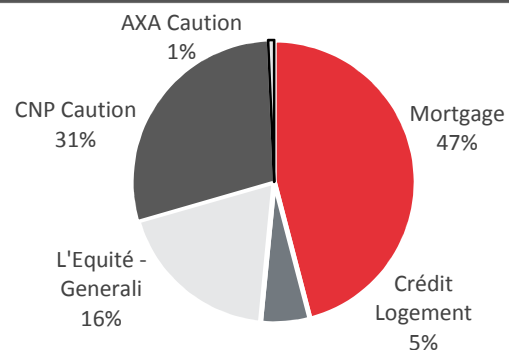
Occupancy type



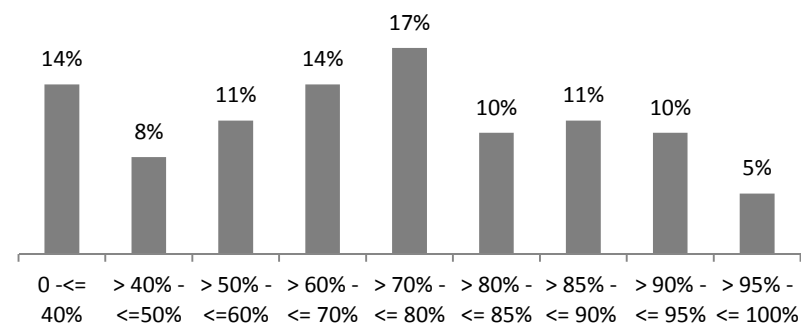
Loan purpose



Guarantee types

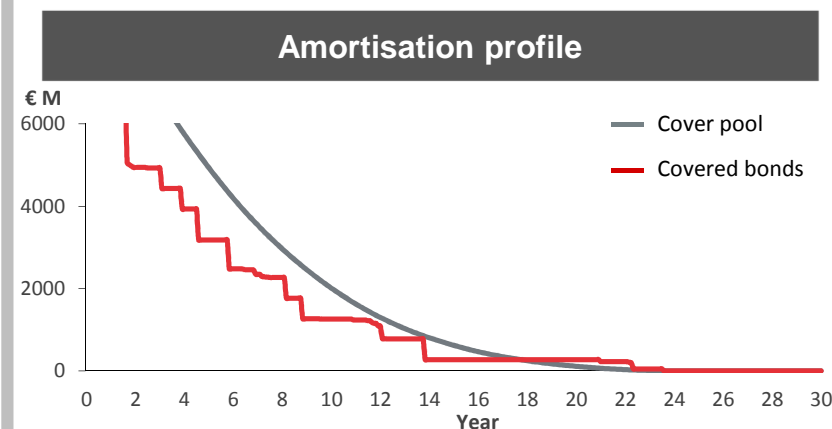
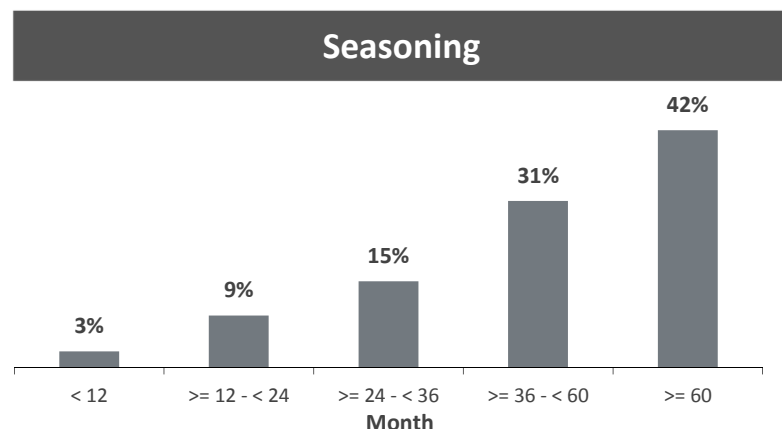
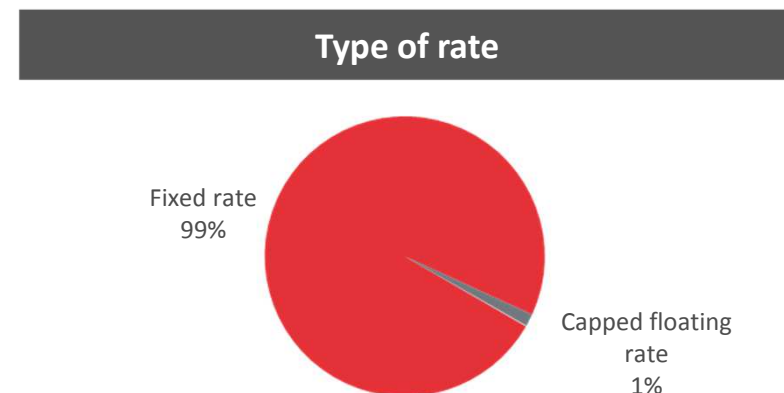
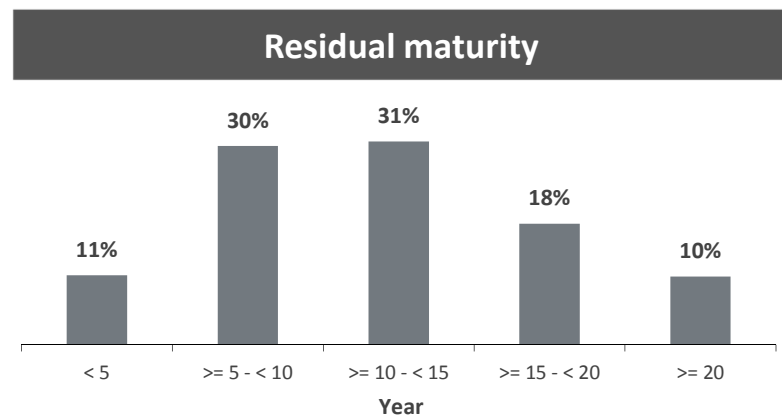


Un-indexed LTV



Arkéa Home Loans SFH:

Cover pool as at 31/10/2019





Arkéa
Public Sector SCF

Arkéa Public Sector SCF:

Key features



Arkéa Public Sector SCF's purpose is:

- To refinance Arkéa's lending to public sector entities
- To diversify and optimise Crédit Mutuel Arkéa's funding sources



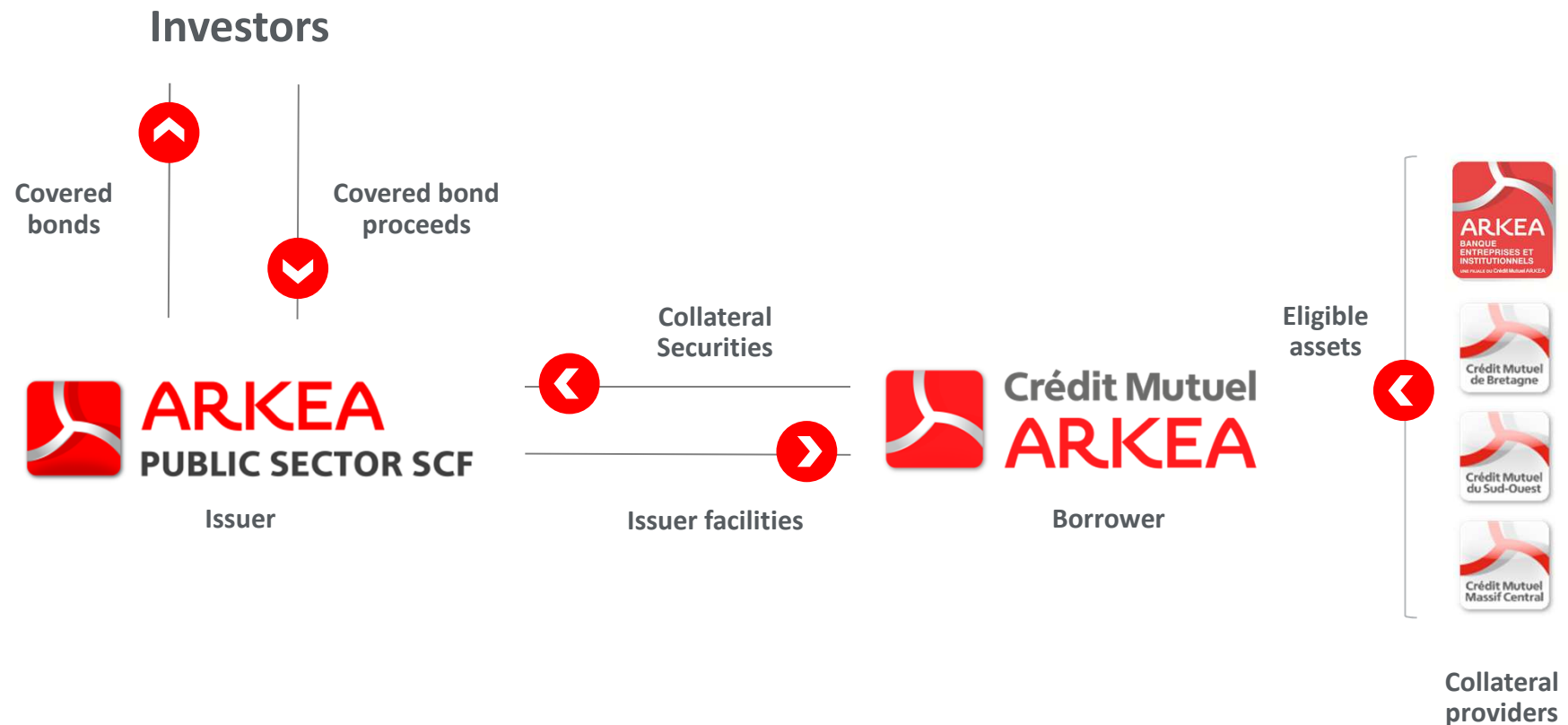
Arkéa Public Sector SCF is a regulated credit institution, licensed as a *Société de Crédit Foncier* under the **French legal framework**

- **Only eligible exposures to public entities** refinanced with *Obligations Foncières*
- **Legal privilege over assets** given to investors in *Obligations Foncières*
- **Bankruptcy remoteness** of Arkéa Public Sector SCF from Crédit Mutuel Arkéa ensured by French law
- **Recourse** of Arkéa Public Sector SCF **on the cover pool and on Crédit Mutuel Arkéa**
- Regulation and supervision by the French Banking Authorities (ACPR)
- Close monitoring by the specific controller, with regular audit of the collateral portfolio



Arkéa Public Sector SCF is a French public sector covered bond programme with a cover pool including **EUR-denominated French public sector exposures only**

Arkéa Public Sector SCF: Structure overview



Arkéa Public Sector SCF:

Cover pool eligibility criteria



Main eligibility criteria

Loans to French public entities:

- Directly granted to a public entity, or
- 100%-guaranteed by a public entity

Loans commercialised by Arkéa Banque Entreprises & Institutionnels, Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central

No structured loans

No asset-backed securities


No defaulted loans

Only loans not already encumbered

Arkéa Public Sector SCF:

Programme characteristics



Arkéa Public Sector SCF 	
Programme size	€10 bn of <i>Obligations Foncières</i>
Rating	Aaa (Moody's)
Maturity of the bonds	Soft and hard bullet
Currency	EUR
Minimum collateralisation	Legal: 105 % Committed: 126%
Asset Cover Test	Over-collateralisation monitored monthly with Asset Cover Test
Liquidity	180 days of liquidity ahead to cover interest and principal amounts due Possibility for the Issuer to subscribe its own covered bonds for pledge as collateral with the ECB, up to 10% of outstanding covered bonds
Asset-Liability Management	Back-to-back loans to Crédit Mutuel Arkéa to ensure there is no mismatch
Risk weighting	Reduced risk weighting of 10% in Standard Approach according to the EU Capital Requirements Regulation (CRR)
UCITS Compliance	Compliance with provision 52 (4) of the UCITS EU Directive
Listing	Luxembourg
Specific controller	Cailliau Dedouit et Associés

Arkéa Public Sector SCF:

Cover pool as at 31/10/2019



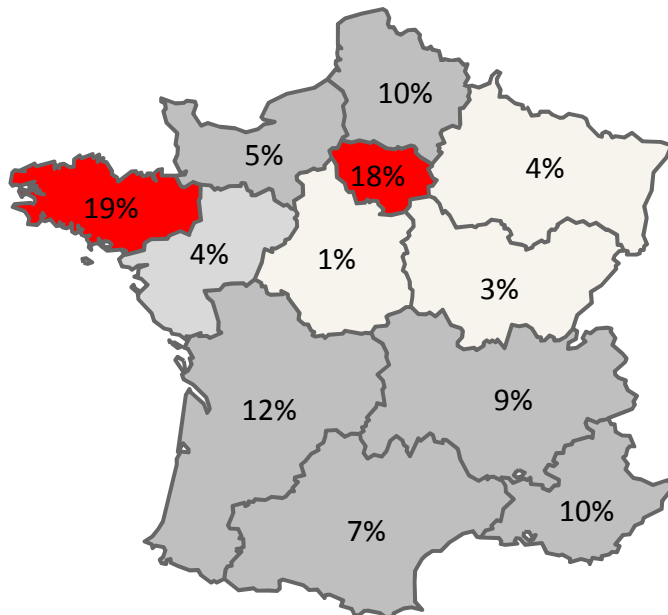
Arkéa Public Sector SCF	
Assets	100% EUR loans to French public sector and social housing agencies originated by Crédit Mutuel Arkéa only Direct exposures to public entities: 85% Exposures 100%-guaranteed by public sector entities: 15%
Current size	€2,618 M
Number of loans	1,937
Number of borrowers	1,116
Average loan balance	€2,345,760
Loan type	Fixed rate loans: 45% Non capped floaters: 55%
Repayment type	100% amortising
Seasoning	61 months
Average remaining terms	16.9 years
Issues outstanding	€2,078 M
Over collateralisation	126%

Arkéa Public Sector SCF: Cover pool as at 31/10/2019

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Geographical breakdown

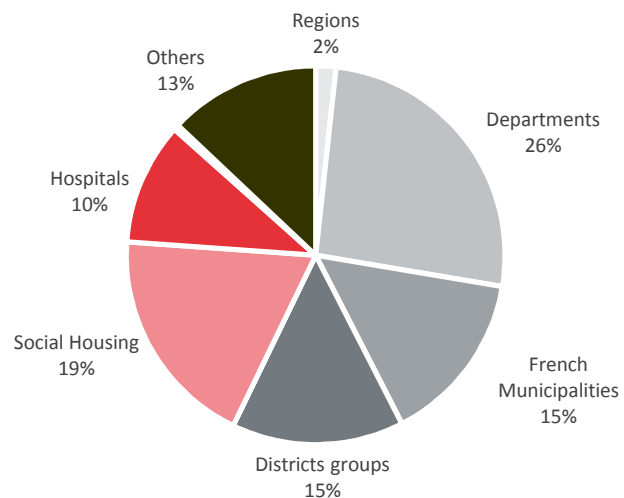


- A diversified geographic distribution of the cover pool, thanks to:
 - Arkéa's historic regional specificities, with a strong presence in Brittany and in the South-West
 - Arkéa Banque Entreprises & Institutionnels' national dimension, with offices in all French regions

Arkéa Public Sector SCF: Cover pool as at 31/10/2019



Borrower breakdown by activity



A well diversified pool of borrowers between:




Local public authorities



Social housing organisations



Health & Care institutions



Other financial information

Focus on insurance and asset management

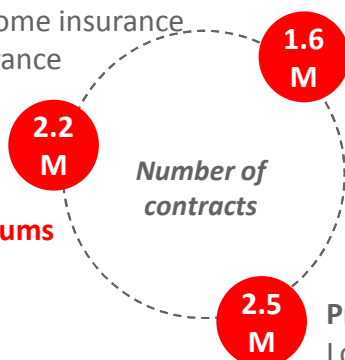
Within the Arkéa group, Suravenir and Suravenir Assurances are **two complementary entities in the insurance business** with a cumulated turnover of €5 bn in 2018



P&C insurance

Car and equivalent
Comprehensive home insurance
Life accident insurance
...

€384 M of
acquired premiums



Life insurance

Individual and group life insurance contracts
Capitalisation contracts
Retirement

€41 bn assets under management

Protection

Loan insurance
Individual protection

€45 bn of capital at risk

ARKEA



Benefiting from a 40-year expertise,
a finance dedicated to clients

Arkéa Investment Services bring together Arkéa group's **asset and wealth management specialists**, with €51 bn of managed and advised assets



Mandates

Private management
Cross-asset solutions

€36.1
bn



Conviction bond
management

€4.5
bn



Wealth
management

€2.3
bn

Managed and
advised assets



European
Equities

€3
bn

€153
M



Artificial intelligence
serving management



Non-listed
responsible
investments

€4.7
bn

Data at end of 2018

Value sharing in the benefit of territories



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



Business partners

- €1.6 bn invested in **companies** at end of 2018
- €309 M of **commissions** paid to business providers



Employees

- + 36% in headcount in 10 years
- €575 M of paid remuneration



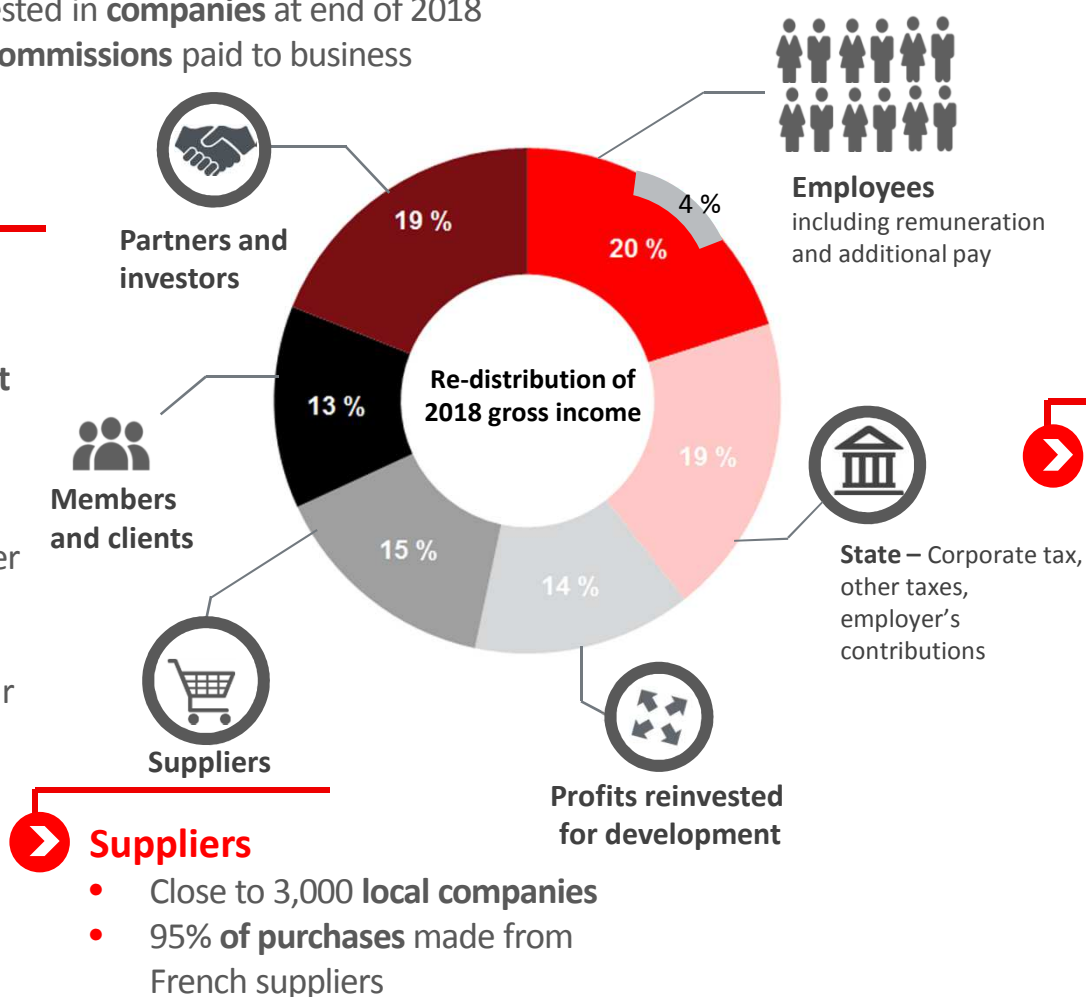
Sovereigns and public authorities

- €552 M of taxes paid



Clients and members

- €334 M of **interest paid** on client deposits
- €37 M **paid to holders** of member certificates
- €14 bn of **loans** granted in the year



Suppliers

- Close to 3,000 **local companies**
- 95% of **purchases** made from French suppliers

ARKEA

Income statement for the 6-month period ended 30th June 2019

€M	H1-2019	H1-2018	Variation	%
Revenues	1 116	1 082	33	3.1%
Operating expenses	-773	-734	-39	5.3%
Cost/income ratio	69,2%	67,8%	-1.5 point	
Gross operating income	343	349	-6	-1.6%
Provisions for risk	-34	-38	4	-10.4%
Operating income	309	311	-2	-0.6%
Net income - Group share	244	247	-2	-0.9%

Consolidated balance sheet as at 30th June 2019

Assets (€M)	30/06/2019	31/12/2018	Liabilities (€M)	30/06/2019	31/12/2018
Cash, due from central banks	6 148	3 237	Financial liabilities at fair value	2 156	1 302
Financial assets at fair value through P&L	1 420	1 179	Due to banks	7 962	7 117
Derivatives used for hedging purposes	1 053	693	Customer accounts	56 698	54 555
Financial assets at fair value through equity	9 742	11 324	Debt securities	14 357	12 771
Securities at amortised cost	440	164	Tax & other liabilities, provisions	3 140	2 767
Loans and advances to banks	9 721	8 987	Insurance companies' technical reserves	53 528	48 033
Loans and advances to customers	59 053	55 575	Subordinated debt	2 508	1 667
Remeasurement adjustment on interest-rate risk hedged portfolios	774	299	Total equity	7 057	6 704
Placement of insurance activities	55 947	50 190	Share capital and reserves	2 335	2 266
Tax & other assets, equity method investments	1 643	1 887	Consolidated reserves	4 299	3 896
Investment property, property, plant & equipment, intangible assets	932	848	Gains and losses recognised directly in equity	179	104
Goodwill	538	538	Net income	244	437
			Minority interests	3	3
Total Assets	147 409	134 920	Total Liabilities	147 409	134 920

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