



2017 Annual Results

Investor Presentation

March 2018

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The Instruments discussed in this material may not be suitable or appropriate for all investors.

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Any reference to past performance is not necessarily indicative of future results.

The consolidated financial statements as at, and for the year ended, 31 December 2017 have been approved by the Boards of Directors dated 28th February 2018 and have been audited.

CONTENTS

- 2017 Key take-aways p. 4-5
- 2017 Activity & results p. 6-14
- Solvency & liquidity p. 15-18
- Funding p. 19-21
- Conclusion p. 22-23
- Appendix p. 24-37

2017: a record year



128

billion euros of
total assets

18.5%

CET1
ratio

2,090

million euros of
net banking &
insurance income

428

million euros
of net income group
share

2017: results at a record high

Very strong performances, a robust financial structure

Outstanding commercial performances

- Client portfolio growing by 176,200 (+4.3%)
- Outstanding loans increased by €3.6 bn (+7.7%)
- Outstanding savings higher by €7.2 bn (+7.2%)

Record earnings

- Strongly increased NBII of €2,090 M (+12.8%)
- Cost/income ratio down by 0.9 pt to 68.3%
- Significant decrease of cost of risk to €53 M (-48.9%)
- Sharp increase of net income to €428 M (+27.3%)

A robust financial structure

- Loan-to-deposit ratio of 103%
- CET1 ratio of 18.5% (*)
- Leverage ratio of 6.4% (*)
- LCR ratio of 117%

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2017

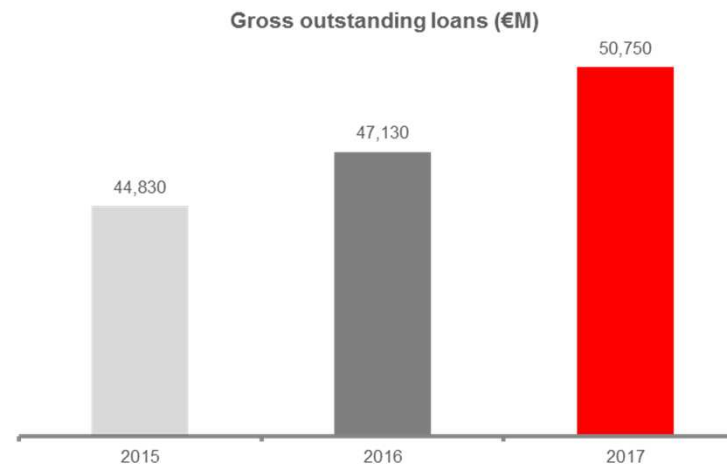
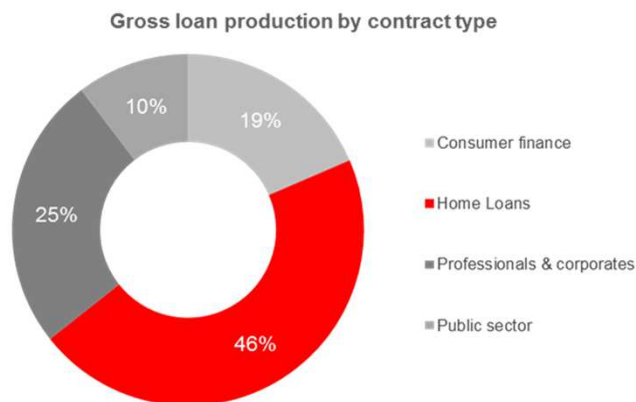
Activity & Results

Outstanding loans growing by 7.7% to €50.7 bn

A €13 bn loan production*, up by 19.2%

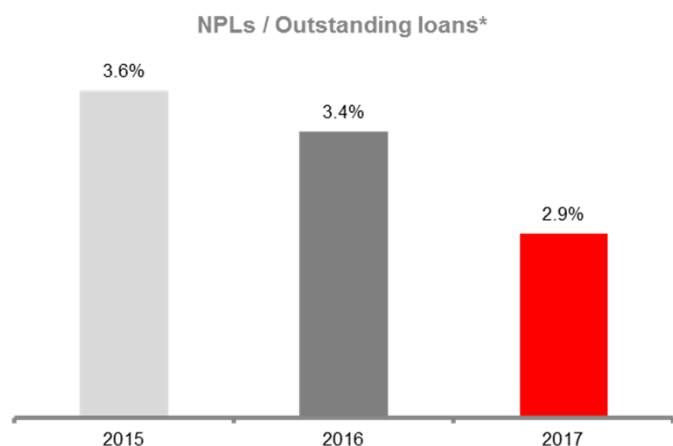
- Strong home loan production of €5.9 bn (+29.7%)
- €4.6 bn of new loans to professionals, corporates and public sector (+7.8%)
- €2.4 bn of new consumer loans (+19.8%)

(*) Excluding loan renegotiations



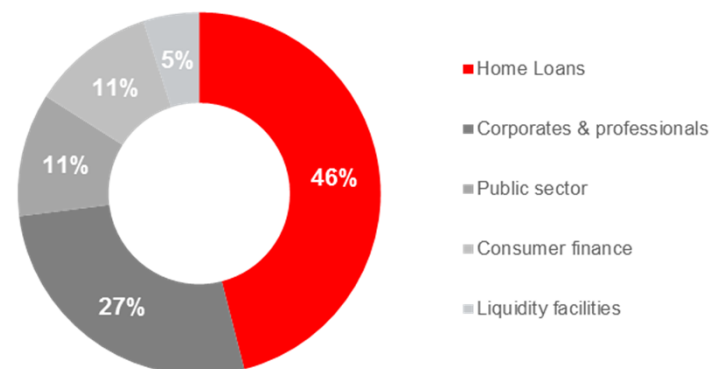
A quality loan portfolio

- Outstanding home loans and loans to local authorities making up approximately 60% of total outstanding loans
- A well diversified portfolio of professional and corporate clients, with no business sector representing more than 12.7% of gross exposures
- Non Performing Loans standing lower than at end of 2016, at 2.9% of total outstanding loans

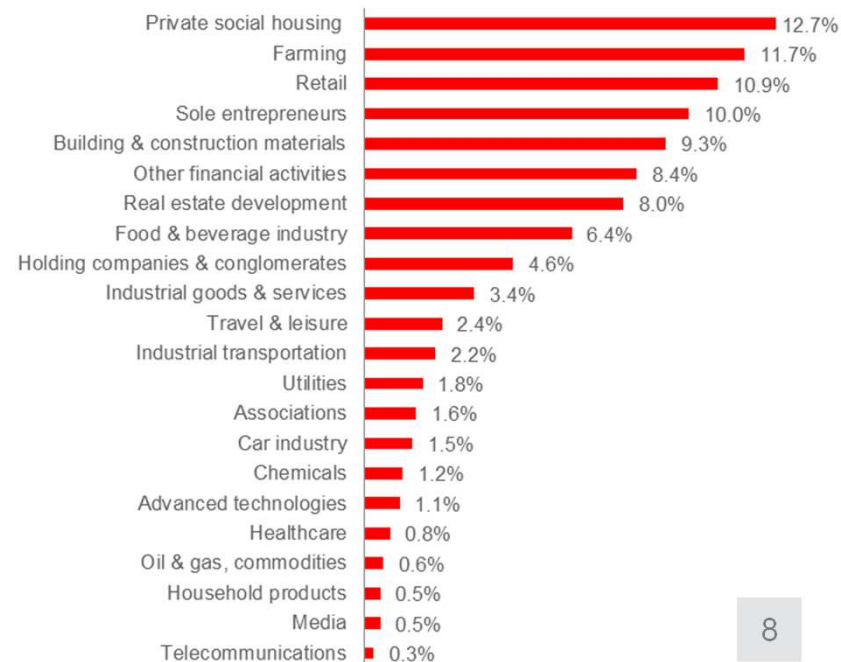


* As a % of outstanding loans to customers

Outstanding loans to customers



Gross exposures (on- and off-balance sheet outstandings) of corporates & professionals by business sector



Outstanding savings increased by 7.2% to €107.8 bn

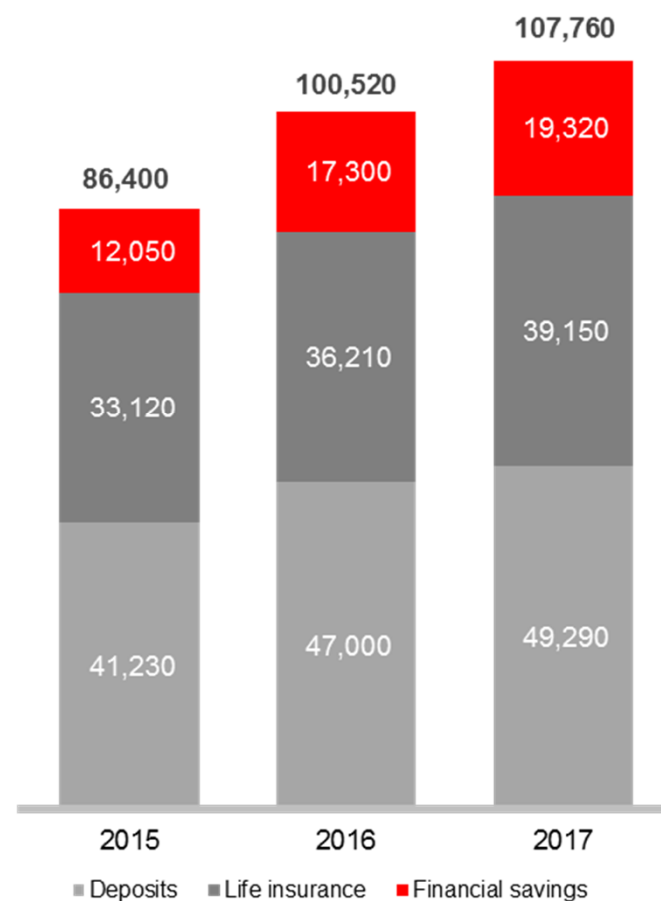
Net savings inflows growing by 32.1% to €3.3 bn

- Record net inflows of €1.3 bn of financial savings
- Net life insurance savings inflows of €2 bn, up by 12.7%
 - Strategic direction: increase of 13 pts to 42% of the share of unit-linked products in gross life insurance inflows
 - Share of unit-linked products in total life insurance savings: 27% (+ 4 pts)
- Slightly negative net deposit inflows (€-0.1 bn vs. €1 bn in 2016), after reaching a loan-to-deposit ratio of 103%

398,600 new contracts (+7.1%) in P&C insurance

- Almost 30% of new business contributed by external networks
- A portfolio growing by 4.8% to 2.1 M contracts

Outstanding savings (€M)



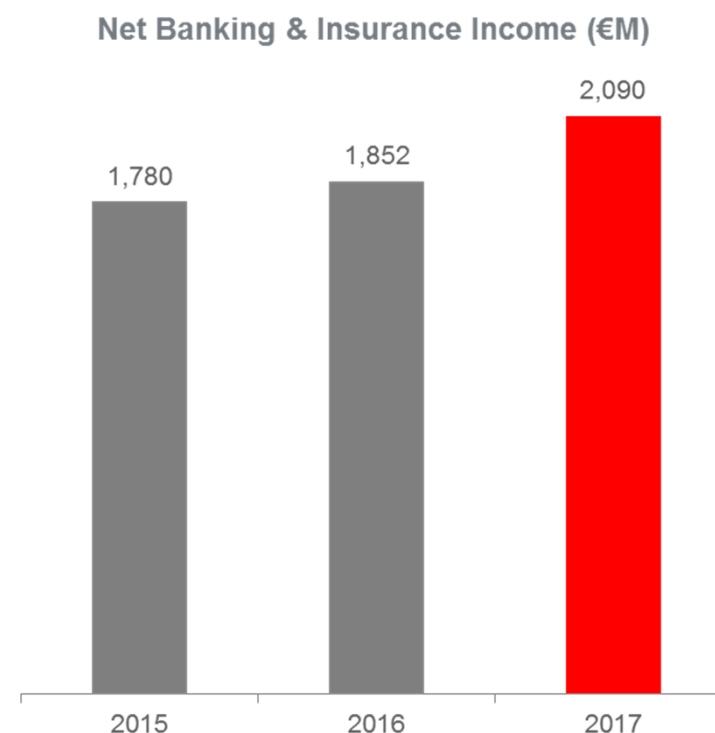
Income statement for the year ended 31st December 2017

€M	2017 IFRS	2016 IFRS	Variation	%
Net Banking & Insurance Income	2 090	1 852	238	12,8
Operating expenses	(1 427)	(1 282)	(145)	11,3
Gross operating income	662	570	93	16,2
Provisions for risks	(53)	(103)	50	(48,9)
Operating income	610	466	143	30,7
Shares of earnings of companies carried under equity method and income/loss on others assets	21	7	15	NS
Net income before tax	631	473	158	33,3
Income tax	(203)	(137)	(66)	48,1
Net income – Group share	428	336	92	27,3

Net banking & insurance income growing by 12.8% to an all-time high of €2,090 M

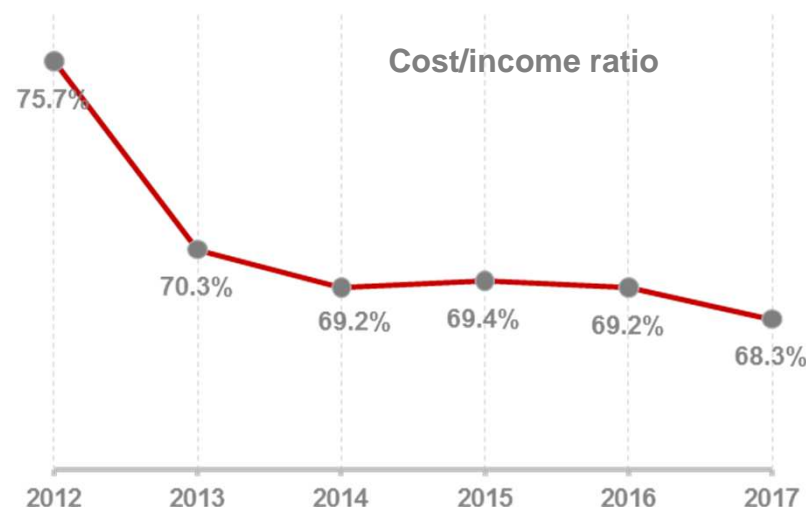
On a comparable basis and after adjusting for exceptional items, net banking & insurance income up by 11% to €2,014 M

- 2017 exceptional item: €51 M gain on the sale of CIC shares
- Increase of €95 M of the financial margin to €771 M (+14.1%), mainly driven by:
 - Good performances in private equity
 - A significant reduction of the cost of funding
 - The gain on the partial sale of the Group's stake in Primonial
- Commissions increased by €14 M to €391 M (+3.8%), with:
 - Strong performances of Arkéa Investment Services funds
 - Higher volumes of early loan repayments
- Other income up by €90 M to €853 M (+11.9%), driven by growing insurance income (+€73 M to €509 M)



A decrease of 0.9 pt of the cost/income ratio, at 68.3%

- Positive effects of net banking & insurance income enjoying a higher growth (+12.8%) than general expenses (+11.3%)
- On a comparable basis, €114 M increase of general expenses to €1,375 M (+9%), driven by personnel costs as well as regulatory and Group development projects



- **New services and operations, including digital services**, to increase operational efficiency:

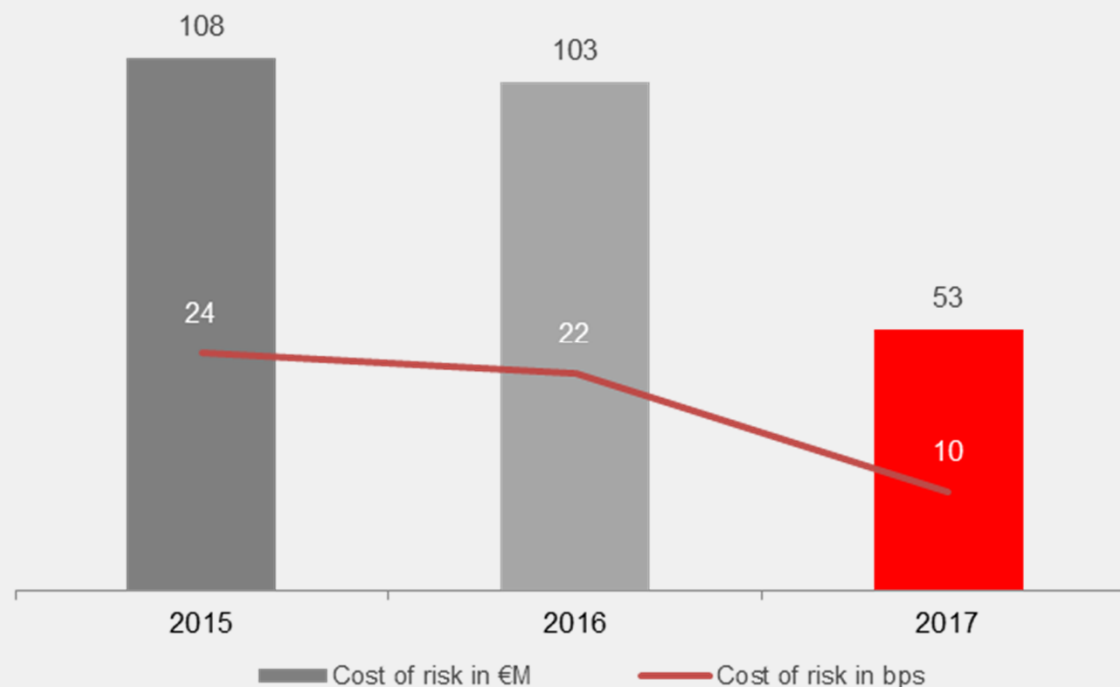
- “Entrée en relation 9.0” for CCM networks: on-line account opening and immediate procurement of means of payment in 9 minutes only
- 100%-digital home loan application process at CCM networks, Fortuneo and Keytrade

A significant decrease of the cost of risk, at €53 M (-48.9%)

A prudent approach, a controlled cost of risk

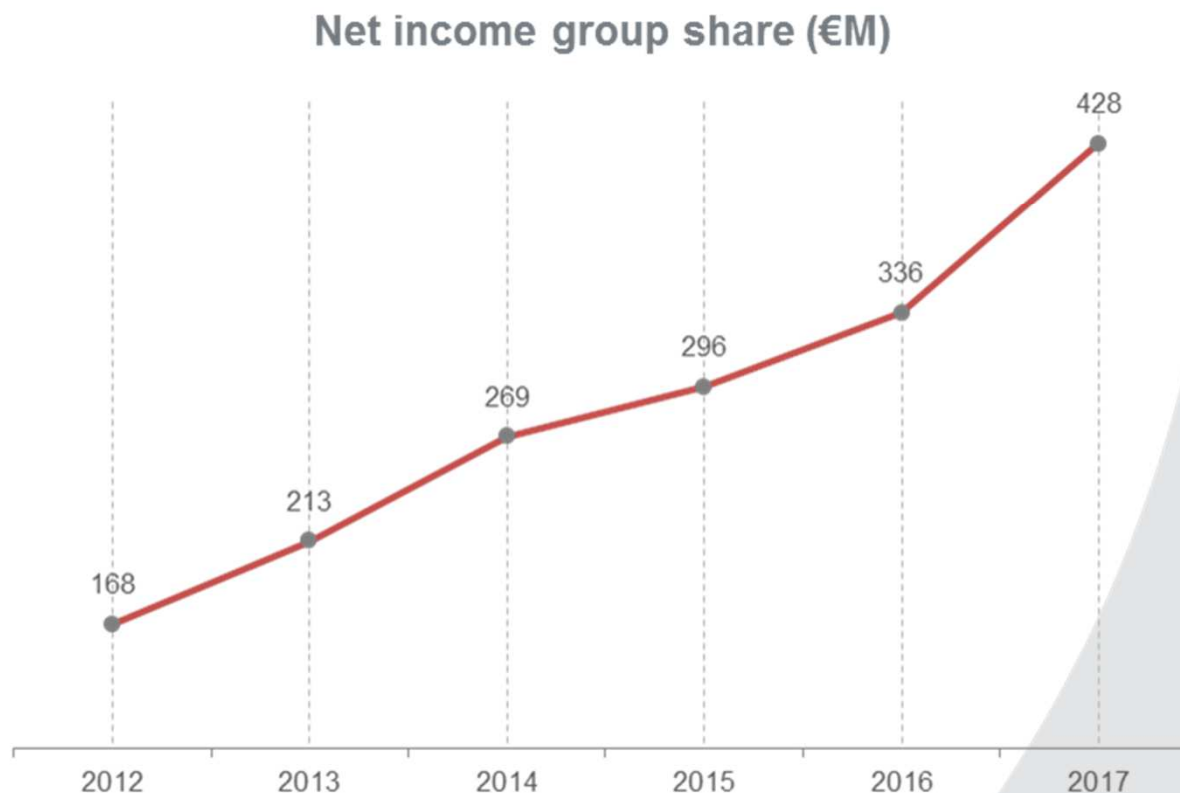
- Non Performing Loans provisioning rate of 57.4% (55.1% at end 2016)
 - Provisioning rate of 66.4% for corporates
- Excluding changes in scope and methods, €22 M decrease of the cost or risk, to €52 M:
 - Specific credit risk provisions reduced by €18 M
 - €3 M recovery on general provisions
- 2017 cost of risk amounts to 10 bps of total outstanding loans to customers (22 bps at end of 2016)

Cost of risk



Net income growing by 27.3% to €428 M

- Another all-time high, despite an increase of 48.1% (+€66 M) to €203 M of taxes on profits, with an exceptional €33 M contribution
- Net income before tax growing by 33.3% to €631 M
 - On a comparable basis and excluding exceptional items, 25.6% increase of net income before tax to €620 M





Solvency
& Liquidity

Risk weighted assets of €28.6 bn at end of 2017

RWAs (€bn)	31/12/2015	31/12/2016	31/12/2017
Credit risk	27.6	29.6	26.6
Market risk	0.1	0.1	0.1
Operational risk	1.8	2.0	1.9
	29.6	31.7	28.6

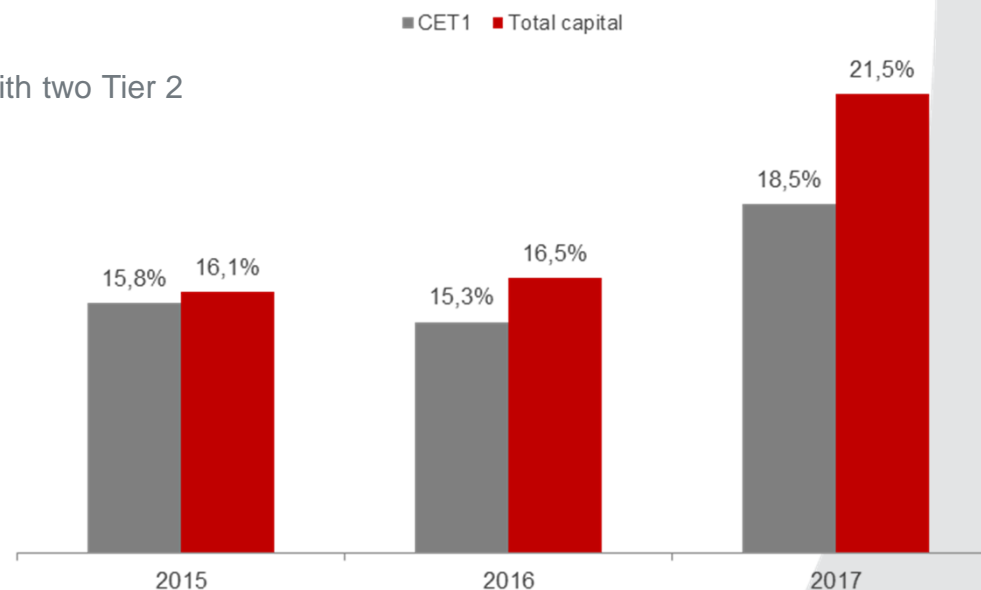
- 93% of risk weighted assets relate to credit exposures

- Total capital requirements of €2.3 bn, down by €252 M vs. end of 2016 (-9.9%), mainly due to the end of the transitory floor for corporate exposures under the advanced method

€M	2017	2016
Credit risk	2 125	2 372
Standard approach	420	371
Internal ratings-based approach	1 705	2 001
Market risk & CVA (standard approach)	7	8
Operational risk (almost exclusively advanced method)	155	159
Total capital requirements	2 287	2 539

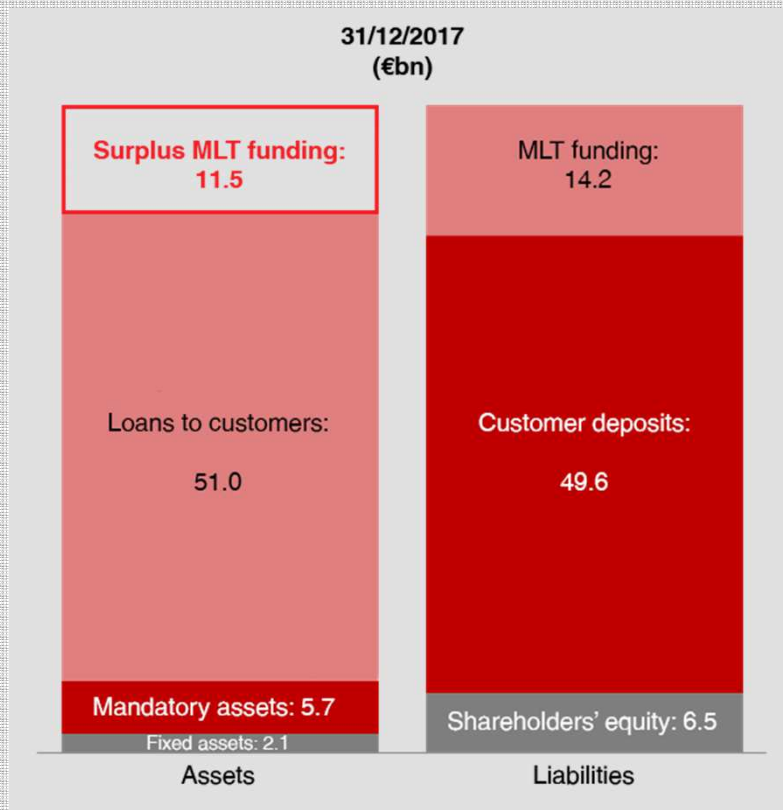
Leading solvency levels

- **Total assets of €128.4 bn (+6.6%)**
 - Shareholders' equity of €6.4 bn, with stable outstanding member shares of €2.2 bn
- **Regulatory capital of €6.1 bn**, increased by €0.9 bn with two Tier 2 bond issues in 2017
- **Total capital ratio* of 21.5% (+496 bps)**
 - Reduced capital requirements: +214 bps
 - Tier 2 issues: +147 bps
 - 2017 net income: +123 bps
- **CET1 ratio* of 18.5% (+322 bps)**
 - Estimated "fully loaded" CET1 ratio of 18.5%
 - Estimated IFRS 9 impact of around -25 bps** at 1st Jan. 2018
- **Leverage ratio* of 6.4% (+20 bps)**
- **Ratios significantly higher than regulatory requirements for 2018 (SREP excl. P2G):**
 - CET1 ratio of 9.125% (excess of 940 bps)
 - Total capital ratio of 12.625% (excess of 880 bps)

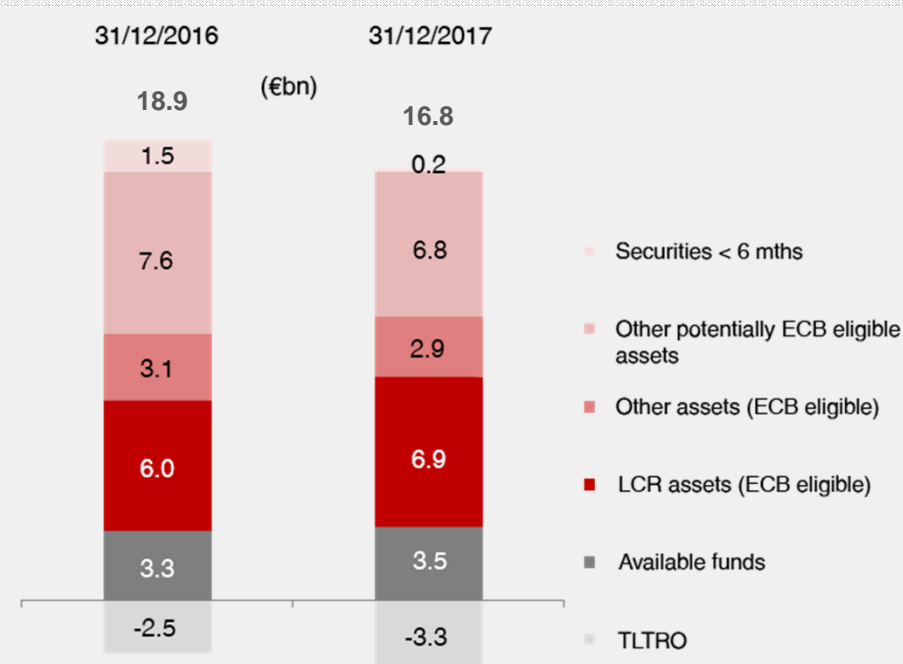


High liquidity levels

- Surplus MLT market funding of €11.5 bn



- Liquidity reserves of €16.8 bn



- 2018 market needs covered 3 times by HQLAs and cash reserves
- LCR ratio of 117%

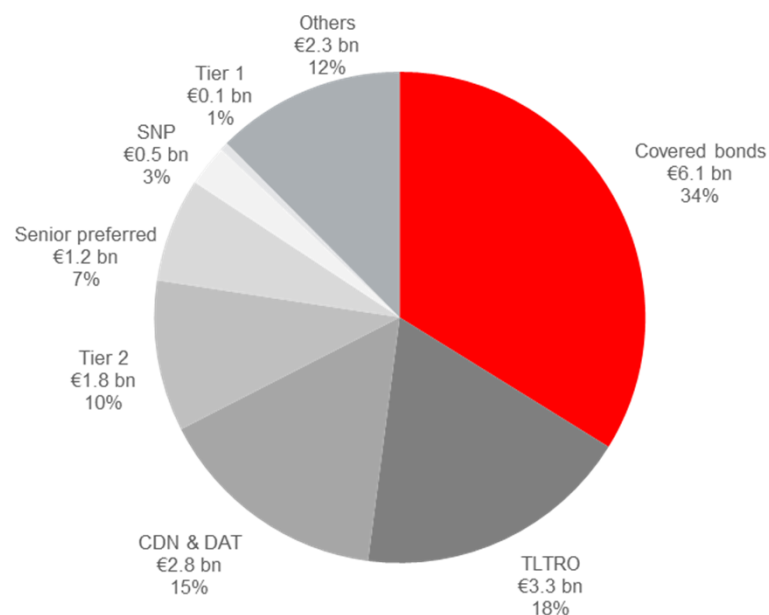


Funding

Diversification and balance between programmes

- Long term resources favoured, with an average residual maturity of 7.6 years
- EMTN and covered bond issues make up 51% of outstanding issues

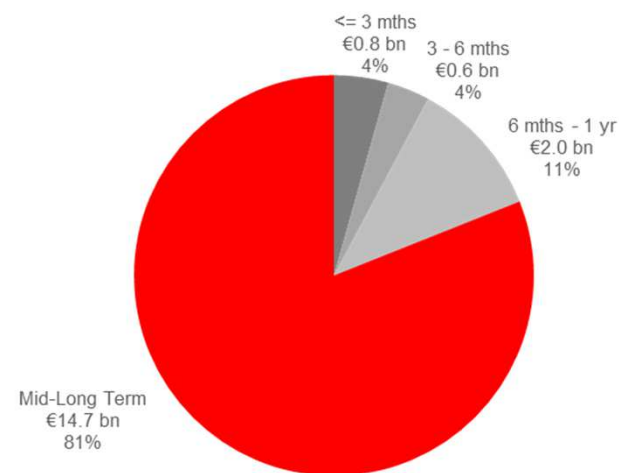
Outstanding issues



- 2017 public bond issues

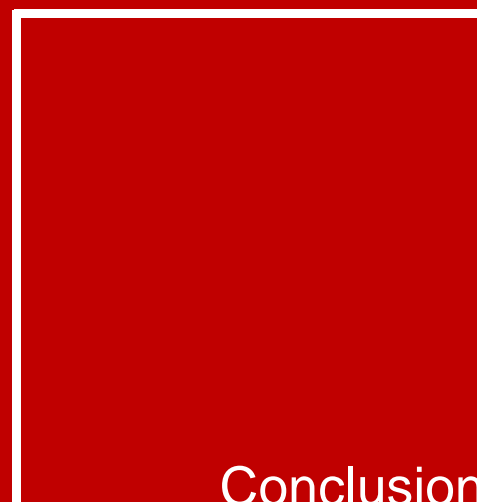


Residual maturity profile (ST & MLT funds raised)



Quality ratings illustrating Crédit Mutuel Arkéa's strength

	MOODY'S	STANDARD & POOR'S
LT senior unsecured debt	Aa3	A
<i>Outlook</i>	<i>Negative</i>	<i>Negative</i>
ST senior unsecured debt	P-1	A-1



Conclusion

2017: a record year

- A strong commercial development, with revenues beyond €2 bn
- An asset portfolio of a high quality, with a significantly lower cost of risk
- A net income at an all-time high of €428 M
- A robust financial structure, with high solvency and liquidity levels



Excellent results and ratios confirming the soundness of a business model generating profitable growth and strengthening Crédit Mutuel Arkéa's balance sheet

An exceptional growth path* confirming the pertinence of the business model and strategy



x 8.4

Net income

€428 M y.e. 31/12/2017
versus €51.1 M
y.e. 31/12/2008



x 2.5

Equity

€6.4 bn as at 31/12/2017
versus €2.6 bn
as at 31/12/2008



+ 86 %

Total assets

€128.4 bn as at 31/12/2017
versus €69 bn
as at 31/12/2008



+ 93 %

NBII

€2.09 bn as at 31/12/2017
versus €1.08 bn
as at 31/12/2008

+ 46 %

**Client
portfolio**



+ 133 %

**Outstanding
savings**



+ 72 %

**Outstanding
Loans**



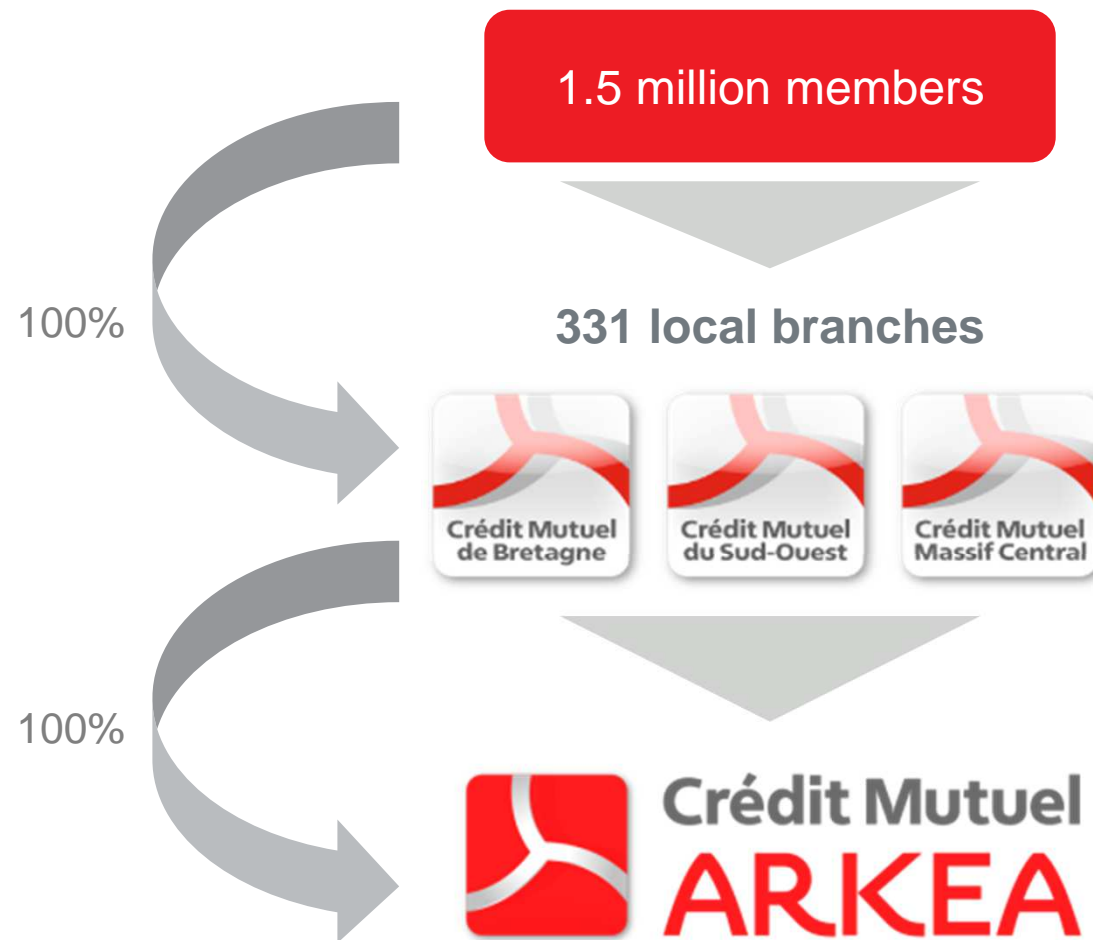


Appendix

Consolidated balance sheet as at 31st December 2017

Assets (€M)	31/12/2017 IFRS	31/12/2016 IFRS	Liabilities (M€)	31/12/2017 IFRS	31/12/2016 IFRS
Cash, due from central banks	4,183	3,617	Liabilities at fair value	1,056	1,172
Financial assets at fair value	23,933	19,565	Due to banks	9,814	7,087
Financial assets available for sale	38,031	38,973	Customer accounts	49,436	47,173
Due from banks	7,259	6,944	Debt securities in issue	10,788	12,870
Loans and advances to customers	50,483	46,656	Accruals, deferred income and sundry liabilities	5,743	4,949
Held-to-maturity financial assets	101	117	Insurance companies technical reserves	42,808	39,782
Accruals, prepayments and sundry assets	2,625	2,783	Provisions for contingencies and charges	395	397
Investment property	1,196	1,196	Subordinated debt	1,893	890
Goodwil	573	542	Shareholders' equity	6,449	6,070
			Share capital and reserves	2,208	2,203
			Consolidated reserves	3,531	3,239
			Unrealised or deferred gains or losses	282	292
			Net income	428	336
			Minority interest	3	3
Total Assets	128,385	120,393	Total Liabilities	128,385	120,393







ARKÉA 2020

UNDERTAKING BANK AND INSURANCE

1 FINANCIAL COACHING & NEW BANKING CONCEPT

Transitioning from a model of banking distribution to a **"financial coaching"** concept. Launch a new retail banking concept that combines the best of brick-and-mortar and online banking.



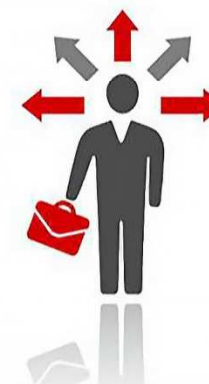
2 LOCAL DEVELOPMENT & DIGITAL ENTREPRENEURSHIP

Strengthen the group's positioning as the **go-to partner** in its home regions. Establish of a function dedicated to supporting **digital entrepreneurship**.



3 PARTNERSHIPS & DISTRIBUTION

As a producer of banking and insurance products, continue to **diversify its distribution** networks through partnerships or even acquisitions of niche players.



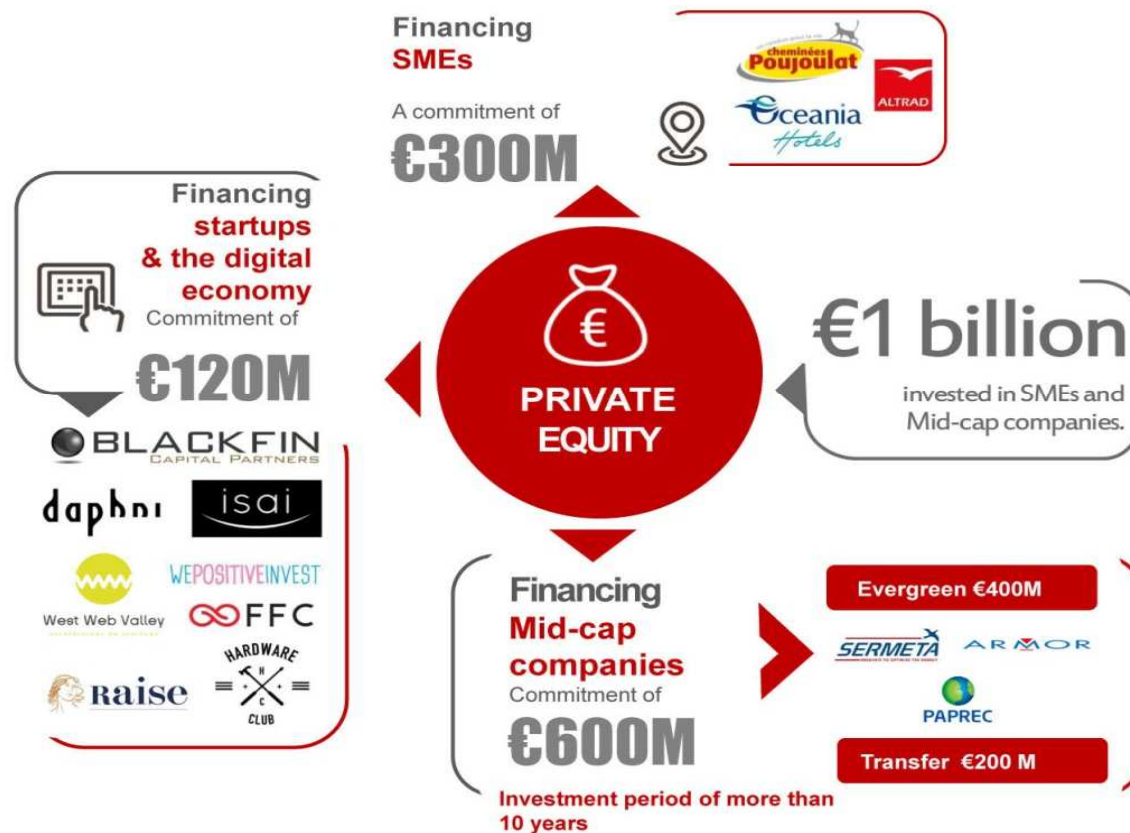
4 BTOB ACTIVITIES & SKILLS

Take advantage of its unique positioning as a **third-party service provider** by expanding its product and service lines to better serve existing clients and win new ones.



A group at the heart of local development

A key player in private equity





Crédit Mutuel Arkéa, a reference partner for Fintechs



Quantitative
management

Savings, loans, insurance,
estate

Financial coaching, account
aggregator

Instant payment,
on-line money pots





Corporate social responsibility at the heart of the strategic plan

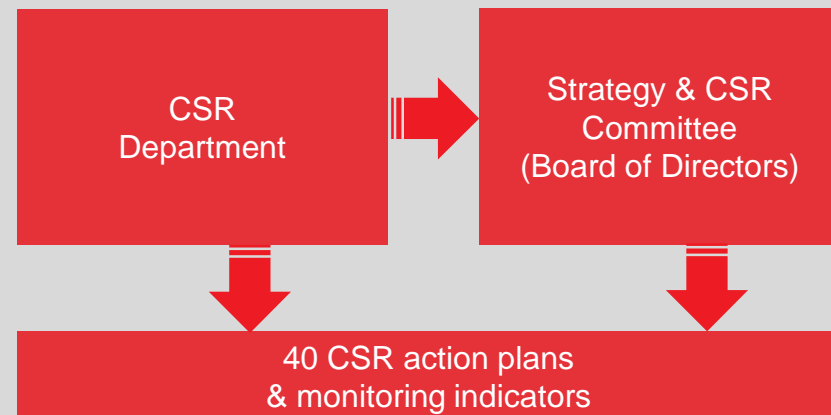
Our CSR strategy

- **Our ambition** : support our stakeholders in societal and environmental transformations.
- **Our conviction** : CSR must be a **lever** for **innovation** and **development**. It is fully integrated in all our business lines.

2017 Achievements

- €200 M of funding dedicated to environmental and social projects from corporates
- €1 bn outstanding loans to social housing players (PLS, PSLA) at end of 2017
- Partnership with the CRESUS foundation to fight over-indebtedness
- First 3 investments of the €20 M innovation fund We Positive Invest

A structured CSR monitoring



A recognised extra-financial performance

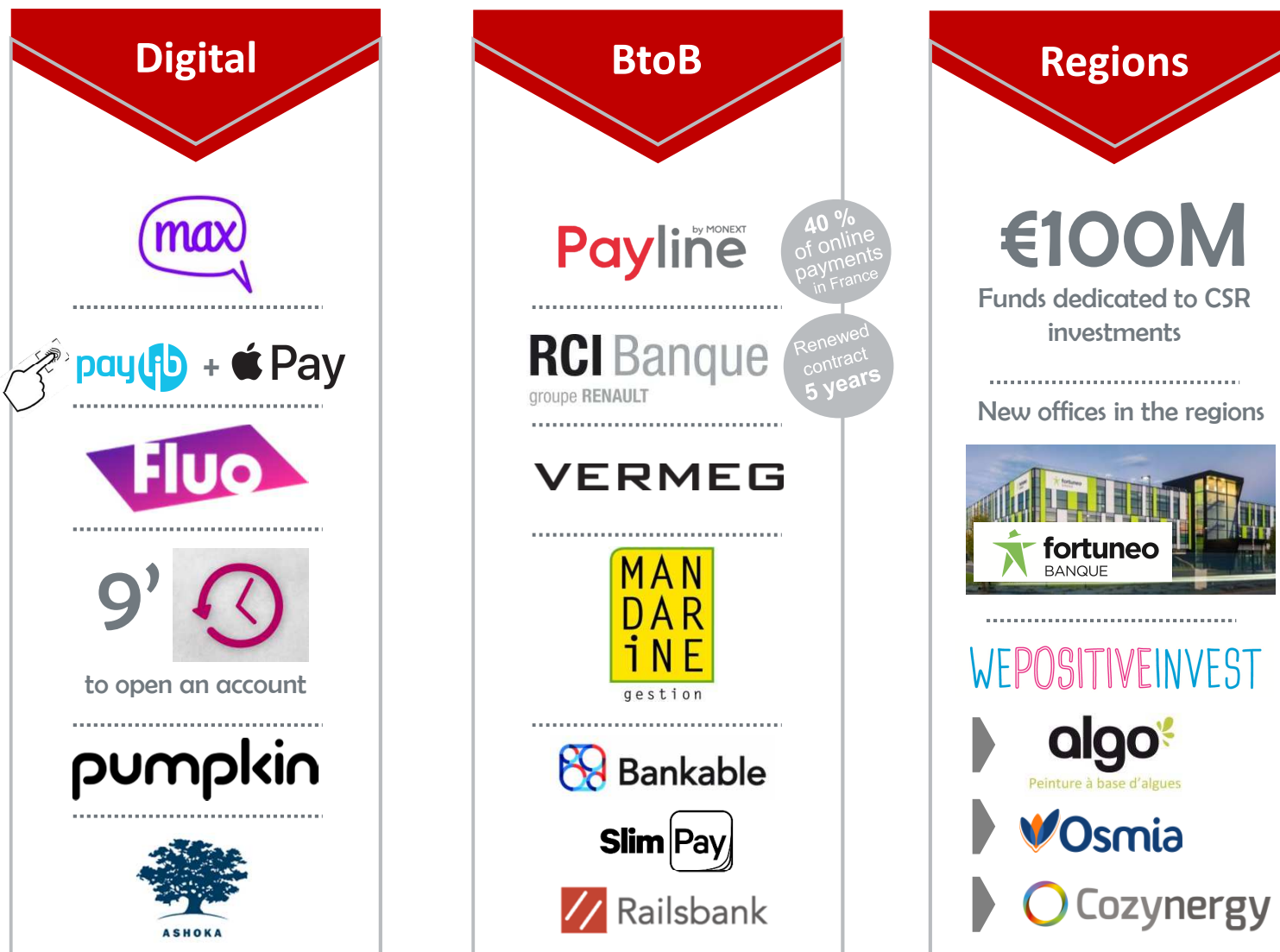
Extra-financial
rating from
VIGEO Eiris

60 /100



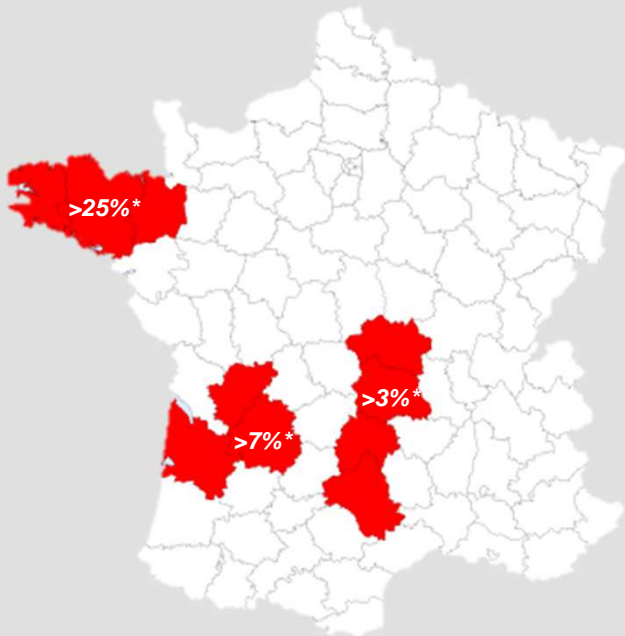
Prize of 2017 Best COP

2017 : key achievements of the strategic plan



Retail banking for individuals

1st Generation



* market share



2nd Generation



386,000 clients

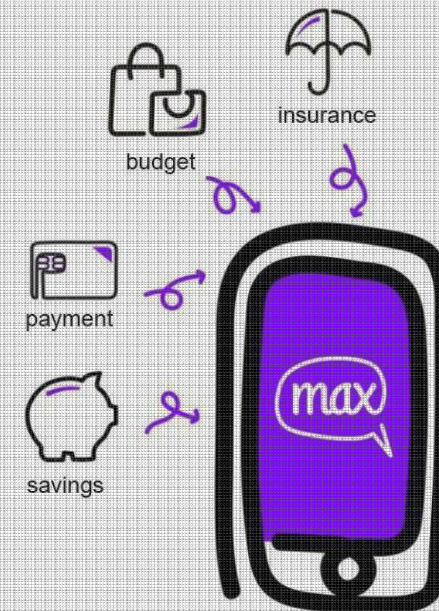


316,000 clients



100% on-line home loans

3rd Generation



"Entrée en Relation"
9.0

Personal
assistant

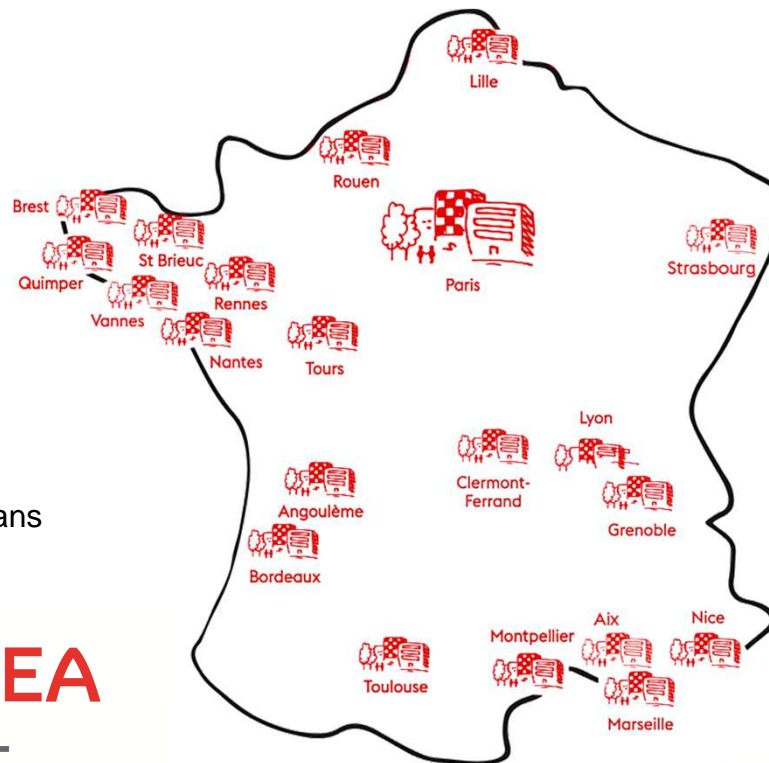
Retail banking for corporates and institutions



3,500 clients
€12.9 bn outstanding loans



€1 bn assets under management
€100 M to €150 M annual investment capacity



LEASECOM

UNE FILIALE DU Crédit Mutuel **ARKEA**

1,200 business partners
43,000 clients



ARKEA
CRÉDIT BAIL

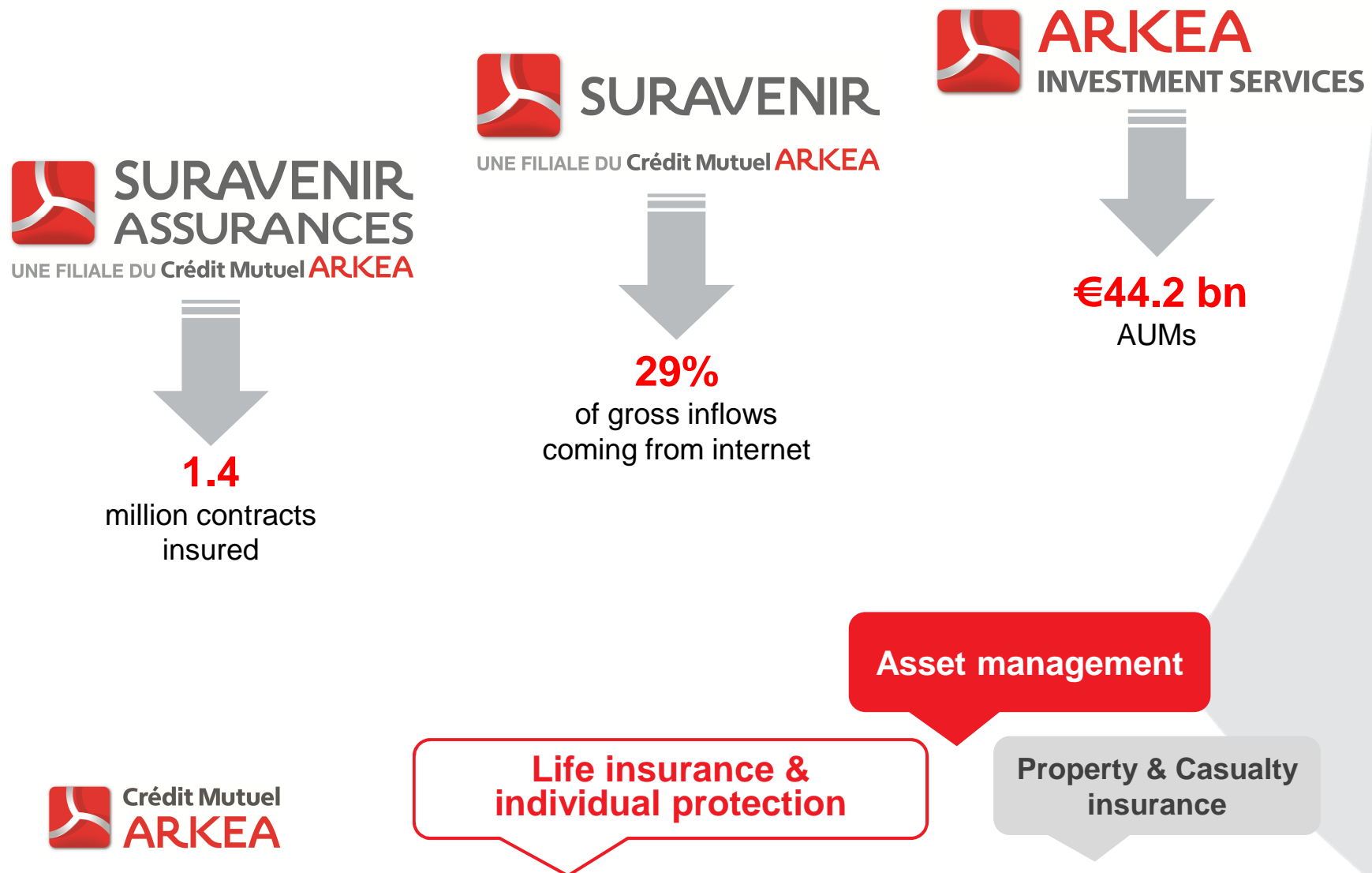
€765 M outstanding loans
Equipment & property **leasing**

**Local economic
development**

**Corporates, institutions,
local authorities**

**21 business centers
in France**

Insurance and Asset management business lines



Subsidiaries dedicated to the BtoB market



UNE FILIALE DU Crédit Mutuel ARKEA

Leader of mortgage restructuring in France
€2.2 bn outstanding loans



UNE FILIALE DU Crédit Mutuel ARKEA

820,000 customer accounts
€43 bn in custody



UNE FILIALE DU Crédit Mutuel ARKEA

7,500 business clients
2.5 bn transactions for **€122 bn**
40% of e-transactions in France



415,000+ individual clients
€2 bn outstanding loans



Whitelabel banking services
Renown clients: Allianz Banque, RCI Bank, PSA Banque, Système U, Brinks,...



2,000+ internet platforms
€1.1 bn of transactions processed in 2017

Payment solutions

White-label banking services

Consumer finance & loan restructuring

Securities services



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