



2017 Half-Year Results

*Investor
Presentation*

September 2017

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

The condensed consolidated financial statements for the six month period ended 30th June 2017 have been approved by the Board of Directors dated 25th August 2017 and have been subject to a limited review.

Contents

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- Solvency & Liquidity
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- Appendix



2017
Half-Year
Results

H1 2017: record half-year results

Solid fundamentals in a very low interest rate environment

A continuously growing business

- Client portfolio growing by 82,100 (+2.1%)
- Outstanding loans increased by €1.5 bn (+3.1%)
- Outstanding savings higher by €4.3 bn (+4.3%)

A record half-year net income

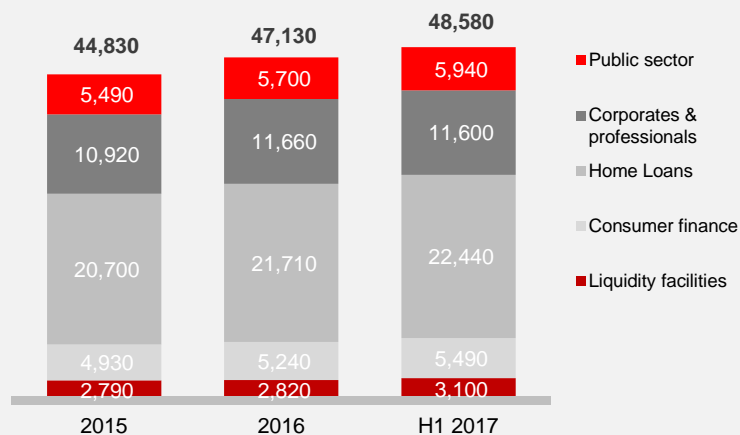
- Net banking & insurance income of €1,003 M, up by 7.1%
- Cost/income ratio down by 1.6 pt to 68.6%
- Cost of risk decreased to €25 M (-2.7%)
- Net income increased by 3.5%, to €193 M

Leading financial metrics

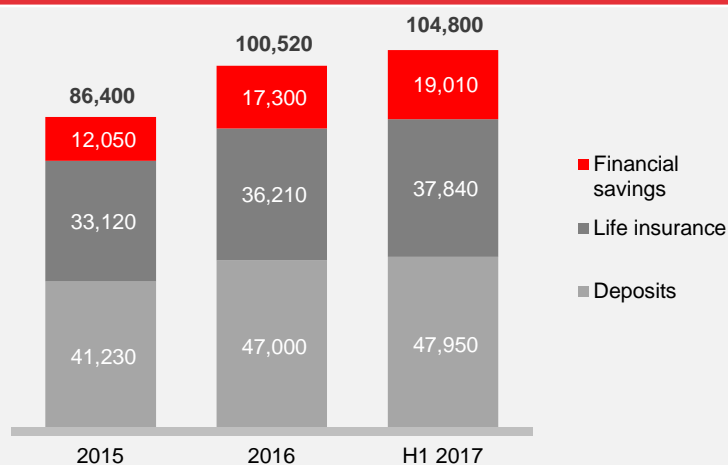
- Loan-to-deposit ratio of 101%
- CET1 ratio of 16.9% (*)
- Leverage ratio of 6.5% (*)
- LCR ratio of 111%

A continuously growing business

Gross outstanding loans (€M)



Outstanding savings (€M)



A continuous increase of outstanding loans and savings

A client portfolio growing by 2.1%, to 4.1 M

- Net acquisition of 82,100 customers, driven by Crédit Mutuel networks, on-line banking and insurance

Outstanding loans increased by 3.1% vs. end of 2016, to €48.6 bn

A loan production* of €6.2 bn (+14.5% vs. H1 2016)

- Strong home loans production of €3 bn (+40.6%)
- €2 bn of new loans to professionals, corporates and public sector (-11.3%)
- €1.2 bn of new consumer loans (+15%)

Outstanding savings growing by 4.3% vs. end of 2016, to €104.8 bn

Net savings inflows of €2.3 bn, stable vs. H1 2016

- Record net inflows of €1.2bn of financial savings
- Reduced net deposit inflows: €0.3 bn vs. €1.4 bn in H12016, after reaching a loan-to-deposit ratio of 101%
- Net life insurance savings inflows of €0.8 bn, lower by 25% (market: -81%)
 - Strategic direction: increase of 15 pts to 41% of the share of unit-linked products in gross life insurance savings inflows. Share of unit-linked products in total life insurance savings: 25.3% (+4.7 pts)

211,800 new contracts (+6%) in P&C insurance

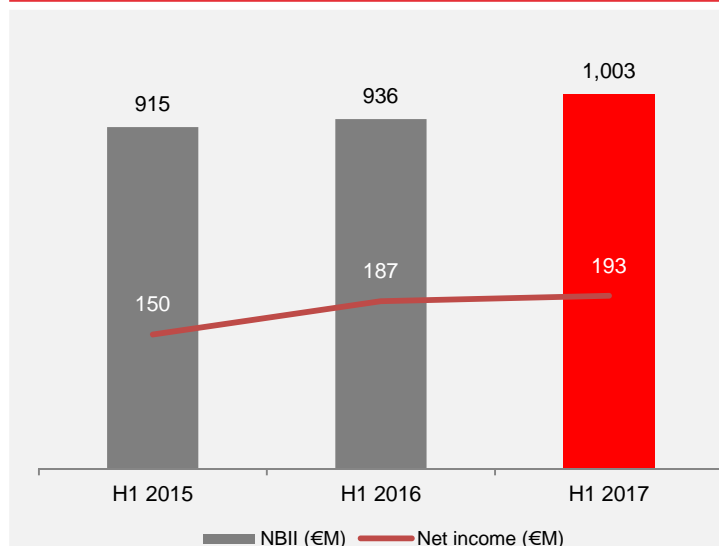
- Close to 30% of new business contributed by external networks
- A portfolio growing by 3.4% to 2.1 M contracts

Income statement

€M	H1 2017	H1 2016	% Var.
Net banking & insurance income (NBII)	1,003	936	+ 7.1 %
Operating expenses	688	657	+ 4.6 %
Gross operating income	315	279	+ 12.8 %
Cost of risk	25	26	- 2.7 %
Net operating income	290	253	+ 14.4 %
Net income Group share	193	187	+ 3.5 %

A record half-year net income

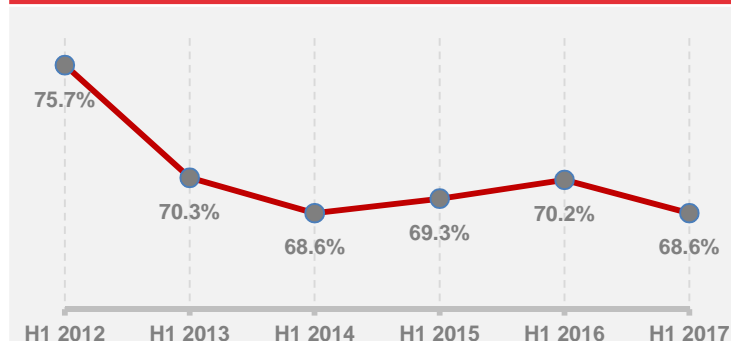
NBII and net income (€M)



A strong increase of NBII and net income

- Net Banking & Insurance Income growing by 7.1% (+€66 M) to 1,003 M€
- On a comparable basis and after adjusting for the exceptional gain on Visa Europe shares in H1 2016, growth of revenues with Net Banking & Insurance Income of €989 M (+8.7%)
 - Increase of €23 M of the financial margin to €364 M(+6.8%), driven by the gain realised on the partial sale of the Group's stake in Primonial
 - Commissions increased by €7 M to €195 M (+3.9%), with higher volumes of early loan repayments and the growth of account fees and service charges
 - Other income up by €49 M to €431 M (+12.7%), with growing insurance income (+€48 M to €322 M)
- Net income (Group share) on a record high, at €193 M (+3.5%)
 - On a comparable basis and after adjusting for the exceptional gain on Visa Europe shares, net income increased by 24.8% to €199 M

Cost/Income ratio



Controlled operating expenses

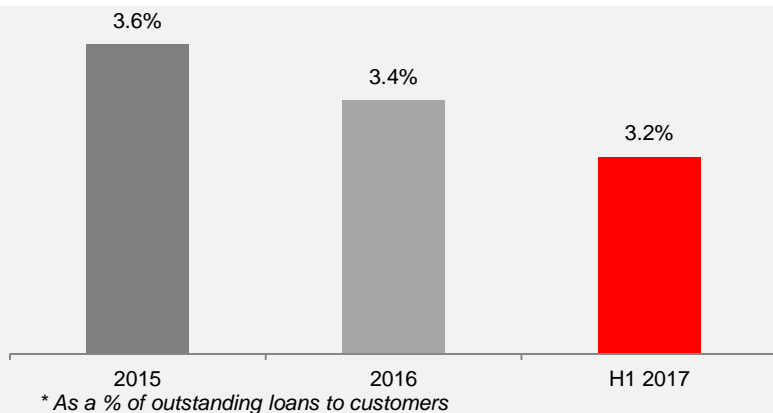
- A slight decrease of the cost/income ratio, at 68.6% (-1.6 pt)
 - Positive effect of Net Banking & Insurance Income enjoying a higher growth (+7.1%) than general expenses (+4.6% to €688 M)
 - On a comparable basis, increase of 1.2% of general expenses to €665 M



Asset Quality

A decreased cost of risk

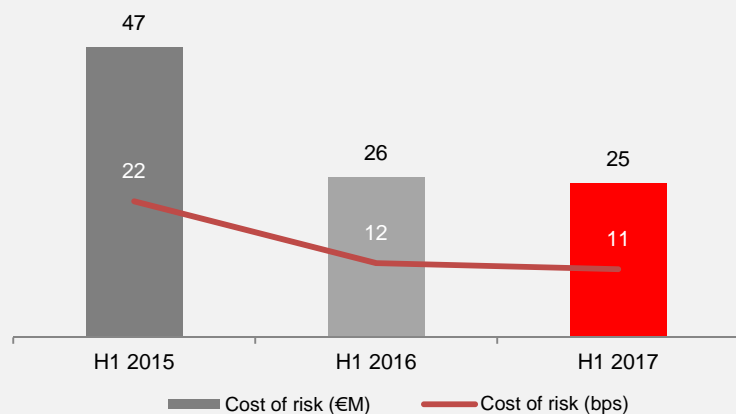
NPLs/ Outstanding loans*



A quality loan portfolio

- Outstanding home loans and loans to local authorities make up approx. 60% of total outstanding loans
- NPLs stand lower than at end of 2016, at 3.2% of total outstanding loans

Cost of risk



A prudent approach, a controlled cost of risk

- Prudent risk management
- NPL provisioning rate of 56.7% (55.1% at end of 2016)
 - Provisioning rate of 61.2% for corporates
- A cost of risk of €25 M, lower by €1 M (-2.7%), with the reduced cost of specific credit risk
- Annualised cost of risk amounts to 11 bps of total outstanding loans to customers (12 bps at end of June 2016)



Solvency & Liquidity

Leading solvency levels

Risk weighted assets & Total capital requirements

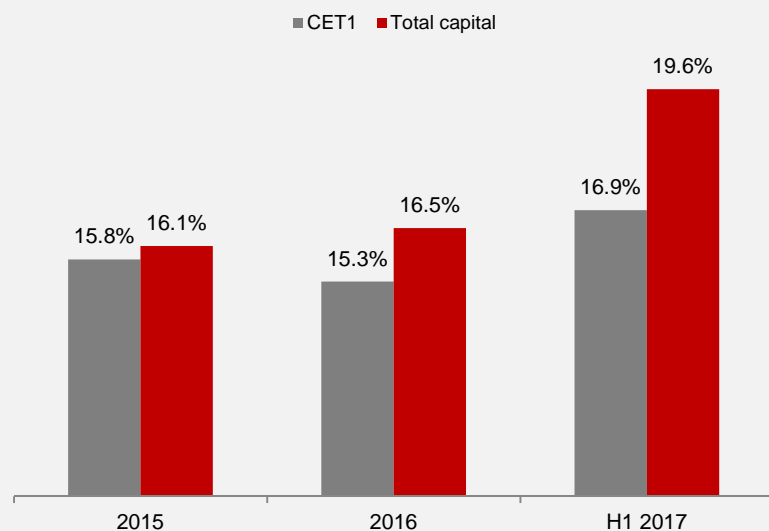
RWAs (€bn)	31/12/2015	31/12/2016	30/06/2017
Credit risk	27.6	29.6	28.7
Market risk	0.1	0.1	0.1
Operational risk	1.8	2.0	2.0
	29.6	31.7	30.8

■ RWAs of €30.8 bn at end of June 2017

- 93% of RWAs relate to credit risk exposures

■ Total capital requirements of €2.5 bn, down by €72 Mvs. end of 2016 (-2.8%), due to the end of the transitory floor for corporate exposures under the advanced method

Solvency ratios*



■ Total assets of €125.1 bn (+3.9%)

- Shareholders' equity of €6.4 bn, with stable outstanding member shares of €2.2 bn

■ Total capital ratio of 19.6%

- Regulatory capital of €6 bn, increased by €0.8 bn thanks particularly to a Tier 2 issue in February

■ CET1 ratio of 16.9%

- Fully loaded CET1 ratio estimated at 16.8%

→ Ratios significantly higher than regulatory requirements for 2017: CET1 ratio of 8.5% (excess of 840 bps) and total capital ratio of 12% including the capital conservation buffer of 1.25% (excess of 760 bps)

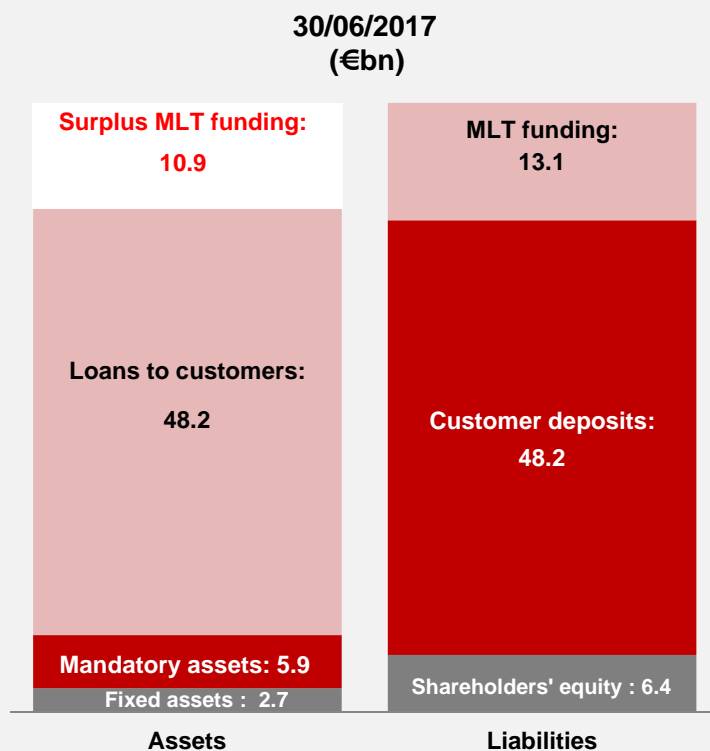
■ Leverage ratio of 6.5%, up by 30 bps

- Estimated fully loaded ratio at the same level

High liquidity levels

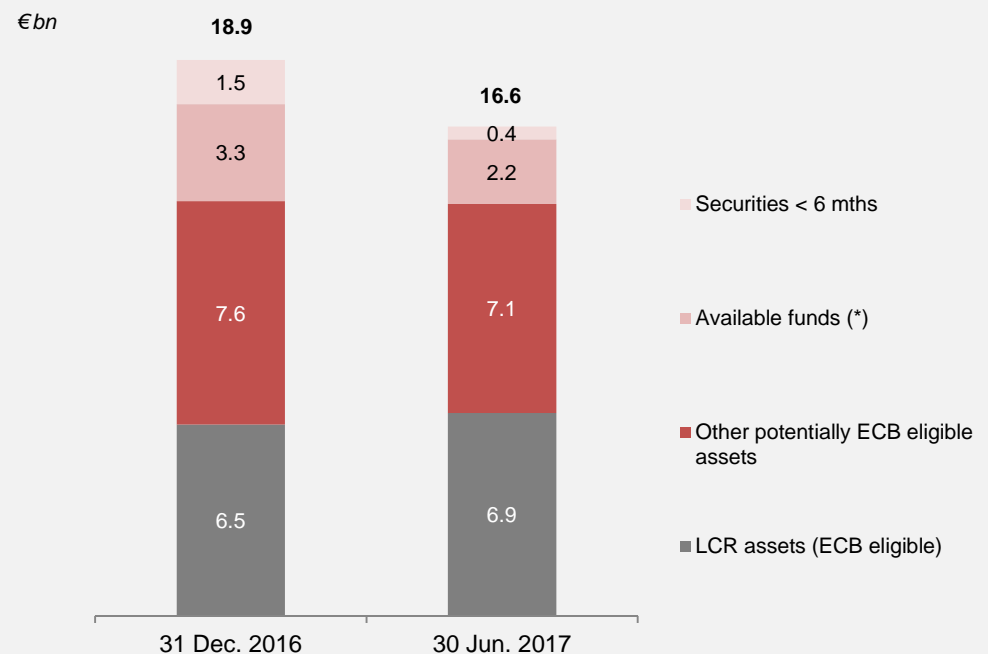
Funding structure

- Surplus MLT market funding of €10.9 bn



Liquidity

- Liquidity reserves of €16.6 bn



(*) Excl. mandatory reserves

- Short term market needs covered approx. 2.5 times by HQLAs and cash reserves
- LCR ratio of 111%

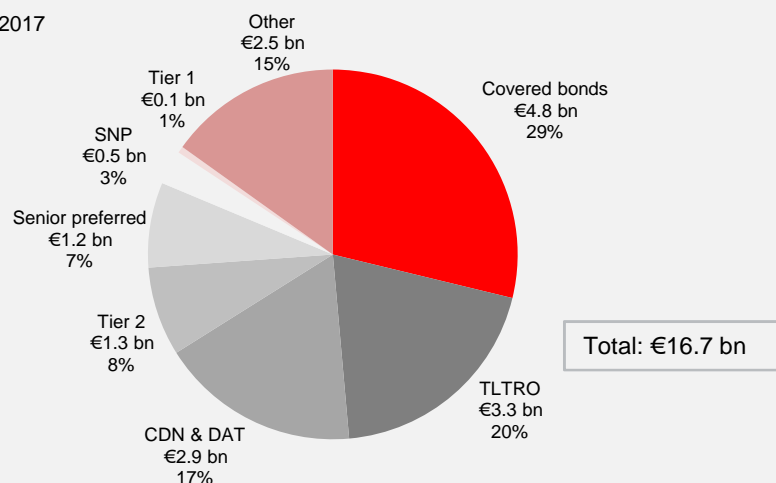


Funding

Funding

Outstanding issues

As at 30/06/2017

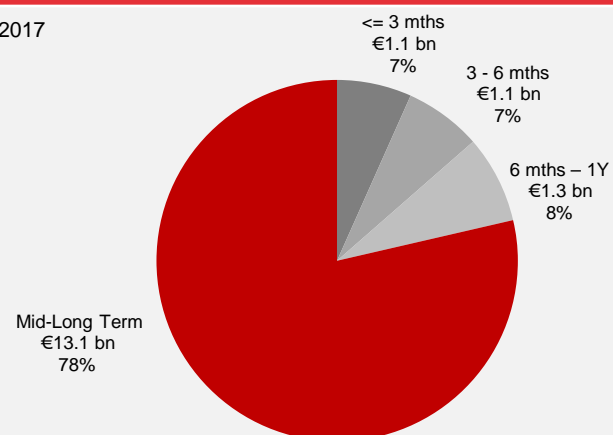


Diversification & balance between programmes

- Long term resources favoured, with an average residual maturity of 7.5 years
- EMTN and covered bond issues make up 47% of outstanding issues

Residual maturity profile (ST & MLT funds raised)

As at 30/06/2017





Issues and market needs

- Public issues
 - Tier 2 issue in February: €500M 12Y bullet at MS+250 bps
 - Inaugural Senior Non-Preferred issue in May: €500 M 7Y bullet at MS+88 bps
- Participation in the TLTRO given the favourable terms
 - €800 M in 2017, as in 2016

Ratings

Quality ratings illustrating Crédit Mutuel Arkéa's solidity

	Ratings
	<ul style="list-style-type: none">■ Long-term deposit: Aa3■ Outlook: negative■ Senior unsecured short-term debt: P-1
	<ul style="list-style-type: none">■ Senior unsecured long-term debt: A■ Outlook: stable■ Senior unsecured short-term debt: A-1

The background of the slide is a solid red color with a repeating pattern of white, stylized, wavy vertical lines. These lines are evenly spaced and create a textured, almost woven appearance.

Conclusion

H1 2017

- Net Banking & Insurance Income increased by 7.1%
 - A portfolio of a high quality, with a lower cost of risk
 - A net income at its highest historic level
 - A solid financial structure, with high solvency and liquidity levels
- ➡ Financial results and ratios confirming the Group's solidity and the strength of its business model combining agility, growth and profitability in a context of very low interest rates

Appendix

- 2017 H1 Income statement and balance sheet
- Crédit Mutuel Arkéa Group overview
- Covered Bond Programmes

Income statement for the 6 months ended 30th June 2017

€M	H1 2017 IFRS	H1 2016 IFRS	Variation	%
Net Banking & Insurance Income	1,003	936	66	7.1
Operating expenses	(688)	(657)	(31)	4.6
<i>General operating expenses</i>	(633)	(606)	(27)	4.3
<i>Amortisation and depreciation</i>	(56)	(51)	(5)	9.2
Gross operating income	315	279	36	12.8
Provisions for risks	(25)	(26)	1	(2.7)
Operating income	290	253	37	14.6
Shares of earnings of companies carried under equity method and income/loss on others assets	-	2	-2	(120.2)
Pre-Tax income	289	255	34	13.5
Income tax	(96)	(68)	(28)	40.6
Net income – Group share	193	187	7	3.5

Consolidated balance sheet as at 30th June 2017

Assets (€M)	30/06/2017 IFRS	31/12/2016 IFRS	Liabilities (M€)	30/06/2017 IFRS	31/12/2016 IFRS
Cash, due from central banks	2,938	3,617	Liabilities at fair value	712	1,172
Financial assets at fair value	23,304	19,565	Due to banks	9,645	7,087
Financial assets available for sale	38,996	38,973	Customer accounts	48,185	47,173
Due from banks	7,346	6,944	Debt securities in issue	10,401	12,870
Loans and advances to customers	48,175	46,656	Accruals, deferred income and sundry liabilities	6,804	4,949
Held-to-maturity financial assets	106	117	Insurance companies technical reserves	41,167	39,782
Accruals, prepayments and sundry assets	2,452	2,783	Provisions for contingencies and charges	394	397
Investment property	1,207	1,196	Subordinated debt	1,390	890
Goodwil	542	542	Shareholders' equity	6,365	6,070
			Share capital and reserves	2,212	2,203
			Consolidated reserves	3,537	3,239
			Unrealised or deferred gains or losses	423	292
			Net income	193	336
			Minority interest	3	3
Total Assets	125,066	120,393	Total Liabilities	125,066	120,393

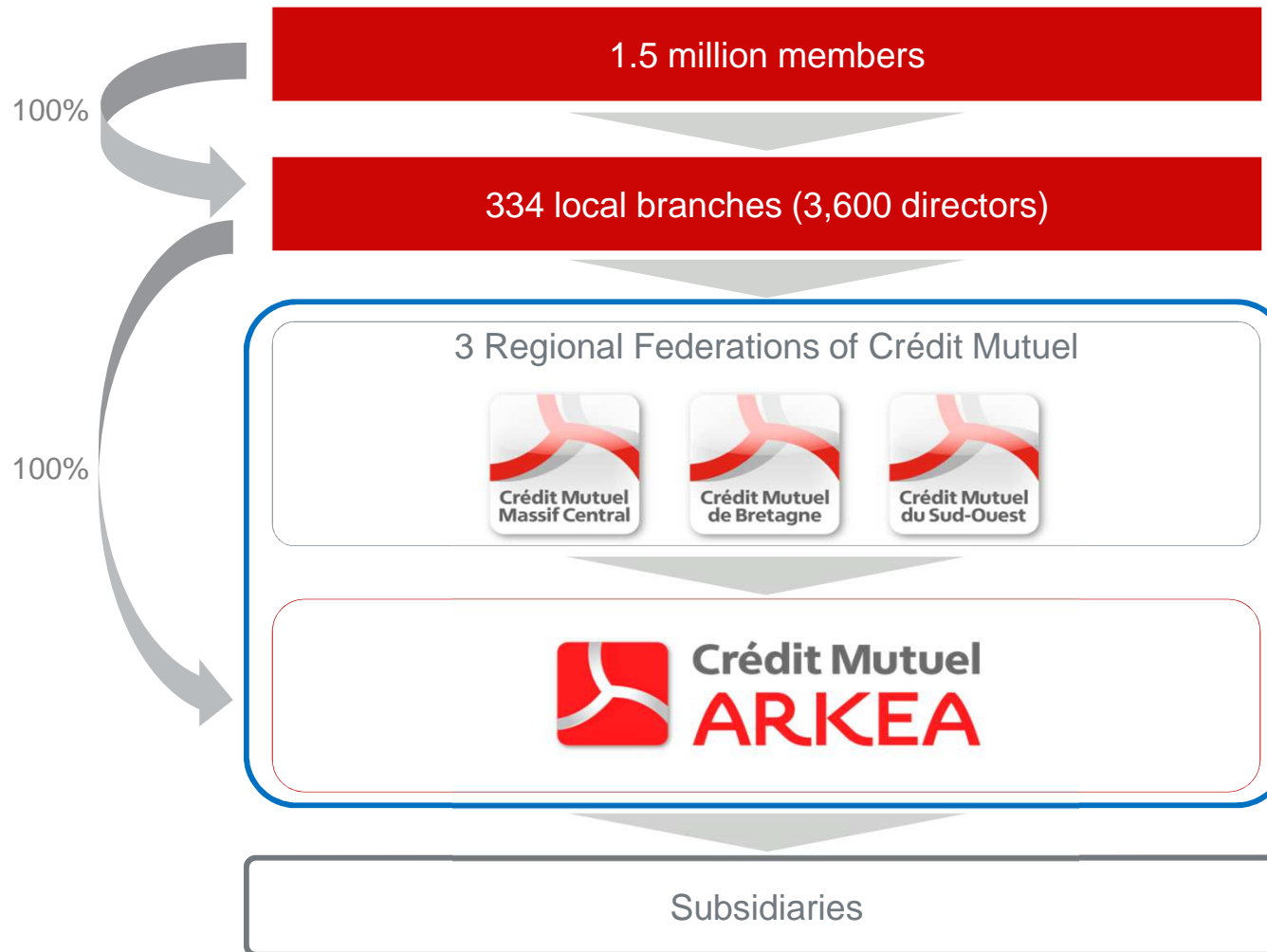


Crédit Mutuel
ARKEA

Crédit Mutuel Arkéa at a glance

Key figures as at 30 th June 2017	Crédit Mutuel Arkéa's clients
<ul style="list-style-type: none"> ■ 4.1 million customers, 1.5 million members ■ Total assets: €125.1 bn ■ Outstanding loans: €48.6 bn, outstanding savings: €104.8bn ■ Shareholders' equity: €6.4 bn ■ CET1 ratio: 16.9%* ■ Leverage ratio: 6.5%* 	<ul style="list-style-type: none"> ■ Private individuals ■ Corporates & Professionals ■ Institutions ■ Public Sector
Crédit Mutuel Arkéa's profile	
<ul style="list-style-type: none"> ■ 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 4.1 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. 	

Crédit Mutuel Arkéa Group structure



Crédit Mutuel Arkéa Group profile



Retail banking for individuals



Retail banking for companies and institutions



Insurance and asset management business lines



BtoB market

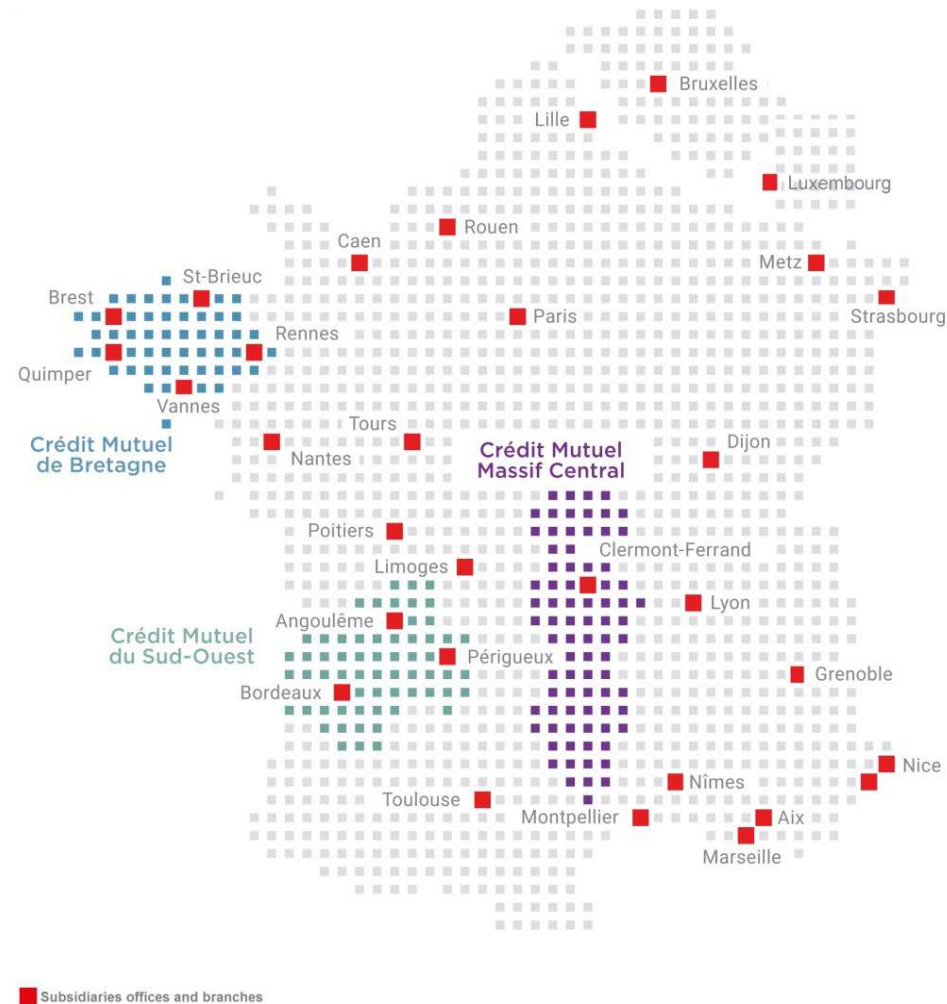


Non-banking activities



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

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

Manufacturers

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

Services on account of third parties

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

Arkéa 2020: Recent achievements

■ CMB, CMSO, CMMC

- 2016: Launch of a 100%-digital home loan application process

- Fortuneo & Keytrade also offer a 100%-digital process



- July 2017: Launch of « Entrée en relation 9.0 », a digital account opening process

- Real time analysis and validation of all justification documents
 - Digital signature

■ July 2017: Acquisition of 80% of Pumpkin, a fintech specialised in peer-to-peer payments

- €15 M investment over 3 years to boost the creation of a new bank for smartphones



■ H2 2017: Expected launch of Max, a new personal assistant on the market

- Mobile application offering a vast range of banking and insurance services, as well as concierge services and customised advice





Covered Bond Programmes





Programme characteristics



	Arkéa Home Loans SFH 	Arkéa Public Sector SCF 
Programme size	€10 bn	€10 bn
Rating	AAA (S&P)	AAA (S&P) and Aaa (Moody's)
Maturity of the bonds	Soft bullet	Soft bullet
Currency	EUR	EUR
Minimum legal collateralisation	105 %	105 %
Asset Cover Test	Monthly	Monthly
Liquidity Support	Direct access to ECB using the cover pool	
Asset-Liability Management	Back-to-back loans to Crédit Mutuel Arkéa to ensure there is no mismatch	
Risk weighting	10 %	10 %
Listing	Luxembourg	
Specific controller	Cailliau Dedouit et Associés	

Cover Pools as at 31/07/2017



	Arkéa Home Loans SFH 	Arkéa Public Sector SCF 
Current size	€5,880 bn	€1,750 M
Over collateralisation	130 %	156.7%
Assets	100% French prime home loans originated by Crédit Mutuel Arkéa	100% loans to French public sector and social housing agencies originated by Crédit Mutuel Arkéa
Geographical breakdown	100 % France (Brittany 65 %, Nouvelle-Aquitaine 17 %, Île-de-France 6 %, Auvergne-Rhône-Alpes 4 %)	100 % France (Île-de-France 23%, Brittany 19 %, Nouvelle-Aquitaine 11 %, Auvergne-Rhône-Alpes 8 %)
Seasoning	66 months	60 months
Average remaining terms	137 months	203 months
Average Loan Balance	€69,618	€2,016,395
Average LTV	Un-indexed : 65 % Indexed : 65 %	N/A
Number of Borrowers	80,913	686
Issues outstanding	€4,523 M	€1,117 M

Arkéa Home Loans SFH



■ Arkéa Home Loans SFH (Issuer)

- A duly licensed French Société de Financement de l'Habitat, specialised credit institution with an exclusive purpose
- Strong protection in case of Crédit Mutuel Arkéa bankruptcy or liquidation ensured by French law
- Legal privilege for Obligations de Financement de l'Habitat investors: absolute seniority of payments
- Support from Crédit Mutuel Arkéa in terms of solvability and liquidity
- Entitled to enter into ECB repo facilities, using its own Obligations de Financement de l'Habitat (limited to 10% of the cover pool)

■ Cover Pool

- Exclusively French prime home loans, originated by Crédit Mutuel Arkéa with conservative underwriting procedures and restrictive eligibility criteria
- Benefits from the sound French home loans market (strict controls and non speculative market)
- Transfer relies on the collateral provisions of the French monetary and financial code (Article L211-38, transposition of EU Collateral Directive 2002/47)

■ 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 L'Équité, subsidiary of Generali France (Moody's: Baa1/ Fitch: A-/AM Best: A), or by CNP Caution (subsidiary of CNP Assurances, rated A par S&P). New loan production is guaranteed by CNP Caution.
- To a lesser extent Crédit Mutuel Arkéa may also use Crédit Logement's guarantee (rated "Aa3" by Moody's)

■ Closely monitored and supervised

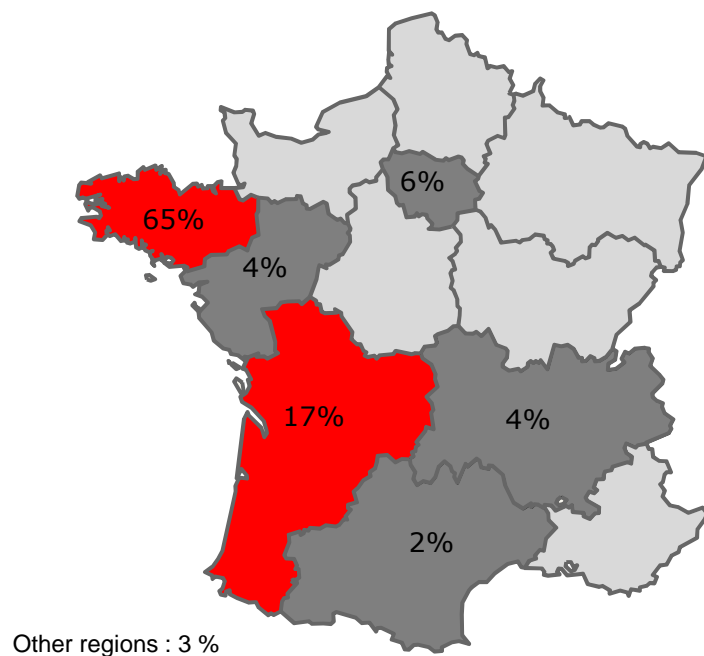
- Regulated by the French Banking Authorities (ACPR) with strict conditions
- Independent specific controller, who regularly audits the collateral portfolio
- Minimum legal collateralisation of 105 %
- Liquidity rule: 180 days of liquidity ahead to cover forthcoming payments

Arkéa Home Loans SFH

Cover Pool as at 31/07/2017 – Borrowers

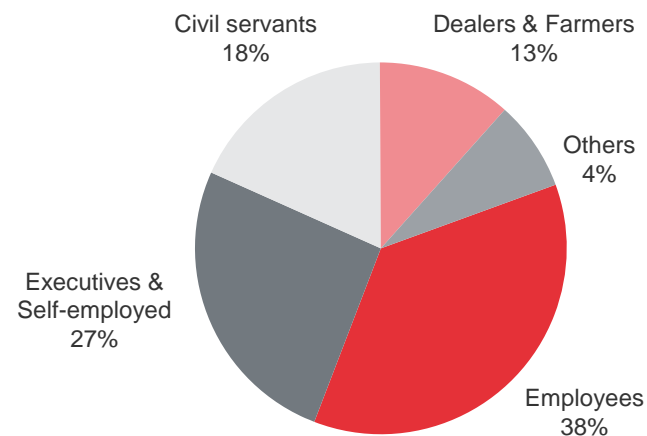


Geographical breakdown



Other regions : 3 %

Borrowers by social category

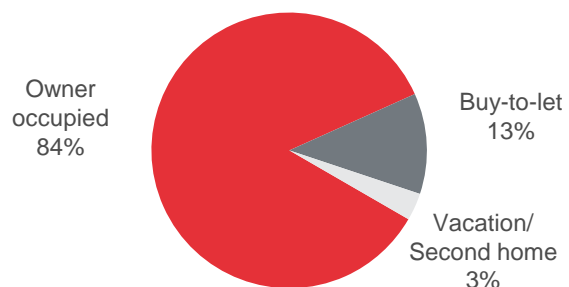


Arkéa Home Loans SFH

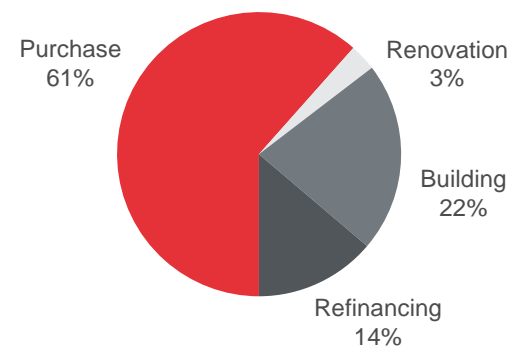
Cover Pool as at 31/07/2017 – Home Loans



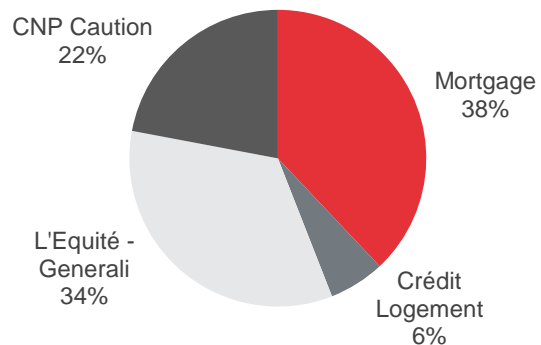
Occupancy type



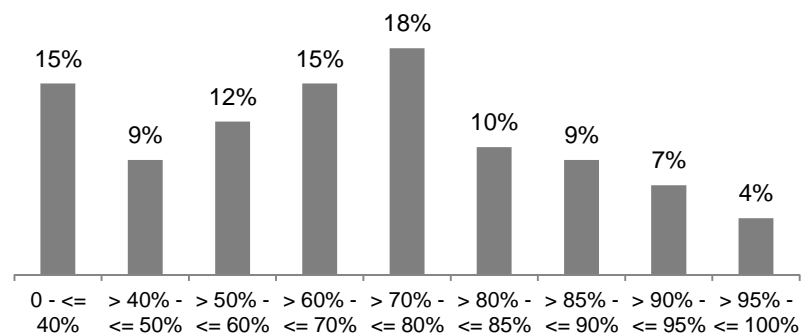
Loan purpose



Guarantee types

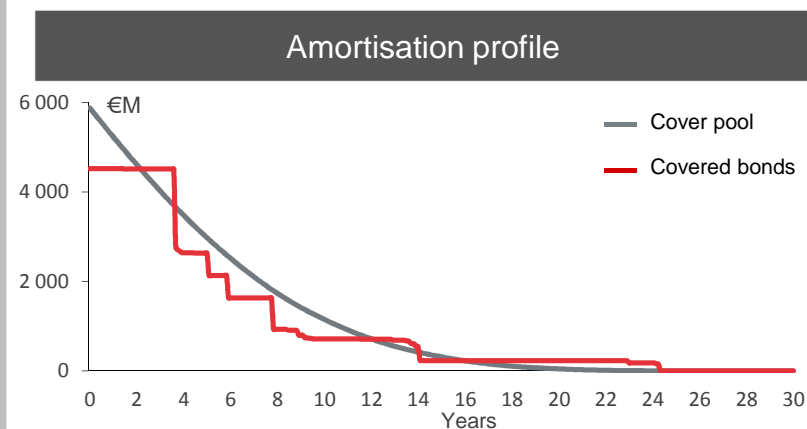
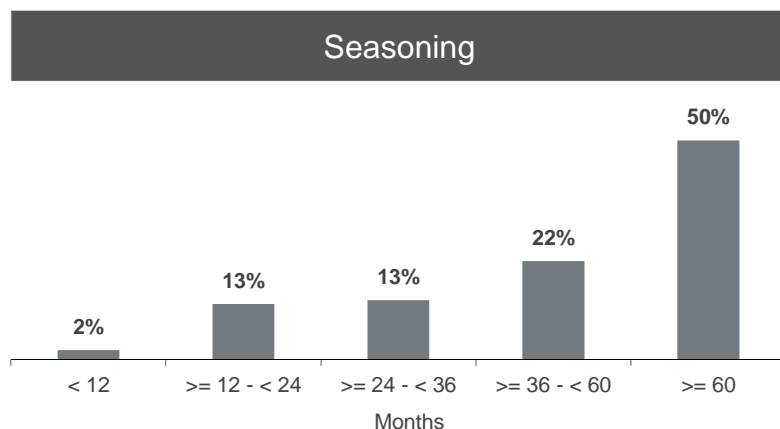
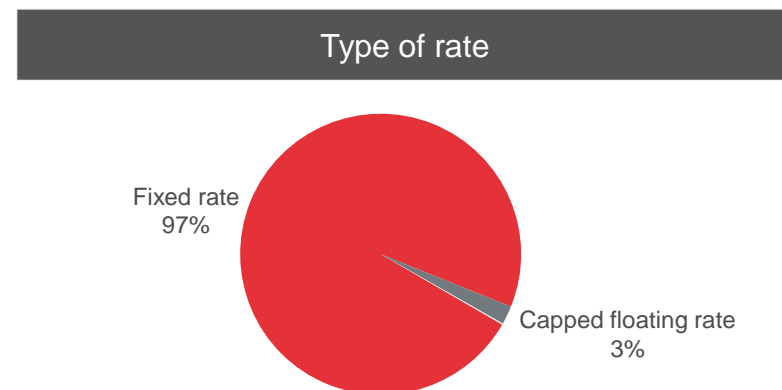
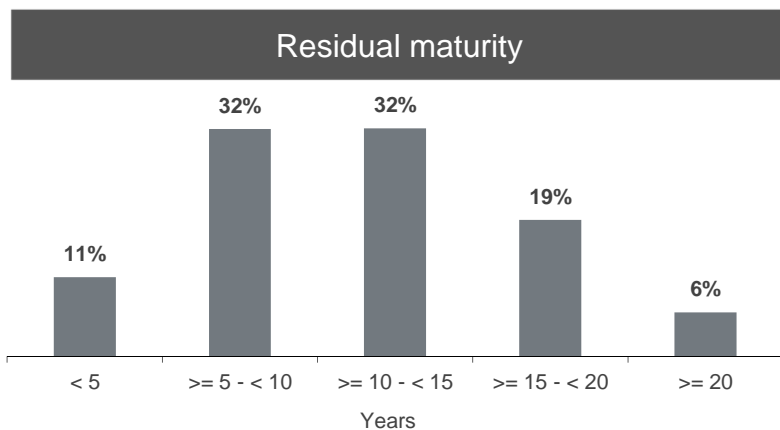


Un-indexed LTV



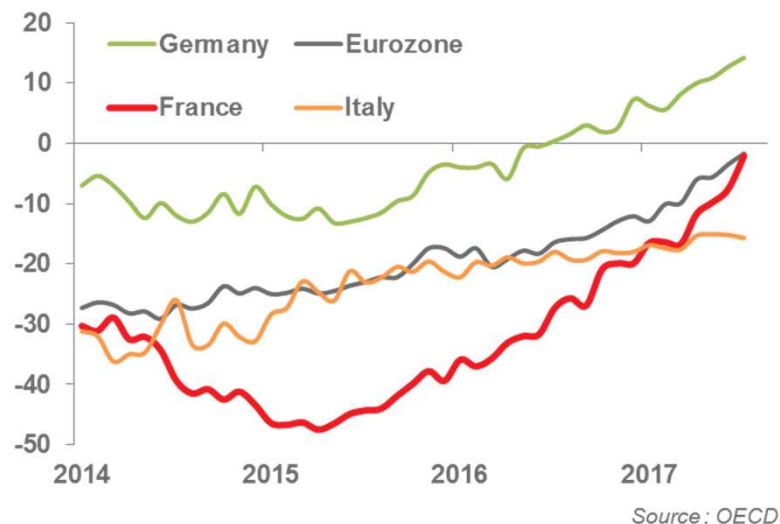
Arkéa Home Loans SFH

Cover Pool as at 31/07/2017 – Home Loans



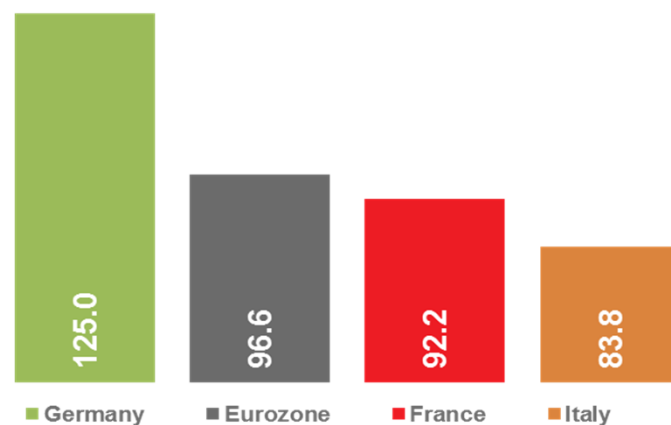
The French property market

Confidence of building sector players



■ In the French building sector, confidence is back to Eurozone levels

Property prices to households' income in the Eurozone in 2016, 100 = 2008

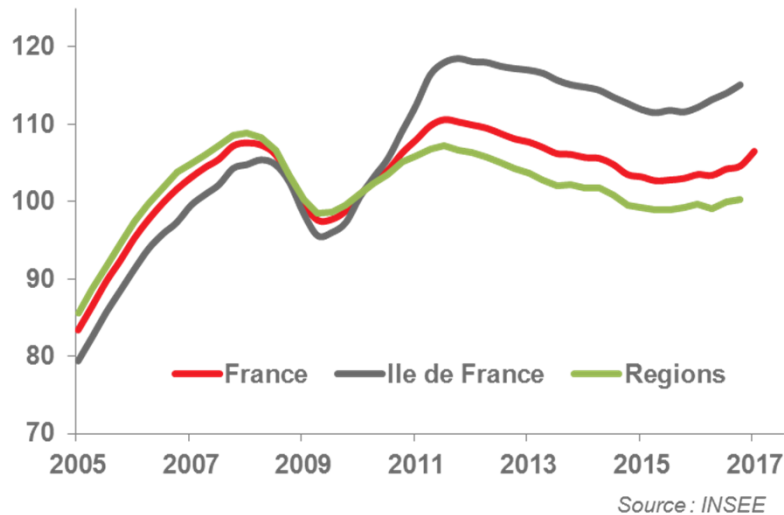


Source : OECD

■ Classic recovery phase in the French property market cycle

The French property market

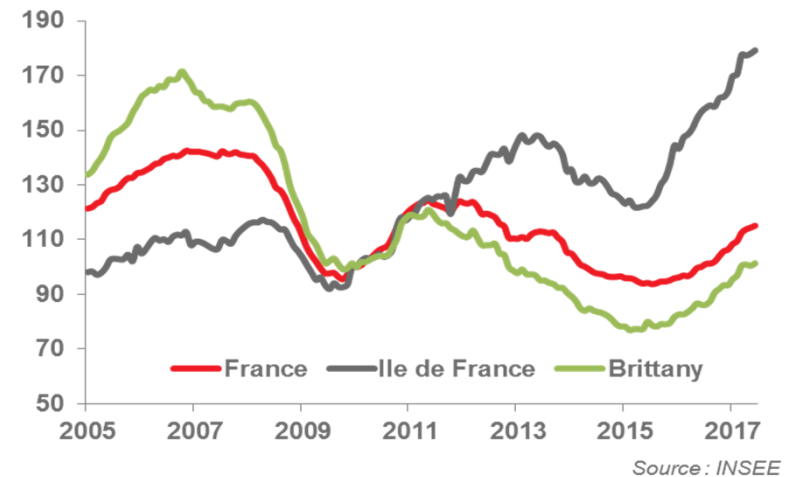
House price index – second-hand dwellings, 100 = Q1 2010



- Housing demand > housing supply
- High solvency of borrowers
- Limited risks for banks

- Historically low interest rates
- Households' buying power strongly improved over 5 years
- Sharp increase of outstanding home loans

Housing starts over 12 months, 100 = Q1 2010



Arkéa Public Sector SCF



■ Arkéa Public Sector SCF (issuer)

- A licensed Société de Crédit Foncier (SCF) to issue Obligations Foncières
- Strong protection in case of Crédit Mutuel Arkéa bankruptcy or liquidation ensured by French law
- Legal privilege for Obligations Foncières investors: absolute seniority of payments
- Support from Crédit Mutuel Arkéa in terms of solvability and liquidity
- Direct access to ECB liquidity

■ Cover Pool

- Strict eligibility criteria to enter cover pool
- Pure French public sector exposure (direct exposure or 100% guaranteed by such entities), no ABS
- Loans originated by Crédit Mutuel Arkéa only

■ Strict regulation and supervision

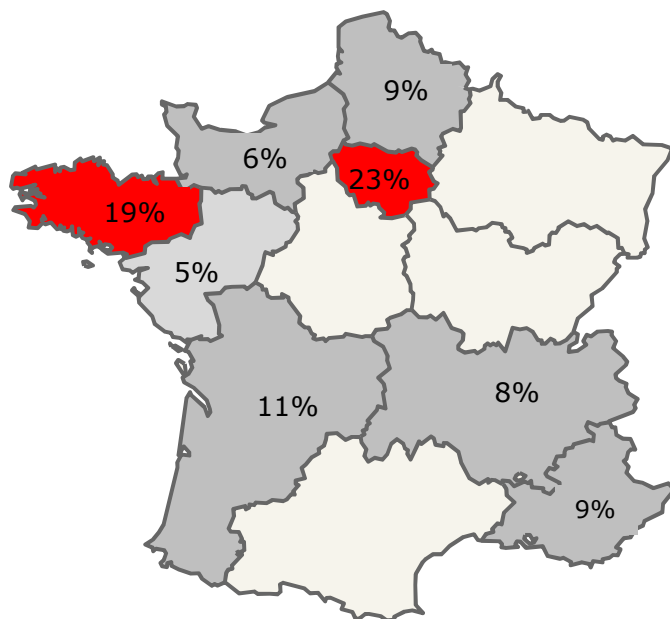
- Regulation strengthened in 2014
- Regulated by the French Banking Authorities (ACPR) with strict conditions
- Independent specific controller, regular audit of the collateral portfolio
- Minimum legal collateralisation of 105 %
- Liquidity rule: 180 days of liquidity ahead to cover forthcoming payments

Arkéa Public Sector SCF

Cover Pool as at 31/07/2017



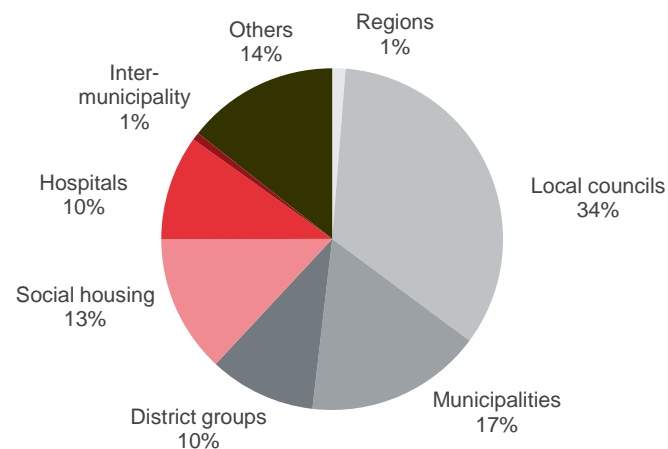
Geographical breakdown



Other regions : 11 %

- A diversified geographic distribution of the cover pool, due to Crédit Mutuel Arkéa's historic regional specificities and national dimension

Borrower breakdown by activity



- Average loan balance per borrower: €2 M
- 95 % of the pool is directly eligible to ECB funding

Your contacts

Stéphane Cadieu

Head of Capital Markets

stephane.cadieu@arkea.com

+33 2 98 00 23 19

Laurent Gestin

Investor Relations

laurent.gestin@arkea.com

+33 2 98 00 42 45

Matthieu Baudson

Treasury & Funding

matthieu.baudson@arkea.com

+33 2 98 00 31 86

Bertrand Faivre

Deputy Head of Capital Markets

bertrand.faivre@arkea.com

+33 2 98 00 32 83

Christophe Aubery

Corporates and Institutions Sales

christophe.aubery@arkea.com

+33 1 53 00 36 54

www.arkea.com