



Tier 2 Capital Issuance

*Investor
Presentation*

January 2017

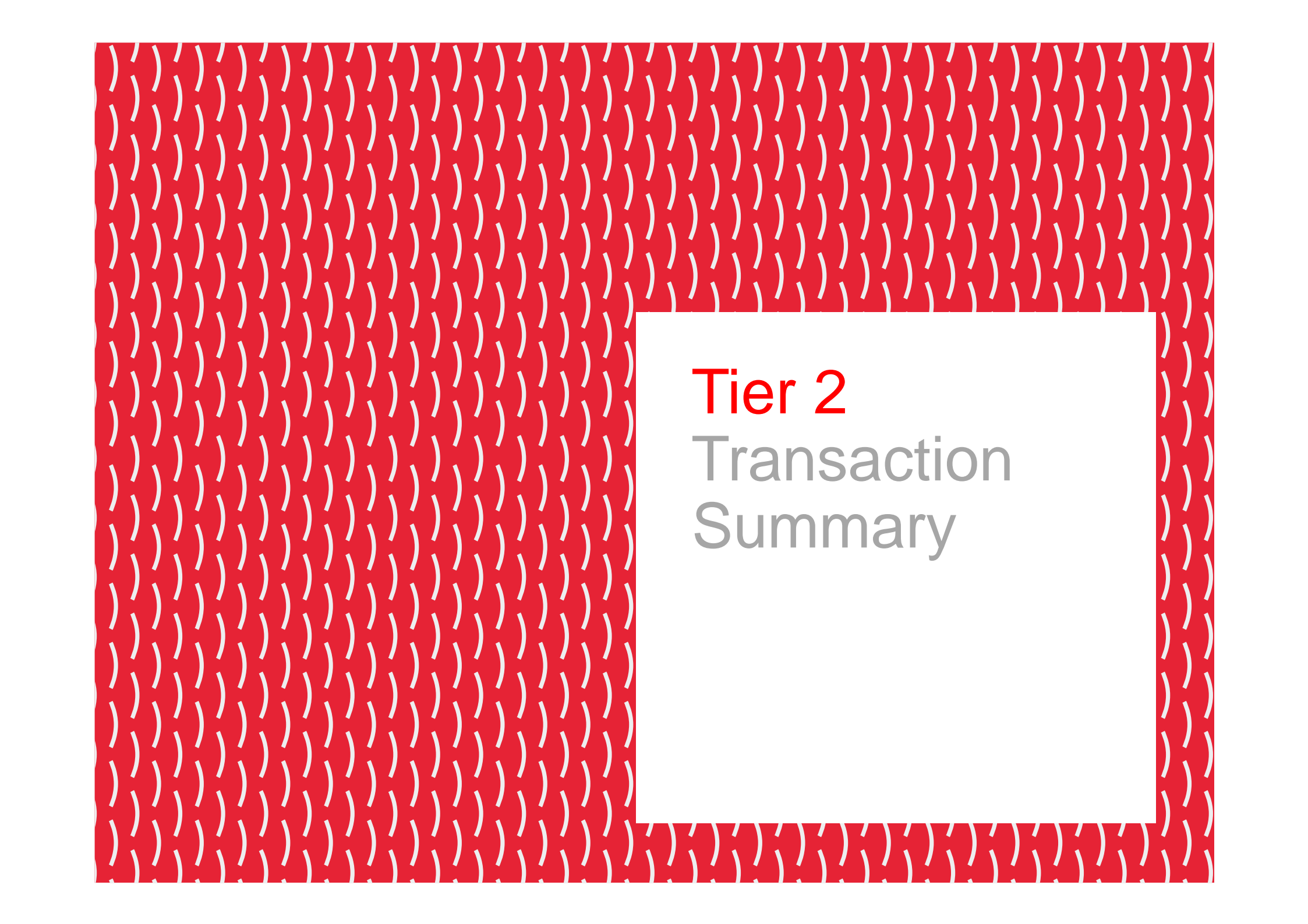
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The consolidated financial statements of the Company for the years ended 31 December 2014 and 2015 have been audited and subject to an unqualified audit report by the auditors of the Company. The condensed consolidated financial statements of the Company for the six month period ended 30th June 2016 have been subject to a limited review report by the auditors of the Company.

Contents

- Tier 2 Transaction Summary
- 2016 Half Year Group Results
- Asset Quality
- Solvency
- Liquidity & Funding
- Conclusion
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Tier 2

Transaction Summary

Tier 2 Transaction Summary

Offering

- CRD IV-compliant dated Tier 2 capital securities
- 12-year bullet structure, €-benchmark size
- Redeemable in whole at par upon Tax and Regulatory Events
- Expected ratings: BBB (S&P)
- Issuance expected to be fully MREL (and TLAC) eligible

Rationale

- Increase total capital levels by issuing new subordinated debt
- Compliance with expected MREL requirements
- Protection of senior unsecured bondholders: increase subordinated debt buffer

Key Investment Highlights

- A strong ability to continuously generate growth and revenues
- A loan book with a limited risk profile
- A solid financial structure with leading solvency and liquidity levels
- A group with strong fundamentals to match its ambitions



2016

Half Year Group
Results

H1 2016: sustained activity, resilient results

Solid performances in a context of persistent low interest rates

A dynamic commercial activity (*)

- Client portfolio growing by 7.4%
- Outstanding loans increased by €1.5 bn (+3.4%)
- Outstanding savings higher by €6.5 bn (+7.5%)

Historic half year net income

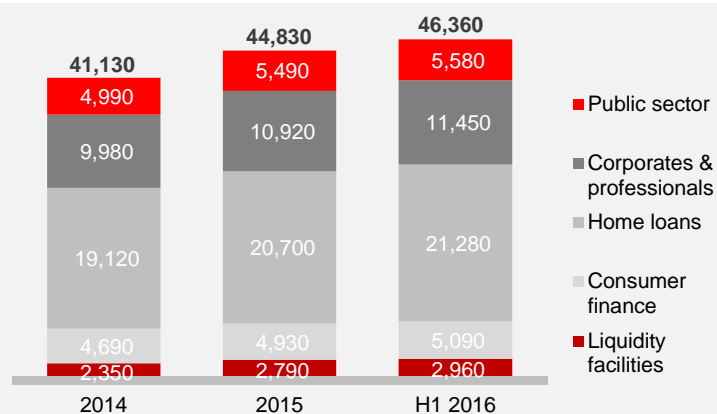
- Net banking & insurance income of €936 M, up 2.3%
- Cost/income ratio of 70.2% (+0.9 pt)
- Significant decrease of the cost of risk, at €26 M (-44.5%)
- Net income of €187 M, increased by 24.4%

A real intrinsic strength

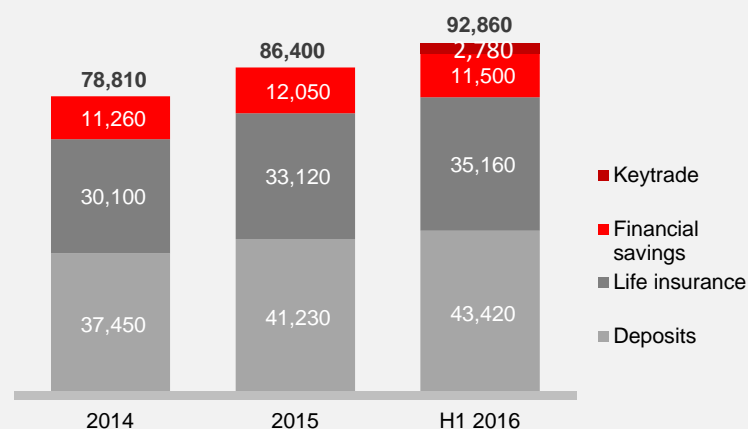
- Loan-to-deposit ratio of 100%
- CET1 ratio of 15.3% (**)
- Leverage ratio of 6.7% (***)
- LCR ratio of 143.7%

A dynamic commercial activity

Gross outstanding loans (€M)



Outstanding savings (€M)



A continuous growth of new lending and savings inflows

- A client portfolio growing by 7.4%, to almost 3.9 M
 - Acquisition of Keytrade: intake of more than 205,000 customers
 - On a comparable basis, client portfolio increased by 2% to 3.7 M
- Outstanding loans increased by 3.4%, at €46.4 bn
- A loan production* of €5.4 bn (+6.1%)
 - €2.2 bn of new home loans, up by 0.5%
 - €2.2 bn of new loans to professionals, corporates and public sector, increased by 8.6%
 - A 12.4%-growth of the consumer finance loan production, at €1 bn
- Outstanding savings growing by 7.5% to €92.9 bn
 - The acquisition of Keytrade helped increase outstanding savings by €2.8 bn
 - On a comparable basis, outstanding savings increased by 4.3% to €90.1 bn
- Net savings inflows of €2.3 bn, increased by 48%
 - Dynamic growth of life insurance savings, with net inflows of €1.1 bn (+3.7%)
- Close to 200,000 new contracts (+6.7%) in general insurance and individual protection
 - External networks contributed towards 30% of new business
 - A portfolio growing by 2.8% to 2 M contracts

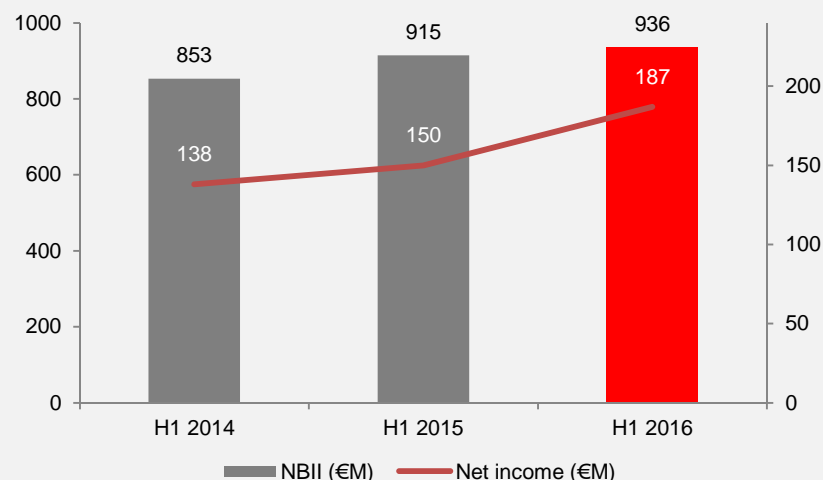
(*) Excluding loan renegotiations

Income statement

€M	H1 2016	H1 2015	% Var.
Net banking & insurance income (NBII)	936	915	+ 2.3 %
Operating expenses	657	634	+ 3.6 %
Gross operating income	279	281	- 0.6 %
Cost of risk	26	47	- 44.5 %
Net operating income	253	234	+ 8.2 %
Net income Group share	187	150	+ 24.4 %

Resilient financial results

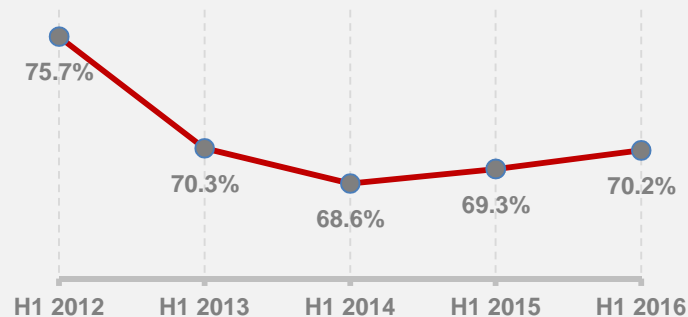
NBII and net income (€M)



Increased NBII and net income

- Net Banking & Insurance Income growing by 2.3% (+€21 M) to €936 M
- After adjusting for the exceptional €26 M net gain on the sale of Visa Europe shares: resistance of revenues with Net Banking & Insurance Income of €910 M (-0.5%)
 - Slight decline of the financial margin to €341 M (-€8M), negatively impacted by persistent low interest rates
 - Commissions reduced by €28 M to €187 M, with lower volumes of early loan repayments and renegotiations as well as lower brokerage volumes due to the stock market crisis
 - Other income growing by €31 M to €382 M (+8.8%), with growing insurance income (+€25 M to €241 M)
- Net income (Group share) at its highest level, at €187 M (+24.4%)

Cost/income ratio



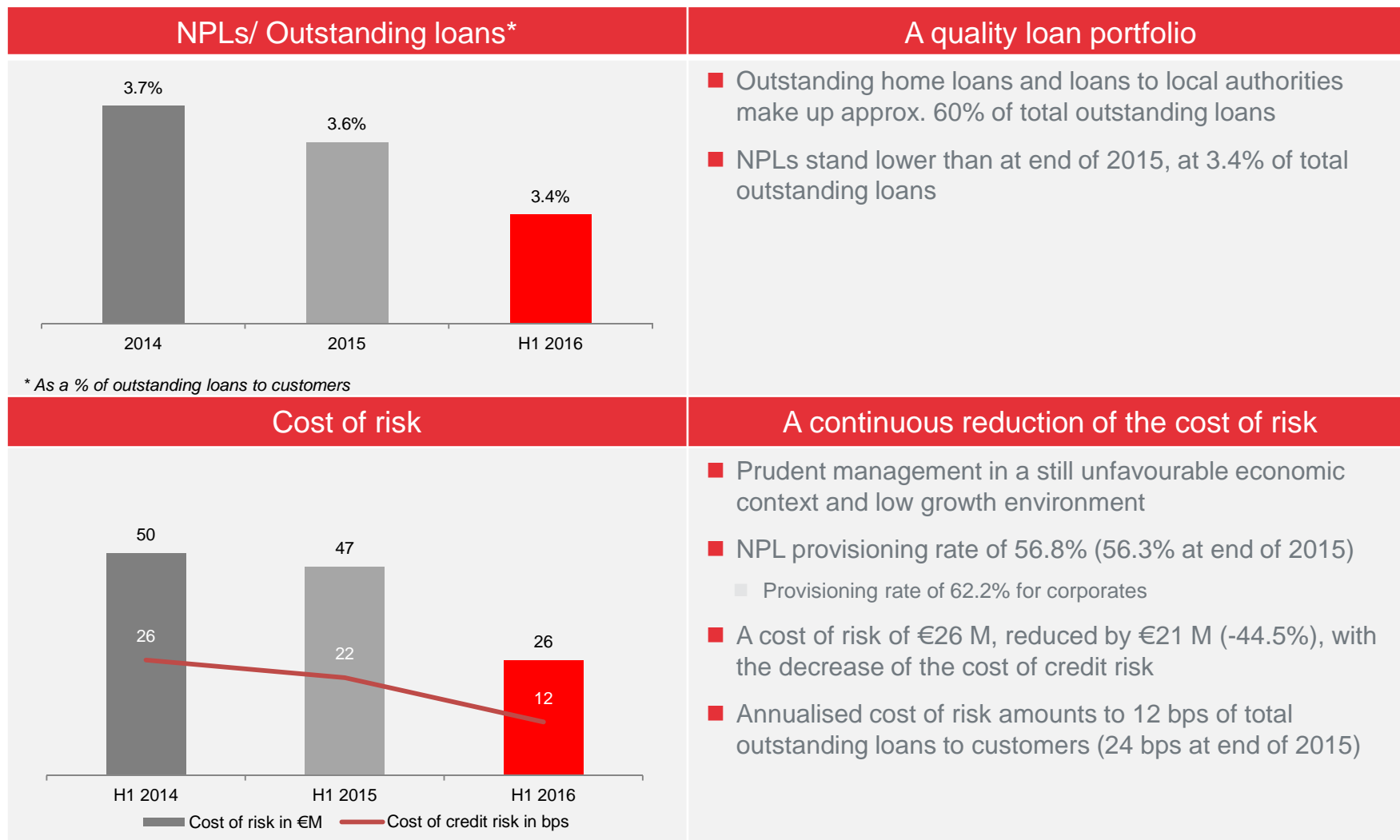
A moderate increase of the cost/income ratio

- A slight increase of the cost/income ratio, at 70.2% (+0.9 pt)



Asset Quality

A sharp decrease of the cost of risk





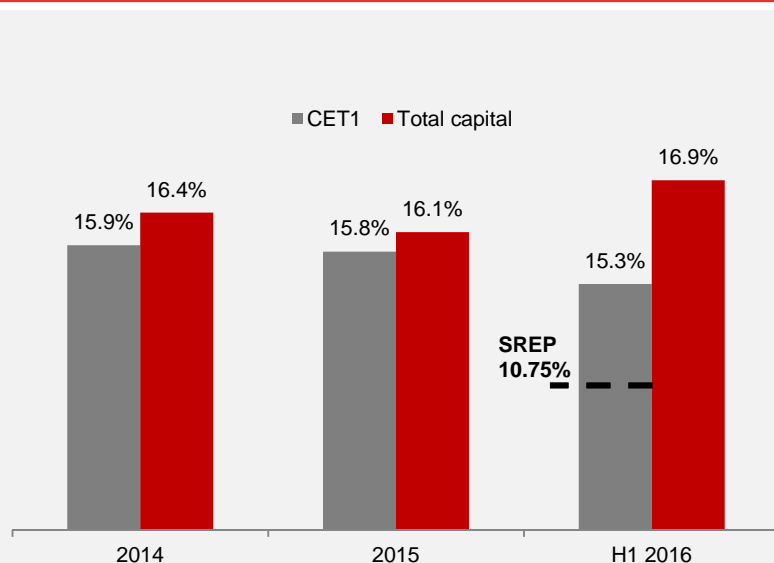
Solvency

Risk weighted assets

				Risk weighted assets & Total capital requirements	
RWAs (€bn)	30/06/2016	31/12/2015	31/12/2014	<ul style="list-style-type: none"> ■ RWAs of €31.4 bn at the end of June 2016 (+6%) ■ 93% of RWAs relate to credit risk exposures ■ Total capital requirements of €2.5 bn, increased by €143 M since the end of 2015 in line with growing outstanding loans 	
Credit risk	29.3	27.6	25.6		
Market risk	0.1	0.1	0.1		
Operational risk	2.0	1.8	1.9		
	31.4	29.6	27.6		

A real intrinsic strength

Solvency ratios*



Leading solvency levels

- Total assets of €119.2 bn, increased by €9 bn
 - Shareholders' equity of €6 bn, with stable outstanding member shares, at €2.2 bn
- Total capital ratio of 16.9%* (+0.8 pt)
 - Regulatory capital of €5.3 bn, increased by €0.5 bn following a Tier 2 issue in May
- CET1 ratio of 15.3%*, lower by 0.5 pt
 - Fully loaded CET1 ratio estimated at 15.2%
 - Ratio significantly higher than regulatory requirements (4.5% higher than the SREP ratio), at the highest market levels
- Estimated leverage ratio of 6.7%** (fully loaded: 6.7%)

Well positioned to meet MREL requirements

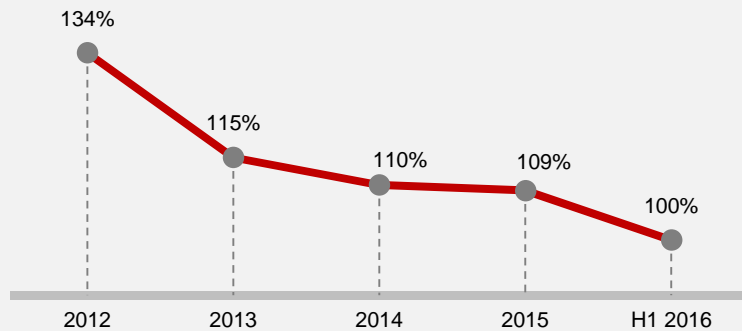
- MREL ratio >8%, including potentially eligible senior debt > 1yr
 - Exceeds level required to have recourse to the Single Resolution Fund
- 2017 MREL quantum and composition remain to be determined by resolution authority



Liquidity & Funding

Strong liquidity reserves

Loan-to-deposit ratio

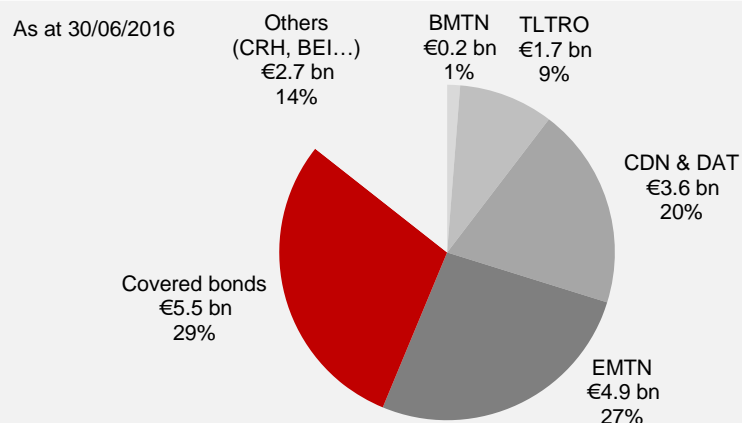


A solid balance sheet, high liquidity levels

- Loan-to-deposit ratio of 100%, benefiting from the acquisition of Keytrade
 - On a comparable basis, loan-to-deposit ratio of 107%, lower by 2 pts
- Liquidity reserves of €15 bn
- LCR ratio of 143.7%
- Limited market funding needs

Funding programme

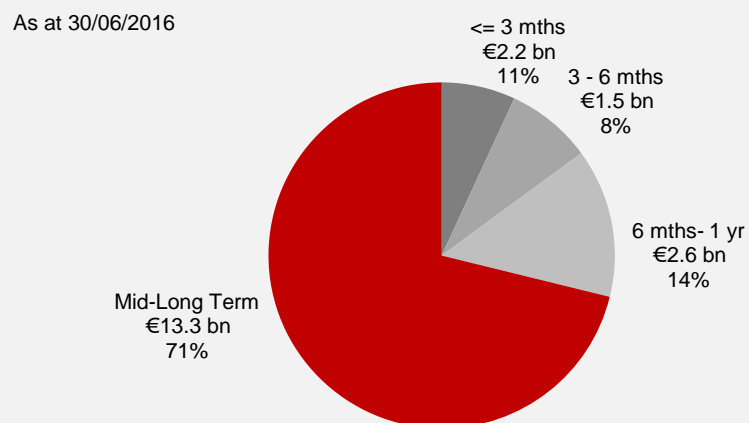
Outstanding issues



Diversification & balance between programmes

- Long term resources favoured, with an average residual maturity of 6.8 years
- EMTN and covered bonds make up 53% of outstanding issues
- Outstanding subordinated debt
 - €300 M 6.75% 10Y Tier 2 18/09/2018
 - €500 M 3.25% 10Y Tier 2 01/06/2026

Residual maturity profile (ST & MLT funds raised)





2016 funding events and 2017 programme

- 2016 public issue
 - 05/16: €500 M 10Y Tier 2 at MS+270 bps
- Intention to carry out approx. 2 public issues per year
 - Subordinated debt and/or non-preferred debt to strengthen capital and meet MREL needs
 - Senior preferred debt and covered bonds depending on funding needs
- Participation in the TLTROs, given the favourable terms
 - €800 M in 2016, as in 2015

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 white wavy pattern that resembles a woven texture. A white rectangular box is positioned on the right side of the slide, containing the word "Conclusion".

Conclusion

Half year 2016

In a context of low interest rates and significant stock market volatility

- Strong commercial dynamics, resistance of revenues
 - A quality portfolio, with a significantly lower cost of risk
 - A historic half year net income
 - A solid financial structure, with high solvency and liquidity levels
- ➡ The financial results and ratios illustrate the strength of the Group and the relevance of its business model

Appendix

- Tier 2 transaction indicative terms
- Income statement for the 6 months ended 30th June 2016
- Consolidated balance sheet as at 30th June 2016
- Crédit Mutuel Arkéa Group overview
- Contacts

Tier 2 Transaction Indicative terms

Issuer	Crédit Mutuel Arkéa
Issuer Rating	Aa3/Negative (Moody's) ; A/Stable (S&P)
Structure	Bullet
Issue Rating (expected)*	[BBB] (S&P)
Status of the Notes	<p>The Subordinated Notes, including any amount of interest relating to them, constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank:</p> <ul style="list-style-type: none"> i. pari passu without any preference among themselves; ii. pari passu with (a) any present or future obligations or capital instruments of the Issuer which constitute Tier 2 Capital of the Issuer and (b) any other present and future direct, unconditional, unsecured and subordinated obligations of the Issuer that rank or are expressed to rank equally with the Subordinated Notes; iii. senior to any present and future prêts participatifs granted to the Issuer, titres participatifs issued by the Issuer and deeply subordinated obligations of the Issuer (engagements dits "super subordonnés" or engagements subordonnés de dernier rang); iv. junior to (a) any present and future unsubordinated creditors (including depositors) of the Issuer and (b) any present or future subordinated creditors of the Issuer other than the present or future claims of creditors that rank or are expressed to rank pari passu with or junior to the Subordinated Notes
Waiver of Set-Off	Noteholders will not be entitled to apply set-off rights to amounts due under the Notes
Enforcement	No events of default under the Notes
Principal Amount	EUR Benchmark
Issue Date	[●] [February] [2017]
Maturity Date	[●] [February] [2029]
Interest Rate	The rate of interest for each Interest Period from (and including) the Issue Date to (but excluding) the Maturity Date is [●] per cent. per annum
Interest Payment Dates	[●] [February] in each year from (and including) [●] [February] [2018]
Deferral of Interest	None
Optional Redemption following a Special Event	The Issuer may at any time redeem the Notes in whole at par, together with accrued interest upon the occurrence of a Capital Event, Tax Deductibility Event or Withholding Tax Event (subject to specific conditions to redemption)
Denomination	EUR 100,000
Listing	Luxembourg
Governing Law	French Law

(*) A security rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. The rating is subject to revision or withdrawal at any time by the assigning rating organisation.

Income statement for the 6 months ended 30th June 2016

€M	H1 2016 IFRS	H1 2015 IFRS	Variation	%
Net Banking & Insurance Income	936	915	21	2.3
Operating expenses	(657)	(634)	(23)	3.6
<i>General operating expenses</i>	<i>(606)</i>	<i>(587)</i>	<i>(19)</i>	<i>3.2</i>
<i>Amortisation and depreciation</i>	<i>(51)</i>	<i>(47)</i>	<i>(4)</i>	<i>9.2</i>
Gross operating income	279	281	(2)	(0.6)
Provisions for risks	(26)	(47)	21	(44.5)
Operating income	253	234	19	8.2
Shares of earnings of companies carried under equity method and income/loss on others assets	2	7	(5)	(75.3)
Pre-Tax income	255	241	14	5.7
Income tax	(68)	(91)	22	(24.8)
Net income – Group share	187	150	37	24.4

Consolidated Group balance sheet as at 30th June 2016

Assets (€M)	30/06/2016 IFRS	31/12/2015 IFRS	Liabilities (M€)	30/06/2016 IFRS	31/12/2015 IFRS
Cash, due from central banks	1,827	2,113	Liabilities at fair value	1,482	1,094
Financial assets at fair value	18,036	15,830	Due to banks	6,822	6,456
Financial assets available for sale	39,823	36,268	Customer accounts	46,408	41,451
Due from banks	8,547	7,040	Debt securities in issue	13,635	13,780
Loans and advances to customers	46,005	44,368	Accruals, deferred income and sundry liabilities	4,759	3,593
Held-to-maturity financial assets	142	152	Insurance companies technical reserves	38,793	37,213
Accruals, prepayments and sundry assets	3,007	2,740	Provisions for contingencies and charges	379	366
Investment property	1,223	1,152	Subordinated debt	896	382
Goodwil	542	449	Shareholders' equity	5,975	5,774
			Share capital and reserves	2,200	2,203
			Consolidated reserves	3,240	2,981
			Unrealised or deferred gains or losses	348	294
			Net income	187	296
			Minority interest	3	3
Total Assets	119,152	110,112	Total Liabilities	119,152	110,112

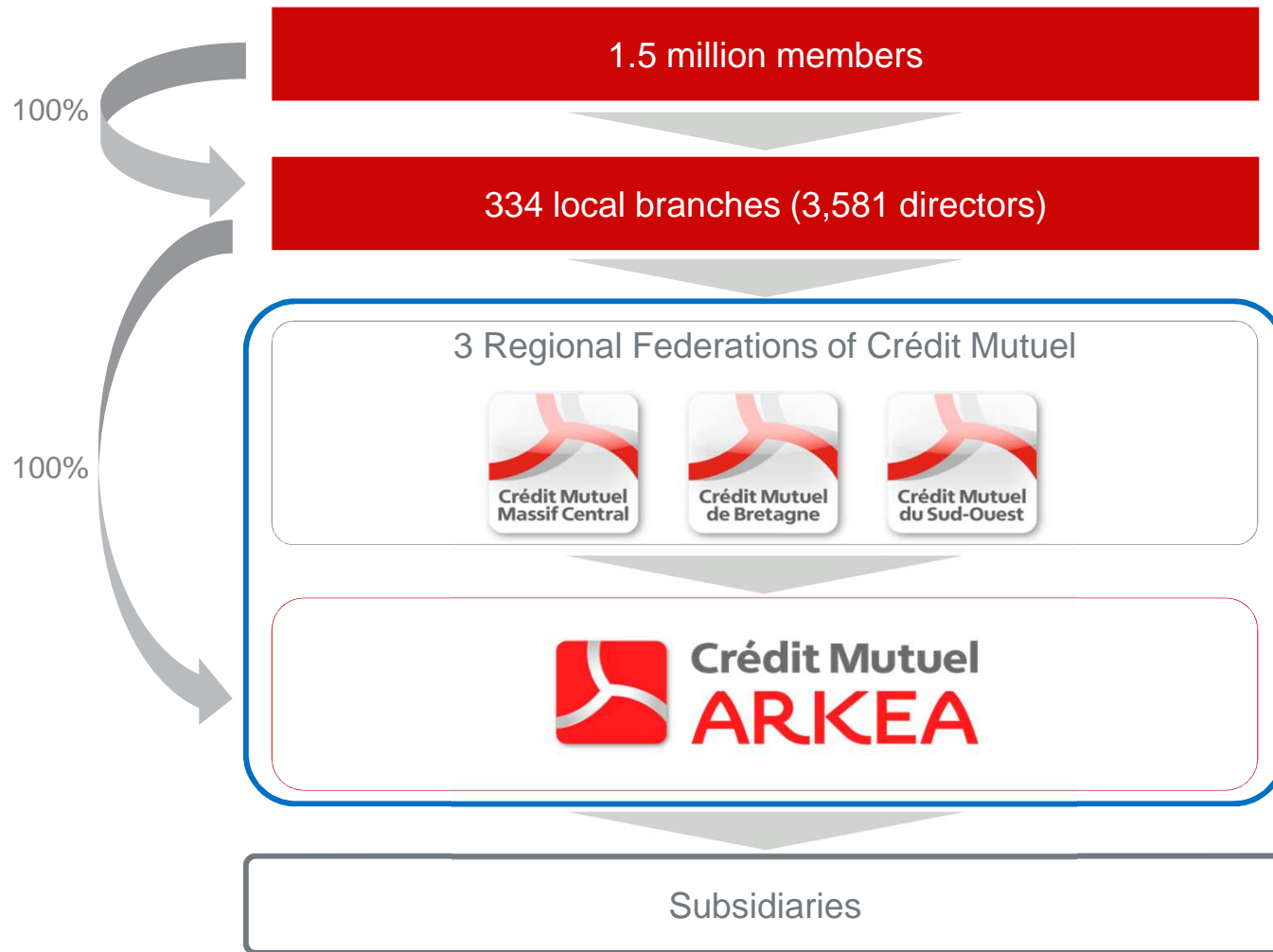


Crédit Mutuel
ARKEA

Crédit Mutuel Arkéa at a glance

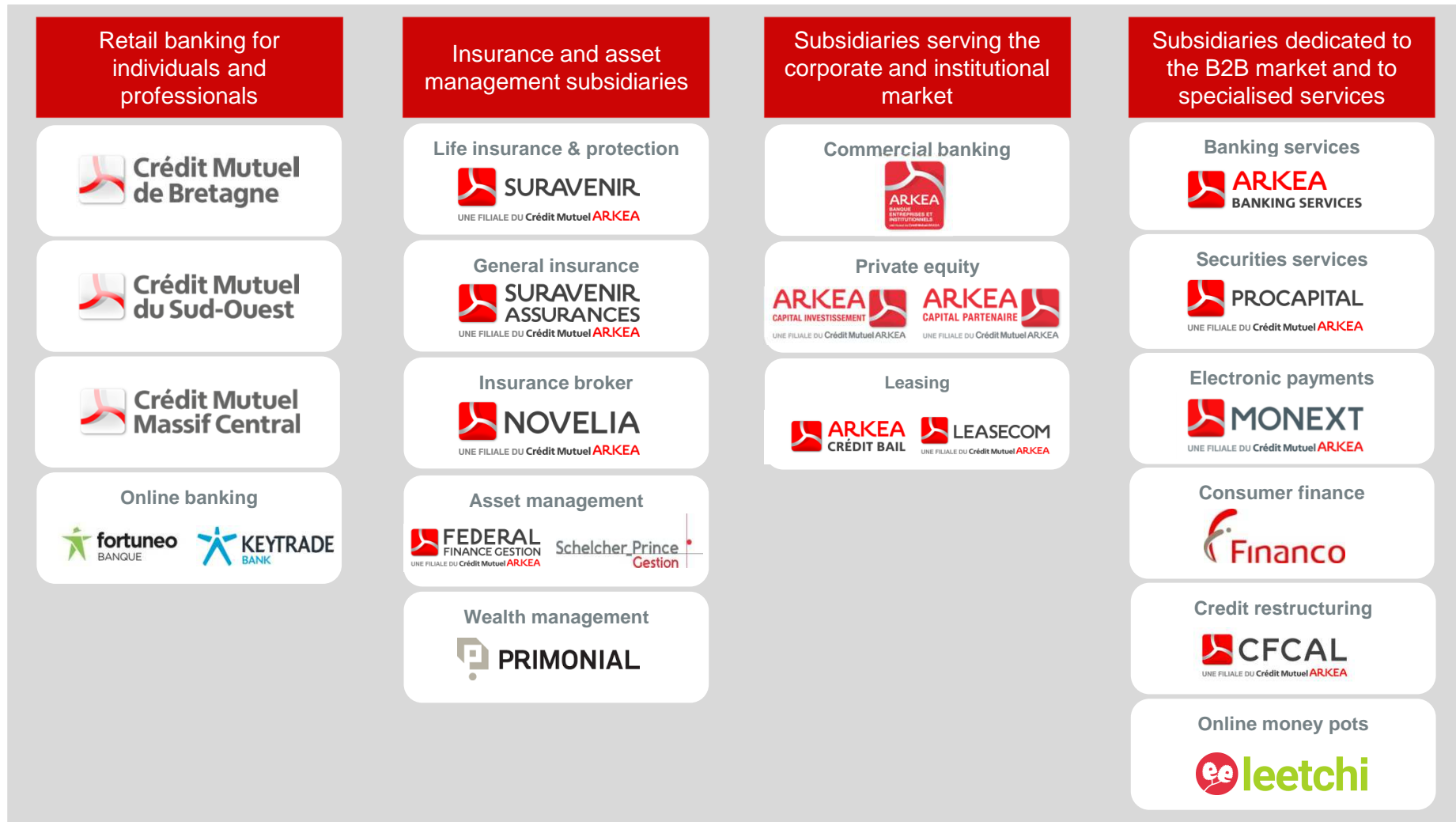
Key figures as at 30 th June 2016	Crédit Mutuel Arkéa's clients
<ul style="list-style-type: none"> ■ 3.9 million customers, 1.5 million members ■ Total assets: €119.2 bn ■ Outstanding loans: €46.4 bn, outstanding savings: €92.9bn ■ Shareholders' equity: €6 bn ■ CET1 ratio ("phased-in"): 15.3%* ■ Estimated leverage ratio: 6.7%** 	<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 3.6 million customers. ■ As a producer and distributor, Crédit Mutuel Arkéa can offer its clients a comprehensive line of banking, financial, asset management and insurance products and services, among others. The Group also stands apart through its development of private label banking services on behalf of other financial institutions and payments providers. 	

The stable structure of a cooperative group



Crédit Mutuel Arkéa's business lines

A complete range of solutions for the benefits of customers



The Group's geographical presence

Regional foundations, national reach

A network of close to

468 local branches and points of sale, in Brittany, the South-West and Massif Central

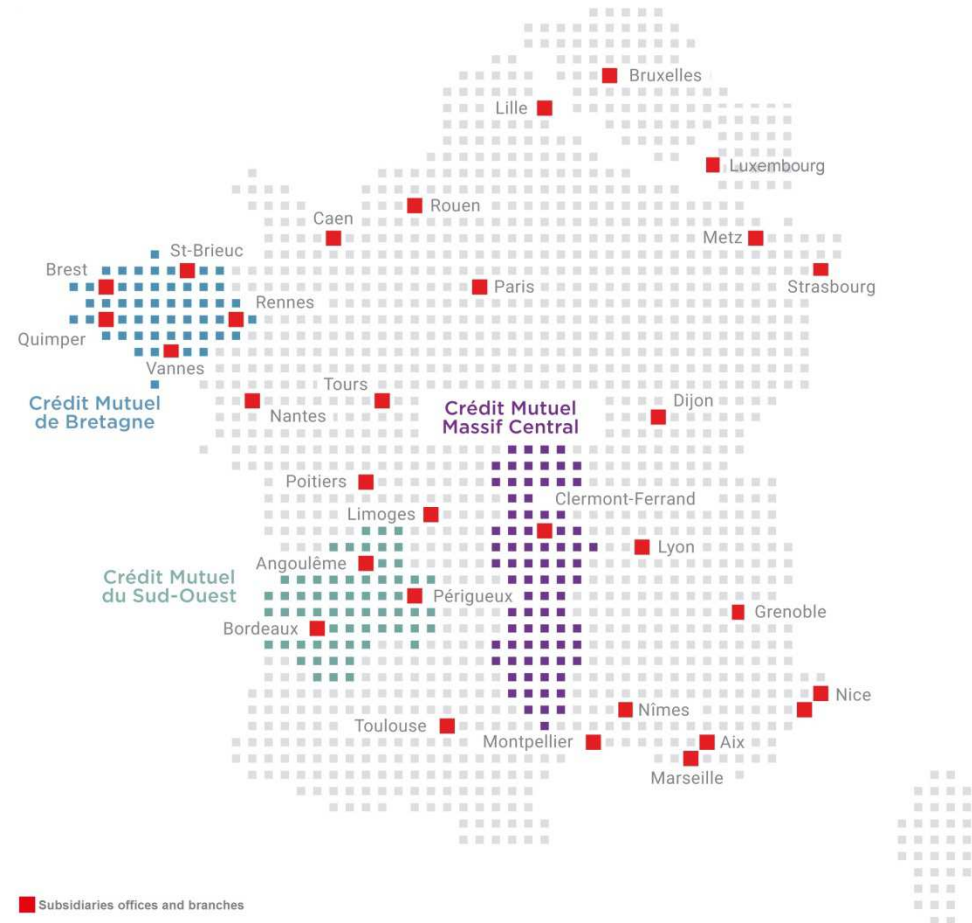
18 regional business centers for Arkéa Banque Entreprises et Institutionnels

9 regional branches for Leasecom

15 branches for Financo

A presence in Belgium with Fortuneo Banque, Keytrade Bank and Procapital

Monnext provides services in **25 European countries**



“Horizons 2015” strategic plan

Growth trajectory since 2008

**Outstanding
Loans
+ 52 %**

**Outstanding
Savings
+ 87 %**

**General
Insurance
Contracts
+ 88 %**

**Total Assets
+ 59 %**

**Equity
Group share
X 2.2**

**Net Banking
& Insurance
Income
+ 65 %**

Data as at 31/12/2015

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

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