



Half Year Results H1 2016

*Investor
Presentation*

September 2016

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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 2016 have been approved by the Boards of Directors dated 26th August 2016 and have been subject to a limited review.

Contents

- 2016 Half Year Group Results
- Asset Quality
- Solvency & Liquidity
- Funding
- Conclusion
- Appendix



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

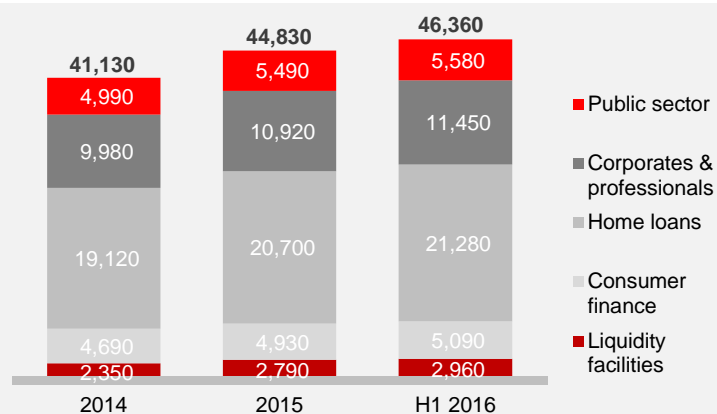
- Net banking & insurance income of €936 M, up 2.3%
- Cost/income ratio of 70.2% (+0.9 pt)
- Significant decrease of the cost of risk, at €26 M (-44.5%)
- Net income of €187 M, increased by 24.4%

A real intrinsic strength

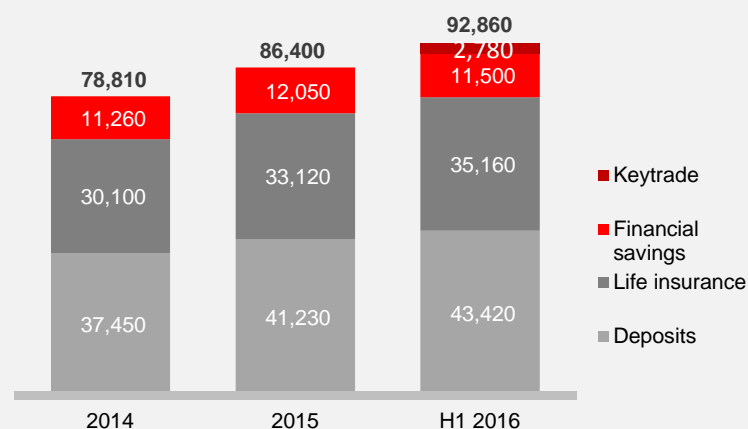
- Loan-to-deposit ratio of 100%
- CET1 ratio of 15.3% (**)
- Leverage ratio of 6.7% (***)
- LCR ratio of 143.7%

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

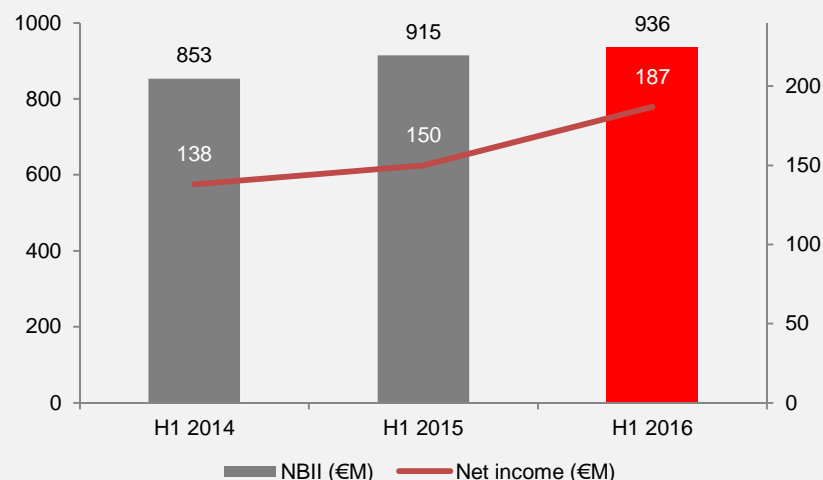
(*) Excluding loan renegotiations

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

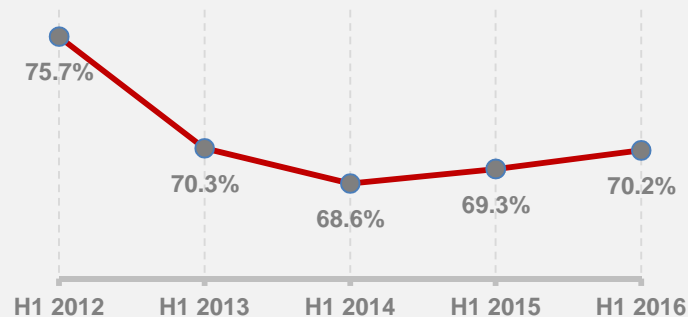
NBII and net income (€M)



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



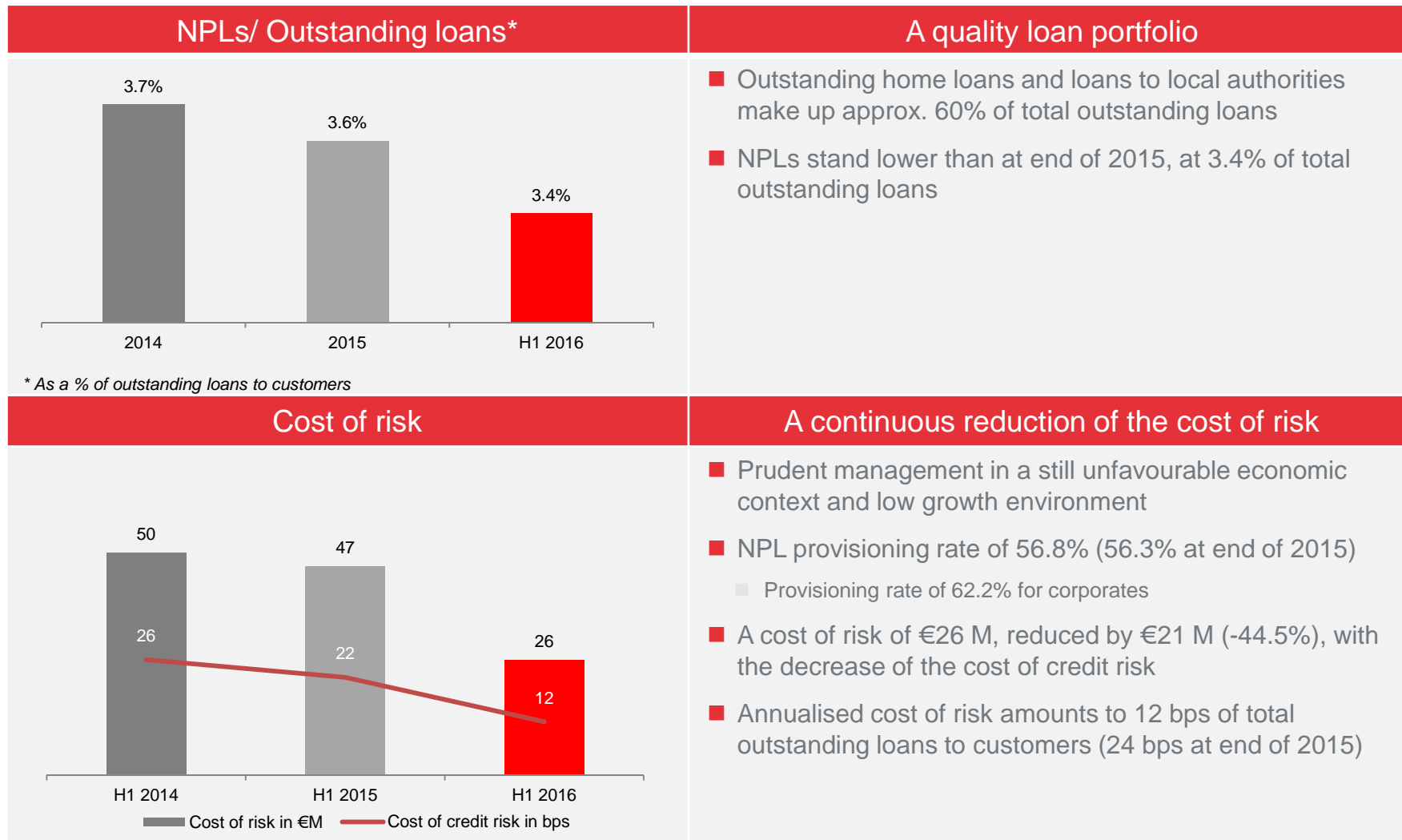
A moderate increase of the cost/income ratio

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



Asset Quality

A sharp decrease of the cost of risk





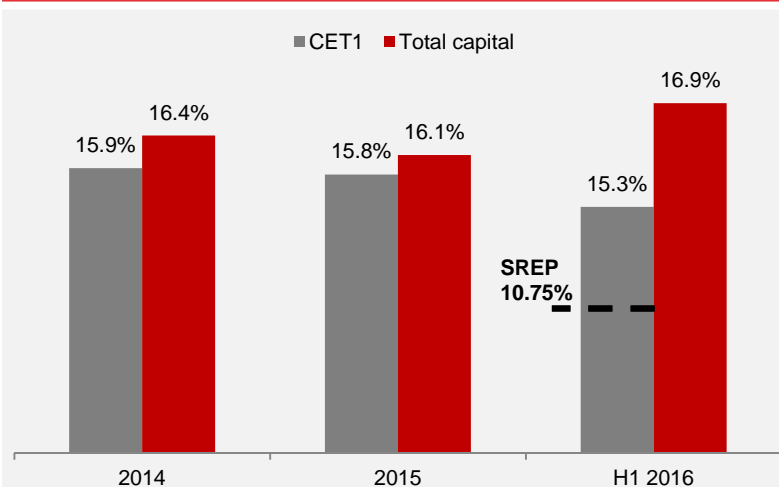
Solvency & Liquidity

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

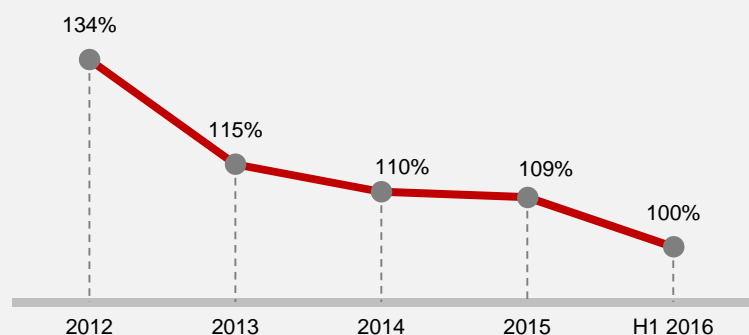
Solvency ratios*



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%)

Loan-to-deposit ratio



A solid balance sheet, high liquidity levels

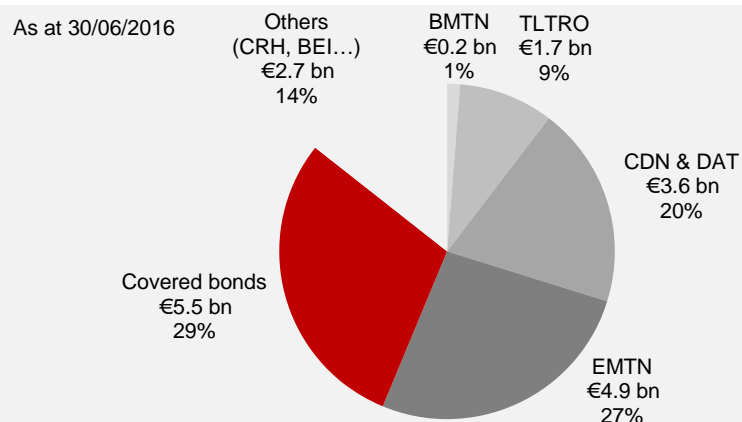
- Loan-to-deposit ratio of 100%, benefiting from the acquisition of Keytrade
 - On a comparable basis, loan-to-deposit ratio of 107%, lower by 2 pts
- Liquidity reserves of €15 bn
- LCR ratio of 143.7%
- Limited market funding needs



Funding

Funding programme

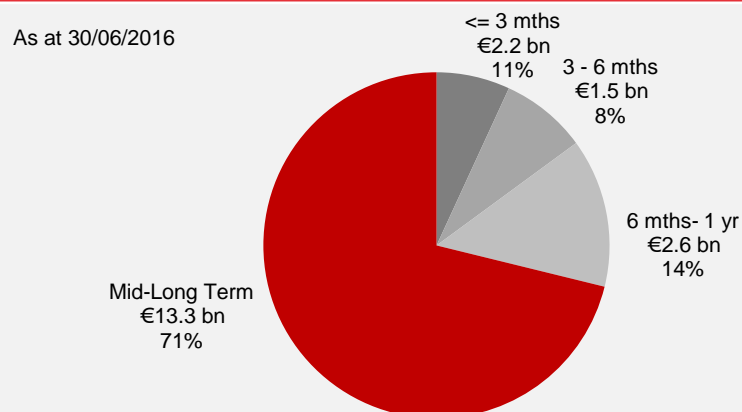
Outstanding issues



Diversification & balance between programmes

- Long term resources favoured, with an average residual maturity of 7 years
- EMTN and covered bond issues make up 56% of outstanding issues
- Outstanding EMTN issues:
 - Senior unsecured debt: €4.0 bn
 - Subordinated debt: €0.9 bn

Residual maturity profile (ST & MLT funds raised)





2016 funding programme

- Public issues:
 - Tier 2 issue in May: €500 M 10Y bullet at MS+270 bps
- Objective to carry out 2 public issues per year, as well as private placements
 - Senior unsecured and/or covered bonds according to funding needs and market conditions
- Participation in the TLTRO 2 for €1.7 bn, given the favourable terms

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: negative■ Senior unsecured short-term debt: A-1



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

- H1 2016 income statement and balance sheet
- Crédit Mutuel Arkéa Group overview
- Covered bond programmes
- Contacts

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>	(606)	(587)	(19)	3,2
<i>Amortisation and depreciation</i>	(51)	(47)	(4)	9,2
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

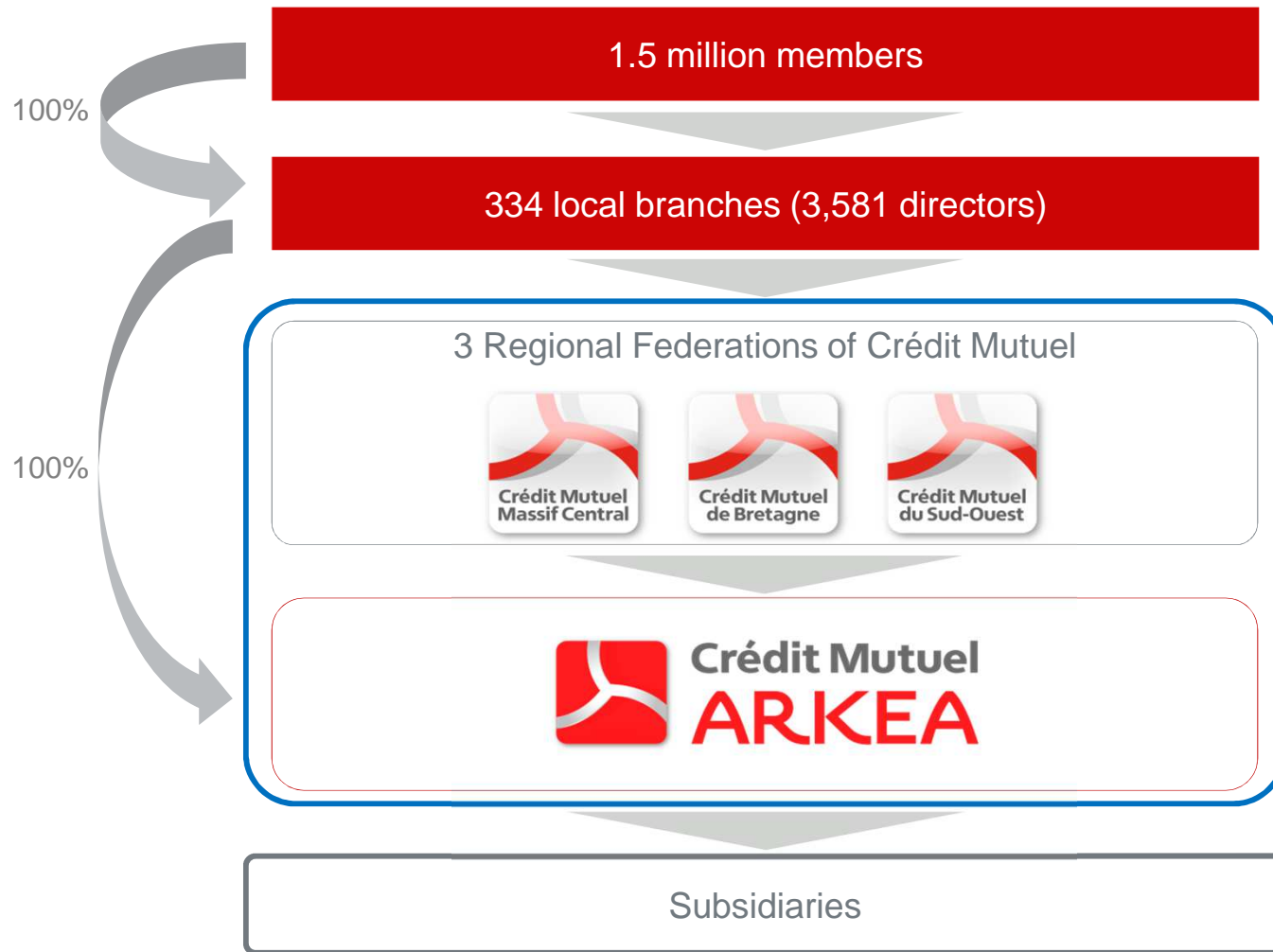


Crédit Mutuel
ARKEA

Crédit Mutuel Arkéa at a glance

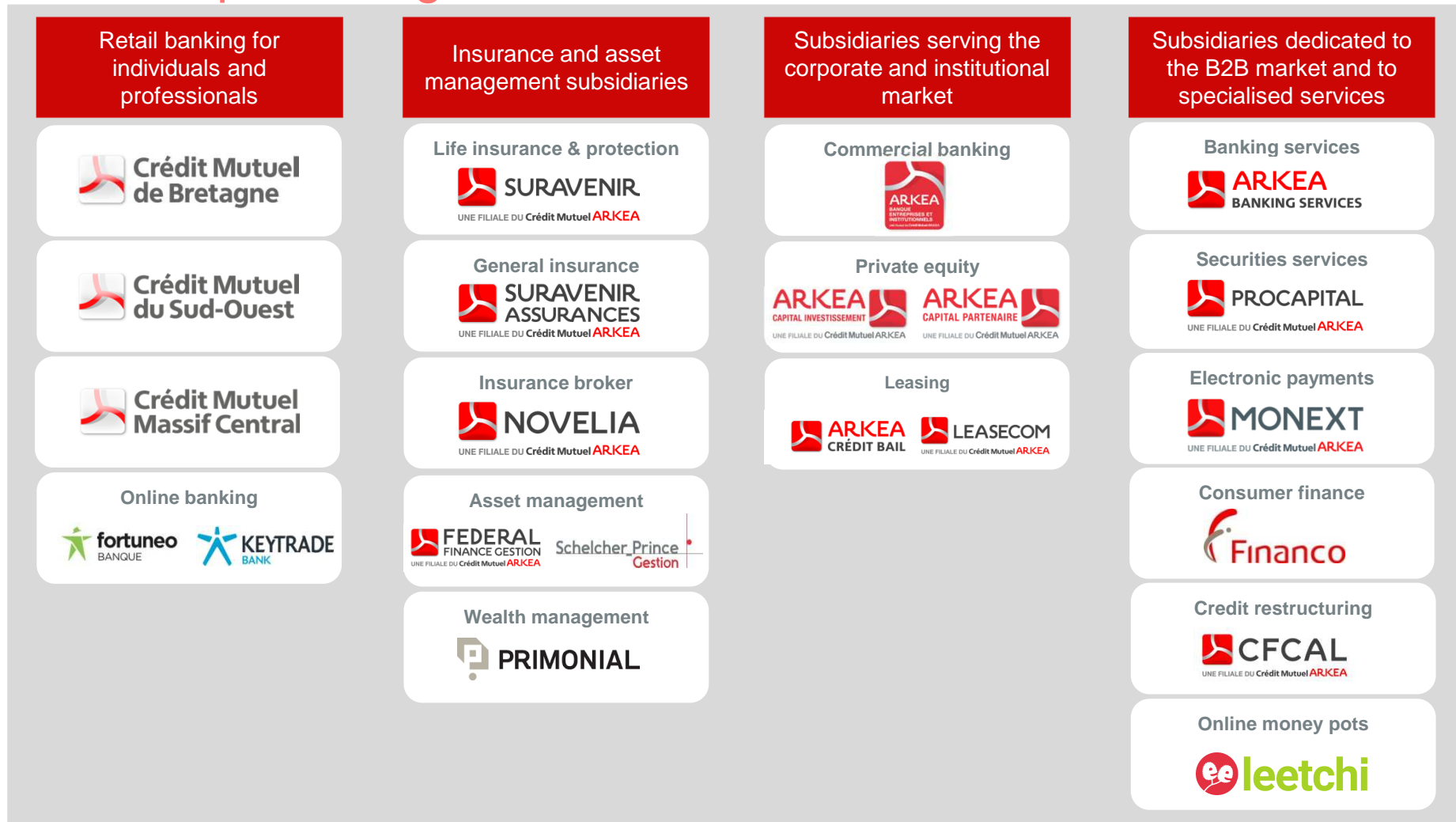
Key figures as at 30 th June 2016	Crédit Mutuel Arkéa's clients
<ul style="list-style-type: none"> ■ 3.9 million customers, 1.5 million members ■ Total assets: €119.2 bn ■ Outstanding loans: €46.4 bn, outstanding savings: €92.9bn ■ Shareholders' equity: €6 bn ■ CET1 ratio ("phased-in"): 15.3%* ■ Estimated 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

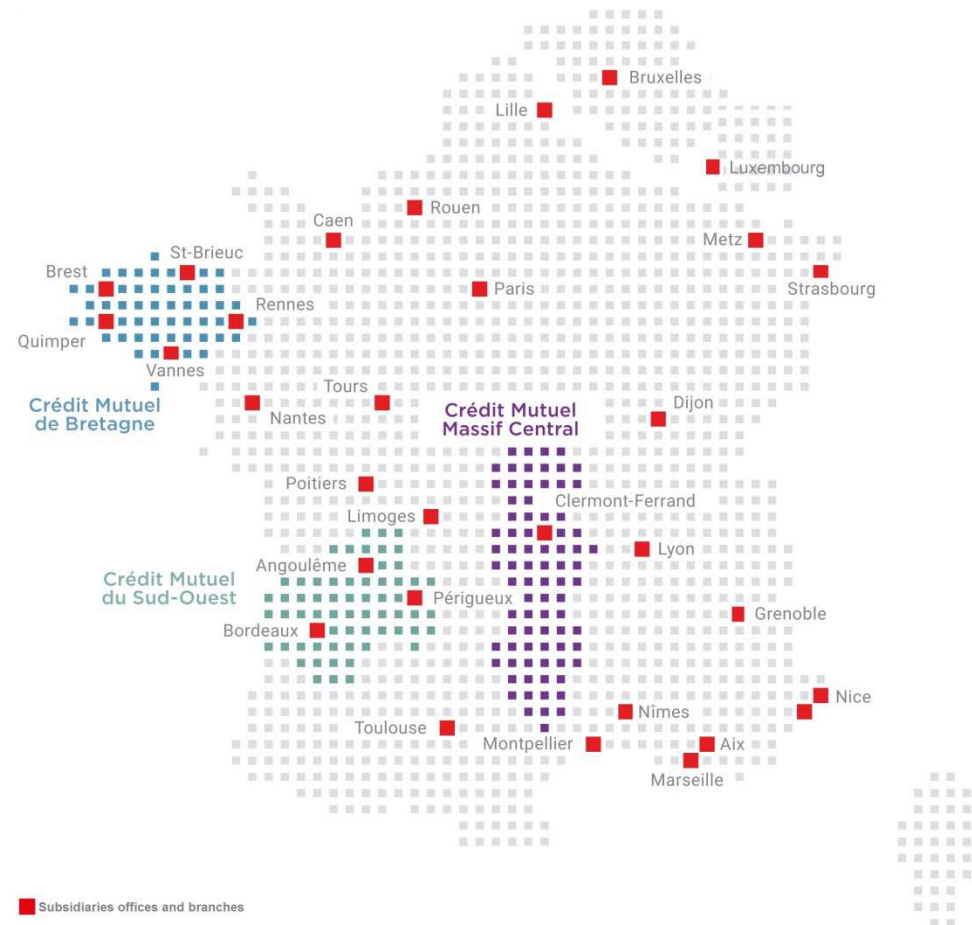
18 regional business centers for Arkéa Banque Entreprises et Institutionnels

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**



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

The digital strategy: Illustrations



On-line Banking	Industrial and financial partnerships with Fintechs
<ul style="list-style-type: none"> ■ Fortuneo <ul style="list-style-type: none"> ■ A leading on-line bank in France, with 365,000 clients and €11.5 bn assets in custody ■ Offers a full range of on-line services including current and savings accounts, life insurance and asset management ■ Acquisition of Keytrade in June 2016 <ul style="list-style-type: none"> ■ #1 on-line bank in Belgium with 200,000 clients ■ Active in Belgium, Luxembourg and in Switzerland ■ Keytrade offers on-line current and savings accounts, life insurance and asset management services 	<ul style="list-style-type: none"> ■ Linxo <ul style="list-style-type: none"> ■ Leading account aggregator in France ■ 900,000 users ■ Included in Fortuneo's services ■ Yomoni <ul style="list-style-type: none"> ■ 100% on-line robot-advisor, with access to low-cost management mandates ■ Life insurance products managed by Suravenir. ■ Younited (ex-Prêt d'union) <ul style="list-style-type: none"> ■ 100% digital consumer finance
Targeted acquisitions	Internal developments
<ul style="list-style-type: none"> ■ Acquisition of 86% of Leetchi Group in 2015 <ul style="list-style-type: none"> ■ Rapid development of on-line money pots, of which Leetchi.com is the leader (5 million clients) ■ Mangopay, a Leetchi Group company, finances market places in Europe, with 900 client platforms in 22 countries 	<ul style="list-style-type: none"> ■ Specific smartphone applications for Crédit Mutuel federations ■ An important innovation in France : the first 100% digital home loan, launched in June 2016

Covered Bond Programmes





Programmes characteristics



	Arkéa Public Sector SCF 	Arkéa Home Loans SFH 
Programme size	€10 bn	€ 10 bn
Rating	AAA (S&P) and Aaa (Moody's)	AAA (S&P)
Maturity of the bonds	Soft bullet (new issues)	Soft bullet (new issues)
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 31/07/2016



	Arkéa Public Sector SCF 	Arkéa Home Loans SFH 
Current size	€ 1,518 M	€ 5,879 M
Over collateralisation	160.3 %	130.0 %
Assets	100% loans to French public sector and social housing agencies originated by Crédit Mutuel Arkéa	100% French prime home loans originated by Crédit Mutuel Arkéa
Geographical breakdown	100 % France (Brittany 22 %, Île-de-France 21 %, Aquitaine 11%, Auvergne-Rhône-Alpes 9 %)	100 % France (Brittany 65 %, Aquitaine 17 %, Île-de-France 6 %, Auvergne-Rhône-Alpes 4 %)
Seasoning	56 months	62 months
Average remaining terms	205 months	143 months
Average Loan Balance	€ 1,676,099	€ 71,189
Average LTV	N/A	Un-indexed : 66 % Indexed : 67 %
Number of Borrowers	906	79,134
Issues outstanding	€ 947 M	€ 4,523 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 group with conservative underwriting procedures, 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
- Crédit Mutuel Arkéa has chosen L'Équité, subsidiary of Generali France (rated "Baa1" by Moody's, "A-" by Fitch and "A" by AM Best)
- The new loan production (excl. mortgages) is guaranteed by CNP Caution, subsidiary of CNP Assurances (rated "A" by S&P)
- To a lesser extent Crédit Mutuel Arkéa also uses Crédit Logement's guarantee (rated "Aa3" by Moody's)

■ Closely monitored and supervised

- Regulation strengthened in 2014
- 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 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

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