



Tier 2 Capital Issuance

*Investor
Presentation*

May 2016

Disclaimer

This material may contain forward-looking statements and comments relating to the objectives and strategy of Crédit Mutuel Arkéa. These forward-looking statements inherently depend on various known and unknown risks, uncertainties and other factors and are based on assumptions, project considerations, objectives and expectations linked to future events.

Although the information has been obtained from and is based upon sources that Crédit Mutuel Arkéa believes to be reliable, no representation is made that the information is accurate or complete. Information relating to parties other than Crédit Mutuel Arkéa or taken from external sources has not been subject to independent verification.

No guarantee can be given that such statements will be realised. Actual results may differ significantly from those anticipated or implied by the forward-looking statements.

Consequently, Crédit Mutuel Arkéa and its affiliates do not accept liability for any loss arising from any use of this material or its contents or otherwise arising in connection with this material or any information or other material discussed.

This material is published solely for information purposes and does not constitute an offer or an invitation by, or on behalf of, Crédit Mutuel Arkéa to buy or sell any securities or related financial instruments (hereinafter “Instrument”) or to participate in any particular trading strategy.

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

Any purchase of Instruments should be made only after a prospective investor had completed its own independent investigation of the Instrument or trading strategy and received all information it required to make its own investment decision, including, where applicable, a review of any prospectus, prospectus supplement or memorandum describing such Instrument or trading strategy. That information would supersede this material and contain information not contained herein and to which prospective investors are referred. Prospective investors should pay particular attention to the risk factors described in those documents.

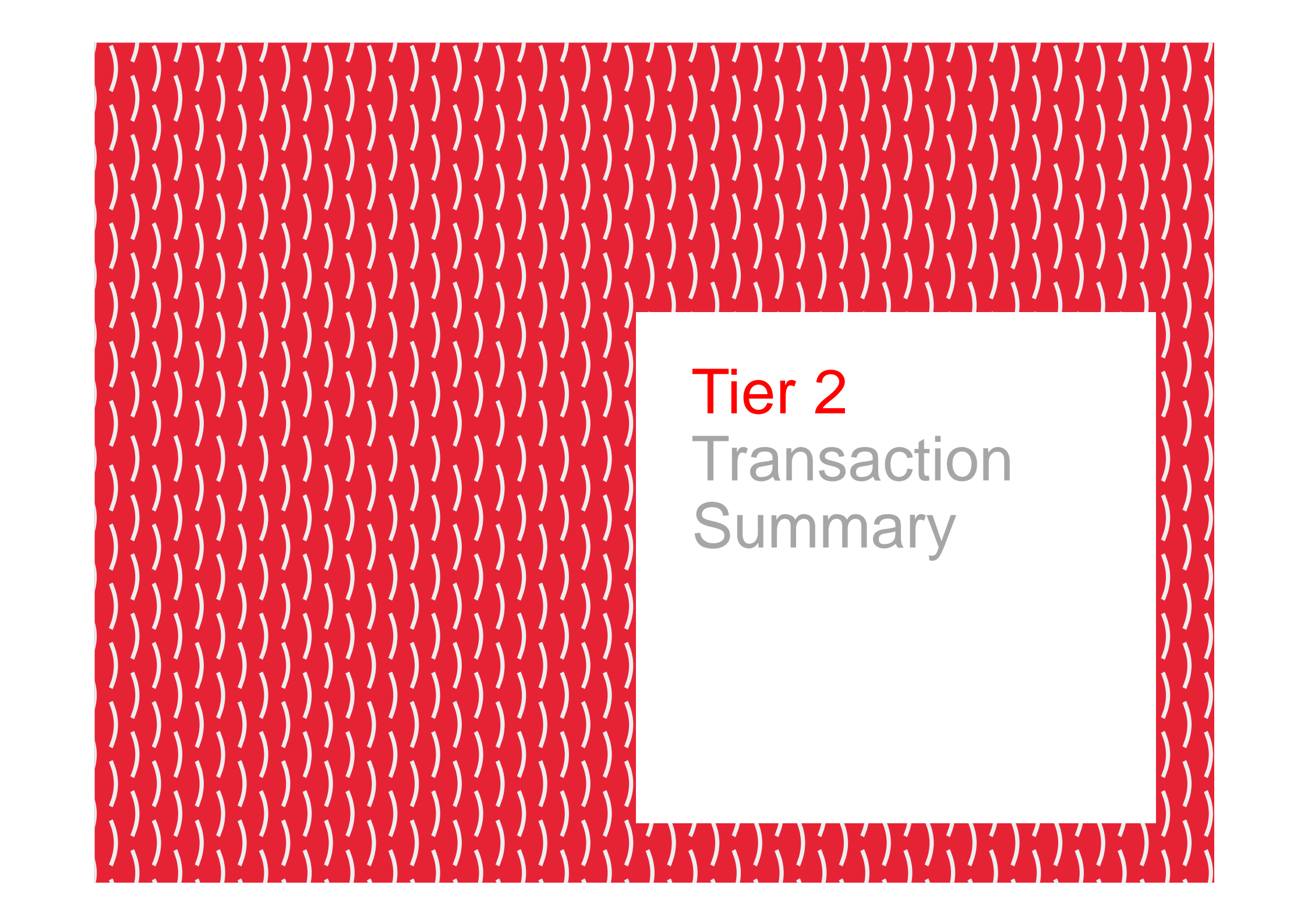
The purchase of the Instruments involves substantial risks and is suitable only for sophisticated investors who have knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Instruments. This document is intended for market professionals and institutional investors only.

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 2015 have been approved by the Boards of Directors dated 26 February 2016 and have been audited.

Contents

- Tier 2 Transaction Summary
- Crédit Mutuel Arkéa Group Overview
- 2015 Annual Group Results
- Asset Quality
- Solvency & Liquidity
- Funding
- Appendix



Tier 2

Transaction Summary

Tier 2 Transaction Summary

Offering

- CRD IV-compliant dated Tier 2 capital securities
- 10-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

- Capital optimisation: increase total capital levels by issuing new subordinated debt (existing Tier 2 notes will be redeemed in 2018 and are less efficient because of regulatory capital amortisation over the last 5 years to maturity)
- Protection of senior unsecured bondholders: convergence towards a MREL ratio of 8% excluding senior unsecured debt

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

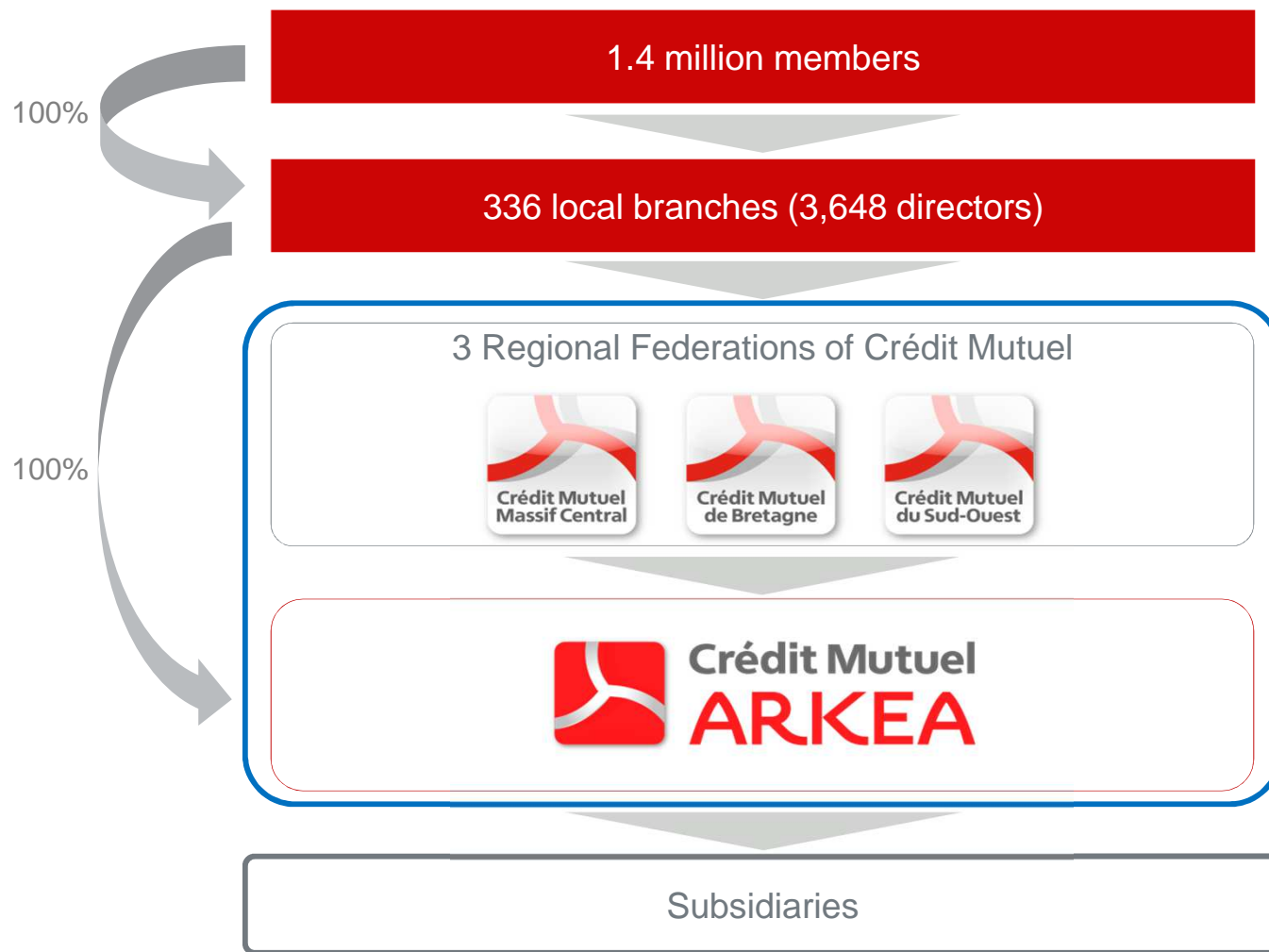


Crédit Mutuel
ARKEA

Crédit Mutuel Arkéa at a glance

Key figures as at 31 st December 2015	Crédit Mutuel Arkéa's clients
<ul style="list-style-type: none">■ 3.6 million customers, 1.4 million members■ Total assets: €110.1 bn■ Outstanding loans: €44.8 bn, outstanding savings: €86.4bn■ Shareholders' equity: €5.8 bn■ Estimated fully loaded CET1 ratio: 15.6%■ Estimated leverage ratio: 6.9%*	<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

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

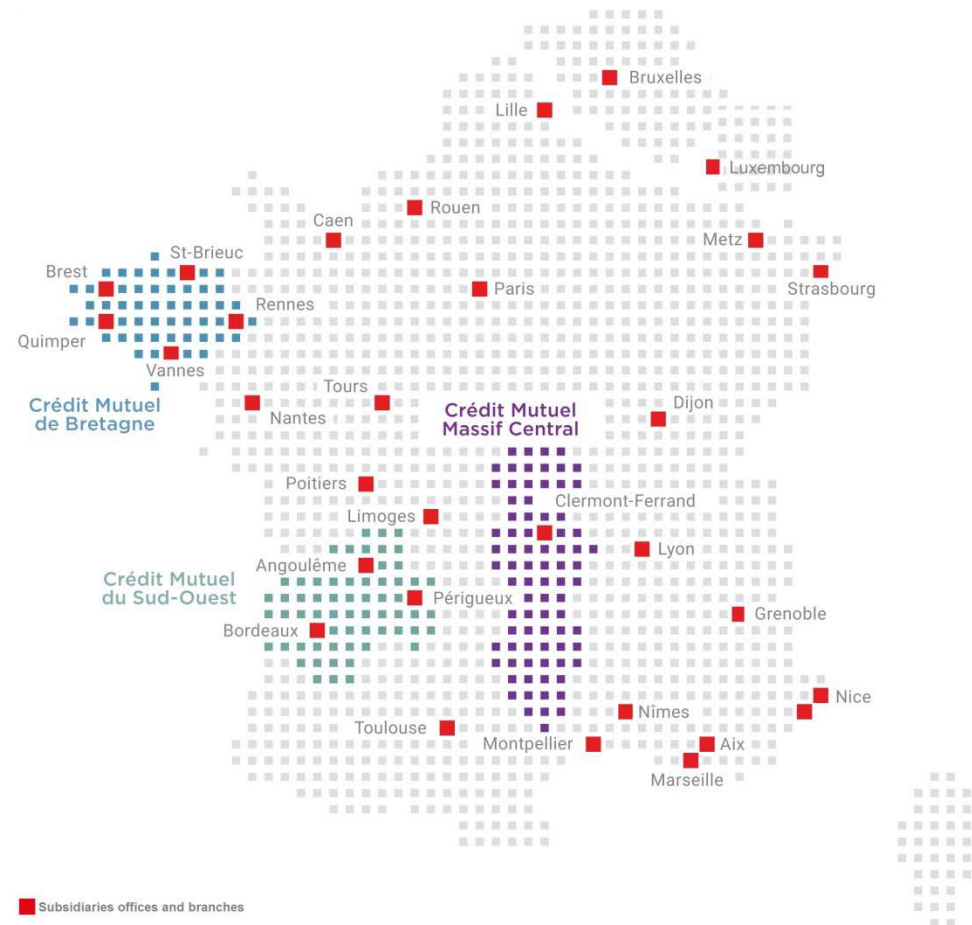
19 regional business centers for Arkéa Banque Entreprises et Institutionnels

9 regional branches for Leasecom

15 branches for Financo

A presence in Belgium with Fortuneo Banque and Procapital Securities Services

Monext provides services in **26 European countries**





2015

Annual Group
Results

2015: a year of reference

Performances confirming the solidity of Crédit Mutuel Arkéa

A sustained commercial development

- Client portfolio growing by 4%
- Outstanding loans increased by €3.7 bn (+9%)
- Outstanding savings higher by €7.6 bn (+10%)

A strong growth of the financial results

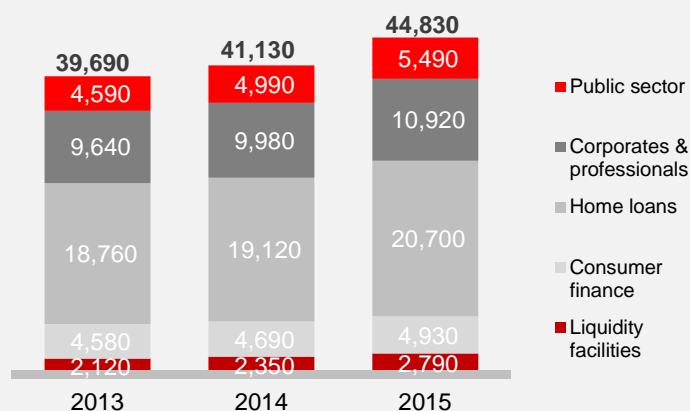
- Net banking & insurance income of €1,780 M, up 3.3%
- Cost/income ratio of 69.4% (+0.2 pt)
- Cost of risk down by 7.2% at €108 M
- Historic net income of €296 M, increased by 10%

A real intrinsic strength

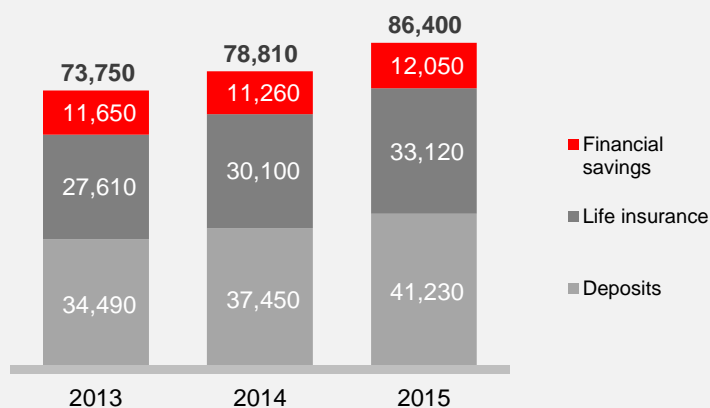
- Loan-to-deposit ratio of 109%
- Estimated fully loaded CET1 ratio of 15.6%
- Leverage ratio of 6.9% (*)
- LCR ratio of 117%

A sustained commercial development

Gross outstanding loans (€M)



Outstanding savings (€M)



A strong growth in new lending and in savings inflows

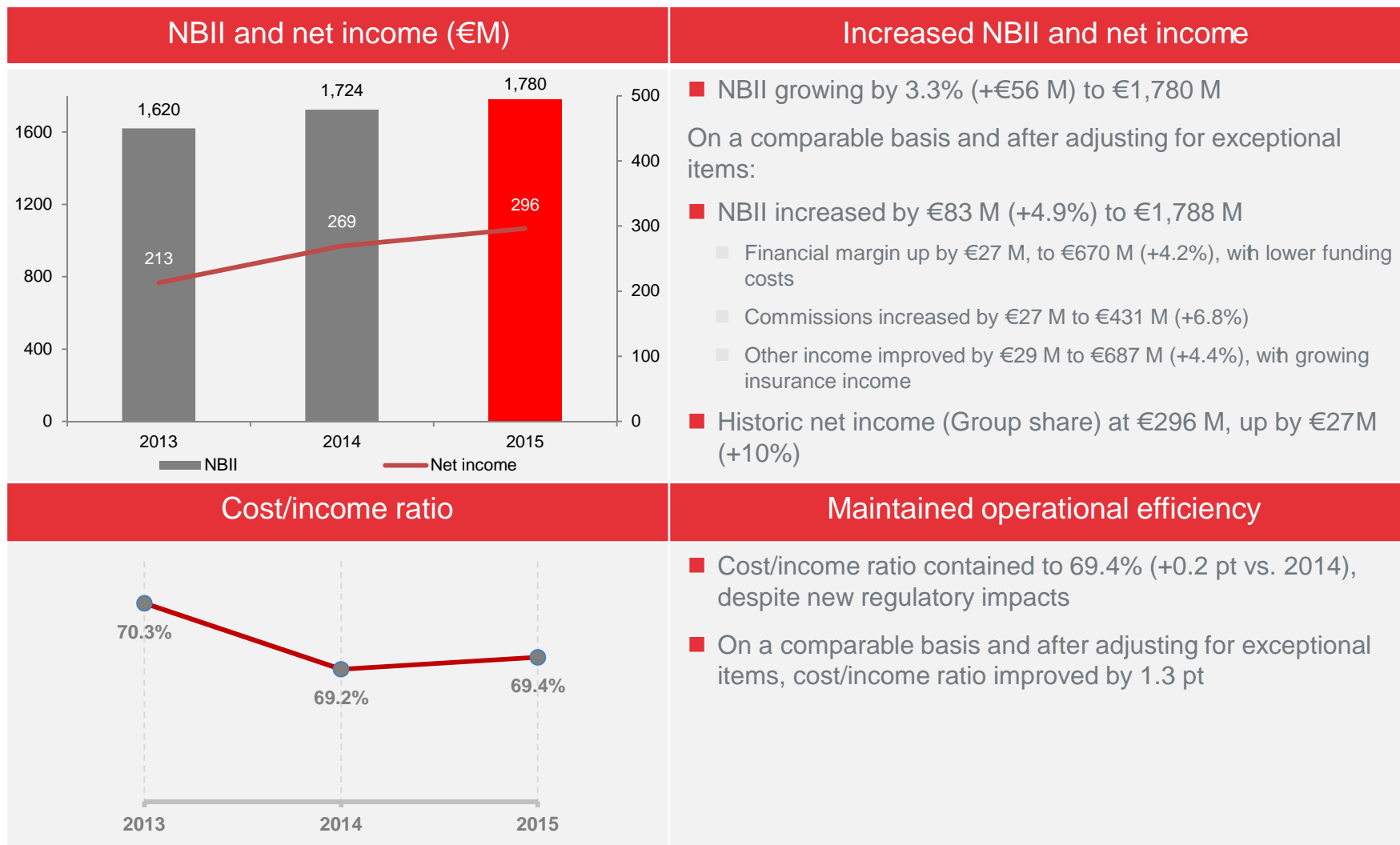
- A client portfolio growing by 4%, to more than 3.6 M
- Outstanding loans increased by 9%, at €44.8 bn
- A loan production* of €12.2 bn (+44%)
 - €5.7 bn of new home loans, up by 89%
 - €4.7 bn of new loans to professionals, corporates and public sector, increased by 23%
 - A 12%-growth of the consumer finance loan production, at €1.8 bn
- Outstanding savings growing by 10% to €86.4 bn
- Net savings inflows of €5.1 bn, increased by 19%
 - A 32%-growth in life insurance savings, with net inflows of €2.3 bn
- More than 374,000 new contracts (+7%) in general insurance and individual protection
 - External networks contribute towards 31% of new business
 - A portfolio growing by 4% to 1.95 M contracts

(*) Excluding loan renegotiations

Income statement

€M	2015	2014	% Var.
Net banking & insurance income (NBII)	1,780	1,724	+ 3.3 %
Operating expenses	1,235	1,193	+ 3.6 %
Gross operating income	545	531	+ 2.5 %
Cost of risk	108	116	- 7.2 %
Net operating income	437	415	+ 5.3 %
Net income Group share	296	269	+ 10.0 %

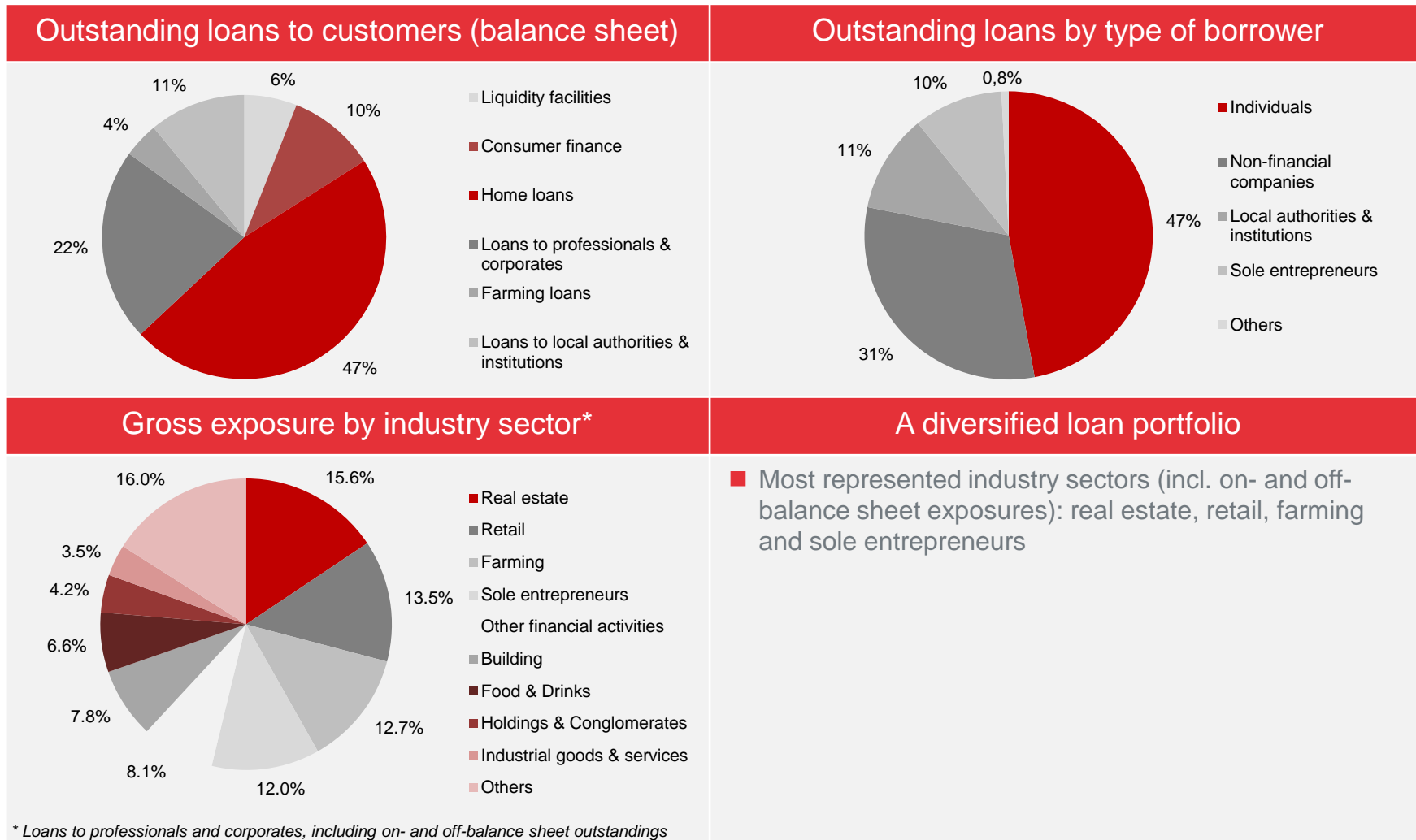
A strong growth of the financial results





Asset Quality

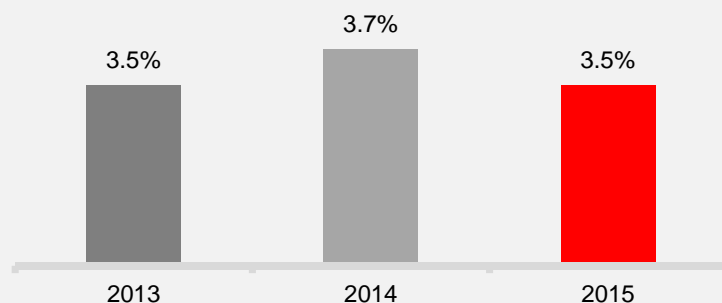
A loan book with a limited risk profile



* Loans to professionals and corporates, including on- and off-balance sheet outstandings

A lower cost of risk

NPLs/ Outstanding loans*

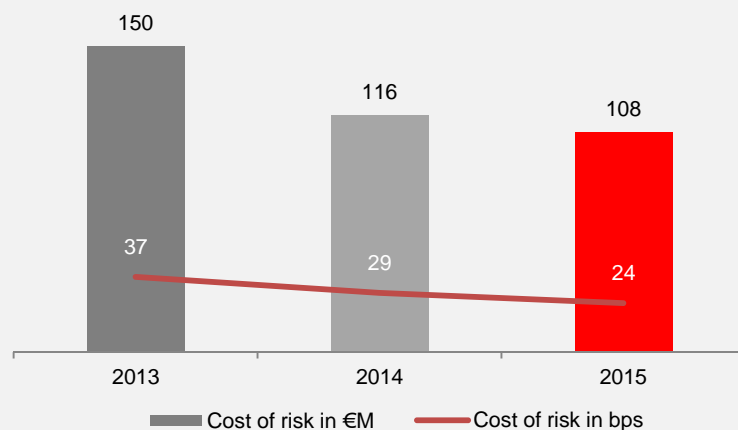


* As a % of outstanding loans to customers

A quality loan portfolio

- Home loans and loans to local authorities make up approx. 60% of total outstanding loans
- NPLs stand lower than at end of 2014, at 3.5% of total outstanding loans

Cost of risk



■ Cost of risk in €M — Cost of risk in bps

A prudent approach, a controlled cost of risk

- Prudent management in a context of weak economic growth
- NPL provisioning rate of 56.3% (57.4% at end of 2014)
 - Provisioning rate of 59.4% for corporates
- A cost of risk of €108 M, reduced by €8 M (-7.2%), with the decrease of the cost of credit risk
- Annualised cost of risk amounts to 24 bps of total outstanding loans to customers (29 bps at end of 2014)

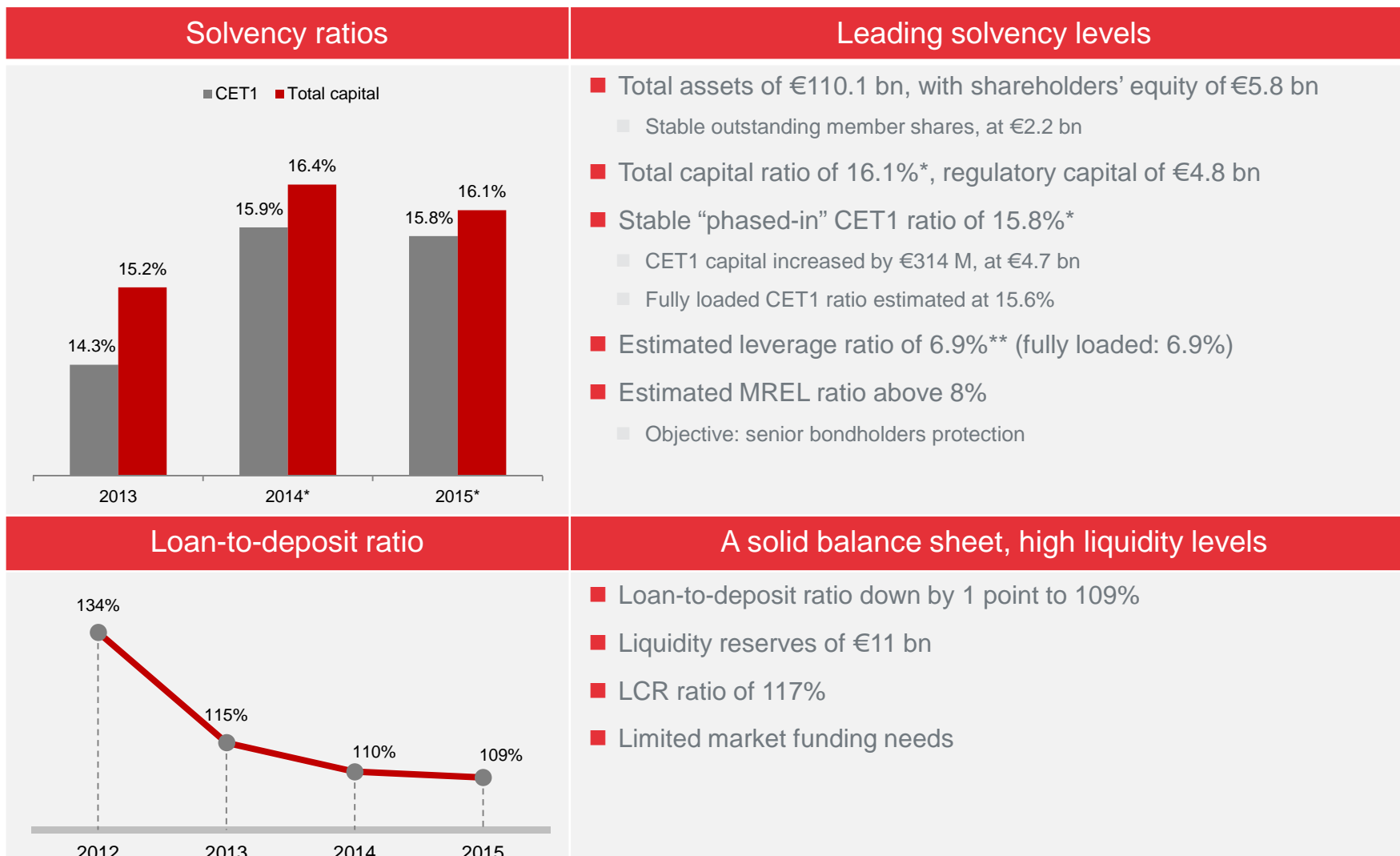


Solvency & Liquidity

Risk weighted assets

			Risk weighted assets & Total capital requirements	
RWAs (€bn)	31/12/2015	31/12/2014	<ul style="list-style-type: none"> ■ RWAs of €29.6 bn at the end of 2015 (+7%) ■ 93% of RWAs relate to credit risk exposures ■ Total capital requirements of €2.4 bn at the end of 2015, increased by €163 M since end of 2014 	
Credit risk	27.6	25.6		
Market risk	0.1	0.1		
Operational risk	1.8	1.9		
	29.6	27.6		

A real intrinsic strength

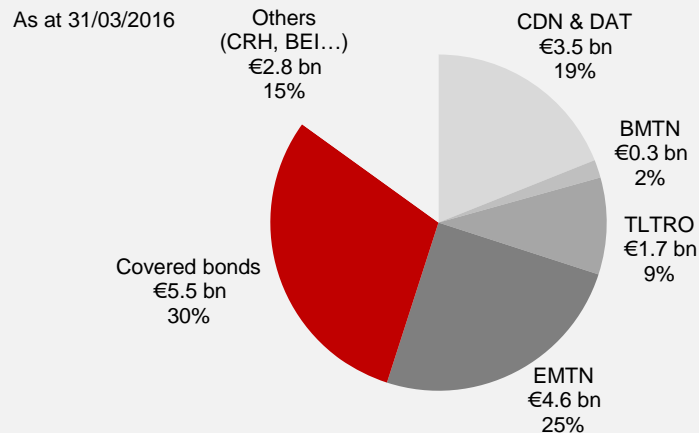




Funding

Funding programme

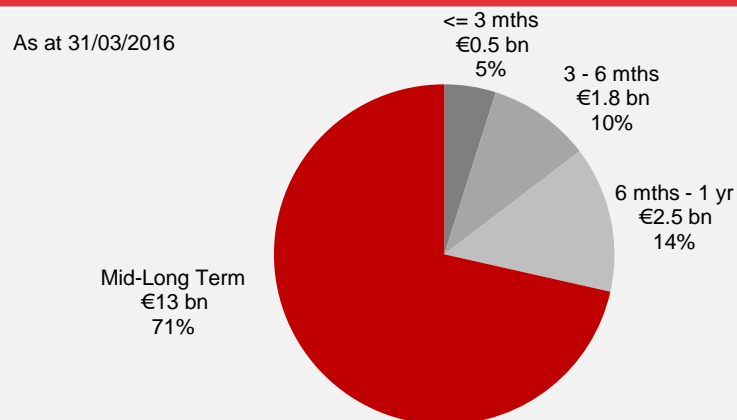
Outstanding issues



Diversification & balance between programmes

- Long term resources favoured, with an average residual maturity of 6.8 years
- EMTN and covered bonds make up 55% of outstanding issues
- Outstanding subordinated debt:
 - €300 M 6.75% 10Y Tier 2 to be redeemed 18/09/2018

Residual maturity profile (ST & MLT funds raised)





2015 funding events and 2016 programme

- Public issues:
 - 01/15: €500 M 8Y senior unsecured at MS+55 bps
 - 09/15: €500 M 7Y covered bond (SFH) at MS+1 bp
- Participation in the TLTROs, given the favourable terms
 - €800 M in 2015 (€900 M in 2014)
- Intention to carry out approx. 2 public issues per year, as well as private placements
 - Senior unsecured and/or covered bonds according to funding needs
 - Subordinated debt depending on market conditions

Ratings

Quality ratings illustrating Crédit Mutuel Arkéa's solidity

	Ratings
	<ul style="list-style-type: none">■ Long-term deposit: Aa3■ Outlook: stable■ 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

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. A large, white, L-shaped area is positioned on the right side of the slide, containing the word "Conclusion".

Conclusion

2015

High level performances for Crédit Mutuel Arkéa

- A sustained commercial development
- Net income growth driven by an increase in revenues
- A solid financial structure, with leading solvency and liquidity levels
- ➔ A strong development model

“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

Appendix

- Tier 2 transaction indicative terms
- Income statement for the year ended 31st December 2015
- Consolidated balance sheet as at 31st December 2015
- Contacts

Appendix > Tier 2 Transaction Indicative terms

Issuer	Crédit Mutuel Arkéa
Issuer Rating	Aa3/Stable (Moody's) ; A/Negative (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
Enforcement	No events of default under the Notes
Principal Amount	EUR Benchmark
Issue Date	[●] [May] [2016]
Maturity Date	[●] [May] [2026]
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	[●] [May] in each year from (and including) [●] [May] [2017]
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 year ended 31st December 2015

€M	2015 IFRS	2014 IFRS	Variation	%
Net Banking & Insurance Income	1,780	1,724	56	3.3
Operating expenses	(1,235)	(1,193)	(43)	3.6
<i>General operating expenses</i>	<i>(1,137)</i>	<i>(1,098)</i>	<i>(39)</i>	<i>3.5</i>
<i>Amortisation and depreciation</i>	<i>(99)</i>	<i>(94)</i>	<i>(4)</i>	<i>4.3</i>
Gross operating income	545	531	13	2.5
Provisions for risks	(108)	(116)	8	(7.2)
Operating income	437	415	22	5.3
Shares of earnings of companies carried under equity method and income/loss on others assets	7	4	3	85.0
Pre-Tax income	443	418	25	5.9
Income tax	(147)	(147)	1	(0.4)
Net income	296	271	25	9.3
Minority interest	-	(2)	2	(90.6)
Net income – Group share	296	269	27	10.0

Consolidated Group balance sheet as at 31st December 2015

Assets (€M)	31/12/2015 IFRS	31/12/2014 IFRS	Liabilities (M€)	31/12/2015 IFRS	31/12/2014 IFRS
Cash, due from central banks	2,113	1 340	Liabilities at fair value	1 094	1 406
Financial assets at fair value	15,830	12 943	Due to banks	6 456	5 056
Financial assets available for sale	36,268	36 334	Customer accounts	41 451	37 611
Due from banks	7,040	7 364	Debt securities in issue	13 780	15 194
Loans and advances to customers	44,368	40 749	Accruals, deferred income and sundry liabilities	3 593	3 919
Held-to-maturity financial assets	152	210	Insurance companies technical reserves	37 213	33 806
Accruals, prepayments and sundry assets	2,740	2 756	Provisions for contingencies and charges	366	361
Investment property	1,152	1 084	Subordinated debt	382	382
Goodwil	449	423	Shareholders' equity	5 774	5 463
			Share capital and reserves	2 203	2 217
			Consolidated reserves	2 981	2 753
			Unrealised or deferred gains or losses	294	224
			Net income	296	269
			Minority interest	3	6
Total Assets	110 112	103 204	Total Liabilities	110 112	103 204

Your contacts

Jean-Pierre Gulessian

Head of Capital Markets

jean-pierre.gulessian@arkea.com

+33 1 56 69 76 87

Matthieu Baudson

Treasury & Funding

matthieu.baudson@arkea.com

+33 2 98 00 31 86

Erwan Marrec

Structuring & Derivatives

erwan.marrec@arkea.com

+33 2 98 00 32 27

Christophe Aubery

Corporates & Institutions Sales

christophe.aubery@arkea.com

+33 1 53 00 36 54

Laurent Gestin

Investor Relations

laurent.gestin@arkea.com

+33 2 98 00 42 45

www.arkea.com