



2014 Annual Group Results

Investor Presentation

April 2015

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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.

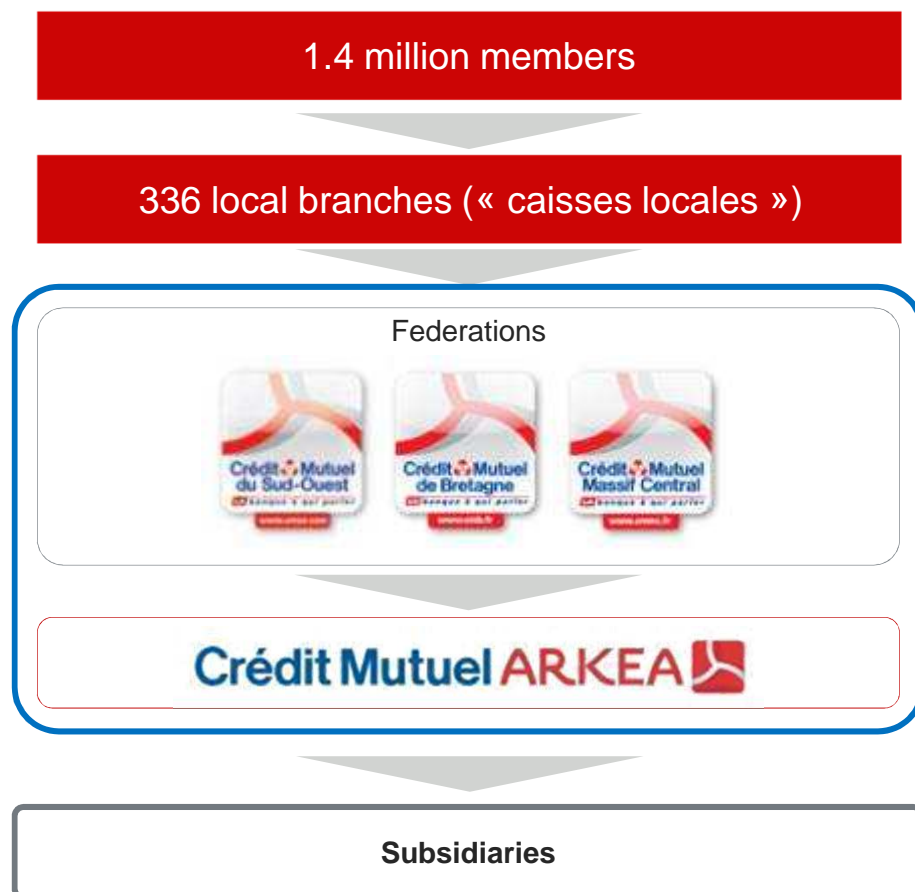
The purchase of the Instruments involves substantial risks and is suitable only for sophisticated investors who have knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Instruments. This document is intended 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 2014 have been approved by the Boards of Directors dated 27 February 2015 and have been audited.

Crédit Mutuel
ARKEA 

Crédit Mutuel Arkéa : the governance of a cooperative group



1.4 M members
the group's voting body

3,650 directors
1st level of governance

336 local branches

3 regional federations

18 directors on the
Board of Directors of CM Arkéa

A complete range of solutions for the benefits of customers



Subsidiaries providing banking and insurance services

Life insurance & protection



General insurance



Asset Management



Real estate investments



Retail banking for individuals and professionals

Regional branch networks



Online banking



Consumer finance



Credit repurchasing



Subsidiaries serving the corporate and institutional market

Commercial bank



Private equity



Leasing



Subsidiaries serving the B2B market

Banking services



Securities services



Electronic payments



Regional foundations, national reach

A network of

480 points of sale,

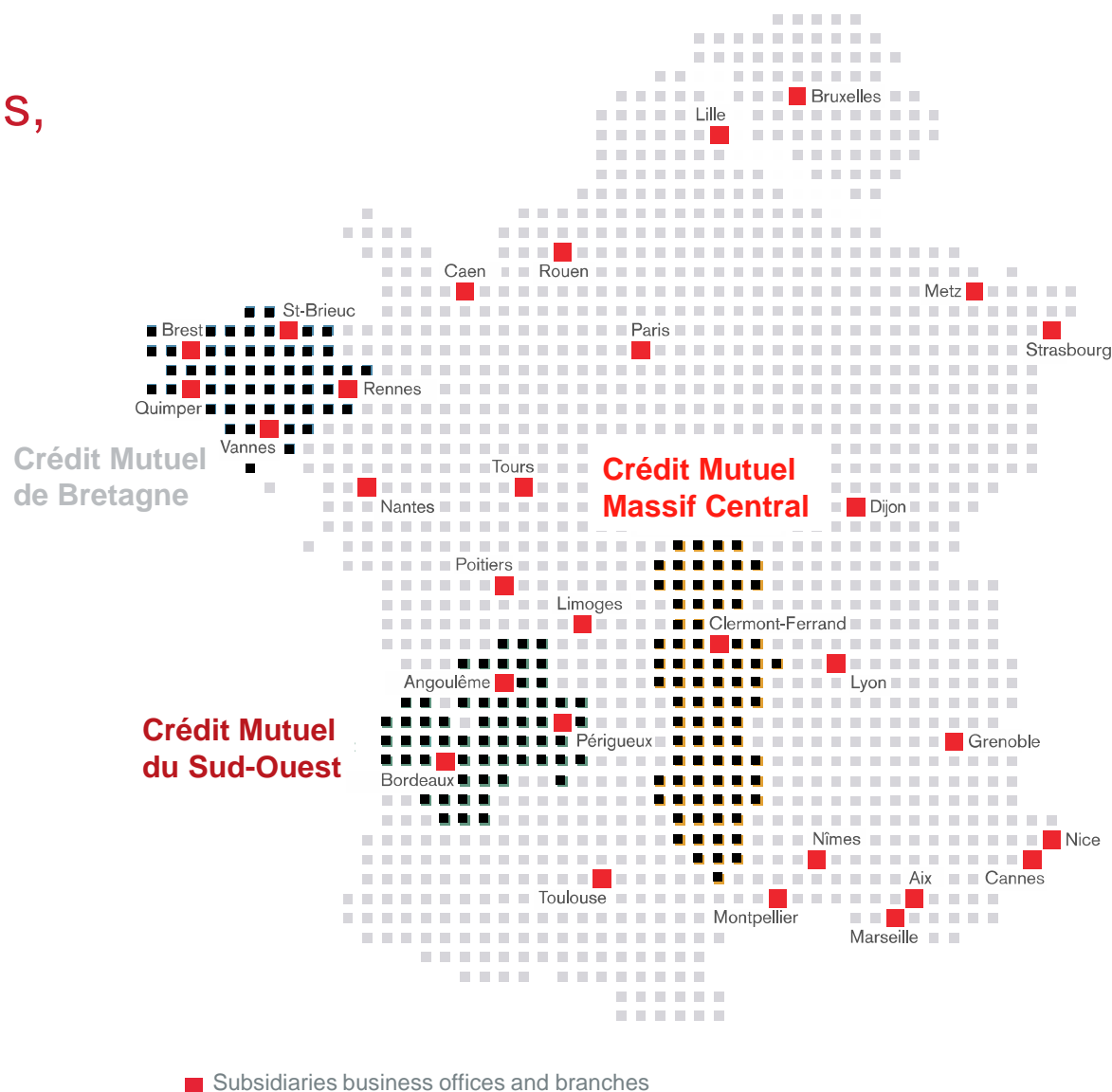
incl. 336 local branches,
in Brittany, the South-West
and Massif Central

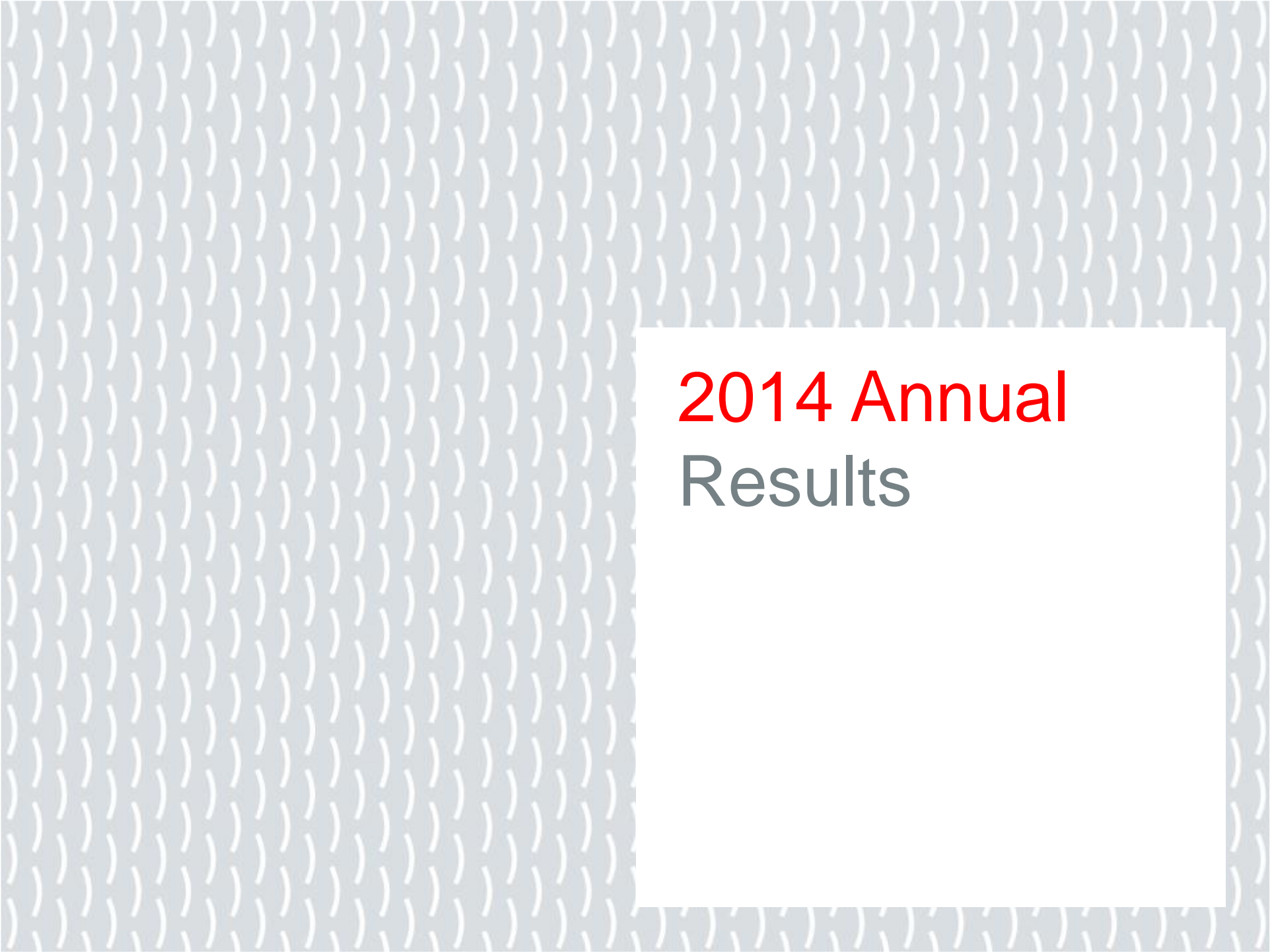
**19 regional
business centers**

for Arkéa Banque Entreprises
& Institutionnels.

**A presence
in Belgium**

with Fortuneo Banque
and Procapital Securities Services





2014 Annual Results

2014

Significantly growing results and strong fundamentals in a still challenging economic environment

A sustained commercial activity

- Portfolio of 3.56 M customers (+1.9% vs. 2013)
- €41.1 bn outstanding loans (+3.6%)
- €78.8 bn outstanding savings (+7%)

Growing revenues, strongly increased results

- NBII: €1,724 M (+6.4%), Net income: €269 M (+27%)
- Cost/Income ratio at 69.2%, down 1.1 pt
- Cost of risk down by 22% at €116 M

A solid balance sheet, high solvency and liquidity levels

- Gross loan-to-deposit ratio at 110%, down 5.2 pts
- CET1 ratio of 15.9%*
- Leverage ratio of 7.1%**
- LCR of 122%

Crédit Mutuel Arkéa Group, banking & insurance entrepreneur

(*) In compliance with Basel 3 standards (CRD 4)

(**) Calculated according to the delegated act of the European Commission

2014

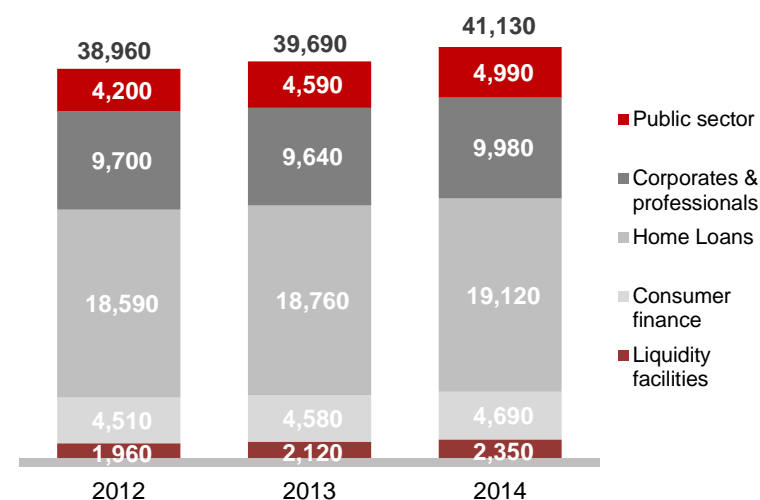
Significantly growing results

€M	2014	2013	% Var.
Net Banking & Insurance Income (NBII)	1,724	1,620	+ 6.4 %
Operating expenses	1,193	1,139	+ 4.7 %
Gross Operating Income	531	481	+ 10.4 %
Cost of risk	116	150	- 22.3 %
Net Operating Income	415	331	+ 25.3 %
Net Income	269	213	+ 26.6 %

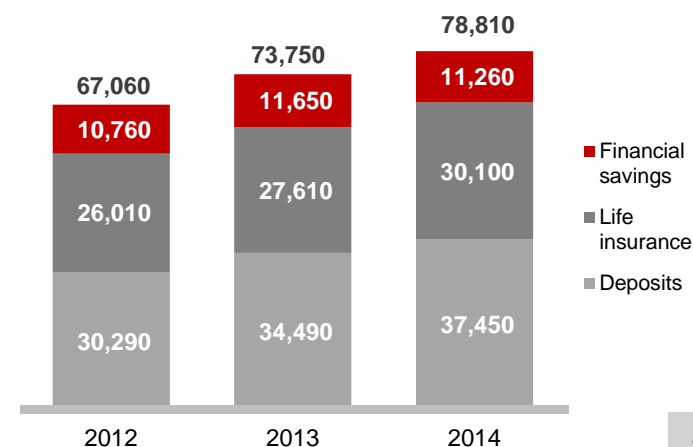
A sustained commercial activity

- Client portfolio increased by 1.9%, at 3.56 M
- Outstanding loans increased by 3.6%, at €41.1 bn
 - A loan production of €8.4 bn, increased by 10%
 - New lendings of €3.8 bn to corporates, professionals and local authorities; €3 bn of new home loans
- Outstanding savings up 7%, at €78.8 bn
 - Total net savings inflows of €4.3 bn, after a record year in 2013 (€5.8 bn)
 - Life insurance savings inflows of €1.7 bn (+71%)
 - Outstanding deposits increased by 8.6% at €37.5 bn
- A 5%-growth of the general insurance and individual protection portfolio
 - More than 350,000 new contracts in 2014, with networks external to the Group contributing 30% of new business
 - 1.9 million contracts in stock

Outstanding loans (€M)



Outstanding savings (€M)



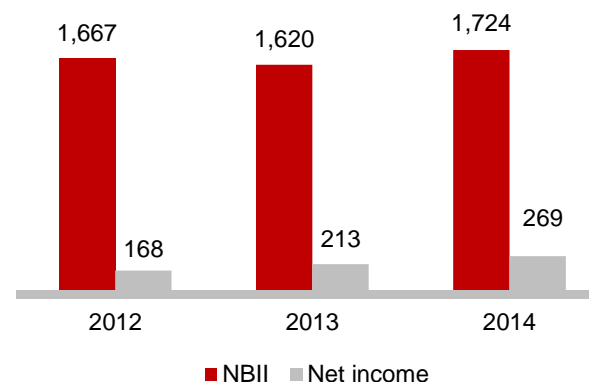
Growing revenues, strongly increased results

- Net Banking & Insurance Income at record level, up 6.4% at €1,724 M (+€104 M)

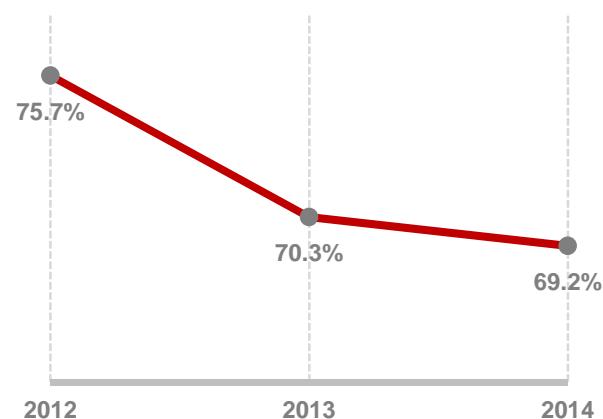
On a comparable basis and after adjusting for exceptional items :

- NBII increasing by €100 M (+6.3%) at €1,704 M
 - A €44 M (+7.3%) improvement of the financial margin, at €642 M, with lower market funding costs
 - A €50 M (+10.4%) increase of insurance income, at €532 M
 - Stable commissions of €404 M (-0.4%)
- A cost/income ratio improved by 1.1 point at 69.2%
 - Net Banking & Insurance Income (+6.4%) growing faster than operating costs (+4.7%)
 - An improvement of the cost/income ratio confirming the dynamics initiated in 2012 (operational efficiency improvement plan)
 - A reduction of 6.5 points within 2 years
 - A significantly increased net income, at €269 M
 - A €57 M (+26.6%) growth
 - A 60% increase of net income within 2 years

Net Banking & Interest Income (€M)

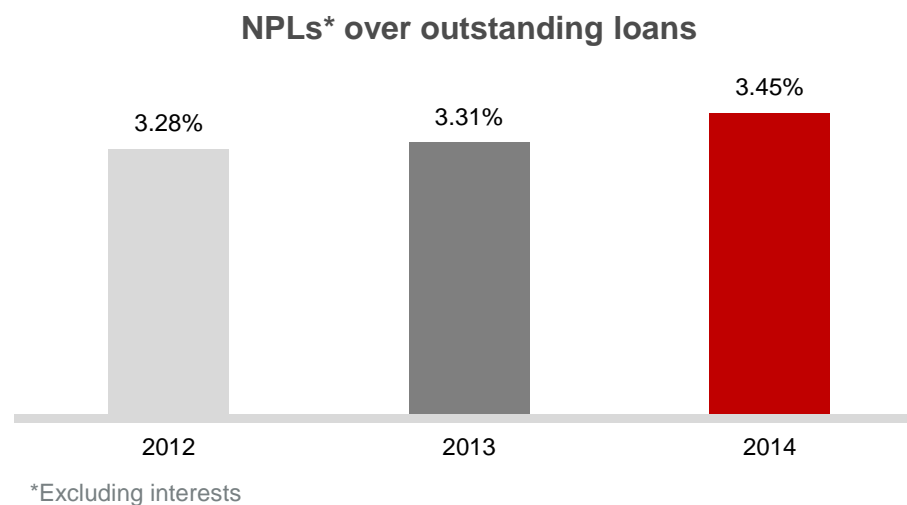


Cost/Income ratio (%)



A significant reduction of the cost of risk

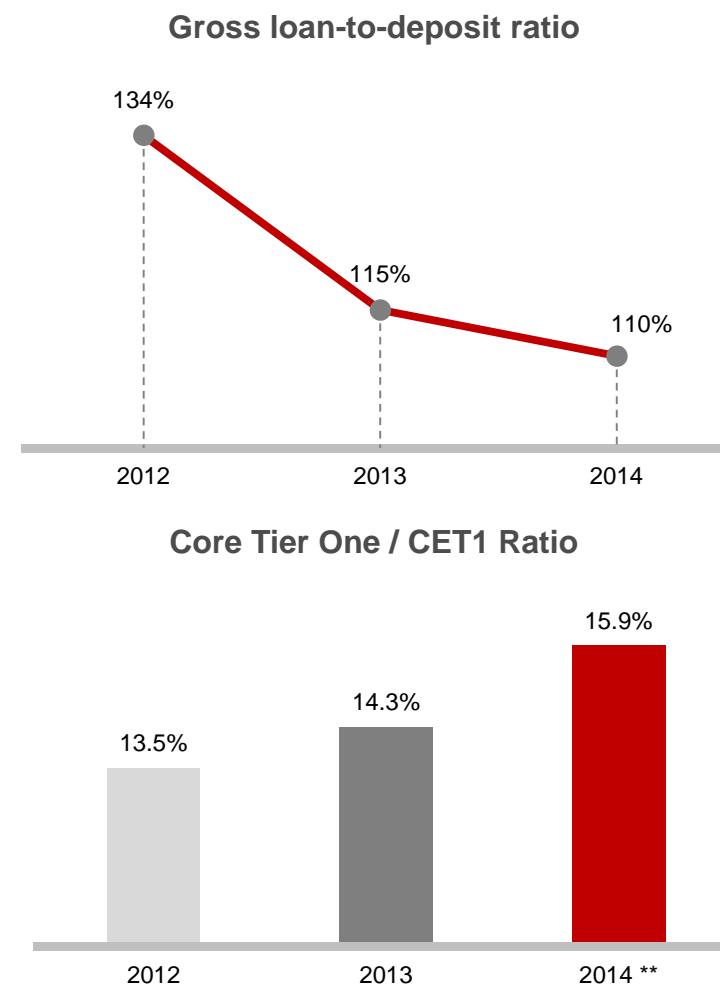
- A cost of risk decreased by €33 M (-22.3%) to €116M, after high levels recorded in 2013
 - Prudent risk management policies maintained
 - Annualised cost of risk amounts to 29 bps of total outstanding loans (vs. 37 bps in 2013)
 - A global provisioning rate of 53.3% (54.3% in 2013), with a provisioning rate of 60% for corporates and professionals (60.2% in 2013)
- A client portfolio of quality
 - Non Performing Loans (NPLs) levels are slightly higher but amount to only 3.45% of total outstanding loans



A solid balance sheet, high solvency and liquidity levels

- A reduced gross loan-to-deposit ratio of 110% (107% with net loans)
 - Down by 5.2 points from 2013 and by 24 points since 2012
- An improved total balance sheet of €103.2 bn (+€9.2bn)
 - Shareholders' equity of €5.5 bn (+€0.4 bn)
 - Outstanding member shares up 3.7% at €2.2 bn
- A CET1 ratio of 15.9% (Basel 3, CRD 4)
 - "Fully loaded" CET1 ratio estimated to be at the same level
- A leverage ratio of 7.1% as at 31 December 2014*
- A Liquidity Coverage Ratio of 122% as at 31 December 2014

(*) Calculated according to the delegated act of the European Commission

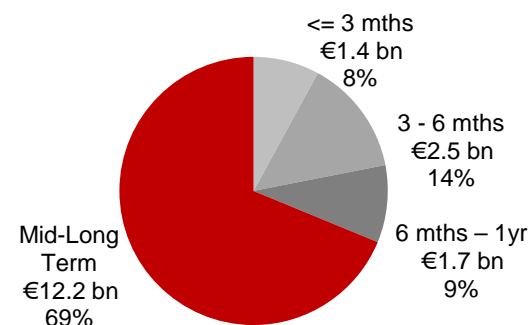


(**) In compliance with Basel 3 standards (CRD 4)

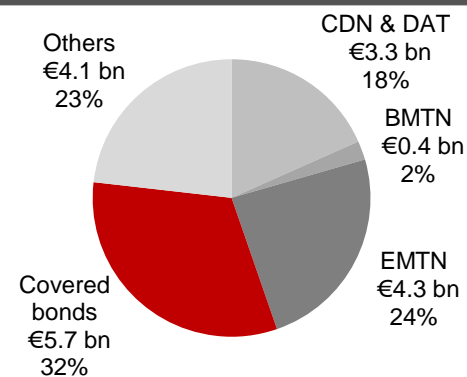
Market funding

- Diversification achieved using different debt programmes
 - Long term resources favoured, with an average residual maturity of 6.2 years
 - EMTN & Covered bonds make up 56% of outstanding issues
 - Intention to carry out approx. two public issues a year, as well as private placements
- 2015 funding programme
 - €500 M raised in January with a 8-year senior unsecured bond issue
 - Second public issue considered, depending on market conditions
- Opportunistic participation in the TLTROs, given the favourable terms
 - Total of 900 M€ subscribed in 2014
 - Further participation in 2015

Residual Maturity Profile (ST & MLT funds raised)



Outstanding Issues



Quality ratings

MOODY'S



Aa3* / P-1 / negative outlook

(*) Rating under review for potential upgrade, with the most likely outcome at Aa2

STANDARD
& POOR'S
RATINGS SERVICES

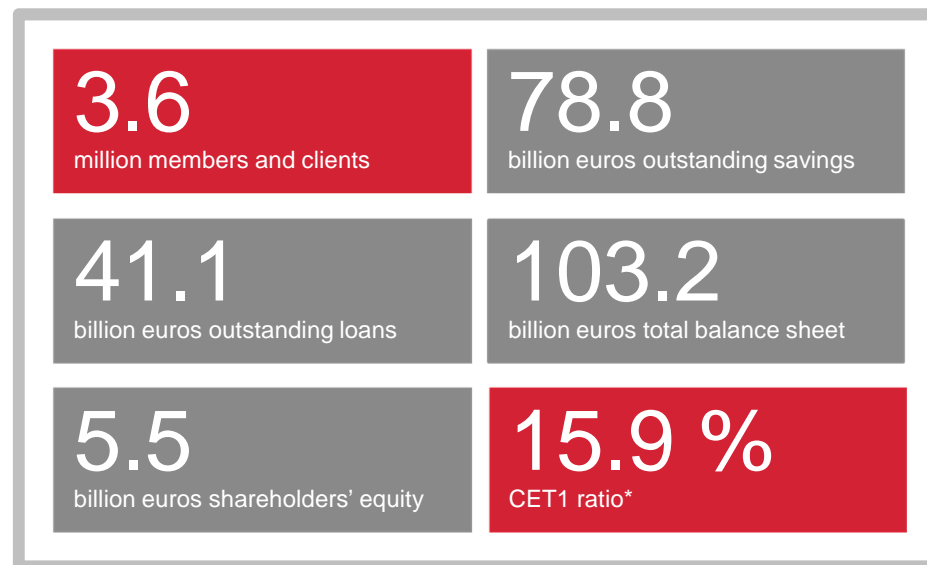


A / A-1 / negative outlook

2014

A landmark year for Crédit Mutuel Arkéa

- A sustained commercial development
- A strong growth of revenues and net income
- A further improved underlying strength



(*) In compliance with Basel 3 standards (CRD 4)

Strategic plan « Horizons 2015 »

Trajectory since 2008

**Outstanding
Loans
+ 41 %**

**Outstanding
Savings
+ 70 %**

**General
Insurance
Contracts
+ 81 %**

**Total Assets
+ 49 %**

**Equity
Group share
X 2**

**Net Banking
& Interest
Income
+ 59 %**

A group
with
strong
fundamentals

An **agile**
& **initiative-**
driven
group

A group **ready**
to overcome
tomorrow's
challenges

“ *Crédit Mutuel Arkéa Group,
banking & insurance entrepreneur* ”

Appendix

Income statement for the year ended 31st December 2014

€M	2014 IFRS	2013 IFRS	Variation	%
Net Banking & Insurance Income	1,724	1,620	104	6.4
Operating expenses	(1,193)	(1,139)	(54)	4.7
<i>General operating expenses</i>	<i>(1,098)</i>	<i>(1,039)</i>	<i>(60)</i>	<i>5.7</i>
<i>Amortisation and depreciation</i>	<i>(94)</i>	<i>(100)</i>	<i>6</i>	<i>(5.8)</i>
Gross operating income	531	481	50	10.4
Provisions for risks	(116)	(150)	34	(22.3)
Operating income	415	331	84	25.3
Shares of earnings of companies carried under equity method and income/loss on others assets	3	2	1	46.7
Pre-Tax income	418	333	85	25.4
Income tax	(147)	(119)	(28)	23.2
Net income	271	214	57	26.6
Minority interest	(2)	(1)	(1)	100.0
Net income – Group share	269	213	57	26.6

Group consolidated balance sheet as at 31st December 2014

Assets (€M)	31/12/2014 IFRS	31/12/2013 IFRS	Liabilities (M€)	31/12/2014 IFRS	31/12/2013 IFRS
Cash, due from central banks	1,340	2,301	Liabilities at fair value	1,406	803
Financial assets at fair value	12,943	10,343	Due to banks	5,056	3,526
Financial assets available for sale	36,334	29,111	Customer accounts	37,611	34,550
Due from banks	7,364	8,936	Debt securities in issue	15,194	17,077
Loans and advances to customers	40,749	39,244	Accruals, deferred income and sundry liabilities	3,919	1,994
Held-to-maturity financial assets	210	228	Insurance companies technical reserves	33,806	30,283
Accruals, prepayments and sundry assets	2,756	2,249	Provisions for contingencies and charges	361	325
Investment property	1,084	1,134	Subordinated debt	382	397
Goodwil	423	423	Shareholders' equity	5,463	5,010
			Share capital and reserves	2,217	2,138
			Consolidated reserves	2,753	2,592
			Unrealised or deferred gains or losses	224	68
			Net income	269	213
			Minority interest	6	4
Total Assets	103,204	93,969	Total Liabilities	103,204	93,969

Covered bond programmes



	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	Hard bullet	Hard 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	

Covered bond programmes



	Arkéa Public Sector SCF	Arkéa Home Loans SFH
Current size	€1,228 M	€8,800 M
Over collateralisation	141 %	182.5 % (77.2% asset percentage)
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 19 %, Aquitaine 10 %, Nord-Pas-de-Calais 10 %)	100 % France (Brittany 65 %, Aquitaine 15 %, Île-de-France 6 %, Auvergne 3 %)
Seasoning	51 months	54 months
Average remaining terms	192 months	157 months
Average Loan Balance	€1,643,515	€75,400
Average LTV	N/A	Unindexed : 69 % Indexed : 69 %
Number of Borrowers	747	109,904
Issues outstanding	€870 M	€4,823 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)**

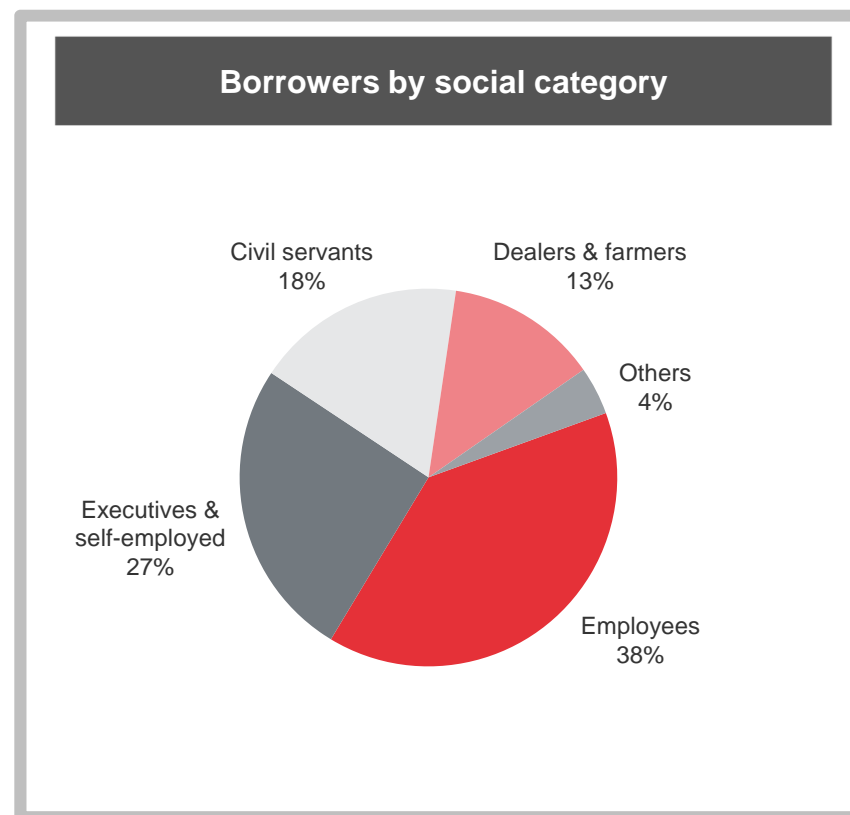
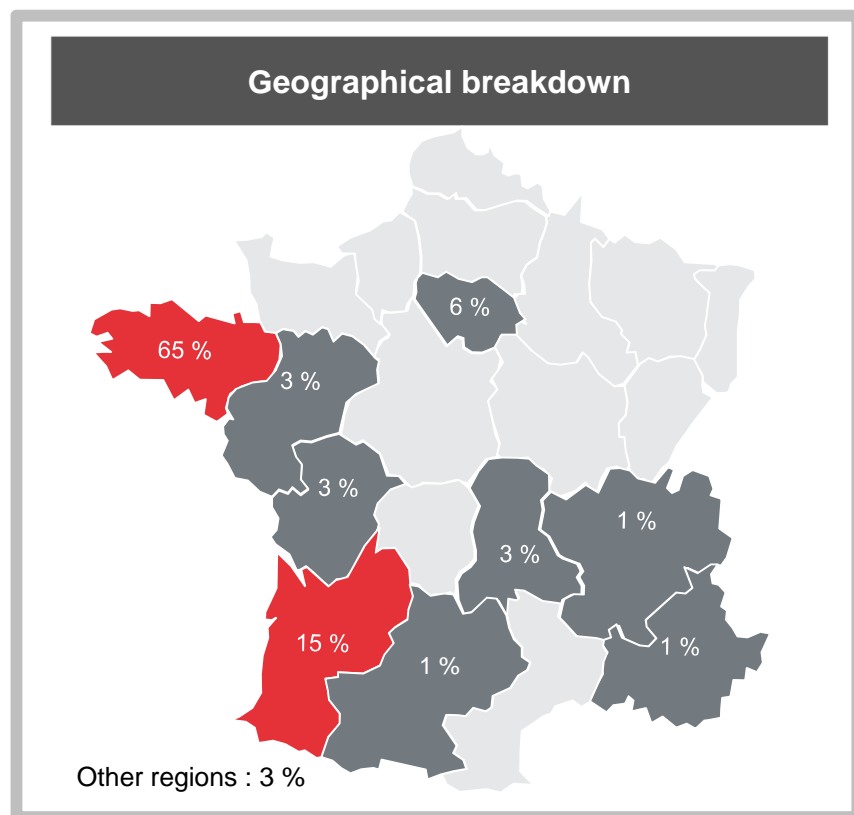
- The insurer provides an unconditional first demand guarantee to Crédit Mutuel Arkéa
- Crédit Mutuel Arkéa has chosen L'Équité, subsidiary of Generali France (Baa1/A-)
- The new loan production (excl. mortgages) is guaranteed by CNP Caution, subsidiary of CNP Assurances (rated "A" by S&P)
- To a lesser 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

Cover pool characteristics as at 31/03/2015

Borrowers

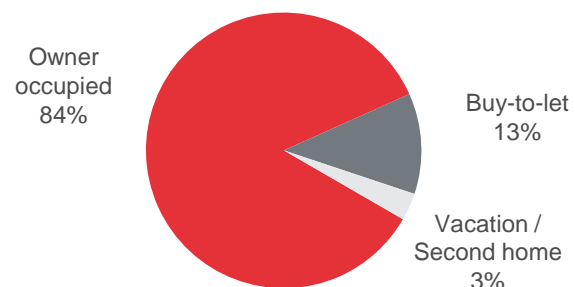


- The cover pool is made of 100 % domestic home loans originated by Crédit Mutuel Arkéa
- The cover pool is very granular with 95 % of loans being lower than €200,000

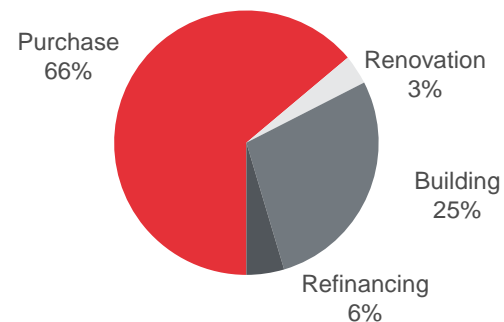
Cover pool characteristics as at 31/03/2015

Home Loans

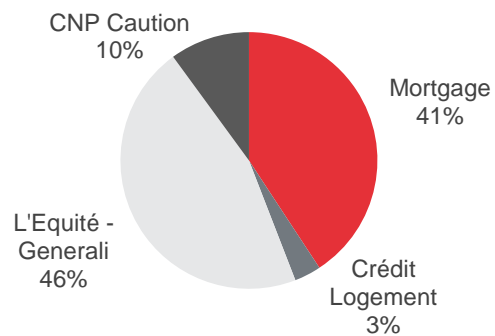
Occupancy type



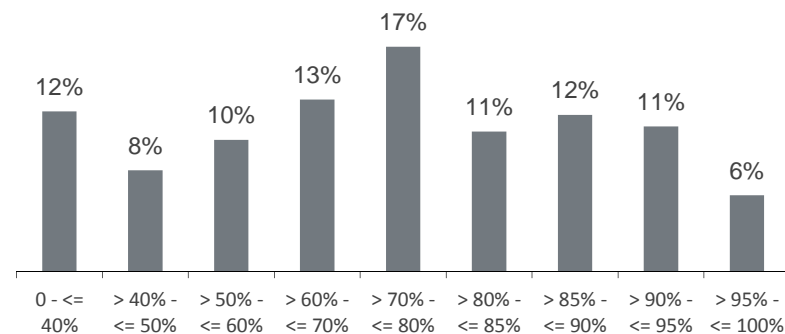
Loan purpose



Mortgage vs Guarantee

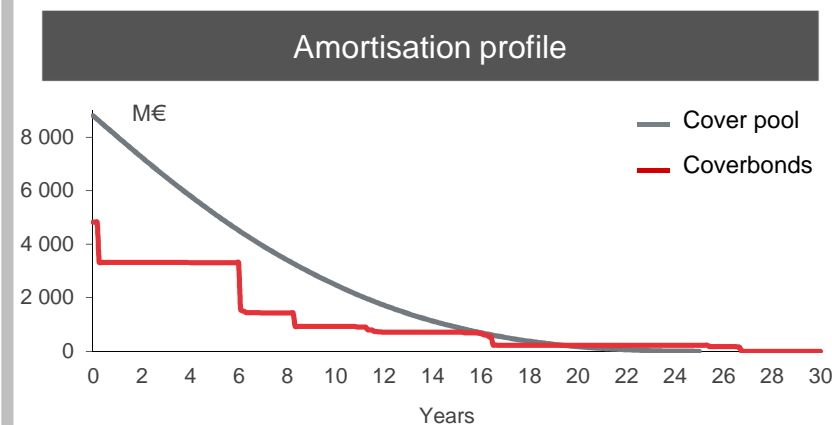
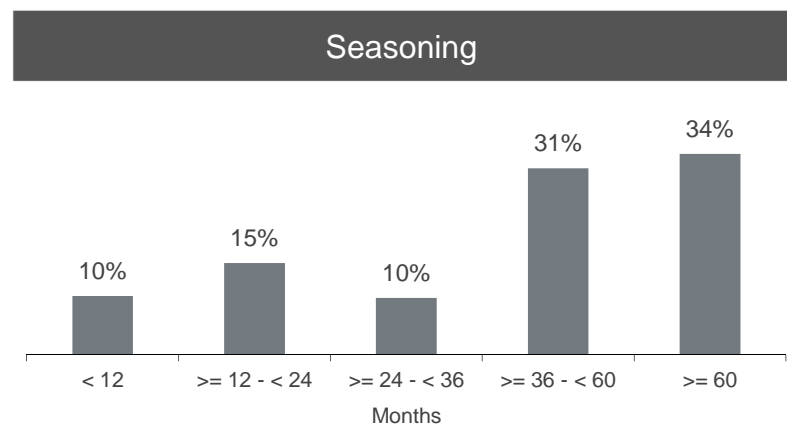
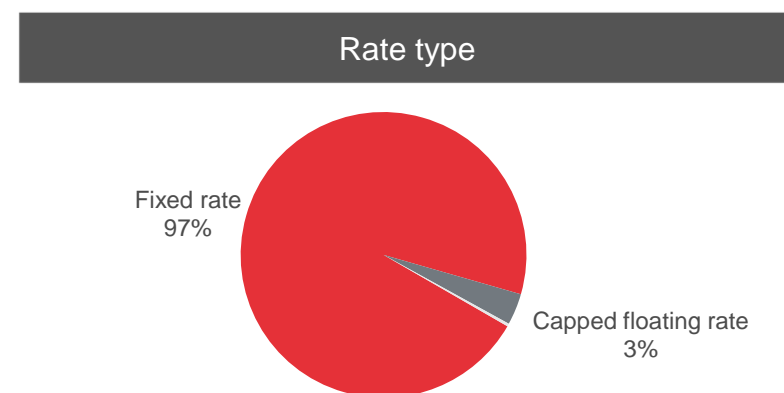
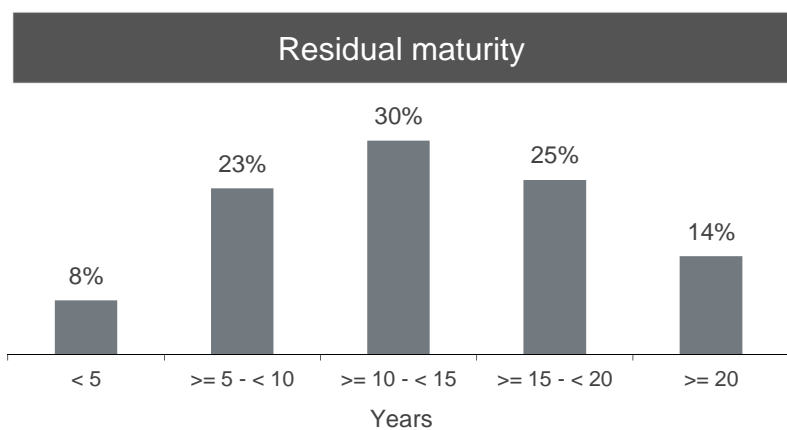


Unindexed LTV



Cover pool characteristics as at 31/03/2015

Home Loans

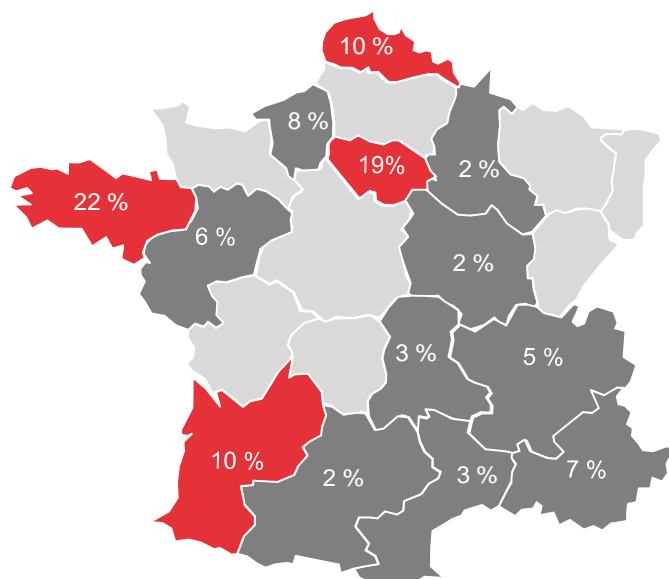


Arkéa Public Sector SCF

- 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 Credit 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
- Closely monitored and supervised
 - 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

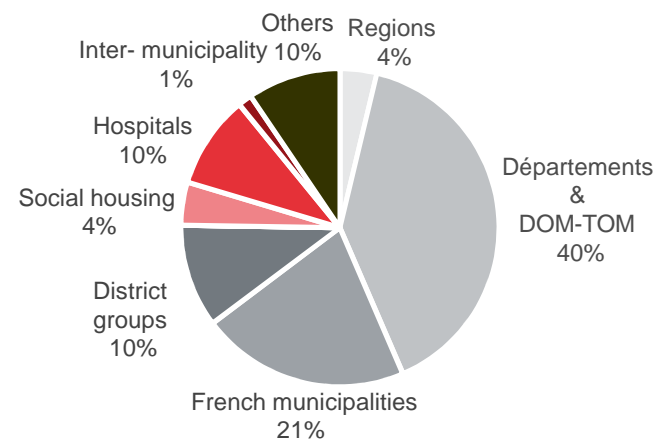
SCF cover pool as at 31/03/2015 - Borrowers

Geographical breakdown



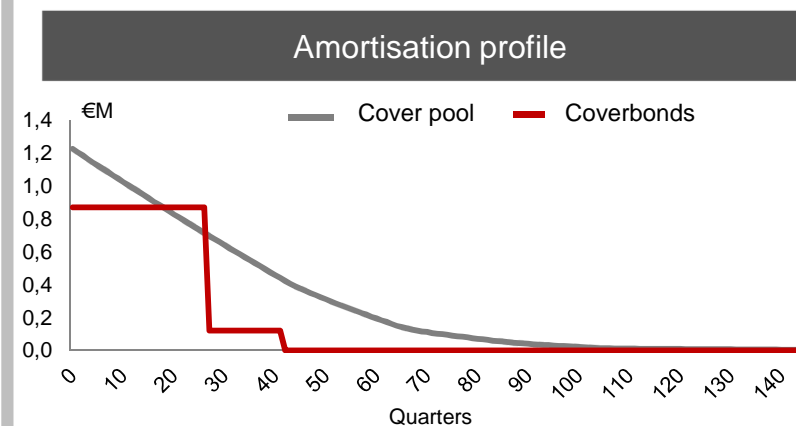
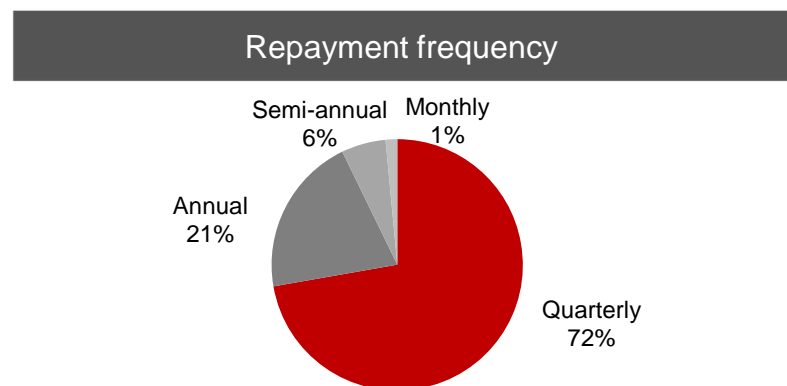
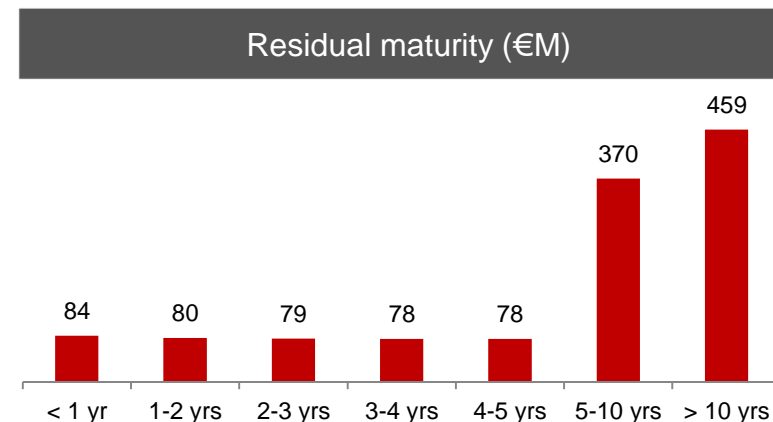
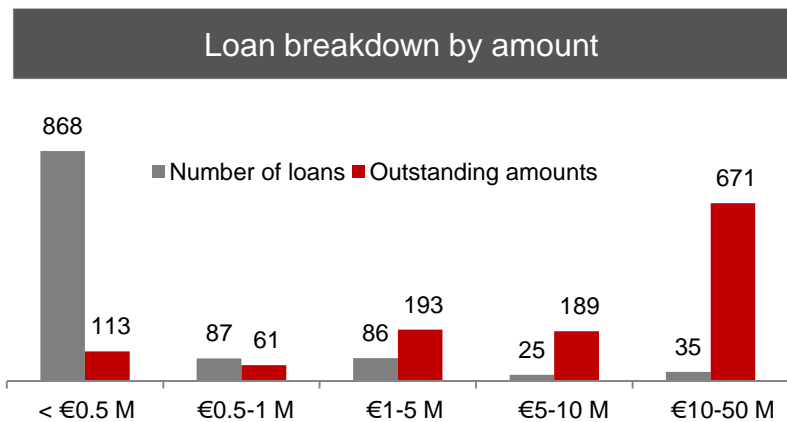
- Cover pool is 100 % made of French public sector loans originated by Crédit Mutuel Arkéa
- A diversified regional distribution of the cover pool, due to the group's historical regional specificities

Borrower breakdown by activity



- Average loan balance per borrower: €1.6 M
- 20 largest borrowers represent 55 % of the cover pool, distributed across France
- 98 % of the pool is a direct claim to a public borrower

SCF cover pool as at 31/03/2015 – Loans



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