

Record earnings for Crédit Mutuel Arkéa in 2016, confirming the effectiveness of its business model

Brest, March 6, 2017 – The Board of Directors of Crédit Mutuel Arkéa, meeting in Brest under the Chairmanship of Jean-Pierre Denis, has approved the 2016 financial statements. In a difficult economic environment and while undergoing a profound transformation, Crédit Mutuel Arkéa achieved record earnings. Its strong commercial and financial performance reflects the effectiveness of the particularly original and audacious strategy implemented by the Group since 2008 and confirms its intrinsic financial strength. Its business diversification has clearly borne fruit and provides a solid basis for facing, with determination, the future and the challenges of the transformation underway in the banking sector.

Record earnings

- **Net banking and insurance income** grew by 4.1% to €1.85 billion, a record level that reflects its strong business momentum;
- **Operating income** rose by 6.9% to €466 million under the combined effects of a contained rise in operating expenses and an almost 5% reduction in the cost of risk;
- **Net income, Group share** was up by 13.5% compared with 2015, reaching a record €336 million;
- **The cost-to-income ratio** improved by -0.2 point to 69.2%;
- **The Common Equity Tier One solvency ratio** remains far above the regulatory requirement at 15.3%, confirming the group's intrinsic strength and providing an unprecedented reserve for continuing growth and investment.

350,100 new clients

At sales levels, the Group maintained a very strong growth momentum, with operating performances in line with its targets.

- **Its client portfolio** increased by 9.8% (350,100 new clients), bringing the total to 3.94 million.
- **New lending** amounted to €10.9 billion bringing total outstanding loans to €47.13 billion (+5.1%)
- **In terms of savings**, the overall total grew by 16.3% to more than €100 billion (€100.5 billion) thanks to the inclusion of Keytrade. At same scope, savings grew by 6.7%;
- **In non-life and protection insurance**, the Group recorded a 3.4% increase in its portfolio, with 372,200 new policies bringing the total to 2.01 million policies.

Jean-Pierre Denis, Chairman of Crédit Mutuel Arkéa, remarked:

“Our excellent performances in 2016 illustrate the quality of Crédit Mutuel Arkéa’s trajectory over the medium-term and its capacity to achieve particularly strong business and financial results year after year. These results confirm the intrinsic strength of our unique mid-tier bank model. A unique model based on diversified growth and a size that favors both agility and speed of execution and enables us to explore new growth paths. We are more than ever determined to defend our successful and sustainable model of mid-tier banking group, a model that is perfectly adapted to meet the expectations of the market and of our clients.”

Ronan Le Moal, Chief Executive Officer of Crédit Mutuel Arkéa, added:

“2016 was a remarkable year in many ways for Crédit Mutuel Arkéa, which delivered an outstanding performance despite an increasingly complex environment. These results are the fruit of the commitment and endeavors of each of the Group’s 9,000 employees who work closely each day with our clients and partners. We moved into digital very early on which gives us a head start that we intend to conserve so as to meet the challenges linked to the transformation of the banking sector and be among the players that will reshape the banking and insurance of the future.”

About Crédit Mutuel Arkéa

Crédit Mutuel Arkéa comprises the Crédit Mutuel Bretagne, Sud-Ouest and Massif Central federations and some 20 specialized subsidiaries (Fortuneo, Monext, Arkéa Banque Entreprises et Institutionnels, Financo, Federal Finance, Suravenir, etc.). With nearly 9,000 employees, 3,600 directors, 3.9 million banking and insurance customer shareholders and clients and €120 billion in total assets, Crédit Mutuel Arkéa is one of the leading banks headquartered at regional level. For further information go to www.arka.com