

## Outstanding financial results serving an overall performance

- A regular and sustainable development supported by good commercial dynamics and a successful diversification of income sources.
- The will to intensify a societal and environmental commitment serving local players.

*Brest, March 3rd 2020 – "Arkéa's financial and commercial performance in all businesses has been remarkable in every respect, confirming the group's solidity, the relevance of its business model and its ability to create value in a fast-changing environment. The Arkéa group today has all the assets to position itself as a forerunner in finance at the service of a responsible economy and sustainable growth ", declared Chairman Jean-Pierre Denis at the end of the Board of Directors meeting that approved the financial statements for 2019. The cooperative and collaborative financial services group has indeed maintained a top performance, with revenues\* of €2.3 billion and net income group share of €511 million. Beyond financial indicators alone, the group wishes to highlight its overall performance and particularly "its ability to put its expertise at the service of the transformations of the future".*

- **Revenues\*** continue to grow to **€2.3 billion (+7.3%)**. They reflect very strong commercial dynamics in all the group's major businesses as well as the successful diversification of income sources. BtoB and white-label banking services contributed 15% of revenues\*. It also demonstrates that the human, technological and capital investments made over the last few years are aimed above all at supporting the group's regular development. Revenues\* include a capital gain of €194 million from the sale of the stake in the Primonial group.
- **Net income group share** is at its highest level ever, at **€511 million**, up 16.8% compared to 2018.

### Arkéa has a solid financial structure and an excellent level of solvency

- **Total assets** increased by **16.5% to €157 billion**, compared with €135 billion in 2018, with a gross loan-to-deposit ratio of 102%.

\* Net banking and insurance income including gains on disposal or dilution in investments in associates

- **Group shareholders' equity increased by nearly 10% to €7.3 billion**, including €2.3 billion in member shares.
- **The Common Equity Tier One (CET 1) solvency ratio remained at a very high level, at 16.4%\*\***. It is well above the requirements imposed by the European Central Bank and **remains among the highest in the French banking sector**.

### More than 263,000 new customers in 2019

The commercial momentum is just as solid, with good progress in all activities:

- **The portfolio of members and customers increased significantly by 5.3% to 4.7 million. Arkéa has more than 263,000 new individual and professional customers** (net acquisition). The increase was mainly driven by subsidiaries: max the personal assistant “max”, insurers and online banking. This performance is a strong marker of the confidence inspired by the Arkéa group's development model and the constantly renewed quality of its product and service offerings, designed to support customers in their life paths and projects.
- **Loan production reached a record level of €16.1 billion, up +15%**. The increase concerns all loan types and brings **the level of outstandings loans to €62.9 billion, up 11.3%** compared to the end of December 2018.
- **In the savings segment, the group's total outstandings rose by 12.4% to €124.9 billion. Total savings inflows amounted to €6.2 billion (+139%)**, with strong performances in financial and insurance savings.
- **In property, life and health insurance**, the group is pursuing its commercial development at a sustained pace. **New policies premiums rose by 6.3% to €59 million and premiums earned in the portfolio by 5.9% to €423 million**. Arkéa is taking full advantage of the successful diversification of its distribution channels, both physical and digital. Indeed, networks outside the group represent 56% of new business premiums.

### Jean-Pierre Denis, Chairman of Arkéa, comments:

*“In 2019, the Arkéa group achieved a very good overall performance, confirming the strength of its diversified model and its ability to create value for all. This performance is all the more remarkable in that we have succeeded, in line with previous years, in reconciling very strong commercial activity, first-rate operating results and great financial strength. Arkéa is a group in constant transformation, a group with initiative, which has been able to invent growth drivers in a rapidly changing environment. The Arkéa group relies on a business model that is both original and highly competitive and has proven its effectiveness for more than ten years. Our continuous performance today invites us to go even further in terms of expectations, by taking greater account of our societal and environmental impact in our decision-making and execution processes. Our territorial anchoring, our openness to others and to the world, our agility and the excellence of our expertise give us the ability to support transitions and transformations that are meaningful for the future and serve responsible growth.”*

### Hélène Bernicot, Chief Executive Officer of Arkéa, adds:

*“The 2019 results are a formidable indicator of the confidence that the Arkéa group inspires. The conquest of 263,000 new individual and professional customers reflects the ever-increasing attention paid by our teams to customer relations and customer experience. Arkéa has also hired 1,024 people on permanent contracts in 2019 and 2,000 in the last two years, not to mention the 1,000 work-study students and trainees welcomed within the group. At a time when there is a lot of talk about social responsibility and the positive impact of companies in society, this employment dynamics, which are a*

\*\* Excluding Irrevocable Payment Commitment (impact of 12 bps)

*specific feature of our group in the banking world, are a concrete illustration of this. We are equally active in areas such as professional equality, inclusion or solidarity, which are real vectors of differentiation. Our results therefore encourage us to continue developing our model of cooperative and collaborative banking, a model that creates value for all our stakeholders, both internal and external. "*

**Anne Le Goff, Deputy Chief Executive:** *"Arkéa continues to have a robust balance sheet structure. By capitalising on the strength of its business model, the Arkéa group has the resources needed to pursue its growth, explore new avenues of development, and invest sustainably in the service of local stakeholders. We have all the arguments we need to continue reinventing our businesses, imagining new services and deepening the synergies between our businesses. And it is precisely to preserve everything that makes our difference, our strength and our success that we are so determined to defend our autonomy. "*

**A few recent achievements give a true measure of the Arkéa group's long-term commitment to overall performance:**

- *the full removal of banking incident charges for financially fragile people benefiting from a dedicated offer;*
- *the issue of a first "social bond" to refinance social housing and health care projects in the regions;*
- *refocusing savings vehicles by integrating ESG criteria;*
- *€865 million of outstanding loans to social housing projects;*
- *the launch of the NACI 1 fund to serve SMEs and ETIs in New Aquitaine;*
- *€240 million in private equity investments in regional companies.*

**About Arkéa**

ARKEA is made up of Crédit Mutuel Arkéa and two regional federations representing two main French geographic zones (Brittany in the West and the South West) and their member local savings banks. ARKEA also has a presence across Europe thanks to its corporate and online subsidiaries (Fortuneo, Monext, Financo, Arkéa Investment Services, Suravenir, CFCAL...). ARKEA is entirely owned by its customer shareholders. ARKEA employs more than 10,500 people, counts 2,800 directors and has a total of 4.7 million customers. The bank has 157 billion euro in total assets. Crédit Mutuel Arkéa ranks among the leading banks with headquarters in the regions. A detailed presentation of the 2019 results is available on the group's website at the following address : [https://www.arkea.com/banque/assurance/credit/mutuel/ecb\\_5037/en/investor-presentations](https://www.arkea.com/banque/assurance/credit/mutuel/ecb_5037/en/investor-presentations)

# Group results

2019



ACCROÎTRE LES POSSIBLES

**Outstanding results**  
serving an  
**overall performance**



# A contrasted 2019 context



The French economy  
resists in a **global context**  
**unstable and uncertain :**

- **Slower growth**
- A passage **into negative territory of the main sovereign long-term rates** in Europe, at historically low levels
- **Unemployment** at its lowest level since the end of 2013
- **A savings rate up** to nearly 15%

A **banking environment**  
**that challenges**  
**established business models :**

- **New regulatory constraints**
- An interest rate **environment favourable** to the development of credit
- New customer **expectations and uses**
- An increase in the number of **new players** (neo-banks, fintechs, assurtechs, etc.) that are both agile and innovative
- **New growth drivers to be invented** in a context of persistently low interest rates

# Arkéa group profile



## Responsible, profitable and balanced growth

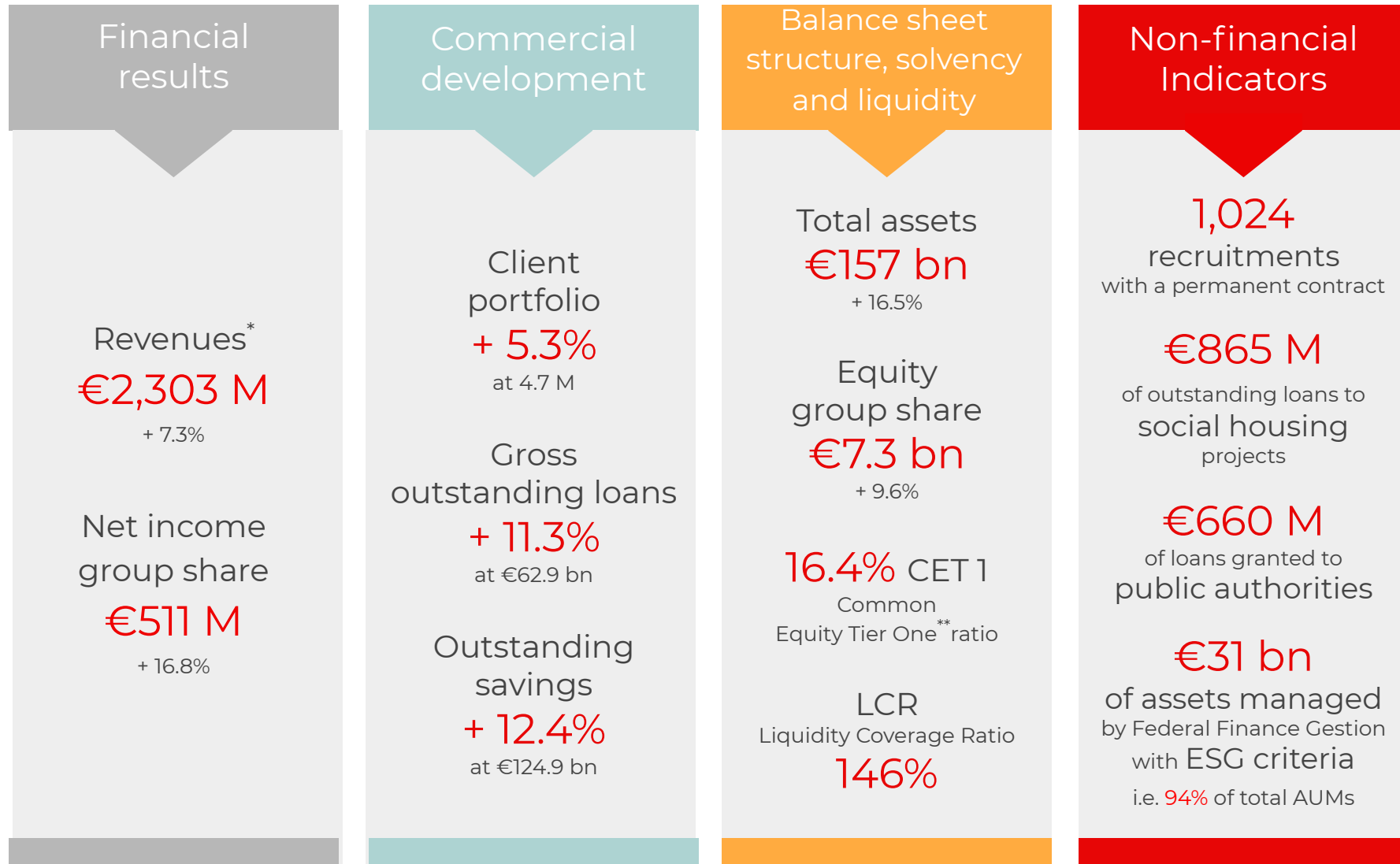
- **Revenues\*** up +7.3% to €2,303m, driven by dynamic sales and the €194 million capital gain on the sale of the stake in the Primonial group
- A **solid financial structure** with high ratios (solvency, liquidity, etc.) in comparison with regulatory requirements
- **Net income group share is at its highest level ever**, at €511 million
- **Strong commercial dynamism**, with customer acquisition accelerating in all banking and insurance activities

## An original and efficient business model that serves the positive impact on territories, community and environment

- A **cooperative and collaborative bank** that creates **value for all its stakeholders**
- An **ethical and inclusive** company that **respects its environment and is committed to solidarity.**
- **Innovative solutions to increase the possibilities**

\* Net banking and insurance income including gains on disposal or dilution in investments in associates

# An overall performance



\* Net banking and insurance income including gains on disposal or dilution in investments in associates

\*\* Excluding Irrevocable Payment Commitments  
(12 bps impact)

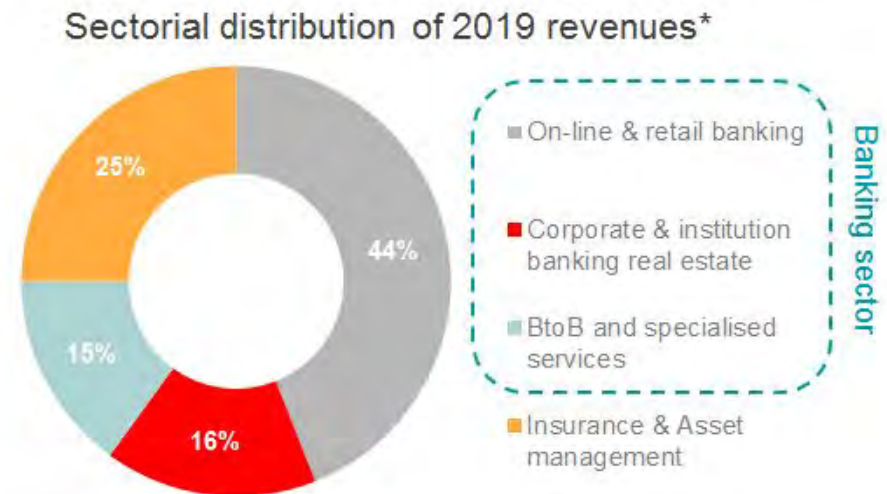


# A regular and balanced growth path

Income statement for the year ended 31/12/2019

€M	31/12/2019	31/12/2018	Variation	%
NET BANKING AND INSURANCE INCOME including gains (losses) on disposal or dilution in investments in associates	2 303	2 146	+ 158	+ 7,3%
Operating expenses	1 579	1 514	+ 65	+ 4,3%
Cost / Income ratio	68,5%	70,5%	-2 points	
Gros operating income	724	632	+ 92	+ 14,6%
Cost of risk	99	64	+ 35	+ 54,9%
Operating income	626	569	+ 57	+ 10,1%
<b>NET INCOME - GROUP SHARE</b>	<b>511</b>	<b>437</b>	<b>+ 73</b>	<b>+ 16,8%</b>

# Evolution of revenues\* & sectorial distribution

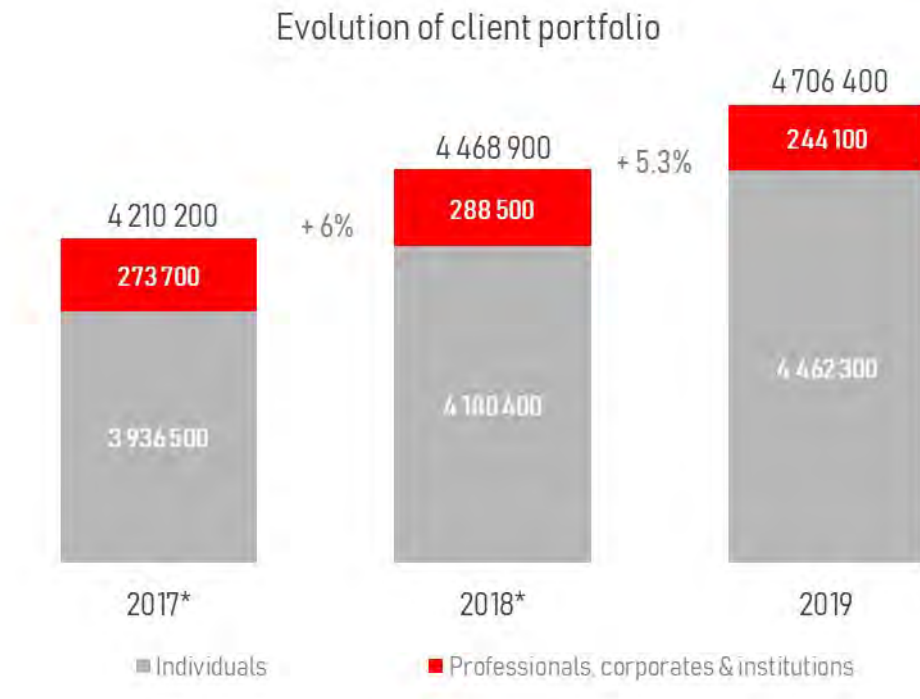


► **Revenues\* growing by 7.3% at the highest historic level of €2,303 M** and driven by **strong commercial dynamism** (especially with insurance income) and the **€194 M gain on the sale of Arkéa's shareholding in Primonial**

\* Net banking and insurance income including gains on disposal or dilution in investments in associates

# A client portfolio

increased by 5.3 % to 4.7 million clients



263,340  
new clients  
net acquisition

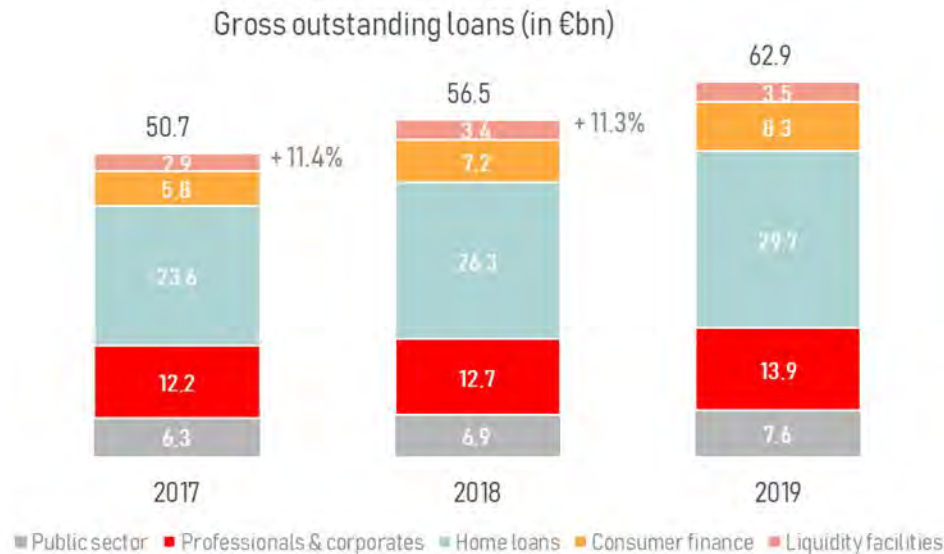
- Client acquisition is mainly **driven by subsidiaries:**
- the personal assistant **max** (+ 75,300 clients),
  - **insurance businesses** (+ 66,600 clients),
  - **on-line banks** (+ 63,500 clients)

**A portfolio increased by 5.3% vs. 2018, to 4.7 million clients**

A 6%-increase on a comparable basis (sale of Leasecom and acquisition of Moneyou client portfolio in Belgium).

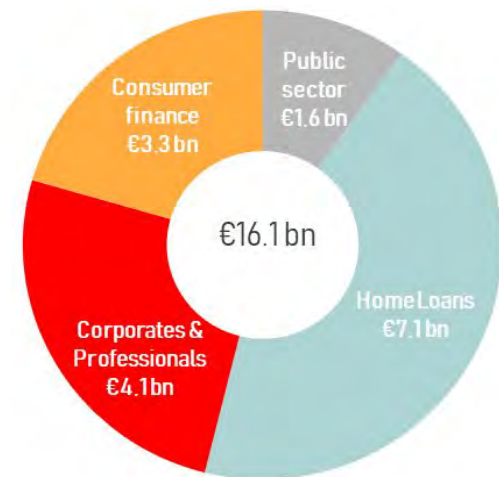
\* Restated portfolios following quality actions undertaken on dormant accounts

# Outstanding loans: growing by 11.3% to €62.9 bn



► A **growth of outstanding loans** driven by a **€16.1 bn** production in 2019 (€14 bn in 2018), impacting all types of loans

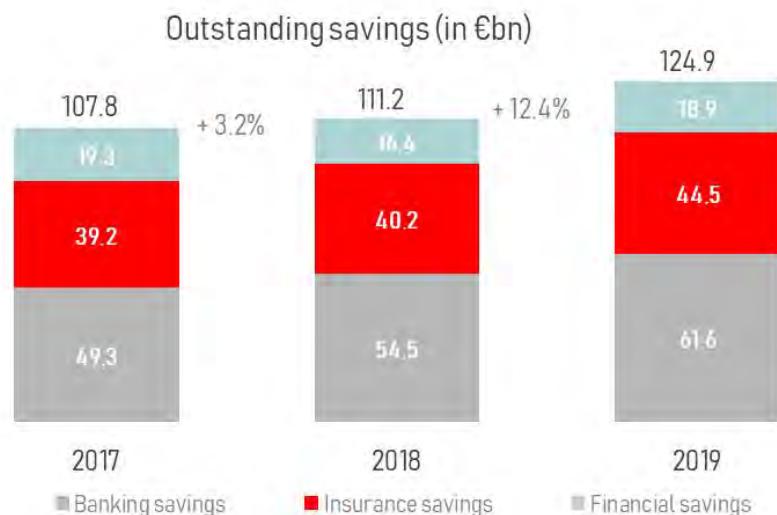
► **Arkéa's financing activities support economic development**



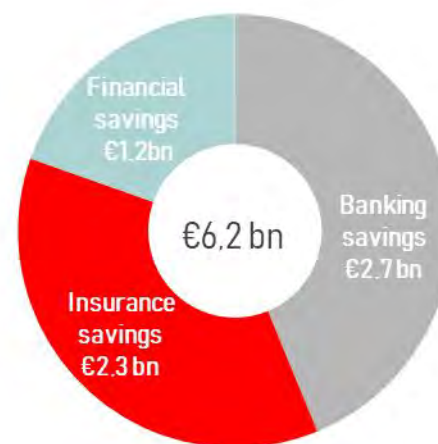
A very strong loans growth in of CMB and CMSO local savings banks as well as Arkéa Banque Entreprises et Institutionnels

# Outstanding savings:

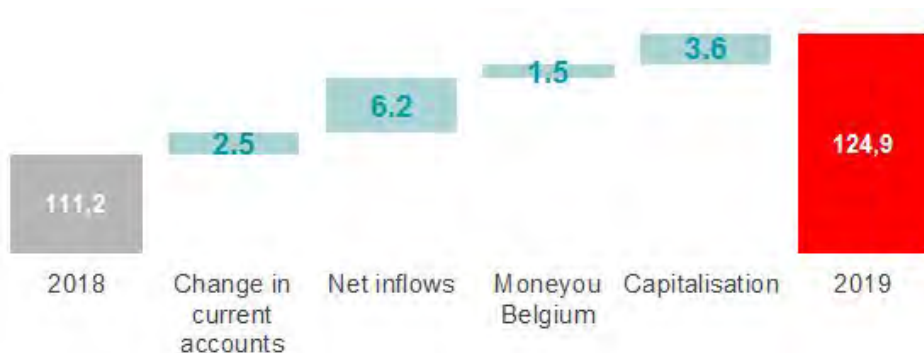
up 12.4% to €124.9 bn



► **Outstanding savings** of €124.9 bn, **increased by 12.4%** in comparison to end of 2018, driven by **net inflows of €6.2 bn**, up 139% vs. 2018 :

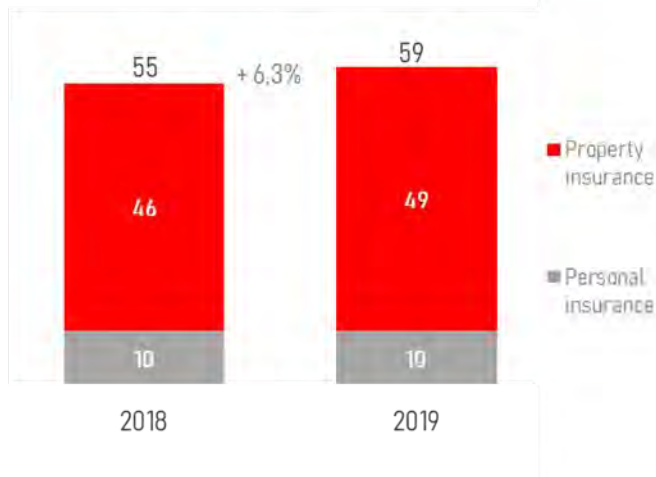


Evolution of outstanding savings (in €bn)

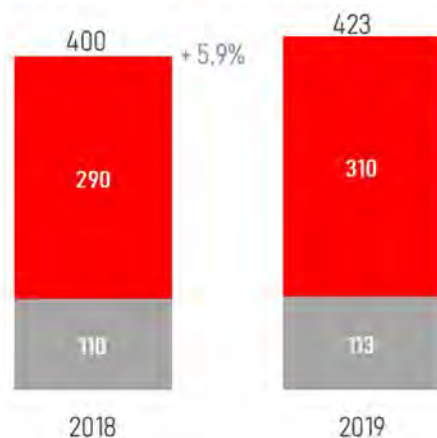


# Insurance activities: a strong commercial development

New business premiums (in €M)



Earned premiums on existing policies (in €M)

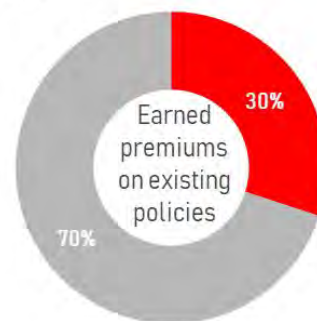


► **New business premiums** are up €4 M and **earned premiums on existing policies** are up €23 M vs. 2018, mainly in property insurance

► **Business from external networks** is growing and represents :

- 56 % of new business premiums (+ 2 points vs. 2018)
- 30 % of earned premiums on existing policies (+ 1 point vs. 2018)

Split of 2019 premiums

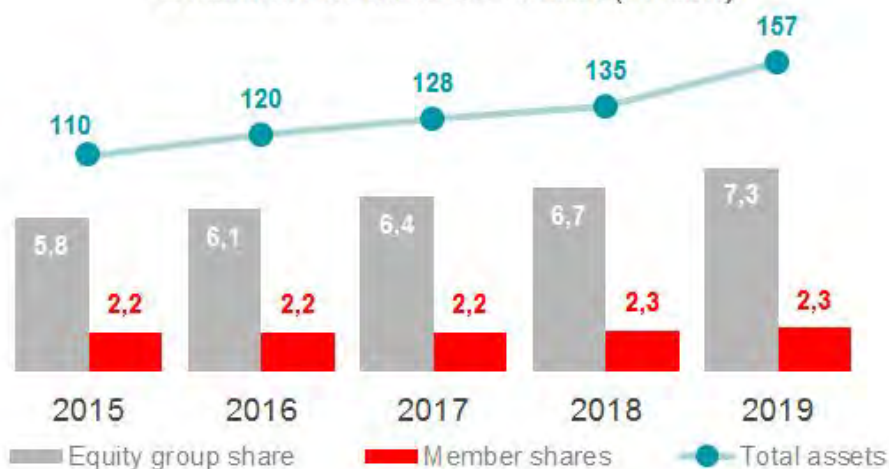


■ External part  
■ Internal part



# A robust financial structure

Evolution of balance sheet (in €bn)



## A strong balance sheet structure

- **Total assets of €157 M** (+ 16.5% vs. 31/12/2018)
- **Equity group share of €7.3 bn** (+ 9.6% vs. 31/12/2018) of which **€2.3 bn member shares** (+ 3.8% vs. 31/12/2018)

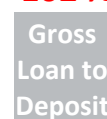
Ratios significantly above regulatory requirements

ARKEA  
**16,4 %**



**Common Equity Tier One** ratio at 16,4 % among the highest in the French banking sector

ARKEA  
**102 %**



**Gross Loan to Deposit** ratio down to 102 %

ARKEA  
**146 %**

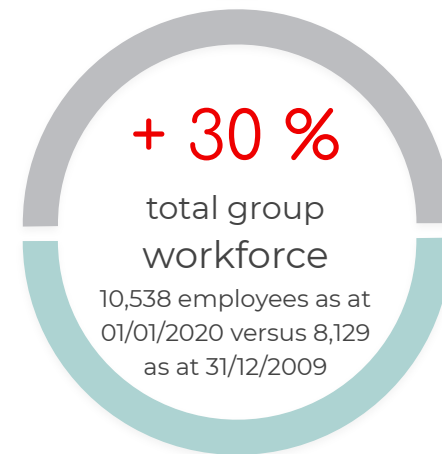
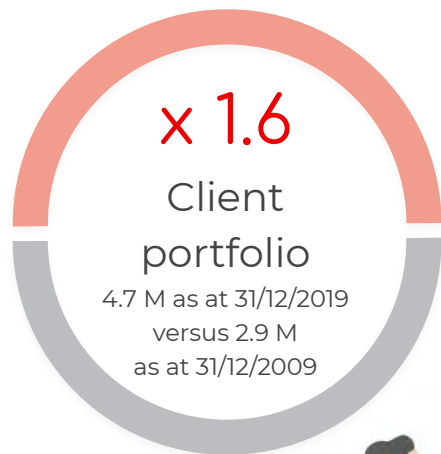
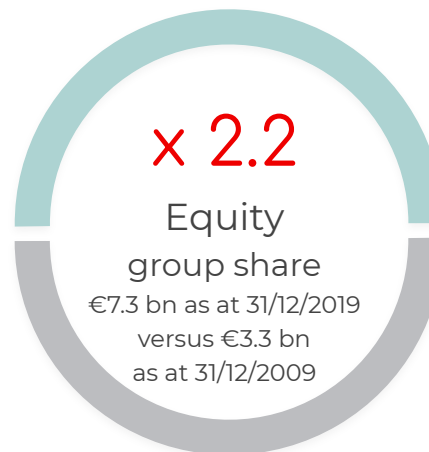
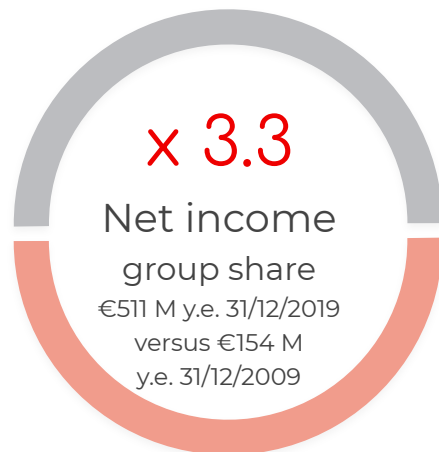


**Liquidity Coverage Ratio** up to 146 %

<sup>1</sup> Regulatory requirements 2019 (excluding P2G for CET1 ratio)

Crédit Mutuel Arkéa is not considered as a resolution entity on an individual basis by the Single Resolution Board (SRB). Therefore, the SRB has not notified Crédit Mutuel Arkéa of a minimum requirement for own funds and eligible liabilities ("MREL ratio")

# A regular, balanced and sustainable growth path



**2009-2019 Evolution**



# Outstanding results

serving our overall performance



Today, performance is global : financial and non-financial. One cannot only rely on financial indicators anymore



With new challenges being faced, new economic models must be devised, reconciling the economy, humanity and the environment.



Arkéa is in a position and has a responsibility to commit for this economy of tomorrow

# To be a forerunner of a finance serving a responsible economy and a sustainable growth

## Our assets



**Strength** : economic performances that open a wide range of opportunities



**Cultural and technological innovation**, to explore new territories and capture emerging trends



**Boldness**, with a cooperative and collaborative banking model taking with no hesitation an opposite approach from prevailing practice



**The power of a long-term approach**, essential to support transformations

# 2019 Main achievements

## Territories & CSR

**1<sup>st</sup> French bank**  
to **entirely remove banking incident charges**  
for financially vulnerable people who have  
subscribed to the specifically dedicated offer.

.....

**€240 M** equity investments  
in our **territories**

Arkéa Capital investments



1<sup>st</sup> investments  
made by the fund



**BREIZH ARMOR  
CAPITAL**

**€500 M bond issue**

to refinance social housing and social  
care projects

.....

**€320 M** of loans granted in 2019  
by ABEI as a **CSR funding envelope**  
to finance **110 projets**

.....

**€31 bn** assets managed  
by Federal Finance Gestion  
under **ESG criteria**  
i.e. **94%** of total AUMs

# 2019 Main achievements

## BtoB

Acquisition of  
 **budgetinsight**

.....

Partnership between **MONEXT** and  
enhanced shopping experience specialists

.....



**Axa Banque in talks with  
Arkéa Banking Services** to  
delegate some of its  
business

## Innovation



**Assur & Detect**, an all-in-one  
remote surveillance and  
comprehensive home insurance  
solution

.....



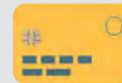
For Fortuneo and Max clients

.....



Arkéa launched a **distance selling  
chatbot with an integrated  
payment service**

.....



**Instant payment** solution for  
corporates and institutions

# Appendix

# The group's activities

Retail banking for  
individuals and  
professionals



Subsidiaries  
dedicated  
to BtoB



Corporate and  
institutional market



Insurance and asset  
management



Non-banking  
activities



4.7 M clients  
o/w 1.5 M members

2,764 local directors  
in 299 local savings banks

10,500+ employees

Figures  
as at 01/01/2020

# Arkéa group profile

403

outlets in Brittany and South-West

19

regional Arkéa Banque Entreprises et Institutionnels business centres

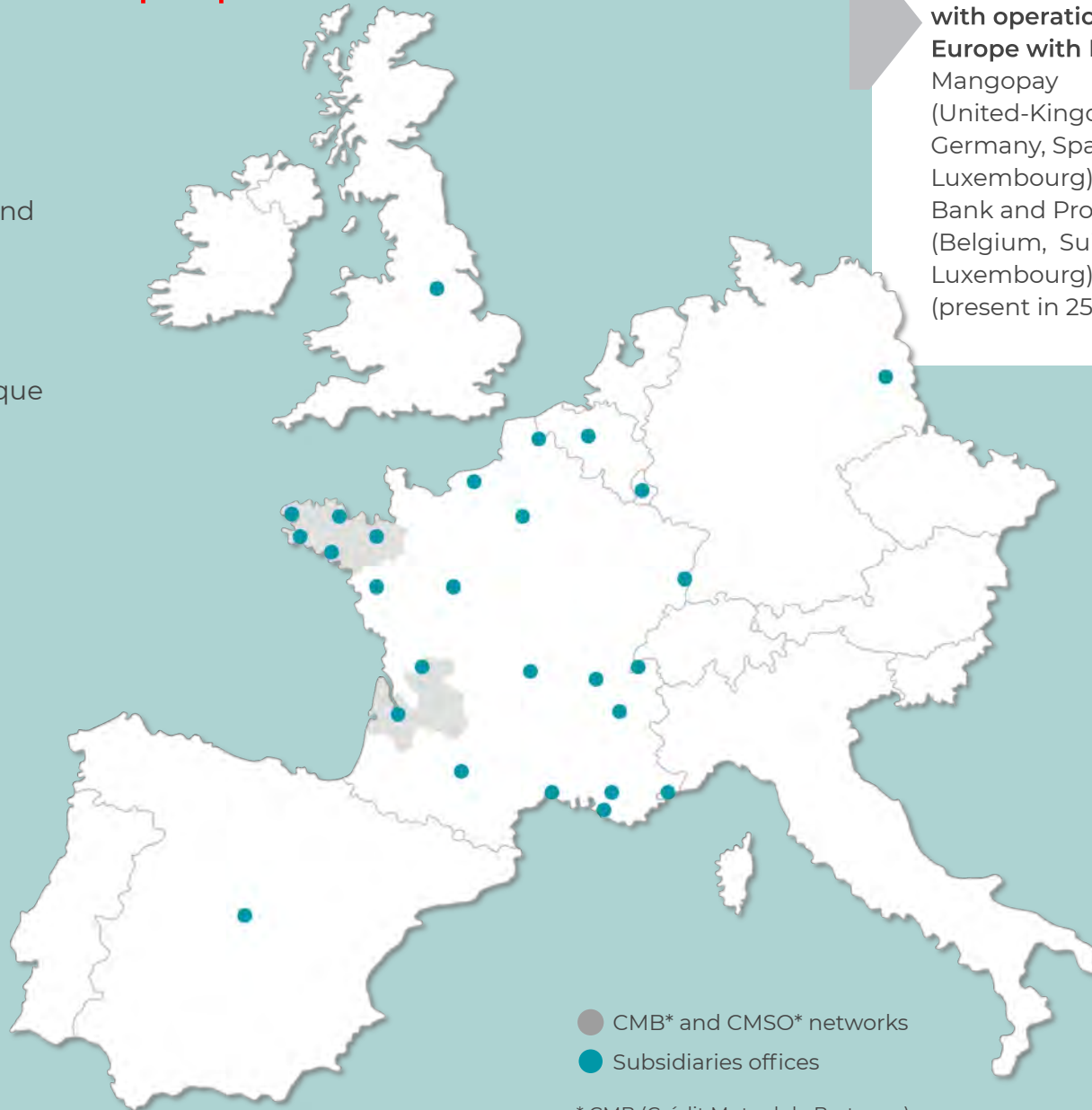
8

regional Financo offices

6

regional Arkéa Investment Services offices

A regional base coupled with operations over Europe with Leetchi and Mangopay (United-Kingdom, Germany, Spain, Luxembourg), Keytrade Bank and ProCapital (Belgium, Suisse and Luxembourg) and Monext (present in 25 countries).



● CMB\* and CMSO\* networks

● Subsidiaries offices

\* CMB (Crédit Mutuel de Bretagne) and CMSO (Crédit Mutuel du Sud-Ouest)

# Warning

This presentation has been prepared and is distributed by Crédit Mutuel Arkéa (the “Company”, “Crédit Mutuel Arkéa” or “Arkéa”) for information.

This presentation may contain projections, forecasts, estimates and other forward-looking statements. By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is the possibility that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

In any case, any reference to past performance is not necessarily indicative of future results.

The consolidated financial statements for the year ended December 31, 2019 were approved by the Board of Directors of the Company on March 3, 2020 and are currently audited. They will be the subject of audit reports by the Company's statutory auditors.

In this presentation, revenues represent net banking and insurance income including gains and losses on sale or dilution in investments in associates, which amount to €205 M, of which €194 M relate to the gain on the sale of the shareholding in the Primonial group.





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