FINANCIAL REPORT 2011



Crédit Mutuel ARKEA 🛂

Contents

1.2. Group organization and business lines 1.3. Group strategy 1.4. Crédit Mutuel Arkéa and the cooperative movement 1.5. 2011 highlights 1.6. 2011 key figures 2.6. Corporate governance 2.1. Board of Directors of Crédit Mutuel Arkéa 2.2. Other officers and directors 2.3. Chairman's report on the conditions for preparing and organizing the work of the Board of Directors and on internal control procedures 2.4. Executive Management bodies and their work 2.5. Conflicts of interest for officers and directors 2.6. Compensation of officers 3.1. Activities 3.1. Activities 3.2. Financial items 4.3.3. Capital and regulatory ratios 3.4. Outlook 4 Risk factors 4.1. Credit risk 4.2. Market risks 4.3. Structural interest rate and liquidity risks 4.4. Currency risk 4.5. Equity and other variable income securities risk 4.7. Legal risk 4.8. Non-compliance risk, including money-laundering risk 4.9. Risks specific to the insurance business 5 Consolidated financial statements for year ended december 31, 2011 8 Notes to consolidated financial statements at December 31, 2011 9 Security and statements at December 31, 2011	1	Presen	tation of Crédit Mutuel Arkéa	06	
1.3. Group strategy 1.4. Crédit Mutuel Arkéa and the cooperative movement. 1.5. 2011 highlights 1.6. 2011 key figures 2.7. Corporate governance 2.1. Board of Directors of Crédit Mutuel Arkéa 2.2. Other officers and directors 2.3. Chairman's report on the conditions for preparing and organizing the work of the Board of Directors and on internal control procedures 2.4. Executive Management bodies and their work 2.5. Conflicts of interest for officers and directors 2.6. Compensation of officers 3.1. Activities 3.1. Activities 3.2. Financial results 3.3. Capital and regulatory ratios 3.4. Outlook 4 Risk factors 4.1. Credit risk 4.2. Market risks 4.3. Structural interest rate and liquidity risks 4.4. Currency risk 4.5. Equity and other variable income securities risk 4.7. Legal risk 4.8. Non-compliance risk, including money-laundering risk 4.9. Risks specific to the insurance business 5 Consolidated financial statements for year ended december 31, 2011 8 Notes to consolidated financial statements at December 31, 2011 9 States of the proper statements at December 31, 2011 9 States of the proper statements at December 31, 2011		1.1.	History of Crédit Mutuel Arkéa	08	
1.4. Crédit Mutuel Arkéa and the cooperative movement 1.5. 2011 highlights 1.6. 2011 key figures 2.7. 2011 highlights 2.7. 2011 highlights 2.8. 2011 key figures 2.9. 2011 key figures 2.9. 2022 Corporate governance 2.1. Board of Directors of Crédit Mutuel Arkéa 2.2. 2. Other officers and directors 2.3. Chairman's report on the conditions for preparing and organizing the work of the Board of Directors and on internal control procedures 2.4. Executive Management bodies and their work 2.5. Conflicts of interest for officers and directors 2.6. Compensation of officers 3.1. Activities 3.1. Activities 3.2. Financial items 3.1. Activities 3.2. Financial results 3.3. Capital and regulatory ratios 3.4. Outlook 4. Risk factors 4.1. Credit risk 4.2. Market risks 4.3. Structural interest rate and liquidity risks 4.4. Currency risk 4.5. Equity and other variable income securities risk 4.6. Operational risk 4.7. Legal risk 4.8. Non-compliance risk, including money-laundering risk 4.9. Risks specific to the insurance business 5. Consolidated financial statements for year ended december 31, 2011 8. Notes to consolidated financial statements at December 31, 2011 8. Notes to consolidated financial statements at December 31, 2011 8. Notes to consolidated financial statements at December 31, 2011 8. Notes to consolidated financial statements at December 31, 2011 8. Notes to consolidated financial statements at December 31, 2011 8. Notes to consolidated financial statements at December 31, 2011 8. Notes to consolidated financial statements at December 31, 2011 8. Notes to consolidated financial statements at December 31, 2011 8. Notes to consolidated financial statements at December 31, 2011			Group organization and business lines	10	
1.5. 2011 key figures 2.6. 2011 key figures 2.7. Board of Directors of Crédit Mutuel Arkéa 2.2. Other officers and directors 2.3. Chairman's report on the conditions for preparing and organizing the work of the Board of Directors and on internal control procedures 2.4. Executive Management bodies and their work 2.5. Conflicts of interest for officers and directors 2.6. Compensation of officers 3.1. Activities 3.1. Activities 3.2. Financial results 3.3. Capital and regulatory ratios 3.4. Outlook 4 Risk factors 4.1. Credit risk 4.2. Market risks 4.3. Structural interest rate and liquidity risks 4.4. Currency risk 4.5. Equity and other variable income securities risk 4.7. Legal risk 4.8. Non-compliance risk, including money-laundering risk 4.9. Risks specific to the insurance business 5 Consolidated financial statements for year ended december 31, 2011 80 Notes to consolidated financial statements at December 31, 2011					
1.6. 2011 key figures 20 Corporate governance 22 2.1. Board of Directors of Crédit Mutuel Arkéa 22 2.2. Other officers and directors 22 3. Chairman's report on the conditions for preparing and organizing the work of the Board of Directors and on internal control procedures 24 2.4. Executive Management bodies and their work 25. Conflicts of interest for officers and directors 26. Compensation of officers 37 3.1. Activities 3.2. Financial items 44 3.2. Financial results 44 3.3. Capital and regulatory ratios 44 3.4. Outlook 50 4 Risk factors 4.1. Credit risk 4.2. Market risks 4.3. Structural interest rate and liquidity risks 50 4.4. Currency risk 4.5. Equity and other variable income securities risk 50 4.6. Operational risk 70 4.7. Legal risk 80 4.9. Risks specific to the insurance business 80 Notes to consolidated financial statements at December 31, 2011 80 Notes to consolidated financial statements at December 31, 2011 80 Notes to consolidated financial statements at December 31, 2011 80					
2.1. Board of Directors of Crédit Mutuel Arkéa					
2.1. Board of Directors of Crédit Mutuel Arkéa 2.2. Other officers and directors 2.3. Chairman's report on the conditions for preparing and organizing the work of the Board of Directors and on internal control procedures 2.4. Executive Management bodies and their work. 36. Conflicts of interest for officers and directors 2.6. Compensation of officers 37. Activities 38. Activities 39. Activities 30. Capital and regulatory ratios 30. Capital and regulatory ratios 30. Activities 31. Activities 32. Activities 32. Activities 33. Activities 34. Activities 34. Activities 35. Activities 36. Activities 37. Activities 38. Activities 39. Activities 30. Activities 30. Activities 30. Activities 30. Activities 31. Activities 32. Activities 32. Activities 33. Activities 34. Activities 34. Activities 35. Activities 36. Activities 36. Activities 37. Activities 38. Activities 38. Activities 39. Activities 30. Activities 30. Activities 30. Activities 30. Activities 30. Activities 31. Activities 31. Activities 32. Activities 32. Activities 33. Activities 34. Activities 34. Activities 34. Activities 35. Activities 36. Activities 37. Activities 37. Activities 38. Activities 39. Activities 30. Activities 31. Activities 31. Activities 32. Activities 32. Activities 32. Activities 32. Activities 32. A		1.6.	2011 key figures	20	
2.2. Other officers and directors 2.3. Chairman's report on the conditions for preparing and organizing the work of the Board of Directors and on internal control procedures 2.4. Executive Management bodies and their work 2.5. Conflicts of interest for officers and directors 2.6. Compensation of officers 3.7. Activities 3.1. Activities 3.2. Financial results 3.3. Capital and regulatory ratios 3.4. Outlook 4 Risk factors 4.1. Credit risk 4.2. Market risks 4.3. Structural interest rate and liquidity risks 4.4. Currency risk 4.5. Equity and other variable income securities risk 4.6. Operational risk 4.7. Legal risk 4.8. Non-compliance risk, including money-laundering risk 4.9. Risks specific to the insurance business 5 Consolidated financial statements for year ended december 31, 2011 8 Notes to consolidated financial statements at December 31, 2011	2	Corpo	rate governance	23	
2.3. Chairman's report on the conditions for preparing and organizing the work of the Board of Directors and on internal control procedures. 2.4. Executive Management bodies and their work. 2.5. Conflicts of interest for officers and directors. 2.6. Compensation of officers. 3.7. Activities. 3.1. Activities. 3.2. Financial results. 3.3. Capital and regulatory ratios. 3.4. Outlook. 4.1. Credit risk. 4.2. Market risks. 4.3. Structural interest rate and liquidity risks. 4.4. Currency risk. 4.5. Equity and other variable income securities risk. 4.6. Operational risk. 4.7. Legal risk. 4.8. Non-compliance risk, including money-laundering risk. 4.9. Risks specific to the insurance business. 5.0 Consolidated financial statements for year ended december 31, 2011. 8.1 Notes to consolidated financial statements at December 31, 2011.		2.1.	Board of Directors of Crédit Mutuel Arkéa	24	
the Board of Directors and on internal control procedures 2.4. Executive Management bodies and their work 2.5. Conflicts of interest for officers and directors 2.6. Compensation of officers 3.7. Activities 3.1. Activities 3.2. Financial results 3.3. Capital and regulatory ratios 3.4. Outlook 4.1. Credit risk 4.2. Market risks 4.3. Structural interest rate and liquidity risks 4.4. Currency risk 4.5. Equity and other variable income securities risk 4.6. Operational risk 4.7. Legal risk 4.8. Non-compliance risk, including money-laundering risk 4.9. Risks specific to the insurance business 5. Consolidated financial statements at December 31, 2011 8. Notes to consolidated financial statements at December 31, 2011		2.2.	Other officers and directors	27	
2.4. Executive Management bodies and their work 2.5. Conflicts of interest for officers and directors 2.6. Compensation of officers 36 37 38 39 30 30 31. Activities 31. Activities 32. Financial results 33. Capital and regulatory ratios 34 35. Capital and regulatory ratios 36 37 48 49 40 40 40 41 42 43 45 45 46 47 48 48 49 49 49 49 49 49 49 49		2.3.			
2.5. Conflicts of interest for officers and directors 2.6. Compensation of officers 3.7. Activities 3.1. Activities 3.2. Financial results 3.3. Capital and regulatory ratios 3.4. Outlook 4. Risk factors 4.1. Credit risk 4.2. Market risks 4.3. Structural interest rate and liquidity risks 4.4. Currency risk 4.5. Equity and other variable income securities risk 4.6. Operational risk 4.7. Legal risk 4.8. Non-compliance risk, including money-laundering risk 4.9. Risks specific to the insurance business 5. Consolidated financial statements for year ended december 31, 2011 8. Notes to consolidated financial statements at December 31, 2011		0.4	· · · · · · · · · · · · · · · · · · ·		
2.6. Compensation of officers			-		
3.1. Activities					
3.1. Activities		2.0.	Compensation of officers	38	
3.2. Financial results 3.3. Capital and regulatory ratios 3.4. Outlook 4 Risk factors 50 4.1. Credit risk 50 4.2. Market risks 61 4.3. Structural interest rate and liquidity risks 70 4.4. Currency risk 71 4.5. Equity and other variable income securities risk 72 4.6. Operational risk 73 4.7. Legal risk 74 4.8. Non-compliance risk, including money-laundering risk 75 4.9. Risks specific to the insurance business 75 76 77 78 78 79 79 70 70 70 70 70 70 70 70 70 70 70 70 70	3	Financ	cial items	41	
3.3. Capital and regulatory ratios 47 3.4. Outlook 50 4 Risk factors 53 4.1. Credit risk 55 4.2. Market risks 66 4.3. Structural interest rate and liquidity risks 70 4.4. Currency risk 70 4.5. Equity and other variable income securities risk 70 4.6. Operational risk 70 4.7. Legal risk 80 4.8. Non-compliance risk, including money-laundering risk 81 4.9. Risks specific to the insurance business 82 5 Consolidated financial statements for year ended december 31, 2011 85 Notes to consolidated financial statements at December 31, 2011 93			Activities	42	
3.4. Outlook			Financial results	45	
4.1. Credit risk			Capital and regulatory ratios	47	
4.1. Credit risk		3.4.	Outlook	50	
4.2. Market risks	4	Risk fa	actors	53	
4.3. Structural interest rate and liquidity risks 70 4.4. Currency risk 74 4.5. Equity and other variable income securities risk 75 4.6. Operational risk 76 4.7. Legal risk 80 4.8. Non-compliance risk, including money-laundering risk 81 4.9. Risks specific to the insurance business 82 Consolidated financial statements for year ended december 31, 2011 85 Notes to consolidated financial statements at December 31, 2011 93		4.1.	Credit risk	55	
4.4. Currency risk 74 4.5. Equity and other variable income securities risk 75 4.6. Operational risk 80 4.7. Legal risk 80 4.8. Non-compliance risk, including money-laundering risk 81 4.9. Risks specific to the insurance business 82 Consolidated financial statements for year ended december 31, 2011 85 Notes to consolidated financial statements at December 31, 2011 93		4.2.	Market risks	67	
4.5. Equity and other variable income securities risk		4.3.	Structural interest rate and liquidity risks	70	
 4.6. Operational risk					
 4.7. Legal risk					
 4.8. Non-compliance risk, including money-laundering risk					
 4.9. Risks specific to the insurance business			· ·		
Consolidated financial statements for year ended december 31, 2011 85 Notes to consolidated financial statements at December 31, 2011 93					
Notes to consolidated financial statements at December 31, 2011	_	4.9.	Risks specific to the insurance business	82	
	5	Consolidated financial statements for year ended december 31, 2011			
6 The aggregate financial statements at December 31, 2011 13		Notes	to consolidated financial statements at December 31, 2011	93	
10	6	The aggregate financial statements at December 31, 20111			

7	Compa	ny's social responsibility	143	
	7.1. 7.2. 7.3. 7.4.	Socially responsible development Environmental commitments Regional initiatives Actions on behalf of citizens	147	
8	Other i	nformation on the company	150	
	8.1. 8.2. 8.3. 8.4.	Registered company name and trade name Company's place of registration and registration number Company's creation date and incorporation period Company's registered office and legal form, legislation governing its activities,	152	
	8.5. 8.6.	country of origin, address and telephone number of its registered office Nature of control over the company Litigation and arbitration	154	
	8.7. 8.8. 8.9.	Major agreements Material change in the company's financial situation Audit of the annual historical financial data and sources	154	
	8.10. 8.11.	of financial information appearing in this document. Earnings forecasts or estimates	156 156	
9	Person	responsible	159	
	9.1. 9.2.	Person responsible for the information contained in this document		
10	Statuto	ry auditors	162	
11	Statutory auditors' report on the consolidated financial statements for the year ended December 31, 2011			
12	Statuto	ry auditors' report on the Chairman's report	170	
13	Statutory Auditors' special report on regulated agreements and commitments			
	Table of concordance			
	AML Statement			

This is a free translation into English of the Registration document and it is provided solely for the convenience of English speaker users. Only the French version of the Registration document has been submitted to the AMF. It is therefore the only version that is binding in law.

The Registration document includes all elements of the Group Management report to be submitted to the annual Shareholder's General Meeting approving the financial statements for the year ended December 31, 2011.

The original document was filed with the AMF (French Securities Regulator) on 12 April 2012, in accordance with article 212-13 of the AMF's General Regulations.

It may be used in support of a financial transaction only if supplemented by a Transaction Note that has received approval from the AMF.





PRESENTATION of **CRÉDIT MUTUEL ARKÉA**



HISTORY

of CRÉDIT MUTUEL ARKÉA

Crédit Mutuel Arkéa's history goes back more than 100 years in Brittany and continues today across all of France and in Europe. The first rural Crédit Mutuel Agricole savings banks were set up by the Act of 1884 and emerged in Brittany as well as in the Southwest (Sud-Ouest) and the Rhône-Alpes regions. In Western France, after many years of often uneven growth at the local level, the 1970s ushered in the merger of the savings banks in Brittany and the formation of a Group on a truly regional scale.

Acte I: 1970-1985

In Brittany, the widespread shift to fixed monthly wages and the legal requirement to pay salaries by check spurred many blue-collar workers, namely those of the Brest arsenal, to look for a banking partner. Crédit Mutuel de Bretagne (CMB) was the first bank to open its doors to them. Although it accounted for barely 2% of the regional market in 1965, by 1979 CMB had grown to where it funded 25% of all housing transactions in Brittany and already had more than 500,000 customer shareholders.

Acte II: 1985-2000

Needs in the banking and insurance area diversified into life insurance, non-life insurance, consumer loans, companies and local authorities financing, among others. CMB sought to provide suitable and competitive solutions by becoming a producer and distributor of its products. From 1985 to 2000, to fill those needs, it set up the following subsidiaries: Suravenir (life insurance and protection), Suravenir Assurances, and Novélia (life and non-life insurance), Federal Finance (asset management), Arkéa Banque Entreprises et Institutionnels (ABEI, formerly Banque Commerciale pour le Marché de l'Entreprise, providing company financing) and Financo (point-of-sale credit). With the acquisition of BPE (Banque Privée Européenne) in the 1990s, the Group extended its line of services to include private banking.

At the beginning of the 2000s, a solid and diversified Group was formed around the three federations: Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest (CMSO), and Crédit Mutuel Massif Central (CMMC) and some 20 specialized subsidiaries. This constituted the creation of Crédit Mutuel Arkéa Group.

Acte III: 2000/2008

The explosive growth of the Internet and mobile services thoroughly changed the way French consumers interacted with their banks and gave rise to the first online brokers and banks. Crédit Mutuel Arkéa positioned itself very early on in the new information and communications technologies through a multi-channel approach. It was one of the first banking groups to develop the "home" retail banking segment by offering Domiweb, then on the mobile market (first bank on iPhone). It was also the first bank in Europe to enable fully secure online stock market order transmission. In 2000, the Group created the online broker Symphonis, and then acquired Fortuneo in 2006, the country's second-largest online broker. The Group then merged the two subsidiaries in 2007, and Fortuneo became Fortuneo Banque.

Acte IV: Depuis 2008...

In 2008, Crédit Mutuel Arkéa adopted the Horizons 2015 business plan. The Group's various areas of expertise have proven their worth within the historical networks. Now the Group would like to market its know-how to new partners. It aspires to be a provider of turnkey industrial solutions to the banking and insurance industries as well as other industries such as the telephone and retail industries. This aspiration builds on three core businesses: electronic payments, securities, and banking services. After acquiring ProCapital Securities Services in 2006 (securities services provider), Crédit Mutuel Arkéa created Arkéa Banking Services in 2010 to provide services to its banking clients.

In early 2010, it acquired Monext, the leading French electronic payments provider, thus strengthening its ambition to expand throughout France and in Europe. The Group rounded out its line of services with the buyouts of Leasecom (2010 - business

finance leasing), Crédit Foncier et Communal d'Alsace et de Lorraine Banque (2010 - CFCAL Banque - loan rescheduling) and the creation of Armoney (2010 - electronic money platform through a partnership with Banque Accord), Arkéa Capital Partenaire (2011 - private equity) and Arkéa Assistance (2011 - remote support services).

In 2011, the Group rolled out a new brand architecture in order to achieve a more coherent, unified and identifiable presence. This new architecture is still aimed at promoting its producer/ distributor business model.

In 2011, Crédit Mutuel Arkéa rolled out a new brand architecture as part of the Horizons 2015 project. This new architecture provides a clear, consistent and modern view.

RETAIL

COMPANIES AND INSTITUTIONS

SERVICES AND TECHNOLOGIES

SPECIALIZED PRODUCTS



Crédit Mutuel

Crédit Mutuel







































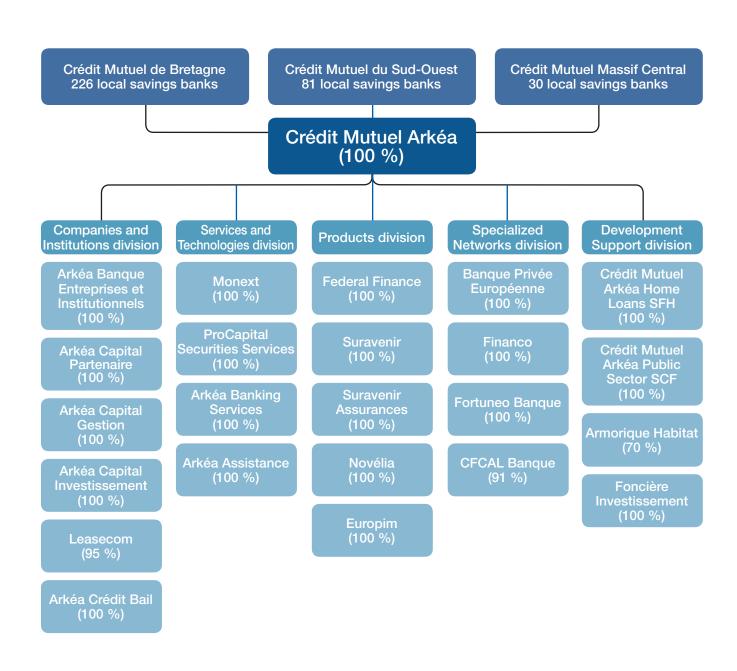






1.2 GROUP ORGANIZATION and BUSINESS LINES

A universal bank that is open to all, Crédit Mutuel Arkéa is both a producer and distributor of its products and services. This positioning gives it control over the entire value-added chain thanks to the contributions of its specialized subsidiaries. The integrated Group is structured around a simple organization consisting of the three Crédit Mutuel federations, four "business line" divisions and a division that includes the support functions.



Crédit Mutuel federations

Locally based banking and insurance is provided through the Crédit Mutuel de Bretagne (CMB), Crédit Mutuel du Sud-Ouest (CMSO) and Crédit Mutuel Massif Central (CMMC) federations. Thanks to the density of their local savings bank networks, these three federations remain the direct and natural link with customer shareholders and clients as well as the best place to provide high-value-added advisory services. This relationship built on mutual trust leads to the provision of new solutions, notably during key periods in the clients' lives, such as financing education, buying a home, preparing for retirement or creating and transferring wealth. It also requires continuously adapting to new consumption patterns, in particular those related to the use of mobile and remote services.

For the agricultural and wine-making sectors, the Group enjoys the support and competencies of specialized entities: Caisse de Bretagne de Crédit Mutuel Agricole (Brittany), Agribanque (Southwest) and Crédit Mutuel Agricole et Rural (Massif Central). As a leading French agricultural bank, Crédit Mutuel Arkéa continues to grow in this sector, which plays a major role in the local and regional economy and its development and financial health. For a local and regional player such as Crédit Mutuel Arkéa, pursuing growth in this sector reflects a deliberate commitment. It entails the responsibility of supporting the most important regional economic activities, starting with agriculture and agribusiness.

The business line divisions

Companies and Institutions division

The Companies and Institutions division combines all the competencies focused on businesses (small- and medium-sized businesses, corporations, property developers) and institutional clients (local authorities, healthcare providers, public housing, social welfare agencies, etc.).

- Arkéa Banque Entreprises et Institutionnels is a commercial bank whose business purpose is to support economic and local development entities through a range of products and services that satisfy their needs, both nationally and internationally: savings, payments, credits, asset management, insurance, retirement benefits, company savings, etc. It provides nationwide coverage in France through 19 regional business centers
- Arkéa Crédit-Bail (formerly Bail Entreprises) originally specialized in real estate leasing. It finances commercial real estate buildings (offices, warehouses, business establishments, retail stores, clinics, retirement homes, automotive dealers, etc.). Since early 2011, it also provides equipment leasing, which is aimed at companies seeking to finance equipment purchases or their industrial and commercial assets.
- Private equity is handled by Capital Investissement (formerly Synergie Finance), Arkéa Capital Gestion (formerly Synergie

Finance Gestion) and Arkéa Capital Partenaire. The first of these three companies helps to bolster the equity resources of small and medium-sized businesses in the growth phase or facilitates their purchase in the event of a full or partial transfer of their assets through the acquisition of non-controlling interests. It invests amounts ranging from €1 million to €10 million, with an average holding period of seven to 10 years. The second of these three companies manages private equity funds (fonds communs de placement à risques - FCPR). The last and most recently created of the three, Arkéa Capital Partenaire, rounds out this line of services and focuses more specifically on large, unlisted regional companies that are considered strategic in Crédit Mutuel Arkéa's historical business regions.

• Leasecom provides lease financing to more than 30,000 companies and organizations to support their technological, business equipment and light-vehicle needs through scalable and customized lease financing solutions. It uses a number of distribution channels, including local savings bank networks, Arkéa Banque Companies and Institutions branches and brokers.

Services and Technologies division

The Services and Technologies division provides IT and other technical services to Group entities and also seeks to expand the range of payments and securities services. It consists of the IT, IT research, Payments Services and Technoservices departments. It also has four subsidiaries.

- ProCapital Securities Services, which operates in France and Belgium, provides securities services for financial institutions (online banks and brokerages, asset management companies, etc.). It offers a scalable line of services: order brokerage and clearing, legal and administrative account-keeping, custody for the full range of financial instruments, creation of simple and transaction-capable web sites.
- Arkéa Banking Services (formerly ProCapital Banking Services) is the specialized subsidiary that provides banking services to third parties, including banks, asset management companies, supplementary health insurance companies, and retail companies looking to outsource the creation of bank services.
- Monext handles electronic payment transactions, with and without cards, either at the point of sale, over the Internet or through mobile phones. It supports financial institutions and merchants in France and the rest of Europe as they optimize their electronic payments value chain by offering them secure, reliable and immediate solutions. Monext is the only French company to have a PCI DSS certified call center that ensures highly secure processing of requests.
- The newly created Arkéa Assistance enables the Group to expand its range of services by offering non-banking services aimed at easing and improving the daily lives of its clients. The subsidiary offers remote assistance, which for example enables people living in isolated environments to be continuously connected to a network of trustworthy people and emergency services.

Products division

This division consists of all the entities that produce banking, real estate, and insurance products. It is the engine of the Group's ambition to become the benchmark for customer shareholders and clients in financial services, life and protection insurance, and to set up new commercial and technical partnerships.

- With 1 million life insurance and 1.3 million protection insurance clients, Suravenir is a leading French developer, producer and manager of life (individual and group) and protection (borrower's insurance, term life) insurance policies as well as company retirement savings plans. These policies are marketed through the Crédit Mutuel networks, online bankers and independent advisors. Since end-2011, Suravenir is a wholly owned subsidiary of the Group.
- Suravenir-Assurances covers all non-life insurance needs of individuals: homeowners, auto, motorcycle, health, accidental death and disability. The company has more than 500,000 clients. Its products are marketed through the sales networks of CMB, CMSO, CMMC, BPE, Novélia, the Fortuneo Banque web site, and the company strives to diversify its distribution through outside partnerships (Landes Mutualité, SMAM, etc.).
- Novélia, a wholesale insurance broker, offers business risk coverage and designs mass market insurance products and customized insurance products for major business accounts. Its products are distributed by more than 1,300 insurer/advisors (brokers and general agents) throughout France.
- Federal Finance is the Group's asset management company. In addition to offering a complete line of funds, it also offers discretionary asset management services, company savings plans and tax planning solutions for individuals, companies and institutional investors. It is the controlling shareholder of Schelcher Prince Gestion, which specializes in convertible and high-yield bonds.
- Working on behalf of the Crédit Mutuel Arkéa networks, Europim selects new and renovated real estate products and programs throughout France that are eligible for the main real estate investments that qualify for preferential tax treatment, including real estate investment trusts (Sociétés civiles de placements immobiliers SCPI) and wine-growing landholding entities (Groupements fonciers viticoles).

Specialized networks division

The Specialized Networks division sells banking and insurance products to individuals through specialized distribution channels or dedicated to specific market segments.

• Created in 2000, Fortuneo Banque develops a very comprehensive line of banking and insurance services: Capital markets, bank accounts, savings, insurance, etc. It has also been operating in Belgium since 2007. Fortuneo Banque already has more than 180,000 clients.

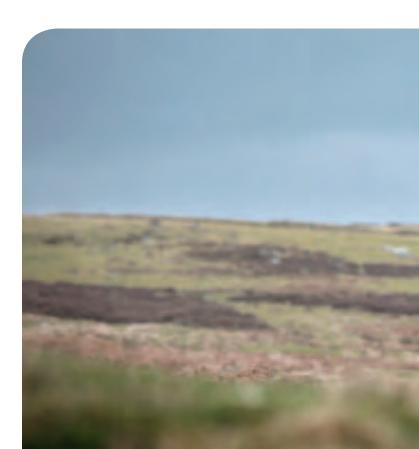
- The private bank **BPE provides a full line of banking services** to high-net-worth individuals. It encompasses a wealth management activity, thereby providing real value-added to clients seeking to optimize their tax planning, receive support in investment selection and perform advanced estate planning. BPE relies on a nationwide network of 32 offices located in the largest French cities (including 10 in the Île-de-France region), five branches and three wealth management offices.
- Financo specializes in consumer credit (automobile, motorcycle, recreational vehicles, housing, general household appliances). It provides comprehensive solutions: purchase loans, credit lines, personal loans, payments in three installments, advances on employee savings, etc. It is present in 16 cities in France.

Development Support division

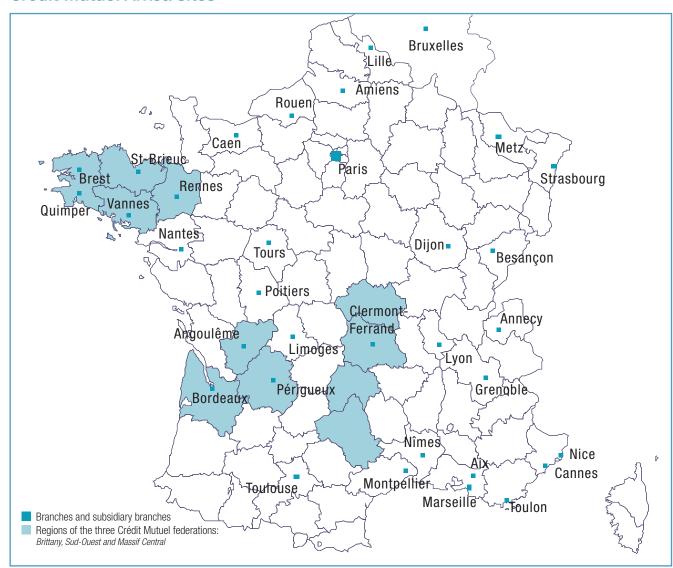
The Development Support division supports the Group's producer/distributor business model. It includes the Human Resources and Training, Finance, Financial Markets and Refinancing, Overall Organization and Resources, Risks, Legal and Permanent Control activities.

Two other subsidiaries, **Crédit Mutuel Arkéa Home Loans SFH and Crédit Mutuel Arkéa Public Sector SCF**, are responsible for issuing covered bonds designed to provide refinancing for the Group.

Lastly, **Foncière Investissement**, a key conduit for the Group's real estate investments, and **Armorique Habitat**, which finances public housing and manages more than 4,500 rental units that it owns in 160 municipalities in Brittany, round out some of Crédit Mutuel Arkéa's activities.



Crédit Mutuel Arkéa sites





1.3 GROUP

STRATEGY

In 2008, Crédit Mutuel Arkéa adopted a company project known as Horizons 2015. Now at the mid-point, this project, which is being managed and supported by the 4,000 directors and 9,000 employees, has enabled the Group to accelerate its development despite a turbulent and increasingly competitive environment.

The economic and financial crisis does not jeopardize the company project's strategic orientations or overall balance, as evidenced by the outstanding sales performances achieved year in and year out.

True to its growth model, the Group has not changed its priorities: winning market share and making optimal use of its know-how, openness to major independent partnerships and strengthening its presence in the key local and regional markets.

Horizons 2015 aims for openness

Horizons 2015 sets the course for all Group components: Crédit Mutuel federations, subsidiaries and support functions. The clearly charted course is that of openness.

More than a principle, this commitment to openness is a mindset that permeates all entities. As both a producer and distributor, Crédit Mutuel Arkéa in effect has first-rate expertise that it intends to communicate more thoroughly to its various client bases.

The four avenues for development

The efforts to maximize performance throughout the Group and across all business lines are based on four major development avenues:

- Making the local savings bank the focal point for value added and positioning it at the heart of the multichannel relationship;
- Becoming a leader in online banking in France and Belgium through Fortuneo Banque;
- Strengthening the Group's position in the companies and institutions market;
- Forging commercial, technical and even ownership partnerships that make sense for the Group's development..

Conceiving the bank of tomorrow

The primary orientation of the Horizons 2015 project consists of confirming the Group's strongest positions in retail banking and insurance. That was the motivation behind the substantive deliberations initiated in 2010 on the topic of "the bank branch of tomorrow".

Several emblematic initiatives have already seen the light of day. They include in particular the opening of Companies and Professionals branches dedicated to regional very small and medium-sized businesses with sales of less than €10 million. The increased use of new technologies is aimed at improving the quality of service delivered to customer shareholders and clients and to round out the product line. In the spring, the Brittany branches will begin offering a new service that provides at-home remote assistance for persons living alone.

Creating a local connection ... from afar

Using the strength of its technological assets and capacity to produce comprehensive and competitive products and services, Crédit Mutuel Arkéa aims to play a leading role in online banking. This ambition goes hand in hand with the commitment to satisfy the expectations of a rapidly growing market and significantly increase the number of contact points by making use of all banking relationship channels.

Fortuneo Banque is spearheading the Group's efforts to become a leader in online banking in France as well as Belgium. Fortuneo already has more than 180,000 clients and outstandings of more than €6 billion.

More generally, the Group is developing products and services accessible via Internet or mobile phone. Crédit Mutuel de Bretagne launched its online real estate listings portal – Immonovo – which gives Internet users a broad choice of listings and related services. In September 2011, the CMB, CMSO and CMMC networks launched BEMIX through a partnership with Fun Radio. These banking and non-banking services target people in the 12 to 25 age group: customizable bank card, online checks, e-statements, mobile banking and exclusive benefits (shopping, private events, etc.).

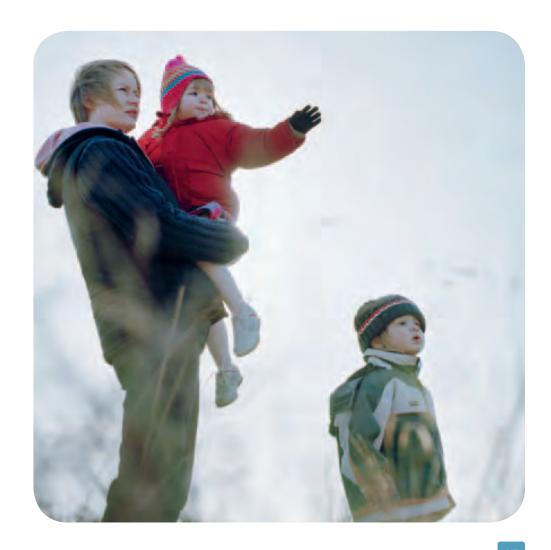
Supporting companies and institutions

The third major orientation: strengthening the Group in the companies, public authorities (local and regional, healthcare institutions, low-income housing and the social economy) and real estate development markets. In 2011, following the creation of a specialized division, Leasecom's scalable financing product line was fully integrated. Arkéa Crédit-Bail,

meanwhile, added equipment leasing to its product line. The Group also offers a new factoring product line through Arkéa Factoring. Finally, in the private equity sector Arkéa Capital Partenaire was created in order to round out Arkéa Capital-Investissement. This new company's purpose is to become the main banking partner of large, unlisted regional companies at each key step in their development. Crédit Mutuel Arkéa thus intends to support the economic vitality of the local and regional areas and help them to preserve employment and decision-making centers.

Partnerships, essential mechanisms

Finally, the Horizons 2015 project seeks to introduce the Group to new business lines through partnerships. Arkéa Banking Services, an entity dedicated to business to business (BtoB) banking, is one example of this commitment. With more than 520 listings already in its portfolio, this activity is growing rapidly at the Group, which does not hesitate to step up as a "partner on behalf of the development of its competitors". ProCapital Securities Services (securities services), Monext (electronic payment transactions), Armoney (electronic money) round out the Group's activities in these areas.



1.4 CRÉDIT MUTUEL ARKÉA and the COOPERATIVE MOVEMENT

In all its regions, Crédit Mutuel Arkéa is developing by remaining true to the principles of mutual banking and cooperation. The locally based democracy, which is reflected at all decision-making levels, puts people at the heart of the company's development plan.

Crédit Mutuel Arkéa's profile by 2015

- A Group that embodies a unique development path within Crédit Mutuel, one that is founded on open partnerships;
- A Group with strong ties to its home regions that takes full advantage of its ties to customer shareholders;
- An integrated Group that ensures the autonomy of its constituent teams;
- A Group that knows how to maximize the talents of its employees and elected representatives and to attract new talent;
- A Group with expanded products, services and competencies aimed at individuals;
- A Group that is recognized as an essential partner for companies and as a major player in local development;
- A Group that invests in new areas, markets and businesses, including abroad.

Authentically mutualist and cooperative

As a company of people as opposed to capital, Crédit Mutuel Arkéa is not listed on the stock exchange. Its sustainable development strategy is therefore generated solely by the search for near-term profitability. The financial cooperative, which lies at the company's core, can neither be sold nor be the target of a buyout; it can only be liquidated in accordance with a decision by customer shareholders.

Crédit Mutual Arkéa's basic unit is the local savings bank. A credit institution under French banking law, this local savings bank has a restricted area of operations and its capital is owned by customer shareholders in the form of shares. Financially independent, it collects savings, extends credit and offers a comprehensive line of financial services and insurance. Most decisions involving clients are made at this level. Each savings bank has a Board of Directors, made up of volunteer directors, elected by the customer shareholders themselves in a general meeting based on the principle of one person equals one vote.

Crédit Mutuel Arkéa's capital is owned by the local savings banks of the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations.

Each Crédit Mutuel customer shareholder owns at least one share, i.e., a share in the capital of the cooperative company. The totality of shares held by customer shareholders make up the company's capital, which is an integral part of its prudential capital. They may only be redeemed at face value.

The subscription of a share enables the holder to:

- become a member of the cooperative that is the local savings bank,
- vote at the Shareholders' General Meeting based on the principle of one person equals one vote,
- elect directors of local savings banks and officers as part of a democratic governance process.

Through the directors they elect, customer shareholders are represented at three levels – local, regional and national – of Crédit Mutuel. They are therefore both shareholders and customers, beneficial owners and consumers of the company.



Crédit Mutuel Arkéa is the Group's lead company. It has a general license for all the savings banks of the three federations. The local savings banks do not have individual licenses. It ensures that the Group's main financial ratios comply with the regulatory limits set by the banking and financial authorities. It also provides access to financial markets for all Group entities.

Solidarity relations within Crédit Mutuel Arkéa

Crédit Mutuel Arkéa's solidarity mechanism is an interfederal one in accordance with Article R.515-1 of the French Monetary and Financial Code. This article stipulates that the French Prudential Control Authority (Autorité de Contrôle Prudentiel, ACP) may, with respect to mutual and cooperative companies, issue a collective license to a savings bank for it and all affiliated savings banks when the liquidity and solvency of the local savings banks are guaranteed through this affiliation. Crédit Mutuel Arkéa has received a collective license for itself and all member local savings banks since the French Prudential Control Authority (ACP) felt that the liquidity and solvency of the local savings banks is guaranteed through this affiliation.

The solidarity mechanism is set up through the financial by-laws contained in each of the general operating by-laws of the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, and Crédit Mutuel Massif Central federations. It only binds the member local savings banks, the federation and Crédit Mutuel Arkéa. Moreover, it does not create third-party obligations for the local savings banks. In other words, the members of Crédit Mutuel Arkéa are not liable to third parties. Creditors of a local savings bank can only assert their claims to that specific local savings bank, and not indiscriminately to another savings bank or Crédit Mutuel Arkéa.

The federal fund

As part of this mechanism, a federal solidarity fund is set up for each federation, which ensures compensatory earnings transfers among the member local savings banks pursuant to general resolution No. 2-1982 of the Confédération Nationale du Crédit Mutuel. This federal fund receives allocations and subsidies from the local savings bank and is made up of the federal solidarity fund and the federal reserve fund.

- 1 The federal solidarity fund performs compensatory earnings transfers among member local savings banks through contributions and subsidies. All local savings banks that have recorded net losses for three consecutive years are subjected to a special audit. A turnaround plan is drawn up by the corresponding federation and Crédit Mutuel Arkéa. If the loss has not been eliminated at the end of the turnaround period set in the plan, the corresponding federation in conjunction with Crédit Mutuel Arkéa will decide on the local savings bank's future.
- 2 The federal reserve fund may provide financial support to local savings banks whose net financial position is negative or which show a loss, as well as those that have experienced an extraordinary loss.

Each year, the federation determines the level of contribution to this fund. The federal reserve fund is administered by the federation. The requests it receives for financial support are reviewed by a committee consisting of directors.

In addition to this federal fund, Crédit Mutuel Arkéa may also provide advances, subsidies and loans to local savings banks experiencing financial difficulties.

Nationwide solidarity

Crédit Mutuel is subject to the French Monetary and Financial Code, and in particular by Articles L.511-30 to L.511-32 on central bodies and L.512-55 to L.512-59 on Crédit Mutuel.

The regional groups' membership in the Confédération and Caisse Centrale du Crédit Mutuel, which is the third organizational level of Crédit Mutuel, ensures nationwide solidarity.

As the central body, the Confédération Nationale du Crédit Mutuel ensures the solidarity and proper operation of Credit Mutuel and guarantees the liquidity and solvency of each member institution and of the entire network. In addition, it represents member credit institutions on matters involving the Banque de France and the Prudential Control Authority. It also ensures compliance with laws and regulations that govern its institutions. Finally, it performs administrative, technical and financial control over the organization and the management of member institutions.

Caisse Centrale du Crédit Mutuel, a national financial body, helps to ensure the liquidity of the regional group and coordinates the financial solidarity of Crédit Mutuel. Its capital is owned by all of the federal savings banks.

1.5 2011

HIGHLIGHTS

A look back at 2011

January

 Arkéa Crédit-Bail introduced its new lease financing activity, broken down into three lines: equipment leasing, purchase option leasing and lease financing. The goal is to be able to better satisfy the financial needs of institutions, companies and entrepreneurs.

February

- RCI Banque, the banking subsidiary of automotive manufacturer Renault, chose Crédit Mutuel Arkéa to finalize its plan to offer an online interest-bearing savings book, which will be managed as a private label by Arkéa Banking Services. Two other Crédit Mutuel Arkéa subsidiaries (Monext and Fortuneo Banque) are involved in the project.
- Jean-Pierre Denis, Chairman of Crédit Mutuel Arkéa, and François Cuillandre, the mayor of Brest, laid the cornerstone of the Group's new building. With this new 15,000 square meter building, which will house 750 employees, the Group further strengthens its roots in outermost Brittany.

March

- The Group teamed up with La Poste through Digiposte in order to offer its customer shareholders a "3-in-1" offer consisting of a digital vault to store their documents, a shared space where they can make their documents available to selected third parties and a secure and selective digital mailbox. This development satisfies Crédit Mutuel Arkéa's commitment to positioning itself in the new consumption patterns by developing a multichannel approach.
- Financo and Leaseplan, a global long-term rental specialist, signed a cross-partnership aimed at the mutual development of their respective products and services.
- Arkéa Banque Entreprises et Institutionnels entered into a partnership with the public housing agency Office Public Départemental de l'Habitat des Hauts-de-Seine. The agreement calls for the financing of 890 public housing units, with a total lending amount of €82 million.

April

- The Group launched its bond eligible for life insurance and, for the first time, for the securities account, with an annual interest payment.
- Arkéa Banque Entreprises et Institutionnels increased its geographic coverage by opening two business centers in Lille and Tours.
- Suravenir Assurances continued its diversification policy and entered into an agreement with SMAM Mutuelle in order to create a non-life insurance joint venture.

May

- The Group signed an agreement with FNAIM, the leading real estate brokerage association, aimed at developing listings.
- Customer shareholders and clients of the Group's three federations now have a truly unique bank card thanks to a new online service that enables them to customize the card's appearance.
- Crédit Mutuel Arkéa Covered Bonds changed its name to Crédit Mutuel Arkéa Home Loans SFH. This entity is authorized to issue mortgage bonds, which are covered bonds.

June

- The marketing of the new class B share began in the three Group federations. Subscribed in an ordinary securities account or share-based savings plan (Plan d'Epargne en Actions PEA), it entitles the holder to a results-based payout determined each year at the shareholders' meeting of the local savings bank. The success of this new class B share will enable the Group to support its development.
- Crédit Mutuel Arkéa and Allianz France are extending their cooperation in the area of banking transactions. Allianz Banque has now assigned them to Arkéa Banking Services. The plan represents a decisive new step for the Group in its positioning as a supplier of turnkey industrial solutions.
- Introduced in April at the annual meeting, the Group's new brand architecture is being gradually rolled out to the corresponding companies. The goal is to provide a more coherent, identifiable and up-to-date presence in support of the Group's development.

• Given the dry conditions across the country, the savings banks of the three Crédit Mutuel federations (Brittany, Sud-Ouest and Massif Central) are working with farmers and taking exceptional measures to support them (extended credit terms, preferred lending rates, etc.).

July

• Federal Finance now owns 50.04% of Schelcher Prince Gestion, the bond specialist. The company will continue to increase its ownership interest until it reaches 85% in July 2012. This merger enables Federal Finance to increase its presence among institutional investors and integrate the competencies of a highly regarded bond management company, notably for convertible and high-yield bonds.

September

• Crédit Mutuel Arkéa and Fun Radio launched BEMIX, which targets the 12-25 age group. This offer consists of three aspects: banking, non-banking and community-based services.

BKCP, a bank that operates in Belgium through a network of 70 points of sale and an online distribution channel, reaffirmed its commitment to working with ProCapital Securities Services.

The Companies and Institutions division strengthened its expertise with the launch of Arkéa Factoring, a new factoring line through a partnership with Compagnie Générale d'Affacturage (CGA – a wholly owned subsidiary of Société Générale).

October

- In order to support the development of its lending to local authorities, the Group issued covered bonds through a new entity: Crédit Mutuel Arkéa Public Sector SCF.
- The official launch of Arkéa Capital Partenaire, a private equity firm dedicated to supporting equity investments in large, unlisted regional companies. The first investment was in the agribusiness company Le Graët, with the acquisition of a 25% stake.

November

- The Companies and Institutions division rolled out its new brand architecture.
- Along with Brittany's regional government, the Group is a partner in Eilañ, an investment firm specializing in the development of renewable energies.

December

- The Group now owns 100% of the equity in Suravenir following the purchase of the remaining 15% stake held by Crédit Mutuel Loire-Atlantique Centre-Ouest.
- In the first year of its new format, Ark'ensol, the solidarity association of Crédit Mutuel Arkéa, helped to create some 600 jobs, notably through its Ark'ensol Créavenir system.

Principal awards

General services

- Crédit Mutuel: 2011 Bank of the Year (World Finance and The Banker).

Current accounts, rates and related services

- Lowest Rates Award (Le Revenu) for Fortuneo Banque.
- Labels of excellence (Les Dossiers de l'Epargne) for the CMB, CMSO and CMMC Eurocompte.
- Label of excellence (Les Dossiers de l'Epargne) for BPE's Youth Participation Agreement.
- Labels of excellence for the current accounts and securities accounts of Fortuneo Banque.
- Customer service of the year (Viséo Conseil) for Fortuneo Banque.

Life insurance

- Best multi-channel bank agreement (Mieux Vivre Votre Argent) for Prévi-Options.
- Overall life insurance grand prize (*Mieux Vivre Votre Argent*) for Symphonis-Vie.
- Gold trophies (Le Revenu) for Accord Avenir, Fidelity-Vie and Symphonis-Vie.
- Labels of excellence (Les Dossiers de l'Epargne) for Prévi-Options, Patrimoine Options, Linxeavenir, Accord Avenir and Meilleurtaux Vie.
- Silver medal (Investir Magazine) for Symphonis-Vie.

Non-life insurance

 Labels of excellence (Les Dossiers de l'Epargne) for the multi-risk home, accidental death and disability and auto insurance policies of Suravenir Assurances.

Asset management

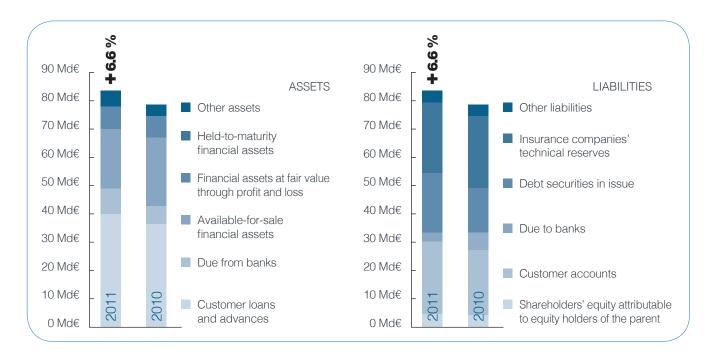
- Federal Finance received the award for long-term management (Mieux Vivre Votre Argent).
- Silver medal (Le Revenu) to Federal Finance for its three-year international equities line and its three-year, euro-denominated bonds.
- Top 10-year fund award (Lipper Fund Award) for Schelcher Prince Convertibles and best three-year fund for Schelcher Prince Convertibles Global Europe.

Company savings

 Label of excellence (Les Dossiers de l'Epargne) for the Company Savings Plan of Federal Finance.

1.6 2011

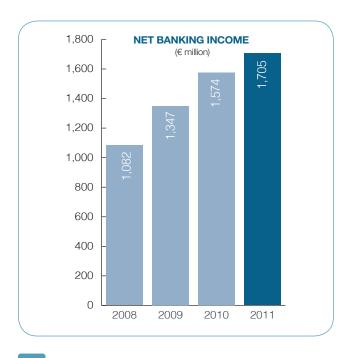
KEY-FIGURES

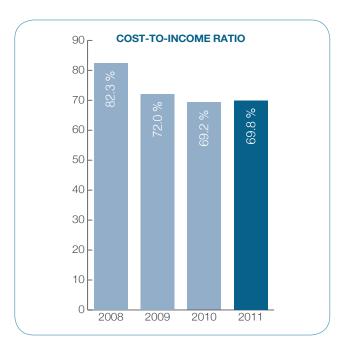


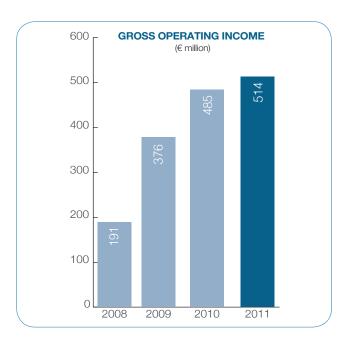
Crédit Mutuel Arkéa's total assets increased by 6.6% to €84 billion.

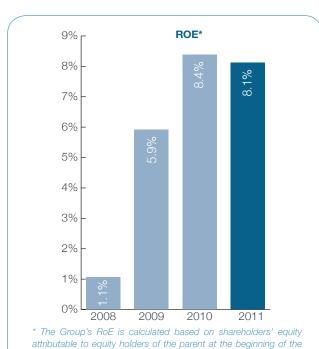
Loans to customers rose by €3.9 billion to €40,2 billion as a result of loans to companies, institutions and local authorities as well as home mortgages.

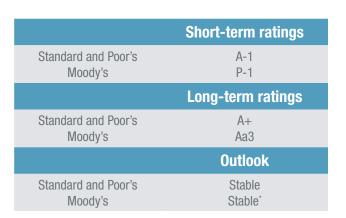
Liabilities saw a €3.1 billion increase in customer deposits (mainly passbook savings, term deposits and current accounts) and stable insurance technical reserves.





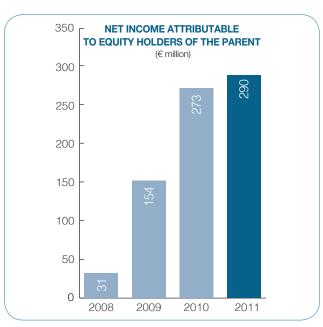


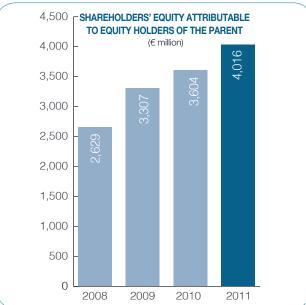


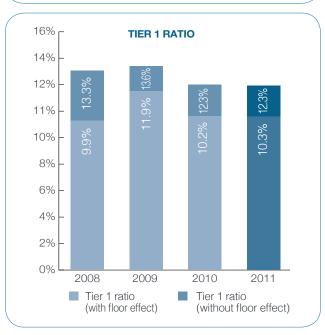


year restated for the annual payout on shares

*On the 17th february 2012, Moody's puts 114 financial institutions, including CMA, on downgrade review









CORPORATE GOVERNANCE

2.1 BOARD OF DIRECTORS of CRÉDIT MUTUEL ARKÉA

The directors of Crédit Mutuel Arkéa are elected by the Shareholders' Meeting by and from among the 4,000 directors of the local savings banks of Crédit Mutuel Arkéa's member federations. These directors are in turn elected by the shareholder customers of their local savings bank at the Shareholders' Meeting of the local savings banks according to the one-person, one-vote principle. There is no procedure to grant multiple voting rights.

This electoral system, with an electoral body consisting of all customer shareholders, ensures that clients are truly represented on all Crédit Mutuel Arkéa governance bodies and that the boards of directors are administered independently from the company's management.

However, the Board of Directors does not include any independent directors as defined by the AFEP-MEDEF code, which is otherwise used by the company as a reference. Pursuant to the cooperative by-laws, Crédit Mutuel Arkéa directors are all, in effect, directors of their local savings bank. Many of them are also members of the governance bodies of one or more Crédit Mutuel Arkéa subsidiaries.

The 2011 Shareholders' General Meeting held to elect Crédit Mutuel Arkéa's directors and approve its financial statements had an 82% attendance rate.

The business address of the corporate officers and directors of Crédit Mutuel Arkéa is 1 Rue Louis Lichou, Le Relecq-Kerhuon 29480, France.

As of December 31, 2011, the Board of Directors comprised the following members:

Jean-Pierre DENIS, Chairman (appointment: September 12, 2008 – term expires: 2012)

- Chairman of the Board of Directors of Fédération du Crédit Mutuel de Bretagne
- Director of Caisse de Crédit Mutuel de Pont-Croix
- Director of Confédération Nationale du Crédit Mutuel until March 16, 2011
- Representative of Crédit Mutuel Arkéa on the Boards of Directors of CFCAL Banque and CFCAL SCF (Crédit Foncier Communal d'Alsace Lorraine) until May 20, 2011
- Chairman of the Board of Directors of Arkéa Capital Partenaire

- Director of Altrad S.A.
- Director of PPR
- Director of Soprol
- Director of Paprec
- Director of Glon Sanders Holding
- Treasurer of the French Soccer League

Jean-François DEVAUX, Vice Chairman (appointment: June 11, 2004 – term expires: 2014)

- Chairman of Fédération du Crédit Mutuel Massif Central
- Director of Caisse Régionale du Crédit Mutuel Massif Central
- Director of Caisse de Crédit Mutuel de Clermont-Galaxie
- Director of Confédération Nationale du Crédit Mutuel until March 16, 2011
- Chairman of Banque Privée Européenne (BPE)
- Representative of Crédit Mutuel Arkéa on the Board of Directors of Suravenir Assurances
- Member of the Supervisory Board of Infolis
- Director of Association de Prévoyance Collective et d'Assurance Santé
- Director of Société Clermontoise de Télévision

Christian TOUZALIN, Vice Chairman (appointment: July 5, 1996 – term expires: 2013)

- Chairman of Fédération du Crédit Mutuel du Sud-Ouest
- Chairman of Caisse Régionale du Crédit Mutuel du Sud-Ouest
- Director of Caisse de Crédit Mutuel d'Angoulême Ma Campagne

- Director of Confédération Nationale du Crédit Mutuel until March 16, 2011
- Chairman of Suravenir Assurances
- Chairman of the Supervisory Board of Infolis
- Chairman of the Supervisory Board of Monext
- Director of Arkéa Capital Partenaire
- Director of SLEC (Société d'Exploitation du Câble du Grand Angoulême)
- Director of AGIR (Association pour la Gestion Indépendante des Réseaux)
- Chief Executive Officer of STGA (Société de Transport du Grand Angoulême)
- Chairman of the Supervisory Board of SMAM IARD

Jean-Pierre CORLAY, Director (appointment: December 19, 2008 – term expires: 2013)

- Vice Chairman of Caisse de Crédit Mutuel de Quimper Centre
- Director of Centre International du Crédit Mutuel since June 14, 2011
- Chairman of the Supervisory Board of Suravenir
- Representative of Crédit Mutuel Arkéa on the Supervisory Board of Fortuneo Banque.
- Representative of Suravenir on the Board of Directors of Novélia.
- Director of Arkéa SCD

Christian DAVID, Director (appointment: October 16, 2009 – term expires: 2013)

- Vice Chairman of Fédération du Crédit Mutuel de Bretagne
- Chairman of Caisse de Crédit Mutuel de Guidel
- Director of Suravenir Assurances

Lionel DUNET, Director (appointment: June 25, 2010 – term expires: 2012)

- Chairman of Caisse de Crédit Mutuel de Saint-Brieuc Centre Ville
- Vice-Chairman of Arkéa Banking Services

Jean-Louis DUSSOUCHAUD, Director (appointment: May 22, 1996 – term expires: 2014)

- Vice-Chairman of Fédération du Crédit Mutuel du Sud-Ouest
- Director of Caisse Régionale du Crédit Mutuel du Sud-Ouest
- Chairman of Caisse de Crédit Mutuel de Pessac Centre
- Director of Confédération Nationale du Crédit Mutuel since March 16, 2011

- Chairman of Novélia
- Chairman of Arkéa SCD
- Chairman of the Supervisory Board of Leasecom Group
- Director of Arkéa Crédit Bail
- Director of Arkéa'ensol Entraide

Jacques ENJALBERT, Director (appointment: September 12, 2008 – term expires: 2014)

- Chairman of Caisse de Crédit Mutuel de Morlaix
- Director of Confédération Nationale du Crédit Mutuel since March 16, 2011
- Chairman of the Supervisory Board of ProCapital Securities Services
- Member of the Supervisory Board of Arkéa Banque Entreprises et Institutionnels
- Director of Arkéa Capital Investissements
- Chairman of the Supervisory Board of Arkéa Banking Services



- Director of Arkéa Crédit Bail
- Director of Arkéa Capital Partenaire
- Director of Arkéa SCD
- Vice-Chairman of the Supervisory Board of Leasecom Group
- Representative of Arkéa Capital Partenaire on the Board of Directors of Groupe Le Graët

Daniel GICQUEL, Director (appointment: May 23, 2008 – term expires: 2014)

- Vice-Chairman of Caisse de Crédit Mutuel de Redon
- Vice-Chairman of Fédération du Crédit Mutuel de Bretagne
- Director of Arkéa Capital Investissements
- Director of Banque Privée Européenne (BPE)
- Director of Arkéa SCD

Alain GILLOUARD, Director (appointment: May 11, 2001 – term expires: 2013)

- Chairman of Caisse de Crédit Mutuel de Rennes Sainte-Anne Saint-Martin
- Director of Fédération du Crédit Mutuel de Bretagne
- Representative of Crédit Mutuel Arkéa on the Board of Directors of Banque Privée Européenne (BPE)
- Director of CEOI-BIE

Michel GOURTAY, Director (appointment: September 12, 2008 – term expires: 2013)

- Director of Caisse de Crédit Mutuel du Relecq-Kerhuon
- Member of the Supervisory Board of Arkéa Banque Entreprises et Institutionnels

Marie-Thérèse GROUSSARD, Director (appointment: September 12, 2008 – term expires: 2014)

- Vice-Chairman of Caisse de Crédit Mutuel de Fougères
- Vice-Chairman of the Supervisory Board of Suravenir

Auguste JACQ, Director (appointment: May 12, 2006 – term expires: 2012)

- Vice-Chairman of Fédération du Crédit Mutuel de Bretagne
- Chairman of Caisse de Crédit Mutuel de Loctudy until April 2, 2011
- Director of Caisse de Crédit Mutuel de Loctudy since April 2, 2011
- Chairman of Arkéa'ensol Créavenir
- Chairman of Créavenir Bretagne
- Director of Crédit Mutuel Arkéa Covered Bonds SFH
- Director of d'Arkéa'ensol

Albert LE GUYADER, Director (appointment: September 12, 2008 – term expires: 2012)

- Director of Caisse de Crédit Mutuel de Lorient-Porte des Indes
- Chairman of the Supervisory Board of Foncière Investissement
- Vice-Chairman of the Supervisory Board of Arkéa Banque Entreprises et Institutionnels
- Chairman of Arkéa Crédit Bail
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Leasecom Group
- Director of AGEFOS Bretagne

Hugues LEROY, Director (appointment: May 17, 2002 – term expires: 2014)

- Director of Fédération du Crédit Mutuel de Bretagne
- Director of Caisse de Crédit Mutuel de Pacé-Vezin
- Chairman of the Supervisory Board of Fortuneo Banque
- Vice-Chairman of the Supervisory Board of Procapital Securities Services

Claudette LETOUX, Director (appointment: May 11, 2001 – term expires: 2012)

- Vice-Chairman of Fédération du Crédit Mutuel de Bretagne
- Chairman of Caisse de Crédit Mutuel de Matignon
- Vice-Chairman of Créavenir Bretagne
- Director of Arkéa'ensol Créavenir
- Director of Financo

Christian PERON, Director (appointment: September 12, 2008 – term expires: 2013)

- Chairman of Caisse de Crédit Mutuel de Bannalec
- Director of Fédération du Crédit Mutuel de Bretagne
- Chairman of Caisse de Bretagne de Crédit Mutuel Agricole
- Representative of Caisse de Bretagne de Crédit Mutuel Agricole at Suravenir
- Chairman of Crédit Mutuel Agricole et Rural (CMAR)

Raymond VIANDON, Director (appointment: April 21, 2011 – term expires: 2014)

- Chairman of Caisse de Crédit Mutuel de Castillon la Bataille
- Director of Fédération du Crédit Mutuel du Sud-Ouest
- Director of Caisse Régionale du Crédit Mutuel du Sud-Ouest

2.2 OTHER OFFICERS and DIRECTORS

Ronan LE MOAL, Chief Executive Officer

- Chairman and Chief Executive Officer of Crédit Mutuel Arkéa Public Sector SCF
- Chief Executive Officer of Arkéa SCD
- Director of Arkéa Capital Partenaire
- Member of the Supervisory Board of Armoney
- Representative of Caisse de Bretagne de Crédit Mutuel Agricole on the Board of Directors of Caisse Centrale du Crédit Mutuel
- Representative of Crédit Mutuel Arkéa on the Board of Directors of Crédit Mutuel Cartes de Paiements
- Director of Leetchi
- Représentative of Crédit Mutuel Arkéa on the Board of Directors of Ophiliam Développement Conseil
- Représentative of Crédit Mutuel Arkéa on the Board of Tikéhau Capital Advisors

Dominique ANDRO, Associate Executive Officer

- Chairman and Chief Executive Officer of Crédit Mutuel Arkéa Home Loans SFH
- Chairman of Financo until June 21, 2011, then Director
- Member of the Executive Board of Infolis until April 20, 2011
- Permanent representative of Financo on the Board of Directors of Crédit Foncier et Communal d'Alsace et de Lorraine
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Crédit Mutuel Arkéa Public Sector SCF

Humbert DE FRESNOYE, Associate Executive Officer

- Chairman of Executive Board of Suravenir
- Director of Crédit Mutuel Arkéa Home Loans SFH until April 20, 2011
- Member of Supervisory Board of Infolis
- Vice-Chairman of the Supervisory Board of Eurobretagne XII
- Director of Schelcher Prince Gestion
- Member of the Supervisory Board of Tikéhau Investment Management
- Member of the Supervisory Board of Ophiliam Développement Conseil

- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Française Real Estate Managers
- Permanent representative of Suravenir on the Supervisory Board of Patrimoine et Commerce.

Fabrice BAZARD, Associate Executive Officer

- Chairman of the Executive Board of Arkéa Banking Services
- Head of Federal Service
- Director of Eurobretagne
- Member of the Supervisory Board of Infolis

Gérard BAYOL, Associate Executive Officer

- Chairman of the Executive Board of Arkéa Banque Entreprises et Institutionnels
- Member of the Supervisory Board of Leasecom Group
- Director of Arkéa Capital Partenaire
- Permanent representative of Arkéa Banque Entreprises et Institutionnels on the Board of Directors of Crédit Mutuel Arkéa Public Sector SCF
- Permanent representative of CEOI-BIE on the Board of Directors of Arkéa Crédit Bail
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Polylogis SAS



2.3 CHAIRMAN'S REPORT

on the conditions for preparing and organizing the work of the Board of Directors and on INTERNAL CONTROL PROCEDURES

This report is prepared in accordance with article L.225-37 of the French Commercial Code. The provisions of article L.225-37 specify that for companies whose financial securities are listed for trading on a regulated market, the Chairman of the Board of Directors must provide a separate report appended to the annual report on the composition of the Board and the application of the principle of balanced representation of men and women, the conditions for preparing and organizing the work of the Board as well as the internal control and risk management procedures implemented by the company.

2.3.1. Organization and preparation of the work of the Board of Directors

The Board of Directors consists of 18 members elected by the member savings banks and customer shareholders at the Shareholders' Annual General Meeting. The Board's directors are of French nationality and come from the home regions of Crédit Mutuel Arkéa's activities:

- 14 members representing the local savings banks affiliated with Fédération du Crédit Mutuel de Bretagne,
- 3 members representing the local savings banks affiliated with Fédération du Crédit Mutuel du Sud-Ouest,
- 1 member representing the savings banks affiliated with Fédération du Crédit Mutuel Massif Central.

The Board does not have a Senior Independent Director. In accordance with the by-laws, the Shareholders' General Meeting may decide to create a team of non-voting members, invited to participate in the meetings of the Board of Directors. This option was not implemented in 2011.

Two representatives from the Central Works Council attend the meetings of the Board of Directors.

A set of by-laws adopted by the Shareholders' General Meeting defines the duties of the directors both at the local level (Crédit Mutuel local savings banks) and regional level (federations). These by-laws set forth the commitments undertaken by each Group director:

- regular attendance at meetings,
- training in the proper exercise of functions,
- independence and lack of any conflicts of interest,
- performing most savings and credit transactions through the Group,
- maintenance of confidentiality regarding the deliberations.

The age limit for directors is set by the by-laws at 65 for a first-time election and 70 for a renewal. Board terms are for three years, renewable.

The Board of Directors includes 2 women and 16 men. In accordance with article L225-17 of the French Commercial Code, measures to achieve balanced representation are undertaken for every renewal or new appointment.

In accordance with the French law on the New Economic Regulations, the duties of the Chairman of the Board of Directors and the Chief Executive Officer have been separated, since this approach is most consistent with the company's cooperative and credit union nature.

On September 12, 2008, the Board of Directors of Credit Mutuel Arkéa, adopted a new Corporate Governance Charter. This Charter reflects the Group's singular nature, which is based on the cooperative and mutual banking model. It contains guidelines for both the directors who drive the business model and the employees who make it work on a daily basis.

Preparation and organization of the work

The Board of Directors met 9 times in 2011.

The directors had a 91% attendance rate at Board of Directors meetings.

The Board of Directors meetings focused primarily on:

- Monitoring global current economic, banking, and financial events and events directly affecting the Group.
- Monitoring the various businesses, results, risks, and prudential ratios of the Group and its main entities using a report presented at each meeting.
- Setting the Group's general orientations for the year.
- Approving the Group's parent company and consolidated financial statements.
- Reviewing the progress made on the "Horizons 2015" strategic project.
- Decision-making with respect to company mergers and acquisitions, purchases of equity interests and, more generally, all acquisition transactions. The Board of Directors was informed of the various partnerships concluded.

- Adapting the prudential framework and applicable limits for the Group and all its entities.
- The review of the Annual Report on Internal Control of the Company and the Group submitted to the Prudential Control Authority (ACP), the Confédération Nationale and the statutory auditors.
- Regulatory changes to strengthen internal controls (permanent control, periodic control and compliance).
- Monitoring ACP recommendations on the control and work related to developments and results on the fight against money laundering and terrorism financing.

This work and these deliberations made it possible to steer business and to perform the necessary controls and audits.

Four specialized committees enhance the Board's work and provide it with further recommendations. Each committee has its own Operating Charter, which determines the body's missions and organizational methods.

- The Strategy and Growth Committee leads the Group's thinking on strategy and helps the Board of Directors with its work by giving an opinion on the Group's major growth projects. In 2011, this committee met six times. In addition to its three documented opinions submitted to the Board on new planned activities, the Committee assessed the changes in the deployment of products and services of the Companies and Institutions division and Services and Technologies division. It monitored the Values project, the platform for Crédit Mutuel Arkéa's commitments to clients and employees. It devoted one meeting to reviewing the progress of the "Horizons 2015" strategic project.
- The Appointments and Compensation Committee issues proposals or opinions on appointments and compensation for the Group's major officers. It also provides opinions on the appointment of the Group's permanent representatives to governance bodies of companies in which Crédit Mutuel Arkéa owns financial interests.
- The Financial Statements Committee helps the Board of Directors in the assessment of financial information and audit its reliability.
- The Audit Committee: see p.34 of this Registration Document.

Composition of Specialized Committees of the Boa		rd of Directors		
Directors	Audit	Financial statements	Strategy and development	Appointments and compensation
Jean-Pierre DENIS				
Jean-François DEVAUX				
Christian TOUZALIN				
Jean-Pierre CORLAY	Χ			Χ
Christian DAVID		Χ		
Lionel DUNET				
Jacques ENJALBERT			Χ	Χ
Daniel GICQUEL		Χ		Χ
Alain GILLOUARD			Χ	
Michel GOURTAY	Χ			
Marie-Thérèse GROUSSARD		Χ		
Auguste JACQ			Χ	
Albert LE GUYADER	Χ		Χ	
Hugues LEROY			Χ	
Claudette LETOUX		Χ		
Christian PERON				
Jean-Louis DUSSOUCHAUD				Χ
Raymond VIANDON				

To strengthen its operation and in accordance with its obligation to review its governance practices on a regular basis, the Board of Directors decided to hold an annual research seminar aimed at discussing the most important matters and challenges facing the Group. The analysis of the directors for 2011 involved the assessment of the progress made on the "Horizons 2015" project on the one hand and the role of the cooperative model in local retail banking on the other.

2.3.2. Authority of the Chief Executive Officer

The Chief Executive Officer has the broadest authority to act in all circumstances on behalf of the company and to represent it in its relations with third parties. He exercises his powers within the limits of the company's business purpose and subject to the limits expressly granted by law to Shareholders' Meetings and the Board of Directors.

2.3.3. Internal control procedures

The governance of the internal control function is carried out in accordance with the principles of Crédit Mutuel Arkéa's Corporate Governance Charter adopted by the Board of Directors on September 12, 2008.

The internal control organization is described in the Group's Internal Control Charter. Updates to this charter are approved by the Group's Permanent Control Committee and the Audit Committee.

The Group's executive body is responsible for determining the actual business orientations (French Monetary and Financial

Code Article 511-13). It therefore implements the internal control support systems while ensuring that they are suited to the various risks to which the Group is exposed. It notifies the Group's deliberative body of progress made in the implementation and status of the systems as well as the degree of risk management they enable.

The Group's deliberative body periodically reviews the quality of the systems deployed and the degree of control over risks to which the Group is exposed, based on information provided to it by the Chairman of the Audit Committee and the Head of Group Internal Audit and Periodic Control (in particular information required as part of the annual report on internal control, CRBF regulation 97-02 amended Article 42).

The Group's deliberative body is informed by Crédit Mutuel Arkéa's Risk Management Department of the assessment and monitoring of risks to which the Group is exposed (in particular information required as part of the annual report on risk assessment and monitoring, CRBF regulation 97-02 amended Article 43).

The Audit Committee assists the deliberative body with its risk management duties in accordance with the provisions of CRBF regulation 97-02, as amended.

Regarding the accounting recognition of transactions, the Financial Statements Committee analyzes and controls the

aggregate and consolidated financial statements before their presentation to the deliberative body.

The deliberative bodies of Crédit Mutuel Arkéa's subsidiaries approve the application of the Charter's principles as well as their suitability to their respective entities and assign their implementation to the executive bodies concerned.

Permanent control

The organization of the "permanent control of compliance, security and approval of completed transactions and compliance with other due diligence related to the monitoring of all types of transaction-related risks" (see Article 6a of CRBF regulation 97-02) is based on the following distinction made between the first- and second-level permanent controls:

First-level permanent control

- This control is carried out at the "operational" level, during the actual process itself, either by the operator concerned or by a designated third party.
- All controls are considered first-level controls if they are performed prior to the completion of the process.

Second-level permanent control

- It is positioned at the level of the control function.
- It is performed following the normal completion of the transaction involved and by a different person than the one who performed the transaction. This person must not be involved in the business or enter into relationship that could compromise or jeopardize the impartial nature of his duties.

In that context, permanent control within Crédit Mutuel Arkéa is based on the following principles:

- the permanent control organization covers all risks for all Group business lines, regardless of the legal organization of the activities generating these risks;
- final responsibility for compliance with regulatory requirements in the area of permanent control falls on the executive body of each entity and on Crédit Mutuel Arkéa for the Group as a whole;
- each unit (local savings bank networks, and central departments) organizes its own permanent control system under the guidance of the local permanent control committee and based on the Group organization principles set out in the Group Internal Control Charter, and reports directly to Crédit Mutuel Arkéa;
- the quality of permanent control is factored into the assessment of the governance or management of an activity.

This organization is therefore present throughout the Group's entire pyramid structure, since the entire permanent control system is placed under Crédit Mutuel Arkéa's governance.

It is intended to enable the Group's entities to steer risk-taking while managing the potential impacts with reasonable assurance.

The Permanent Control and Compliance Department (PCCD), which reports to the Legal, Permanent Control and Compliance department, coordinates the heads of permanent control and compliance at the Group's structures (local savings bank networks and central departments, subsidiaries). Its responsibilities include the performance of annual on-site audits at all Group units in order to the support the effectiveness of permanent control and compliance control systems with specific topics. For example, the 2011 audit focused on the creation of the second-level permanent control guidelines within each entity and a review of the action plan generated by the self-assessment work of the entities in accordance with CRBF Regulation 97-02 carried out in 2010.

Group Permanent Control Committee

The Committee is chaired by the Chief Executive Officer of Crédit Mutuel Arkéa. It ensures compliance with rules governing risk-taking and verifying that the permanent control systems, including those with respect to compliance, are appropriate to the Group's activities and risks.

To that end, the committee reviews all major changes in the permanent control system, including with respect to compliance control and especially the anti-money-laundering and anti-terrorism financing system, and takes stock of risks borne by the Group on the basis of the work of the Permanent Control and Compliance Department. It met three times in 2011.

In order to improve the segregation between permanent control and risk management activities, a Risk Committee has been set up, which enables the Permanent Control Committee members to focus all of their efforts on permanent control and the Group's compliance control.

The compliance control system

The Permanent Control and Compliance department, which reports to the Legal, Permanent Control and Compliance department, steers the compliance activity, including the fight against money-laundering and terrorism financing.

The scope of activities includes:

- The definition and operation of the Group's system to combat money-laundering and terrorism financing, including project management related to Group software. In 2011, this system was strengthened in accordance with the requirements of the 3rd European Directive and its transposition into French law. Efforts were made in the areas of international activities procedures and permanent control of the system. Crédit Mutuel Arkéa's commitment relative to the fight against moneylaundering and terrorism financing is appended to this report (see attachments).
- Managing the ongoing efforts to collect high-quality data on our customers.
- Defining and operating certain Group systems required by Article 11 of CRBF Regulation 97-02 as amended.

- Procedures for prior approval of new products:
 - A master procedure for the prior approval of new products has been applied since 2007, and in 2009 it was rounded out by procedures specific to trading desk operations and third-party asset management operations.
 - A separate procedure for prior approval of transactions involving strategic investments in partners and their underlying assets was implemented in 2010.
- These procedures are reviewed at least annually, approved by the Group's Permanent Control Committee, and submitted to the Audit Committee.
- In 2011, the procedures were adapted to take into account the producer/distributor activities in order to best integrate the risk-based approach. Training was offered to persons working in Head of Permanent Control / Head of Compliance Control capacities as well as business line project managers.



- The procedure involving questions on compliance-related problem areas, whose foundational principles were approved by the Permanent Control Committee of October 22, 2008, is available to all Group employees. It was not used in 2011.
- The regulatory watch on changes in CRBF Regulation 97-02, the AMF's General Regulations and regulations related to the fight against money-laundering and terrorism financing.
- The Group system for controlling essential or important outsourced operations within the meaning of CRBF Regulation 97-02, including outsourced operations.
- The compliance system for Group investment services (with reference to the French Financial Markets Authority's General Regulations), which is responsible for managing the compliance systems for Group activities and subsidiaries regulated by the AMF.

The Compliance unit also participates in the work initiated by Confédération Nationale du Crédit Mutuel regarding the various aspects of compliance control and reports to it on the operation of its systems.

Periodic control

The Internal Audit and Periodic Control department (known under the French acronym DIGCP) performs periodic control. It conducts its activities at all Group units in accordance with a master periodic control system adopted and implemented within the Group. The periodic control of the subsidiaries is performed through delegation agreements duly concluded with each of them. The DIGCP therefore performs its controls for the entire scope of Crédit Mutuel Arkéa in accordance with the terms, conditions and methods stipulated in CRBF regulation 97-02 of February 21, 1997 regarding the internal control of credit institutions and investment firms.

The DIGCP's mission is to provide independent and objective assurance as well as advisory services and suggestions aimed at creating value-added and improving the level of control over Group transactions. Using a systematic and methodical approach, the department helps the Group's achieve its objectives by assessing the risk management, control and corporate governance processes in order to determine whether they are appropriate and function in such a manner as to ensure that:

- risks are identified and managed adequately;
- the various corporate governance participants interact as often as necessary;
- all material financial, management and operational information is accurate, reliable and delivered in a timely fashion to the Board of Directors and to senior management;
- the employees' actions are consistent with all applicable regulations, standards and procedures;
- resources are acquired in a cost-effective manner, used efficiently and protected adequately;

- programs, plans, and objectives are completed;
- the quality and continuous improvement of the organization's internal control processes are supported;
- significant legislative and regulatory matters that affect the organization are identified and addressed in an appropriate manner.

In order to perform its missions, the DIGCP has developed a body of procedures for periodic control in the business lines and networks, which was updated most recently in October 2011. These procedures are classified into two categories: production processes and support processes.

In order to successfully complete its missions, the DIGCP uses a proprietary risk map that it developed and that constitutes one of the main sources for defining a multi-year plan as well as the annual periodic control plan, whose specific points are determined on the basis of the following items:

- key points identified by the French Prudential Control Authority (Autorité de Contrôle Prudentiel- ACP) during its reviews and in its annual report.
- requests from the Audit Committee.
- requests from the members of the Group's Executive Committee.
- use of feedback from previous audits conducted by the Business Line Periodic Control department.
- requests from Confédération Nationale de Crédit Mutuel concerning the performance of periodic control.

As part of the Horizons 2015 project, the Group adopted the principle of completing a post-acquisition review starting in the sixth month following the integration of any major acquisition into the Group. This review is implemented in the DIGCP's annual and multi-year periodic control plans.

The periodic control plan distinguishes between the specific control plan applied to the local savings bank networks and branches of the subsidiaries and the plan covering the Group's companies and subsidiaries.

The periodic control plan thus drawn up is approved by the deliberative body's Audit Committee and confirmed by Crédit Mutuel Arkéa's Board of Directors. It includes annual reviews of major risks involving credit, capital markets, accounting processes, information technology and operations. A cross-referencing of audits performed in the past three years and the types of risks defined by CRBF regulation 97-02 has been performed, making it possible to assess the coverage level for each of these risks.

Thus, when the 2012 periodic control plan was drawn up, this cross-referencing was performed in order to assess the coverage of major risks.

This method was also used in 2011 to serve as the basis for developing the 2012-2014 multi-year audit plan. This plan covers the main risk areas identified in the DIGCP's risk map as well as Crédit Mutuel Arkéa's growth priorities.

Moreover, consistent with the decision taken by the Prudential Control Authority regarding the certification of the annual financial statements of Crédit Mutuel savings banks, each year the DIGCP audits the financial statements of the local savings banks of the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud Ouest et Crédit Mutuel Massif Central federations prior to their presentation to the shareholders' general meetings. These audits are carried out in accordance with professional auditing standards.

Further, in the area of control, the DIGCP is specifically in charge of detecting and resolving internal fraud issues. As part of this goal, the DIGCP must deploy, in addition to its permanent control systems, a remote, sample-based control system and, more generally, contribute to internal and external fraud prevention and detection through appropriate means. In this area, the DIGCP is specifically responsible for controlling the accounts of employees and directors in accordance with applicable regulations as well as the by-laws, standards, and principles adopted by Crédit Mutuel.

Periodic Control Committee

Chaired by Crédit Mutuel Arkéa's Chief Executive Officer, this Committee reviews the methods used for the performance of periodic control, in particular with respect to the consistency of the risk assessment, monitoring and control systems applied at the consolidated level, and recommends additional actions when necessary. It participates in drawing up the annual periodic control plan.

It takes stock of the findings of control and audit reports, approves the recommendations contained in these reports, and monitors their implementation.

Committee members include:

- the Chief Executive Officer (Chairman);
- two senior managers, for the 2011-2013 period: the head of the Specialized Networks division and head of the Products division;
- one of the three Crédit Mutuel Arkéa local savings bank network department heads, for the 2011-2013 period: the Chief Executive Officer of the CMB federation;
- the Head of Group Internal Audit and Periodic Control;

The Committee invites the following people to participate:

- the Head of the Development Support division or, if he is not available, his deputy;
- the Head of the Business Line Periodic Control unit (secretary).

The meetings are held at least three times annually. In 2011, the Periodic Control Committee met 10 times.

The Audit Committee

The Audit Committee helps the Board of Directors perform its duties with respect to controlling Crédit Mutuel Arkéa's risks in accordance with amended Regulation 97-02 of the French Banking Regulation Committee.

In this respect, its role consists especially to "assess the quality of internal control, in particular the consistency of risk assessment, monitoring, and control, and suggest, where needed, additional actions, in this respect". Its missions, goals, composition, and operating rules are contained in an Audit Committee Charter that is updated by the Group Internal Audit and Periodic Control Department and approved by the deliberative body.

Its mission is part of the implementation of the EU 8th Directive on the auditing of financial statements and which stipulates that the Audit Committee is responsible for monitoring the effectiveness of internal control, internal audit, and risk management systems of a company.

Crédit Mutuel Arkéa's Executive Management provides the Audit Committee with all relevant information and reports on:

- risk trends;
- the quality and scope of controls;
- major changes in the company's risk exposure.

The Audit Committee:

- approves the annual periodic control plan;
- receives reports prepared by the Group Internal Audit and Periodic Control department;
- reviews the annual internal control report;
- takes stock of reports prepared by the regulatory authorities, the CNCM Internal Audit department and the statutory auditors as well as the findings of these reports;
- submits reports on its work to Crédit Mutuel Arkéa's Board of Directors.

The Audit Committee remains in direct contact with the Head of Group Internal Audit and Periodic Control in order to ensure a satisfactory level of independence and communication. For that purpose, the committee may at any time freely contact the Head of Group Internal Audit and Periodic Control if it is deemed necessary.

The Audit Committee comprises:

- a Chairman;
- three members of the Crédit Mutuel Arkéa Board of Directors.

The following people are invited to participate in the meetings:

- the Group's Chairman,
- the Group's Chief Executive Officer,
- the Head of Group Internal Audit and Periodic Control (Secretary),
- the corresponding managers depending on the meeting agenda.

At least six meetings are held each year. In 2011, the Audit Committee met 11 times.



Internal control procedures with respect to the preparation and processing of accounting information

The Development Support division is responsible for preparing the Group's accounting and financial information.

This division defines the organization for accounting of transactions, based on two activities: account-keeping and the Group's consolidation. The account-keeping (preparation of company financial statements and related consolidation packages) as well as the accounting production and dissemination of regulatory disclosures of Group entities are performed directly by the financial departments of the companies themselves or by the Crédit Mutuel Arkéa Accounting department, which is part of the Development Supports division, as part of a formalized assignment.

This organization centralizes within the Development Supports division the key activities enabling it to ensure the quality of the accounting information across the entire scope of the Group's activities. To that end it designs and maintains the charts of accounts (although not for the insurance and leasing activities), defines accounting rules and methods and implements the account reconciliation process in connection with the Group's management units as well as the control and analysis procedures needed to prepare and process accounting

information for both Crédit Mutuel Arkéa and all subsidiaries delegating their accounting work.

It coordinates management control aimed at securing accounting and financial data, notably through the budgetary control and results analysis functions.

These processes, which are performed in accordance with the Development Support division's own procedures, are then audited independently by the statutory auditors.

A Financial Statements Committee further enhances the control system. This committee helps Crédit Mutuel Arkéa's Board of Directors assess financial information and verify its accuracy. It reviews the financial statements of the Group and its constituent entities prior to their presentation to the Board and approves the accounting policies applied for reporting periods as well as the scope of consolidation. This committee met five times in 2011.

March 2, 2012

Jean-Pierre Denis, Chairman of the Board of Directors

2.4 EXECUTIVE MANAGEMENT

bodies and THEIR WORK

The Executive Committee meets three times a month. As of December 31, 2011, it included the following members:

Ronan LE MOAL	Chief Executive Officer of Crédit Mutuel Arkéa
Dominique ANDRO	Head of the Specialized Networks division
Gérard BAYOL	Head of the Companies and Institutions division
Fabrice BAZARD	Head of the Services and Technology division
Humbert de FRESNOYE	Head of the Products division
Hervé CROSNIER	Head of the Development Support division
Jean-Pierre LE TENNIER	Chief Executive Officer of Crédit Mutuel de Bretagne

The principal purpose of Crédit Mutuel Arkéa's Executive Committee is to support the Group's Chief Executive Officer in the Group's strategic governance and the development of its performance.

This committee's role consists of:

- making recommendations with respect to the Group's strategy to Crédit Mutuel Arkéa's Board of Directors;
- directing the implementation of the strategy set by the Board of Directors and allocating the necessary resources for its establishment;
- determining the objectives for the Group's entities and monitoring their realization;
- reviewing issues involving the Group's organization and matters of general interest.

The Executive Management Committee meets once a month and, in addition to the Executive Committee, includes the following members:

Jean-Marc JAY	Chief Executive Officer of Fédération of Crédit Mutuel du Sud-Ouest
Didier ARDOUIN	Chief Executive Officer of Fédération of Crédit Mutuel Massif Central
Jean-Luc LE PACHE	Assistant to the Deputy General Manager of the Development Support division
Marie-Antoinette TANGUY	Director of Human Resources and Training

The Head of Group Internal Audit and Periodic Control is at all times invited to participate in the meetings of the Executive Committee and the Executive Management Committee.

Crédit Mutuel Arkéa's Executive Management Committee performs the following tasks:

- ensures the coordination of projects and initiatives by the Group's various entities;
- weighs the relative merits of and renders final decisions with respect to issues involving Group-level activities.

2.5 CONFLICTS OF INTEREST

for officers and **DIRECTORS**

As of the filing date for this Registration Document, there were no conflicts of interest between Crédit Mutuel Arkéa and the members of its Board of Directors and Executive Management Committee.



2.6 COMPENSATION

of **OFFICERS**

As of the date of this Registration Document, Crédit Mutuel Arkéa's shares are not listed on a regulated market. However, Crédit Mutuel Arkéa publishes information relative to compensation of officers in accordance with the recommendations published by AFEP/MEDEF (October 2008 recommendations) and by the AMF (December 22, 2008 recommendation).

To satisfy the new rules defined by the European Capital Requirements Directive (CRD III) of November 24, 2010 transposed into French law by the Ministerial Decree of December 13, 2010, the compensation policy for company officers and directors and senior managers was amended with respect to the composition and payment of variable compensation.

This compensation consists of a component linked to the Group's earnings and another component linked to the individual performance of the officer or the activity for which he is responsible.

For the first component, the Group indicators used and applicable to all managers include the following: consolidated net income, cost-to-income ratio and return on equity (ROE). These indicators are set annually by the Board of Directors of Crédit Mutuel Arkéa, acting on the recommendations of the Appointments and Compensation Committee. In order to attribute this component, at least two of the three indicators must be achieved and the average level attained must be at least 100%.

The second component of variable compensation, which is contingent upon the payment of the first, is based on clearly identified and measurable individual indicators. For officers and directors, namely the Chairman and Chief Executive Officer of Crédit Mutuel Arkéa, the definition and level of these indicators are determined by the Appointments and Compensation Committee. The Chief Executive Officer defines the individual criteria for the senior managers. This second component may be enhanced on a discretionary basis in the case of exceptional performance or results. Variable compensation in a given year may not exceed 75% of the fixed compensation for officers and directors, or 60% for senior managers.

Acting on the advice of the Appointments and Compensation Committee, variable compensation for officers, directors and senior managers must be approved by the Crédit Mutuel Arkéa Board of Directors, which has total latitude to set the level in accordance with the above-mentioned limits.

The payment of the variable compensation is spread over three years. The two deferred portions are paid only if the financial

performance conditions set by the Board of Directors of Crédit Mutuel Arkéa are satisfied.

Officers, directors and senior managers do not receive grants of options on shares or debt securities or grants of performance shares, and in fact the Crédit Mutuel Arkéa by-laws do not allow for such systems.

Whereas Crédit Mutuel Arkéa continues to pay out compensation for its Chairman and Chief Executive Officer, since June 1, 2011 compensation for senior managers has been paid out by Arkéa SCD, the employing company, which is a 99.85%-owned subsidiary of Crédit Mutuel Arkéa and whose directors are members of the Compensation Committee.

As for risk exposure, the activities of the capital markets professional employees may be considered immaterial. The regulated population targeted under article 31-4 of CRBF Regulation 97-02 consists of the seven members of the Executive Committee. The compensation policy principles for this population were integrated into the Group system, both as regards the scope retained and the means for determining their compensation.

These principles are consistent with professional standards and are aligned with risk management objectives. The information referenced in article 43-1 of CRBF Regulation 97-02 is published in a report submitted annually to the Prudential Control Authority.

The compensation paid to the executive managers of Crédit Mutuel Arkéa is presented in the tables below:

	Compensation due for 2010	Compensation paid in 2010	Compensation due for 2011	Compensation paid in 2011
Jean-Pierre Denis - Chairman (a)				
Fixed compensation	450,273	450,273	450,273	450,273
Variable compensation	251,353	150,000	112,500	165,000
In-kind benefits (b)	14,613	14,613	8,555	8,555
TOTAL	716,239	614,886	571,328	623,828

(a) Term started on September 12, 2008 and will end in 2012. The employment contract was suspended upon appointment. No indemnity would be paid in the event of a departure from the Group or for a non-compete clause. The Chairman enjoys the same benefits in terms of death/invalidity insurance and pension allocation plan as the employees. (b) Company car only

Ronan Le Moal - Chief Executive Office	er ^(a)			
Fixed compensation	360,242	360,242	360,242	360,242
Variable compensation	200,091	118,877	90,000	130,000
In-kind benefits (b)	10,956	10,956	9,334	9,334
TOTAL	571,289	490,075	459,576	499,576

(a) Term started on September 12, 2008. The employment contract was suspended upon appointment. No indemnity would be paid in the event of a departure from the Group or for a noncompete clause. The Chief Executive Officer enjoys the same benefits in terms of death/invalidity insurance and pension allocation plan as the employees. (b) Company car only

Dominique Andro - Associate Executiv	e Officer ^(a)			
Fixed compensation	255,177	255,177	255,177	255,177
Variable compensation	114,697	51,073	51,000	76,287
In-kind benefits (b)	8,560	8,560	8,560	8,560
TOTAL	378,434	314,810	314,737	340,024

(a) Term started on May 15, 2009

(b) Company car only

Gérard Bayol - Associate Executive Of	ficer ^(a)			
Fixed compensation	350,211	350,211	350,211	350,211
Variable compensation	164,208	77,271	70,000	135,800
In-kind benefits (b)	8,558	8,558	8,558	8,558
TOTAL	522,977	436,040	428,769	494,569

(a) Term started on May 15, 2009 (b) Company car only

Fabrice Bazard - Associate Executive	Officer ^(a)			
Fixed compensation	255,185	255,185	255,185	255,185
Variable compensation	109,045	51,075	38,250	90,498
In-kind benefits (b)	5,957	5,957	7,358	7,358
TOTAL	370,187	312,217	300,793	353,041

(a) Term started on May 15, 2009

(b) Company car only

Humbert de Fresnoye - Associate Exec	cutive Officer ^(a)			
Fixed compensation	255,177	255,177	255,177	255,177
Variable compensation	97,982	28,108	42,500	68,374
In-kind benefits (b)	9,115	9,115	9,620	9,620
TOTAL	362,274	292,400	307,297	333,171

(a) Term started on May 15, 2009

(b) Company car only

FINANCIAL ITEMS

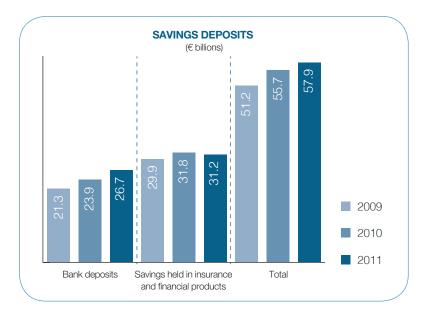




3.1 ACTIVITIES



NET NEW SAVINGS (© billions) Interest-bearing bank deposits and financial products are series and financial products and financial products and financial products are series and financial products and financial products are series and financial products and financial products are series and financial products are series as a series are series and financial products are series as a series are series as a series are series are series are series as a series are series are series as a series are series as a series are series are



Customers

In 2011, new customers increased by 3%, thanks in particular to the gains recorded by the local savings banks and Fortuneo.

The number of customers increased by 5%, corresponding to 151,000 additional customers.

Savings

The Group's net new savings volume fell by 23% to €2.3 billion. This decrease resulted from contrasting trends:

- strong growth in interest-bearing bank deposits, which rose by 29% to €2.3 billion,
- a 79% decline in life insurance savings, although net new savings remained positive,
- a €280 million net outflow in financial savings.

The gains recorded on interest-bearing bank deposits were mainly due to the strong net inflows on term accounts by Arkéa Banque Entreprises et Institutionnels. The sales campaigns of the Crédit Mutuel and BPE networks also made it possible to double net inflows on passbook savings, notably with the new "Activ'Epargne Pro" investment reserved for professionals.

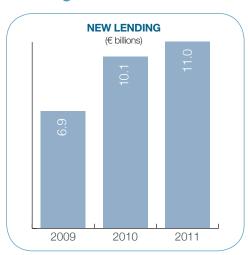
Savings held in insurance and financial products recorded net outflows, consistent with the market trend. The level of outstandings fell as a result, easing by 2%.

Overall savings increased by 4% to €58 billion in 2011.

Shares

The sales launch of the new class B shares by the Crédit Mutuel networks was a success, thereby helping to bolster the Group's shareholders' equity, which rose by 21% to \in 1.5 billion.

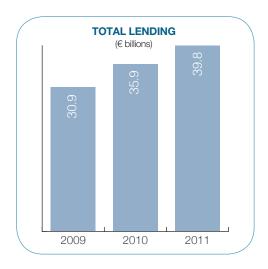
Lendings

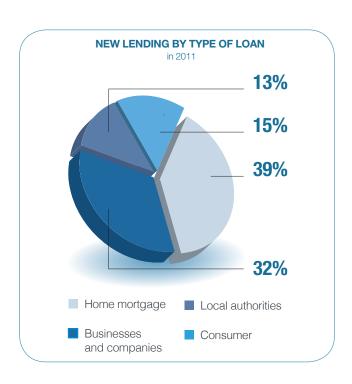


New lending in 2011 increased by 8% to €11 billion.

This increase was mainly due to the strong growth in lending to companies recorded by Arkéa Banque Entreprises et Institutionnels.

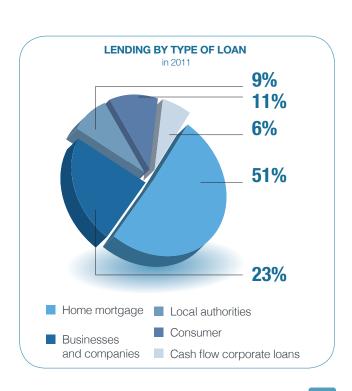
Mortgage lending continued to trend upward by 3%, bringing new volume to €4.3 billion.





New consumer credit volume rose by 12% to \in 1.7 billion in 2011, an increase made possible by the integration of CFCAL's new lending in 2011.

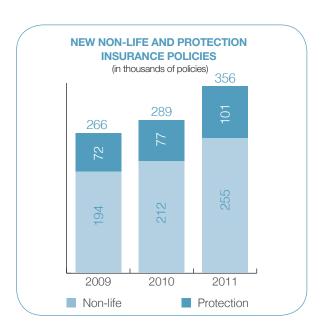
Total lending net of provisions increased by 11% to reach €39.8 billion.



Business-to-business (B-to-B) services

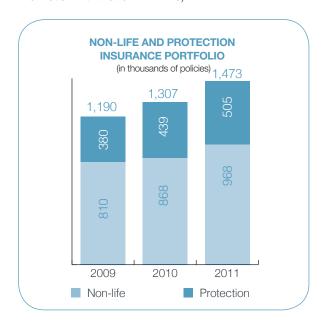
As part of the Horizons 2015 project, Crédit Mutuel Arkéa affirmed its commitment to gaining a foothold in the B-to-B market through the specialized subsidiaries (ProCapital Securities Services, Arkéa Banking Services and Monext). The B-to-B customer portfolio therefore grew by 37% in one year and now stands at 527 customers.

	2009	2010	2011
Volume of payments processed (in millions)	626	626	696
Securities custody (€ millions)	19,870	2,185	19,096
Volume of stock market orders placed (millions)	4.28	4.14	4.03
Number of B-to-B customers	50	384	527



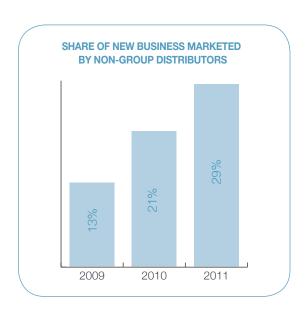
Online banking and mobile services

Crédit Mutuel Arkéa continues to pursue innovations on Internet platforms (Domiweb), notably by offering a more extensive line of products that can be subscribed online (accidental death and disability), adding new features (budget management and transaction reconciliation), applying SEPA standards to wire transfers (replacement of the "RIB" account identification information with that of IBAN-BIC).



Non-life protection insurance

The policies distributed by the Group are developed by the two specialized subsidiaries, Suravenir and Suravenir Assurances, or designed and managed by Novélia, a wholesale broker. These three entities are also developing their own independent distribution networks, enabling Crédit Mutuel Arkéa to expand its areas of influence. In 2011, the number of policies rose by 23% to 356,000. The portfolio increased by 13% to nearly 1.5 million policies, of which 44% are distributed through non-Group entities.



3.2 FINANCIAL

RESULTS

€ millions	2011	2010	2011 / 2010 change		
E IIIIIII0115	2011		absolute	%	
Net banking and insurance income	1,705	1,574	131	8.3%	
Operating expenses	(1,190)	(1,089)	(102)	9.3%	
Gross operating income	514	485	29	6.1%	
Cost of risk	(111)	(138)	27	(19.5%)	
Operating income	403	347	56	16.3%	
Corporate tax	(113)	(48)	(65)	NA	
Net income (attributable to equity holders of the parent)	290	273	17	6,2%	
Net income and other comprehensive income	227	293	(67)	(22.7%)	
Cost-to-income ratio	69.8%	69.2%			
RoE	8.1%	8.4%			

In 2011, Crédit Mutuel Arkéa's net income attributable to equity holders of the parent reached €290 million, an all-time high that continued the advances recorded in 2010.

Net banking and insurance income increased by 8.3% to €1.7 billion, driven by strong organic growth and contributions from the entities acquired in 2010.

Operating expenses increased by 9.3% to €1.2 billion as a result of the growth in the number of employees as well as expenses related to IT projects supporting the Group's development. The cost-to-income ratio deteriorated by 64 basis points to 69.8%.

The cost of risk fell by 19.5% to €111 million despite the impact of the €12.6 million contribution to the Greek bailout package. This decrease was due to the lower provision allocations required for individual customers.

Net banking and insurance income

Net banking and insurance income increased by 8.3% to €1.7 billion in 2011, with a 5.9% gain in the banking sector and an 18.4% increase in the insurance and asset management sector.

The breakdown of net banking and insurance income is based on the segment information used in the financial statements.

Banking segment

The banking segment consists primarily of the Group's Crédit Mutuel networks, the commercial banks (Arkéa Banque Entreprises et



Institutionnels, Arkéa Crédit Bail and Leasecom), the specialized subsidiaries (BPE, Financo and CFCAL), property management (Foncière Investissement), the capital markets bank (Crédit Mutuel Arkéa proprietary trading), financial and stock market brokerage (ProCapital, Fortuneo, Monext), and private equity (Arkéa Capital Investissement and Arkéa Capital Partenaire).

Net banking and insurance income rose by 5.9%.

Net interest income increased by 0.7%, mainly as a result of offsetting effects from growth in lending on the one hand and higher borrowing costs on the other.

Banking commission income increased by 7.7% as a result of:

- the growth in the B-to-B activity with Arkéa Banking Services,
- increased commissions related to the development of the corporate bank,
- the increase in lending commission income.

In 2011, the contribution to net banking and insurance income from acquisitions (CFCAL and Leasecom) was \in 58 million.

Insurance and asset management segment

The insurance and asset management segment consists of the life insurance (Suravenir) and non-life insurance (Suravenir Assurances) companies and the asset management companies (Federal Finance and Schelcher Prince Gestion). In 2011, the Group acquired the remaining non-controlling interests in Suravenir, thereby bringing its ownership interest to 100%.

Net banking and insurance income in the insurance and asset management segment increased by 18.4%.

Suravenir's net banking and insurance income rose by 23.7%. This increase was due to the development of the individual protection insurance activity and the favorable performance in the life insurance segment.

Suravenir Assurances' net banking and insurance income in the non-life segment rose by 1%, as the growth in earned premiums outpaced that of claims expense, which reflected the favorable trend in the claims ratio, net of reinsurance, which improved by 0.5 points to 71.1%.

The contribution from the asset management business increased by 17% thanks to the integration of Schelcher Prince Gestion.

Operating expenses

Operating expenses rose by 9.3% to €1.2 billion.

The integration of CFCAL, Leasecom and Schelcher Prince Gestion accounted for a €31 million increase in operating expenses.

Personnel expenses rose by 4% as a result of the increase in the number of employees to support the Group's development as well as pay raises.

The 17.1% increase in other expenses and 10.4% rise in depreciation and amortization expense reflect investments

made as part of the implementation of the strategic plan and corresponding projects.

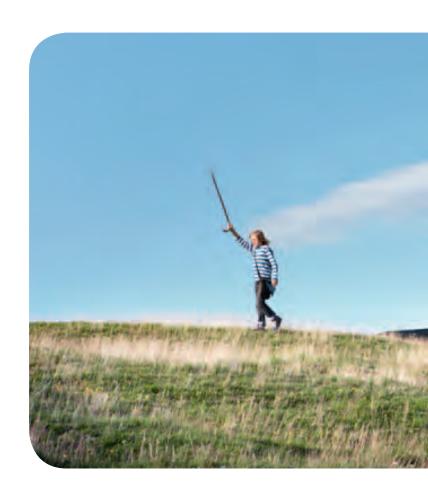
Cost of risk

The cost of risk eased by 19.5% despite the additional €12.6 million expense related to the contribution to the financial support package for Greece.

Credit risk fell by 29.3% thanks to lower provision allocations on individual customers, despite an increase in the cost of risk in the companies segment.

Crédit Mutuel Arkéa's return on equity

The Group's financial performance is assessed based on its return on equity (RoE), which measures net income for the year relative to shareholders' equity at the beginning of the year and after the dividend distribution. The Group's RoE was 8.1% as of December 31, 2011, compared with 8.4% the previous year.



3.3 CAPITAL

and REGULATORY RATIOS

3.3.1 Internal capital adequacy assessment process

Organization

Crédit Mutuel Arkéa's ALM department is responsible for allocating capital. This allocation is based on compliance with solvency ratios. The methods used to assess risks are the same as those jointly defined by the Crédit Mutuel plan.

Capital is allocated by business activity. The banking activity is divided among the Crédit Mutuel federations and the subsidiaries, which are specialized by market segments and specific clienteles.

Each subsidiary monitors its own solvency ratio. The Group ALM department monitors the consolidated solvency ratio of the banking business and the aggregate ratio for the banking and insurance business activities. The department also performs a capital adequacy watch, analyzing the impact of the

Basel Committee proposal to establish new capital adequacy standards, commonly known as the Basel III standards, as well as their transposition into European Union regulations.

Assessment

Crédit Mutuel Arkéa's Accounting department calculates the banking business and Group solvency ratios on the reporting date in accordance with applicable standards. The insurance activity's solvency ratio is calculated and monitored by the Group's insurance companies.

Based on regulatory statements and projected capital adequacy requirements calculated by the Risk Management department, the Group ALM department determines the banking and Group solvency ratio projections for the upcoming years in order to anticipate capital needs or to propose optimization measures.

The proposed changes to the so-called Basel III capital adequacy standards have been analyzed by the Group ALM department. Major differences with current standards and impact simulations have been the subject of simulations presented to Executive Management.

3.3.2 Solvency ratios Prudential capital

The Tier 1 capital of the solvency ratio stood at €3.2 billion (of which 92% in Core Tier 1, i.e. excluding perpetual subordinated debt securities). After adding in Tier 2 capital, prudential capital totaled €3.8 billion, compared with €3.7 billion at end-2010.

€ millions	12/31/2011	12/31/2010
TIER 1 CAPITAL, net of deductions	3,224	2,867
of which, core Tier 1	2,979	2,621
TIER 2 CAPITAL, net of deductions and tertiary capital	573	876
TOTAL CAPITAL USED TO CALCULATE THE SOLVENCY RATIO	3,799	3,744

Basel II capital requirements

€ millions	12/31/2011	12/31/2010
Credit Risk	1,960	1,724
Standard method	1,115	974
Credit institutions	49	46
Companies	866	728
Retail customers	183	183
Shares and other assets that are not corporate bonds	17	18
Internal ratings based method	845	750
Credit institutions	54	46
Retail customers	223	225
Equities	501	427
Securitization positions	8	5
Other assets that are not corporate bonds	59	46
MARKET RISKS (standard method)	10	12
Interest rate risk	10	12
Risk of change on ownership securities	0	0
OPERATIONAL RISK (advanced approach almost exclusively)	131	126
TOTAL CAPITAL REQUIREMENTS	2,101	1,863

Solvency ratios

	12/31/2011	12/31/2010
Core Tier 1 ratio	9.5%	9.4%
Tier 1 ratio	10.3%	10.2%
Overall ratio	12.1%	13.4%

Basel II ratios before additional requirements (transitional measures – Basel I floor)

	12/31/2011	12/31/2010
Core Tier 1 ratio	11.3%	11.3%
Tier 1 ratio	12.3%	12.2%
Overall ratio	14.5%	16.1%

The Core Tier 1 and Tier 1 solvency ratios remained stable in 2011, as several different factors offset one another:

- the sales activity, which led to an increase in loan outstandings and a commensurate increase in capital requirements,
- the growth in the number of outstanding shares,
- add-ons to acquisitions initiated in 2010 (increased ownership interests in Schelcher Prince Gestion and CFCAL in 2011),
- the allocation of net income to retained earnings.

3.3.3. Potential changes as part of the so-called Basel III proposals

2010 was marked by the Basel Committee proposals to set new capital adequacy standards, commonly known as Basel III. These proposals would result in a decrease in banks' prudential capital through more substantial restatements than those that currently exist as well as an increase in the minimum Core Tier 1 and Tier 1 requirements (to which additional safety buffers will be added).

The regulatory work continued apace in 2011, notably with draft legislation to transpose the Basel III rules into European Union law (through a directive and a regulation). This draft legislation includes most of the Basel Committee's proposals; its adoption is expected in 2012 for implementation beginning in 2013.

For Crédit Mutuel Arkéa, the currently available stress tests that integrate an immediate application of the European draft legislation show immediate compliance with the future minimum Core Tier 1 and Tier 1 regulatory requirements.

Along with the future restrictions arising from the Basel III regulations, the European Union has asked the leading banks to maintain at least a 9% Core Tier 1 ratio temporarily as of June 30, 2012. Although the goal is to reassure financial markets on the banks' sound financial position against the backdrop of the sovereign debt crisis, this ratio actually results in tier 1 capital being reduced by the unrealized capital losses on sovereign debt securities.

Crédit Mutuel Arkéa has very limited sovereign debt exposure. Currently available stress tests show compliance with the expected minimum solvency ratios.

3.3.4. Potential changes under the so-called Solvency 2 proposals

The Solvency 2 directive enacted by the European Parliament in 2009 aims to improve the current solvency system by fundamentally overhauling the requirements applicable to insurance companies so that these requirements reflect the companies' actual risk exposure more accurately. The Solvency 2 directive is expected to enter into force no sooner than January 1, 2014.

The Group's insurance companies have always sought to improve their own risk management. The Solvency 2 directive is an opportunity to go even further and strengthen the governance system.

In 2011, the Group's insurance companies continued their preparations for the implementation of Solvency 2's three pillars:

- a review of the organization and each person's responsibilities was initiated while relying on the expertise developed within Crédit Mutuel Arkéa Group in order to strengthen risk governance,
- regulatory calculations performed on the basis of the Solvency 2 standard formula showed that the capital requirements are covered by eligible capital.

 the objective was set to produce the economic capital calculation in a sound and automated manner using the standard approach by end-2012.

The Group's insurance companies are looking to combine quantitative and qualitative risk management. This project is consistent with Pillar 2 and ORSA (Own Risk and Solvency Assessment) in particular. This project includes several steps:

- definition of risk tolerance,
- calculation of economic capital needed to ensure solvency over a medium-term horizon,
- integration of the concept of risk when creating products,
- production of ALM scorecards and technical, financial and operational risk indicators.

Solvency 2 is therefore gradually affecting all of the Group's insurance activities. The strategic impacts range from the investment policy to the creation of new products.

3.4 OUTLOOK



Economic environment

The euro zone economy will likely be marked by budgetary tightening, market refinancing conditions that remain challenging and a crisis of confidence linked to sovereign debt. Trends in this zone will have a major impact on the global economy in 2012. Business confidence indicators nevertheless continue to point to modest but positive growth. Monetary policy remains expansionary.

Crédit Mutuel Arkéa: from performance to efficiency

2011 was a year marked by a high-level sales and financial performances. In a rapidly changing economic and regulatory environment, 2012 will be marked by:

- continued efforts to win new customers;
- the growing volume of business generated through non-Group networks;
- the optimization of balance sheet ratios, notably through invigorated efforts to collect bank deposits;
- enhanced operating performance through increasingly fine-tuned governance.

Company outlook since the publication of its most recently audited financial statements

No significant deterioration has affected the company's outlook since the date of its most recent audited financial statements for the year ended December 31, 2011, published on March 2, 2012.





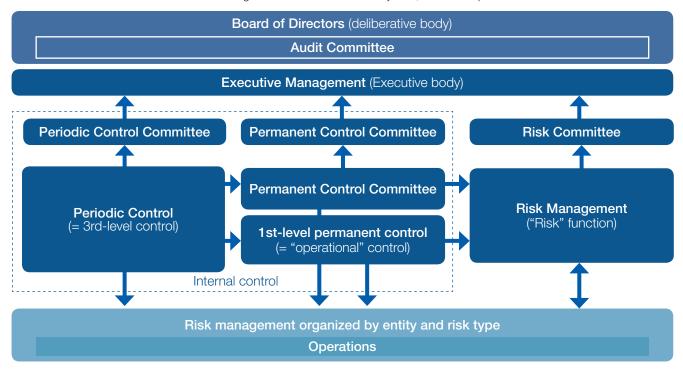
RISK **FACTORS**



Crédit Mutuel Arkéa's "risk" function

The organization of Crédit Mutuel Arkéa Group's "risk" function, established in mid-2010 following regulatory changes in this area, covers all risks for all Group entities. The uniformity and consistency of the systems implemented across the entire scope of the Group's activities allow for true cross-functional management and consolidation of information on a Group-wide scale.

The "risk" function fits into the overall risk management and internal control system, which is depicted below:



Responsibility for Crédit Mutuel Arkéa Group's "risk" function is assigned to the Head of Risk Management of the parent company Crédit Mutuel Arkéa. Responsible for risk assessment and monitoring, he is not affiliated with the business lines and reports directly to the Head of the Development Supports division, who in turn reports to the Group's Chief Executive Officer. The executive body of each entity bears ultimate responsibility for risk management at the operating level, whether this entity's activities have been outsourced or not.

The Head of the Group's risk function is responsible for organizing the smooth operation of the risk function within the Group, ensuring that the Group's executive and deliberative bodies receive the necessary information and overseeing and/or participating in the application of Group procedures in the risk function area.

Acting both upstream and downstream from the operational risk management by the entities, the Head of the Group's risk function monitors consolidated risks at the Group level. Using appropriate means and at timely intervals, results are submitted to the Group Risk Committee, the Group Executive Committee, the Audit Committee and the Board of Directors of Crédit Mutuel Arkéa. The Head of the risk function is supported in these endeavors by the network of risk function

correspondents appointed at each Group entity (see below) and by a consolidated information system.

The consolidated vision of risks is facilitated by governance of the risk function based on the same model regardless of which Group entity or risk is involved. Each Group entity, banking or non-banking, designates a risk function head for its scope as well as a head of risks by type of risks.

This organization is built on functional ties at three levels:

- between the head of the Group's risk function and the head of the risk function of each entity;
- between the head of the risk function of each entity and the heads designated for each risk type within this entity;
- between the head of the Group's risk function and the heads of risk by type of Group risk.

This system makes it possible to verify that Crédit Mutuel Arkéa Group's risk exposure is consistent with the Group's risk management policy. This policy, which is defined in a reference document approved by the Group's Risk Committee, includes the Group's risk limits system, which is validated by the Group's Executive Committee and approved by the Board of Directors of Crédit Mutuel Arkéa.

4.1 CREDIT

RISK

Credit risk involves the risk of non-repayment in the event of a default by a borrower or borrowers considered "a single beneficiary" in the regulatory sense of the term.

4.1.1 Customer credit risk

4.1.1.1 Selection, limit, and monitoring procedures

Risk selection system

Loans are granted using the loan granting procedures specific to each lending entity within the Group. These procedures are based on the master procedures set for the entire Group. The Group's Credit Committee has the last word on financing requests that exceed the specific limits of each network, while at the same time complying with the limits set by the Board of Directors of Crédit Mutuel Arkéa.

The various loan approval procedures for the Group's entities use internal ratings as their fundamental parameter by adjusting lending authorizations or even ruling out any possibility of financing. Crédit Mutuel Arkéa has designed and maintains an internal rating system that applies to all of Crédit Mutuel and serves as the basis for granting loans to customers.

The procedures are based on detailed analyses of the borrowers' creditworthiness and ability to repay the loans requested. Due diligence is systematically performed for loans to individuals: registration with the French National Database on Household Credit Repayment Incidents (FICP), verifications of suspended banking privileges, payment incidents and overdue payments.

Regarding financing for businesses and companies, the customary procedure involves additional due diligence using external elements such as: Banque de France rating, Banque de France risk centralization, Banque de France overdue payments, existence of bankruptcy proceedings and any court rulings regarding officers and directors.

Monitoring of customer outstandings

Various software applications are provided to the operators to secure the granting of loans and risk monitoring on customer loans:

- Granting and monitoring of lending decisions

When a loan request is made, the requisite level of authorization is automatically indicated and archived, which enables ex post control of compliance with authorizations.

- Collateral requirements

Crédit Mutuel Arkéa's collateral policy includes several categories of collateral, thereby reflecting the Group's commitment in this area above and beyond regulatory requirements. The IT system integrates these internal rules and thereby complements the system for securing the loan issuance process by orienting and facilitating the taking of collateral and by automatically generating the contracts and related correspondence.

- Monitoring of doubtful outstandings

This application automatically forces managers of loans and advances identified as sensitive to provide an explanation of any situations involving doubtful or overdue status. This information is then automatically routed to the various management levels, which provide any additional comments. These explanations are reviewed in detail by the risk management units and are stored for later retrieval.

- Internal ratings downgrades

When ratings downgrades of more than three notches occur, they are notified to the portfolio managers in the networks.

Interfederal risk

The internal notification within Crédit Mutuel of payment defaults by common business customers is effective. A payment default results automatically in the assignment of an E+ rating and the classification in doubtful loans (E-) after at most one month, barring any favorable information.

Reporting

A scorecard for customer credit risk is established monthly and sent to the members of Crédit Mutuel Arkéa's Executive Management. The main indicators are calculated by market and by Group entity. The Group's Commitments Committee meets approximately once every quarter to review the main sensitive, doubtful or disputed credits, which are also systematically reviewed by the appropriate units in each Group entity.

A summary is provided at each Crédit Mutuel Arkéa Board of Directors meeting, as well as an update on compliance with credit limits.

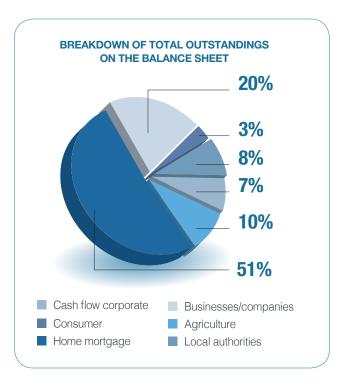
Lastly, the Group's credit risk system is also presented to the Group Risk Committee, which meets quarterly.

4.1.1.2 Breakdown of loans

Outstanding customer loans

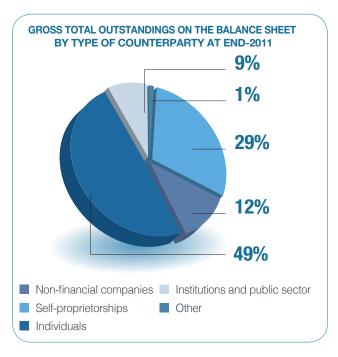
As of December 31, 2011, Crédit Mutuel Arkéa had €49.8 billion in outstanding loans to customers, both on- and off balance sheet. Loans recognized on the balance sheet – principal and related interest included – totaled €40.7 billion, up 10.8% relative to end-2010.

These loans have been granted for the most part to moderate-risk customer segments, generally in limited amounts per credit. Home mortgage loans account for more than half of total outstandings. The density of the bank's regional networks also favors a good understanding of the commitments.

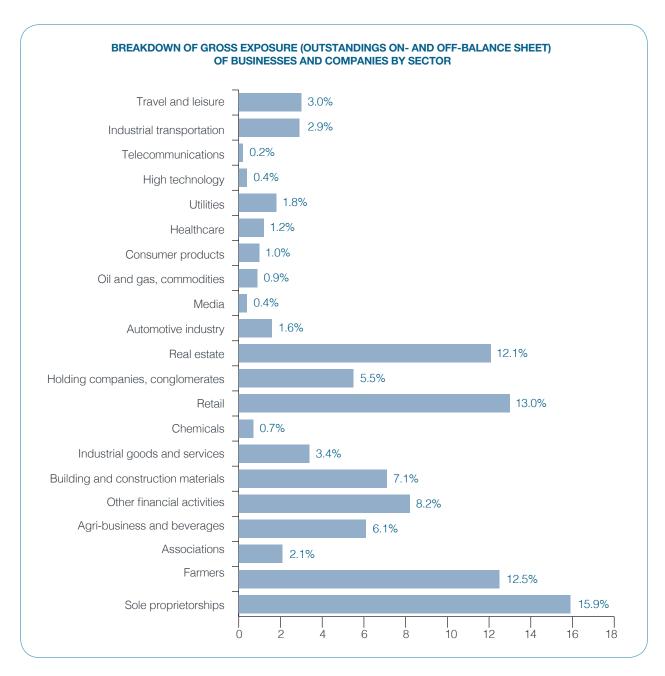


Diversification of outstanding customer loans

The diversification of outstanding customer loans is satisfactory from a risk perspective, whether measured by type of counterparty or business sector.



Outstandings to individuals account for nearly half of gross outstandings on the balance sheet

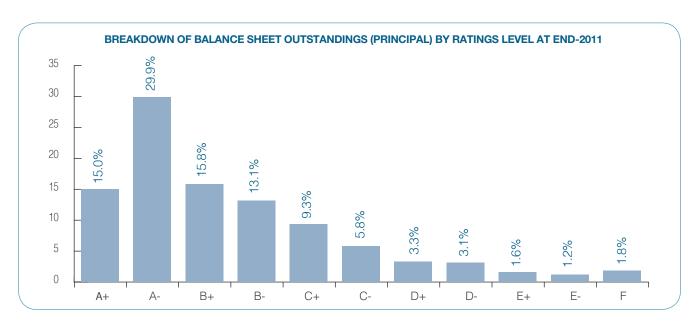


The gross exposure (on- and off-balance sheet outstandings) of businesses and companies totaled €17.5 billion (or 35% of customer commitments). Excluding sole proprietorships, the most highly represented sectors included retail and agriculture (13% and 12.5%, respectively).

The portfolio's credit risk quality

The credit risk quality of the customer loan portfolio is determined using an internal rating for customers.

The internal rating of a customer at a given point in time corresponds to an assessment of the risk that this customer might not satisfy his repayment commitments during the next 12 months. Updated daily to take into account potential risk events, this ratings system comprises 11 ratings, from the highest of A+ (lowest risk) to the lowest of F (highest risk). The internal ratings E- and F correspond to doubtful and disputed loans, while the nine other ratings comprise performing loans.



Performing loans accounted for 96.9% of total outstandings, while doubtful and disputed loans (E- and F ratings) accounted for 3.1% (loan outstandings in principal only).

Markets	2011		2010	
Ivial NGIS	Amount (€ m)	%	Amount (€ m)	%
Individuals	599	42%	568	41%
Non-financial companies	622	44%	627	45%
Sole proprietorships	200	14%	197	14%
Total	1,421	100%	1,392	100%

The amount of doubtful and disputed loans totaled €1,421 million (including interest) as of December 31, 2011, up 2.1% from €1,392 million the previous year.

The ratio of doubtful and disputed loans (including interest) relative to total outstandings fell slightly at constant scope: 3.50% compared with 3.6% at end-2010.

4.1.1.3 Provisioning and cost of risk

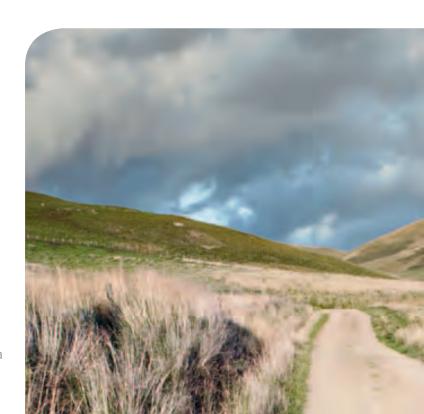
Provisioning

Provisioning of risk on customer loans includes doubtful and disputed loans (internal ratings of E- or F) and loans rated E+.

The first case involves allocated provisions. Their assessment is based on rules applied automatically to doubtful and disputed loans to individuals in the Crédit Mutuel networks as well as doubtful and disputed loans to individuals at Financo. The assessment is based on a case-by-case evaluation of the chances for collection for all of the Group's doubtful or disputed loans.

In the second case, the estimate of the so-called collective provision is based on a statistical observation of default rates and losses incurred in the event of a default.

Against the backdrop of an unstable economic outlook, Crédit Mutuel Arkéa adopted a very cautious approach to customer credit risk in 2011. The provisioning rate for doubtful and disputed loans (principal and interest) was 55.6% at end-December 2011, up from 53.8% the previous year. The respective rates were 63.8% for companies, 55.5% for sole proprietorships and 47.3% for individuals.



The provisioning rate for loans rated E+ remained stable overall. It was 10.3% at end-2011, compared with 10.96% the previous year.

Cost of risk (net provision allocations + losses not covered by provisions)

The total cost of risk on customer loans, including the collective provision, was \in 99.7 million in 2011, down from \in 141.1 million the previous year. This significant decrease was due to the reduction in net allocations on doubtful or disputed loans and the reversal of a collective provision in the amount of \in 14.6 million.

The cost of risk on doubtful and disputed loans declined in the companies and agriculture market and increased slightly for the portfolio of loans to individuals.

As a percentage of gross customer outstandings, total cost of risk fell sharply to 0.26%, compared with 0.38% in 2010.

Recognition of the cost of risk in rate setting

The cost of risk for lending is factored in to the financial terms offered to customers using a two-part approach based on Basel II standards:

- The average or "expected" cost of risk is added to the cost of the loan.
- The exceptional or "unexpected" cost of risk is added to the estimate of the economic capital used for each credit transaction under Basel II standards.



4.1.2 Market counterparty credit risk

4.1.2.1. Group-wide limits system

Crédit Mutuel Arkéa uses a unit limit system per counterparty type (or group of related counterparties) within the meaning of Regulation 93-05 of the French Banking and Finance Regulatory Committee (CRBF), which applies to proprietary and third party activities (funds and life insurance), with a Chinese wall between these activities for individual limits per counterparty.

Unit limits are re-examined at least once a year by the Board of Directors of Crédit Mutuel Arkéa and set by the internal rating of the counterparties.

Unit limits are set according to three major categories:

- sovereigns (States), public sector, secured debts and covered bonds.
- banks (senior and subordinated debts) and insurance.
- major accounts (large corporations), mortgage companies, and local authorities.

Individual amount and term limits are set for proprietary market activities, primarily based on the Group's shareholders' equity and the counterparty's fundamentals (shareholders' equity, debt, and ratings).

Limit requests for a given counterparty are reviewed by Crédit Mutuel Arkéa's Counterparties Committee, which bases its decision on informed opinions of the Middle Office, which is responsible for first-level analysis, monitoring and control of credit risk on market transactions.

All financial market transactions that create credit risk exposure for the Group must involve an issuer approved by the Counterparties Committee.

Requests to raise a limit between two reviews are handled by the Crédit Mutuel Arkéa's Board of Directors.

4.1.2.2. Reporting

A scorecard of risks on capital market transactions is established monthly and forwarded to Crédit Mutuel Arkéa's Executive Management. This scorecard includes a status update on compliance with credit risk limits.

The status of market transaction credit risk is reviewed on a regular basis by the Counterparties Committee.

Compliance with credit limits is reviewed at each Crédit Mutuel Arkéa Board of Directors meeting.

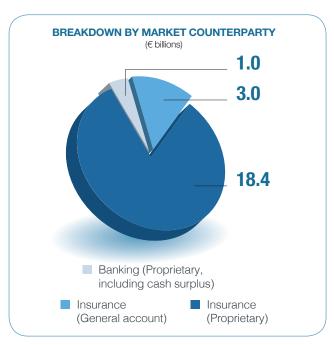
4.1.2.3. Breakdown of credit risk on market counterparties

For the full scope

The investment portfolio totaled €22.4 billion as of December 31, 2011, broken down as follows:

The Group has direct credit risk exposure only on the proprietary portfolios for insurance (\in 1 billion) and banking (\in 3 billion). In the case of the banking portfolio, credit risk exposure results primarily from the proprietary investment activity and the reinvestment of the cash surplus, with a substantial amount (\in 1.4 billion) arising from transactions with Crédit Mutuel Group.

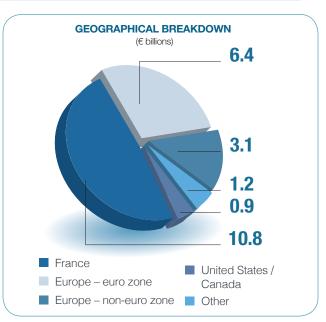
Meanwhile, credit risk on the €18.4 billion of investments included in the insurance company Suravenir's general account is borne primarily by policyholders through the return they receive on euro-denominated funds.

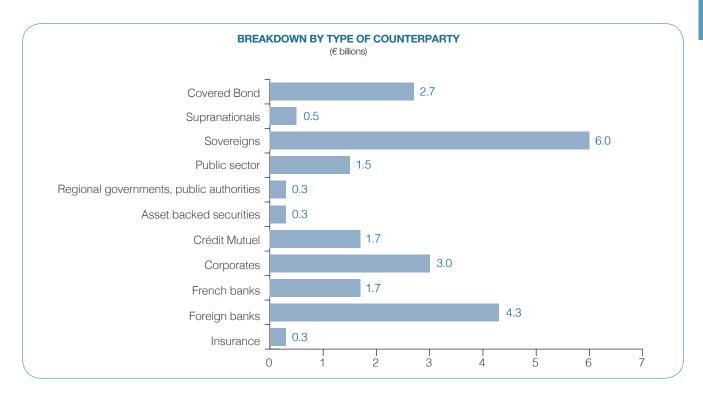




With respect to its counterparties risk assessment, Crédit Mutuel Arkéa relies on the ratings of agencies, i.e. "external ratings," as well as its own internal rating system.

The concentration of commitments on the highest-rated issuers is evidence of a conservative and active risk management approach, since 79% of the outstandings on market counterparties are with issuers rated between AAA and A by the rating agencies. Only 3% of the portfolio is rated speculative (external rating less than or equal to BB+) or not rated.



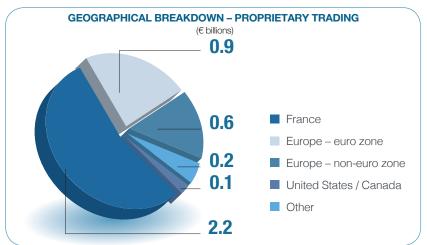


The bulk of Crédit Mutuel Arkéa's investments are in the banking sector (47% of outstandings). Of those banking counterparty investments, 88% involve issuers with among the highest external ratings (between AAA and A), of which 50% are with French banking counterparties.

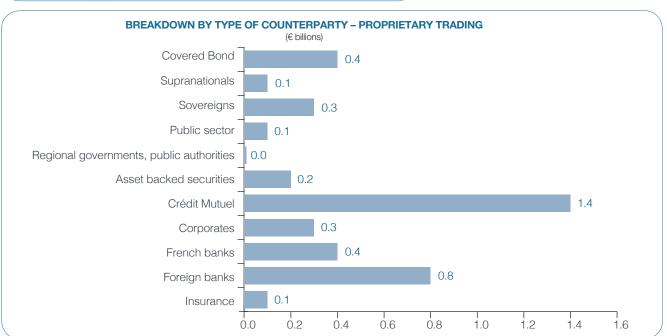
For the proprietary trading scope (Insurance and banking)



The €4 billion in proprietary insurance and banking investments, which in the case of banking investments also include the reinvestment of the cash surplus, are made primarily with issuers that have the highest external ratings. Some 82% are rated between AAA and A.



Some 91% of the investments for this scope involve European issuers, including 54% in France.

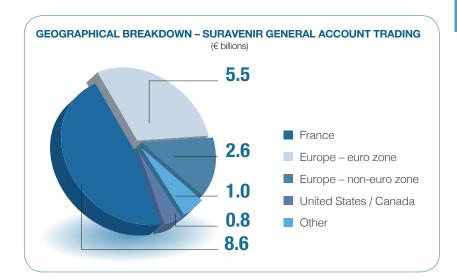


Nearly 70% of these investments are made with banking counterparties, and mainly with Crédit Mutuel entities.

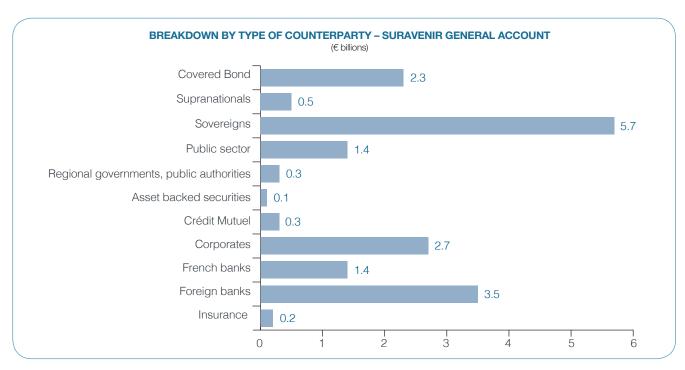
For the scope of Suravenir's general account



The insurance company Suravenir's general account is invested mainly with issuers that have the highest external ratings: 78% of these issuers are rated by the agencies between AAA and A.



Geographically, the general account is mainly invested with European issuers (90%).



From a sector standpoint, the insurance company's general account is invested in two main sectors:

- banks for 28%;
- sovereigns, supranationals, public authorities and public sector for 43%.



4.1.1.4 Focus on the exposure to sovereign debt risk in countries that have benefited from a European Union support package

In 2011, financial markets became increasingly concerned that some euro zone countries might not be able to honor their future debt repayment commitments. Portugal and Ireland therefore had to request a support package involving the IMF and their European partners in order to ensure continued refinancing. Meanwhile, Greece sank further into recession, which required the establishment of a second support package. This second aid package was accompanied by measures aimed at reducing the country's public debt by involving private bondholders. These

bondholders were asked to contribute by voluntarily agreeing to accept a discount on their Greek bond investments.

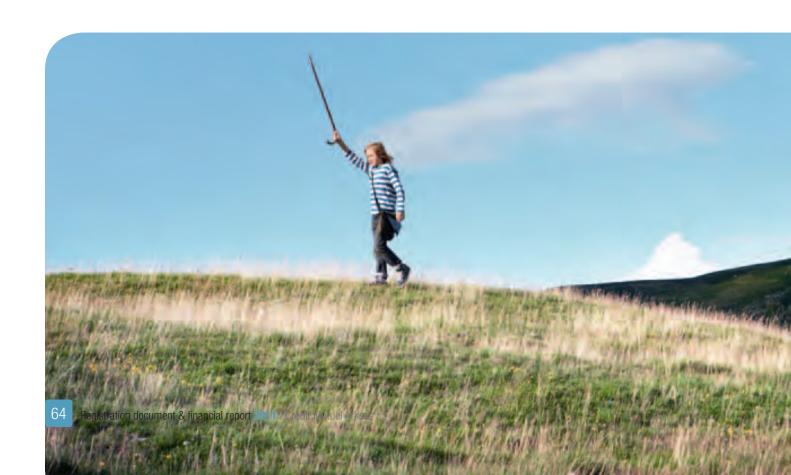
Crédit Mutuel Arkéa's commitments with Greece, which have a face value of €99 million, are carried exclusively by the insurance companies (€9.5 million for the proprietary trading account and €89.5 million for the general account). After taking impairment into account, these commitments negatively affected net income by €8.1 million.

No provisions were taken on investments in other euro zone countries that received European Union support. These investments are carried primarily by the insurance companies, as Crédit Mutuel Arkéa's proprietary investments are more limited and involve guarantee commitments for the funds of the Federal Finance Gestion asset management subsidiary.

Sovereign debt exposure ⁽¹⁾ € millions as of December 31, 2011 (face value)	Insurance company investments (general account)	Insurance company investments (proprietary account)	Proprietary investments ⁽²⁾ (CM Arkéa)
Greece	90	10	-
Portugal	84	2	20
Ireland	309	-	15
TOTAL	483	12	35
Relative share of these three sovereigns in total investments	2.6%	1.1%	1.2%

⁽¹⁾ Sovereign debt (excluding State-backed securities)

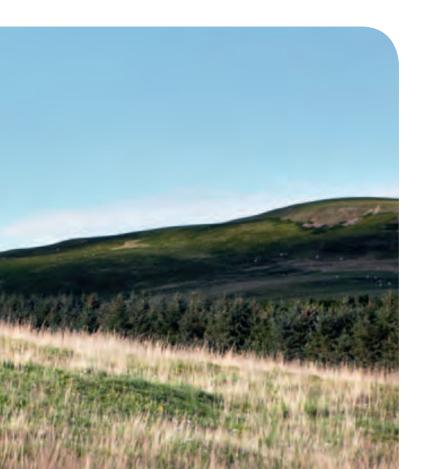
⁽²⁾ Proprietary account: Exposure limited to off-balance sheet commitments carried by Crédit Mutuel Arkéa and related to the guarantee provided by the Group on Federal Finance guaranteed funds.



As of 12/31/2011 (€ millions)	< 1 year	1 - 2 years	2 - 5 years	5-10 years	> 10 years	Total
Greece	0	0	5	64	30	99
Insurance (General account)	0	0	0	60	30	90
Proprietary accounts (bank and insurance)	0	0	5	5	0	10
Portugal	0	0	58	48	0	106
Insurance (General account)	0	0	38	46	0	84
Proprietary accounts (bank and insurance)	0	0	20	2	0	22
Ireland	0	0	20	284	20	324
Insurance (General account)	0	0	5	284	20	309
Proprietary accounts (bank and insurance)	0	0	15	0	0	15
Total	0	0	83	396	50	529
Insurance (General account)	0	0	43	390	50	483
Proprietary accounts (bank and insurance)	0	0	40	7	0	47

The above-mentioned exposures in terms of face value break down as follows in terms of their net exposure (carrying amount following impairment charge for counterparty risk and recognition of capital gains or losses, net of hedges and after taking into account share of deferred income payable to policyholders for the insurance portion) in the financial statements of Crédit Mutuel Arkéa Group:

€ millions	< 1 year	1 à 2 years	2 à 5 years	5 à 10 years	> 10 years	Total
Greece	0.0	0.0	1.1	1.9	0.5	3.4
Portugal	0.0	0.0	1.8	3.0	0.0	4.8
Ireland	0.0	0.0	0.3	16.1	1.1	17.5



4.1.1.5 Focus on exposure to structured assets in the proprietary account of the banking scope

4.1.1 Stress test

The decree of February 20, 2007 on capital adequacy requirements applicable to credit institutions and investment firms (transposing the June 14, 2006 European Directives 2006/48/EC and 2006/49/EC on capital adequacy requirements (CRD)) requires that institutions governed by the decree "perform a credit risk stress test in order to assess the impact of the assumptions on their total capital requirements for credit risk."

The main methods and stress test assumptions are being defined in the Crédit Mutuel national plan. They apply to Crédit Mutuel Arkéa and are being defined as part of the work on Pillar 2 of the Basel II regulations.

Crédit Mutuel Arkéa performs stress tests on its banking scope, i.e., all Group entities excluding the insurance sector, to assess the impact on capital adequacy requirements. Two scenarios are tested:

- a one-notch downgrade in internal ratings (with no resulting defaults);
- an increase in default probabilities (25%, 50%, or 100%).

These stress tests are performed only for the "bank" and "retail customer" portfolios, for which the use of internal ratings is authorized by the French prudential control authority (Autorité de contrôle prudentiel). Results were as follows:

Accumption	Change in capital adequacy requirements				
Assumption	2011	2010	2009		
One-notch ratings downgrade	+7.2%	+7.8%	+9.1%		
100% increase in default probability	+7.5%	+8.7%	+9.5%		
50% increase in default probability	+4.2%	+4.7%	+5.2%		
25% increase in default probability	+2.2%	+2.5%	+2.7%		

The regulatory capital adequacy requirements for credit risk under Basel II totaled nearly $\[\in \]$ 2 billion before taking into account the Basel I floor. The $\[\in \]$ 1.1 billion surplus capital observed in the solvency ratio at end-2011 is largely sufficient to cover the maximum impact observed in the above-mentioned stress tests ($\[\in \]$ 150 million).



4.2 MARKET

RISKS

The market risk, or price risk, stems from unfavorable changes in market parameters that affect the value of financial instruments recognized on the balance sheet. Crédit Mutuel Arkéa is exposed primarily to significant spread, interest rate, exchange rate and equity price risks. Its options risk is limited to interest rate options and remains low.

With respect to the banking scope, Crédit Mutuel Arkéa's market risk arises mainly in the proprietary investment activity, which is currently being wound down, and in the regulatory trading portfolio. The risk arising from short-term investments related to the management of cash surpluses is discussed in the section on overall interest rate risk.

4.2.1 Organization and risk monitoring

Organization

Crédit Mutuel Arkéa executes market transactions by way of a trading floor that reports to the Financial Markets Department and is organized around three activities (refinancing, proprietary trading and customer trading). The Back Office and Custody department is responsible for account keeping and transaction settlement. The Risk Department is responsible for the valuation of positions, the assessment of the management result and market risks and the calculation of capital requirements. Each step in processing transactions is subject to permanent control in accordance with regulations.

The end of the 2011 fiscal year was marked by the continued roll-out of a new market transaction management application. This new application has brought improvements to market risk assessment (greater accuracy with respect to calculating capital requirements for options and measuring interest rate risk sensitivity, the establishment of the historical VaR, etc.).

Monitoring

Crédit Mutuel Arkéa's Board of Directors, acting on the recommendation of the Chief Executive Officer and following a meeting of the Group Risk Committee, sets the overall framework for the level of involvement in capital markets activities each year. The detailed limits framework is then determined by the

executive body after a review by the Group Risk Committee. The limits system is based on exposure limits, sensitivity indicators and capital adequacy requirements. In 2011, the limits related to the proprietary trading portfolio were lowered in keeping with the policy adopted by Crédit Mutuel Arkéa's Board of Directors in 2007 to wind down this portfolio. The system was enhanced by a new limit that takes yield curve deformations into account. The notification procedure in the event of a breach was reviewed and the warning threshold was set at 90%.

The limits system is rounded out by a procedure to approve new products, which gives rise to a list of instruments authorized for trading.

A committee to monitor proprietary investment trading consisting of representatives from the Financial Markets, Back Office and Custody, Financial Steering and Risk Management departments meets to review changes in the results and risk profile of the proprietary trading portfolio.

Reporting to the executive body

The Risk department provides the operating departments with daily reports on the consumption of limits for market activities. In the event the limits are exceeded, a notification procedure for the executive body is activated. The Risk department also prepares consolidated risk positions for the executive body on a monthly or quarterly basis as the case may be.

Reporting to the deliberative body

A monthly market activities report is submitted to Crédit Mutuel Arkéa's Board of Directors. It includes a presentation of exposures, results, risk indicators and an update on compliance with limits set by the Board.

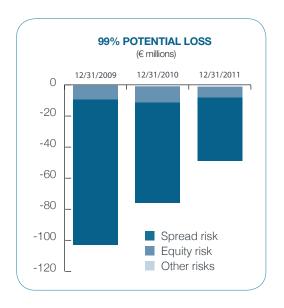


The valuations used to assess risks are obtained using various methods ranked by order of importance. If the asset is listed on an active market, fair value is determined using the list price. If no such listing is available, the price is obtained using market valuation techniques based on observable market data. In rare cases, for more sophisticated products, specialized appraisers are brought in to complement the internal valuation. The valuations derived from models may be adjusted in order to take liquidity risk into account.

Changes in the value of the proprietary portfolio are controlled by sensitivity limits. These daily measurements of sensitivity to specific and modest fluctuations in spreads, interest rates and volatility are accompanied by a monthly calculation of potential loss. The scenarios applied correspond to relative or absolute changes for a given period for each risk factor, with a 99% probability over sliding periods that range from 7 to 26 years, depending on the risks.

The bond and securitization portfolios contain nearly all the market risk because of the spread risk, as the interest rate risk was hedged.

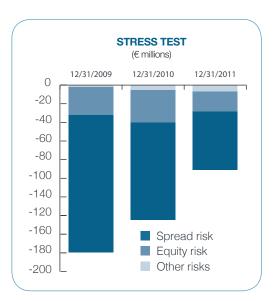




99% POTENTIAL LOSS AS OF 12/31/2011					
Risk	Scenario	Horizon	Exposure (€ millions)	Potential loss (€ millions)	
Interest rate	17% decline (1)	1 month	1,388	(1.4)	
Equity	17% decline (1)	1 month	45	(7.5)	
Currency	8% increase/decline (1)	1 month	1	(0.1)	
Spread	60 bp increase on sovereigns	6 months	15	(0.2)	
	150 bp increase on euro financials 275 bp increase for financial subordinated redeemable securities 390 bp increase on US financials	6 months	583	(31.6)	
	215 bp increase on corporates	6 months	57	(1.8)	
	410 bp increase on securitizations	6 months	175	(11.0)	

(1) in relative value





Crédit Mutuel Arkéa chose not to assess its capital adequacy requirements for market risk using an internal model. As a result, it is not subject to the requirements of Article 349 of the Decree of February 20, 2007 on stress tests. Nevertheless, it does perform stress tests by risk factor. For each of the risk

factors used, the stresses applied correspond to the most severe changes recorded over a one-year period in the benchmark historical horizon, which ranges from 7 to 26 years depending on available data.

STRESS TEST SCENARIOS AS OF 12/31/2011 - (1-year horizon)					
Risk	Scenario	Exposure (€ millions)	Potential loss (€ millions)		
Interest rate	68% decrease (1)	1,388	(6,3)		
Equity	52% decrease (1)	45	(23.1)		
Currency	29% increase/decrease (1)	1	(0.3)		
	140 bp increase on sovereigns	15	(0.4)		
Spread	200 bp increase on euro financials 360 bp increase on financial subordinated redeemable securities 570 bp increase on US financials	583	(41.3)		
	250 bp increase on corporates	57	(2.1)		
	725 bp increase on securitizations	175	(18.2)		

(1) relative value

The wind-down management policy adopted in 2007 led to a significant drop in proprietary portfolio outstandings, which totaled €1.8 billion at end-2011, compared with €7.2 billion as of December 31, 2007. In 2011, this policy resulted in a €609 million drop in portfolio investments, including €515 million in investments that reached maturity. This reduced exposure combined with the further passage of time resulted in a nearly 40% reduction in the potential overall impact of the abovementioned scenarios relative to 2010, in particular with respect to the spread risk attached to the bond and securitization portfolio.

The market risk of the trading portfolio, which consists of fair value positions through profit and loss (except for options), is subjected to a VaR measurement for information purposes.

The parameter-based model used until end-October 2011 was replaced with a historical model better suited to capturing options and spread risk. This model, which is calibrated with a 99% confidence interval and a timeline of 10 business days, was not audited by the statutory auditors. For 2011, the VaR amount fluctuated between a minimum of €2.5 million in February and a maximum of €5.5 million in August before settling at €3.4 million as of December 31, 2011 (of which €3.3 million solely for interest rate risk and €0.1 million for spread risk). Compared with 2010, this VaR was higher overall (€3.6 million average in 2011, compared with €2.2 million in 2010), which reflects the increased interest rate volatility. The level nevertheless remains low given the offsetting impacts of long and short positions within the trading portfolio.

4.3 STRUCTURAL INTEREST RATE and LIQUIDITY RISKS

4.3.1 Organization

The ALM function strives to steer balance sheet and off-balance sheet financial ratios over a medium- to long-term horizon. Its duties consist of measuring, monitoring and making recommendations to optimize liquidity and interest rate risk (currency risk is marginal) as well as the Group's capital allocation.

The ALM function is exercised at Crédit Mutuel Arkéa by the Group ALM department (which reports to the Financial Steering department) and ALM entities or correspondents in the subsidiaries' finance departments. Insurance risks are managed at the level of the insurance companies, under the supervision of the Group ALM Committee.

Indicators produced by the ALM function are submitted to:

- the Group ALM Committee, which steers the strategy and controls the Group's exposure. This committee meets at least twice a year;
- The Treasury committees of the Group and its subsidiaries, whose goal is to steer and monitor the operational management of the assets and liabilities of the banking institution involved as part of the strategy set by the Group ALM Committee. The Group Treasury Committee meets monthly.

The ALM limits are set annually by the Board of Directors of Crédit Mutuel Arkéa on a recommendation from the ALM Committee.

4.3.2 Interest rate risk on the banking and insurance portfolio

Interest rate risk involves the risk of changes in interest rates affecting present and future results. It is caused by a difference in rates or of benchmark indices between the sources and applications of funds.

Banking portfolio

Interest rate risk is assessed, monitored and managed for the consolidated banking scope and for each entity within that scope. All balance sheet and off-balance sheet positions, notably financial instruments (swaps, etc.) and forward-start transactions, are integrated into the risk assessment.

Two main indicators, calculated quarterly, enable the Group to measure interest rate risk on a static basis:

- interest margin sensitivity reflects the gain or cost on the Group's net interest margin resulting from a change in interest rates.

It may be expressed as a percentage of NBI, using different changes in interest rates (+1%, +2%, -2%). It is constructed using preset interest rate gaps (corresponding to balance sheet and off-balance sheet items whose cash flows are deemed certain) and the impact of options risks (measuring the impact of activation of caps / floors on the net interest margin).

For 2011, interest margin sensitivity remained under control; the maximum annual impact for a 2% increase in interest rates at end-2011 was €3 million, or 0.2% of 2010 NBI. This level is consistent with the Group's policy;

- Net Present Value (NPV) sensitivity is an indicator derived from Basel II regulations. Expressed as a percentage of capital, it measures the change in the net present value of the balance sheet for a 2% increase or decrease in interest rates. The regulations set a 20% threshold for interest rate exposure. As of December 31, 2011, the level is between 2% and 5% of capital, which is consistent with the Group limits.

Insurance portfolio

A change in interest rates directly affects the bond portfolio's valuation and return, for both the proprietary and the general accounts. Fixed-rate bonds expose Suravenir to the risk of a change in asset values; variable-rate bonds create the risk of income fluctuations.

- The risk of a decrease in interest rates is not significant for Suravenir.

The euro-denominated life insurance policies create a commitment for the company to offer a minimum guaranteed rate. When market interest rates fall, the portfolio's return may be insufficient to satisfy this commitment. In that case, French regulations require insurance companies to make a special provision allocation (the so-called financial risks provision). Suravenir did not need to make any such allocation in 2011. As of December 31, 2011, the risk going forward pertains to a 1.15% minimum guaranteed return to be paid in 2012.

- The primary risk faced by Suravenir is that of rising interest rates for the management of the general account and therefore euro-denominated funds.

Higher interest rates have several consequences on assets, starting with lower valuations on fixed-rate bonds held in the portfolio. Depending on which IFRS accounting classification is used for these securities, this loss in a value affects shareholders' equity or earnings for the insurance company and policyholders. Thus at end-2011, a 100 basis point increase would cause Suravenir's net income to fall by €0.7 million and shareholders' equity to decline by €75 million.

The second risk related to a significant and sustained increase in interest rates is a growing number of redemptions by policyholders on the euro-denominated funds, as the returns on these policies become less competitive relative to other investments. In that case, in order to make the necessary adjustments to managed assets, the company may need to sell assets. If it sells fixed-rate assets, it would incur capital losses. To avoid this risk, Suravenir maintains a considerable amount of variable-rate bonds and caps options in its portfolio. These financial instruments also enable the return on Suravenir's euro-denominated funds to converge more quickly toward the returns offered by other savings products, thereby limiting redemptions. As of December 31, 2011, some 19.5% of the bond portfolio was hedged against an increase in interest rates.



4.3.3 Liquidity risk

Banking portfolio

Liquidity risk arises from maturity differences between the sources and applications of funds. In the most extreme case, liquidity risk may result in the company being unable to honor its commitments.

The Group has historically been very vigilant and conservative in managing this risk. In order to protect against it, in 2011 the Group continued its approach of previous years by developing a policy of diversifying its sources of refinancing (both public issues and private placements):

- short-term refinancing programs (CDN),
- unsecured medium- and long-term refinancing programs (BMTN and EMTN),
- secured refinancing programs. In 2011 the Group transformed its subsidiary for issuing covered bonds (which are backed by mortgage loans) in order to take advantage of the new regulatory framework for home finance companies (Sociétés de Financement de l'Habitat SFH). After the creation in 2010 of a mortgage-backed lending company (Société de Crédit Foncier SCF), whose bonds are backed by exposures on public-sector authorities, the company completed its inaugural bond issue (€750 million) in 2011,
- assignment of unsecured or secured interbank loans to Caisse de Refinancement de l'Habitat (CRH), the European Investment Bank (EIB), Société de Financement de l'Economie Française (SFEF), and Caisse des Dépôts et Consignations (CDC).

Meanwhile, the Group is continuing its policy of diversifying its financing sources among customer shareholders and clients by:

- issuing bonds purchased by clients (through their securities accounts or unit-linked life insurance policies with Suravenir),
- enhancing its line of term deposits aimed at both individual and company clients,
- implementing client and customer shareholder loyalty initiatives.

2011 was marked by the transposition of Basel III rules into European standards. These rules are aimed at requiring banking institutions to calculate two liquidity ratios:

- liquidity coverage ratio, a stress ratio that measures liquid assets relative to cash flows over the next 30 days (applicable beginning in 2015).
- net stable funding ratio, which measures the matching of long-term assets and long-term liabilities (applicable beginning in 2018).

In an environment of heightened financial market tensions, notably in the debt market, the Group continued its conservative liquidity management policy, with a complementary goal of satisfying Basel III requirements. In order to contain the impact in terms of refinancing costs, the Group undertook measures with clients and also focused on access to long-term funding through its secure refinancing programs. In 2011, it therefore borrowed nearly €4 billion through its SFH and SCF units.

For a detailed analysis of financial liability maturities, see Note 27 of the consolidated financial statements appearing on page 51 of this Registration Document.

Assessment

The Group assesses, monitors and manages liquidity for the consolidated banking scope and each entity within that scope.

The liquidity risk assessment is based on three elements:

- liquidity gaps.
- refinancing amount limits.
- liquidity ratios (regulatory and non-regulatory).

The liquidity gaps, which are calculated quarterly, include all balance sheet and off-balance sheet items that affect the Group's liquidity. They are established quarterly on the basis of static scenarios (no assumption of new production), although dynamic scenarios are also used in order to estimate the refinancing needs at different maturities.

The static gaps are produced using both a standard and a stress scenario. The latter scenario assumes the depletion of commercial deposits and draw-downs under certain off-balance sheet liquidity agreements. At end-2011, the Group decided to review these assumptions in order to make them consistent with Basel III requirements. Based on the stress scenario, the Group has established a goal of backing credits for maturities of up to five years, at a level essentially between 100% and 75% depending on the maturity. This objective was satisfied throughout 2011.

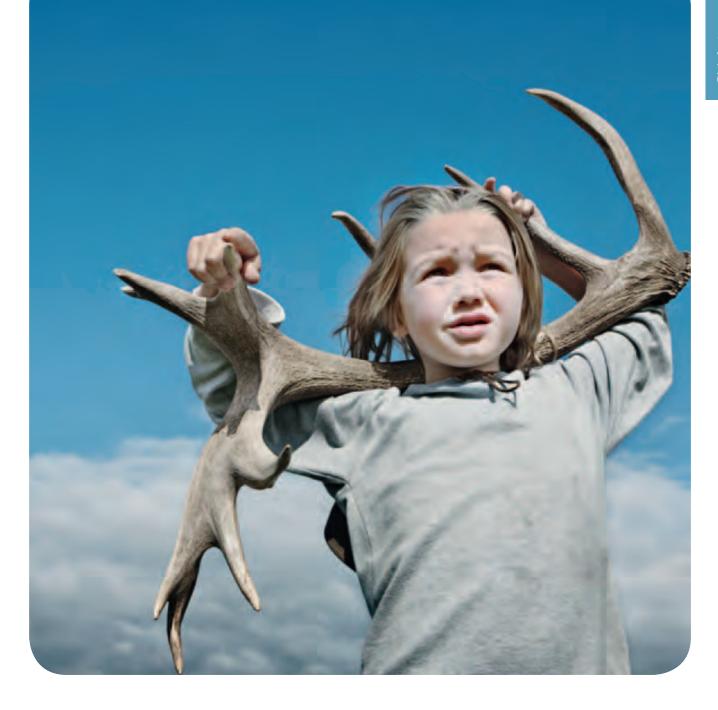
Short-term refinancing amount limits have also been set. The goal is to minimize liquidity risk on the refinancing of these lines in the event of market tensions. These limits were satisfied throughout 2011.

Liquidity ratios comprise the one-month liquidity ratio (regulatory ratio) and five-year coverage ratio:

- the one-month liquidity ratio is a regulatory ratio that measures available liquidity for the month relative to liabilities with the same maturity. Its computation method was made more stringent beginning in June 2010. This minimum ratio is 100% and applies to each Group company. Nevertheless, because the Group manages liquidity risk conservatively, it set an internal level that was even more stringent than the regulatory requirement.
- The five-year coverage ratio aims to ensure that long-term assets are appropriately matched with long-term liabilities.

The Group's ratios satisfied both its internal and the regulatory standards at end-2011. Crédit Mutuel Arkéa's liquidity ratio was 202%; in spite of the debt market tensions, this ratio remained well above the minimum required levels throughout 2011.

The Group is also conducting specialized studies to measure certain specific aspects of liquidity risk. In 2011, it focused on



simulations involving the two ratios that will be applied in the future under Basel III.

A qualitative assessment of the indicators showed that the Group not only satisfied the various limits but also significantly reduced its liquidity risk across all maturities in 2011 thanks to the efforts made with clients and in the market refinancing area (notably through the SFH and SCF vehicles).

Insurance portfolio

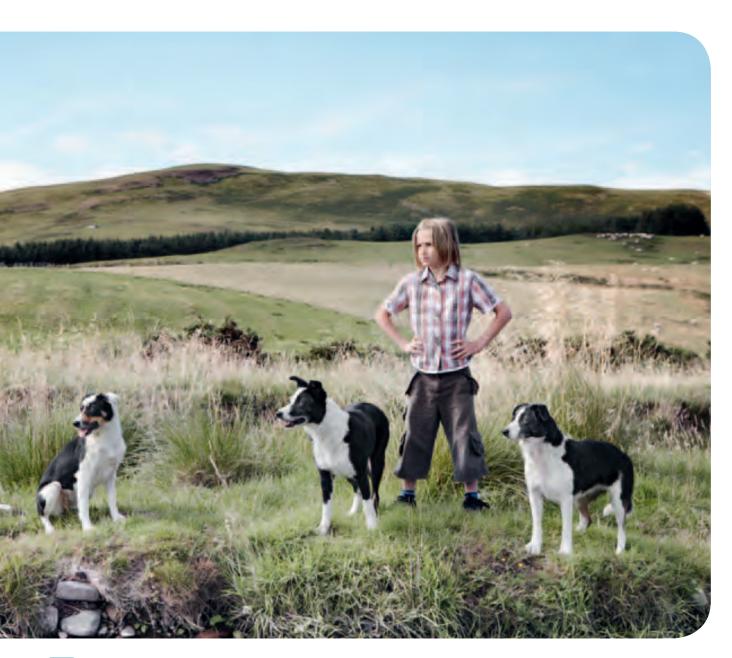
Liquidity risk arises when the company is forced to sell its assets following a massive wave of redemptions. A liquid asset is one that can be sold under any market conditions. In order to measure this risk, Suravenir implemented a liquidity ratio, which makes it possible to determine at all times the relative share of assets that can be sold at a moment's notice to cover liability payments. Suravenir considers the following to be liquid assets: cash and cash equivalents, AAA rated government

bonds and like securities, and equities. This ratio is calculated on the basis of a scope comprised of assets corresponding to Suravenir's commitments on euro-denominated funds. As of December 31, 2011, this ratio was 37.2% (a 2.7% increase relative to end-2010). The liquidity ratio enables Suravenir to cover a three-fold increase in redemptions without experiencing a liquidity crisis.

4.4 CURRENCY PORTFOLIO

Currency risk can be defined as the risk of a change in the exchange rate between two currencies, which in the lack of adequate hedging could result in a loss.

The Group's currency exposure is very limited and immaterial, with a total combined exposure of €4 million equivalent. In fact, as it never represents more than 2% of the Group's capital, it is not subject to a regulatory capital requirement as stipulated by law.



4.5 EQUITY

and OTHER VARIABLE INCOME SECURITIES RISK

This risk arises in the event of an equity market downturn that results in a lower portfolio valuation.

The net carrying amount of the Group's equity and other variable income securities portfolio was €7.0 billion as of December 31, 2011. To analyze the risks associated with this portfolio, it needs to broken down into two parts:

- the first, which has a net carrying amount of €6 billion, includes equities and other variable income securities accepted as representative of unit-linked policies provided by Suravenir (€3.9 billion), for which the risk is borne entirely by policyholders, and Suravenir's general account investments (€2.1 billion), for which the risk is also almost entirely borne by policyholders.
- the second, which had a net carrying amount of €1 billion as of December 31, 2011, mainly includes Crédit Mutuel Arkéa's proprietary investments totaling €0.3 billion (including €0.2 billion in money market funds), Suravenir's proprietary account for €0.3 billion and Fortuneo cash investments for €0.2 billion (mainly money market funds).

The Group also had an investment securities portfolio with a net carrying amount of €304 million as of December 31, 2011. These securities are held for the medium and long term in order to generate a capital gain, promote the development of long-term business relationships or exercise influence over the issuing companies.



4.6 OPERATIONAL

RISK

The concept of operational risk adopted by Crédit Mutuel Arkéa Group covers all risks included in the definition of the Basel II and CRBF 97-02, as amended, regulations.

CRBF Regulation 97-02, as amended, defines operational risk as that which arises from an inadequacy or failure attributable to procedures, personnel or internal systems or to outside events, including events with a low probability of occurrence but high risk of loss. Operational risk includes internal and external fraud risks.

Given this regulatory context and the internal provisions, Crédit Mutuel Arkéa deployed a dedicated system for controlling operational risk and permanent control across its entire scope and covering all activities. This system enables the Group to oversee and control all its risk areas.

4.6.1 The "operational risk" function

Organization

Crédit Mutuel Arkéa decided to apply its operational risk control system to all its components, even those not directly subject to Basel II regulations (life and non-life insurance subsidiaries, etc.).

The overall framework for controlling operational risk is based on functional management provided by the Operational Risk department, which is part of Crédit Mutuel Arkéa's Risk department.

This department consolidates results and oversees changes in operational risk for the entire Group. In order to perform this task and in its capacity as the functional head of the "operational risk" function, the department uses operational risk correspondents who report directly to each central department of Crédit Mutuel Arkéa, Crédit Mutuel federation or the head of the subsidiary. The Operational Risk Correspondent (French acronym: CRO) is the conduit for operational risk control policy within each unit.

Controlling operational risk is guided by formalized procedures with respect to:

- updating the risk maps and their self-assessments;
- collecting information on losses;
- modeling operational risk as part of the capital requirements calculation;
- implementing business continuity plans;
- IT systems security.

Reporting

Quarterly reporting is established by the Risk Department and submitted primarily to the following recipients:

- Group Risk Committee,
- Group Executive Management,
- Crédit Mutuel Arkéa Audit Committee
- Crédit Mutuel Arkéa Board of Directors

This reporting covers four main topics:

- losses observed,
- results of Business Continuity Plan (BCP) tests,
- the self-assessment of risks arising from operational risk maps,
- the activity and functional management of operational risk correspondents.

4.6.2 Operational risk measurement

Risk assessment system

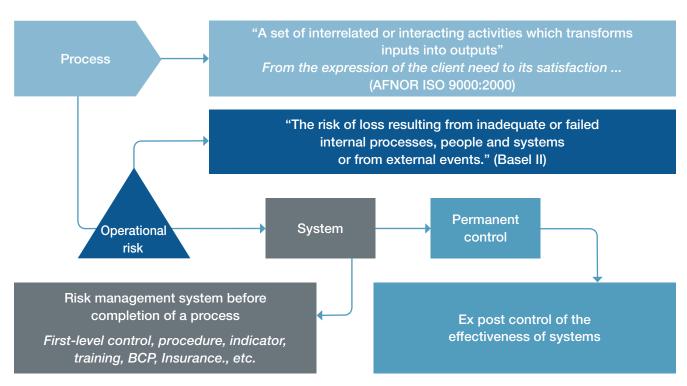
The measurement of Crédit Mutuel Arkéa's operational risk is based primarily on a dual system:

- a risk self-assessment, performed by the CROs working at the Group's various entities and backed by the expertise of operating staff in these units;
- disclosures by operating staff of incidents following the occurrence of a demonstrated operational risk.

Operational risk self-assessment

The operational risk self-assessment is based on an internal process known under the French acronym PRDC, which describes the four components: process, risk, risk management system and second-level permanent control. Its implementation is based on four manuals:

- the processes manual is designed to model the company's activities using increasingly detailed descriptions. Each process is described in terms of its human, technical and logistical resources. This description is particularly useful for risk analysis, notably through the identification of existing interfaces within the process chain;
- the operational risk manual iterates the Basel II risk map at two levels. It incorporates a third level of risk category description derived from the manual of Confédération National du Crédit Mutuel (CNCM);
- the operational risk management systems manual collects the resources aimed at mitigating risks or their impacts. It classifies them by type: procedures, first-level permanent control, applications, training, warnings, insurance, BCPs, etc.);
- the second level permanent controls manual covers the second-level permanent controls aimed at verifying and assessing the relevance and effectiveness of risk control systems attached to process.



After assessing each individual risk using the processes and risk manuals and taking into account the impact of the applicable risk management system, a self-assessment is performed for the individual risk. This self-assessment is based on a scale with seven levels of frequency and nine levels of severity.

The method covers all Crédit Mutuel Arkéa's activities. The processes and related risks of the support activities have also been modeled. Given the high degree of automation, the effectiveness of the risk management systems pertaining to the IT system is closely examined.

This PRDC method was reviewed in 2010-11 in order to better standardize and consolidate information on processes, risks, systems and permanent controls. Tested at several pilot entities from March to July 2010, it was rolled out at all Crédit Mutuel Arkéa entities from September 2010 to December 2011. For entities integrated during the course of this project (Leasecom, Schelcher Prince Gestion and CFCAL), the roll-out will be performed in 2012.

Disclosure of incidents that occur

Crédit Mutuel Arkéa collects information on its incidents in a dedicated internal application. This application is based on the above-mentioned process and risks manual and includes both:

- the CNCM (Confédération Nationale du Crédit Mutuel) manual, known as the common platform, including the Basel II risk types,
- the manual specific to Crédit Mutuel Arkéa, which resulted from the PRDC approach (manual for processes ("P") and risks ("R").

In 2011, this application was made available to all of the Group's local savings banks and branches. This decentralization makes it possible to input incidents at the point closest to their detection and thereby enhances the comprehensiveness of reports.

The total volume of reported incidents in 2011 was down significantly relative to the previous year. Last year, reported incidents totaled €5.6 million altogether (demonstrated losses

and provisions), compared with €7.9 million in 2010. This represented a 29% decrease (after restating the 2010 figures slightly to harmonize the chronological order of incidents).

The reference to the CNCM standard in terms of process manuals and operational risks enables Crédit Mutuel Arkéa to submit all incidents that occur across its entire scope of operations to CNCM in order to ultimately input:

- the chronological series of losses recorded with respect to operational risks by Crédit Mutuel Group, which is used in the calculation of weighted risks on so-called "frequent" operational risks;
- Basel II reporting requirements with respect to operational risk.

4.6.3. Operational risk modeling

Organization

Since January 1, 2010, Crédit Mutuel Group is authorized to use its advanced measurement approach to calculate regulatory capital requirements with respect to operational risk, with the exception of the deduction of expected losses and the deduction of insurance.

Crédit Mutuel Arkéa actively participates in projects initiated by Crédit Mutuel Group at the national level. In that regard, dedicated resources are allocated to the annual review of risk maps and expert opinion models as well as the statistical modeling and calculation of capital requirements. This allows the Group to retain the requisite expertise and responsiveness for modeling operational risks and quantifying their capital requirements.

Crédit Mutuel Arkéa also inputs the risk indicators for so-called severe risks and loss distribution for so-called frequent risks into the capital requirements calculation performed at the level of Crédit Mutuel.

Analysis of external losses

Crédit Mutuel Group subscribes to an external database that makes it possible to enhance and diversify the operational risk assessment and analysis. The use of this database and methods for incorporating this data are covered in a nationwide procedure.

Quantification

In order to quantify operational risk, two modeling approaches were chosen:

- for so-called frequent risks, which have been identified in loss histories and whose projected severity by experts is not likely to result in a major unexpected loss, the loss distribution approach (LDA) technique is used.
- for other so-called severe risks, the analysis performed by the Group's experts consists of implementing scenarios that call

for the input of risk indicators. These indicators underpin the conditional probability models based on each scenario.

The approach is rounded out by the recognition of correlations between the various risks in order to arrive at the capital requirements.

The overall capital requirements are then allocated among the various Crédit Mutuel Group entities. For Crédit Mutuel Arkéa, capital requirements related to operational risk totaled €131 million at end-2011.

Insurance

Crédit Mutuel Group is awaiting a decision by the French Prudential Control Authority in order to take advantage of the deduction of insurance subscribed to hedge operational risks.

Insurance is therefore fully integrated into the risk management approach:

- the assessment of operational risks leads to the production of scenarios of severe risks,
- asymmetries between insurance coverage and the scenarios produced are analyzed,
- insurance programs can then be better adapted to the risk profile identified (covered scope, coverage amount).

Insurance coverage currently used in the deduction process includes coverage related to:

- damages to buildings and equipment (multi-risk),
- fraud ("blanket banking" insurance),
- professional civil liability.

Crédit Mutuel Arkéa's insurance programs comply with the Basel II eligibility criteria (rating, initial term, residual terms, advance cancellation notice, etc.).

4.6.4. Crisis management and business continuity

The Business Continuity Plan (BCP) aims to provide rapid solutions in the event of a crisis in order to minimize the impact of a major accident on the activities of Crédit Mutuel Arkéa or its clients. Targeted activities include essential or important services and operations as defined under applicable regulations.

This system is triggered when a major crisis occurs. Each BCP is designed to be implemented whenever an incident results in the disruption of an essential activity and whose foreseeable or certain duration exceeds the maximum allowable time for this activity's disruption.

The Group Business Continuity Plan is based on the following two plans:

- the "Crisis Management Plan,"
- the "Activities Continuity Plan" for business lines and support functions.

The Crisis Management Plan addresses organizational aspects in the event of an incident by defining the roles and responsibilities of the participants in the various crisis management units:

- crisis decision-making unit (person in charge: Chief Executive Officer of Crédit Mutuel Arkéa),
- operational crisis unit (person in charge: Head of Risk Management at Crédit Mutuel Arkéa),
- crisis exit unit (person in charge: Manager responsible for the restoration of the failed resource).

Each "Activities Continuity Plan" for the business lines and support functions is placed under the responsibility of a Manager of the corresponding entity or activity. This person appoints a BCP manager, who takes responsibility for the implementation and operational maintenance of the entity's BCP.

The overall coherence of all BCPs is ensured by a management function assigned to the Operational Risk Department, which is itself part of Crédit Mutuel Arkéa's Group Risk Department. In that regard, the Head of the Group BCP is the person responsible for the Operational Risk Department.

A business line continuity plan is developed to respond to five crisis scenarios:

scénario 1: unavailability of the offices

offices destroyed, unusable or inaccessible

scénario 2: unavailability of IT systems

Incident involving the central system or a server, network or application

 scénario 3: unavailability of some employees

Personnel incapable of working (anywhere, including at home)

scénario 4: unavailability of power and telecommunications

Power or telecommunications outage

scénario 5: unavailability of key suppliers

External or internal suppliers who are indispensable for essential activities.

Each scenario includes three phases:

- 1 Emergency measures,
- 2 Workaround solutions,
- 3 Return to normal.

The BCP begins once operations are assigned to the operational crisis unit by a decision of the crisis decision-making unit. It ends once a return to normal has been observed by this same crisis decision-making unit.



4.7 LEGAL

RISK

Legal risks are included in operational risk and relate, among others, to exposure to fines, penalties, and damages for a tort attributable to the company in connection with its operations.

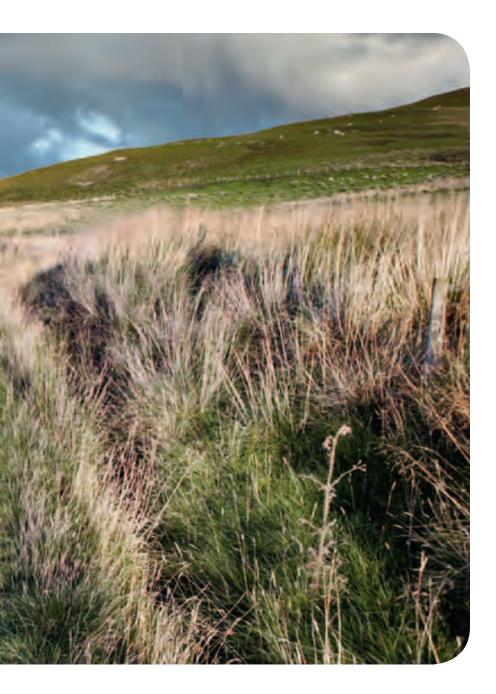
Based on this definition, no dispute is likely to have a material impact on the financial position of Credit Mutuel Arkéa (see section 6.6 of this Registration Document).



4.8 NON-COMPLIANCE RISK,

including

MONEY-LAUNDERING RISK



Non-compliance risk is defined as the risk of a court-ordered, administrative or disciplinary penalty, significant financial loss or injury to reputation resulting from non-compliance with standards applicable to banking and financial activities, be they external (legislative or regulatory standards, professional and ethical standards, specific standards governing the activity of the entity that is part of the Group) or internal (instructions from the executive body taken pursuant to the orientations set by the deliberative body).

The risk of penalty, loss or injury to reputation following the execution of a money-laundering transaction that was not detected by our prevention systems therefore qualifies as a non-compliance risk. Pursuant to the European 3rd Money-Laundering Directive, the Group's money-laundering risks are covered in a special risk map. Non-compliance risks, including money-laundering risks, are addressed through specially adapted systems and dedicated teams at the Group's various entities in order to keep them under control.

4.9 RISKS SPECIFIC

to the **INSURANCE BUSINESS**

4.9.1 Technical risks of life and borrowers insurance

The insurance activity is exposed to several risk factors: mortality risk associated with the death of the policyholder, which leads to death benefit payments; the risk of longevity associated with the policyholder's life expectancy, which causes variations in annuity payments; and the risk of disability associated with the policyholder's work stoppage, which leads to disability benefit payments.

To manage and control these risks, several indicators are calculated and analyzed to ensure the suitability of estimates used to price products relative to the actual observed risk.

The initial rate-setting is based on regulatory tables (based on national statistical data and referenced in the Insurance Code) or experience (prepared on the basis of statistical data from the company's own insurance portfolios). Statistical tables are used to assess probabilities of occurrence (death or disability) and probabilities of continued incapacity/disability.

Mortality risk (mainly borrower's insurance)

The mortality risk assessment is designed to detect any increase in the mortality of the insured population. This increase may lead to substantially higher benefit payments for expected deaths and insufficient regulatory provisions established to cover potential future benefits payments.

Several indicators were implemented to measure mortality risk:

- the loss ratio makes it possible to uncover unsuitable ratesetting and know whether the volume of premiums is sufficient to cover the volume of losses.
- the monitoring of at-risk capital, which is the maximum potential amount the insurer would need to pay out if all policyholders were to die simultaneously.
- the ratio for monitoring increases in expected deaths makes it possible to detect a high level of mortality. It corresponds to the ratio of benefits paid out (smoothed out within the limits set by the reinsurance program) relative to at-risk capital (net of deductibles and reinsurance). This ratio makes it possible to estimate the level of mortality risk relative to the company's overall exposure.

Longevity risk (life insurance)

Longevity risk corresponds to an increase in the life expectancy of annuity beneficiaries in the insured portfolio relative to the estimates prepared using statistical tables.

A significant increase in the life expectancy of the beneficiaries (and/or reversionary beneficiaries) may result in a longer annuities payment period and an insufficient amount of regulatory provisions established to cover potential future benefits payments.

Monitoring this risk is designed to detect this increase and enable suitable provisioning. This monitoring involves an analysis of the underwriting income generated by the annuity-holders' portfolio and the related mathematical provisions.

Disability risk (borrower's insurance)

The disability risk assessment is designed to detect any increase in work stoppages, whether it involves a temporary disability, total or partial disability or professional incapacity. This increase may result in significantly higher work stoppage benefit payments as well as an inadequacy in the amount of regulatory provisions set aside to cover potential future benefits payments.

Several indicators have been established to assess the disability risk associated with work stoppage coverage:

- The loss ratio makes it possible to uncover unsuitable rate-setting.
- The net new work stoppages indicator is calculated by measuring the difference between the number of new reported claims and the number of closed cases (no more benefits paid on claims). The indicator makes it possible to measure both the level of work stoppage occurrences (new policyholder claims) and the level of continuing work stoppage (policyholders continuing to receive benefits) on a monthly basis. The goal is to determine a work stoppage occurrence and essential maintenance level in order to respond in the event of excessive claims and cover the related benefits payments.
- Three additional indicators (monitoring of the number of outstanding claims, monitoring ratio for increased claims, monitoring ratio for continued work stoppage) provide a more detailed view of the outstanding policies at risk for disability as well as changes in work stoppage occurrences and continuations.

4.9.2 Technical risks of non-life insurance

Two categories of technical risks arise in the context of non-life insurance:

Frequency risk and rate-setting risk

These risks may be the result of poor risk selection and management. In order to manage and control these risks, the portfolio and changes in its characteristics are monitored on a regular basis. In particular, this monitoring involves an analysis of:

- monthly subscriptions and subscriptions aggregated by product and distributor,
- the segmentation of the portfolio by product and its changes,
- changes in the loss ratio (claims/premiums) by product (and sub-product) and by distributor,
- the average premium, average costs and frequency of claims per coverage.

The monitoring and analysis of these data make it possible to define and implement appropriate policies:

- modification of the subscription policy with respect to ratesetting, selection, adjustments to products and coverage provided,
- targeting of initiatives by geographic area and by distributor.

Exceptional claims risk

Exceptional claims risk consists of the financial impact resulting from the occurrence of major events (natural catastrophes, etc.). They are essentially covered by the use of reinsurance.

4.9.3 Reinsurance risk

The use of reinsurance makes it possible to limit the insurer's risk exposure by transferring a portion of it to one or more reinsurers.

The reinsurance policy is designed to control the two main reinsurance risks:

- the insufficiency of the reinsurance program relative to the Group's risk strategy. Deterministic and stochastic actuarial analyses are performed along with stress tests in order to structure reinsurance programs optimally.
- the default of a reinsurer, which could then not cover its share of claims. The mitigation of this risk is achieved through:
- a diversification of reinsurers,
- the selection of reinsurers based on financial strength criteria,
- the requirement of pledged securities to cover ceded provisions,
- the establishment of limits on the maximum amount that may be ceded to a single reinsurer.







Balance sheet (in thousands of euros)				
Assets	Notes	12/31/11 - IFRS	12/31/10 - IFRS	
Cash, due from central banks	1	1,565,618	518,706	
Financial assets at fair value through profit or loss	2	7,239,531	7,075,152	
Derivatives used for hedging purposes	3	528,349	281,499	
Available-for-sale financial assets	4	20,919,592	24,368,356	
Loans an receivables due from banks	1	9,427,819	6,816,191	
Loans and receivables due from customers	5	39,780,410	35,901,678	
Remeasurement adjustment on interest-rate risk hedged portfolios		234,330	135,749	
Held-to-maturity financial assets	7	334,670	357,047	
Current tax assets	9	210,449	192,562	
Deferred tax assets	10	303,839	298,537	
Accruals, prepayments and sundry assets	11	1,533,392	1,273,889	
Fixed assets held for sale		0	0	
Deferred profit-sharing		286,351	0	
Equity method investments	12	106,854	101,963	
Investment property	13	480,150	447,417	
Property, plant and equipment	14	276,306	268,304	
Intangible assets	15	327,973	298,102	
Goodwill	16	422,951	411,599	
TOTAL ASSETS		83,978,584	78,746,751	
Liabilities	Notes	10/01/11 1500	10/01/10 1770	
LIANIIIIICS	Notes	12/31/11 - IFRS	12/31/10 - IFRS	
Due to central banks	Notes 17	12/31/11 - IFRS 0	12/31/10 - IFRS 0	
Due to central banks	17	0	0	
Due to central banks Financial liabilities at fair value through profit or loss	17 18	0 456,330	0 408,253	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes	17 18 3	0 456,330 419,973	0 408,253 282,541	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks	17 18 3 17	0 456,330 419,973 2,607,012	0 408,253 282,541 5,555,844	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts	17 18 3 17 19	0 456,330 419,973 2,607,012 26,727,704	0 408,253 282,541 5,555,844 23,657,255	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue	17 18 3 17 19	0 456,330 419,973 2,607,012 26,727,704 20,857,635	0 408,253 282,541 5,555,844 23,657,255 16,300,506	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios	17 18 3 17 19 20	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities	17 18 3 17 19 20	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities	17 18 3 17 19 20	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities Accruals, deferred income and sundry liabilities	17 18 3 17 19 20	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125 2,033,002	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821 1,535,978	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities Accruals, deferred income and sundry liabilities Liabilities associated with fixed assets held for sale	17 18 3 17 19 20 9 10 21	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125 2,033,002 0	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821 1,535,978	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities Accruals, deferred income and sundry liabilities Liabilities associated with fixed assets held for sale Insurance companies' technical reserves	17 18 3 17 19 20 9 10 21	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125 2,033,002 0 25,614,737	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821 1,535,978 0 25,640,460	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities Accruals, deferred income and sundry liabilities Liabilities associated with fixed assets held for sale Insurance companies' technical reserves Provisions	17 18 3 17 19 20 9 10 21	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125 2,033,002 0 25,614,737 213,394	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821 1,535,978 0 25,640,460 216,407	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities Accruals, deferred income and sundry liabilities Liabilities associated with fixed assets held for sale Insurance companies' technical reserves Provisions Subordinated debt	17 18 3 17 19 20 9 10 21	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125 2,033,002 0 25,614,737 213,394 846,388	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821 1,535,978 0 25,640,460 216,407 1,201,770	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities Accruals, deferred income and sundry liabilities Liabilities associated with fixed assets held for sale Insurance companies' technical reserves Provisions Subordinated debt Total equity	17 18 3 17 19 20 9 10 21	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125 2,033,002 0 25,614,737 213,394 846,388 4,045,893	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821 1,535,978 0 25,640,460 216,407 1,201,770 3,776,953	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities Accruals, deferred income and sundry liabilities Liabilities associated with fixed assets held for sale Insurance companies' technical reserves Provisions Subordinated debt Total equity Shareholders' equity, Group share	17 18 3 17 19 20 9 10 21 22 23 24	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125 2,033,002 0 25,614,737 213,394 846,388 4,045,893 4,015,896	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821 1,535,978 0 25,640,460 216,407 1,201,770 3,776,953 3,603,861	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities Accruals, deferred income and sundry liabilities Liabilities associated with fixed assets held for sale Insurance companies' technical reserves Provisions Subordinated debt Total equity Shareholders' equity, Group share • Share capital and reserves	17 18 3 17 19 20 9 10 21 22 23 24	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125 2,033,002 0 25,614,737 213,394 846,388 4,045,893 4,015,896 1,556,616	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821 1,535,978 0 25,640,460 216,407 1,201,770 3,776,953 3,603,861 1,287,950	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities Accruals, deferred income and sundry liabilities Liabilities associated with fixed assets held for sale Insurance companies' technical reserves Provisions Subordinated debt Total equity Shareholders' equity, Group share Share capital and reserves Consolidated reserves	17 18 3 17 19 20 9 10 21 22 23 24	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125 2,033,002 0 25,614,737 213,394 846,388 4,045,893 4,015,896 1,556,616 2,285,400	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821 1,535,978 0 25,640,460 216,407 1,201,770 3,776,953 3,603,861 1,287,950 2,095,353	
Due to central banks Financial liabilities at fair value through profit or loss Derivatives used for hedging purposes Due to banks Customer accounts Debt securities in issue Remeasurement adjustment on interest-rate risk hedged portfolios Current tax liabilities Deferred tax liabilities Accruals, deferred income and sundry liabilities Liabilities associated with fixed assets held for sale Insurance companies' technical reserves Provisions Subordinated debt Total equity Shareholders' equity, Group share Share capital and reserves Consolidated reserves Gains and losses recognised directly in equity	17 18 3 17 19 20 9 10 21 22 23 24	0 456,330 419,973 2,607,012 26,727,704 20,857,635 4,647 121,744 30,125 2,033,002 0 25,614,737 213,394 846,388 4,045,893 4,015,896 1,556,616 2,285,400 (116,276)	0 408,253 282,541 5,555,844 23,657,255 16,300,506 63,303 68,660 38,821 1,535,978 0 25,640,460 216,407 1,201,770 3,776,953 3,603,861 1,287,950 2,095,353 (52,766)	

Income statement (in thousands of euros)			
	Notes	12/31/11 - IFRS	12/31/10 - IFRS
Interest and similar income	30	2,195,968	1,969,557
Interest and similar expense	30	(1,498,205)	(1,309,631)
Fee and commission income	31	523,385	466,324
Fee and commission expense	31	(124,406)	(103,861)
Net gain (loss) on financial instruments at fair value through profit or loss	32	(14,668)	20,579
Net gain (loss) on financial instruments available-for-sale	33	24,384	18,802
Income from other activities	34	4,196,580	4,438,040
Expense from other activities	34	(3,598,272)	(3,926,139)
NET BANKING INCOME		1,704,766	1,573,671
General operating expenses	35	(1,093,480)	(1,001,620)
Depreciation, amortisation and impairment of property, plant and equipment and intagible assets	36	(96,863)	(87,061)
GROSS OPERATING INCOME		514,423	484,990
Cost of risk	37	(111,371)	(138,334)
OPERATING INCOME		403,052	346,656
Share of earnings of companies carried under equity method	12	5,406	3,971
Net income on other assets	38	(3,064)	(9,419
Goodwill variations		0	C
PRE-TAX INCOME		405,394	341,208
Income tax	39	(113,309)	(48,426)
After-tax income from discontinued or held-for-sale operations		0	0
NET INCOME		292,085	292,782
O/w Minority interests		4 000	
		1,929	19,458
NET INCOME - GROUP SHARE		1,929 290,156	
·	ectly in e	290,156	273,324
NET INCOME - GROUP SHARE	ectly in e	290,156	273,324 of euros)
NET INCOME - GROUP SHARE		290,156 quity (in thousands o	273,324 of euros) 12/31/10 - IFRS
NET INCOME - GROUP SHARE Statement of net income and gains and losses recognised dir NET INCOME		290,156 quity (in thousands o 12/31/11 - IFRS	273,324 of euros) 12/31/10 - IFRS 292,782
NET INCOME - GROUP SHARE Statement of net income and gains and losses recognised dir NET INCOME Translation differences		290,156 quity (in thousands of 12/31/11 - IFRS 292,085	273,324 of euros) 12/31/10 - IFRS 292,782
NET INCOME - GROUP SHARE Statement of net income and gains and losses recognised dir NET INCOME Translation differences Revaluation of available-for-sale financial assets		290,156 quity (in thousands of 12/31/11 - IFRS 292,085	273,324 of euros) 12/31/10 - IFRS 292,782
NET INCOME - GROUP SHARE Statement of net income and gains and losses recognised direction. NET INCOME Translation differences Revaluation of available-for-sale financial assets Revaluation of derivative hedging instruments		290,156 quity (in thousands of 12/31/11 - IFRS 292,085 0 (57,988)	273,324 of euros) 12/31/10 - IFRS 292,782 (6,839 1,828
NET INCOME - GROUP SHARE Statement of net income and gains and losses recognised direction. NET INCOME Translation differences Revaluation of available-for-sale financial assets Revaluation of derivative hedging instruments Revaluation of non-current assets		290,156 quity (in thousands of 12/31/11 - IFRS 292,085 0 (57,988) (7,535)	273,324 of euros) 12/31/10 - IFRS 292,782 (6,839 1,828
NET INCOME - GROUP SHARE Statement of net income and gains and losses recognised directly in equity for companies accounted		290,156 quity (in thousands of 12/31/11 - IFRS 292,085 0 (57,988) (7,535) 0	273,324 of euros) 12/31/10 - IFRS 292,782 (6,839 1,828
NET INCOME - GROUP SHARE Statement of net income and gains and losses recognised directly in equity for companies accounted		290,156 quity (in thousands of 12/31/11 - IFRS 292,085 0 (57,988) (7,535) 0 NA	273,324 of euros) 12/31/10 - IFRS 292,782 0 6,839 1,828 0 NA 4,368
NET INCOME - GROUP SHARE Statement of net income and gains and losses recognised directly in equity for companies accounted for by the equity method	Notes	290,156 quity (in thousands of 12/31/11 - IFRS) 292,085 0 (57,988) (7,535) 0 NA 733	273,324 of euros) 12/31/10 - IFRS 292,782 (6,839 1,828 (7) 4,368 13,038
NET INCOME - GROUP SHARE Statement of net income and gains and losses recognised directly in equity NET INCOME Translation differences Revaluation of available-for-sale financial assets Revaluation of derivative hedging instruments Revaluation of non-current assets Actuarial gains and losses on defined-benefit plans Gains and losses recognised directly in equity for companies accounted for by the equity method Total gains and losses recognised directly in equity NET INCOME AND GAINS AND LOSSES RECOGNISED	Notes	290,156 quity (in thousands of 12/31/11 - IFRS 292,085 0 (57,988) (7,535) 0 NA 733 (64,790)	

CHANGE IN SHAREHOLDERS' EQUITY (in thousands of euros)

Share Capital

Position at 1 January 2010	1,203,586
Capital increase	79,458
Elimination of own shares	
Issuance of preferred shares	
Equity components of hybrid instruments	
Equity components whose payment is share-based	
Allocation of the previous year income	
Dividend paid in 2010 in respect of 2009	
Subtotal of movements related to relations with shareholders	1,283,044
Changes in gains and losses recognised directly in equity	
2010 net income	
Subtotal	1,283,044
Impact of acquisitions and disposals on minority interests	
Share of changes in shareholders' equity of equity method associates and joint ventures	
Change of accounting methods	
Other changes	
Position at 31 December 2010	1,283,044
Capital increase	268,666
Elimination of own shares	
Issuance of preferred shares	
Equity components of hybrid instruments	
Equity components whose payment is share-based	
Allocation of the previous year income	
Dividend paid in 2011 in respect of 2010	
Subtotal of movements related to relations with shareholders	1,551,710
Changes in gains and losses recognised directly in equity	
2011 net income	
Subtotal	1,551,710
Impact of acquisitions and disposals on minority interests	
Share of changes in shareholders' equity of equity method associates and joint ventures	
Change of accounting methods	
Other changes	
Position at 31 December 2011	1,551,710

Reserves	Total gains and losses recognised directly in equity	Net income, Group share	Total equity, Group share	Minority interest in equity	Total equity
2,022,319	(72,685)	154,106	3,307,326	199,729	3,507,055
			79,458		79,458
			0		0
			0		0
			0		0
154.106		(154 106)	0		0
154,106 (34,254)		(154,106)	(34,254)	(5,468)	(39,722)
	/70 COE\	0			
2,142,171	(72,685)	0	3,352,530	194,261	3,546,791
	19,919	070.004	19,919	(6,885)	13,034
		273,324	273,324	19,458	292,782
2,142,171	(52,766)	273,324	3,645,773	206,834	3,852,607
(26,377)			(26,377)	(33,209)	(59,585)
91			91		91
(270)			(270)	0	(270)
(15,356)			(15,356)	(534)	(15,890)
2,100,259	(52,766)	273,324	3,603,861	173,092	3,776,953
			268,666		268,666
			0		0
			0		0
			0		0
273,324		(273,324)	0		0
(32,110)		(210,024)	(32,110)	(6,775)	(38,885)
2,341,473	(52,766)	0	3,840,417	166,317	4,006,734
	(63,510)		(63,510)	(1,276)	(64,786)
	(55,510)	290,156	290,156	1,929	292,085
2,341,473	(116,276)	290,156	4,067,063	166,970	4,234,033
(45,619)			(45,619)	(136,830)	(182,449)
552			552	(= 1,110)	552
140			140	31	171
(6,240)			(6,240)	(174)	(6,414)
2,290,306	(116,276)	290,156	4,015,896	29,997	4,045,893

CASH FLOW STATEMENT

Cash flows from operating activities	In thou	usands of euros
	12/31/11	12/31/10
Net income	292,085	292,782
Income Tax	113,309	48,426
Pre-tax income	405,394	341,208
Amortisation and depreciation of property, plant and equipment and intangible assets	94,092	86,477
Depreciation and impairment of goodwill and other fixed assets	1,339	203
Net additions to depreciations	62,684	1,868,481
Share of earnings of companies carried under equity method	(5,267)	(3,971)
Net loss/(gain) from investing activities	(7,577)	(7,925)
Net loss/(gain) from financing activities	0	0
Other movements without cash flows	(77,852)	(302,996)
Total non-cash items included in net income and other adjustments	67,419	1,640,269
Interbank and money market items	(5,612,961)	(93,325)
Customer items	(822,594)	(1,714,975)
Other financial items	6,689,430	(166,987)
Other non-financial items	240,687	(183,460)
Taxes paid	(74,439)	(57,736)
Increase/(decrease) in operating assets/liabilities	420,123	(2,216,483)
CASH FLOWS FROM OPERATING ACTIVITIES	892,936	(235,006)
Cash flows from investing activities	In thou	usands of euros
Financial investments	3,740	38,301
Investment property	(47,791)	(17,731)
Plant, equipment and intangible assets	(123,434)	(104,654)
CASH FLOWS FROM INVESTING ACTIVITIES	(167,485)	(84,084)
Cash flows from financing activities	In thou	usands of euros
Cash flows from/(to) the shareholders	231,420	40,661
Other cash flows from financing activities	0	0
CASH FLOWS FROM FINANCING ACTIVITIES	231,420	40,661
Net increase/(decrease) in cash and cash equivalents	956,871	(278,429)
Cash flows from operating activities	892,936	(235,006)
Cash flows from investing activities	(167,485)	(84,084)
Cash flows from financing activities	231,420	40,661
Cash and cash equivalents, beginning of the year	843,278	1,121,707
Cash and cash equivalents, end of the year	1,800,149	843,278
CHANGE IN NET CASH AND CASH EQUIVALENTS	956 871	(278 429)

The cash flow statement is presented using the indirect method.

Net cash and cash equivalents includes cash, debit and credit balances with central banks and demand debit and credit sight balances with banks.

Changes in cash from operations record the cash flow generated by the Group's lines businesses including such flows arising from negotiable debt securities.

Changes in cash from financing activities include changes related to shareholders' equity, subordinated debt and bonds.





NOTES TO THE CONSOLIDATED FINANCIAL as of and for the year ended **DECEMBER 31, 2011**

Major events

In 2011 economic conditions were marked by pressures on financial markets and the impacts of the Greek sovereign debt crisis.

Against this difficult background, the Crédit Mutuel Arkéa Group continued to grow its business. Medium- and long-term funding increased, with 8.3 billion euros raised (4.1 billion euros the previous year), notably through the issuance of 3.9 billion euros in securitized debt.

The scope of consolidation expanded, by increasing the stakes held in some subsidiaries (Suravenir, now fullyowned, and Schelcher Prince Gestion, which is now 50.04% consolidated) and through the creation of a new entity: Arkéa Capital Partenaire, which provides long-term equity to medium-sized companies offering potential for profitable growth.

Despite particularly adverse conditions, "Net income - Group share" is significantly higher year on year, rising 6.2% to an all-time of 290 million euros.

Accounting standards applied

In compliance with EC Regulation No. 1606/2002 adopted on July 19, 2002 by the European Parliament, European enterprises whose debt securities are listed on a regulated market are required to publish consolidated financial statements according to IFRS (International Financial Reporting Standards). These statements are presented in accordance with CNC recommendation 2009-R.04 and comply with international accounting standards such as adopted by the European Union.

A number of new amendments and standards are applicable to European companies as from January 1, 2011.

At December 31, 2011, the Group was affected by the amendment to IAS 24, Related Party Disclosures. The application of this amendment did not change the financial statements of the Group as compared to December 31, 2010.

As their application is merely optional in 2011, the Group has not opted for early adoption of the new standards and interpretations adopted by the European Union. Among the aforementioned, the amendments to IFRS 7 and IAS 1 will have no material impact.

In addition, the impacts of the amendment to IAS 19 and the new IFRS 10, IFRS 11, IFRS 12 and IFRS 13, not yet adopted by the European Union and applicable retrospectively as from January 1, 2013, are all currently being analyzed. The major impact of their application is expected to be a requirement for additional financial disclosures to be supplied in the notes.

Information regarding risk management is presented in the Group's management report.

Accounting principles and evaluation methods

Use of judgments and estimates in the preparation of financial statements

Preparation of the Group's financial statements requires that we make assumptions and estimates whose future realization involves certain risks and uncertainties. Accounting estimates requiring the use of assumptions are used primarily for measuring the following:

- fair value of financial instruments not quoted on an active market and measured at fair value,
- permanent impairment of financial assets classified as "available-for-sale",
- impairment of loans and receivables,
- impairment tests of intangible assets,
- deferred tax assets.
- provisions.

The conditions for using any judgments or estimates are specified in the accounting principles and valuation methods described below.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are divided into those held for trading and those that may be optionally designated as such. By default, derivative financial instruments are considered as held-for-trading instruments unless they can be classified as hedging instruments from an accounting stand point. Crédit Mutuel Arkéa group uses the fair value option under the three cases allowed by the IFRS:

- hybrid instruments containing one or more embedded derivatives.
- groups of assets or liabilities measured and managed at fair value.
- substantial elimination or reduction of an accounting treatment inconsistency.

The Crédit Mutuel Arkéa Group uses this option to record the following financial instruments at fair value through profit or loss:

- investments serving as cover for unit-linked life insurance contracts in order to eliminate the inconsistency in accounting treatment with the related insurance liabilities,
- shares of mutual funds in which the Group holds a total of over 20%,

- certain structured or restructured products (CDOs, convertible bonds),
- issues of liabilities originated and structured on behalf of clients whose risks and any hedging thereof are managed as part of the same whole.

Stakes held by private equity firms are also recognised at fair value on option.

Unless they qualify for hedge accounting, derivative financial instruments are by default classified as trading instruments.

Initially, financial assets or liabilities at fair value through profit or loss are recognised at their fair value excluding acquisition costs and including accrued coupons. At the balance sheet date, they are measured at fair value and changes in fair value are recorded in the income statement for the period under the heading "net gain or loss on financial instruments at fair value through profit or loss".

Dividends from variable-income securities and the gains or losses realised on such securities are also recorded in the income statement heading "net gain or loss on financial instruments at fair value through profit or loss".

Accrued or earned income from fixed-income securities belonging to this category is recorded in the profit and loss account under the heading "interest and similar income". No impairment is recognised on the assets at fair value through profit or loss as the counterparty risk is included in the market value.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, satisfies the definition of a derivative. It is designed to affect certain cash flows, much like a standalone derivative.

This derivative is split off from the host contract and accounted for separately as a derivative instrument at fair value through profit or loss when the following three conditions are met:

- the hybrid instrument that hosts the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and its related risks are not considered to be closely linked to those of the host contract;
- the separate measurement of the embedded derivative to be separated is sufficiently reliable to provide an accurate assessment.

Realised and unrealised gains and losses are recognised on the income statement under "Net gain (loss) on financial instruments at fair value through profit or loss".

Derivative financial hedging instruments – assets and liabilities

To classify a financial instrument as a hedging derivative, the Group prepares formalized documentation of the hedging transaction at inception: hedging strategy, designation of the instrument hedged (or the portion of the instrument), nature



of the risk hedged, designation of the hedging instrument, procedures for measuring the effectiveness of the hedging relationship. According to this documentation, the Group assesses the effectiveness of the hedging relationship at inception and at least every six months. A hedging relationship is deemed to be effective if:

- the ratio between the change in value of the hedging derivatives and the change in value of the hedged instruments for the risk hedged lies between 80% and 125%,
- the changes in value of the hedging derivatives expected over the residual term of said derivatives offset those expected from the hedged instruments for the risk hedged.

The Group designates a derivative financial instrument as a hedging instrument in a fair value hedge or in a cash flow hedge based on the nature of the risk hedged.

Fair value hedging:

The goal of fair value hedging is to reduce the risk of a change in fair value of a financial transaction. Derivatives are used notably to hedge the interest rate risk on fixed-rate assets and liabilities.

With respect to fair value hedging transactions, the change in fair value of the derivative is recorded in the profit and loss account under the heading "gain or loss on financial instruments at fair value through profit or loss" in symmetry with the revaluation of the hedged transaction. The only impact on the profit and loss statement is the potential ineffectiveness of the hedge.

The goal of the derivative financial instruments used as macrohedging transactions is to hedge comprehensively all or part of the structural rate risk resulting primarily from retail banking operations. For the accounting treatment of such transactions, the Group applies the depreciations contained in IAS 39 adopted by the European Union (called the IAS 39 "carve-out").

The accounting treatment of derivative financial instruments designated from an accounting standpoint as fair value macro-hedging is the same as the accounting treatment for derivatives used in fair value micro-hedging. The change in the fair value of portfolios hedged against interest rate risk is recorded in a separate line of the balance sheet entitled "Remeasurement adjustment on interest-rate risk hedged portfolios" with an offsetting entry recorded in the income statement. The effectiveness of hedges is checked prospectively by verifying that at inception derivatives reduce the interest rate risk of the hedged portfolio. Retrospectively, hedges must be discontinued when the underlyings to which they are linked become insufficient.

Cash flow hedging:

The goal of cash flow hedging is to reduce the risk related to a change in future cash flows from financial instruments. Derivatives are used notably to hedge the interest rate risk on adjustable rate assets and liabilities.

In cash flow hedging transactions, the effective portion of the change in the fair value of the derivative is recorded in a separate line in equity ("Gains and losses recognised directly in equity") while the ineffective portion is recognised in the profit and loss account under the heading "Net gain (loss) on financial instruments at fair value through profit or loss".

As long as the hedge is effective, the amounts recorded in equity are transferred to the profit and loss account under "interest and similar income (expense)" synchronized with the cash flows of the hedged instrument impacting profit or loss. If the hedging relationship is discontinued or if it becomes ineffective, hedge accounting ceases. The accumulated amounts recorded in equity as part of the revaluation of the hedging derivative are transferred to the income statement under "interest income and expense" at the same time as the hedged transaction itself impacts the profit and loss account, or when it has been determined that such transaction will not take place.

The Group does not hedge net investments in foreign operations.

Available-for-sale financial assets

IAS 39 defines available-for-sale financial assets (AFS) as a category containing both fixed and variable income securities that are neither financial assets at fair value through profit or loss, nor financial assets held to maturity, nor loans.

Available-for-sale securities are recognised initially at their fair value i.e. the purchase price, including acquisition costs - if they are material – and accrued coupons. On the balance sheet date, such securities are measured at their fair value through equity ("Gains and losses recognised directly in equity").

Such unrealised gains or losses recognised in equity are only recognised in the income statement if the securities are disposed of or if there is permanent impairment.

The accrued or earned income from fixed-income securities is recognised in the profit and loss account under the heading "interest and similar income" according to the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Dividends from variable-income securities are recognised in the income statement under the heading "Net gain (loss) on financial instruments available-for-sale".

Impairment of securities

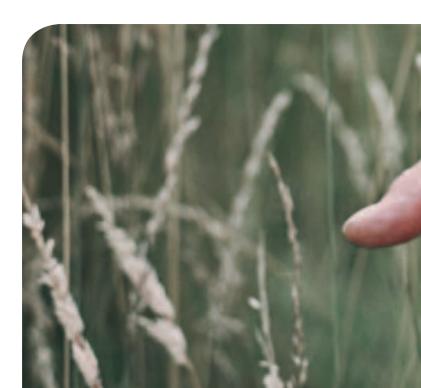
Impairment is recorded when objective signs of a decline in the value of securities exist. Objective signs of impairment are evidenced by a long-term, material decline in the value of equity shares or by the appearance of a material decline in credit risk due to default risk on debt securities.

In the case of variable-income securities, the Group employs a quantitative criterion to identify material and long-term declines: impairment is recognised when a security has lost at least 50% of its value compared with its initial cost or over a period of more than 24 consecutive months. Analysis is performed line by line. Securities that do not meet the criteria mentioned above are assessed for impairment all the same when Management does not believe that the sum invested can be reasonably expected to be collected in the near future. The loss is recognised in the income statement under "Net gain (loss) on financial instruments available-for-sale".

In the case of on debt securities, impairment is recorded in "Cost of risk", and may be written back through profit when the market value of the security has increased due to some objective event that has taken place since the last time it was written down.

Measurement of fair value of financial Instruments

Financial assets and liabilities classified as "at fair value through



profit or loss", "financial assets available-for-sale" and hedging derivatives are measured and recognised at their fair value, both upon initial recognition and at each subsequent measurement date. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Initially, fair value is usually the price paid or received.

Financial instruments are furthermore broken down into three levels, corresponding to the degree of observability of the values and parameters used for their valuation, in accordance with IFRS 7:

Level 1: financial instruments whose fair value is calculated using prices quoted on active markets for identical assets or liabilities.

A financial instrument is said to be quoted on an active market if quoted prices are readily and regularly available and if those prices represent actual and regularly occurring market transactions, under normal competitive conditions.

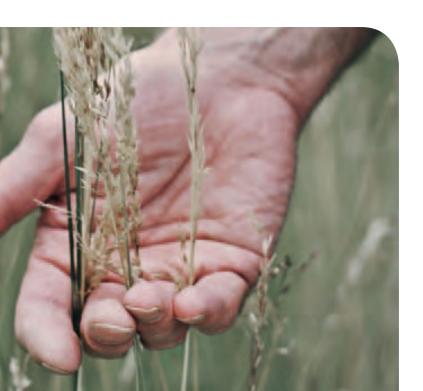
This level includes notably equities, bonds and shares of mutual funds listed on an active market

Level 2: financial instruments whose fair value is calculated using data other than level 1 quoted prices that are observable either directly or indirectly.

In the absence of any such quotation, fair value is determined using "observable" market data. These valuation models are based on techniques widely used by market operators, such as the discounting of future cash flows for swaps or the Black & Scholes model for options.

This level includes notably the following financial instruments:

- highly illiquid bonds,
- swaps and options products,
- structured products.



Complex products (structured interest rate and credit products, such as CDOs) are measured twice, using specific applications and the services of specialized independent appraisers.

Level 3: financial instruments whose fair value is calculated using data on assets or liabilities that are not based on observable market data.

Valuation methods using unobservable market data are used only in the following cases:

- venture capital business
- equity securities not traded on an active market.

Equity investments that are not listed on an official market are measured internally, or using a valuation provided by Confédération Nationale du Crédit Mutuel when companies are jointly held with other Crédit Mutuel Group entities. In most cases, these holdings are measured on the basis of their revalued net assets or their carrying amount, on an entity-by-entity basis.

Given the diversity of the instruments valued under level 3 and the reasons for their inclusion in this category, any calculation of the sensitivity of the fair value to changes in parameters would not provide relevant information.

The valuations provided by the models are adjusted to reflect liquidity risk: using the valuations produced on the basis of a median market price, prices are adjusted to reflect the net position of each financial instrument at the bid or ask price (on selling or buying positions, respectively).

The day-one profit, i.e. the difference between the transaction price and the valuation of the instrument using valuation techniques, is null: transactions carried out by the Group for its own account are recognised at their fair value. Transactions carried out on behalf of customers generate a premium, which is recognised as revenue at inception.

Fair value of financial instruments not recognised on the balance sheet on the basis of this method

Two methods are used to measure customer loans and receivables and customer deposits:

- the fair value of fixed-rate items, such as fixed-rate loans and deposits, is measured by discounting the expected future cash flows;
- the fair value of variable-rate items, such as adjustable-rate loans, maturing in over one year is measured using the Black & Scholes model.

Three methods are used to value other market instruments:

- listed financial assets held to maturity are valued using Reuters quotes, updated daily;
- the market value of traditional fixed-rate loans, borrowings, debt securities and fixed-rate subordinated debt is obtained by discounting future cash flows;
- the market value of loans, borrowings, debt securities and variablerate subordinated debt is obtained by discounting future cash flows with calculation of a forward rate.

Signature cost of the Group is included in the rate curve held for the valuation of debt securities and subordinated debt.

The nominal value of short-term receivables and debt (under one year) is used for their fair value.

Held-to-maturity financial assets

Held-to-maturity financial assets are primarily fixed-income or determinable income securities with a fixed maturity that the Group intends and is able to hold to maturity. Initially, they are recognised at their acquisition price including acquisition costs – when material – and accrued coupons. On the balance sheet date, they are valued according to the amortized cost method at the effective interest rate and may be the subject of impairment when necessary.

Exposure to sovereign risk on countries included in a European Union aid plan

Commenting on the agreement reached on July 21, on October 27 European authorities outlined a new plan to assist Greece. It calls notably for a potential exchange for sovereign debt held by private creditors. At December 31, 2011, the rules for estimating the value of the securities concerned take into account the worsening economic situation in Greece and the low liquidity of these securities. These securities were therefore

classified in level 2 and 79% of the nominal value was written down for impairment.

The situation in Greece is not comparable with the situation in other European countries, including those benefiting from the EU-IMF aid program: the assessments of the IMF and rating agencies emphasize this differentiation, and consequently the debt of the other European countries is not being written down.

The tables below list the Group's direct exposures to sovereign risk on countries included in a European Union aid plan. The amounts of Greek sovereign debt reported include the insurance industry and are presented after taking account of the deferred profit-sharing mechanisms specific to life insurance.

The Group is also exposed indirectly via guarantees issued to mutual funds holding bonds issued by the governments of Ireland (up to 15.2 million euros) and Portugal (up to 20 million euros). The Group has no exposure via any off-balance sheet commitments or credit derivatives involving those countries.

Net direct exposure to Greek sovereign debt risk:

M€	Bank	Insurance	Total
Assets at fair value through profit or loss	0.00	0.00	0.00
Available-for-sale assets	0.00	2.04	2.04
Held-to-maturity assets	0.00	1.37	1.37
TOTAL	0.00	3.41	3.41

The write-offs and losses on these Greek securities were recorded in the cost of risk. They totaled 12.7 million euros for fiscal 2011, or 8 million euros net of taxes.

Net direct exposure to Portuguese and Irish sovereign debt risk:

M€	Portugal	Ireland
Assets at fair value through profit or loss	0.00	0.00
Available-for-sale assets	4.78	17.46
Held-to-maturity assets	0.00	0.00
TOTAL	4.78	17.46
Gains and losses recognised directly in equity	(3.07)	(3.52)

Net exposure corresponds to the value of the securities on the balance sheet, net of the amortisation of any premiums/discounts and any writedowns of the securities and including the impact of any coverage. The net

exposure of the insurance business is presented for information purposes only, as it is the product of a theoretical calculation that takes account of the deferred profit-sharing mechanisms specific to life insurance.

Loans and receivables due from financial institutions and customers

"Loans and receivables" are financial assets with fixed or determinable payments that are not quoted on an active market. All loans and receivables owed to Crédit Mutuel Arkéa group by financial institutions and customers that are not intended for sale when extended are recognised in the "loans and receivables" category.

Initially, they are recognised at market value which is usually the net amount initially payed out including the transaction costs directly attributable to the transaction and fees analyzed as an adjustment to the effective yield of the loan. On the balance sheet date, loans and receivables are valued at amortized cost. Interest, transaction costs, and fees included in the initial value of the loans are amortized over the life of the loan in proportion to the outstanding principal balance. In this manner they contribute to the formation of income over the life of the loan.

Fees received in connection with financing commitments that have a low probability of being drawn or which are used haphazardly over time and in terms of amount are spread on a straight-line basis over the term of the commitment.

Impairment of loans and receivables

Receivables written-down on an individual basis

Recorded in the cost of risk, impairment losses are recognised on all kinds of receivables, even those with guarantees, once there is an established credit risk corresponding to one of the following situations:

- there have been one or more delinquent payments lasting at least three months (six months for loans to homebuyers and takers of property leases, nine months for loans to local governments, owing to the specific characteristics of these credits);
- the position of a counterparty presents characteristics such that even if there has been no delinquency, we can conclude that there is an established risk:
- the counterparty is involved in litigation, including proceedings for overindebtedness, court-ordered reorganization/receivership, court-ordered settlement, court-ordered liquidation, personal bankruptcy, liquidation of property, including assignments in an international court.

The classification of the outstandings of any given counterparty as impaired leads by contagion to an identical classification of all those counterparty's assets and liabilities, and this irrespective of the existence of guarantees or collateral. This contagion extends to all of the other members of the same household (except minors) as well as all counterparties belonging to the same risk group.

The loss due to impairment is the difference between amortized cost and the present value of discounted estimated future cash flows. Discounting is carried out at the initial effective interest rate of the loan for fixed-rate loans and at the last effective interest rate set according to the contractual terms and conditions for variable-rate loans. In practice, future flows are discounted only if the impact of discounting is material compared to their amounts estimated conservatively. As a result, only the depreciations on disputed receivables have been discounted. In the income statement, impairment loss movements are recorded under the heading "cost of risk" except for the add-backs for the effects of the reversal of discounting, which are recorded under "Interest and similar income".

Receivables written-down on a collective basis

Loans that are not impaired on an individual basis are grouped together based on their level of credit risk in order to form homogenous groups. The method for calculating group impairment is based primarily on the standards for measuring risks implemented as part of the Basel II reform, which entails recording depreciations for the classes of risk corresponding to the highest probabilities of default. It takes into account the recalibration of the algorithms requested by the Autorité de contrôle prudentiel as part of the Basel II certification.

Furthermore, Crédit Mutuel Arkéa may be led to establish an additional collective reserve to cover the credit risk of a given economic sector or geographic region that is not covered by any individual impairment provisions.

Customer finance leases

Leasing operations are classified as finance leases when they transfer to the lessee substantially all the risks and rewards incidental to the ownership of the leased property. When this is not the case, leasing operations are classified as operating leases.

Finance leases are posted at the face of the balance sheet at the amount corresponding to the value of the minimum payments receivable from the lessee discounted at the implied interest rate of the contract plus any unsecured residual value. The interest portion of the rental payments is recorded on the income statement under the heading "interest and similar income".

Property, plant and equipment, intangible assets and investment property

Pursuant to IAS 16, IAS 38 and IAS 40, property, plant and equipment or investment property is recognised as an asset if:

- it is likely that the future economic rewards from this asset will belong to the enterprise and
- the cost of said asset can be measured reliably.

Pursuant to IAS 40, the Group's property is classified as "investment property" when it is held primarily to earn rentals or for capital

appreciation. Property held primarily to be occupied by the Group for administrative or sale uses is classified as "property, plant and equipment".

Property, plant and equipment and investment property are recorded on the balance sheet at cost plus expenses that can be directly attributable to the purchase of the property (e.g. transfer duties, fees, commissions, legal fees).

After initial recognition, property, plant and equipment and investment property are valued at cost minus accumulated depreciation and amortisation and any impairment losses.

The method used to account for internally developed software is as follows:

- all software-related expenditures that do not satisfy the conditions for capitalization (notably preliminary research and functional analysis expenses) are recognised as expenses;
- all software expenditures incurred after the start of the production process (detailed analysis, development, validation, documentation) are capitalized.

If one or more components of property, plant and equipment or investment property have a different use or earn economic rewards at a different pace than that of the property, plant and equipment or investment property as a whole, said components are depreciated according to their own useful life. The Group applied this accounting method for 'Property, Plant, Equipment' and 'Investment Property'. The following components and amotisation periods have been adopted by the Group:

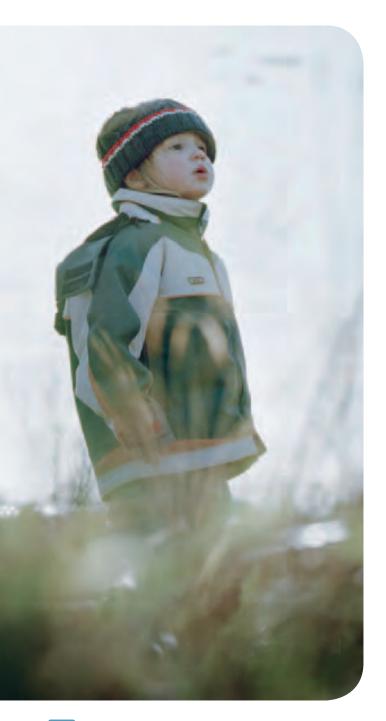
Component	Amortisation period
Land	Not amortised
Structural works	Head offices and investment property: 50 years
	Agencies: 25 years
Non-structural works	25 years
Plant and Equipment	20 years
Fixtures and fittings	3 to 10 years

The other tangible and intangible assets are depreciated according to their own useful life:

Amortisation period
10 years
3 to 5 years
2 to 5 years
6 to 13 years

In cases where the software is used in connection with a commercial contract the amortisation period may exceed five years, and is defined in terms of the contract period.

Amortisation is calculated using the straight-line method. For tangible and intangible non-current assets, amortisation is recorded on the income statement under the heading "Depreciation, amortisation and impairment of property, plant and equipment and intagible assets". For investment property, they are recorded under the heading "expense from other activities".



Indefinite-life assets are not depreciated but are the subject of impairment tests at least once a year.

Insofar as concerns goodwill, if the recoverable amount of the related cash-generating unit is less than its carrying amount, an irreversible provision for impairment loss of goodwill is recognised. The impairment loss is equal to the difference between the carrying amount and the recoverable amount. The recoverable amount is calculated by applying the most appropriate valuation method at the level of the cash-generating unit.

Most valuations are performed using the discounted cash flow (DCF) method. This method employs assumptions about projected revenue streams and expenses on the basis of medium-term plans, extrapolated to infinity using discounted growth rates.

The flows used are based on the business plans of each CGU projected over an explicit timeframe of four to five years. The discount rates used correspond to the cost of capital calculated using the Capital Asset Pricing Model. This method takes a risk-free rate and adds a risk premium that varies based on the activity of the underlying cash-generating unit concerned. The discount rates used in 2011 ranged from 10.25% to 10.70% and infinite growth rate from 2% to 2.75%.

Sensitivity tests are also performed to measure the impact on the recoverable amount of any changes in certain assumptions, such as discount rate or the infinite growth rate. These measures disclosed the following results:

- a 25 basis point increase in the discount rate would result in a 2.7% overall decrease in recoverable amounts without resulting in any write-downs of cash-generating units.
- a 25 basis point decrease in the infinite growth rate would result in a 2% overall decrease in recoverable amounts without resulting in any write-downs of cash-generating units.

Gains or losses on the disposal of property, plant and equipment are recorded in the income statement under the heading "net income on other assets" while net gains and losses on the disposal of investment property are recorded under the heading "income or expense from other activities".

Amounts owed to financial institutions and customers

At inception, amounts owed to financial institutions and customers are recognised at fair value, which normally is the net amount received initially minus transaction costs that can be directly assigned to the transaction when they are significant. On the balance sheet date, such amounts are valued at their amortized cost according to the effective interest rate method.

By nature, regulated savings products earn interest at the market rate. Housing savings plans and housing savings accounts are the subject to a provision when necessary.

Accrued interest or interest due on amounts due to financial institutions and customers are recorded on the income statement under the heading "Interest and similar expense".

Debt securities

Liabilities in the form of securities issued are broken down by type of security (certificates of deposit, interbank market securities, negotiable paper, bonds and similar) except for subordinated debt securities which are classified as subordinated debt.

Initially, they are recognised at fair value i.e. at their issue price less any transaction costs that can be directly related to the transaction when they are significant. On the balance sheet date, said amounts are valued at amortized cost according to the effective interest rate method. Accrued interest or interest due on debt securities represented by a certificate are recorded in the income statement under the "Interest and similar expense".



Provisions

The Group's obligations for which it is probable that an outflow of resources will become necessary to settle them and whose amount or due date are uncertain but which may be estimated reliably are the subject of provisions for contingencies and losses. In particular, such provisions cover labor-related commitments, home savings product risks, disputes and liability guarantees.

Pension commitments

Pension schemes can be defined-contribution plans and defined-benefit plans. Defined contribution plans do not give rise to an obligation for the Group and consequently do not require a provision. The amount of employer's contributions payable during the period is recognised as an expense, recorded in « personnel expenses ». Only defined benefit schemes give rise to an obligation for the Group. This obligation must be measured and recognised as a liability by means of a provision. These pension commitments are fully provisioned in the balance sheet under "Provisions". Retirement benefits and work medals are recorded in this same account.

The Group's obligation is calculated with the projected unit credit method, using demographic, workforce turnover, salary increase, discount and inflation rates. Specifically, the calculations use a discount rate of 4.75% (this rate is determined by reference to the iBoxx corporate AA 10+ euro zone index based on corporate bonds). The calculations also include an employee turnover rate of between 0.47% and 5.90% and a salary increase rate of between 3.48% and 4.07%. Commitments are calculated using the TH00-02 and TF00-02 life expectancy tables for the phase during which the commitment is being constituted and the TGH05 and TGF05 life expectancy tables for the phase during which pensions are paid out.

Actuarial gains and losses represent the differences arising from changes in assumptions or differences between earlier assumptions and actual results. These differences are recognised in the profit and loss account immediately in the year incurred instead of deferring them over the employees' remaining service period.

Home savings provision

The purpose of the home savings provision is to cover the risks related to:

- the commitment to extend home loans to account holders and subscribers of home savings plans at a mandated interest rate that could be lower than the prevailing market rate,
- the obligation to pay interest for an indeterminate period of time on the savings in home savings plans at a rate set when the contract is signed (this rate can be higher than future market rates).

This provision is computed by generation of home savings plans (plans at the same rate at opening are considered a

generation) and for all the home savings accounts (which are a single generation). The commitments between different generations are not offset. The commitments are computed based on a model that factors in:

- historical data on subscriber behavior,
- the yield curve and a stochastic modeling of changes thereto.

Provision allocations and write-backs are recognised in the profit and loss account under "Interest and similar income" and "Interest and similar expense".

Subordinated debt

Subordinated debt are definite or indefinite term debt that may or may not be represented by a certificate and which differ from receivables or bonds because repayment will take place only in the event of the liquidation of the debtor and after all the secured creditors have been paid. They are valued according to the amortized cost method. The accrued interest or interest due on subordinated debt is recorded on the income statement under the heading "Interest and similar expense".

Equity

Difference between liabilities and equity

A debt instrument or a financial liability is defined as a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under potentially unfavorable conditions.

An equity instrument is defined as a contract containing a residual interest in an enterprise after subtracting all its debts (net assets).



Shares

Pursuant to these definitions, the shares issued by the Crédit Mutuel savings banks are considered shareholders equity within the meaning of IAS 32 and the IFRIC 2 interpretation and treated as such in the Group's consolidated financial statements.

Accounting principles for the insurance business

The specific accounting policies and valuation methods applied to assets and liabilities arising from the issuance of insurance policies are established in accordance with IFRS 4. The latter is also applicable to reinsurance contracts entered into and financial contracts that include a discretionary profit-sharing provision.

The other assets held and liabilities issued by insurance companies follow the rules common to all of the Group's assets and liabilities.

The same assumptions were used in both fiscal years to value assets under insurance contracts and insurance liabilities.

Assets

The accounting methods applied to financial assets, investment properties and other fixed assets are described elsewhere.

The financial assets representing the technical provisions on unit-linked contracts are presented in "Financial assets at fair value through profit or loss".

Liabilities

Insurance liabilities, representing commitments to policyholders and beneficiaries, are reported on the line "Insurance companies'

technical reserves". They are valued, recognised and consolidated in accordance with French GAAP.

The technical provisions on life insurance contracts consist primarily of mathematical provisions, representing the difference between the present value of the commitments undertaken respectively by the insurer and the insured. The risks covered include primarily death, disability and inability to work (for credit insurance).

Life insurance provisions are estimated conservatively on the basis of contractually-defined technical rates.

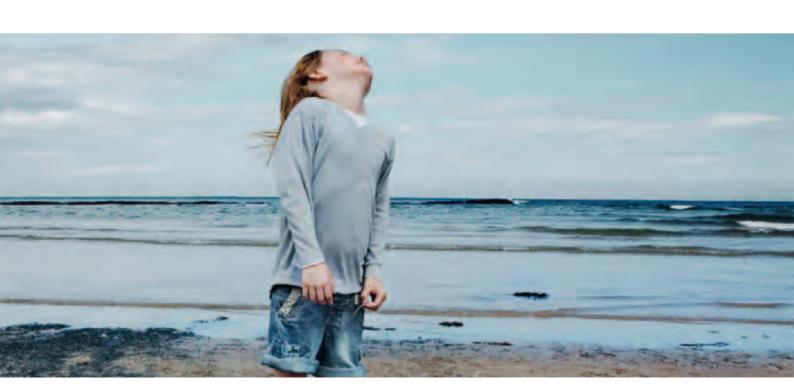
Technical provisions on unit-linked contracts are valued at the reporting date, based on the value of the assets used to support these contracts.

Technical provisions on non-life insurance contracts include unearned premium (portion of premium issued pertaining to later years), provisions for increasing risks (difference between the present value of the commitments undertaken respectively by the insurer and the insured) and claims payable.

Technical provisions are calculated gross of reinsurance, and the reinsurers' share is stated in assets.

Insurance contracts and financial contracts with a discretionary profit-sharing provision are subject to "shadow accounting". The provision for deferred profit-sharing represents the share of unrealised capital gains and losses on assets attributable to the insured. This provision is presented on either the liability or the asset side of the balance sheet. On the asset side, it appears as a separate item.

At the reporting date, an adequacy test is performed on the liabilities associated with these contracts (net of other items involving related assets or liabilities, such as deferred acquisition



costs and the portfolio securities acquired): a verification is performed to ensure that the liability recorded is adequate to cover the future cash flows projected at that date. Any shortfall in the technical provisions is recognised in income for the period (and would be reversed, if necessary, at a subsequent date).

Income statement

Income and expense recognised in respect of insurance contracts issued by the Group are included in the relevant

lines of "Income from other activities" and "Expense from others activities".

Income and expenses relating to the insurance entities' proprietary activities are recognised under the appropriate headings.

Consolidation principles and methods

SCOPE OF CONSOLIDATION AND CRITERIA

Consolidating entity

The consolidation scope includes all the significant entities over which the consolidating entity exercises control or influence over management.

The consolidating entity of the Crédit Mutuel Arkéa group is Crédit Mutuel Arkéa as defined in the collective license issued by the Autorité de contrôle prudentiel (ACP). This credit institution consists of:

- the Federations of Crédit Mutuel de Bretagne, of Crédit Mutuel du Sud-Ouest and of Crédit Mutuel Massif Central,
- the Crédit Mutuel savings banks that are members of said federations,
- · Crédit Mutuel Arkéa.

Companies whose consolidation would not be significant are excluded from the consolidation scope. The consolidation of an entity is regarded insignificant when balance sheet total does not exceed €200 million and contribution to consolidated profit and loss account does not exceed €1.2 million.

Stakes held by private equity firms are excluded from the scope of consolidation and are recognised at fair value on option.

IFRS define three types of control: exclusive control, joint control and significant influence. Analysis of control exercised by the consolidating entity is based not only on identification of the voting rights that it holds in subsidiaries but also on the economic and legal analysis of the relations between them.

Fully consolidated Companies

Companies under exclusive control are fully consolidated. Full consolidation consists in substituting the value of the shares with the assets and liabilities of each subsidiary. The share of minority interests in equity and in the profit and loss account is recorded separately on the liabilities side of the consolidated balance sheet and in the consolidated income statement.

An entity exercises exclusive control over another entity if:

- it holds the majority of the voting rights in a subsidiary either directly or indirectly,
- it has the power to direct the financial and operational policy of an entity under an agreement or a regulation,
- it has the power to appoint or remove from office the majority of the members of the administrative or management bodies or to gather together the majority of the voting rights at the meetings of said bodies.

There is a presumption that the Group exercises exclusive control if it holds, either directly or indirectly, at least 40% of the voting rights of an enterprise and that no other partner or shareholder holds, either directly or indirectly, a higher percentage. This rule applies to financial companies and to companies whose business is an extension of the Group's banking and financial businesses, such as insurance companies and property development companies.

Companies consolidated using proportionate consolidation

Companies over which the Group exercises joint control with a limited number of other shareholders are consolidated using proportionate consolidation. Proportionate consolidation consists of replacing the book value of the securities in the financial statements of the consolidating enterprise with the percentage representing its interest in the balance sheet and the income statement of the consolidated company. No company is consolidated using this method.

Companies consolidated using the equity method

Companies over which the Group exercises significant influence and those under exclusive or joint control but whose business is not an extension of the Group's banking and financial businesses are consolidated using the equity method.

An entity exercises significant influence over another one when it has the power to take part in the financial and operational policies of an enterprise without exercising control over it. There is a presumption of significant influence when the consolidating entity holds 20% of the voting rights of an entity either directly or indirectly.

The equity method consists in replacing the book value of the securities with the Group's share of the equity and the profit and loss account of the entities involved.

Main changes in scope of consolidation

The main changes in 2011 were:

- creation on March 24, 2011 of Arkéa SCD, which provides all types of administrative, financial, legal, commercial and other services to any legal entity that is part of the Crédit Mutuel Arkéa Group,
- creation on May 31, 2011 of Arkéa Capital Partenaire, specialized in the acquisition of shareholdings of unlisted companies in France and especially in the Brittany, Auvergne, and Aquitaine regions and anywhere Group subsidiaries are located,
- acquisition on July 12 of control of Schelcher Prince Gestion, the asset management company specialized in fixed income securities,
- sale on September 26, 2011 of Acta Voyages.

The three new entities are fully consolidated.

The consolidated entities of Crédit Mutuel Arkéa are presented in note 44.

Consolidation principles

Balance sheet date

The balance sheet date for nearly all the consolidated companies is December 31.



Inter-company transactions

Reciprocal receivables, payables, and commitments and significant reciprocal expenses and income are eliminated for companies that are fully consolidated. For companies consolidated proportionally, the percentage consolidated of the company controlled jointly is eliminated.

Accounting for acquisitions and goodwill

The Group applies Revised IFRS 3 for business combinations. The acquisition cost is the sum of the fair values, at the business combination date, of the assets given, liabilities incurred or assumed, and equity instruments issued by the acquiree.

Revised IFRS 3 allows the recognition of total or partial goodwill, as selected for each business combination. In the first case, non-controlling interests are measured at fair value (so-called total goodwill method); in the second, they are based on their proportional share of the values assigned to the assets and liabilities of the acquired company (partial goodwill).

If goodwill is positive, it is recorded on the balance sheet under "Goodwill"; if negative, it is recognised immediately in the income statement, through "Goodwill variations".

Goodwill is subject to an impairment test at least once per year and when there is evidence of an impairment loss.

Each goodwill item is allocated to a cash generating unit that stands to benefit from the acquisition. Any goodwill impairment is determined based on the recoverable amount of the cash generating unit to which it was allocated. Cash generating units are defined based on the Group's organizational and management method and take into account the independent nature of these units.

When the Group increases its percentage stake in a company that is already controlled, the difference between the purchase price of the stock and the additional share of the consolidated shareholders' equity that these securities represent on the acquisition date is recognised in shareholders' equity.

Leases, leases with a buy-out clause and financial leases

Rental, leases with a buy-out clause and financial leases are re-processed in such a way as to take financial accounting into consideration.

Translation of foreign currency denominated financial statements

The balance sheets of entities whose accounts are kept in a foreign currency are translated on the basis of the official foreign translation rate on the balance sheet date. The difference on share capital, reserves and retained earnings is recorded in shareholders' equity in the "Translation Reserves" account.

The income statement is translated on the basis of the average translation rate during the fiscal year. Translation differences are recorded directly in the "Translation Reserves" account. This difference is added back to the profit and loss account in the event of the disposal or total or partial liquidation of the equity investment in the foreign entity.

Deferred taxes

Deferred taxes are recognised on the temporary differences between the carrying amount of an asset or liability and its tax base. They are calculated using the liability method at the corporate tax rate known at the closing date for the period and applicable when the temporary difference is used.

Deferred tax assets are recognised only when it is probable that the enterprise will have sufficient future taxable profit against which the temporary differences can be utilized. Deferred taxes are recognised as income or expense except for those related to unrealised or deferred gains or losses for which deferred tax is allocated directly against this heading in equity. Deferred taxes are also recorded in respect of tax losses from prior years when there is convincing evidence of the likelihood that such taxes will be collected.

Deferred taxes are not discounted.

The calculation of deferred taxes takes into account the extraordinary contribution of 5% of the amount of corporate income tax applicable as from December 31, 2011.

The « contribution économique territoriale » (CET) is treated as an operating expense, it does not entail the recognition of deferred taxes in the consolidated financial statements.

260.258

7,239,531

139.330

Notes on the balance sheet (In thousands of euros)

NOTE 1 - Cash, due from central banks Loans and receivables due from banks			
Louis and 10001405100 and from banks	12/31/11	12/31/10	
Cash, due from central banks			
Due from central banks	1,457,535	408,319	
Cash	108,083	110,387	
TOTAL	1,565,618	518,706	
Loans and receivables due from banks			
Crédit Mutuel network accounts	565,771	729,573	
Other regular accounts	191,376	382,290	
Loans	8,539,040	5,612,579	
Securities not listed on an active market	10,000	2,000	
Repurchase agreements	0	0	
Receivable impaired on an individual basis	8	0	
Receivable related to all accounts	121,624	89,749	
Depreciation	0	0	
TOTAL	9,427,819	6,816,191	
NOTE 2 - Financial assets at fair value through profit or loss			
	12/31/11	12/31/10	
Assets classified at fair value on option	6,979,273	6,935,822	

Mutual funds in which the Group owns more than a 20 % interest as of December 31, 2011 were reclassified from "available-for-sale assets" to "assets at fair value" in the amount of 6,293 thousand euros.

TOTAL

Assets held for trading purposes

2.a - Assets classified at fair value on option

	12/31/11	12/31/10
Securities	6,926,650	6,768,415
Treasury bills, notes and government bonds	0	0
Bonds and other fixed-income securities	1,015,012	1,117,840
Listed	976,641	1,078,005
Unlisted	38,371	39,835
Stocks and other variable-income securities	5,911,638	5,650,575
Listed	5,202,326	5,185,438
Unlisted	709,312	465,137
Other financial assets (1)	52,623	167,407
Of which securities loaned under purchased agreements	0	0
TOTAL	6,979,273	6,935,822

(1) Other financial assets at fair value, customer and interbank loans and receivables

The maximum exposure to credit risk on loans classified at fair value through profit or loss on option amounted to 51,626 thousand euros. This sum is not hedged by credit derivatives.

2.b - Assets held for trading purposes

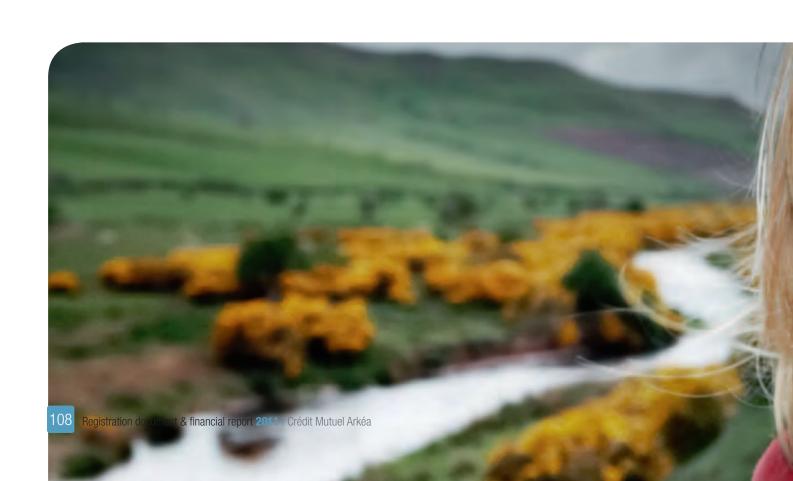
	12/31/11	12/31/10
Securities	44,789	37,697
Treasury bills, notes and government bonds	0	0
Bonds and other fixed-income securities	34,421	37,697
Listed	34,293	37,571
Unlisted	128	126
Stocks and other variable-income securities	10,368	0
Listed	0	0
Unlisted	10,368	0
Derivatives held for trading purposes	215,469	101,633
Other financial assets	0	0
Of which securities loaned under purchased agreements	0	0
TOTAL	260,258	139,330

NOTE 3 - Derivatives used for hedging purposes

3 31 1				
	12/31/11		12/31/10	
	Actif	Passif	Actif	Passif
Cash flow hedges	2,106	71,511	3,983	61,208
Fair value hedges	526,243	348,462	277,516	221,333
TOTAL	528,349	419,973	281,499	282,541

The value of changes in cash flows recycled through profit or loss was equal to 4,186 thousand euros.

NOTE 4 - Available-for-sale financial assets					
	12/31/11	12/31/10			
Treasury bills, notes and government bonds	16,462	35,551			
Bonds and other fixed-income securities	19,009,066	21,920,942			
• Listed	18,505,331	21,124,726			
Unlisted	503,735	796,216			
Stocks and other variable-income securities	1,117,178	1,728,439			
• Listed	808,028	1,417,584			
Unlisted	309,150	310,855			
Investment securities	303,972	256,560			
Long-term investments	26,125	36,581			
Other long-term investments	192,963	141,589			
Shares in associates	84,884	78,390			
Translation adjustements	0	0			
Loaned securities	0	0			
Related receivables	472,914	426,864			
TOTAL	20,919,592	24,368,356			
Of which unrealised gains/losses recognised directly in equity	(143,260)	(52,705)			
Of which securities loaned under repurchase agreements	0	0			
Of which impaired securities	0	0			
Of which impaired bonds	8,679	13,766			
Of which depreciation for impairment recorded in profit or loss	(68,703)	(69,000)			
Of which listed long-term investment	0	0			



NOTE 5 - Loans and receivables due from customers		
	12/31/11	12/31/10
Performing receivables	38,355,535	34,675,215
Commercial receivables	64,642	77,911
Other loans to customers	38,143,263	34,467,767
Housing loans	20,812,081	19,287,774
Other loans and various receivables, including repurchase agreements	17,331,182	15,179,993
Related receivables	147,630	129,537
Securities not listed on an active market	0	0
Insurance and reinsurance receivables	105,406	88,544
Receivables written down on an individual basis	1,391,812	1,360,442
Gross receivables	39,852,753	36,124,201
Specific depreciations	(782,888)	(740,283)
Collective depreciations	(78,068)	(92,671)
Subtotal I	38,991,797	35,291,247
Finance leases (net investment)	795,760	619,191
Movable goods	252,120	120,191
Real property	514,175	467,693
Receivables written down on an individual basis	29,465	31,307
Depreciation	(7,147)	(8,760)
Subtotal II	788,613	610,431
TOTAL	39,780,410	35,901,678
Of which Equity loans with no voting rights	0	17,939
Of which subordinated loans	0	0



Note 6 - Information on impaired assets and the payment arrears

	Payment arrears				Guarantees on	
	Less than 3 months	Over 3 months - 6 months	Over 6 months - 1 year	Over 1 year	impaired assets and payment arrears	
Equity instruments					0	
Debt instruments	0	0	0	0	0	
Central banks	0	0	0	0	0	
Banking institutions	0	0	0	0	0	
Non-banking institutions	0	0	0	0	0	
Large corporates	0	0	0	0	0	
Retail customers	0	0	0	0	0	
Loans and receivables	189,193	18,776	1,267	5,273	572,154	
Central banks	0	0	0	0	0	
Banking institutions	0	0	0	0	0	
Non-banking institutions	0	0	0	0	0	
Large corporates	7,226	0	0	503	86,698	
Retail customers	181,967	18,776	1,267	4,770	485,456	
Other financial assets	0	0	0	0	0	
TOTAL	189,193	18,776	1,267	5,273	572,154	
Unallocated guarantees					0	

This table includes all outstandings not considered impaired within the meaning of French Accounting Regulations Committee (CRC) Standard 2002-03 but on which one or more delinquent payments have been observed.

The total value of the commitment on which a delinquent payment has been observed is declared, rather than merely the value of the delinquent payment.

The age of the delinquent payment is calculated from the date on which the first delinquent payment was observed on the outstanding amount in question.

			<u> </u>
NOTE 7 -		tv financial	

	12/31/11	12/31/10
Securities	331,047	348,340
Treasury bills, notes and government bonds	10,187	10,240
Bonds and other fixed-income securities	320,860	338,100
Listed	205,115	228,624
Unlisted	115,745	109,476
Related receivables	8,653	8,707
GROSS TOTAL	339,700	357,047
Depreciation	(5,030)	0
NET TOTAL	334,670	357,047

NOTE 8 - Depreciations					
	12/31/10	Allocations	Write-backs	Other (1)	12/31/11
Loans and receivables – financial institutions	0	0	0	0	0
Loans and receivables due from customers	(841,714)	(353,612)	325,120	2,103	(868,103)
Available-for-sale securities	(69,000)	(12,084)	4,641	7,740	(68,703)
Held-to-maturity securities	0	(5,030)	0	0	(5,030)
TOTAL	(910,714)	(370,726)	329,761	9,843	(941,836)

⁽¹⁾ Corresponds notably to the reclassification of bonds redeemable in shares from "Avalaible-for-sale financial assets" to "Financial assets at fair value on option".

NOTE 9 - Current tax assets

	12/31/11	12/31/10
Assets (through profit or loss)	210,449	192,562
Liabilities (through profit or loss)	121,744	68,660

NOTE 10 - Deferred tax assets

	12/31/11	12/31/10
Assets (through profit or loss)	219,434	248,564
Assets (through equity)	84,405	49,973
Liabilities (through profit or loss)	29,376	35,982
Liabilities (through equity)	749	2,839

Breakdown of deferred taxes by major category

	12/31/11		
	Assets	Liabilities	
Loss carryforwards	164,904	0	
Temporary differences on:			
Unrealised or deferred gains or losses on available-for-sale assets	84,405	749	
 Provisions 	65,322	255	
Insurance business	23,766	2,888	
• Other	166,014	226,805	
Offset	(200,572)	(200,572)	
Total deferred tax assets and liabilities	303,839	30,125	

NOTE 11 - Accruals, prepayments and sundry assets					
	12/31/11	12/31/10			
Accruals – assets					
Receivables collection	378,152	277,337			
Foreign currency adjustment accounts	8,417	5,958			
Income receivable	76,377	84,764			
Miscellaneous accrual accounts	322,147	216,507			
Subtotal	785,093	584,566			
Other assets					
Settlement accounts for security transactions	37,797	121,092			
Various debtors	258,630	295,971			
Versed deposits	386,239	214,803			
Inventories and similar	3,594	3,408			
Other miscellaneous applications of funds	2	2			
Subtotal	686,262	635,276			
Other insurance assets					
Technical provisions - Reinsurers' share	41,480	36,454			
Other	20,557	17,593			
Subtotal	62,037	54,047			
TOTAL	1,533,392	1,273,889			

Note 12 - Equity method investments						
	1	2/31/11	1	2/31/10		
	Investment	Share in net profit	Investment	Share in net profit		
Acta Voyages	0	140	887	223		
Caisse Centrale du Crédit Mutuel	105,612	5,266	99,820	3,584		
Crédit Mutuel Cartes de Paiement	1,243	0	1,256	164		
TOTAL	106,854	5,406	101,963	3,971		

Additional data regarding the main equity-accounted entities (under IFRS)

	Total Balance sheet	Net banking income	Net income
Caisse Centrale du Crédit Mutuel	6,056,054	36,357	24,222
Crédit Mutuel Cartes de Paiement	10,612	14	3

Note 13 - Investment property	l .				
	12/31/10	Increase	Decrease	Other	12/31/11
Historical cost	544,661	67,497	(18,667)	0	593,491
Amortisation and depreciation	(97,244)	(20,228)	4,130	1	(113,341)
NET AMOUNT	447,417	47,269	(14,537)	1	480,150

The fair value of investment real estate recognised at cost amounted to 672 million euros in 2011 compared to 578 million euros in 2010.

Note 14 - Property, plant and equipment							
	12/31/10	Increase	Decrease	Other	12/31/11		
Historical cost							
Land	21,436	296	(98)	0	21,634		
Plant	486,673	16,568	(6,954)	(536)	495,751		
Other property, plant and equipment	184,365	55,557	(34,915)	59	205,066		
Total	692,474	72,421	(41,967)	(477)	722,451		
Depreciation and amortisation							
Land	0	0	0	0	0		
Plant	(280,566)	(22,359)	4,212	39	(298,674)		
Other property, plant and equipment	(143,604)	(14,307)	10,533	(93)	(147,471)		
Total	(424,170)	(36,666)	14,745	(54)	(446,145)		
NET AMOUNT	268.304	35.755	(27.222)	(531)	276.306		

Note 15 - Intangible assets							
	12/31/10	Increase	Decrease	Other (1)	12/31/11		
Historical cost							
Self-produced assets	89,822	38,670	(90)	75	128,477		
Acquired assets	558,292	91,241	(52,237)	12,056	609,352		
 Software 	301,133	16,172	(623)	85	316,767		
• Other	257,159	75,069	(51,614)	11,971	292,585		
Total	648,114	129,911	(52,327)	12,131	737,829		
Depreciation and amortisation							
Self-produced assets	(38,371)	(26,531)	0	0	(64,902)		
Acquired assets	(311,641)	(33,824)	593	(82)	(344,954)		
 Software 	(267,830)	(20,238)	563	(82)	(287,587)		
• Other	(43,811)	(13,586)	30	0	(57,367)		
Total	(350,012)	(60,355)	593	(82)	(409,856)		
NET AMOUNT	298,102	69,556	(51,734)	12,049	327,973		

⁽¹⁾ Corresponds to the entry of Schelcher Prince Gestion in the consolidation scope.

Note 16 - Goodwill					
	12/31/10	Acquisitions (1)	Disposals	Other (2)	12/31/11
Gross goodwill	411,599	11,649	0	(297)	422,951
Depreciation	0	0	0	0	0
Net goodwill	411,599	11,649	0	(297)	422,951

⁽¹⁾ Corresponds to the entries of consolidation scope.(2 Corresponds to the cancellation of goodwill on Suravenir and Federal Finance Banque.

	Concerned companies	12/31/11	12/31/10
Investor services and on line savings	Fortuneo Procapital	229,144	229,144
Provider of banking services	Monext Monext Holding	100,250	100,250
Restructuring of loans and associated funding	CFCAL Banque CFCAL SCF	38,216	38,216
Equipment lease financing	Leasecom Group Leasecom Financial Assets Leasecom Car Leasecom	32,723	32,723
Asset management	Schelcher Prince Gestion	11,649	0
Non-life insurance	Suravenir Assurances	10,969	10,969
Life insurance	Suravenir	0	260
Other CGU		0	37
Net goodwill		422,951	411,599

Note 17 - Due to central banks - Due to banks

	12/31/11	12/31/10
Central banks	0	0
Banks		
Crédit Mutuel network accounts	38,108	349,074
Other current accounts	40,583	129,481
Loans	1,801,191	1,723,719
Other liabilities	39,284	73,536
Repurchase agreements	663,414	3,257,451
Related liabilities	24,432	22,583
TOTAL	2,607,012	5,555,844

Note 18 - Financial liabilities at fair value through profit or loss

<u> </u>						
	12/31/11	12/31/10				
Financial liabilities held for trading	277,508	163,457				
Derivatives	277,508	163,457				
Fair value option financial liabilities through profit or loss	178,822	244,796				
Due to banks	616	359				
Customer accounts	53,532	59,095				
Debt securities in issue	124,674	185,342				
Subordinated debt	0	0				
TOTAL	456,330	408,253				

The redemption value of liabilities measured at fair value amounted to 455 thousand euros at December 31, 2011, against 341 thousand euros at December 31, 2010. The change in fair value attributable to changes in the issuer risk of the Crédit Mutuel Arkéa Group from the standpoint of the Group's terms of issue was not material during the fiscal year.

4,403

Note 18a - Fair value option financial liabilities through profit or loss 12/31/11 12/31/10 Book **Amount due** Book **Amount due Difference Difference** at maturity at maturity value value Due to banks 616 604 12 359 358 **Customer items** 53,532 53,248 284 59,095 58,364 731 Debt securities in issue 3,671 124,674 123,273 1,401 185,342 181,671 Subordinated debt 0 0 0 0 0

177,125

244,796

1,697

240,393

178,822

TOTAL

Note 19 - Customer accounts						
	12/31/11	12/31/10				
Savings accounts governed by special regulations	17,347,427	16,130,216				
Demand accounts	13,118,180	12,009,386				
Term accounts	4,229,247	4,120,830				
Debt related to savings account	2,262	111				
Subtotal	17,349,689	16,130,327				
Current accounts	6,183,542	5,319,682				
Term accounts and term loans	3,111,414	2,141,961				
Repurchase agreements	0	0				
Insurance and reinsurance liabilities	36,158	26,546				
Related liabilities	46,901	38,739				
Subtotal	9,378,015	7,526,928				
TOTAL	26,727,704	23,657,255				

Note 20 - Debt securities in issue							
	12/31/11	12/31/10					
Certificates of deposit	41,575	42,035					
Interbank market securities and negotiable debt securities	6,737,455	6,743,829					
Bond issues	13,783,872	9,291,601					
Related liabilities	294,733	223,041					
TOTAL	20,857,635	16,300,506					

NOTE 21 - Accruals, deferred income and sundry liabilities		
	12/31/11	12/31/10
Accruals – liabilities		
Blocked accounts for collection operations	336,748	197,049
Foreign currency adjustment accounts	18,369	28,734
Expenses payable	221,123	197,804
Prepaid income	387,167	319,155
Miscellaneous accrual accounts	430,895	277,281
Subtotal	1,394,302	1,020,023
Other liabilities		
Settlement accounts for securities transactions	41,546	134,233
Outstanding payments on securities	2,769	2,709
Miscellaneous creditors	580,767	367,757
Subtotal	625,082	504,699
Other insurance liabilities		
Security deposits and guarantees received	13,618	11,256
Other	0	0
Subtotal	13,618	11,256
TOTAL	2,033,002	1,535,978
Note 22 - Insurance companies' technical reserves		
	12/31/11	12/31/10
Life	20,829,119	20,323,607
Of profit-sharing	184,903	458,091
Non life	332,458	312,583
Units of account	4,343,883	4,908,921
Other	109,277	95,349
TOTAL	25,614,737	25,640,460
Active deferred profit-sharing	(286,351)	0
Reinsurers' share	(41,480)	(36,454)

25,286,906

25,604,006

Net technical provisions

Note 23 - Provisions

	12/31/10	Pro forma 12/31/10	Allocations	Write- backs (used)	Write-backs (not used)	Other ⁽¹⁾	12/31/11
Provisions for pension costs	108,615	108,615	2,338	(5,615)	(4,083)	(2) 2,208	103,463
Provisions against home purchase savings scheme	23,827	23,827	1,075	0	0	0	24,902
Provisions for execution of guarantee commitments	0	8,237	7,097	(1,098)	(1,375)	30	12,891
Provision for taxes	0	2,218	0	(67)	(497)	0	1,654
Provisions for legal proceedings	0	35,049	9,657	(9,876)	(2,966)	284	32,148
Provisions for risks	0	10,470	1,968	(1,370)	(2,369)	(25)	8,674
Other	83,965	27,991	7,249	(1,500)	(3,330)	(748)	29,662
TOTAL	216,407	216,407	29,384	(19,526)	(14,620)	1,749	213,394

⁽¹⁾ In 2011, the "Other" line has been broken out into detail. An additional "pro forma" column was added to provide the same level of detail in 2010 as in 2011. (2) Including primarily first-time consolidations and changes in actuarial assumptions.

Note 23a - Provisions for pension costs and similar benefits

· ·					
	12/31/10	Allocations	Write-backs	Other	12/31/11
Retirement benefits	33,607	1,202	(1,602)	635	33,842
Defined-benefit plans	48,462	527	(6,506)	1,457	43,940
Work medals	26,546	609	(1,590)	116	25,681
TOTAL	108,615	2,338	(9,698)	2,208	103,463

Note 23b - Provisions for regulated savings product risks

Deposits collected under home purchase savings schemes during the savings period - Provisions

	12/3	1/11	12/3	1/10
	Deposits	Provisions	Deposits (*)	Provisions
Home purchase savings plans	3,691,000	8,622	2,342,488	9,000
 Under 4 years old 	1,704,805	0	633,675	0
 Between 4 and 10 years old 	1,008,353	467	950,405	0
Over 10 years old	977,842	8,155	758,408	9,000
Home purchase savings accounts	936,724	10,114	918,374	6,508
TOTAL	4,627,724	18,736	3,260,862	15,508

^(*) Deposits at the end of November except home purchase saving plans backed on fixed-term deposits.

Loans granted under home purchase savings schemes – Provisions

	12/3 ⁻	1/11	12/31/10			
	Loans	Provisions	Loans (*)	Provisions		
Home purchase savings plans	51,509	356	71,119	540		
Home purchase savings accounts	303,810	5,810	320,884	7,779		
TOTAL	355,319	6,166	392,003	8,319		

^(*) November

Note 24 - Subordinated debt

	12/31/11	12/31/10
Subordinated debt	563,777	876,211
Equity instruments with no voting rights	20,133	69,116
Undated subordinated debt	249,811	245,625
Other liabilities	0	0
Related liabilities	12,667	10,818
TOTAL	846,388	1,201,770

Subordinated debt representing at least 10% of the total subordinated debt at December 31, 2011

Issuers	Issue date	Amount	Currency	Rate	Due
Crédit Mutuel Arkéa	07/05/04	250,000	Euro	CMS 10 years + 0.10	Undated
Crédit Mutuel Arkéa	05/21/07	300,000	Euro	Euribor 3 months + 0.20	05/21/17
Crédit Mutuel Arkéa	09/18/08	300,000	Euro	6.75%	09/18/18
TOTAL		850,000			

Note 25 - Share capital and reserves - Consolidated reserves

	12/31/11	12/31/10
Share capital	1,551,710	1,283,044
Share capital related reserves	4,906	4,906
Consolidated reserves	2,285,400	2,095,353
Statutory reserve	273,975	256,805
Reserves provided for in the articles of incorporation and contractual reserves	1,212,523	1,146,119
Regulated reserves	0	0
Translation reserves	0	0
Other reserves	726,800	684,924
Retained earnings	72,102	7,505
TOTAL	3,842,016	3,383,303

The Group's share capital consists of the shares held by the depositors/shareholders of the banking institution.

The Group's regulatory capital amounted to 3,799 million euros at December 31, 2011 compared to 3,744 million euros at December 31, 2010. The shareholders' equity of the financial conglomerate totaled 4,242 million euros as of December 31, 2011, compared with 4,365 million euros as of December 31, 2010.

The primary regulatory ratios are discussed in the Group management report. The Group's capital adequacy ratio is compliant with the regulatory requirement.

Note 26 - Gains and losses recognised directly in equity

	12/31/11	12/31/10
Available-for-sale assets	(69,771)	(13,199)
Cash flow hedge derivatives	(46,505)	(39,567)
Real property	0	0
Other	0	0
TOTAL	(116,276)	(52,766)

Note 27 - Breakdown of financial liabilities according to maturity date

	Residual maturity								
	Less than 3 months	Over 3 months – 1 year	Over 1 year – 5 years	More than 5 years	Not determined	Total			
Financial liabilities at fair value through profit or loss	35,532	33,355	186,197	199,917	1,329	456,330			
Due to banks	1,093,279	906,352	607,381	0	0	2,607,012			
Customer accounts	21,155,850	1,434,576	3,471,614	643,914	21,750	26,727,704			
Debt securities in issue	2,864,736	4,457,662	6,671,676	6,828,907	34,654	20,857,635			
Subordinated debt	0	0	3,860	600,881	241,646	846,387			

This analysis is based on contractual and not discounted maturities.

00	.		
ב פאני ו	Ranking	i ot tair v	
LUa -	Hallkille	ı of fair v	aluc

	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale financial assets	19,972,256	730,833	216,503	20,919,592
Treasury bills and similar securities	16,560	0	0	16,560
Bonds and other fixed-income securities	18,750,656	730,679	0	19,481,335
Stocks and other variable-income securities	1,050,266	0	66,912	1,117,178
Equity investments and other long-term investments	154,774	0	64,852	219,626
Shares in associates	0	154	84,739	84,893
Financial assets at fair value through profit or loss	6,290,445	859,146	89,940	7,239,531
Bonds and other fixed-income securities - Held for trading	26,147	8,274	0	34,421
Bonds and other fixed-income securities - FV0	408,501	601,836	4,675	1,015,012
Stocks and other variable-income securities – Held for trading	10,368	0	0	10,368
Stocks and other variable-income securities - FVO	5,826,373	0	85,265	5,911,638
Due from banks - FV0	0	18,255	0	18,255
Customer loans - FVO	0	34,368	0	34,368
Derivatives and other financial assets - Held for trading	19,056	196,413	0	215,469
Derivatives used for hedging purposes	0	528,349	0	528,349
TOTAL	26,262,701	2,118,328	306,443	28,687,472
Financial liabilities				
Financial liabilities at fair value through profit or loss	0	456,330	0	456,330
Due to banks - FVO		616		616
Customer deposits - FVO		53,532		53,532
Debt securities - FV0		124,674		124,674
Derivatives and other financial liabilities – Held for trading		277,508		277,508
Derivatives used for hedging purposes	0	419,973	0	419,973
TOTAL	0	876,303	0	876,303

28b - Ranking of fair value - Details of level 3

	12/31/10	Pur- chases	Issues	Sales	Refun- dings	Transferts
Available-for-sale financial assets	192,301	26,933	253	(5,969)	(9,877)	27,786
Stocks and other variable-income securities	52,395	4,099	0	(140)	(9,877)	24,430
Equity investments and other long-term investments	61,670	22,831	243	(5,761)	0	60
Shares in associates	78,236	3	10	(68)	0	3,296
Financial liabilities at fair value through profit or loss	74,786	44,341	0	(5,608)	(11,732)	324
Bonds and other fixed-income securities - FV0	0	7,500	0	0	0	324
Stocks and other variable-income securities - FV0	74,786	36,841	0	(5,608)	(11,732)	0
TOTAL	267,087	71,274	253	(11,577)	(21,609)	28,110

	Gains and losses through profit or loss	Gains and losses in equity	Other move- ments	12/31/11	Transferts N1,N2 => N3 (1)	Transferts N3 => N1,N2
Available-for-sale financial assets	(1,926)	(944)	(12,054)	216,503	27,786	0
Stocks and other variable-income securities	0	(7,281)	3,286	66,912	24,430	0
Equity investments and other long-term investments	(1,933)	(287)	(11,971)	64,852	60	0
Shares in associates	7	6,624	(3,369)	84,739	3,296	0
Financial assets at fair value through profit or loss	(10,754)	0	(1,417)	89,940	324	0
Bonds and other fixed-income securities - FVO	(3,149)	0	0	4,675	324	0
Stocks and other variable-income securities - FV0	(7,605)	0	(1,417)	85,265	0	0
TOTAL	(12,680)	(944)	(13,471)	306,443	28,110	0

⁽¹⁾ In 2011 the transfers to level 3 reflected solely the reclassification of portfolios that had been misclassified in 2010 in levels 1 and 2.

Note 29 - Fair value of financial assets and liabilities recognised at amortized cost

		12/31/11		12/31/10		
	Fair value	Book value	Unrealised gains and losses	Fair value	Book value	Unrealised gains and losses
Assets						
Loans and receivables due from banks	9,388,074	9,427,819	(39,745)	6,617,532	6,816,191	(198,659)
Loans and receivables due from customers	39,664,771	39,780,410	(115,639)	36,669,142	35,901,678	767,464
Held-to-maturity financial assets	328,861	334,670	(5,809)	357,047	357,047	0
Liabilities						
Due to banks	2,595,399	2,607,012	(11,613)	5,569,685	5,555,844	13,841
Customer accounts	26,719,259	26,727,704	(8,445)	23,668,645	23,657,255	11,390
Debt securities in issue	20,570,874	20,857,635	(286,761)	16,323,697	16,300,506	23,191
Subordinated debt	692,175	846,388	(154,213)	1,136,994	1,201,770	(64,776)

Notes on the income statement (In thousands of euros)

Note 30 - Interest and similar income/expense

	12/3	12/31/11		1/10
	Income	Expense	Income	Expense
Banks and central banks	186,026	(101,880)	210,401	(183,115)
Customers	1,660,295	(574,783)	1,444,058	(445,035)
Fair value option assets/liabilites through profit or loss	0	0	0	0
Derivative hedge instruments	250,327	(252,788)	222,001	(247,502)
Available-for-sale financial assets	86,521	0	78,853	0
Held-to-maturity financial assets	12,799	0	14,244	0
Debt securities in issue	0	(560,038)	0	(425,371)
Subordinated debt	0	(8,716)	0	(8,608)
TOTAL	2,195,968	(1,498,205)	1,969,557	(1,309,631)

Note 31 - Fee and commission income/expense

	12/3 ⁻	1/11	12/31/10		
	Income	Expense	Income	Expense	
Financial institutions	4,545	(1,517)	5,748	(1,150)	
Customers	75,113	(3,994)	40,643	(704)	
Derivatives	13,676	(4,722)	6,153	(2,747)	
Foreign currency	2,264	(5)	4,826	(1,510)	
Financing and guarantee commitments	604	(934)	375	(513)	
Securities and services	427,183	(113,234)	408,579	(97,237)	
TOTAL	523,385	(124,406)	466,324	(103,861)	

Note 32 - Net gain (or loss) on financial instruments at fair value through profit or loss

	12/31/11	12/31/10		
Instruments held for trading	(7,375)	10,096		
Fair value option instruments	496	6,113		
Hedging ineffectiveness	(8,352)	3,892		
cash flow hedges	0	378		
fair value hedges	(8,352)	3,514		
change in fair value of hedged items	(249,083)	9,108		
change in fair value of hedges	240,731	(5,594)		
Foreign exchange gains (or losses)	563	478		
TOTAL OF CHANGES IN FAIR VALUE	(14,668)	20,579		

Note 33 - Net gain (or loss) on financial instruments available-for-sale

	12/31/11				12/3 ⁻	1/10		
	Divi- dends	Realised gains/ losses	Impair- ment	Total	Divi- dendes	PV/MV réalisées	Dépré- ciation	Total
Treasury bills, notes, government bonds, bonds and other fixed-income securities	0	2,072	0	2,072	0	(7,332)	0	(7,332)
Stocks and other variable-income securities	5,315	8,521	181	14,017	3,695	13,062	(515)	16,242
Investment securities	5,724	2,632	(61)	8,295	2,598	10,492	(3,198)	9,892
Other	0	0	0	0	0	0	0	0
TOTAL	11,039	13,225	120	24,384	6,293	16,222	(3,713)	18,802

Note 34 - Income/expense from other activities

	12/3	1/11	12/31/10		
	Income	Expenses	Income	Expenses	
Insurance business	3,913,783	(3,463,632)	4,238,786	(3,841,478)	
Investment property	17,394	(32,447)	2,911	(17,167)	
Other income	265,403	(102,193)	196,343	(67,494)	
TOTAL	4,196,580	(3,598,272)	4,438,040	(3,926,139)	

Note 34a - Gross margin on insurance activities

	12/31/11	12/31/10
Premiums earned	2,534,496	2,813,985
Cost of claims and benefits	(139,556)	(125,862)
Change in provisions	(18,076)	(4,654)
Other technical and non-technical income and expenses	(2,787,487)	(2,935,546)
Net investment income	860,774	649,385
TOTAL	450,151	397,308

Note 35 - General operating expenses

	12/31/11	12/31/10
Personnel expenses	(626,542)	(602,292)
Other expenses	(466,938)	(399,328)
TOTAL	(1,093,480)	(1,001,620)

Note 35a - Personnel expenses

	12/31/11	12/31/10
Salaries, wages and compensation	(378,030)	(350,412)
Payroll taxes	(176,765)	(180,822)
Mandatory and optionnal employee profit-sharing	(29,150)	(28,100)
Taxes, levies and similar payments on compensation	(46,561)	(42,958)
Other	3,964	0
TOTAL	(626,542)	(602,292)

The Group's employees have accumulated 757,614 training hours corresponding to vested rights under the French Employee Access to Training law.

Note 35b - Average staff

	12/31/11	12/31/10
Employees	3,971	3,809
Executives and experts	4,608	4,288
TOTAL	8,579	8,096

Note 35c - Post-employment benefits, defined-benefit plans

Change in actuarial liability

	Defined- benefit plans	Retirement benefits	Work medals	TOTAL 12/31/11	TOTAL 12/31/10
Gross actuarial liability at December 31, 2010	52,667	33,940	26,546	113,153	95,604
Cost of services rendered during the period	2,456	2,124	1,739	6,319	4,830
Financial cost	2,105	1,366	1,071	4,542	4,237
Modification/ reduction/ liquidation of a plan	6,076	(146)	0	5,930	0
Acquisition, disposal (change in consolidation scope)	0	383	122	505	2,836
Benefits paid (mandatory)	(2,541)	(20)	(1,051)	(3,612)	(7,990)
Actuarial gains / losses	(7,074)	(3,503)	(2,746)	(13,323)	13,636
Gross actuarial liability at December 31, 2011	53,689	34,144	25,681	113,514	113,153

Analysis of charge to the income statement

	Defined- benefit plans	Retirement benefits	Work medals	TOTAL 12/31/11	TOTAL 12/31/10
Cost of services rendered during the year	2,456	2,124	1,739	6,319	4,830
Financial cost	2,105	1,366	1,071	4,542	4,237
Expected return on plan assets	(526)	(612)	(441)	(1,579)	(2,072)
Past service cost	532	32	0	564	438
Impact of any reduction or liquidation of a plan	0	(146)	0	(146)	0
Actuarial gains and losses recognised in income	(7,770)	(4,235)	(2,814)	(14,819)	14,929
Charge to the income statement	(3,203)	(1,471)	(445)	(5,119)	22,362

Change in fair value of plan assets and reimbursement rights

	Defined- benefit plans	Retirement benefits	Work medals	TOTAL 12/31/11	TOTAL 12/31/10
Fair value of assets at December 31, 2010	35,625	28,274	18,682	82,581	70,450
Expected return on assets	527	612	441	1,580	2,072
Actuarial gains / losses on plan assets	696	615	100	1,411	(1,293)
Employer contributions	0	0	0	0	15,716
Acquisition, disposal (change in consolidation scope)	0	0	0	0	49
Benefits paid	(2,541)	(18)	0	(2,559)	(4,413)
Fair value of assets at December 31, 2011	34,307	29,483	19,223	83,013	82,581

The amounts included in the fair value of plan assets concern financial instruments issued by the Group and the properties occupied by the Group are not material.

The expected return on plan assets is obtained by weighting the expected return of each asset class included in the plan by their respective net carrying amount.

Expected return on funding assets

	12/31/11	12/31/10
Effective return on plan assets	3.70%	3.92%

Hedging assets: Composition and type of fund

	12/31/11	12/31/10
% Bonds	89.80%	87.10%
% Equities	5.20%	7.70%
% Other assets	5.00%	5.20%

(*) November

Net position

	Defined- benefit plans	Retirement benefits	Work medals	TOTAL 12/31/11	TOTAL 12/31/10		
Gross actuarial liability at end of period	53,689	34,144	25,681	113,514	113,153		
Unrecognised past service cost	(9,749)	(302)	0	(10,051)	(4,538)		
Net actuarial liability at end of period	43,940	33,842	25,681	103,463	108,615		
Fair value of assets	(34,307)	(29,483)	(19,223)	(83,013)	(82,581)		
NET POSITION	9,633	4,359	6,458	20,450	26,034		

The employer contributions to be paid for 2012 in respect of defined benefit post-employment benefits are estimated at 4,175 thousand euros.

Experience-related adjustments to defined benefit pension plans

	12/31/11	12/31/10	12/31/09
Present value of obligation	53,689	52,667	44,597
Fair value of plan assets	34,307	41,040	39,676
Deficit	19,382	11,627	4,921
Experience-based adjustments to plan liabilities	(10,605)	8,632	4,167
Experience-based adjustments to plan assets	10,314	1,437	200

Data for 2007 and 2008 are not available.

Note 35d - Other expenses

	12/31/11	12/31/10
Taxes other than on income or payroll-related	(51,406)	(43,331)
External services	(415,466)	(354,560)
Other expenses	(66)	(1,437)
TOTAL	(466,938)	(399,328)

The independent auditor's fee recognised on the income statement for the year totaled 6,123 thousand euros. The invoiced fees pertaining to the legal audit of individual and consolidated financial statements totaled 4,332 thousand euros, while those pertaining to other services totaled 1,791 thousand euros.

Note 36 - Depreciation, amortisation and impairment of property, plant and equipment and intagible assets

	12/31/11	12/31/10
Amortisation:	(96,892)	(86,906)
 tangible assets 	(36,669)	(34,891)
intangible assets	(60,223)	(52,015)
Depreciation:	29	(155)
tangible assets	29	(155)
• intangible assets	0	0
TOTAL	(96,863)	(87,061)

Note 37 - Cost of risk

Tioto or Goot of Tiok						
	Allocations	Write-backs		Uncollectible accounts not covered	Collection of receivables written off	12/31/11
Financial institutions	0	0	0	0	0	0
Customers	(304,660)	281,108	(74,288)	(8,039)	6,165	(99,714)
Finance leases	(3,991)	3,146	(1,003)	(397)	0	(2,245)
 Loans to customers 	(291,604)	273,421	(73,285)	(7,642)	6,165	(92,945)
• Financing and guarantee commitments	(9,065)	4,541	0	0	0	(4,524)
Available-for-sale assets	(4,133)	1,844	(539)	(5,300)	0	(8,128)
Held-to-maturity assets	(5,030)	0	0	0	0	(5,030)
Other	(4,448)	5,949	0	0	0	1,501
TOTAL	(318,271)	288,901	(74,827)	(13,339)	6,165	(111,371)

The net loan provision allocation on a collective basis totaled 14,602 thousand euros in 2011, compared with a net reversal of 9,347 thousand euros in 2010.

Mala 00	Mad to a succe	an alban accala
Note 38 -	Net income	on other assets

	12/31/11	12/31/10
Tangible and intangible assets	(87)	(5,288)
 losses on disposals 	(1,427)	(6,814)
• gains on disposals	1,340	1,526
Expenses related to business combinations	(2,977)	(4,131)
TOTAL	(3,064)	(9,419)

Note 39 - Income tax

	12/31/11	12/31/10
Current income tax expense	(95,946)	(63,530)
Net deferred income tax expense	(17,363)	15,104
NET INCOME TAX EXPENSE	(113,309)	(48,426)
Income before taxes and income of companies accounted for under the equity method	399,988	337,237
EFFECTIVE TAX RATE	28.33%	14.36%

Analysis of effective tax rate:	12/31/11	12/31/10
Normal taxe rate	36.10%	34.43%
Permanent differences	2.77%	3.09%
Impact of tax rate on long-term capital gains ans tax relief	(2.75%)	(12.34%)
Impact of fiscal losses	(5.84%)	(8.68%)
Credit Tax	(0.58%)	(0.84%)
Exceptional items	0.18%	1.12%
Other	(1.55%)	(2.42%)
EFFECTIVE TAX RATE	28.33%	14.36%

Crédit Mutuel Arkéa's tax loss carryforwards were completely capitalized during the period.



Notes on gains and losses recognised directly in equity (In thousands of euros)

Note 40a - Information on the recycling in income of gains and losses recognised directly in equity

	Movements during 2011	Movements during 2010
Cumulative translation differences	0	0
Reclassification to income	0	0
Other movements	0	0
Revaluation of available-for-sale financial assets	(57,988)	6,839
Reclassification to income	(3,513)	(6,033)
Other movements	(54,475)	12,872
Revaluation of hedging derivatives	(7,535)	1,828
Reclassification to income	2,745	(20,733)
Other movements	(10,280)	22,561
Revaluation of non-current assets	0	0
Reclassification to income	0	0
Other movements	0	0
Actuarial gains and losses on defined-benefit plans	0	0
Reclassification to income	0	0
Other movements	0	0
Share of unrealised or deferred gains or losses in equity method companies	733	4,368
TOTAL	- 64 790	13 035

Note 40b - Tax on each component of gains or losses recognised directly in equity

	12/31/11			12/31/10		
	Gross	Tax	Net	Gross	Tax	Net
Cumulative translation differences	0	0	0	0	0	0
Revaluation of available-for-sale financial assets	(90,559)	32,570	(57,988)	10,974	(4,135)	6,839
Revaluation of hedging derivatives	(11,490)	3,954	(7,535)	2,789	(961)	1,828
Revaluation of non-current assets						
Actuarial gains and losses on defined benefit plans	NA	NA	NA	NA	NA	NA
Share of unrealised or deferred gains or losses in equity method companies	(29)	762	733	4,967	(599)	4,368
TOTAL	(102,078)	37,286	(64,790)	18,730	(5,695)	13,035

Other notes (In thousands of euros)

Note 41 -Commitments given and received

	12/31/11	12/31/10
Commitments given	10,897,693	10,909,536
Financing commitments given	7,972,975	7,629,641
to banks and financial institutions	93,801	155,792
• to customers	7,879,174	7,473,849
Guarantees given	2,681,428	2,740,200
to banks and financial institutions	55,879	60,354
• to customers	2,625,549	2,679,846
Commitments on securities	243,290	539,695
repurchase agreements	0	0
other commitments given	243,290	539,695
Commitments received	5,488,845	6,021,598
Financing commitments received	2,935,438	3,257,297
from banks and financial institutions	2,935,438	3,257,297
• from customers	0	0
Guarantees received	2,237,198	2,119,001
 from banks and financial institutions 	522,207	424,583
• from customers	1,714,991	1,694,418
Commitments on securities	316,209	645,300
reverse repurchase agreements	0	0
other commitments received	316,209	645,300

Financing commitments given include the 93 million euros cash advance made to CRH to fund it.



Assets pledged as security for liabilities				
	12/31/11	12/31/10		
Receivables pledged as collateral	7,516,216	7,993,124		
European Investment Bank	592,701	559,211		
Caisse de Refinancement de l'Habitat	2,511,692	2,883,250		
Société de Financement de l'Economie Française	981,077	1,430,804		
Caisse des dépôts et consignations	231,241	3,201		
Banque de France	3,199,505	3,116,658		
Securities lent	0	0		
Deposits on market transactions	386,239	214,803		
Securities sold under repurchase agreements	663,414	3,257,451		

Note 42 - Segment reporting						
	Retail banking Insurance and asset management		Gro	Group		
	12/31/11	12/31/10	12/31/11	12/31/10	12/31/11	12/31/10
Internal income (1)	172,128	160,944	(172,128)	(160,944)	0	0
External income (2)	1,173,137	1,109,069	531,629	464,602	1,704,766	1,573,671
Net banking income	1,345,265	1,270,013	359,501	303,658	1,704,766	1,573,671
Operating expenses and allocations to amortisation	(1,073,549)	(978,005)	(116,794)	(110,676)	(1,190,343)	(1,088,681)
Gross operating income	271,716	292,008	242,707	192,982	514,423	484,990
Cost of risk	(98,515)	(139,228)	(12,856)	894	(111,371)	(138,334)
Operating income	173,201	152,780	229,851	193,876	403,052	346,656
Share of earnings of companies carried under equity method	5,406	3,749	0	222	5,406	3,971
Other	(3,062)	(5,819)	(2)	(3,600)	(3,064)	(9,419)
Pre-tax income	175,545	150,710	229,849	190,498	405,394	341,208
Income tax	(34,035)	(19,565)	(79,274)	(28,861)	(113,309)	(48,426)
Net income	141,510	131,145	150,575	161,637	292,085	292,782
Minority interests	1,621	(31)	308	19,489	1,929	19,458
Résultat net part du groupe	139 889	131 176	150 267	142 148	290 156	273 324
Business line assets	57,034,945	49,198,905	26,943,639	29,547,846	83,978,584	78,746,751

 $^{{\}it (1) Sectoral income\ arising\ on\ transactions\ with\ other\ sectors}$

Segment reporting is based on two business lines:

- Retail banking includes primarily the branch networks of CMB, CMSO and CMMC, the subsidiaries that finance businesses and the real estate division of the Group,
- The other business line comprises subsidiaries specialized in asset management and insurance.

An analysis by geographical region is not relevant for the Group as nearly all of its business is carried out in France.

⁽²⁾ Sectoral income arising on sales to external customers

Note 43 - Information on related parties

The related parties of Crédit Mutuel Arkéa group are the consolidated companies including those companies consolidated using the equity method. Transactions between the Group and its related parties are conducted at arm's length terms at the time the transactions are completed.

The list of companies consolidated by Crédit Mutuel Arkéa group is contained in note 44. The transactions carried out and the outstanding balances at the end of the fiscal year between fully consolidated companies are completely eliminated during the consolidation process. As a result, only the portion of the data that is not eliminated in the consolidation process and that relates to reciprocal transactions is presented in the following table, provided such data involve companies over which the Group exercises a significant influence (equity method of consolidation).

	Companies under the equity method (1)		
	12/31/11	12/31/10	
Assets			
Loans and receivables due from banks	471,217	479,231	
Loans and receivables due from customers			
Financial assets at fair value through profit or loss			
Available-for-sale financial assets		288,200	
Held-to-maturity financial assets			
Derivatives used for hedging purposes			
Other assets			
Liabilities			
Due to banks	20,000	45,000	
Derivatives used for hedging purposes			
Financial liabilities at fair value through profit or loss			
Customer accounts			
Debt securities in issue			
Subordinated debt			
Other liabilities			

(1) Mainly CCCM

	Companies under the equity method ⁽¹⁾		
	12/31/11	12/31/10	
Interest and similar income	2,687	3,402	
Interest and similar expense			
Fee and commission income			
Fee and commission expense			
Net gain (loss) on financial instruments at fair value through profit or loss			
Net gain (loss) on financial instruments available-for-sale	878	1,005	
Income from other activities		2,105	
Expense from other activities			
Net banking income	3,565	6,512	

	Companies under the equity method (1)		
	12/31/11	12/31/10	
Financing commitments			
Financing commitments given			
Financing commitments received	244,000	219,000	
Guarantees			
Guarantess given			
Guarantees received			
Commitments on securities			
Other securities to receive			
Other securities to deliver			
W ** / / 000**			

(1) Mainly CCCM

Relations with the main corporate officers of Crédit Mutuel Arkéa group

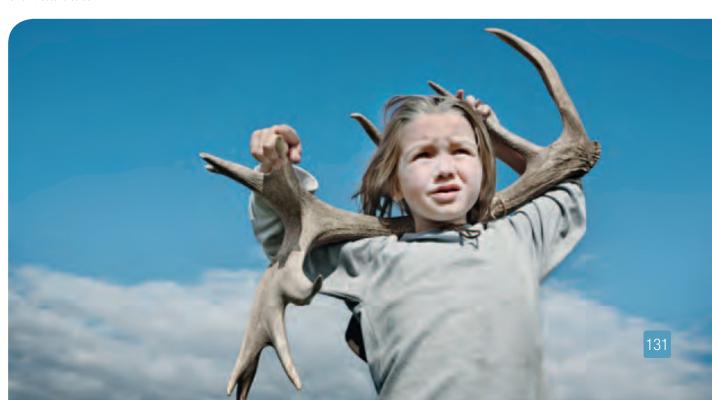
The Board of Directors of Crédit Mutuel Arkéa currently consists of eighteen members appointed for three-year terms by the Regular Shareholders' Meeting. Two representatives of the Central Employee Works Committee participate in the Board of Directors meetings as non-voting members.

Total remuneration allocated to members of the Board of Directors for 2011 is 680 thousand euros.

The amounts effectively paid by the Group to main corporate officers as remuneration and other benefits under IAS 24 are provided in the table below.

	12/31/11	12/31/10
Short-term benefits	2,644	2,460
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Payment in shares	-	-

The total amount provisioned by the Group at December 31, 2011 under IAS 19 for the payment of post-employment benefits, other long-term benefits and termination benefits is 162 thousand euros.



Company name	Sector / Activity
Crédit Mutuel Arkéa + Fédérations + Caisses Locales du Crédit Mutuel de Bretagne, du Sud-Ouest et du Massif Central	Bank / Mutualist bank
ARKEA BANQUE ENTREPRISES ET INSTITUTIONNELS	Bank / Corporate banking
ARKEA BANKING SERVICES	Bank / Banking services
ARKEA CAPITAL GESTION	Insurances and asset management / Asset management
ARKEA CAPITAL INVESTISSEMENT	Insurances and asset management / Asset management
ARKEA CAPITAL PARTENAIRE (1)	Bank / Venture capital
ARKEA CREDIT BAIL	Bank / Leasing and finance lease
ARKEA SCD (1)	Bank / Services
BANQUE PRIVEE EUROPEENNE	Bank
CAISSE DE BRETAGNE DE CREDIT MUTUEL AGRICOLE	Bank / Mutualist bank
COMPAGNIE EUROPEENNE D'OPERATIONS IMMOBILIERES	Bank / Carry trading
CREDIT FONCIER ET COMMUNAL D'ALSACE ET DE LORRAINE BANQUE	Bank / Retail and specialized banking
CREDIT FONCIER ET COMMUNAL D'ALSACE ET DE LORRAINE SCF	Bank / Refinancing structure
CREDIT MUTUEL ARKEA HOME LOANS SFH	Bank / Refinancing structure
CREDIT MUTUEL ARKEA PUBLIC SECTOR SCF	Bank / Refinancing structure
FEDERAL EQUIPEMENTS	Bank / Services
FEDERAL FINANCE BANQUE	Insurances and asset management/ Private bank and asset management
FEDERAL FINANCE GESTION	Insurances and asset management / Asset management
FEDERAL SERVICE	Bank / Services
FINANCO	Bank / Retail and specialized banking
FONCIERE INVESTISSEMENT	Bank / Real-estate
FORTUNEO	Bank / / Financial and stock market intermediation
GICM	Bank / Services
INFOLIS	Insurances and asset management / Services
LEASECOM GROUP	Bank / Leasing and finance lease
LEASECOM	Bank / Leasing and finance lease
LEASECOM CAR	Bank / Leasing and finance lease
LEASECOM FINANCIAL ASSETS	Bank / Leasing and finance lease
MONEXT	Bank / Services
MONEXT HOLDING	Bank / Services
NOVELIA	Insurances and asset management / Non-life insurance
PROCAPITAL	Bank / Financial and stock market intermediation
SCHELCHER PRINCE GESTION (2)	Insurances and asset management / Asset management
SOCIETE CIVILE IMMOBILIERE INTERFEDERALE	Bank / Real-estate
SURAVENIR	Insurances and asset management / Life insurance
SURAVENIR ASSURANCES	Insurances and asset management / Non-life insurance

Controlling %		Interest % Group		
12/31/11	12/31/10	12/31/11	12/31/10	
	Consolidat	ting entity		
100.0	100.0	100.0	100.0	
100.0	100.0	100.0	100.0	
100.0	100.0	100,0	100.0	
100.0	100.0	100.0	100.0	
100,0	0.0	100.0	0.0	
100,0	100.0	100.0	100.0	
100,0	0.0	100,0	0.0	
100,0	100.0	100,0	100.0	
92.6	92.6	92.6	92.6	
100.0	100.0	100.0	100.0	
91.0	78.9	91.0	78.9	
100.0	100.0	91.0	78.8	
100.0	100.0	100.0	100.0	
100.0	100.0	100.0	100.0	
100.0	100.0	100.0	100.0	
100.0	100.0	100.0	100.0	
100.0	100.0	100.0	100.0	
97.0	96.2	97.0	96.2	
100.0	100.0	100.0	100.0	
100.0	100.0	99.7	99.7	
100.0	100.0	100.0	100.0	
100.0	100.0	97.0	96.2	
100.0	100.0	100.0	100.0	
95.0	95.0	95.0	95.0	
100.0	100.0	95.0	95.0	
100.0	100.0	95.0	95.0	
100.0	100.0	95.0	95.0	
100.0	100.0	100.0	100.0	
100.0	100.0	100.0	100.0	
100.0	100.0	100.0	100.0	
100.0	100.0	100.0	100.0	
50.0	0.0	50.0	0.0	
100.0	100.0	100.0	100.0	
100.0	85.0	100.0	85.0	
100.0	100.0	100.0	100.0	

⁽¹⁾ Company created in 2011. (2) Company consolidated for the first time in 2011.

Company nama	Sector / Activity	Controlling %		Interest % Group	
Company name	Sector / Activity	12/31/11	12/31/10	12/31/11	12/31/10
Investments accounted for under the equity method					
ACTA VOYAGES (3)	Insurances and asset management / Tourism & travel	0.0	40.0	0.0	40.0
CAISSE CENTRALE DU CREDIT MUTUEL	Bank / Mutualist bank	21.4	21.3	21.4	21.3
CREDIT MUTUEL CARTES DE PAIEMENTS	Bank / Mutualist bank	25.0	25.0	26.6	26.6

³⁾ Company sold in 2011.

Note 45 - Business Combinations

Via its Federal Finance Banque subsidiary, Crédit Mutuel Arkéa acquired a 50.04% controlling interest in asset management firm Schelcher Prince Gestion.

Before acquiring control, the Group held a 33.36% stake with a fair value of 12,811 thousand euros.

Crédit Mutuel Arkéa Group applied Revised IFRS 3 to account for business combinations, as that standard is mandatory for all business combinations finalized after the first day of the first fiscal year beginning on or after July 1, 2009.

The significant aspects of these business combinations are detailed in the table below:

	Schelcher Prince Gestion
Acquisition date	12/07/2011
Acquisition price	18,474
Equity (100%)	5,538
Current tax assets	108
Employee benefit obligations, net of tax	(32)
Miscellaneous other adjustments	353
Consolidation adjustments	429
Intangible assets	11,700
Associated deferred taxes	(4,027)
Valuation differences	7,673
Net situation + Valuation differences (100%)	13,640
Accounting for goodwill option	Partial (50.04%)
Share (50.04%) of equity + Valuation differences	6,825
Goodwill recognised on the balance sheet	11,649
Contribution to the Group's 2011 result	309

The initial recognition of the combination is only provisional.

If additional information regarding the facts and circumstances existing at the acquisition date becomes known, the Group has a period of twelve months to:

- identify the assets acquired and liabilities assumed from the acquired company that had not been recognised on the initial recognition of the business combination;
- retrospectively change the values initially assigned

Note 46 - Remuneration of partnership shares

The consolidating entity plans to pay 37,242 thousand euros in dividends to non-Crédit Mutuel Arkéa Group shareholders.

Note 47 - Events after the reporting period

No material events occurred subsequent to the December 31, 2011 close.





THE AGGREGATE FINANCIAL STATEMENTS at DECEMBER 31, 2011

The aggregate financial statements are the financial statements of the consolidating entity of Crédit Mutuel Arkéa, namely the Crédit Mutuel Arkéa banking institution. They include the financial statements of the Crédit Mutuel Arkéa legal entity strictly speaking, the financial statements of the local savings banks and the financial statements of the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, and Crédit Mutuel Massif Central federations. The aggregate financial statements may be considered to be the parent company financial statements of the banking institution, and have been prepared in accordance with French GAAP.



6.1 BALANCE SHEET

Balance sheet structure

As of December 31, 2010, total assets on the aggregate financial statements rose to $\mbox{\ensuremath{\ensuremath{\mathfrak{C}}}55.4}$ billion, compared with $\mbox{\ensuremath{\ensuremath{\mathfrak{C}}47.7}}$ billion in 2010 (+16.0%).

On the assets side, amounts due from financial institutions rose by 29.6% as a result of the increase of Group long-term loans. Customer loans rose by 5.9%.

On the liabilities side, amounts payable to financial institutions rose by 57.7% as a result of the increase of long-term loans.

Shareholders' equity of the banking institution

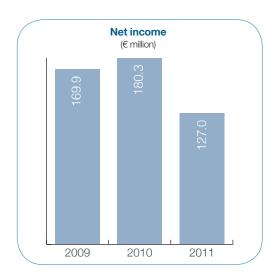
Shareholders' equity totaling €3.4 billion consists of the stated capital (share capital, reserves, etc.) and the Fund for General Banking Risks. Variable capital rose by 20.9% to €1.6 billion and consists almost entirely of the stated capital of the local savings banks. As in any cooperative, the stated capital of the banking institution is widely held by all the customer shareholders.

The Fund for General Banking Risks rose to €193 million, up from €199 million in 2010. The fund consists of amounts allocated to cover general risks as well as the federal fund, which comprises the local savings bank networks and provides support through financial solidarity mechanisms.

Balance sheet	In thousands of euros	
Assets	12/31/2011	12/31/2010
Cash, due from central banks	1,544,676	498,503
Treasury bills and similar items	26,366	46,766
Due from banks	21,910,481	16,907,737
Customer items	24,821,025	23,177,281
Bonds and other fixed-income instruments	1,539,603	2,844,085
Shares and other dividend-bearing securities	319,395	147,254
Equity investments and equity securities held for long-term investment	62,250	46,401
Equity in affiliated companies	3,026,935	2,365,434
Intangible assets	236,635	234,495
Tangible assets	215,485	211,826
Other assets	707,511	525,054
Sundry accounts and prepaid expenses	950,575	724,003
TOTAL	55 360 937	47 728 839

Liabilities	12/31/2011	12/31/2010
Due to central banks		
Due to banks	10,458,485	6,630,168
Customer items	21,667,263	20,086,019
Debt represented by a security	16,801,297	15,465,156
Other liabilities	811,907	327,814
Sundry accounts and unearned income	1,251,618	901,921
Provisions	62,270	67,405
Subordinated debts	860,627	1,160,224
Reserves for general banking risks	192,861	199,105
Shareholders' equity	3,254,609	2,891,027
Share capital	1,551,710	1,283,044
Issue premium	4,906	4,906
Retained earnings	1,545,538	1,461,963
Carried forward	25,429	(39,168)
Net income	127,026	180,282
TOTAL	55,360,937	47,728,839

Off-balance sheet items	In thousands of euros	
	12/31/2011	12/31/2010
Commitments given		
Financing commitments given	4,918,898	4,730,266
Guarantees given	1,826,436	2,171,704
Commitments given on securities	16,609	45,865
Commitments received		
Financing commitments given	2,665,252	2,749,136
Guarantees received	299,428	267,189
Commitments received on securities	61,828	89,063
Financial futures and other forward agreements	30,701,304	22,401,627



Income statement

Net income

Net income in the aggregate financial statements fell to $\ensuremath{\mathfrak{e}}$ 127 million in 2011.

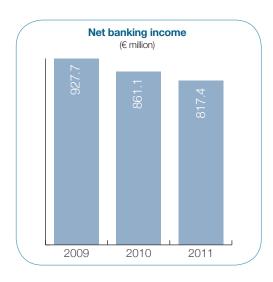
Net banking income

Net banking income in the aggregate financial statements fell by €43.7 million to €817.4 million.

The interest margin fell by 10.6% in 2010, mainly as a result of the decline in the proprietary trading portfolio and in the margin on customer loans.

Dividend income rose by €48.6 million to €110 million.

Net fee income rose by 1.6% to €374.4 million mainly as a result of the combined effect of a rise in fees charged for services (increase on early repayment fees) and activity-related fees (implementation of "surcharges" on Suravenir Assurances commissions).

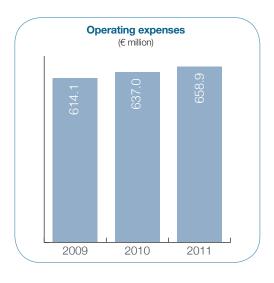


Operating expenses

The operating expenses of the aggregate scope increased by €21.9 million, to €658.9 million in 2011.

Cost of risk

The cost of risk fell by \in 38.4 million to \in 43.8 million. It was significantly impacted by the provisions on the Credit Mutuel networks and specialized financing subsidiaries.



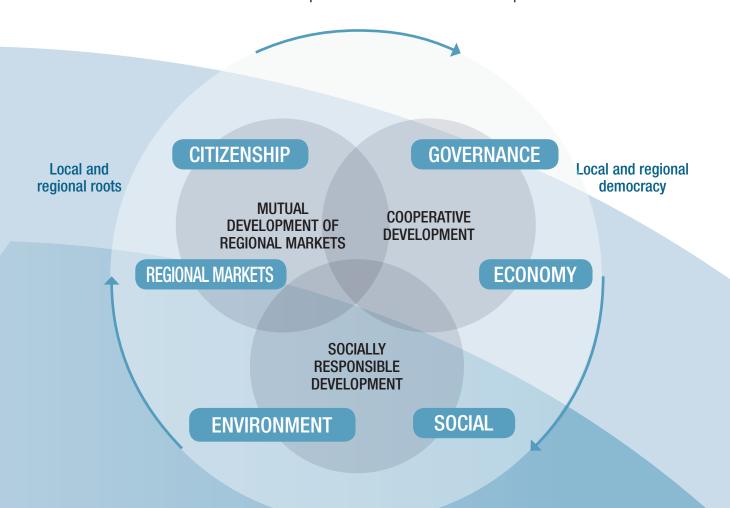
Income statements	In thousands of euros	
	12/31/2011	12/31/2010
Interest income and related revenues	1,850,054	1,722,162
Interest expense and related costs	(1,490,113)	(1,307,363)
Income on equities and other variable income instruments	110,052	61,478
Commissions (income)	413,548	390,812
Commissions (expense)	(39,109)	(22,199)
Net gains (losses) on sales of trading account securities	(6,220)	(17,477)
Net gains (losses) on sales of securities available for sale	(25,749)	31,073
Other operating income arising from banking activities	9,412	19,962
Other operating expense from banking activities	(4,515)	(17,393)
Net banking income	817,360	861,055
Operating expense	(639,753)	(617,660)
Depreciation, amortization and provisions on tangible and intangible assets	(19,135)	(19,314)
Gross operating income	158,472	224,081
Net additions to provisions for credit risks	(43,815)	(82,194)
Operating income	114,657	141,887
Gains (losses) on disposals of long-term investments and changes in provisions	(5,590)	11,313
Income before tax	109,067	153,200
Net non-recurring expense or income	3,437	(2)
Income taxes	8,241	34,101
Movements in the reserve for general banking risks and regulated provisions	6,281	(7,017)
NET INCOME	127,026	180,282



COMPANY'S SOCIAL RESPONSIBILITY

Cooperate and mutualize

A sustainable development model based on six pillars



Reinvestment in the local and regional economy

7.1 SOCIALLY

responsible **DEVELOPMENT**

Recruiting

Actively involved in the local and regional economy, Crédit Mutuel Arkéa conducts a concerted policy in favor of employment in its regional markets that is evidenced by its employees and initiatives.

At end-2011, the total number of employees with long-term contracts was 8,983, up 16% relative to end-2009. Along with the addition of 90 employees through acquisitions, Crédit Mutuel Arkéa Group recruited 610 new employees in 2011.

Group initiatives ...

In order to promote jobs development in its regions, Crédit Mutuel Arkéa has adapted its recruiting policy by developing close ties to higher education institutions, joining university foundations, participating in jobs fairs and developing targeted recruiting materials (media, creation of the www.recrutement.arkea.com recruiting web site). Each year, the Group also welcomes some 100 interns who are still pursuing their studies and develops its work/study training offerings jointly with universities and graduate business schools.

Integration

The HR functions of Crédit Mutuel Arkéa's various entities organize integration and training paths for the entry-level position of each new employee. The locally based HR functions serve as contacts for employees at each entity, welcoming them and addressing their concerns, offering information on administrative matters and procedures and the businesses themselves as well as monitoring the trial period. The goal of this integration track is to provide optimal job performance conditions for each new hire and to verify that his or her aptitudes match up with the company's expectations. The goal is also to create a social connection between the employee and the company on the one hand, and between the new hire and the other employees on the other.

Group initiatives ...

- Since 2009, Crédit Mutuel Arkéa has organized an annual "Carrefour" conference for new recruits at Arkéa. This conference enables each employee to meet the Group's Chairman and

Chief Executive Officer and learn from top managers about the Group's organization, strategy, major projects, operation methods, etc. The conference is also an opportunity for new employees to get a feel for the Group's uniqueness and diversity and to understand the range of activities and prospects for mobility.

- The Group prepares special sessions for employees of new entities integrated into the Group through acquisitions. The key objective of these sessions is to foster a sense of belonging to the Group among all new employees.
- All Crédit Mutuel Arkéa entities adopt harmonized procedures with respect to recruitment and integration in order to ensure the future job mobility of employees in all companies.

Career management

Crédit Mutuel Arkéa provides its employees with the possibility of fulfilling their entire career working at various Group companies: Crédit Mutuel networks, subsidiaries and central departments.

To shed light on the employee career paths and prospects, the Human Resources and Training department has dedicated teams with a strong local presence (nearly 150 employees throughout the Group), supporting the managers of the businesses and addressing employee concerns.

Group initiatives ...

In order to have an overall vision of the expertise within the Group that makes it possible to anticipate future trends, the Human Resources and Training department has several jobs and projected skills management applications:

- a jobs manual,
- an annual interview appraisal form for all Group units,
- professional orientation applications available to Internal Orientation Advisors,
- a pool of expertise, currently being harmonized in order to be made available to all HR functions.

Training

Each year, the Group devotes more than 5.5% of its payroll expense to the training budget.

Group initiatives ...

Crédit Mutuel Arkéa provides training at both the group (business line training, applications, general banking culture, management) and individual (job mobility support, skills development, e-learning, coaching) levels. Training in Group fundamentals is the responsibility of the Group HR functions, while business line specificities are left up to the respective HR functions for each business line.

Job mobility

Functional and/or geographic job mobility for employees helps to bolster their experience, expertise and professionalism while still promoting personal development and sharing of values. Each year, nearly 800 employees change functions and/or units.

Management

Management quality is a key factor behind employee success and commitment. The line manager is the primary participant in human resources management.

He develops the dialogue and coordination, promotes autonomy and accountability, and strives to raise the level of expertise of his employees.

He creates the conditions for motivating employees throughout their professional lives and supports changes to organizations and activities.

He is responsible for the qualitative assessment of results and performances of his team.

Group initiatives ...

To fulfill their duties in a manner consistent with the Group's values, managers need training and support. To that end, the Group organizes training sessions for employees who assume managerial responsibilities during the year following their promotion.

Moreover, in 2010 and 2011, the establishment of a new management responsibilities training program ("Les rendezvous du management") enabled each line manager to learn the qualities expected of a manager: enthusiasm, teaching, demanding, openness, calm, loyalty and courage.

To support line managers in their actions, practices and decision-making, Crédit Mutuel Arkéa put all of the action principles in accordance with company policy into a Management Manual.

Diversity

Crédit Mutuel Arkéa conducts a social and responsible policy based on the premise that wealth is created through

diversity. This commitment is materialized in particular around the following topics:

- Disabilities: At the level of the "Union Economique et Sociale
- UES" legal entity, which includes nearly 6,500 employees from various Group companies, a disabilities task force was given the assignment of steering initiatives in this area that mainly focus on:
- · Developing recruiting,
- Partnerships with training organizations and the development of temporary positions,
- Informing and raising awareness among employees,
- · Training line managers,
- Strengthening support provided to disabled workers,
- Working on overall accessibility, in particular for employees with sensory disabilities.

The disabled workers employment rate for the UES scope increased by 6% to reach 2.8% in 2011. The number of disabled workers has increased by more than 22% since end-2008.

- Gender equality: in 2011, all Group entities conducted a professional gender equality analysis. Those entities that have not finalized an agreement or action plan in this area are expected to finish them in the first half of 2012.

The third three-year agreement of the UES, which includes most Group employees, defines the means used by the company to promote professional gender equality over the long term and achieve conditions for true equality at all stages of professional life. In the context of these overall objectives, the company pays particularly close attention to:

- · ensuring compensation parity for men and women,
- promoting comparable professional tracks with the same possibilities for moving into positions of responsibility. In the scope of the UES, women account for 41% of the management ranks.

The company focused its actions in five main areas:

- recruiting,
- professional career tracks,
- · professional support,
- · compensation,
- · balancing professional activity and personal life,
- employee representation.
- The action plan in favor of seniors: this plan aims to maintain, develop and promote the value of the expertise of seniors.

Quality of the workplace

In 2008, the company began work on the prevention of psychosocial risks. After assuming responsibility for workers in distress, it launched a prevention initiative. For 2011, a general survey was initiated with the employees of the UES. This survey will make it possible to define an action plan and develop a social observatory beginning in 2012.

Workforce figures

Crédit Mutuel Arkéa	2008	2009	2010	2011
Number of permanent employees	7,328	7,718	8,677	8,983
Number of non-permanent employees (year/hour)	509	530	606	NA
Management	3,578	3,965	4,528	4,822
% female managers	19%	20%	21%	21.6%
% male managers	30%	31%	32%	32.1%
Workers	3,750	3,753	4,149	4,161
% female workers	36%	35%	34%	33.6%
% male workers	15%	14%	13%	12.7%
Average age	41	41	40	41
Average tenure	15	15	14	15
Recruiting	461	512	623	610
Job mobility (employees who changed companies within the Group)	98	93	70	NA
Exits	519	399	448	452
Average compensation per employee in euros	37,460	38,580	42,040	NA
Total payroll (€ millions)	263	288	318	NA
% of total payroll devoted to training	5.40%	5.60%	4.70%	5.5%
Percentage of disabled workers	2.20%	2.40%	2.20%	2.81%
	UES Arkade	UES Arkade	CM Arkéa	CM Arkéa



7.2 ENVIRONMENTAL COMMITMENTS

The environmental policy is a key component of the Horizons 2015 project. It is based on an initial inventory conducted in 2007 of practices and applications, including a Carbon Balance SheetTM of the main sites.

Generalization of best practices

Efforts to inform and raise awareness among employees lead to support for and adoption of good practices. The main areas for progress involve transportation, waste management, purchases of consumables, energy consumption and, more generally, the development of an environmental policy based on the establishment of a dedicated organization and management system. The roll-out of the Carbon Balance Sheet $^{\text{TM}}$ approach to all units is advancing quickly.

Crédit Mutuel Arkéa is therefore continuing its efforts with respect to its real estate policy. All three buildings being built in close proximity to the headquarters in Relecq-Kerhuon satisfy low-energy building standards. The new compound, which will have a total surface area of 15,000 square meters, will be delivered in 2012. All new projects, such as Financo's future headquarters building in Brest, will incorporate these environmental requirements.

Another area of progress: precise monitoring of energy consumption. A major inventorying effort was completed that provides a precise and reliable overview covering 80% of all energy consumption.

The waste processing function was reviewed in a comprehensive audit that generated the following findings:

- many recycling networks cover most waste categories, from selective sorting for disposal or recycling, to recovery for donations, processing or reuse, etc.
- the processing is performed by a large number of entities responsible for their collection.
- the measurement of the efforts undertaken requires the development of tools to measure the volume of waste generated and collected by the company as well as its recycling.

All of these projects are consistent with the measures of the so-called Grenelle II law, which take effect in 2012 and establish new requirements for measuring, reporting and certifying the company's social and environmental responsibility.

The company travel plan

The Arkade UES travel plan is entering the operational phase. The inventory highlighted the importance of the topic for employees and the company, with nearly 100 million kilometers traveled each year, including 80 million commuter kilometers and 20 million business travel kilometers. In 2010, the survey on travel practices conducted with 6,000 employees and working groups made it possible to identify the main projects for promoting new means of travel, the creation of a special carpool web site for the company, the promotion of remote work services and improved access to the Group's sites. These projects were implemented throughout 2011.

Promotion of socially responsible products and services

The Group's various components incorporate sustainable development into their product and service offerings. Under the theme of "responsible savings", the Crédit Mutuel (CMB, CMSO and CMMC) networks market the sustainable development passbook savings account, whose funds may be used to finance energy efficiency improvements. Meanwhile, BPE offers a sustainable initiative passbook savings account that allows the client to allocate part or all of the interest to the charitable association of his choice. Since 2001, Federal Finance has been a pioneer in the area of socially responsible investing (SRI), with the creation of the Federal Actions Ethiques fund, followed by Federal Europe ISR and Planète Bleue. The management company demonstrates that solidarity and respect for human rights and the environment go hand in hand with investment return and performance.

7.3 REGIONAL INITIATIVES

For Crédit Mutuel Arkéa, supporting regional economic growth is an extension of its own development.

The creation of the division dedicated to companies and institutions reflects the Group's commitment to being a key partner at both the regional and national levels. The creation in 2011 of Arkéa Capital Partenaire follows the same logic. Endowed with €400 million in capital, it will invest in medium-sized independent companies, mainly in Brittany but also in the Massif Central region. The Group has also become a partner of Eilañ, a new investment company dedicated to the development of renewable energies in Brittany.

Crédit Mutuel Massif Central continues to be a key partner in the Auvergne region, with a €5 million financial agreement over 15 years to promote regional development projects. CMMC is also the first regional bank to join "Auvergne Nouveau Monde" and support this project, which is entirely consistent with the Group's own mutual and solidarity-based values. The goal of this project is to promote a development model more focused on openness with the world and a society that puts people at the core of each project.



7.4 ACTIONS

on behalf of CITIZENS

The Group carries out initiatives on behalf of citizens by promoting new initiatives and solidarity systems that have proven their worth.



The creation in 2010 of the Ark'ensol association – the name combines "Arkéa" with "sol" for solidarity – makes it possible to bring the solidarity-based initiatives under one roof and extend them to the three Crédit Mutuel Arkéa federations. With an annual capital allocation of nearly €2 million, Ark'ensol focuses its actions from "the neighborhood to the world" and works either directly or in partnership with other institutions and associations.

Ark'ensol's efforts are supported by two specialized associations:

- Ark'ensol Créavenir, which provides financial support for investments made by companies and associations that create sustainable jobs and local development.
- Ark'ensol Entraide, which monitors the systems for aid to distressed borrowers and personal micro-credit, and strives to promote research into solutions for customer shareholders experiencing temporary or recurring difficulties.

Finally, the Group is positioned as a leading financial partner of the public housing sector, notably through public rental housing construction loans (PLS), with terms that are among the most attractive in the market. Armorique Habitat, a specialized public housing subsidiary in Brittany, also promotes the right to housing and social diversity. Arkéa Banque Entreprises et Institutionnels is also strengthening its presence among local authorities and low-income housing (HLM) organizations, with a sharp increase in financing in 2011.







8.1 REGISTERED

company name and **TRADE NAME**

Registered company name and trade name: Crédit Mutuel Arkéa

8.2 COMPANY'S PLACE

of registration and

REGISTRATION NUMBER

Siren number: 775 577 018 Brest Corporate and Trade Register (RCS)

APE Code: 651 D

8.3 COMPANY'S

creation date and **INCORPORATION PERIOD**

The company was created on September 24, 1960 for a period of 99 years, i.e. its registration expires on September 23, 2059.

8.4 COMPANY'S REGISTERED

OFFICE and legal form, legislation governing its activities, country of origin, address and telephone number of its

REGISTERED OFFICE

Registered office: 1 rue Louis Lichou, 29480 Le Relecq-Kerhuon

Telephone: +33 2 98 00 22 22 Fax: +33 2 98 30 52 10

Legal form: Variable credit cooperative with limited liability

Legislation: French incorporated company subject to the following laws:

- Act of September 10, 1947 on cooperatives;
- Act of July 24, 1897 on variable capital companies;
- -Legislative and regulatory measures regarding credit institutions and, in particular, the French Monetary and Financial Code;
- French Commercial Code;
- French Decree of October 16, 1958 and all regulations regarding Crédit Mutuel.

8.5 NATURE OF CONTROL over THE COMPANY

The Group's basic unit is the local savings bank ("Caisse local"). Each local savings bank has a restricted area of operations and its capital is owned by customer shareholders in the form of shares. Crédit Mutuel Arkéa's capital is owned by the local savings banks of the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations. No agreement exists that is likely to result in a change of control in the company.

8.6 LITIGATION and ARBITRATION

As of the publication date of this Registration Document, neither the company nor any other member of the Crédit Mutuel Arkéa Group is or has been involved in any governmental, judicial or arbitration action (including any pending or imminent procedure about which the company has knowledge) that could have, or has had within the past 12 months, a material impact on the financial position or profitability of the company and/or Crédit Mutuel Arkéa Group.

8.7 MAJOR AGREEMENTS

No major agreements (other than agreements entered into as part of the company's ordinary business) have been entered into that could bestow on any member of the Crédit Mutuel Arkéa Group a right or obligation that would have a material effect on the company's ability to fulfill its obligations pursuant to the financial securities issued on behalf of their holders.

8.8 MATERIAL CHANGE

in the **COMPANY'S FINANCIAL SITUATION**

No material change in the company's financial situation has occurred since the end of the last fiscal year, and notably since the approval of the 2011 financial statements by the company's Board of Directors on March 2, 2012.

8.9 AUDIT OF

the ANNUAL HISTORICAL FINANCIAL DATA AND SOURCES OF FINANCIAL INFORMATION appearing in this document

For the 2011 fiscal year:

See the statutory auditors' report for 2011.

For the 2010 fiscal year:

See the statutory auditors' report for 2010.

For the 2009 fiscal year:

See the statutory auditors' report for 2009.

This Registration Document does not include any other information audited by the statutory auditors, and all financial information appearing in this document is taken from the company's audited financial statements.

This Registration Document contains no information from third parties, statements of experts or statements of interest.

8.10 EARNINGS FORECASTS or **ESTIMATES**

This Registration Document contains no earnings forecast or estimate.

8.11 DATE

of most recent **AUDITED FINANCIAL INFORMATION**

The date of the most recent audited financial information is December 31, 2011. This information was certified by the Board of Directors on March 2, 2012 and will be submitted to the Shareholders' General Meeting for approval on May 3, 2012.

No quarterly or interim financial information was published subsequent to the most recent audited financial statements.

8.12 DOCUMENTS on DISPLAY

This document is available on the Crédit Mutuel Arkéa website, www.arkea.com, and the Autorité des Marchés Financiers (AMF) website, www.amf-france.org.

Any person wishing to receive additional information about the Crédit Mutuel Arkéa Group can request documents, without commitment, as follows:

 By writing to: Crédit Mutuel Arkéa – Direction de la communication 29808 Brest Cedex 9
 France • By calling: +33 2 98 00 22 22

Crédit Mutuel Arkéa' regulatory information (in French) can be viewed at: http://www.arkea.com.







9.1 PERSON RESPONSIBLE for the INFORMATION CONTAINED IN THIS DOCUMENT

Ronan Le Moal, Chief Executive Officer of Crédit Mutuel Arkéa.



9.2 STATEMENT

of the person RESPONSIBLE FOR THIS DOCUMENT



After having taken all reasonable measures, I hereby certify that to the best of my knowledge, the information contained in this Registration Document is accurate and factual and there are no omissions that would alter its meaning.

I received from the statutory auditors of the financial statements a work completion letter, in which they state that they have audited the information pertaining to the financial situation and financial statements presented in this Registration Document as well as the overall presentation of the Registration Document.

The historical information related to the fiscal year ended December 31, 2009, which is included for reference purposes in this Registration Document, prompted a report by the statutory auditors of the financial statements that includes a comment. This report appears on page 140 of Registration Document number R.10-046 from June 17, 2010, which is included as a reference.

Their opinion on the consolidated financial statements notwithstanding, the statutory auditors, in their report, called attention to the "Accounting Policies" note in the Notes to the financial statements, which presents changes in accounting methods related to the application of IAS 1 amended "Presentation of financial statements" and IFRS 8 "Operating segments."

Relecq Kerhuon, April 10, 2012

Ronan Le Moal, Chief Executive Officer of Crédit Mutuel Arkéa

STATUTORY AUDITORS



The company's 2011 consolidated financial statements were audited by:

Principal statutory auditors:

Mazars

61, rue Henri Regnault

Exaltis

92075 La Défense Cedex

France

Represented by Franck Boyer and Charles de Boisriou

Start of initial appointment term: 1976

Expiration of current appointment term: December 31, 2014

The decision to renew the appointment term of Mazars represented by Franck Boyer was made on April 23, 2009 for a six-year period. Co-signed for 2011

and

Deloitte & Associés

185, avenue Charles de Gaulle

BP 136

92524 Neuilly-sur-Seine Cedex

France

Represented by Jean-Marc Mickeler Start of initial appointment term: 2007

Expiration of current appointment term: December 31, 2014

The decision to renew the appointment term of Deloitte & Associés represented by Jean-Marc Mickeler was made on April 23, 2009 for a six-year period.

Alternate statutory auditors:

Charles de BOISRIOU, 61, rue Henri Regnault Exaltis

92075 La Défense Cedex

France

Start of initial appointment term: 2009 Resignation on December 15, 2011

The decision to appoint Charles de Boisriou was made on April 23, 2009 for a six-year period.

and

Société BEAS
7-9, villa Houssay
92524 Neuilly-sur-Seine C

92524 Neuilly-sur-Seine Cedex

France

Represented by Pascal Pincemin Start of initial appointment term: 2009

Expiration of current appointment term: December 31, 2014

The decision to appoint Société Beas was made on April 23, 2009 for a six-year period.

The company's 2010 consolidated financial statements were audited by:

Principal statutory auditors:

Mazars

61, rue Henri Regnault

Exaltis

92075 La Défense Cedex

France

Represented by Franck Boyer Start of initial appointment term: 1976

Expiration of current appointment term: December 31, 2014

The decision to renew the appointment term of Mazars represented by Franck Boyer was made on April 23, 2009 for a six-year period.

and

Deloitte & Associés

185, avenue Charles de Gaulle

BP 136

92524 Neuilly-sur-Seine Cedex

France

Represented by Jean-Marc Mickeler Start of initial appointment term: 2007

Expiration of current appointment term: December 31, 2014

The decision to renew the appointment term of Deloitte & Associés represented by Jean-Marc Mickeler was made on April 23, 2009 for a six-year period.

Alternate statutory auditors:

Charles de BOISRIOU, 61, rue Henri Regnault

Exaltis

92075 La Défense Cedex

France

Start of initial appointment term: 2009

Expiration of current appointment term: December 31, 2014

The decision to appoint Charles de Boisriou was made on April 23, 2009 for a six-year period.

and

Société BEAS 7-9, villa Houssay

92524 Neuilly-sur-Seine Cedex

France

Represented by Pascal Pincemin Start of initial appointment term: 2009

Expiration of current appointment term: December 31, 2014

The decision to appoint Société Beas was made on April 23, 2009 for a six-year period.

The company's 2009 consolidated financial statements were audited by:

Principal statutory auditors:

Mazars

61, rue Henri Regnault Exaltis 92075 La Défense Cedex

France

Represented by Franck Boyer Start of initial appointment term: 1976

Expiration of current appointment term: December 31, 2014

The decision to renew the appointment term of Mazars represented by Franck Boyer was made on April 23, 2009 for a six-year period.

and

Deloitte & Associés 185, avenue Charles de Gaulle BP 136 92524 Neuilly-sur-Seine Cedex France

Represented by Jean-Marc Mickeler Start of initial appointment term: 2007

Expiration of current appointment term: December 31, 2014

The decision to renew the appointment term of Deloitte & Associés represented by Jean-Marc Mickeler was made on April 23, 2009 for a six-year period..

Alternate statutory auditors:

Charles de BOISRIOU, 61, rue Henri Regnault Exaltis 92075 La Défense Cedex France

Start of initial appointment term: 2009

Expiration of current appointment term: December 31, 2014

The decision to appoint Charles de Boisriou was made on April 23, 2009 for a six-year period.

and

Société BEAS 7-9, villa Houssay 92524 Neuilly-sur-Seine Cedex France

Represented by Pascal Pincemin Start of initial appointment term: 2009

Expiration of current appointment term: December 31, 2014

The decision to appoint Société Beas was made on April 23, 2009 for a six-year period.

Resignation or dismissal of statutory auditors during the period covered by the historical financial information

In order to prepare for the change to a new chief auditor for Mazars, Franck Boyer and Charles de Boisriou co-signed the Group's 2011 financial statements. As a result, Charles de Boisriou resigned as alternate statutory auditor on December 15, 2011.





STATUTORY AUDITORS' REPORT on the CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2011

Statutory Auditors' report on the consolidated financial statements for the year ended December 31, 2011

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.

This report also includes information relating to the specific verification of information given in the Group's management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ladies and Gentlemen.

In compliance with the assignment entrusted to us by your annual General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2011, on:

- the audit of the accompanying consolidated financial statements of Crédit Mutuel Arkéa Company;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

I - Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2011 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

II - Justification of our assessments

The accounting estimates used in the preparation of the consolidated financial statements as at December 31, 2011 were made in a context of uncertainty, arising as a result of the sovereign debt crisis of some eurozone countries (most notably in Greece). This crisis is accompanied by an economic and also a liquidity crisis resulting in a lack of visibility concerning economic prospects.

In that context and in accordance with the requirements of article L.823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

Business combinations

During the year ended, your group acquired the Schelcher Prince Gestion company, provisionally allocating the cost of acquisition using the purchase method as required by revised IFRS 3 and as described in note « Main changes in scope of consolidation » from the Scope of consolidation and criteria, « Accounting for acquisitions and goodwill » from the Consolidation principles and in note 45 to the consolidated financial statements. In this context, we examined the methods used for identifying and measuring assets, liabilities, contingent liabilities and goodwill recorded at the acquisition date.

Impairment provisions for credit and counterparty risk

Crédit Mutuel Arkéa records impairment provisions to cover the credit and counterparty risk inherent to its business, as described in notes « Loans and receivables due from financial institutions and customers » from the Accounting principles and evaluation methods applied, 5, 6, 8 and 37 to the consolidated financial statements. We examined the control procedures applicable to monitoring credit and counterparty risk, impairment testing methods and determining individual and portfolio-based impairment losses.

Measurement of financial instruments

Crédit Mutuel Arkéa uses internal models and methodologies to measure its positions on financial instruments which are not traded on active markets, as well as to determine certain provisions and assess whether hedging designations are appropriate. We examined the control procedures applicable to identifying inactive markets, verifying these models and determining the inputs used.

Impairment of available-for-sale assets

Crédit Mutuel Arkéa recognises impairment losses on availablefor-sale assets where there is objective evidence of a prolonged or significant decline in value, as described in notes 4 and 8 to the consolidated financial statements. We examined the control procedures relating to the identification of such evidence, the valuations of the most significant captions, and the estimates used, where applicable, to record impairment losses.

Goodwill impairment tests

Crédit Mutuel Arkéa carried out impairment tests on goodwill which did not lead to the recording of impairment losses during the year ended 31 December 2011, as described in notes « Accounting for acquisitions and goodwill » from the Consolidation principles and 16 to the consolidated financial statements. We examined the methods used to implement these tests and the main assumptions and inputs used. We also reviewed the determination and accounting treatment of goodwill.

Insurance

Some technical items specific to insurance companies of the Group, such as technical provisions, are estimated in the prescribed manner and using actuarial techniques. The methods of valuation and the amounts involved are described in notes « Accounting principles for insurance » from the Accounting principles and evaluation methods applied, 22, 34 and 34a to the consolidated financial statements. We examined the consistency of all assumptions and calculations used models as well as compliance assessments obtained with the requirements of the regulatory and economic environment.

Deferred tax assets

Crédit Mutuel Arkéa recognised deferred tax assets during the year, notably in respect of tax loss carry forwards, as described in note 10 to the consolidated financial statements. We examined the main estimates and assumptions used to record these deferred tax assets.

Provisions for employee benefits

Crédit Mutuel Arkéa raises provisions to cover its employee benefit obligations, as described in notes 23, 23a and 35c to the consolidated financial statements. We examined the method adopted to measure these obligations, as well as the main assumptions and inputs used.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III - Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

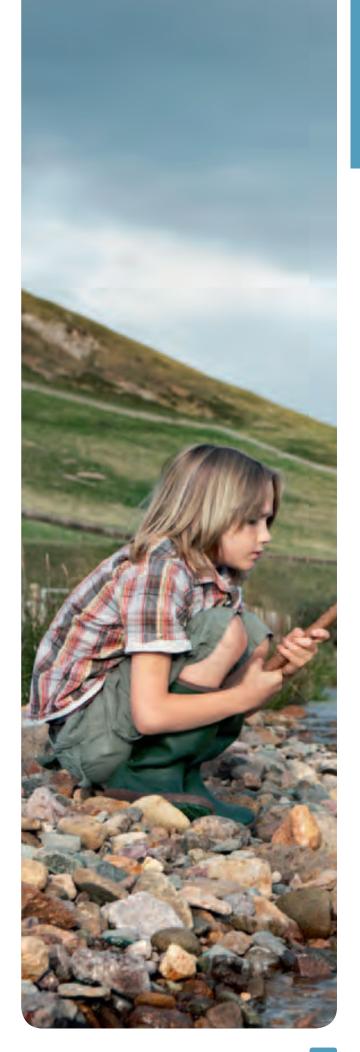
We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, on April 2, 2012

The Statutory Auditors - French original signed by

DELOITTE & ASSOCIES MAZARS

Jean-Marc MICKELER Franck BOYER/ Charles de BOISRIOU





AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS,

prepared in accordance with

Article L. 225-235 of the

FRENCH COMMERCIAL CODE



Year ended December 31, 2011

Ladies and Gentlemen,

As the statutory auditors of Crédit Mutuel Arkéa, we hereby submit our report on the report prepared by your company's Chairman in accordance with Article L. 225-235 of the French Commercial Code for the year ended December 31, 2011.

The Chairman is responsible for preparing a report — and submitting it to the Board for approval — on the company's internal control and risk management procedures and providing the other disclosures required by the French Commercial Code article on corporate governance mechanisms.

We are responsible for:

- providing you with our observations on the disclosures in the Chairman's report regarding internal control and risk management procedures for the preparation and processing of accounting and financial information; and
- certifying that the report contains the other disclosures required under the French Commercial Code article, although it is not our responsibility to attest to the accuracy of these additional disclosures.

We have conducted our audit in accordance with French generally accepted auditing standards.

Disclosures regarding internal control and risk management procedures for the preparation and processing of accounting and financial information

Professional auditing standards require us to take steps to determine the accuracy of the disclosures provided on internal control and risk management procedures related to the preparation and processing of accounting and financial information in the Chairman's report.

These steps include:

- reviewing the internal control and risk management procedures for the preparation and processing of accounting and financial information underlying the disclosures presented in the Chairman's report as well as existing documentation;
- reviewing the work done to prepare these disclosures and the existing documentation;
- determining whether any major internal control errors or omissions related to the preparation and processing of accounting and financial information that we may have detected during our audit are adequately disclosed in the Chairman's report.

On the basis of our audit, we have no observations to make regarding the disclosures provided on the company's internal control and risk management procedures for the preparation and processing of accounting and financial information in the Chairman's report under the provisions of the French Commercial Code article.

Other disclosures

We certify that the Chairman's report contains the other disclosures required under the French Commercial Code article.

Neuilly-sur-Seine and Courbevoie, April 2, 2012

The auditors

DELOITTE & ASSOCIES MAZARS

Jean-Marc MICKELER Franck BOYER/ Charles de BOISRIOU

SPECIAL REPORT OF THE STATUTORY AUDITORS on REGULATED AGREEMENTS AND COMMITMENTS

Shareholders' General Meeting to approve the financial statements for the year ended December 31, 2011



Ladies and Gentlemen,

As the statutory auditors of your company, we hereby submit our report on regulated agreements and commitments.

It is our responsibility to communicate to you, on the basis of information provided to us, the basic characteristics, terms, and conditions of agreements and commitments brought to our attention or discovered by us during the course of our audit, without expressing an opinion on their usefulness and merit or seeking to discover the existence of any other agreements and commitments. It is your responsibility under Article R. 225-31 of the French Commercial Code to determine whether these agreements and commitments are in the company's interest and should be approved.

It is also our responsibility, where applicable, to provide you with the disclosures required under Article R. 225-31 of the French Commercial Code on the implementation during the past year of agreements and commitments previously approved by the Shareholders' General Meeting.

We have taken the steps we felt were necessary in order to comply with the professional standards promulgated by the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) on this subject. These steps consisted of verifying the consistency of disclosures supplied to us with the underlying documents from which they were drawn.

Agreements and commitments submitted to the shareholders' general meeting for approval

Agreements and commitments authorized during the past fiscal year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements and commitments authorized in advance by your Board of Directors.

Tax Consolidation Agreement

Nature and purpose:

On January 28, 2011, the Board of Directors approved the expansion of the scope of consolidation to include Arkéa Banque Entreprises et Institutionnels, Foncière Investissement, Novélia, Arkéa Banking Services (formerly ProCapital Banking Services), Arkéa SCD (formerly Euro Arkéa 1), Arkéa Assistance (formerly Euro Arkéa 2), Monext, Monext Holding, Leasecom Group, Leasecom, Leasecom Financial Assets, and Leasecom Car beginning January 1, 2011, as well as the conclusion of tax consolidation agreements with these companies governing the allocation and payment of taxes.

Persons concerned:

Michel Gourtay, a director of Crédit Mutuel Arkéa and a member of the Supervisory Board of Arkéa Banque Entreprises et Institutionnels.

Albert Le Guyader, a director of Crédit Mutuel Arkéa and Arkéa Banque Entreprises et Institutionnels.

Jean-Pierre Corlay and Daniel Gicquel, directors of Crédit Mutuel Arkéa and Arkéa SCD.

Ronan Le Moal, Chief Executive Officer of Crédit Mutuel Arkéa and of Arkéa SCD.

Fabrice Bazard, Chairman of Monext Holding; Chairman of the Executive Board of Arkéa Banking Services and Associate Executive Officer of Crédit Mutuel Arkéa.

Christian Touzalin, Vice Chairman of Crédit Mutuel Arkéa and Chairman of the Supervisory Board of Monext.

Jean-Louis Dussouchaud, Chairman of the Supervisory Board of Leasecom Group, Chairman of the Board of Arkéa SCD and a director of Crédit Mutuel Arkéa.

Gérard Bayol, Chairman of the Executive Board of Arkéa Banque Entreprises et Institutionnels, Associate Executive Officer of Crédit Mutuel Arkéa and a director of Leasecom Group.

Jacques Enjalbert, Chairman of the Supervisory Board of Arkéa Banking Services, Vice Chairman of the Supervisory Board of Leasecom Group and a director of Arkéa Banque Entreprises et Institutionnels, Arkéa SCD and Crédit Mutuel Arkéa.

Lionel Dunet, Vice Chairman of the Supervisory Board of Arkéa Banking Services and a director of Crédit Mutuel Arkéa.

Credit Agreement with SOFIPROTÉOL

Nature and purpose:

On March 4, 2011, the Board of Directors was informed that the Group's Credit Committee had recommended that Arkéa Banque Entreprises et Institutionnels should extend credit to Glon, a member of the Sofiprotéol group. Glon had asked to have its short term-debt restructured when it came up for renewal.

On July 1, 2011, the Board of Directors authorized the granting of €15 million in credit to the Sofiprotéol group, via Soprol, bringing its total commitments with this borrower to €104.9 million.

On August 26, 2011, the Board of Directors authorized the granting of €3.472 million in credit to the Sofiprotéol group, via Saipol, bringing its total commitments with this borrower to €107.8 million.

On October 14, 2011, the Board of Directors authorized the granting of €7.8 million in credit to the Sofiprotéol group, via Saipol, bringing its total commitments with this borrower to €100.6 million.

Person concerned:

Jean-Pierre Denis, Chairman of the Board of Crédit Mutuel Arkéa and a director of Sofiprotéol group.

Credit Agreement with the PPR Group

Nature and purpose:

On January 28, 2011, the Board of Directors authorized the granting of €5 million in credit to PPR group, bringing its total commitments with this borrower to €80 million.

Person concerned:

Jean-Pierre Denis, Chairman of the Board of Crédit Mutuel Arkéa and a director of PPR group.

Outsourcing and Support Agreement with Arkéa Capital Partenaire

Nature and purpose:

On May 20, 2011, the Board of Directors authorized the conclusion of an outsourcing and support agreement providing IT, accounting, legal, and financial resources to Arkéa Capital Partenaire.

Persons concerned:

Jean-Pierre Denis, Chairman of the Board of Crédit Mutuel Arkéa and Arkéa Capital Partenaire.

Ronan Le Moal, Chief Executive Officer of Crédit Mutuel Arkéa and a director of Arkéa Capital Partenaire.

Gérard Bayol, Associate Executive Officer of Crédit Mutuel Arkéa and a director of Arkéa Capital Partenaire.

Christian Touzalin, a director of Crédit Mutuel Arkéa and Arkéa Capital Partenaire.

Jacques Enjalbert, a director of Crédit Mutuel Arkéa and Arkéa Capital Partenaire.

In 2011, Crédit Mutuel Arkéa derived revenues of €7,801 from this agreement.

Agreements and commitments without prior authorization

In accordance with articles L. 225-42 and L. 823-12 of the French Commercial Code, we bring to your attention that the following agreements and commitments were not authorized in advance by your Board of Directors.

It is our responsibility to report to you on why the authorization procedure was not followed.

Letter of Acceptance of the Collateral Security Agreement for Local Savings Banks

Nature and purpose:

In the context of recapitalizing the Crédit Mutuel Arkéa group by means of covered bonds issued by Crédit Mutuel Arkéa Public Sector SCF, Crédit Mutuel Arkéa and Arkéa Banque Entreprises et Institutionnels (the 'Collateral Providers') agreed to guarantee these transactions. (This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.)

In 2011, the parties decided to bring the local savings banks into this agreement.

In the context of including the local savings banks as parties to the Collateral Security Agreement, the Board of Directors of Crédit Mutuel Arkéa sought to authorize the letter of acceptance with only two members voting: Mr. Enjalbert and Ms. Letoux, directors of the Morlaix and Matignon local savings banks, respectively.

These two local savings banks were initially to be excluded from the program so as to enable the Board of Directors of Crédit Mutuel Arkéa to give prior authorization. However, Mr. Enjalbert was barred from voting since he is also a director of Arkéa Banque Entreprises et Institutionnels, and the Board therefore could not legally provide prior authorization.

Crédit Mutuel Arkéa subsequently made another attempt to obtain prior authorization. This time, Crédit Mutuel Arkéa sought to include all of the local savings banks, including Morlaix and Matignon, at once. However, every member of the Board of Directors of Crédit Mutuel Arkéa is also a manager or director of one or more other parties to the Collateral Security Agreement (i.e., Arkéa Banque Entreprises et Institutionnels, Crédit Mutuel Arkéa Public Sector SCF or a local savings bank).

Because interested-party directors are not allowed to vote, the Board of Directors of Crédit Mutuel Arkéa could not legally provide prior authorization.

Persons concerned:

Jacques Enjalbert, a director of the Morlaix local savings bank and of Arkéa Banque Entreprises et Institutionnels.

Claudette Letoux, a director of the Matignon local savings bank.

All members of the Board of Directors of Crédit Mutuel Arkéa.

Credit Agreement with the Altrad Group

Nature and purpose:

On August 26, 2011, the Board of Directors was informed that it had been necessary to take emergency steps on July 13, 2011 to evaluate a credit facility application from the Altrad group. Arkéa Banque Entreprises et Institutionnels had been granted an exception to the credit limit so that it could approve an application for €23 million over five years as well as the request to renew the credit lines.

The Board was also informed that since this regulated agreement had not been authorized in advance by the Board of Directors, it would be submitted to the shareholders for approval at the annual Shareholders' General Meeting.

Person concerned:

Jean-Pierre Denis, Chairman of the Board of Crédit Mutuel Arkéa and a director of Altrad group.

Credit Agreement with the Paprec Group

Nature and purpose:

On July 1, 2011, the Board of Directors was informed that it had been necessary to take emergency steps on June 6,

2011 to evaluate a credit facility application from the Paprec group. Arkéa Banque Entreprises et Institutionnels had been granted an exception to the credit limit so that it could approve an application for a guarantee of €6.5 million requested by the Paprec group.

The Board was also informed that since this regulated agreement had not been authorized in advance by the Board of Directors, it would be submitted to the Shareholders's General Meeting for approval.

On August 26, 2011, the Board of Directors was informed that it had been necessary to take emergency steps on July 11, 2011 to evaluate a credit facility application from the Paprec group. Arkéa Banque Entreprises et Institutionnels had been granted an exception to the credit limit so that it could approve an application for a guarantee of €20 million requested by the Paprec group.

The Board was also informed that since this regulated agreement had not been authorized in advance by the Board of Directors, it would be submitted to the Shareholders' General Meeting for approval.

Person concerned:

Jean-Pierre Denis, Chairman of the Board of Crédit Mutuel Arkéa and a director of Paprec group.



Agreements and commitments already approved by the shareholders

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, which were approved by the Shareholders' General Meeting in prior years, continued to be implemented during the past year.

Tax Consolidation Agreement

On December 20, 2002, the Board of Directors authorized the renewal, effective January 1 2003, of the tax consolidation plan agreed to by Crédit Mutuel Arkéa (formerly Caisse Interfédérale de Crédit Mutuel), CEOI-BIE, Crédit Mutuel Home Loans SFH (formerly Eurobretagne VII).

This tax consolidation agreement was expanded to consolidate the following companies for tax purposes beginning January 1, 2009: Suravenir Assurances, Suravenir Assurances Holding (all assets and liabilities transferred to Suravenir Assurances), Banque Privée Européenne, Arkéa Capital Partenaire (formerly Eurobretagne X), Federal Finance Banque, and Federal Finance Gestion

This tax consolidation agreement, whose primary purpose is to determine tax allocations and payments, was signed with each of the subsidiaries on March 6, 2009 after having been authorized by the Board of Directors that same day.

On December 10, 2009, the Board of Directors decided to consolidate Financo for tax purposes beginning January 1, 2010.

This tax consolidation agreement, whose primary purpose is to determine tax allocations and payments, was signed on December 31, 2009.

On October 16, 2009, the Board of Directors decided to consolidate for tax purposes the local savings banks of the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central networks beginning January 1 2010.

This tax consolidation agreement, whose main purpose is to determine tax allocations and payments, was signed with the federations representing the local savings banks on February 9, 2010.

On September 17, 2010, the Board of Directors decided to consolidate Crédit Mutuel Arkéa Public Sector SCF for tax purposes beginning January 1, 2010.

This tax consolidation agreement, whose primary purpose is to determine tax allocations and payments, was signed on November 15, 2010.

Employment Contract

On September 12, 2008, the Board of Directors approved the provisions of the suspension amendment to the employment contract of Jean-Pierre Denis, Chairman of the Board of Crédit Mutuel Arkéa. The employment contract suspension amendment stipulates the following:

- Date of suspension of the employment contract

- Conditions for reappointment upon term expiration
- Inclusion of term of office in the calculation of seniority and for all seniority-related benefits
- Provision of private unemployment insurance while the employment contract is suspended
- Compensation terms and conditions applicable if the contract is rescinded by Crédit Mutuel Arkéa, except in the case of termination for cause (faute grave) or gross negligence (faute lourde); specifically, the amounts owed by law and in accordance with the collective agreement, as well as net supplementary severance compensation equal to 18 months gross salary.

Agreement with CEOI-BIE

In order to enable CEOI-BIE to comply with Banque de France conditions for the revocation of its license, on November 6, 1998 the Board of Directors agreed that Crédit Mutuel Arkéa would guarantee all of CEOI-BIE's off-balance-sheet commitments to third parties beginning January 1, 1999.

No payments were made under this agreement during the past year.

Agreement with Financo

The Board of Directors' meetings of December 5, 1997, July 12, 2002, December 5, 2003, December 3, 2004, and December 2, 2005 authorized Crédit Mutuel Arkéa to subscribe participatory loans issued by Financo in the respective amounts of €2,642,551, €8,475,000, €9,322,500, €4,237,500, €13,940,217, and €20,000,000.

Agreements with Crédit Mutuel Arkéa Public Sector SCF and Arkéa Banque Entreprises et Institutionnels

Collateral Security Agreement

In the context of recapitalizing Crédit Mutuel Arkéa group by means of covered bonds issued by Crédit Mutuel Arkéa Public Sector SCF, Crédit Mutuel Arkéa and Arkéa Banque Entreprises et Institutionnels (the 'Collateral Providers') agreed to guarantee these transactions.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

In 2011, Crédit Mutuel Arkéa posted a charge of €9,204,931 attributable to payments under this agreement.

Agreements with Crédit Mutuel Arkéa Public Sector SCF

Outsourcing and Support Agreement

The purpose of this agreement is to enable Crédit Mutuel Arkéa Public Sector SCF to outsource services and other essential or important operational tasks, as defined by CRBF Regulation No. 97-02 of February 21, 1997 (amended) on internal control of credit institutions and investment firms, to Crédit Mutuel Arkéa.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

In 2011, Crédit Mutuel Arkéa derived revenues of €35,197 from this agreement.

De Facto Pooling Agreement

The purpose of this agreement is to create a de facto pooling between Crédit Mutuel Arkéa Public Sector SCF and Crédit Mutuel Arkéa pursuant to Article 261B of the French General Tax Code (VAT exemption). The agreement provides for the sharing of equipment, office space, and personnel.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

No fund flows took place during the past year under this agreement.

Administrative Agreement

The purpose of this agreement is to assign the daily management of Crédit Mutuel Arkéa Public Sector SCF to Crédit Mutuel Arkéa in accordance with the applicable legal and regulatory provisions, since this company no longer has any employees or resources of its own.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

No fund flows took place during the past year under this agreement.

Calculation Services Agreement

The main purpose of this agreement is to assign the performance of the calculations required under the various agreements signed in the context of the Program to Crédit Mutuel Arkéa.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

No fund flows took place during the past year under this agreement.

Issuer Accounts Agreement

The purpose of this agreement is to assign the opening and

management of Crédit Mutuel Arkéa Public Sector SCF bank accounts to Crédit Mutuel Arkéa.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

No fund flows took place during the past year under this agreement.

Facility Agreement

This is a credit agreement between Crédit Mutuel Arkéa Public Sector SCF, as the lender, and Crédit Mutuel Arkéa, as the borrower.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

In 2011, Crédit Mutuel Arkéa Public Sector SCF granted Crédit Mutuel Arkéa a loan in the context of the Euro mediumterm note (EMTN) program (€750 million on October 7, 2011).

In 2011, Crédit Mutuel Arkéa recorded interest expense of €6,738,253 under this agreement.

Cash Collateral Agreement

The main purpose of this agreement is to provide cash collateral for Crédit Mutuel Arkéa Public Sector SCF.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

No fund flows took place during the past year under this agreement.

Management and Collections Services Agreement

The main purpose of this agreement is to define the conditions under which Crédit Mutuel Arkéa will provide collection services for loans made by Crédit Mutuel Arkéa Public Sector SCF, in accordance with Article L. 515-22 of the French Monetary and Financial Code.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

No fund flows took place during the past year under this agreement.

Dealer Agreement

The main purpose of this agreement is to define the conditions under which Crédit Mutuel Arkéa will place covered bonds issued by Crédit Mutuel Arkéa Public Sector SCF

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

No fund flows took place during the past year under this agreement.

Master Definitions and Construction Agreement

The main purpose of this agreement is to define all of the terms used in documents relating to the Program.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

No fund flows took place during the past year under this agreement.

Hedging Strategy Letter

The main purpose of this letter is to define and implement the interest rate and currency risk hedging strategy.

This agreement was authorized by the Board of Directors on September 17, 2010 and signed on November 15, 2010.

No fund flows took place during the past year under this agreement.

Neuilly-sur-Seine and Courbevoie, April 2, 2012

The Auditors

DELOITTE & ASSOCIES MAZARS

Jean-Marc MICKELER Franck BOYER/ Charles de BOISRIOU







Registration Document cross-reference table

This Registration Document was drafted in accordance with the format in Appendix XI of EC Regulation No. 809/2004 of the European Commission of April 29, 2004, whose sections listed below refer to developments presented in this Registration Document.

	Sections	Pages
1. PERSONS RESPONSIBLE		
1.1. Person responsible for the information contained in the Registration Document	9	160
1.2. Statement of the person responsible for the Registration Document	9	161
2. STATUTORY AUDITORS		
2.1. Statutory auditors for the period covered by the historical financial information	10	164
2.2. Resignation or removal of statutory auditors during the period covered by the historical financial information	10	165
3. RISK FACTORS	4	53
4. INFORMATION ABOUT THE COMPANY		
4. 1. Company history	1	8
4.1.1. Registered name and trade name of the company	8	152
4.1.2. Place of registration and registration number of the company	8	152
4.1.3. Date of incorporation and length of life of company	8	153
4.1.4. Domicile and legal form of the company, legislation governing its activities, country of incorporation, address and telephone number of its registered office	8	153
4.1.5. Recent event specific to the company with respect to the assessment of its solvency	1	20
5. OVERVIEW OF ACTIVITIES		
5.1. Principal activities	1	11
5.1.1. Principal activities of the company	1	11
5.1.2. New product and/or new activity	1	18
5.1.3. Principal markets	1	11, 13
5.1.4. Company's competitive position	NA	NA
6. ORGANIZATIONAL STRUCTURE		
6.1. Description of the Group and company's place within the Group	1	10
6.2. Company's ownership ties within the Group	1	10, 11
7. TREND INFORMATION		
7.1. Declaration on the company's outlook since the date of its most recently audited and published financial statements	3	50
7.2. Trend or event susceptible of influencing the company's outlook for the current year	3	50

	Sections	Pages
8. PROFIT ESTIMATES OR FORECAST	NA	NA
9. ADMINISTRATIVE AND MANAGEMENT BODIES		
9.1. Name, address and function in the company of members of administrative and management bodies	2	24
9.2. Conflicts of interest at the level of administrative and management bodies	2	37
10 MAJOR SHAREHOLDERS		
10.1. Nature of control exercised on the company	8	154
10.2. Arrangements that could result in a change of control of the company	NA	NA
11. FINANCIAL INFORMATION CONCERNING THE COMPANY'S ASSETS AND LIABILITIES, FINANCIAL SITUATION AND PROFITS AND LOSSES		
11.1. Historical financial information	5, 7	85, 137
a) Balance sheet	5, 7	86, 139
b) Income statement	5, 7	87, 141
c) Cash flow statement	5	90
d) Accounting policies and explanatory notes	5	106
11.2. Financial statements	5, 7	85, 137
11.3. Auditing of historical annual financial information	8	155
11.3.1. Statement that the historical financial information has been audited.	8, 11	155, 167
11.3.2. Other information contained in the registration document audited by the statutory auditors.	8	155
11.3.3. Source of financial information contained in the registration document when not taken from the company's audited financial statements	8	155
11.4. Date of most recent audited financial information	8	156
11.5. Interim and other financial information	NA	NA
11.5.1. Quarterly or half yearly financial information since the date of the most recent audited financial statement and audit report	8	156
11.5.2. Interim financial information covering the first six months of the new fiscal year including comparative financial statements and audit report	NA	NA
11.6. Legal and arbitration proceedings	8	154
11.7. Significant change in the company's financial situation	8	155
12. MATERIAL AGREEMENTS	8	154
13. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST	8	155
14. DOCUMENTS ON DISPLAY	8	157

Cross-reference table of the 2011 management report for the Crédit Mutuel Arkéa Group

The information contained in the 2011 annual management report, represented by the sections in the table below, are included in full in this Registration Document.

	Sections	Pages
1. STATUTORY AUDITORS		
1.1. Statutory auditors for the period covered by the historical financial information	10	164
1.2 Report of the statutory auditors on the 2011 consolidated financial statements	11	167
2. RISK FACTORS	4	53
3. OVERVIEW OF ACTIVITIES		
3.1. Principal activities	1	11
3.1.1. Principal activities of the company	1	11
3.1.2. New product and/or new activity	1	18
3.1.3. Principal markets	1	11, 13
3.1.4. 2011 key figures	1	20
4. TREND INFORMATION		
4.1. Declaration on Crédit Mutuel Arkéa's outlook since the date of its most recently audited and published financial statements	3	50
4.2. Trend or event susceptible of influencing Crédit Mutuel Arkéa's company's outlook for the current year	3	50
5. PROFIT ESTIMATES OR FORECAST	8	156
6. ADMINISTRATIVE AND MANAGEMENT BODIES		
6.1. Name, address and function in the Group of members of administrative and management bodies	2	24
6.2. Remuneration policy for officers	2	38
7. FINANCIAL INFORMATION CONCERNING THE COMPANY'S ASSETS AND LIABILITIES, FINANCIAL SITUATION AND PROFITS AND LOSSES		
7.1. Historical financial information	5, 7	85, 137
a) Balance sheet	5, 7	86, 139
b) Income statement	5, 7	87, 141
c) Cash flow statement	5, 7	90
d) Explanatory notes	5, 7	106
7.2. Financial statements	5, 7	85,137
8. COMPANY SOCIAL RESPONSIBILITY	7	143



AML STATEMENT

Dear sirs,

Crédit Mutuel Arkéa is a French regulated bank.

Pursuant to Article L.561-2 of the Monetary and Financial Code, Crédit Mutuel ARKEA is subject to European and French laws and Anti Money Laundering and Terrorist Financing (AMLFT) regulations including identification and customer knowledge, monitoring of financial flows and reporting to TRACFIN(French financial intelligence unit for fighting money laundering and terrorist financing).

Crédit Mutuel Arkéa complies with the legal environments and regulatory provisions concerning the fight against money laundering and terrorism financing. These provisions are consistent with Financial Action Task Force (FATF) recommendations.

To meet its duties, Crédit Mutuel Arkéa has implemented technical and human resources and established an AMLFT policy which is applicable in all branches («Caisses de Crédit Mutuel") and subsidiaries within the Group.

Each affiliate is then responsible for establishing its own operational procedure in line with the general guidelines of the AMLTF Group policy.

The AMLTF Group policy is designed to meet the following objectives:

- Customer or principle identification by requiring an official ID. documentation.
- Monitoring operations to identify and declare to TRACFIN any amount which could come from activities referred to in Article L.561-15 of the Monetary and Financial code.
- Training to employees.
- Internal control system by applying rules shared by all activities.

Furthermore, Crédit Mutuel Arkéa is subject to regular audits by the French regulator (Autorité de Contrôle Prudentiel) which ensures that the bank complies with the French legislation and established policies and procedures.

For additional details about the Group procedure, please refer to:

- Crédit Mutuel Arkéa AML Questionnaire (Wolfsberg Group).
- Crédit Mutuel Arkéa financial institution profile.

Yours faithfully,

Guillaume Hardy Compliance Officer





1, rue Louis Lichou - 29480 Le Relecq-Kerhuon. Ph.: +33 (0)2 98 00 22 22

118, av. Champs-Élysées - 75008 Paris Ph.: +33 (0)1 56 69 76 00



Flash to access all 2011 annual reports of Crédit Mutuel Arkéa and its subsidiaries. Optimized for tablets.