

Commitment, openness, boldness



REGISTRATION DOCUMENT | 2015



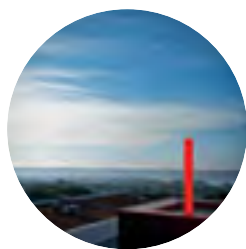
This is a free translation into English of the Resgistration Document and it is provided for the convenience of English speakers users. Only the French version of the Registration document has been submitted to the AMF. It is therefore the only version that is binding in law.

This Registration Document also constitutes the Annual Management Report of the Board of Directors of Crédit Mutuel Arkéa to be presented to the Shareholders' General Meeting held to approve the financial statements for the year ending December 31, 2015.



This Registration Document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers - AMF) on April 08, 2016 in accordance with Article 212-13 of its General Regulations. It may be used in support of a financial transaction if it is accompanied by a transaction memorandum certified by the AMF. This document was prepared by the issuer and is binding on its signatories.

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Journaux
Magazines
Vie d'ici



1

Presentation of Crédit Mutuel Arkéa

- 1.1 Group profile
- 1.2 Crédit Mutuel Arkéa's history
- 1.3 Crédit Mutuel Arkéa business lines
- 1.4 Crédit Mutuel Arkéa's strategy
- 1.5 Highlights 2015
- 1.6 Solidarity relations

1.1 Group profile

A **cooperative banking and insurance company**, Crédit Mutuel Arkéa group comprises the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations as well as approximately 20 specialized subsidiaries, which cover all of the business lines in the financial arena.

As a **producer and distributor**, Crédit Mutuel Arkéa can offer its clients, including individuals and entities in the economic, social and institutional areas, a comprehensive line of banking, financial, asset management and insurance products and services, among others. The group also stands apart through its development of private label banking services on behalf of other financial institutions and payments providers.

A **cooperative and mutual banking institution**, Crédit Mutuel Arkéa is not listed on the stock exchange. It is owned by its customer shareholders, who are both shareholders and customers. The group, which combines a strong financial position and long-term growth strategy, thereby puts its performance to work on behalf of the real economy and the projects of its 3.6 million customers.

As a **regional bank**, Crédit Mutuel Arkéa is committed to keeping its decision-making centers and employment catchment areas at the regional level. This approach based on regional strongholds enables the group to extend its reach throughout France and to other countries.

A NETWORK OF
468 POINTS OF
SALE, including
334 local savings
banks in Brittany,
Southwestern France
and the Massif
Central region

A presence
in Belgium
with Fortuneo Banque and
ProCapital Securities Services.
The group has also entered
into an agreement with Crelan
Group to acquire Keytrade,
the online banking leader in
Belgium. The transaction is
scheduled to be completed
in the first half of 2016

18 REGIONAL
BUSINESS
CENTERS FOR
ARKÉA BANQUE
ENTREPRISES ET
INSTITUTIONNELS

A EUROPEAN-WIDE
PRESENCE THROUGH
MONEXT, the
subsidiary that
specializes in
electronic payments

9 REGIONAL
BRANCHES
FOR LEASECOM

15 BRANCHES
FOR FINANCO

CRÉDIT MUTUEL ARKÉA BUSINESS LINES

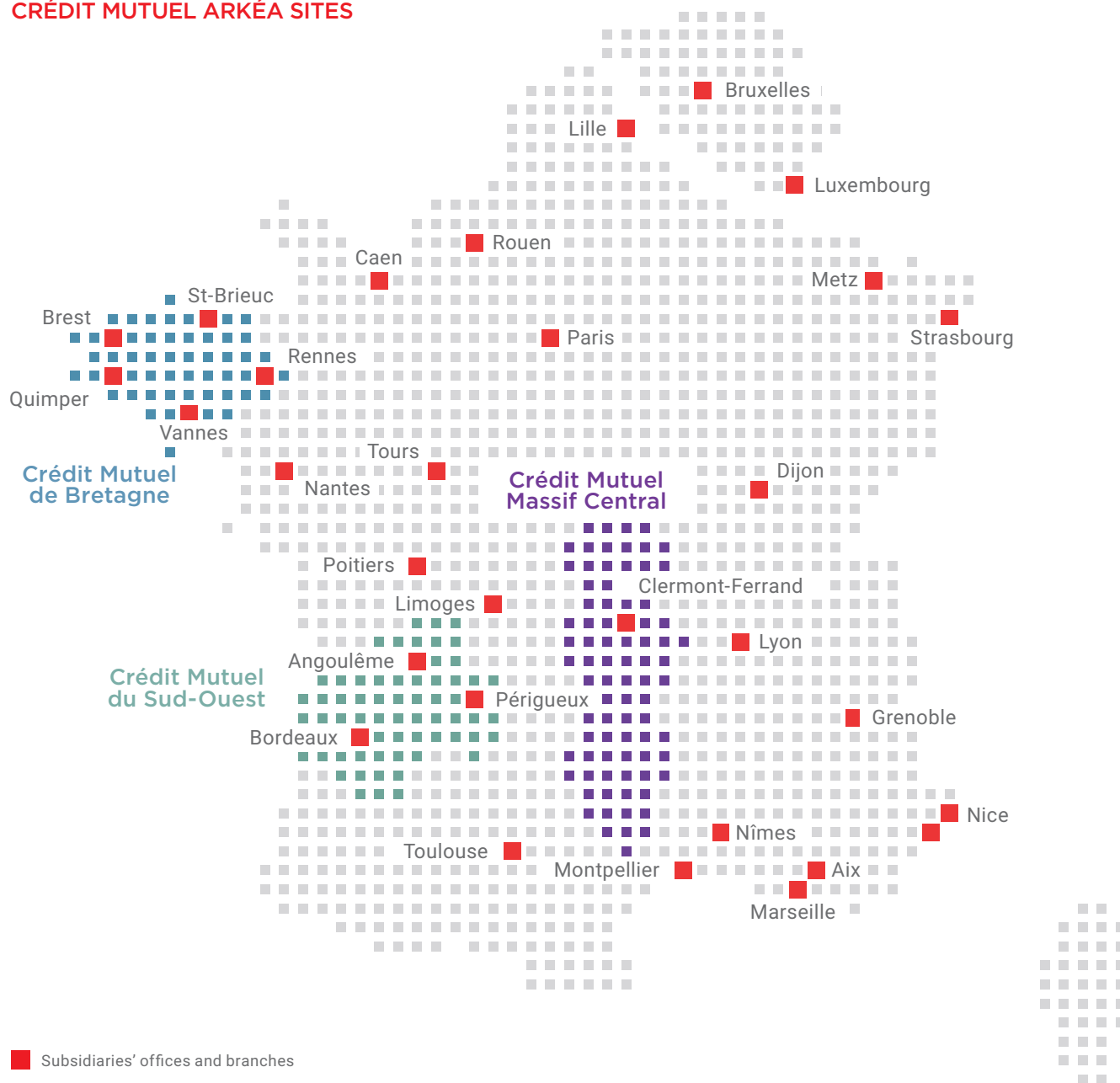
Retail banking for individuals and sole proprietorships



Retail banking for companies and institutions



CRÉDIT MUTUEL ARKÉA SITES



Banking and insurance services production subsidiaries



Subsidiaries specializing in the business-to-business (BtoB) market



Subsidiaries providing non-banking services



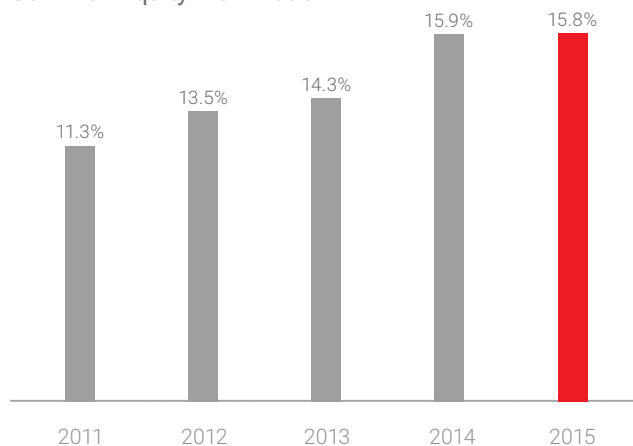
Key figures

(€ millions)

	2011	2012	2013	2014	2015
Net banking and insurance income	1,705	1,668	1,620	1,724	1,780
Gross operating income	514	406	481	531	545
Net income attributable to equity holders of the parent	290	168	213	269	296
Total assets	83,979	90,900	93,969	103,204	110,112
Shareholders' equity attributable to equity holders of the parent	4,016	4,720	5,010	5,463	5,774

Solvency and financial rating

Common Equity Tier 1 ratio



AS OF 12/31/2015		SHORT-TERM RATINGS
Standard & Poor's		A-1
Moody's		P-1
		LONG-TERM RATINGS
Standard & Poor's		A
Moody's		Aa3
		OUTLOOK
Standard & Poor's		Negative
Moody's		Stable



1.2

Crédit Mutuel Arkéa's history

Crédit Mutuel Arkéa's history goes back more than 100 years in Brittany and continues today across all of France and elsewhere in Europe. With an entrepreneurial and open approach, Crédit Mutuel Arkéa has adopted successful strategic orientations at key points in its development.

The first Crédit Mutuel Agricole rural savings banks were inspired by the local German cooperatives created by Frédéric-Guillaume Raiffeisen and established in Brittany, Southwestern France and the Rhône-Alpes region beginning in 1884. In western France, after several years of uneven growth and development that often varied from one city to the next, **the local savings banks in Brittany formed a union in the 1970s and in 1979 created a federation, Crédit Mutuel de Bretagne, covering the entire region.**

In the 1980's, the range of banking and insurance needs of individuals, sole proprietorships and companies became more diverse. Crédit Mutuel de Bretagne provided a competitive solution by becoming both a producer and distributor of its products and services. **Between 1984 and 2000, it thus created its first specialized subsidiaries: Suravenir (life insurance and protection), Suravenir Assurances and Novélia (non-life insurance), Federal Finance (asset management), Arkéa Banque Entreprises et Institutionnels (commercial banking) and Financo (consumer credit).**

In 2002, a solid and diversified group was formed around the three federations: Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest, and Crédit Mutuel Massif Central and some 20 subsidiaries. This step constituted **the creation of Crédit Mutuel Arkéa.**

2008 marked another key moment, as Crédit Mutuel Arkéa adopted the Horizons 2015 strategic business plan. With this plan, the group sought to confirm its prominent role as a locally based banking and insurance company while developing its online activities and services. It also planned to strengthen its position in

the companies and institutions market through a dedicated division. Finally, it looked to provide its expertise, notably in creating banking services and products, to new partners: mass market retail chains, banks, payment institutions, etc.

These major strategic orientations led to the following developments:

- the successful launch of online banking: **Fortuneo Banque** in 2009;
- the creation of new subsidiaries such as **Arkéa Banking Services** (private label banking services), **Arkéa Capital Partenaire** (private equity), **Arkéa Assistance** (remote assistance);
- the acquisitions of **Leasecom** (lease financing), **Monext** (electronic payments), **CFCAL Banque** (credit restructuring), **Schelcher Prince Gestion** (asset management) and the equity investments in **Leetchi** (digital money pot and online payments) and **Primonial** (wealth management). These new areas of expertise all complement and round out the group's other products and services.

In October 2015, the group's Board of Directors adopted a new business plan: "Arkéa 2020". Like its predecessor Horizons 2015, this new strategic business plan is designed to strengthen the group's original purpose, namely to support and finance the real economy while taking full advantage of the group's openness and agility given the changes in its environment. (see page 18)



1.3

Crédit Mutuel Arkéa business lines

As the producer and distributor of its products and services, and backed by the expertise of its specialized subsidiaries, Crédit Mutuel Arkéa offers a comprehensive and competitive line of products and services and distinguishes itself as an essential partner for all its clients.

In a constantly changing environment, Crédit Mutuel Arkéa remains particularly attentive to changing consumer preferences as well as the emergence of new business lines and activities, in particular those due to the digital transformation.

The banking business lines

Retail banking for individuals and sole proprietorships

As the historical business line of Crédit Mutuel Arkéa, retail banking for individuals and sole proprietorships (farmers, skilled tradesmen, merchants, and independent professionals) revolves primarily around the **Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest** and **Crédit Mutuel Massif Central** networks. These three federations, which have more than 4,000 employees, embody Crédit Mutuel Arkéa's local and regional roots. With their dense point of sale network, these federations continue to be the direct and natural link with the 2.3 million customer shareholders and clients.

Since late 2013, the group has experimented with a new local savings bank format in Brittany, Southwestern France and the Massif Central region, thereby clearly demonstrating its commitment to stronger local banking ties with clients. These new bank branches underpin the essential role of the branch as a place

for clients to meet and exchange information with their usual branch advisor while introducing the latest in technology such as self-service touch-screen tablets, video-conferencing, etc.

A pioneer in multi-channel banking, Crédit Mutuel Arkéa uses the Internet and mobile banking as the main drivers of its market penetration strategy alongside its traditional banking channels. Examples include the creation of a dedicated Internet platform aimed at young working people (Tips n'Tricks), the launch of the Paylib payment service, banking apps for connected devices and testing in-store payments via mobile phone and biometric authentication. The success of **Fortuneo Banque** is yet another example, as it ranks among the leaders in its market in both France and Belgium and already has more than 365,000 clients. In 2015, the acquisition of **Leetchi**, which designs online payment solutions for individuals and companies, further strengthens Crédit Mutuel Arkéa's presence in the digital universe and online finance. With more than 5 million customers, leetchi.com is the leader in online money pots in Europe. Mangopay, its other activity, is the leading payment solution for the sharing economy and marketplaces, with more than 900 customer platforms in 22 countries. Leetchi collected €200 million through its various services in 2015. Crédit Mutuel Arkéa also teamed up with Le Télégramme to launch **Kengo**, a crowdfunding platform designed to support projects involving Brittany and its people.

The group has solid expertise in both point-of-sale consumer credit (**Financo**) and credit restructuring and debt consolidation (**CFCAL**: Crédit Foncier et Communal d'Alsace et de Lorraine).





RETAIL BANK FOR INDIVIDUALS AND INDEPENDENT PROFESSIONALS

- Three Crédit Mutuel networks in Brittany, South-western France and the Massif Central region. These networks are supported by specialized teams for the agricultural and wine-producing sectors
- An online bank: Fortuneo Banque
- A developer of online payment solutions: Leetchi
- A crowdfunding platform: Kengo
- A subsidiary specialized in consumer credit: Financo and a subsidiary specialized in credit restructuring: CFCAL.

Retail banking for companies and institutions

Already a leader in retail banking for individuals, Crédit Mutuel Arkéa also provides support to all of the market participants that drive local and regional economic development: companies, local authorities, healthcare organizations, real estate developers, public housing and social welfare agencies, etc.

Crédit Mutuel Arkéa relies on a division built around a commercial bank (**Arkéa Banque Entreprises et Institutionnelles**), which combines all of the expertise dedicated to this clientele. For companies and local authorities, the group offers a broad range of services: financing, cash management and development, leasing with **Arkéa Crédit Bail**, financial engineering and leasing with **Leasecom**, insurance, payments processing, factoring under the **Arkéa Factoring** label, wealth management for business owners, etc.

Arkéa Capital Partenaire is a private equity firm founded in 2011 to provide long-term equity financing to large, unlisted companies. It embodies the strength and conviction of Crédit Mutuel Arkéa's long-term commitment.

Crédit Mutuel Arkéa thereby directly contributes to the maintenance of economic decision-making centers in the regions as well as job creation in promising industrial sectors in its home markets. With €400 million in investment capacity, Arkéa Capital Partenaire supports the owners of promising medium-sized companies with their development projects and succession plans. The subsidiary has already carried out five major transactions on behalf of Le Graët (agribusiness), Paprec (materials recycling), Armor (ink chemistry and printing technologies), Sermeta (manufacture of heat exchangers) and more recently Vivalto Santé (private clinics).

Meanwhile, **Arkéa Capital Investissement**, a complementary business, invests in growth capital and buyout capital transactions involving family-owned and independent companies, with investment amounts ranging from €1 million to €10 million. In 2015,

Arkéa Capital Investissement participated in the fund-raising transactions for Ingéliance (industrial engineering), Mer Montagne Vacances (tourism) and the buyout of FPEE (industrial joinery) by its founder and management team.

More than ever, Crédit Mutuel Arkéa is a partner that supports the public-sector in a challenging economic environment. In 2015, Arkéa Banque Entreprises et Institutionnelles innovated by launching *La Plateforme des Institutionnels*. Based on a crowdfunding model, this digital platform enables local authorities to obtain financing directly from institutional investors who would like to direct their investments toward regional development.



RETAIL BANK FOR COMPANIES AND INSTITUTIONS

- A commercial bank: Arkéa Banque Entreprises et Institutionnelles
- Two specialized subsidiaries: Arkéa Crédit Bail (equipment and real estate leasing) and Leasecom (lease financing)
- Two private equity subsidiaries: Arkéa Capital Partenaire and Arkéa Capital Investissement

Specialized subsidiaries in the Business-to-Business (BtoB) market

Crédit Mutuel Arkéa also forges commercial, technical and even joint venture partnerships with other financial institutions, mass market retail companies, etc.

Despite its short history, this business-to-business activity has grown exponentially within the group, which does not hesitate to position itself as a “partner serving the growth of its competitors,” notably by offering Business Process Outsourcing (BPO) services. For the client company, the outsourcing of business processes deemed non-strategic not only helps to significantly lower that company’s costs but also serves to enhance its competitiveness by allowing it to focus on its core business. These partnerships enable Crédit Mutuel Arkéa to optimize the use of its know-how and support its development both in France and the rest of Europe.

Arkéa Banking Services, the subsidiary that specializes in private label banking services, contributes toward this goal. The successful partnerships with RCI Banque, PSA Finance, Allianz Banque, La Banque Postale and Adyen and Brink’s France are good examples. In 2015, Système U, a leading French retail chain, retained the company to manage the electronic payment flows of its payment institution.

The **ProCapital Securities Services** and **Monext** subsidiaries also use a partnership-based approach. ProCapital Securities Services provides securities services to financial institutions and asset management firms looking for a scalable product line, account-keeping, customer order execution and even the creation of transactional web sites. A leader in its market, Monext specializes in electronic transactions combining technology and

payment services. Its Payline payment solution is one of the most widely used by e-merchants in France, with more than 340 million transactions per year.

Since 2011, Crédit Mutuel Arkéa has also teamed up with Banque Accord, a subsidiary of Auchan Group, to manage an electronic money platform under the **Armoney** brand.

Other subsidiaries develop business-to-business activity and distribute their products through external networks (Suravenir, Suravenir Assurances...).



SPECIALIZED SUBSIDIARIES FOR THE B-TO-B MARKET

- A private label banking services subsidiary: Arkéa Banking Services
- A securities services provider: ProCapital Securities Services
- An electronic payments specialist: Monext
- An electronic money GIE with Banque Accord: Armoney

Insurance and asset management business lines

The creation of insurance and asset management subsidiaries starting in the 1980's enabled the group to accelerate its development. In their respective business areas, Suravenir, Suravenir Assurances, Novélia, Federal Finance, Arkéa Capital Gestion and Primonial allow the Crédit Mutuel Arkéa distribution networks to offer comprehensive, high-quality services. These services are also marketed through non-group networks and online.

Life insurance and protection insurance

Suravenir is among the leading French providers of life insurance and protection insurance. It has more than €34 billion in life insurance assets under management and €34 billion in net amount at risk. Suravenir specializes in the design, production and management of life insurance policies (individual and group life insurance), protection insurance (borrower's insurance, temporary death benefits) and company retirement savings. Its policies are marketed by many distribution partners: bank networks, Internet, independent wealth management advisors, brokers, etc.

Non-life insurance

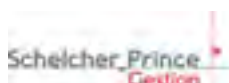
Suravenir Assurances covers all the non-life insurance needs of individuals: home and accidental death and disability, auto, motorcycle, healthcare, home care, etc. It manages more than 2 million policies for 600,000 customers. A wholesale insurance broker, **Novélia** provides business risk coverage and designs insurance products for mass market and major business accounts. Its products are distributed by more than 3,400 insurance brokers and general agents throughout France.

Asset and wealth management

Federal Finance (which changed its name to Arkéa Investment Services in 2016) is Crédit Mutuel Arkéa's asset management company. This subsidiary offers investment funds, discretionary management services, company savings plans and tax planning solutions for individuals, companies and institutions in the form of FCPI (innovation) and FIP (local investment) mutual funds. It is backed by two management companies: **Federal Finance Gestion** and **Schelcher Prince Gestion**, the latter specializing in convertible and high-yield bonds. Federal Finance also offers a wealth management service under the **Arkéa Banque Privée** name for clients located in the Brittany, Southwestern France and Massif Central regions. In early 2015, Federal Finance and OFI Asset Management jointly created **Swen Capital Partners**, which

specializes in investments in socially responsible unlisted companies. Crédit Mutuel Arkéa is also a shareholder of **Primonial**, a leading wealth management firm for individuals in France. Primonial selects and designs wealth management solutions in an open architecture. It has more than €11.7 billion in assets under management for some 40,000 clients.

Arkéa Capital Gestion rounds out the asset management activities. Working with Arkéa Capital Investissement, it manages FCPR funds, i.e. mutual funds at least 50%-invested in unlisted shares



INSURANCE AND ASSET MANAGEMENT SUBSIDIARIES

- A life insurance and protection insurance subsidiary: Suravenir
- A non-life insurance subsidiary: Suravenir Assurances
- An insurance solutions product development and brokerage subsidiary: Novélia
- An asset management subsidiary: Federal Finance (which changed its name to Arkéa Investment Services in 2016) Two affiliated fund management companies: Federal Finance Gestion and Schelcher Prince Gestion
- A wealth management company: Primonial
- A portfolio management company: Arkéa Capital Gestion

Non-banking activities

Crédit Mutuel Arkéa also provides services in non-banking areas through its subsidiary **Arkéa Assistance**, which specializes in providing remote assistance to individuals. It has more than 10,000 subscribers. This innovative company was the first in France to launch a remote assistance app for smartwatches. The service is marketed nationwide. In late 2015, the group added to its range of services by launching **Arkéa Sécurité**, a remote surveillance service aimed at individuals.

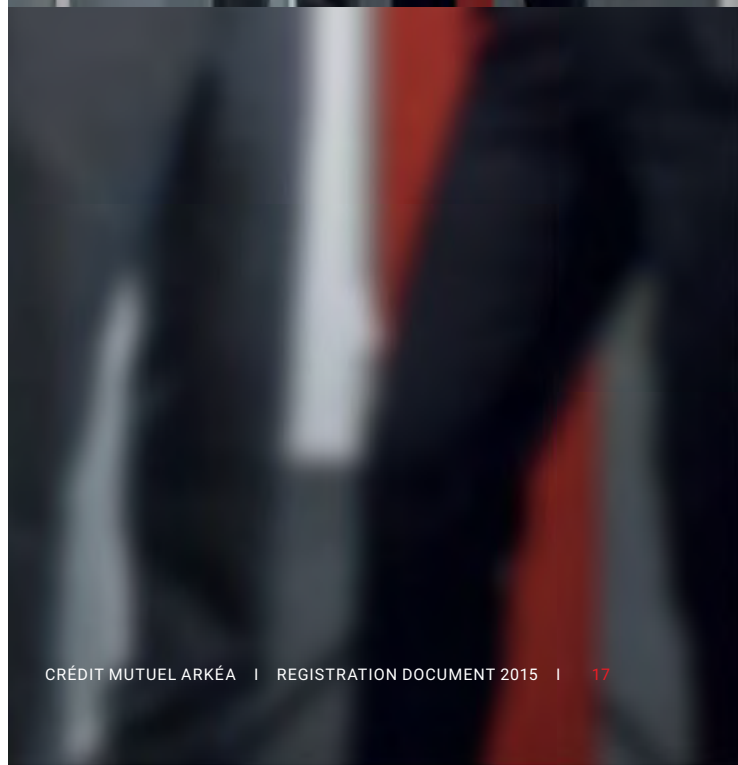
In an entirely different field, **Arkéa Immobilier Conseil** selects real estate new construction and renovation products and programs throughout France on behalf of the networks of the three federations. These products and programs are eligible for the main preferential tax treatment provisions.

Lastly, **Armorique Habitat**, a public housing company, manages an inventory of more than 6,000 units that it owns in Brittany.



NON-BANKING ACTIVITIES

- A remote assistance subsidiary: Arkéa Assistance
- A remote surveillance subsidiary: Arkéa Sécurité
- A real estate investment advisory subsidiary: Arkéa Immobilier Conseil
- A public housing company: Armorique Habitat



1.4

Crédit Mutuel Arkéa's strategy

2015 marked the culmination of Horizons 2015, the strategic business plan launched in 2008. Under this plan, Crédit Mutuel Arkéa charted a remarkable course while strengthening its economic and financial position, as illustrated by the comparison of key indicators below.

	As of 12.31.2008	As of 12.31.2015	Change
Client portfolio	2.9 million	3.6 million	+ 24%
Group employees	7,327	8,643	+ 18%
Outstanding loans	€29.4 billion	€44.8 billion	+ 52%
Savings	€46.3 billion	€86.4 billion	+ 87%
Non-life and protection insurance portfolio	1.03 million contracts	1.95 million contracts	+ 89%
Net banking and insurance income	€1.08 billion	€1.78 billion	+ 65%
Total assets	€69 billion	€110.1 billion	+ 59%
Shareholders' equity	€2.6 billion	€5.8 billion	+ 123%

In October 2015, the group adopted a new business plan: "Arkéa 2020." The plan aims to strengthen the group's position as the "Entrepreneur for banking and insurance" through four main strategic orientations:

- **advise and equip retail clients**, transitioning from a model of banking distribution to a "financial coaching" concept. Launch a new retail banking concept that combines the best of brick-and-mortar and online banking;
- **strengthen the group's positioning as the go-to partner in its home regions** and supporter of ecosystems, notably with the establishment of a function dedicated to supporting digital entrepreneurship;
- **as a producer of banking and insurance products, continue to diversify its distribution networks** through partnerships or even

acquisitions of niche players to extend its product and service lines, notably in the services area;

- **take advantage of its unique positioning in France and the euro zone as a third-party service provider by** expanding its product and service lines to better serve existing clients and win new ones. The goal is to strengthen its role as a compiler of skills.

Lastly, socially responsible development (i.e. corporate social responsibility) lies at the heart of the Arkéa 2020 plan, with an action plan that seeks to strengthen the group's presence in innovative sectors that foreshadow the economy of tomorrow: energy transition, circular economy, sharing economy and societal entrepreneurship.

1.5 Highlights 2015

January

Partnership Federal Finance Gestion and OFI Asset Management joined forces to create Swen Capital Partners, which specializes in Socially Responsible Investment (SRI) in unlisted companies. SWEN Capital Partners has nearly €2.5 billion in assets and 16 employees through two partner firms.

CSR Created in 2011 and based in Trégueux, the startup NewWind received €1.150 million in financing from its historical partners and Crédit Mutuel de Bretagne. NewWind captures and transforms kinetic energy into clean and sustainable electricity. This fund-raising will enable the deployment of the first Wind Trees, a tree-shaped generation system in which each leaf is a mini turbine, at companies and governmental authorities in France as well as in Germany and Switzerland.

February

Digital Suravenir and the Altaprofits.com platform distribute Digital Vie, a new online life insurance policy. Together with Chatel Gestion, the Crédit Mutuel Arkéa subsidiary also launched Ethic Vie, an online life insurance policy with an ethical investment component. The subscriber can choose from a range of SRI funds, sharing funds, etc.

March

Innovation Crédit Mutuel Arkéa launched an app for smart-watches, which enables clients of the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations who have the corresponding devices to check their main current account and savings account balances and transactions.

Startup Crédit Mutuel de Bretagne renewed its support for the start-up Amarok Biotechnologies, with financing totaling €100,000. This financing will support the Saint-Malo laboratory's international commercial launch of an innovative procedure aimed at improving wine production in the blending stage.

April

Real estate The management of Primonial, a leader in wealth management for individuals in France, and Crédit Mutuel Arkéa announced the signature of a memorandum of agreement with the funds BlackFin Capital Partners and Latour Capital, under which they would jointly acquire equity interests in Primonial Holding. Management will own just over one-third of Primonial's equity alongside Crédit Mutuel Arkéa, while the investment funds will own approximately 20%.

Distinctions Novélia, Suravenir, Fortuneo and several group subsidiaries were recognized for the quality of their products. Novélia received the Label of Excellence for Accidental Death and Disability from *Dossiers de l'Épargne* for its "e.nov Coup Dur" product. Meanwhile, Suravenir Assurances received three labels of excellence for its homeowners, auto, and accidental death and disability products. Suravenir, the life insurance and protection insurance subsidiary, received 11 labels of excellence from *Les Dossiers de l'Épargne* as well as five "Trophées d'or 2015" from *Le Revenu*. Fortuneo was awarded the 2015 Oscar from Gestion de Fortune for the best online life insurance policy as well as the best life insurance policy in the €1 billion to €5 billion asset range. Fortuneo also won the Qualiweb 2015 award for "Best online customer relations" for the second year in a row in the Bank/Finance category.

May

Innovation Arkéa Assistance, the remote assistance subsidiary of Crédit Mutuel Arkéa, is the first market participant to offer a video function for smartwatches. This innovation further enhances the line of remote assistance services for elderly and isolated people. Arkéa Assistance also entered into a partnership with La Poste, under which mail carriers will install its remote assistance system in certain customer homes.

Real estate The group acquired a 5% equity interest in the real estate firm Nexity. With this transaction, Crédit Mutuel Arkéa backs up an initial investment made in conjunction with Nexity's managers and confirms its development strategy in the real estate sector. The group already has a solid presence in this sector, notably through its subsidiary Arkéa Banque Entreprises et Institutionnels.

June

Partnership Système U, a leading French mass market retailer, retained Arkéa Banking Services, a subsidiary of Crédit Mutuel Arkéa, to manage the electronic flows of its payment institution. Arkéa Banking Services designs and markets private label banking solutions. The national corporate office of Système U thereby becomes the first mass market retailer to have its own payment institution. The chain's merchant members now have a single, centralized administrative system to process all bank card payments.

Crowdfunding Kengo.bzh, the crowdfunding platform for Brittany-related projects was officially launched. This project is a joint initiative between Crédit Mutuel Arkéa and Télégramme. Kengo enables Internet users to support projects related to Brittany and its people in five departments (Finistère, Côtes-d'Armor, Morbihan, Ille-et-Vilaine and Loire-Atlantique).

Fintech Crédit Mutuel Arkéa participated in the first fund-raising for Yomoni, a start-up that is launching an innovative, entirely online advisory and asset allocation service. It targets first-time savers in particular. By taking an equity interest in this young company, Crédit Mutuel Arkéa reaffirms its position as a leading banking partner in the "Fintech" ecosystem.

Partnership Arkéa Banque Entreprises et Institutionnels along with Euler Hermes, the global leader in credit insurance, signed a distribution agreement for a comprehensive line of services to French companies. These services satisfy the companies' financing challenges and protect their receivables with French and international customers. Arkéa Banque Entreprises et Institutionnels clients will thereby be protected against the risk of unpaid invoices through a credit insurance policy adapted to their coverage needs and receivables risk.

July-August

Payment With Paylib, clients of the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations have a new simple and secure payment solution to make online purchases without having to disclose bank account information. To validate their purchases, they simply select the Paylib icon at the time of purchase. Identification is verified by smartphone and a security code, with no bank account information revealed. The bank retains all of the information at its level and verifies the identity of the payer through the secure mobile device.

September

Partnership Crédit Mutuel Arkéa signed a new agreement for the assignment of a Bpifrance guarantee to very small-, small- and medium-sized businesses. It enables the local savings banks of the Crédit Mutuel de Bretagne, Crédit Mutuel Massif Central and Crédit Mutuel du Sud-Ouest federations as well as the business centers of Arkéa Banque Entreprises et Institutionnels to receive the Bpifrance guarantee for loans up to €200,000 and aimed at financing business start-ups, business transfers, development strategies and liquidity support.

Fintech Crédit Mutuel Arkéa acquired an 86% equity interest in Leetchi, a developer of online payment solutions for individuals and companies. With more than 5 million customers, leetchi.com is the leading provider of online money pots in Europe. Meanwhile, Mangopay is the leading payments solution for the sharing economy and marketplaces, with more than 900 customer platforms in 22 countries. Crédit Mutuel Arkéa is further strengthening its positioning in the Fintech sector, thereby capitalizing on the complementary services offered by these new finance market players.

Local presence The Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations are offering two new bank savings accounts: "La vie d'ici Innovation" and "La vie d'ici Jeunes Agris". As their names indicate, these new products illustrate the local roots and regional commitment of the group and its three federations. The savings deposited into these accounts will go toward financing loans to innovative companies and young farmers in the corresponding regions.

CSR The 11 Socially Responsible Investment (SRI) funds offered by Federal Finance Gestion received the "Novethic 2015 SRI label", which is given to funds whose management systematically incorporates environmental, social and governance (ESG) criteria. Created in 2009, this label has become a seal of quality recognized throughout Europe.

October

Strategy The Board of Directors of Crédit Mutuel Arkéa adopted the group's new strategic business plan. Named Arkéa 2020, it continues the course set under the Horizons 2015 plan, notably calling for the launch of a new retail banking concept that combines the best of brick-and-mortar and online banking as well as the establishment of a dedicated digital entrepreneurship function to strengthen the group's positions in its home regions.

CSR Ark'ensol, the association to promote Crédit Mutuel Arkéa's solidarity-based initiatives, and the Association pour le Droit à l'Initiative Economique (ADIE), signed an amendment to their partnership agreement, which makes it possible to provide a grant to project initiators. Business creators who receive ADIE backing and have a professional account at Crédit Mutuel de Bretagne will qualify for additional grant financing. This support will strengthen the beneficiaries' financing, typically the venture's start-up treasury.

Mobile payment Crédit Mutuel Arkéa is testing, for the first time in France, in-store payments using a mobile telephone with biometric authentication. Bank account information is replaced with single-use data, as a digital bank card is generated for each payment. A simple and secure swipe reflects changing customer practices with respect to mobile technology. The deployment is planned for 2016.

November

Company Arkéa Capital Investissement acquired an equity interest in Ingéliance and invested €4 million to support the growth projects of this industrial engineering company. Ingéliance, which has 480 employees and annual revenues of €32 million, operates through 14 sites in France, has offices in Germany and Singapore and supports several growth projects in France and abroad.

CSR To support farmers with their energy transition approach, Crédit Mutuel de Bretagne and Arkéa Crédit Bail combined their know-how and offered a turnkey financing solution adapted to each farm. The co-generation unit may be financed entirely or in part through a lease or, additionally, through a conventional loan. In 2015, Crédit Mutuel Arkéa financed one-half of all co-generation units installed in Brittany.

December

Company Arkéa Capital Partenaire supported the growth of Vivalto Santé, a leading operator of private clinics in France, with nearly 1,000 healthcare professionals working in 14 clinics and serving approximately 300,000 patients annually. By supporting regional companies with strong growth potential, Arkéa Capital Partenaire seeks to promote the economic vitality of the regions and help to maintain employment and decision-making centers at the regional level. Arkéa Capital Partenaire has previously made four major investments in Le Graët, Paprec, Sermeta and Armor.

Crowdfunding Arkéa Banque Entreprises et Institutionnels innovated by launching "La Plate-forme des Institutionnels." This digital platform applies crowdfunding principles and enables local authorities to obtain financing directly from institutional investors who would like to direct their investments toward regional development.

Online banking Crédit Mutuel Arkéa and Crelan, the Belgian cooperative bank, entered into exclusive negotiations for Crédit Mutuel Arkéa to acquire all of the activities of Keytrade, the online banking leader in Belgium. Keytrade Bank has more than 200,000 clients and offers online sight accounts and savings accounts, life insurance policies and asset management. For Crédit Mutuel Arkéa, this major transaction furthers the group's development strategy in the online banking and digital financing services market.



1.6

Solidarity relations

Crédit Mutuel Arkéa's solidarity mechanism is interfederal, in accordance with Article R.511-3 of the French Monetary and Financial Code. This article stipulates that the French Prudential Supervisory and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution - ACPR) 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 ACPR felt that the liquidity and solvency of the local savings banks were 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 against that specific local savings bank, and not indiscriminately against another savings bank or Crédit Mutuel Arkéa.

As part of this solidarity mechanism, a federal 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 to those that have experienced an extraordinary loss.

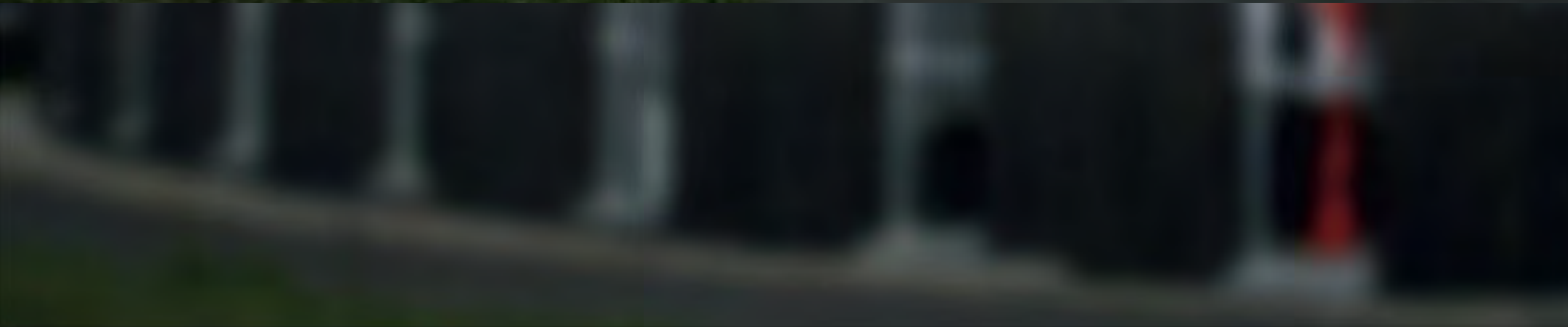
Each year, the federation determines the level of contributions to this fund. The federal reserve fund is administered by the federation. The requests it receives for financial support are reviewed by a committee consisting of directors.

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

Crédit Mutuel is also subject to the French Monetary and Financial Code, and in particular to Articles L.511-30 to L.511-32 on central bodies and L.512-55 to L.512-59 on Crédit Mutuel. The membership of the regional groups (second level of the organization) in the Confédération and Caisse Centrale du Crédit Mutuel (third level) ensures national cohesiveness and solidarity.

As the central body, the Confédération Nationale du Crédit Mutuel represents member credit institutions on matters involving the Banque de France, the Prudential Control and Resolution Authority (ACPR) and the European Central Bank. 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.





2

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 of officers and directors

2.1

Board of Directors of Crédit Mutuel Arkéa

Crédit Mutuel Arkéa adheres to the AFEP-MEDEF Code and the governance guidelines for cooperative and mutual companies.

The directors of Crédit Mutuel Arkéa are elected by the Shareholders' General Meeting by and from among the 3,600 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' general meetings of the local savings banks according to the cooperative principle of one-person, one-vote. There is no procedure to grant multiple voting rights.

This electoral system, with an electoral body consisting of all of our 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. Pursu-

ant 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 2015 Shareholders' General Meeting held to elect Crédit Mutuel Arkéa's directors, approve its financial statements and review the compensation of officers, directors and material risk takers had an 86% attendance rate.

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

As of December 31, 2015, the Board of Directors comprised the following members.

Jean-Pierre DENIS,

Chairman of Crédit Mutuel Arkéa, 55 Initial appointment: September 12, 2008 – term expires: 2018

Other positions held at Crédit Mutuel Arkéa

- Chairman of Fédération du Crédit Mutuel de Bretagne
- Director of Caisse de Crédit Mutuel de Cap Sizun

of which, positions at subsidiaries

- Chairman of SAS Château Calon Ségur

Other positions held outside of Crédit Mutuel Arkéa

- Director of Altrad Investment Authority
- Director of Paprec holding

- Director of NewPort until June 30, 2015
- Director of Soprol until March 20, 2015
- Director of Avril Gestion
- Director of Nexity since July 23, 2015
- Director and treasurer of the French Professional Soccer League
- Director of JLPP Invest SAS

of which, position at listed company

- Director of Kering

Jean-François DEVAUX,

Vice Chairman of Crédit Mutuel Arkéa, 68 Initial appointment: June 11, 2004 – term expires: 2017

Other positions held at Crédit Mutuel Arkéa

- 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

of which, positions at subsidiaries

- Chairman of Supervisory Board of Arkéa Banque Entreprises et Institutionnels

- Representative of Crédit Mutuel Arkéa on the Board of Directors of Suravenir Assurances

Other position held outside of Crédit Mutuel Arkéa

- Director of Association de Prévoyance Collective et d'Assurance Santé

Christian TOUZALIN,

Vice Chairman of Crédit Mutuel Arkéa, 65 Initial appointment: July 5, 1996 – term expires: 2018

Other positions held at Crédit Mutuel Arkéa

- 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

of which, positions at subsidiaries

- Chairman of the Board of Directors of Suravenir Assurances

- Chairman of the Supervisory Board of Monext
- Director of Arkéa Capital Partenaire

Other positions held outside of Crédit Mutuel Arkéa

- Chairman of SMAM IARD

François CHATEL,

Director of Crédit Mutuel Arkéa, 64 Initial appointment: May 6, 2015 – term expires: 2018

Other positions held at Crédit Mutuel Arkéa

- Vice Chairman of Caisse de Crédit Mutuel de Rennes Maurepas
- Non-voting member of Board of Directors of Crédit Mutuel Arkéa until May 6, 2015

of which, positions at subsidiaries

- Director of Arkéa Capital Partenaire
- Member of Supervisory Board of Arkéa Banque Entreprises et Institutionnels

- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Procapital Securities Services

Other positions held outside of Crédit Mutuel Arkéa

- Chairman of ESC Rennes (Association)
- Chairman of the Oscars of Ille et Vilaine (Association)
- Director of Novincie (Association)

Jean-Luc CUEFF,

Director representing employees of Crédit Mutuel Arkéa, 49 Appointed by Central Works council: October 2, 2014 - term expires: 2017

- Employee of Caisse de Crédit Mutuel de Douarnenez – Tréboul
-

Christian DAVID,**Director of Crédit Mutuel Arkéa, 66** Initial appointment: October 16, 2009 – term expires: 2016**Other positions held at Crédit Mutuel Arkéa**

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

of which, positions at subsidiaries

- Director of Suravenir Assurances
- Director of Arkéa Capital Investissement

Lionel DUNET,**Director of Crédit Mutuel Arkéa, 62** Initial appointment: May 22, 1996 – term expires: 2018**Other position held at Crédit Mutuel Arkéa**

- Director of Caisse de Crédit Mutuel de Saint-Brieuc Centre Ville

of which, position at subsidiaries

- Vice Chairman of Arkéa Banking Services

Other positions held outside of Crédit Mutuel Arkéa

- Member of Conseil National de l'Ordre des Architectes
- Vice Chairman of Conseil des Architectes Européens (AEC/CAE)
- Managing Partner of SARL Architecture Dunet et Associés

Jean-Louis DUSSOCHAUD,**Director of Crédit Mutuel Arkéa, 70** Initial appointment: May 22, 1996 – term expires: 2017**Other positions held at Crédit Mutuel Arkéa**

- Vice Chairman of Fédération du Crédit Mutuel du Sud-Ouest
- Vice Chairman of Caisse Régionale du Crédit Mutuel du Sud-Ouest until May 6, 2015
- Director of Caisse de Crédit Mutuel de Pessac Centre

of which, positions at subsidiaries

- Chairman of Supervisory Board of Novélia

- Chairman of Supervisory Board of Arkéa SCD

- Chairman of Supervisory Board of Leasecom

- Member of Supervisory Board of Arkéa Crédit Bail

Other position held outside of Crédit Mutuel Arkéa

- Director of Confédération Nationale du Crédit Mutuel

Jacques ENJALBERT,**Director of Crédit Mutuel Arkéa, 69** Initial appointment: September 12, 2008 – term expires: 2017**Other positions held at Crédit Mutuel Arkéa**

- Chairman of Caisse de Crédit Mutuel de Morlaix Saint-Martin des Champs until May 31, 2015
- Director of Caisse de Crédit Mutuel de Morlaix Saint-Martin des Champs since May 31, 2015

of which, positions at subsidiaries

- Chairman of the Supervisory Board of Procapital Securities Services
- Chairman of Supervisory Board of Arkéa Banking Services
- Chairman of the Supervisory Board of Arkéa Bourse Retail
- Vice Chairman of the Board of Directors of Arkéa Capital Investissement
- Vice Chairman of Supervisory Board of Leasecom
- Member of Supervisory Board of Arkéa Banque Entreprises et Institutionnels, until April 8, 2015

- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Arkéa Crédit Bail since February 27, 2015

- Member of the Supervisory Board of Arkéa Crédit Bail until February 27, 2015

- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Monext since April 3, 2015

- Member of the Supervisory Board of Monext until April 3, 2015

- Director of Arkéa Capital Partenaire

- Director of Arkéa SCD

Other positions held outside of Crédit Mutuel Arkéa

- Director of Confédération Nationale du Crédit Mutuel

- Permanent representative of Arkéa Capital Partenaire on the Board of Directors of Le Graët

Jean-Yves EOZENOU,**Director of Crédit Mutuel Arkéa, 65** Initial appointment: April 25, 2013 – term expires: 2016**Other positions held at Crédit Mutuel Arkéa**

- Director of Fédération du Crédit Mutuel de Bretagne
- Director of Caisse de Crédit Mutuel de Plabennec Bourg-Blanc

of which, position at subsidiaries

- Chairman of the Board of Directors of Arkéa Assistance

Daniel GICQUEL,**Director of Crédit Mutuel Arkéa, 65** Initial appointment: May 23, 2008 – term expires: 2017**Other positions held at Crédit Mutuel Arkéa**

- Vice Chairman of Fédération du Crédit Mutuel de Bretagne
- Vice Chairman of Caisse de Crédit Mutuel de Redon

of which, positions at subsidiaries

- Director of Arkéa Capital Investissement
- Director of Arkéa SCD

Michel GOURTAY,**Director of Crédit Mutuel Arkéa, 64** Initial appointment: September 12, 2008 – term expires: 2016**Other position held at Crédit Mutuel Arkéa**

- Director of Caisse de Crédit Mutuel de Le Relecq-Kerhuon

of which, positions at subsidiaries

- Member of Supervisory Board of Arkéa Banque Entreprises et Institutionnels

Other positions held outside of Crédit Mutuel Arkéa

- Vice Chairman of Brest Métropole
- Deputy Chairman of Amitiés d'Armor (Association)

Marie-Thérèse GROUSSARD,**Director of Crédit Mutuel Arkéa, 58** Initial appointment: September 12, 2008 – term expires: 2017**Other position held at Crédit Mutuel Arkéa**

- Vice Chairman of Caisse de Crédit Mutuel de Fougères

of which, positions at subsidiaries

- Chairman of Supervisory Board of Suravenir
 - Director of Arkéa Capital Partenaire
-

Auguste JACQ,**Director of Crédit Mutuel Arkéa, 68** Initial appointment: May 12, 2006 – term expires: 2018**Other positions held at Crédit Mutuel Arkéa**

- Vice Chairman of Fédération du Crédit Mutuel de Bretagne
- Director of Caisse de Crédit Mutuel de Loctudy

of which, positions at subsidiaries

- Director of Arkéa Home Loans SFH

- Director of Arkéa SCD since April 13, 2015
- Chairman of Ark'ensol Créavenir association
- Chairman of Créavenir Bretagne association
- Director of Ark'ensol association

Nadine LE MARRE,**Director representing employees of Crédit Mutuel Arkéa, 48** Appointment by Central Works Council: October 2, 2014 - term expires: 2017

- Employee of Banking services department, credit transactions in Rennes

Hugues LEROY,**Director of Crédit Mutuel Arkéa, 68** Initial appointment: May 17, 2002 – term expires: 2017**Other positions held at Crédit Mutuel Arkéa**

- Director of Fédération du Crédit Mutuel de Bretagne
- Director of Caisse de Crédit Mutuel de Pacé-Vezin

of which, positions at subsidiaries

- Chairman of Board of Directors of Fortuneo Banque
- Vice Chairman of Supervisory Board of Arkéa Bourse Retail
- Vice Chairman of Supervisory Board of Procapital Securities Services

Claudette LETOUX,**Director of Crédit Mutuel Arkéa, 69** Initial appointment: May 11, 2001 – term expires: 2018**Other positions held at Crédit Mutuel Arkéa**

- Vice Chairman of Fédération du Crédit Mutuel de Bretagne
- Chairman of Caisse de Crédit Mutuel de Matignon until March 19, 2015
- Vice Chairman of Caisse de Crédit Mutuel de Matignon since March 19, 2015

of which, positions at subsidiaries

- Director of Financo
- Vice Chairman of Créavenir Bretagne association
- Director of Ark'ensol Créavenir association

Christian PERON,

Director of Crédit Mutuel Arkéa, 65 Initial appointment: September 12, 2008 – term expires: 2016

Other positions held at Crédit Mutuel Arkéa

- Director of Fédération du Crédit Mutuel de Bretagne
- Chairman of Caisse de Crédit Mutuel de Bannalec
- Chairman of Caisse de Bretagne de Crédit Mutuel Agricole (CBCMA)

of which, position at subsidiaries

- Permanent representative of Caisse de Bretagne de Crédit Mutuel Agricole on the Supervisory Board of Suravenir

Other positions held outside of Crédit Mutuel Arkéa

- Director of Crédit Mutuel Agricole et Rural (CMAR)
 - Vice Chairman of Board of Directors of Paysan Breton (SAS)
-

Colette SENE,

Director of Crédit Mutuel Arkéa, 56 Initial appointment: May 6, 2015 – term expires: 2018

Other positions held at Crédit Mutuel Arkéa

- Director of Fédération du Crédit Mutuel de Bretagne
- Chairman of Caisse de Crédit Mutuel de Malestroit-Sérent

of which, position at subsidiaries

- Director of Suravenir Assurances
-

Raymond VIANDON,

Director of Crédit Mutuel Arkéa, 66 Initial appointment: April 21, 2011 – term expires: 2017

Other positions held at Crédit Mutuel Arkéa

- Director 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 Castillon la Bataille

of which, position at subsidiaries

- Director of Financo
-

Director having ceased to exercise his functions following the 2015 Shareholders' General Meeting

Albert LE GUYADER,

Director of Crédit Mutuel Arkéa until May 6, 2015, 71 Initial appointment: September 12, 2008

Other position held at Crédit Mutuel Arkéa

- Director of Caisse de Crédit Mutuel de Lorient-Porte des Indes

of which, positions at subsidiaries

- Chairman of the Supervisory Board of Arkéa Crédit Bail until April 8, 2015
- Chairman of the Supervisory Board of Arkéa Foncière until May 6, 2015

- Member of the Supervisory Board of Arkéa Banque Entreprises et Institutionnels until April 8, 2015

- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Leasecom until May 8, 2015

Other position held outside of Crédit Mutuel Arkéa

- Director of Association pour la Gestion de la Formation des Salariés des PME en Bretagne (AGEFOS)
-

2.2

Other officers and directors



Ronan LE MOAL,
Chief Executive Officer of Crédit Mutuel Arkéa,
43

Other positions held at Crédit Mutuel Arkéa

- Chief Executive Officer of Arkéa SCD and permanent representative of Crédit Mutuel Arkéa
- Member of the Supervisory Board of GIE Armoney
- Director of Leetchi until September 18, 2015

Other positions held outside of Crédit Mutuel Arkéa

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Crédit Mutuel Cartes de Paiements
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Ophiliam Développement Conseil
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Tikehau Capital Advisors
- Independent director of BuyWay (Belgium)
- Director of Y Capital (smartangels)
- Director of Kepler Financial Partners until October 16, 2015

A graduate of HEC, Ronan Le Moal joined Crédit Mutuel de Bretagne in 1995 in the General Organization, before moving to the Management Control department, which he headed up starting in 2000. In 2001 he was appointed Chief Technical and Financial Officer of Suravenir, the life insurance subsidiary of Crédit Mutuel Arkéa. In 2005 he became the Chief Executive Officer of Symphonis, which in 2007 merged with the online brokerage company Fortuneo. Before his appointment to the position of Chief Executive Officer of Crédit Mutuel Arkéa in 2008, Ronan Le Moal was Chairman of the Executive Boards at Fortuneo and at Procapital Securities Services, the subsidiary offering securities services to financial institutions.



Dominique ANDRO,
Associate Executive Officer of Crédit Mutuel Arkéa,
56

Other positions held at Crédit Mutuel Arkéa

- Chairman of Arkéa Home Loans SFH
- Chairman of Arkéa Public Sector SCF
- Chairman of Crédit Foncier et Communal d'Alsace et de Lorraine - Banque
- Chairman of Crédit Foncier et Communal d'Alsace et de Lorraine – SCF

- Member of Supervisory Board of GIE Armoney
- Chairman of Executive Board of Arkéa Bourse Retail
- Chairman of the Supervisory Board of Leetchi since September 18, 2015

Other position held outside of Crédit Mutuel Arkéa

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Linxo

Dominique Andro is a graduate of Ecole des Hautes Etudes d'Ingénieur de Lille (HEI). After three years at Crédit Lyonnais, Dominique Andro joined the Crédit Mutuel de Bretagne IT research department in 1987 and was subsequently appointed Chief Administrative and Financial Officer of Crédit Mutuel du Sud-Ouest in 1994. After returning to Brittany in 1998, he held a series of management positions, including retail client marketing, managing the unit covering the French department of Finistère and managing banking products and services. In 2003, he was appointed, successively, Head of Human Resources and Associate Executive Officer. Since November 2008, he has managed Crédit Mutuel Arkéa's "Specialized Networks" division, which comprises in particular the online banking (Fortuneo Banque), consumer credit (Financo) and credit consolidation (Crédit Foncier et Communal d'Alsace Lorraine Banque) activities. In November 2012, he also headed up the group's BtoB activities with the Arkéa Banking Services (private label banking), ProCapital Securities Services (securities services) and Monext & Armoney (electronic money) subsidiaries, which were combined within an expanded entity that has become the "Specialized Networks and Services" division.



Humbert de FRESNOYE,
Associate Executive Officer of Crédit Mutuel Arkéa,
62

Other positions held at Crédit Mutuel Arkéa

- Chairman of the Board of Directors of Schelcher Prince Gestion
- Chairman of SASP
- Director of SAS Château Calon Ségur

Other positions held outside of Crédit Mutuel Arkéa

- Member of the Supervisory Board of Ophiliam Développement Conseil
- Permanent representative of Suravenir on the Supervisory Board of Patrimoine et Commerce

Humbert de Fresnoye is a graduate of Institut des Actuaire with a statistics degree from the University of Paris. After working as an actuary at CNP's Assurances Individuelles from 1979 to 1981, he joined Mutuelles du Mans in 1981 as Division Manager. In 1986, he headed up Suravenir, the life insurance subsidiary of Crédit Mutuel Arkéa. He was an Associate Executive Officer of Crédit Mutuel de Bretagne from 1992 to 2001, then Chief Executive Officer of Crédit Mutuel de Bretagne from 2001 to 2006 and, finally, Chief Executive Officer of Compagnie Financière du Crédit Mutuel from 2006 to 2008. Since 2008, in his capacity as the Head of the "Products" Division at Crédit Mutuel Arkéa, he has been responsible for all of the group's insurance (Suravenir, Suravenir Assurances and Novélia), asset management (Federal Finance, Schelcher Prince Gestion), real estate (Arkéa Immobilier Conseil), private wealth management (Arkéa Banque Privée, Primonial) and personal services (Arkéa Assistance and Arkéa Sécurité) activities.



Gérard BAYOL,
Associate Executive Officer of Crédit Mutuel Arkéa,
62

Other positions held at Crédit Mutuel Arkéa

- Chairman of Executive Board of Arkéa Banque Entreprises et Institutionnels
- Permanent representative of Arkéa Banque Entreprises et Institutionnels on the Board of Directors of Arkéa Public Sector SCF

Other positions held outside of Crédit Mutuel Arkéa

- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Polylogis SAS
- Permanent representative of Crédit Mutuel Arkéa on the Supervisory Board of Tikehau Investment Management
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of Newport since August 26, 2015
- Non-voting member, representative of Crédit Mutuel Arkéa on the Board of Directors of SA HLM Coopérer pour Habiter
- Non-voting member of the Board of Directors of Nexity since July 23, 2015
- Permanent representative of Crédit Mutuel Arkéa on the Board of Directors of SEM d'Animation Économique au Service des Territoires until October 16, 2015

Gérard Bayol is a graduate of HEC and began his career as a commercial attaché in the French embassy in Venezuela. He later joined Crédit Commercial de France, where he was responsible for the branches in, successively, Caracas, Rio de Janeiro, Madrid and London. In 1993, he joined Crédit Local de France, first as the General Manager of the Spanish subsidiary, then in France as a member of the Executive Board of Dexia Project & Public Finance and as a member of the Executive Committee of Dexia Crédit Local. From 2001 to 2005, he was Managing Director of Dexia Crediop Spa in Italy. From 2006 to 2008, he was Chief Executive Officer of Dexia Crédit Local France. Since 2009, he has been an Associate Executive Officer of Crédit Mutuel Arkéa responsible for the "Companies and Institutions" division.





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 has been prepared in accordance with the provisions of article L.225-37 of the French Commercial Code, which specify that for companies whose 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. In particular, the appended report must list the procedures used to prepare and process the accounting and financial information for the parent company financial statements and, where applicable, the consolidated financial statements. The provisions of article L.225-56 of the French Commercial Code notwithstanding, this report also describes any limitations placed by the Board of Directors on the powers of the Chief Executive Officer.

The preparation of the report is coordinated by the Crédit Mutuel Arkéa Corporate Secretariat and Institutional Communications department, which, in addition to its function of providing continuous support for the work and tasks of the Board, also performs the corporate secretarial functions for the Strategy and Societal Responsibility Committee of the Crédit Mutuel Arkéa Board of Directors. To prepare this report, the Corporate Secretariat and Institutional Communications department also receives contributions from:

- the group Internal Audit and Periodic Control department responsible for the corporate secretary function of the Board of Directors' Audit and Risks Committee;
- the Accounting department responsible for the corporate secretary function for the Financial Statements Committee;
- the Human Resources and Training Department responsible for the corporate secretary function of the Compensation Committee.

The Chairman's Report integrated in Crédit Mutuel Arkéa's 2015 Registration Document was verified by the statutory auditors and reviewed by the Board of Directors. It will be presented to the April 21, 2016 Shareholders' General Meeting for a vote of approval by shareholders (local savings banks of the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations).

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

The Board of Directors comprises 20 directors:

- 18 directors (3 women and 15 men) representing customer shareholders, elected by the member savings banks and shareholders as part of the Shareholders' General Meeting;
- 2 directors (1 woman and 1 man) representing employees, appointed by the Central Works Council;
- Up until the 2015 Shareholders' General Meeting, the Board of Directors had a position for a non-voting member. The person occupying that position, François Chatel, is now a voting member of the Board of Directors and the position of non-voting member has not been filled.

At the end of the 2015 Shareholders' General Meeting, the Board of Directors had one more female member, Colette Sene, compared with the previous year.

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 local savings banks affiliated with Fédération du Crédit Mutuel Massif Central.

On May 15, 2009, the members of the Board of Directors elected, **Jean-Pierre DENIS** as Chairman of the Board. He was reelected Chairman of the Board of Directors of Crédit Mutuel Arkéa on May 3, 2012 and again on May 7, 2015.



Currently an Inspector of Finance, **Jean-Pierre Denis** is a graduate of HEC, the Institut d'Etudes Politiques de Paris and the Ecole Nationale d'Administration. He also holds a master's degree in law and a master's degree in economics (University of Paris II). After exercising prominent responsibilities in the highest echelons of France's civil service (Deputy General Secretary to the President of the French Republic) and corporate world (Chairman and Chief Executive Officer of Dalkia and later Oséo), he joined Crédit Mutuel Arkéa in October 2007 as Executive Vice Chairman. Since 2008, he has served as the Chairman of Crédit Mutuel Arkéa and of Fédération du Crédit Mutuel de Bretagne.

Pursuant to Article L 511-58 of the French Monetary and Financial Code and the position of the French Prudential Supervisory and Resolution Authority, the functions of Chairman of the Board of Directors and Chief Executive Officer of Crédit Mutuel Arkéa are segregated.

The Chairman alone is authorized to act in the name of the Board of Directors and speak on its behalf. Working closely with the Chief Executive Officer, he may represent Crédit Mutuel Arkéa in its high-level relations, notably with leading clients, partners and the governmental authorities at the regional, national and international levels. The Chairman orients the group's strategy and sponsors the Company's Societal Responsibility as part of the Arkéa 2020 business plan. This initiative consists of four main areas (energy transition, circular economy, sharing economy and societal entrepreneurship).

The Board of Directors also has two Vice Chairmen, Jean-François Devaux, the Chairman of Fédération du Crédit Mutuel Massif Central, and Christian Touzalin, the Chairman of Fédération du Crédit Mutuel du Sud-Ouest, who may represent Crédit Mutuel Arkéa if so authorized by the Chairman.

The Board does not have a Senior Independent Director.

A representative of the Central Works Council also participates, with a deliberative voice, in 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;
- independent thinking and absence of any conflicts of interest;
- execution of most savings and credit transactions through the group;
- maintenance of confidentiality regarding the deliberations.

The Board of Directors of Credit Mutuel Arkéa has adopted a 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 are the driving force behind the business model and the employees who make it work on a daily basis.

This Charter :

- frames the catalyst role assigned to the federations within the cooperative movement;
- specifies the Chairman's role with respect to organizing the work of the Board of Directors at Crédit Mutuel Arkéa, the highest-ranking governance body of the movement;
- is binding on each director as an invested contributor;
- affirms and structures the linkage between the Board of Directors and Executive Management.

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.

Preparation and organization of the work

The Board of Directors met 10 times in 2015 (compared with nine times in 2014). The directors had a meeting attendance rate of 94% (compared with 91% in 2014).

The Board of Directors uses the resources of Crédit Mutuel Arkéa's Corporate Secretariat and Institutional Communications department in order to prepare and organize its meetings. The meeting agenda is determined by the Chairman after consulting with the Chief Executive Officer.

Jean-Pierre Denis chaired the 10 Board of Directors' meetings. The meetings were attended by directors as follows:

	2015	2014
François CHATEL	90%	89%
Jean-Luc CUEFF	90%	100%
Christian DAVID	100%	89%
Jean-Pierre DENIS	100%	100%
Jean-François DEVAUX	70%	56%
Lionel DUNET	70%	78%
Jean-Louis DUSSOCHAUD	100%	100%
Jacques ENJALBERT	100%	100%
Jean-Yves EOZENOU	90%	100%
Daniel GICQUEL	100%	89%
Michel GOURTAY	90%	56%
Marie-Thérèse GROUSSARD	90%	89%
Auguste JACQ	100%	100%
Albert LE GUYADER (*)	100%	89%
Nadine LE MARRE	90%	100%
Hugues LEROY	100%	100%
Claudette LETOUX	100%	100%
Christian PERON	100%	100%
Colette SENE (**)	100%	N/A
Christian TOUZALIN	100%	89%
Raymond VIANDON	100%	100%

(*) Member of the Board until May 6, 2015

(**) Member of the Board since May 6, 2015

One week prior to a meeting, each director receives a file with all the items to be reviewed and discussed by the Board. The Chairman also provides all other Board members with the information, including sensitive information, regarding the group's activity.

The Board of Directors' meetings focused primarily on:

- monitoring global economic, banking and financial news and internal events directly affecting the group;
- monitoring the various business activities, 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 business plan;
- reviewing and approving the "Arkéa 2020" strategic business plan, including its CSR aspects;
- monitoring ongoing developments involving the Confederation;
- making decisions with respect to mergers and acquisitions, equity investments and divestments. The Board of Directors was informed of the various partnerships concluded and planned transactions that were not finalized despite the outlay of resources;
- adapting the prudential framework and applicable limits for the group and all its entities;
- reviewing the Annual Report on Internal Control of the Company and the group;
- adopting regulatory changes leading to stronger internal controls (permanent control, periodic control and compliance);
- performing the annual review of the anti-money-laundering and terrorism financing activity, including being notified of recommendations of the French Prudential Supervisory and Resolution Authority and related work;
- making the appointments that are the responsibility of the Board.

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

In 2015, two dedicated training sessions were offered to Crédit Mutuel Arkéa directors. Each session lasted half a day. They covered a variety of topics pertaining to the determination of net banking and insurance income and credit risk. The previous year's training focused on asset quality reviews, risks, ratings and refinancing mechanisms. To enable Board members to further improve their knowledge and skills, the Arkéa 2020 business plan calls for strengthening the training programs for directors.

In December, the Board of Directors also met in a two-day seminar in order to discuss the following matters:

- organization and operation of the Board of Directors. The key issues of Board expertise and diversity (gender and other) were carefully reviewed by the directors to enable the creation of a Crédit Mutuel Arkéa Board of Directors that fully satisfies regulatory requirements. Gender parity on the Board of Directors and the addition of independent directors are key elements of the Arkéa 2020 strategic business plan;
- the formal review of the operation of the Board of Directors. First performed in 2012 through a self-assessment, the review was assigned in 2015 to an outside consulting firm. At the seminar, the consulting firm presented the issues addressed by its approach and methodology chosen. The individual interviews were conducted later in December after the seminar. The results of this assignment are presented below.

The specialized committees

Five specialized committees also help to perform the Board's work. Each committee has its own Operating Charter, which determines the body's missions and organizational methods.

1. The Strategy and Societal Responsibility Committee is charged with guiding Crédit Mutuel Arkéa's deliberations and help the Board of Directors with its work. Its role consists of:

- guiding the group's strategic deliberations;
- ensuring that Societal Responsibility is fully integrated into the group's strategy;
- assisting the Board of Directors of Crédit Mutuel Arkéa with its work.

In 2015, it met five times (six times in 2014). The average attendance rate during the year was 95%, with the following individual attendance rates:

2015	
François CHATEL (*)	67%
Jacques ENJALBERT (Chairman)	100%
Auguste JACQ	100%
Albert LE GUYADER (**)	100%
Hugues LEROY	100%

(*) Committee member only since May 22, 2015

(**) Committee member only until May 6, 2015

Numerous matters were discussed during the year. They included:

- monitoring the progress of the new Arkéa 2020 strategic business plan as well as the group's new action plan regarding Corporate Social Responsibility.
- preparing a status report on the Bank of Tomorrow project and examining the situation with respect to the group's BtoB activities.
- with respect to planned partnerships and acquisitions, reviewing the acquisition of Leetchi, the creation of Arkéa Sécurité, the partnership between Groupama and Arkéa Assistance and the negotiations to acquire Keytrade.

2. The Compensation Committee is responsible for maintaining the overall consistency of compensation policies and practices at Crédit Mutuel Arkéa and its regulated subsidiaries.

In 2015, the committee met four times (six times in 2014). The average attendance rate during the year was 100%, with the following individual rates:

2015	
Jean-Luc CUEFF	100%
Jean-Louis DUSSOCHAUD	100%
Jacques ENJALBERT	100%
Auguste JACQ (Chairman)	100%

During the year, the Committee reviewed:

- compensation packages for the employees of Arkéa Société des Cadres Dirigeants (ASCD) and officers and directors;
- the compensation scope and methods for the regulated population of Crédit Mutuel Arkéa group through an analysis of the compliance and risk authorizations;
- the compensation policy of subsidiaries subject to the AIFM directive;
- the achievement of targets triggering the 2014 variable compensation portion for officers and directors and ASCD employees, and setting the corresponding targets for 2015;
- the long-term profit-sharing plan and the determination of this plan's targets for the 2015-2017 period;
- the planned changes to the group's attendance fees for directors;
- the group's labor relations environment;
- the presentation of the technical memorandum with respect to "group bonuses".



3. The Appointments Committee is responsible for supporting Crédit Mutuel Arkéa's Board of Directors by issuing:

- proposals for the appointment of directors at the subsidiaries and permanent representatives to the governance bodies of companies in which Crédit Mutuel Arkéa has equity interests;
- informed opinions on the Chairman's proposals for the appointment of the Chief Executive Officer and Associate Executive Officers prior to their approval by the Board of Directors.

In 2015, the committee met six times (five times in 2014). The average attendance rate for the year was 100%, with the following individual attendance rates:

2015	
Christian DAVID	100%
Jean-Louis DUSSOCHAUD (<i>Chairman</i>)	100%
Jean-Yves EOZENOU	100%
Daniel GICQUEL	100%
Claudette LETOUX (*)	100%

(*) Committee member only since May 22, 2015

In 2015, the Committee:

- renewed and/or appointed 2015 applicants to membership functions of boards of directors and supervisory boards of group entities (more than 110 applications);
- appointed Crédit Mutuel Arkéa representatives to deliberative bodies of companies in which the group has an equity interest (21 cases reviewed);
- reviewed the appointment of executive members at the subsidiaries (4 cases).

It was also informed of:

- the impact in terms of governance of credit institutions of the CRD IV Directive and its transposition into French law;
- new French Prudential Supervisory and Resolution Authority/ European Central Bank requirements for appointments and renewals of terms at regulated institutions.

The Committee is responsible for preparing the composition of the deliberative bodies of the entire group, the subsidiaries and Crédit Mutuel Arkéa.

Since a Board's most important quality is having the proper balance of members with the requisite skills and ethics, the Committee, when reviewing applications for renewal or appointment at the group's integrated subsidiaries, strives to:

- increase the number of underrepresented members by gender on the deliberative bodies of the group companies;
- seek diversity and complementary backgrounds for the effective and proven operation of the various boards of directors and supervisory boards;
- create, except in special cases, deliberative bodies including elected representatives from the local savings banks of the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel du Massif Central federations.

4. The Financial Statements Committee is charged with helping the Board of Directors assess financial information and control its reliability. Its role consists of:

- understanding the accounting principles and their changes;
- assessing the quality of accounting procedures;
- reviewing the financial statements of Crédit Mutuel Arkéa prior to their review by the Board of Directors;
- monitoring the statutory auditors' work plan and reviewing the findings of their work.

In 2015, the Committee met four times (also four times in 2014). The average attendance rate for the year was 80%, with the following individual attendance rates:

2015	
Christian DAVID (*)	100%
Lionel DUNET	50%
Daniel GICQUEL	100%
Marie-Thérèse GROUSSARD (<i>Chairman</i>)	100%
Nadine LE MARRE (**)	67%
Claudette LETOUX	100%
Raymond VIANDON	50%

(*) Committee member only until May 22, 2015

(**) Committee member only since May 22, 2015

The Committee's work focused on:

- reviewing and approving the 2014 financial statements and the 2015 budget;
- analyzing the opinions of the statutory auditors on the annual closing;
- reviewing the statutory auditors' internal control system;
- the accounting principles and methods applicable to the interim financial statements, internal control and audit approach of the statutory auditors;
- reviewing and approving the consolidated interim financial statements and opinions of the statutory auditors on the interim closing;
- the accounting principles applicable to the closing and the proposed renewed appointment of the statutory auditors for 2016.

5. The Audit and Risk Committee is responsible for providing support for the Board of Directors in its duty to control Crédit Mutuel Arkéa's risks, in accordance with the provisions of the November 3, 2014 administrative order on internal control by companies in the banking, payments and investment services sector subject to the supervision of the French Prudential Supervisory and Resolution Authority.

Its mission is also governed by the provisions of article L 823-19 of the French Commercial Code, which specifies that this specialized committee is responsible for monitoring the effectiveness of the company's internal control and risk management systems. Its role consists in particular of assessing the quality of the internal control, notably the consistency of risk measurement, monitoring and management systems, and to propose, as often as required, complementary actions in that regard. As soon as the November 3, 2014 administrative order was issued, Crédit Mutuel Arkéa initiated a deliberative process to determine flexible measures that would enable it to apply all of the new regulatory requirements, notably those with respect to the Audit and Risk Committee. In that regard, the decision was made to increase the frequency of risk reporting presentations to the Audit and Risk Committee.

The Audit and Risk Committee, which met 11 times in 2015, had an overall average attendance rate of 90%.

The Committee's individual attendance rates were as follows:

2015	
François CHATEL (<i>Chairman</i>)	91%
Christian DAVID (*)	86%
Michel GOURTAY	82%
Albert LE GUYADER (**)	100%

(*) Committee member since May 22, 2015

(**) Committee member until May 6, 2015

At these meetings, the Audit and Risk Committee reviewed and analyzed the following matters:

- the proposed 2015 periodic control plan;
- the 2014 internal control annual report;
- the interim monitoring of the implementation of recommendations issued with respect to periodic control;
- the work involving the interim and annual financial statements closings;
- the situation with respect to risks based on dedicated risk reporting, with special attention paid to key sectors, with this presentation now given three times per year;
- the findings of the Business Line periodic control assignments;
- the annual summary of the Network periodic control assignments;
- monitoring the progress of the 2015 Business Line and Network periodic control plans;
- the interim reporting of Permanent Control and Compliance actions and the projects in this area;
- the 2016 limits system;
- the work of the various oversight authorities or supervisory bodies (European Central Bank, French Prudential Supervisory and Resolution Authority, Inspection Générale of the Banque de France, French Financial Markets Authority, National Bank of Belgium, Financial Services and Markets Authority, Belgian Inspection Générale des Finances, etc.).

The Committee also reviewed the work of:

- updating the Audit and Risk Committee Charter;
- updating Crédit Mutuel Arkéa's Internal Control charter.

Composition of the Board of Directors' subcommittees as of December 31, 2015

	AUDIT & RISK	COMPENSATION	APPOINTMENTS	FINANCIAL STATEMENTS	STRATEGY & SOCIETAL RESPONSIBILITY
Jean-Pierre DENIS					
Jean-François DEVAUX					
Christian TOUZALIN					
François CHATEL	✓ (P)				✓
Jean-Luc CUEFF		✓			
Christian DAVID	✓		✓		
Lionel DUNET				✓	
Jean-Louis DUSSOCHAUD		✓	✓ (P)		
Jacques ENJALBERT		✓			✓ (P)
Jean-Yves EOZENOU			✓		
Daniel GICQUEL			✓	✓	
Michel GOURTAY	✓				
Marie-Thérèse GROUSSARD				✓ (P)	
Auguste JACQ		✓ (P)			✓
Nadine LE MARRE				✓	
Hugues LEROY					✓
Claudette LETOUX			✓	✓	
Christian PERON					
Colette SENE					
Raymond VIANDON				✓	

(P): Chair of Committee

Individual amounts, in euros, of attendance fees paid to members of the Board of Directors for 2015

	2015 ATTENDANCE FEES		TOTAL INDIVIDUAL ATTENDANCE FEES PAID IN 2015	
	In connection with functions at Crédit Mutuel Arkéa (Board of Directors & committees)	Other functions of officers and directors within the group		
			2015	2014
Jean-Pierre DENIS *				
Jean-François DEVAUX	14,900	23,250	38,150	18,300
Christian TOUZALIN	15,506	75,327	90,833	113,080**
François CHATEL	18,153	2,025	20,178	5,003
Christian DAVID	14,706	13,786	28,492	9,208
Lionel DUNET	9,900	1,006	10,906	2,250
Jean-Louis DUSSOUCHAUD	16,206	43,900	60,106	35,163
Jacques ENJALBERT	18,660	12,306	30,966	10,305
Jean-Yves EOZENOU	11,006	6,395	17,401	4,716
Daniel GICQUEL	13,906	12,575	26,481	8,249
Michel GOURTAY	14,453	575	15,028	2,956
Marie-Thérèse GROUSSARD	14,706	4,506	19,212	3,812
Auguste JACQ	18,536	14,568	33,104	12,667
Albert LE GUYADER	6,506	4,712	11,218	7,918
Hugues LEROY	13,006	8,233	21,239	6,779
Claudette LETOUX	12,974	12,990	25,964	10,244
Christian PERON	10,106	20,294	30,400	24,803
Colette SENE	6,000	4,953	10,953	N/A
Raymond VIANDON	12,106	9,000	21,106	5,560
Total	241,336	270,401	511,737	284,604

* Jean-Pierre Denis, in his capacity as an officer and director, receives compensation whose components are presented in section 2.6 of the Registration Document.

** In 2104, Christian Touzalin, a non-executive director of Crédit Mutuel Arkéa, received attendance fees totaling €6,830 and gross compensation of €106,250 as consideration for his function as Chairman of Caisse Régionale du Crédit Mutuel du Sud-Ouest.

Assessment of the Board of Directors

In November 2012, the directors conducted a formal assessment of the operation of the Board of Directors. This assessment consisted of an anonymous self-assessment questionnaire filled out by each member and complemented by two prospective workshops and an open discussion.

As part of the continuing effort to improve the operation of the Board and its committees, and in accordance with governance best practices recommended by statute and governance guides, the assessment was assigned to an external consulting firm for 2015.

The firm reviewed the governance regulations applicable to Crédit Mutuel Arkéa, documentation provided to directors and answers to a questionnaire. It also conducted individual interviews with all 20 Board members, the Chief Executive Officer, the Associate Executive Officers, the Internal Control department's Head of Internal Audit and the Head of the Corporate Secretariat and Institutional Communications.

The consulting firm's summary findings confirmed that the group's governance is structured around motivated and committed directors. The quality of the documentary materials presented for review and authorizations of the committees and of the Board are exemplary and enable the directors to make informed decisions as part of a perfectly expressed and shared strategic vision. The operation of the Board of Directors with Executive Management is deemed to be based on trust and balanced.

Following this assessment, and fully consistent with the project's goals, the Board prepared an action plan to ensure the long-term success of its governance policies and continuous improvements to its operations.

2.3.2 Limits on the 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 corporate 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 were approved by the group's Permanent Control Committee on July 2, 2015 and by the Audit and Risk Committee on August 26, 2015.

The group's effective managers (dirigeants effectifs) are responsible for determining the actual business orientations (French Monetary and Financial Code Article 511-13). In particular, they implement the internal control support systems while ensuring that they are suited to the various risks to which the group is exposed. They notify the group's supervisory 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 supervisory body periodically reviews the quality of the systems deployed and the degree of control over the risks to which the group is exposed, based on information provided to it by the Chairman of the Audit and Risk Committee and the Head of group Internal Audit and Periodic Control (in particular information required as part of the annual report on internal control, in accordance with the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority).

The group's supervisory 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, in accordance with the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority).

The Audit and Risk Committee assists the supervisory body with its risk management duties in accordance with the provisions of the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority.

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 supervisory 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 effective managers 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 tasks of the risk management function" (see administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority) is based on the provisions of the group's Internal Control Charter, which establishes the following two permanent control levels within Crédit Mutuel Arkéa:

First-level operational control: operational controls implemented during the processes themselves, prior to their completion. These controls correspond to the risk management system.

Second-level permanent control: permanent controls implemented after processes have been completed. This second level is itself divided into two types of control, depending on the independence of the person performing the controls:

- second-level permanent controls by the business lines: second-level permanent control performed by a person who is not a member of the "permanent control" function;
- second-level permanent control by the heads of permanent control: control performed by the head of the permanent control department reporting directly to the head of the entity and supported by personnel or working alone.

In that context, permanent control and compliance 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 effective managers of each entity and of Crédit Mutuel Arkéa for the group as a whole;

- each unit (local savings bank network, corporate departments, subsidiaries) organizes its own permanent control and compliance function and reports directly to Crédit Mutuel Arkéa;
- the persons responsible for the second-level permanent control of a process do not participate in the execution of this process in order to ensure the strict separation between first- and second-level permanent controls;
- the quality of permanent control is factored into the assessment of the governance or management of an activity.

This organization is fully consistent with the group's pyramid structure, since the entire permanent control system is placed under Crédit Mutuel Arkéa's governance.

It is designed to enable the entities of Crédit Mutuel Arkéa to steer their risk-taking while managing the potential impacts with reasonable assurance.

The Permanent Control and Compliance department (PCCD) of Crédit Mutuel Arkéa, which reports to the Legal, Permanent Control and Compliance department, is responsible for managing the heads of permanent control and compliance at the group's entities and for presiding over the permanent control and compliance system at the group level.

Two departments are responsible for permanent control and the fight against money-laundering and terrorism financing. Special units handle the compliance of investment services and matters governed by the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority.

Group Permanent Control Committee

This Committee is chaired by the Chief Executive Officer of Crédit Mutuel Arkéa. It includes the Chief Executive Officer of Crédit Mutuel du Sud-Ouest, the Head of the Networks and Specialized Services division and the Head of the Development Support division. It also includes four other members: The Deputy Head of the Development Support Division, the Legal Advisor for the Permanent Control and Compliance Department, the Head of Permanent Control and Compliance (secretary) and the Head of Internal Audit and Periodic Control invited to participate in the meetings.



It ensures compliance with the 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 those with respect to compliance control and especially the anti-money-laundering and anti-terrorism financing systems, and takes stock of the risks borne by the group on the basis of the work of the Permanent Control and Compliance Department. It met four times in 2015.

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.

Compliance control system

In order to ensure consistent practices throughout the group, the Permanent Control and Compliance department, which reports to the Legal, Permanent Control and Compliance department, steers and manages the implementation of the group's control and compliance systems, including the fight against money-laundering and terrorism financing.

The Permanent Control and Compliance department relies on the group's Compliance Charter, which was updated in July 2015 in order to take into account the November 3, 2014 administrative order related to internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority. This charter complements the Internal Control Charter by defining the measures implemented within the group to prevent and control non-compliance risks.

The scope of its activities includes:

- monitoring changes in the regulatory framework established by the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority, the AMF General Regulations and anti-money-laundering and terrorism financing regulations;
- the definition and steering of the group's system to combat money-laundering and terrorism financing, including require-

ments analysis for group software. In 2015, this system was strengthened in accordance with the requirements of the E.U. 3rd Directive and French law. Efforts were made in the areas of transaction monitoring applications as well as due diligence during the new client relationship start-up process and throughout their duration;

- the definition and management of the group's investment services compliance system (based on the AMF General Regulations), which is designed to manage and coordinate the group's compliance systems subject to AMF supervision;
- managing the ongoing efforts to collect high-quality data on customers as part of the fight against money-laundering and terrorism financing as well as efforts to combat tax fraud, notably in connection with the U.S. FATCA regulations;
- the definition and management of the group's systems designed to ensure compliance with customer protection regulations, notably with respect to the right to a bank account, the ability to change banks, financial inclusion, customer complaints handling and intermediation in banking and payment services transactions and insurance transactions;
- the definition and management of the systems governed by Chapter II of the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority, notably:
 - The preliminary compliance approval procedures:

A preliminary compliance approval procedure for new products, projects, activities and services or their significant transformations applicable to all group entities aims to ensure compliance for the aforementioned operations. It was updated in January 2015 in order to take into account the November 3, 2014 administrative order related to internal control of companies in the banking, payments and investment services sector and subject to the supervision of the French Prudential Supervisory and Resolution Authority.

An external growth procedure for Cr dit Mutuel Ark a, which is complemented by a special procedure for external growth transactions and partnerships led by the external growth and partnerships unit, which reports to Executive Management.

The procedure involving questions on compliance-related problem areas is available to group employees. It was not used in 2015.



The group system for managing critical or important outsourced operations, as defined by the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority. The list of critical activities was revised by the Risk Management Department in 2015.

The group's policy for managing conflicts of interest, submitted to the group Permanent Control and Compliance Committee for approval on October 8, 2015, applies to all group entities, corporate units and subsidiaries. It sets the principles for detecting, preventing and managing conflicts of interest within the group.

To ensure the proper replication of the master systems by the entities, the Permanent Control and Compliance department approves the operational procedures of the entities.

Any change to the compliance control systems must first be approved by the group's Permanent Control Committee and presented to the Audit and Risk Committee. The governance procedure for master permanent control and compliance systems drafted by the Permanent Control and Compliance department in 2015 establishes the methods for implementing master systems and the methods for replicating these systems at the entities.

Control of the operational launch of the master systems: In 2015, the Permanent Control and Compliance Department continued a control procedure for the operational launch of master systems by the group's entities aimed at harmonizing and optimizing the entities' practices within the group. Each year, the Permanent Control and Compliance department follows up on the recommendations issued in the wake of discussions. In 2015, meetings were held with all of the entities.

Periodic control

The Internal Audit and Periodic Control Department (French acronym: DIGCP) performs periodic controls. It conducts its activities at all group units in accordance with a master periodic control system adopted and implemented within the group. With respect to subsidiaries, the DIGCP performs its duties in accordance with duly concluded periodic control delegation agreements. The DIGCP therefore performs its controls for the entire scope of Crédit Mutuel Arkéa in accordance with the terms, conditions and methods stipulated in the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority.

The DIGCP's mission is to provide independent and objective assurance on the group's compliance in the exercise of its activities and to offer advisory services and suggestions aimed at creating added value and improving the level of control over group transactions. Using a systematic and methodical approach, the department helps the group achieve its objectives by assessing 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:

- activities are exercised in a compliant manner;
- 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 deliberative and executive bodies;
- 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 in particular for the periodic control of the business lines and networks. In 2015, these procedures were updated, mainly in the areas of handling and monitoring recommendations, control guidelines, certification of the local savings banks' financial statements and the implementation of a formalized system for managing the reference documentation applicable to the business lines' periodic control activities. The DIGCP also carried out an internal reorganization of the intervention scope for certain operational departments in order to combine skills and provide the organization with the "business line" approach adopted in the context of risk coverage.

In order to successfully complete its missions, the DIGCP has developed a proprietary risk map; this risk map is one of the main sources for defining an annual periodic control plan, whose specific points are also determined on the basis of the following items in particular:

- key points identified by the French Prudential Supervisory and Resolution Authority and the European Central Bank during their reviews and in their respective annual reports;
- requests from the Audit and Risk Committee;
- requests from the members of the group's Executive Committee;
- use of "feedback" from previous audits conducted by the Business Line Risk Periodic Control Department.

The principle of completing a post-acquisition review starting in the sixth month following the integration of any major acquisition into the group is also implemented as part of the annual periodic control plan.

This periodic control plan distinguishes between the specific control program applied to the Crédit Mutuel local savings bank networks and branches of the subsidiaries and the program covering the activities of the group's corporate departments, companies and subsidiaries. The combination of these specific programs makes up the DIGCP's annual periodic control plan; this plan is itself part of a multi-year plan that makes it possible to cover the main risk areas identified in the DIGCP's proprietary risk map as well as the main development areas for Crédit Mutuel Arkéa.



The periodic control plan thus drawn up is approved by the deliberative body's Audit and Risk Committee and confirmed by Crédit Mutuel Arkéa's Board of Directors. It systematically includes annual reviews of major risks involving credit, capital markets, accounting processes, information technology and operations. The audits performed in the past three years are cross-referenced with the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority. This cross-referencing makes it possible to assess the coverage level for each of these risks and to schedule audits to ensure the compliance of the activities exercised.

When the 2016 periodic control plan was drawn up, this cross-referencing was completed in order to assess the coverage of major risks.

Moreover, consistent with the decision taken by the Prudential Supervisory and Resolution 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 and 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.

Moreover, with respect to the control function, the DIGCP is specifically in charge of detecting and resolving internal fraud issues. As part of this goal, the DIGCP must deploy 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 verifying the accounts of employees and the proper exercise by directors of their duties in accordance with applicable regulations as well as with the by-laws, standards and principles adopted by Crédit Mutuel.

Periodic Control Committee

Chaired by Crédit Mutuel Arkéa's Chief Executive Officer, this Committee assesses the quality 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 whenever 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 2015-2016 period: the Head of the Companies and Institutions division and Head of the Products division;
- one of the three Crédit Mutuel Arkéa local savings bank network department heads; for the 2015 - 2016 period, the Chief Executive Officer of the Crédit Mutuel de Bretagne federation acted as the coordinator for the three federations;
- the Head of group Internal Audit and Periodic Control;
- the Head of the Innovation and Operations division.

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 Risk Periodic Control department (secretary).

The meetings are held at least three times annually. In 2015, the Periodic Control Committee met 10 times.

Audit and Risk Committee

The Audit and Risk Committee helps the Board of Directors perform its duties with respect to controlling Crédit Mutuel Arkéa's risks in accordance with the provisions of the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority. Its mission also satisfies the requirements of Article L823-19 of the French Commercial Code, which specifies that this specialized committee is responsible for monitoring the effectiveness of the company's internal control and risk management systems.

In this respect, its role consists mainly of assessing the quality of internal control, in particular the consistency of risk assessment, monitoring, and control, and suggests additional actions whenever necessary. Its missions, goals, composition, and operating rules are contained in a dedicated Charter that is updated by the group Internal Audit and Periodic Control department and approved by the supervisory body.

To carry out its assignments, the Audit and Risk Committee receives from Crédit Mutuel Arkéa's Executive Management all necessary information and reports on:

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

Regarding the work performed more specifically by the Audit and Risk Committee, it should be noted that this committee:

- ensures risk monitoring and management in particular by examining risk reporting;
- approves the annual periodic control plan;
- receives the findings of the reports prepared by the group Internal Audit and Periodic Control department and approves them;
- reviews the annual internal control report;

- takes stock of the findings of reports prepared by the regulatory authorities, the CNCM Internal Audit department and the statutory auditors;

- 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 and Risk Committee comprises:

- a Chairman;
- three to four 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;
- the Head of the Business Line Risk Periodic Control department (secretary);
- the managers involved depending on the meeting agenda.

At least six meetings are held each year and it should be noted that it met 11 times in 2015.

Internal control procedures relating to the preparation and processing of accounting information

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

The accounting of transactions is organized on the basis of 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 production and dissemination of the regulatory disclosures of group entities are performed directly by the finance departments of the companies themselves or by the Crédit Mutuel Arkéa Accounting department, as part of a formalized assignment.



Key activities are centralized, making it possible to ensure the quality of the accounting information across the entire scope of the group's activities. To that end, the Development Support division defines accounting rules and methods, designs and maintains the charts of accounts (the approval of measures specific to the insurance and leasing activities is delegated to dedicated business line staff), 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 the 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. This committee met four times in 2015.

February 26, 2016

Jean-Pierre DENIS,

Chairman of the Board of Directors



2.4

Executive Management bodies and their work

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:

- 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 achievement;
- monitoring the activity of the group as a whole;

- reviewing issues involving the group's organization and matters of general interest.

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

- reviews cross-functional issues within the group and ensures the operational coordination of its activities;
- monitors changes in operational and financial performance for all group entities;
- improves the sharing of information among the group's various business lines and helps to promote a common vision.

The Executive Committee meets weekly. As of December 31, 2015, it was comprised of the following members:

Ronan LE MOAL	Chief Executive Officer of Crédit Mutuel Arkéa
Dominique ANDRO	Associate Executive Officer responsible for the Specialized Networks and Services division
Gérard BAYOL	Associate Executive Officer responsible for the Companies and Institutions division
Humbert de FRESNOYE	Associate Executive Officer responsible for the Products division
Hervé CROSNIER (†)	Deputy General Manager responsible for the Development Support division
Jean-Pierre LE TENNIER	Chief Executive Officer of Fédération du Crédit Mutuel de Bretagne

The General 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 du Crédit Mutuel du Sud-Ouest
Didier ARDOUIN	Chief Executive Officer of Fédération du Crédit Mutuel Massif Central
Frédéric LAURENT	Deputy General Manager of the Innovation and Operations division
Anne LE GOFF	Head of the Corporate Secretariat and Institutional Communications department
Marc GOSSELIN	Head of Human Resources and Training
Jean-Luc LE PACHE	Assistant to the Deputy General Manager of the Development Support division

The Head of group Internal Audit and Periodic Control is always invited to participate in the meetings of the General Management Committee.

As part of its powers and authorizations and in order to ensure the relevance and quality of its decisions, Crédit Mutuel Arkéa's Executive Management structures its organization with cross-functional committees that include one or more members of the General Management Committee. These committees include:

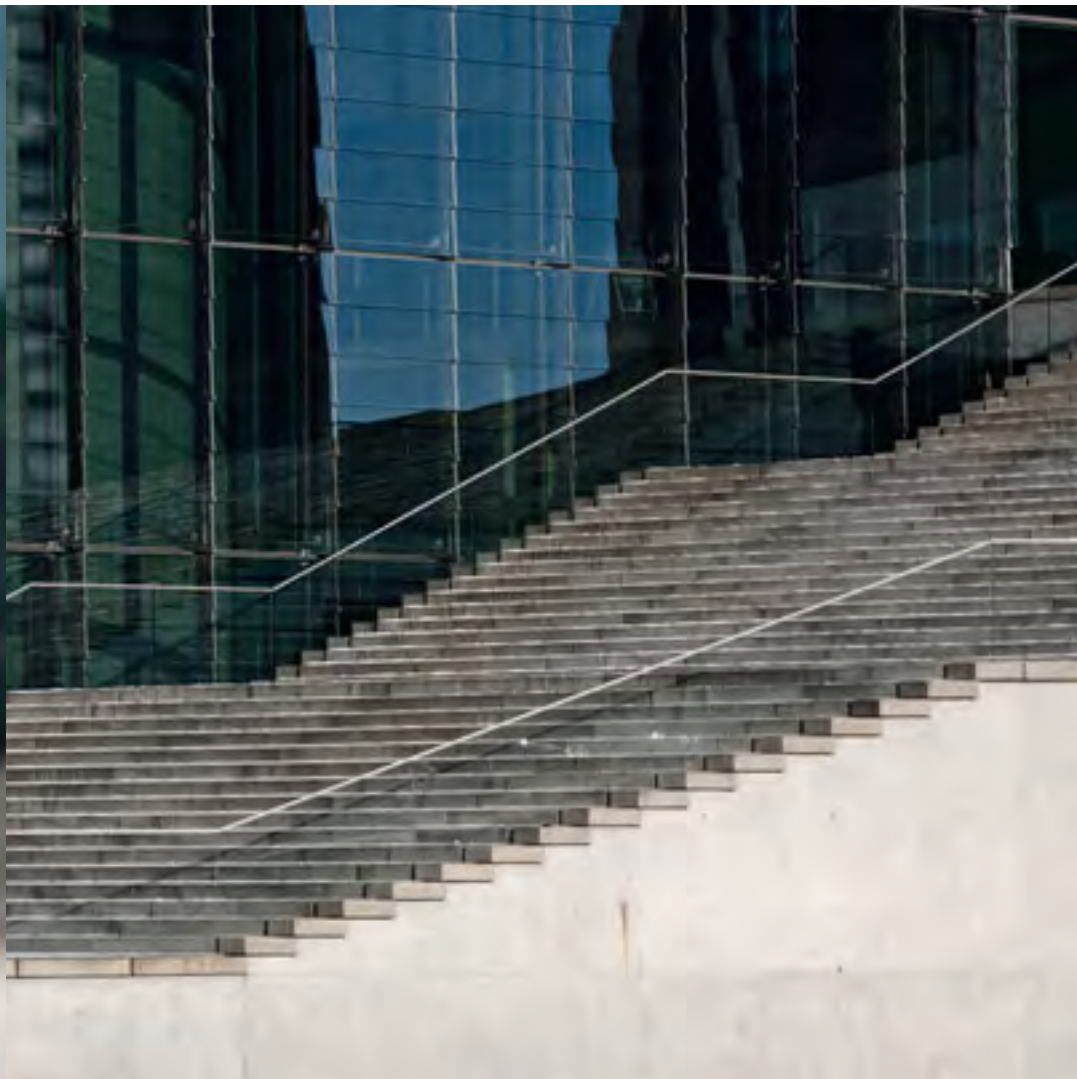
- periodic Control Committee;
- permanent Control and Compliance Committee;
- ALM Committee;
- credit Committee;
- loan Committee;
- risk Monitoring Committee;
- counterparties Committee;
- purchasing Committee;
- networks Marketing Committee;
- real Estate Committee;
- innovation Committee;
- anti-Money-Laundering and Terrorism Financing Committee.



2.5

Conflicts of interest of 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. In any event, if any members of the Board of Directors of Crédit Mutuel Arkéa were to find themselves in a situation of actual or potential conflict of interest, they would be required to abstain from participating in the vote on that particular issue.



2.6

Compensation of officers

As of the issuance date of this document, Crédit Mutuel Arkéa's shares are not listed on a regulated market.

However, Crédit Mutuel Arkéa publishes information on the compensation of its officers on a voluntary basis, in accordance with the recommendations published by AFEP/MEDEF.

The compensation policy for the Managers, i.e. the Chairman and the Chief Executive Officer of Crédit Mutuel Arkéa as well as the Associate Executive Officers of Crédit Mutuel Arkéa group, satisfies the provisions of articles L. 511-71 to L. 511-88 of the French Monetary and Financial Code.

The Managers receive fixed and variable compensation. In the latter case, the calculation and deferred payment methods are defined annually by the Board of Directors following a recommendation by the Compensation Committee.

Complementing the fixed compensation, the variable compensation reflects the quantitative and/or qualitative achievements measured on the basis of actual performances and individual assessments relative to set targets. This compensation consists of a component linked to the group's earnings and another component linked to the individual performance of the manager or activity for which he is responsible. It is subject to the achievement of the targets measuring the group's performance.

For 2015, the criteria linked to the group's results are operating income, cost-to-income ratio and the loan-to-deposit ratio.

The condition involving the achievement of group indicators is satisfied when all of the following have been met:

- all of the group criteria (operating income, cost-to-income ratio and loan-to-deposit ratio) have been met. In other words, for each indicator the actual results exceed the targeted increase or decrease;
- the average level of the three indicators is 100%.

In addition to these common indicators, for officers and directors qualitative group indicators are proposed by the Compensation Committee and approved by the Board of Directors.

The Compensation Committee is responsible for defining the individual indicators and setting their level for the Chairman and the Chief Executive Officer of Crédit Mutuel Arkéa group.

The Chief Executive Officer of Crédit Mutuel Arkéa group and group Human Resources department set the individual criteria for the Associate Executive Officers and present them to the Compensation Committee for an opinion.

The indicators set for Managers must then be approved by the Board of Directors.

For 2015, the annual variable compensation of the Chairman and of the Chief Executive Officer of Crédit Mutuel Arkéa group was capped at 100% of their fixed compensation. That of the Associate Executive Officers was capped at 70% of fixed compensation.

The payment of the Managers' variable compensation is spread over three years, with one-third paid out each year. The two deferred portions are paid only if the financial performance conditions set by Board of Directors of Crédit Mutuel Arkéa are satisfied.

In addition, discretionary bonuses may be granted to Managers as consideration for a significant performance or individual effort. These bonuses must be approved by the Board of Directors acting on the recommendation of the Compensation Committee.

Finally, a long-term profit-sharing plan was adopted by Crédit Mutuel Arkéa's Board of Directors at its July 5, 2013 meeting. This plan benefits the group's Managers. This sliding three-year profit-sharing plan provides for the payment to each Manager of an amount that matches the annual variable compensation amount, provided that certain criteria and performance indicators, which are set each year, are achieved.

Given the achievement of performance targets over the past three years (2013-2015), the plan, which was first implemented as of January 1, 2013, will result in an initial profit-sharing payment in 2016 (subject to the decision of the Shareholders' General Meeting, pursuant to the provisions of article L-511-78 of the French Monetary and Financial Code.

Managers do not receive grants of options on shares or debt securities or grants of performance shares, and the Crédit Mutuel Arkéa by-laws do not allow for the existence of such grants.

Except in the case of the Chairman and of the Chief Executive Officer of Crédit Mutuel Arkéa group, the employment contracts of the Managers are not suspended while they are serving their terms of office.

For the Chairman and the Chief Executive Officer of Crédit Mutuel Arkéa group, the employment contracts are suspended from the time of their appointment and for the duration of their respective terms of office, after which they are automatically reinstated. The employment contract suspension period is taken into account when calculating their rights, by law, under the collective bargaining agreement and employment contract.

In the event that their employment contract is terminated, the Chairman and the Chief Executive Officer of Crédit Mutuel Arkéa group may be entitled to receive severance benefits, in addition to statutory or collective bargaining provisions in an amount of up to two years of compensation, in accordance with AFEP-MEDEF recommendations.

If they have at least five years' seniority at the time their retirement begins, Managers receive a retirement benefit equal to seven-twelfths of annual compensation, to which is added the compensation they would have received under the collective bargaining agreement in force at the group company that employed them prior to their appointment. They also receive an end-of-service vacation benefit equivalent to 23 days per year of service in these functions.

In addition, pension and similar obligations exist on behalf of Managers in the form of defined benefit supplementary retirement plans (known as "article 39"), group plans that are open to the employees of Arkéa SCD, notably for the category of senior managers and two corporate officers (compensation eligible for "Tranche C") of Crédit Mutuel Arkéa.

For this level, the annuity paid out under the defined benefit plan is set at 0.35% of benchmark compensation for each year of service, with a cap of 10% of the benchmark compensation. The benchmark compensation corresponds to the compensation, which is reassessed annually, prior to the liquidation date by the beneficiary of the old age pension under the basic pension plan, taking into account fixed and variable compensation components, including in-kind benefits (company vehicle and housing), pursuant to article L. 242-1 of the French Social Security Code.

As of December 31, 2015 and pursuant to article D. 225-104-1 of the French Commercial Code, the estimated actuarial amounts of the individual annuities amounted to:

	RENTE ANNUELLE ARTICLE 39 EN €
Jean-Pierre DENIS	29,809
Ronan LE MOAL	45,440
Dominique ANDRO	38,834
Humbert DE FRESNOYE	44,806
Gérard BAYOL	61,049

The gross amount of compensation received by Cr dit Mutuel Ark a's Managers is presented in the table below:

	OWED FOR THE YEAR 2014	PAID FOR THE YEAR 2014	OWED FOR THE YEAR 2015	PAID FOR THE YEAR 2015
JEAN-PIERRE DENIS Chairman of the board of directors				
Fixed compensation	450,273	450,273	505,469	505,469
Variable compensation	630,382	442,700	1,060,000	300,182
In-kind benefits	9,576	9,576	9,637	9,637
TOTAL	1,090,231	902,549	1,575,106	815,288
RONAN LE MOAL Chief executive officer				
Fixed compensation	360,242	360,242	405,074	405,074
Variable compensation	504,340	389,586	850,000	240,162
In-kind benefits	9,334	9,334	9,960	9,960
TOTAL	873,916	759,162	1,265,034	655,196
DOMINIQUE ANDRO Associate executive officer				
Fixed compensation	286,877	286,877	306,877	306,877
Variable compensation	333,659	246,302	448,648	152,253
In-kind benefits	9,177	9,177	9,742	9,742
TOTAL	629,713	542,356	765,267	468,872
HUMBERT de FRESNOYE Associate executive officer				
Fixed compensation	256,877	256,877	256,877	256,877
Variable compensation	208,090	151,916	370,085	129,690
In-kind benefits	8,348	8,348	8,580	8,580
TOTAL	473,315	417,141	635,542	395,147
G�RARD BAYOL Associate executive officer				
Fixed compensation	346,459	346,459	350,211	350,211
Variable compensation	404,006	305,610	509,315	182,206
In-kind benefits	9,575	9,575	9,607	9,607
TOTAL	760,040	661,644	869,133	542,024



3

Financial information

- 3.1 Activities
- 3.2 Financial results
- 3.3 Capital and regulatory ratios
- 3.4 Outlook
- 3.5 Consolidated financial statements
at December 31, 2015
- 3.6 Aggregate financial statements
at December 31, 2015

3.1

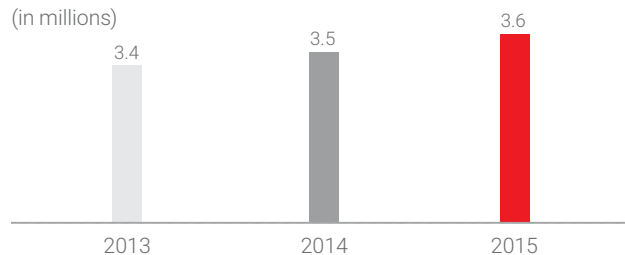
Activities

Customers¹

In 2015, the customer portfolio increased by 4%, or nearly 137,000 customers (doubling of net new customer development relative to 2014) thanks to the significant increase in net new customer development by Suravenir Assurances (2x), the Crédit Mutuel networks (+19%) and Fortuneo (+10%).

Customer portfolio

(in millions)



Savings

In 2015, total savings rose by 10% to €86.4 billion.

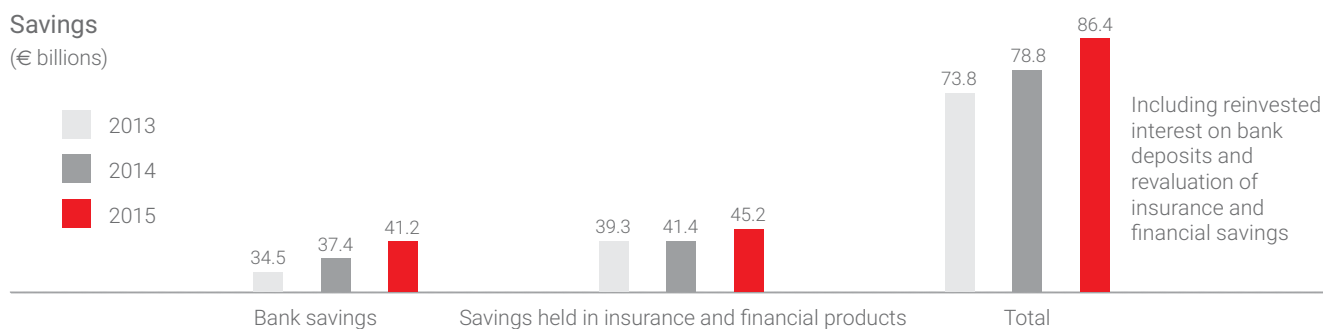
In 2015, net savings intake totaled €5.1 billion, up 19%. It marks the second time in the group's history that net savings intake exceeded €5 billion in one year, the other one being the record year 2013.

This net savings intake was marked by:

- a 5% decline in the net intake on interest-bearing savings to €2.6 billion,
- very satisfactory performance for insurance savings products, with the net intake rising by 32% to €2.3 billion. Financial savings recorded a net inflow of €0.2 billion.

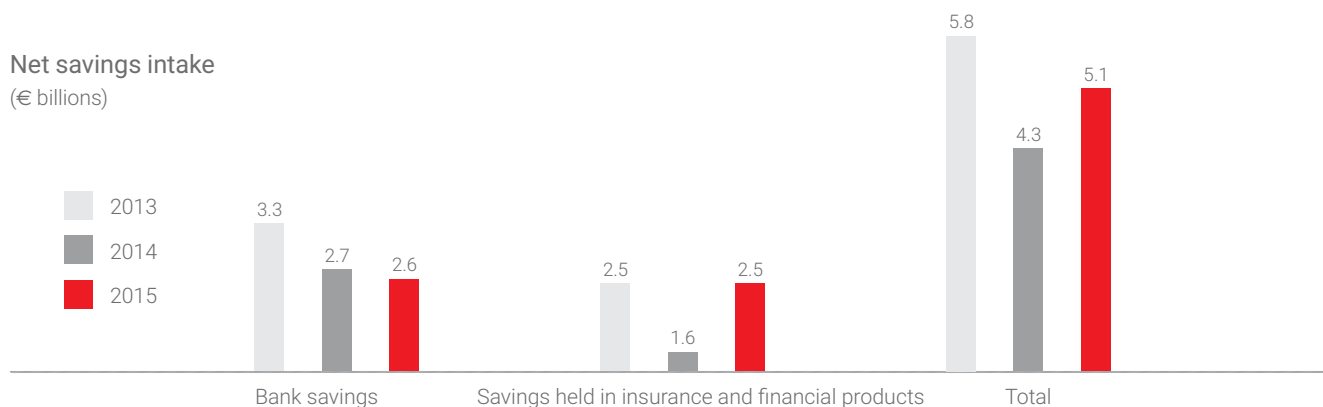
Savings

(€ billions)



Net savings intake

(€ billions)



1. Comparison figures adjusted for inactive customers.

Shares

Shareholders' equity was stable at €2.2 billion.

Lending

Gross loans outstanding net of provisions increased by 9% to €44.8 billion. Outstanding loans net of provisions totaled €44.4 billion.

New lending reached a new record for the group, up 44% to €12.2 billion in 2015.

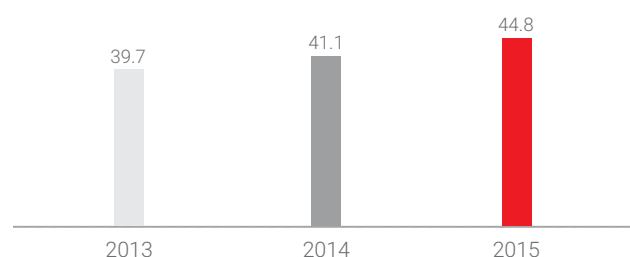
The increase in new lending was spread evenly across all segments, including individuals, independent professionals, companies and local authorities.

Driven by the Crédit Mutuel networks, home mortgage loans generated the most significant increase, rising by 88% to €5.7 billion.

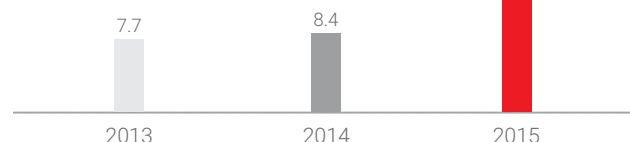
Similarly, new lending to independent professionals and companies on the one hand and local authorities on the other increased to €3.7 billion (+14%) and €1 billion (+69%), respectively.

Meanwhile, new consumer lending grew by 12% to €1.8 billion.

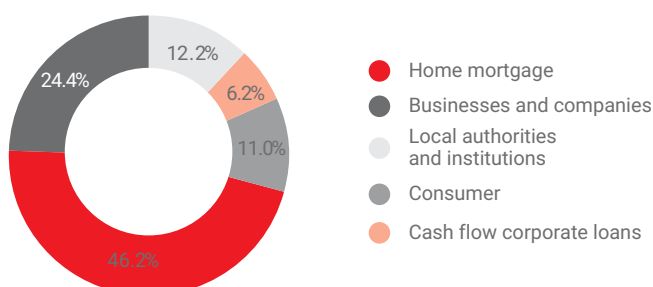
Total gross loans outstanding
(€ billions)



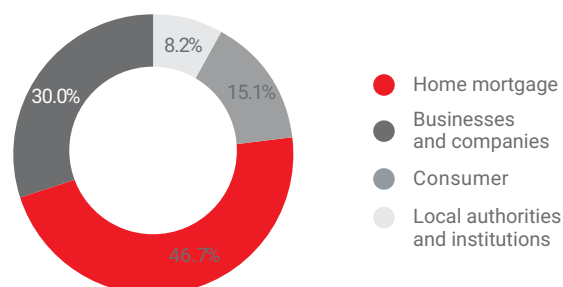
New lending
(€ billions)



Gross loans outstanding by loan type
2015



Loan production by loan type
2015



Business to business (BtoB) services

The portfolio of BtoB customers continued to grow by more than 18% during the year to 1,177.

For the second year in a row, the capital markets activity was sustained, as ProCapital Securities Services increased its market order processing volume by nearly 35% while also recording a 22% increase in securities held in custody.

The number of payment flows processed exceeded 1 billion transactions in 2015.

	2013	2014	2015
Volume of payment transactions processed (millions)	784	840	1,102
Securities held in custody (€ millions)	22,877	25,331	30,850
Volume of market orders transacted (millions)	3.0	4.8	6.5
Number of BtoB customers ¹	847	999	1,177

1. Comparison figures adjusted for inactive customers.



Non-life insurance

Non-life insurance policies are developed by the three specialized subsidiaries, Suravenir, Suravenir Assurances and Novelia (wholesale broker). They distribute their products through both the group's networks as well as external, non-group networks, helping to expand Crédit Mutuel Arkéa's areas of influence. In 2015, the portfolio continued to post gains, rising by 4% to 1.95 million policies.

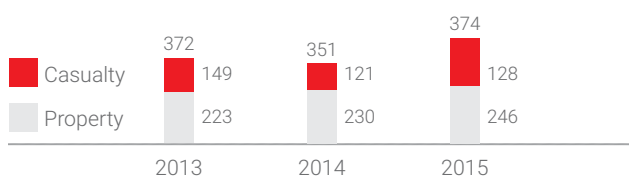
New business rose by 7% to 374,000 policies in 2015. The increase occurred in both the property segment (+16,000 policies) and personal insurance (+7,000 policies).

Customers acquired through external networks accounted for 31% of new business.

New insurance business

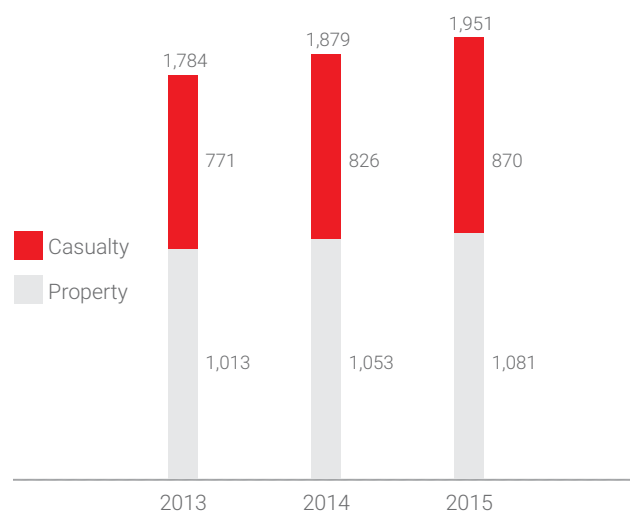
Non-life insurance

(thousands of policies)

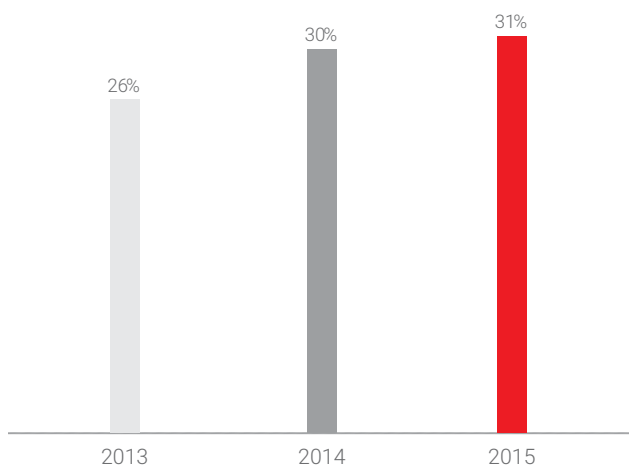


Non-life insurance portfolio

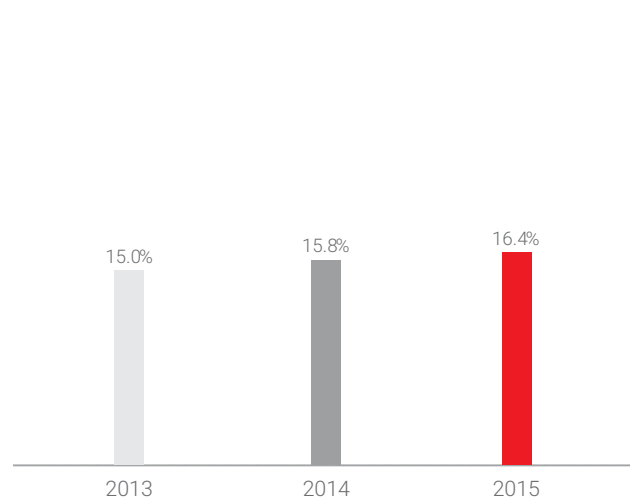
(thousands of policies)



Share of new business contributed by external networks



Share of portfolio contributed by external networks



3.2

Financial results

In 2015, Crédit Mutuel Arkéa recorded net income attributable to equity holders of the parent company of €296 million, the highest amount ever recorded and up 10% relative to 2014 (€269 million).

(€ millions)

	2015	2014	CHANGE
Net banking and insurance income	1,780	1,724	3.3%
Operating expenses	- 1,235	- 1,193	3.6%
Gross operating income	545	531	2.5%
Cost of risk	- 108	- 116	- 7.2%
Pre-tax income	443	418	5.9%
Corporate tax	- 147	- 147	- 0.4%
Net income attributable to equity holders of the parent company	296	269	10.0%
Cost-to-income ratio	69.4%	69.2%	

Net banking and insurance income (PNBA)

Net banking and insurance income increased by 3.3% (€56 million) to €1.8 billion.

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

The banking segment

The banking segment includes retail banking for individuals (local savings banks of Crédit Mutuel, Fortuneo, Financo and CFCAL), retail banking for companies (Arkéa Banque Entreprises et Institutionnels, Arkéa Crédit Bail, Leasecom, Arkéa Capital Investissement and Arkéa Capital Partenaire) and the specialized BtoB subsidiaries (Monext, Arkéa Banking Services, ProCapital Services and Leetchi).

Net banking income increased by 5.6% to €1.4 billion:

- net interest income rose by €33 million to €633 million, largely due to lower funding costs;
- commission income increased by €49 million to €590 million thanks to sustained activity in the capital markets, BtoB and lending segments;
- net other operating income and expense decreased by €11 million to €134 million. This decrease was largely due to base effect following the disposal of a building for €19 million in 2014.

The insurance and asset management segment

The insurance and asset management segment includes the life insurance (Suravenir) and non-life-insurance (Suravenir Assurances) companies and the brokerage (Novélia) and asset management (Federal Finance and Schelcher Prince Gestion and Arkéa Capital Gestion) companies.

Net banking and insurance income in the insurance and asset management segment fell by 3.5% to €0.4 billion:

- net interest income rose by €12 million to €54 million as a result of buoyant financial markets;
- net commission income paid out rose by €37 million to €173 million following the strong performance in the life insurance segment;
- other operating income and expense increased by €10 million to €542 million. This increase was largely due to the decrease in property insurance claims during the year.

Operating expenses

Operating expenses were up 3.6% to €1.2 billion.

Personnel expenses increased by 4.9% in connection with the favorable performances during the year.

Other expenses rose by 1.1%, corresponding mainly to expenses related to the establishment of the Single Supervisory Mechanism and the initial contribution to the European Single Resolution Fund.

The cost-to-income ratio was 69.4% in 2015.

Cost of risk

The cost of risk contracted by 7.2% to €108 million.

Return on assets

The return on assets corresponds to reported net income relative to total reported consolidated assets. In 2015, it was 0.27%, compared with 0.26% the previous year.



3.3

Capital and regulatory ratios

3.3.1 Internal capital adequacy assessment process

Crédit Mutuel Arkéa group is subject to capital adequacy requirements governing credit institutions, insurance companies and financial conglomerates:

- current regulations applicable to credit institutions have been in effect since 2014 following the transposition into French law of the Capital Requirements Directive 4 (CRD IV) and the Capital Requirements Regulation (CRR); these regulations emanate from the so-called Basel III proposals;
- the group's insurance companies were subject to Solvency 1 regulations through end-2015. Starting in 2016, they will adhere to regulations issued through the transposition of the Solvency 2 / Omnibus 2 directives;
- French regulations governing financial conglomerates are derived from the transposition into French law of the "Financial Conglomerates" directive. The purpose of these regulations is to ensure coverage of the conglomerate's overall risk exposure (combining the banking and insurance activities) by total group capital.

Banking and financial conglomerate solvency ratios are calculated using standards in effect at the end of the reporting period by Crédit Mutuel Arkéa's accounting department, which bases its calculation in particular on capital adequacy requirements determined by the Risk department.

Insurance business solvency ratios are calculated and monitored by the group's insurance companies.

The group's Assets and Liabilities Management (ALM) department monitors and manages the consolidated solvency ratio for the banking activity as well as the financial conglomerates ratio.

On the basis of regulatory statements, growth forecasts for the group's activity and appropriate projections of capital adequacy requirements, the group ALM department projects the ratios for upcoming years in order to anticipate capital needs or propose optimization measures.

3.3.2 Solvency ratios

Regulatory capital

Common Equity Tier 1 (CET 1) totaled €4.7 billion and represented 98% of total regulatory capital. It increased by €314 million in 2015, mainly due to the incorporation of the unappropriated profit for the year.

Including Tier 2 capital, regulatory capital was €4.8 billion.

(€ millions)

	12.31.15	12.31.14
Tier 1 capital, net of deductions	4,689	4,375
of which, Common Equity Tier 1 (CET 1)	4,689	4,375
Tier 2 capital, net of deductions	80	145
TOTAL CAPITAL USED TO CALCULATE THE SOLVENCY RATIO	4,769	4,520

Capital requirements

Capital requirements were €2.4 billion. They rose by €163 million due to the increase in credit risk, which was largely due to the commercial activity.

(€ millions)

	12.31.15	12.31.14
CREDIT RISK	2,211	2,047
Standardized method	347	314
Central governments and public sector	87	81
Credit institutions	8	7
Companies	63	46
Retail customers	169	164
Equities and other assets that are not corporate bonds	20	16
Internal ratings-based approach	1,864	1,733
Credit institutions	139	152
Companies	719	657
Retail customers	208	189
Equities	733	671
Securitization positions	12	9
Other assets that are not corporate bonds	52	55
MARKET RISK AND CVA (STANDARDIZED METHOD)	10	9
OPERATIONAL RISK (ADVANCED APPROACH ALMOST EXCLUSIVELY)	148	150
TOTAL CAPITAL REQUIREMENTS	2,369	2,206

Solvency ratios

The overall Common Equity Tier 1 ratio remained stable in 2015, as the €314 million (+7.2%) increase in CET 1 capital compensated for the €163 million (+7.4%) increase in capital requirements.

The overall solvency ratio fell by 0.3 percentage points in 2015 to 16.1%, mainly in connection with the application of a prudential discount on Tier 2 subordinated liabilities with a maturity of less than five years:

The fully loaded Common Equity Tier 1 ratio was estimated at 15.6%.

	12.31.15	12.31.14
CET 1 ratio	15.8%	15.9%
Tier 1 ratio	15.8%	15.9%
Overall ratio	16.1%	16.4%

3.3.3 Other solvency ratios applied

Leverage ratio

The Basel 3 regulations have defined a new ratio aimed at capping leverage. The simple calculation consists of measuring total assets relative to Tier 1 capital, with a minimum set at 3%.

In early 2015, the European Commission adopted a Delegated Regulation in order to outline the calculation methods. A restrictive standard is expected to be implemented at the European level as of 2018.

The Delegated Regulation calls for various exemptions subject to authorization by the relevant authorities, notably with respect to the treatment of savings deposited with Caisse des Dépôts et Consignation. The various simulations generated a ratio in excess of 6% by including the income and excluding the centralized savings (for which an exemption request is pending at this time).

Financial conglomerates ratio

The financial conglomerates ratio is designed to ensure that consolidated capital is adequate to cover solvency ratios for both the banking and insurance activities. The minimum level required is 100%.

As of December 31, 2015, consolidated capital totaled €5,200 million while capital requirements were €3,242 million, yielding a ratio of 160%.

Ratio generated by the Bank Recovery and Resolution Directive

The Bank Recovery and Resolution Directive published in May 2014 establishes a European framework for the recovery and resolution of credit institutions. The goal is to reduce the impact of a bank failure on the financial system and avoid passing the cost on to taxpayers.

It calls for the establishment of a Minimum Requirement for Own Funds and Eligible Liabilities (MREL) starting in 2016. This ratio measures capital and other eligible liabilities (including senior

debt with a maturity of more than one year) against total liabilities. A minimum level will be set for each institution.

Under certain conditions, the Directive provides for a potential contribution from the resolution fund when shareholders and creditors have absorbed losses representing 8% of liabilities.

As of end-December 2015, no standardized reporting had been established. The ratio between capital and senior debt (with a maturity of more than one year) on the one hand and the group's total banking liabilities on the other exceeded 8%.

3.3.4 The implementation of new "Solvency 2" prudential guidelines by the group's insurance companies

The prudential supervision reforms applicable to European insurance companies took effect on January 1, 2016. The previous directive aimed at harmonizing solvency rules (Solvency 1) adopted in the 1970's did not properly take into account insurance companies' actual risk exposure.

After the European Parliament's March 2014 vote on the Omnibus 2 Directive amending the Solvency 2 Directive, the following measures were taken in 2015:

- the transposition of the European directive into French law (administrative order of April 2, 2015, application law and order of May 7, 2015);
- the issuance in January 2015 of European Regulation No. 2015/035;
- the European Commission's issuance in 2015 of implementing technical standards (level 2 measures);
- the December 2015 issuance of instructions related to Solvency 2 (level 3 measures) on the website of the French Prudential Supervisory and Resolution Authority.

All regulations applicable to Solvency 2 have now been issued and apply to insurance companies in France and the rest of Europe.

In 2015, the group's insurance companies continued to prepare for the implementation of the three pillars of Solvency 2. These efforts largely revolved around completing the following steps:

Pillar 1/Quantitative requirements:

- completion of regulatory calculations requested by the French Prudential Supervisory and Resolution Authority as part of the 2015 preparatory year (establishment of preparatory balance sheets and capital requirements calculation);
- evaluation of transition measures related to Solvency 2.

Pillar 2/Qualitative requirements:

- establishment of key functions within the governance system;
- drafting and validation by governance bodies of written policies (in particular the governance system, risk management and internal control systems, etc.);
- completion of the 2015 Own Risk and Solvency Assessment (ORSA) process and drafting of the report on the internal assessment of risks and solvency to be sent to the French Prudential Supervisory and Resolution Authority;
- completion of additional stress tests requested by the French Prudential Supervisory and Resolution Authority involving low interest rate scenarios.

Pillar 3/Information to disclose to the public and the supervisory authority:

- completion of annual and quarterly quantitative reports as of 12/31/2014 and 9/30/2015, respectively;
- completion of preparatory report to be sent to the supervisory authority (regular report to the supervisor);
- 2016 will be dedicated in particular to implementing the preparatory work performed by the insurance companies over the past several years and applying the approved policies and systems introduced by the Solvency 2 directive.



3.4

Outlook

2015 was marked by the actions of the European Central Bank (ECB), which led to a drop in euro zone interest rates. This policy enabled both an easing of credit conditions as well as a sharp decline in the euro, which helped exporters.

The euro zone posted solid economic results, with 1.5% economic growth in 2015. Growth picked up significantly in France, rising by 1% in 2015 after only 0.4% the previous year. While this growth level did not enable a reduction in unemployment, it confirms that consumer spending is holding up. Meanwhile, company profit margins and sentiment improved, which bolstered investment in light of the combined impact of lower oil prices, the burgeoning effect of the French tax credit for competitiveness and employment (CICE) and the responsibility pact. Another positive sign is that construction appears to be emerging from the crisis, as residential housing investment bottomed out in late 2015.

Geopolitical risks were significant in 2015. The farm sector was hardest hit by the Russian embargo on food products and decline in commodity prices, notably cattle breeders (milk and beef) and pig farmers.

2016 outlook

Economic environment

Despite the uncertainties weighing on global growth, the euro zone's growth in 2016 is expected to be comparable to that of 2015. This result would be due to low oil prices, low interest rates and a weak euro, all of which support company profit margins, and continued real wage gains at the macroeconomic level, with a slight increase in employment and low inflation.

In France, growth is expected to continue at a slightly higher level than in 2015. However, the increase in economic growth will not be sufficient to bring about a significant drop in unemployment.

At present, the impacts of slower economic growth in emerging countries on French exports or terrorist threats are difficult to predict. Nevertheless, discussions on a normalization of relations between Europe and Russia are already under way and could improve the situation of the farm sector.

Regulatory environment

2016 will be marked by the application of the "Solvency 2" reform starting January 1. The reforms, which guarantee the solvency of insurance companies, are intended to adjust the level of capital to actual risk exposure, notably financial risk. It standardizes the methodology at the European level in order to avoid differences in national regulations and thus competitive distortions. For more information, see section "3.3.4 The implementation of new 'Solvency 2' prudential guidelines by the group's insurance companies."

Launch of new "Arkéa 2020" strategic business plan

Picking up where "Horizons 2015" left off, this new plan seeks to strengthen the group's positioning as the "Banking and insurance entrepreneur", with the following objectives:

- launch a new retail banking concept that combines the best of brick-and-mortar and online banking, based on a "financial coaching" approach;
- strengthen its role as the go-to partner in its home regions and supporter of digital entrepreneurship;
- develop its banking and insurance products and services through partnerships or even acquisitions of niche players;
- continue its strategy of provider of banking services on behalf of third parties, a unique positioning in France and the euro zone.

This overall approach is accompanied by the group's strong commitment to sustainable development, notably the energy transition, circular economy, sharing economy and societal entrepreneurship.

Company outlook since the publication of its most recent verified financial statements

On January 27, 2016, Crédit Mutuel Arkéa signed an agreement with Crelan, the Belgian cooperative banking group, to acquire its subsidiary Keytrade Bank, the online banking leader in Belgium.

No other significant event has affected the company since the closing date of its most recent financial statements, which were verified on December 31, 2015 and published on February 26, 2016.





3.5

Consolidated financial statements at December 31, 2015

Balance sheet

(In thousands of euros)

		12.31.15	12.31.14
ASSETS	NOTES	IFRS	IFRS
Cash, due from central banks	1	2,112,531	1,340,308
Financial assets at fair value through profit or loss	2	14,689,440	11,638,488
Derivatives used for hedging purposes	3	814,113	903,809
Available-for-sale financial assets	4	36,268,355	36,334,417
Loans and receivables due from banks	1	7,039,982	7,363,901
Loans and receivables due from customers	5	44,368,199	40,749,303
Remeasurement adjustment on interest-rate risk hedged portfolios		326,603	400,659
Held-to-maturity financial assets	7	151,544	210,154
Current tax assets	9	216,872	129,724
Deferred tax assets	10	93,885	119,289
Accruals, prepayments and sundry assets	11	2,221,532	2,302,106
Non-current assets held for sale		0	0
Deferred profit-sharing		0	0
Equity method investments	12	207,534	205,027
Investment property	13	581,135	534,764
Property, plant and equipment	14	235,251	238,183
Intangible assets	15	336,192	310,577
Goodwill	16	448,633	422,951
TOTAL ASSETS		110,111,801	103,203,660

(In thousands of euros)

		12.31.15	12.31.14
LIABILITIES	NOTES	IFRS	IFRS
Due to central banks	17	0	0
Financial liabilities at fair value through profit or loss	18	570,479	779,509
Derivatives used for hedging purposes	3	504,095	622,537
Due to banks	17	6,455,557	5,056,126
Customer accounts	19	41,450,622	37,610,603
Debt securities	20	13,779,820	15,193,800
Remeasurement adjustment on interest-rate risk hedged portfolios		19,229	4,391
Current tax liabilities	9	163,17	116,565
Deferred tax liabilities	10	133,466	124,027
Accruals, deferred income and sundry liabilities	21	3,296,487	3,678,398
Liabilities associated with non-current assets held for sale		0	0
Insurance companies' technical reserves	22	37,214,272	33,806,036
Provisions	23	366,385	361,191
Subordinated debt	24	381,953	382,141
TOTAL EQUITY		5,776,266	5,468,336
Shareholders' equity, group share		5,773,723	5,462,602
Share capital and reserves	25	2,202,620	2,216,911
Consolidated reserves	25	2,980,801	2,752,664
Gains and losses recognised directly in equity	26	293,987	223,558
Net income		296,315	269,469
Minority interests		2,543	5,734
TOTAL LIABILITIES		110,111,801	103,203,660

Income statement

(In thousands of euros)

		12.31.15	12.31.14
	NOTES	IFRS	IFRS
Interest and similar income	30	1,961,850	2,066,678
Interest and similar expense	30	- 1,341,198	- 1,435,471
Fee and commission income	31	608,898	553,154
Fee and commission expense	31	- 192,745	- 149,087
Net gain (loss) on financial instruments at fair value through profit or loss	32	25,617	- 3,925
Net gain (loss) on available-for-sale financial instruments	33	46,562	21,887
Income from other activities	34	6,701,201	5,726,404
Expense from other activities	34	- 6,030,354	- 5,055,976
NET BANKING INCOME		1,779,831	1,723,664
General operating expenses	35	- 1,136,737	- 1,098,059
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	36	- 98,549	- 94,457
GROSS OPERATING INCOME		544,545	531,148
Cost of risk	37	- 108,043	- 116,431
OPERATING INCOME		436,502	414,717
Share of earnings of companies carried under equity method	12	4,480	5,423
Net income on other assets	38	2,064	- 1,886
Goodwill variations		0	0
PRE-TAX INCOME		443,046	418,254
Income tax	39	- 146,573	- 147,109
After-tax income from discontinued or held-for-sale operations		0	0
NET INCOME		296,473	271,145
O/w Minority interests		158	1,676
NET INCOME - GROUP SHARE		296,315	269,469

Statement of net income and gains and losses recognised directly in equity

(In thousands of euros)

		12.31.15	12.31.14
	NOTES	IFRS	IFRS
NET INCOME		296,473	271,145
Actuarial gains and losses on defined-benefit plans		- 644	- 11,961
Gains and losses non recognised directly in equity for companies accounted for by the equity method		- 74	- 1
ITEMS NOT TO BE RECYCLED IN PROFIT AND LOSS		- 718	- 11,962
Revaluation of available-for-sale financial assets		45,56	158,426
Revaluation of derivative hedging instruments		11,584	7,859
Gains and losses recognised directly in equity for companies accounted for by the equity method		14,002	1,556
ITEMS TO BE RECYCLED IN PROFIT AND LOSS		71,146	167,841
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	40	70,428	155,879
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY		366,901	427,024
O/w group share		366,744	425,347
O/w minority interests		157	1,677

Change in Shareholders' Equity

(In thousands of euros)

	SHARE CAPITAL	RESERVES	
POSITION AT 1 JANUARY 2014	2,132,865	2,596,564	
Capital increase	78,608		
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		212,779	
Dividend paid in 2014 in respect of 2013		- 50,089	
Change in equity interests in subsidiaries with no loss of control		- 203	
SUBTOTAL OF MOVEMENTS RELATED TO RELATIONS WITH SHAREHOLDERS	2,211,473	2,759,051	
Changes in gains and losses recognised directly in equity			
2014 net income			
SUBTOTAL	2,211,473	2,759,051	
Impact of acquisitions and disposals on minority interests			
Share of changes in shareholders' equity of equity method associates and joint ventures		- 520	
Change of accounting methods			
Other changes		- 429	
POSITION AT 31 DECEMBER 2014	2,211,473	2,758,102	
Capital increase	- 14,291		
Elimination of own shares			
Issuance of preferred shares			
Equity components of hybrid instruments			
Equity components whose payment is share-based		- 6,894	
Allocation of the previous year income		269,469	
Dividend paid in 2015 in respect of 2014		- -40,911	
Change in equity interests in subsidiaries with no loss of control		0	
SUBTOTAL OF MOVEMENTS RELATED TO RELATIONS WITH SHAREHOLDERS	2,197,182	2,979,766	
Changes in gains and losses recognised directly in equity			
2015 net income			
SUBTOTAL	2,197,182	2,979,766	
Impact of acquisitions and disposals on minority interests		1,418	
Share of changes in shareholders' equity of equity method associates and joint ventures		- 1,122	
Change of accounting methods		6,654	
Other changes		- 477	
POSITION AT 31 DECEMBER 2015	2,197,182	2,986,239	

	TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	NET INCOME, GROUP SHARE	TOTAL EQUITY, GROUP SHARE	MINORITY INTEREST IN EQUITY	TOTAL EQUITY
	68,175	212,779	5,010,383	4,491	5,014,874
			78,608		78,608
			0		0
			0		0
			0		0
			0		0
		- 212,779	0		0
			- 50,089	- 1,245	- 51,334
			- 203	187	- 16
	68,175	0	5,038,699	3,433	5,042,132
	155,878		155,878	1	155,879
		269,469	269,469	1,676	271,145
	224,053	269,469	5,464,046	5,110	5,469,156
			0	627	627
			- 520		- 520
			0		0
	- 495		- 924	- 3	- 927
	223,558	269,469	5,462,602	5,734	5,468,336
			- 14,291		- 14,291
			0		0
			0		0
			0		0
			- 6,894	- 2,038	- 8,932
		- 269,469	0		0
			- 40,911	- 1,305	- 42,216
			0	- 12	- 12
	223,558	0	5,400,506	2,379	5,402,885
	70,429		70,429		70,429
		296,315	296,315	158	296,473
	293,987	296,315	5,767,250	2,537	5,769,787
			1,418		1,418
			- 1,122		- 1,122
			6,654	3	6,657
			- 477	3	- 474
	293,987	296,315	5,773,723	2,543	5,776,266

Cash flow statement

Cash flows from operating activities

(In thousands of euros)

	12.31.15	12.31.14
Net income	296,473	271,145
Income Tax	146,573	147,109
PRE-TAX INCOME	443,046	418,254
Amortisation and depreciation of property, plant and equipment and intangible assets	95,844	94,065
Depreciation and impairment of goodwill and other fixed assets	- 2,215	- 681
Net additions to depreciations	3,415,643	3,600,574
Share of earnings of companies carried under equity method	- 4,480	- 5,423
Net loss/(gain) from investing activities	- 19,607	- 20,333
Net loss/(gain) from financing activities	0	-
Other movements without cash flows	60,096	- 153,148
TOTAL NON-CASH ITEMS included in net income and other adjustments	3,545,281	3,515,054
Interbank and money market items	1,889,192	2,620,361
Customer items	203,173	1,776,608
Other financial items	- 3,839,852	- 11,018,891
Other non-financial items	- 267,720	1,364,779
Dividends received from companies carried under equity method	535	4,461
Taxes paid	- 154,915	- 66,638
INCREASE/(DECREASE) in operating assets/liabilities	- 2,169,587	- 5,319,320
CASH FLOWS FROM OPERATING ACTIVITIES	1,818,740	- 1,386,012

Cash flows from investing activities

Financial investments	- 133,310	- 6,991
Investment property	- 68,234	34,622
Plant, equipment and intangible assets	- 93,876	- 89,552
Other	0	-
CASH FLOWS FROM INVESTING ACTIVITIES	- 295,420	- 61,921

Cash flows from financing activities

(In thousands of euros)

Cash flows from/(to) the shareholders	- 33,165	134,952
Other cash flows from financing activities	- 648,507	- 15,000
CASH FLOWS from financing activities	- 681,672	119,952
NET INCREASE/(DECREASE) in cash and cash equivalents	841,648	- 1,327,981
Cash flows from operating activities	1,818,740	- 1,386,012
Cash flows from investing activities	- 295,420	- 61,921
Cash flows from financing activities	- 681,672	119,952
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	1,272,473	2,600,454
Cash, due from/to central banks (Assets and liabilities) (Notes 1 and 7)	1,340,308	2,300,737
Loans and receivables due from/to banks (Assets and liabilities) (Notes 1 and 7)	- 67,835	299,717
CASH AND CASH EQUIVALENTS, END OF THE YEAR	2,114,121	1,272,473
Cash, due from/to central banks (Assets and liabilities) (Notes 1 and 7)	2,112,531	1,340,308
Loans and receivables due from/to banks (Assets and liabilities) (Notes 1 and 7)	1,590	- 67,835
CHANGE IN NET CASH	841,648	- 1,327,981

Cash Flow statement

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 statements at December 31, 2015

Major events

Crédit Mutuel Arkéa maintained its profitable growth trend on 2015. Net banking income rose significantly and the cost of risk declined, especially in the corporate market.

Crédit Mutuel Arkéa's group share of net income was €296 million in 2015, up 10% from the previous year.

Crédit Mutuel Arkéa's balance sheet structure continues to show solid fundamentals. The solvency ratios are among the highest in the market.

The group's continued development was marked by the first-time consolidation of the following companies: Arkéa Bourse Retail, a holding company owning nearly 100% of Fortuneo and Procapital; Newport, a co-investment company in Nexity, which is majority-

owned by Nexity group managers; and Leetchi, which specializes in online money pots and electronic payment solutions.

ACCOUNTING STANDARDS APPLIED

Pursuant to European Regulation 1606/2002 of July 19, 2002 on the application of international standards, Crédit Mutuel Arkéa group prepared its interim consolidated financial statements for the period ending December 31, 2015 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable as of that date. These statements are presented in accordance with ANC recommendation 2013-04.

As of December 31, 2015, the group is subject to new standards, applicable at January 1, 2015, which are presented in the following table:

IAS/IFRS STANDARDS	TOPIC	APPLICATION DATE	IMPACT OF APPLICATION
IFRIC 21	Levies by public-sector authorities on entities active in a market.	01.01.2015	Ends the progressive recognition of certain levies in the interim financial statements. The modification of the year in which C3S was recognized also impacted equity (see pro forma).
Annual improvements to IFRS (2011-2013 cycle)	As part of the IFRS annual improvement process, the IASB published a series of amendments relating to existing standards.	01.01.2015	Limited

In addition, the group decided not to apply optional new standards and interpretations adopted by the European Union when application is only optional in 2015.

IAS/IFRS STANDARDS	TOPIC	APPLICATION DATE	IMPACT OF APPLICATION
Amendments to IAS 19 - Employee Contributions	The purpose of the amendments is to clarify and simplify the accounting for contributions that are independent of an employee's number of years of service.	01.01.2016	No impact
Annual improvements 2010-2012	As part of the IFRS annual improvement process, the IASB published a series of amendments relating to existing standards.	01.01.2016	Limited
Amendments to IFRS 11	These amendments further clarify accounting for the acquisition of an interest in a joint operation whose activity constitutes a business as defined in IFRS 3. These acquisitions must be recognized in accordance with the principles of IFRS 3 and other IFRS that do not conflict with the guidance in IFRS 11. Information required for business combinations must be disclosed in the notes to the financial statements.	01.01.2016	Limited
Amendments to IAS 16 and IAS 38	These amendments provide clarification on acceptable methods of depreciation and amortization. The amendments to IAS 16 specify that the depreciation and amortization methods based on revenues are inappropriate for intangible assets and property, plant and equipment. However, this presumption for intangible assets may be disregarded in certain cases.	01.01.2016	No impact
Amendments to IAS 16 and IAS 41	These amendments pertain to bearer biological assets that now fall under the scope of IAS 16 instead of IAS 41.	01.01.2016	No impact
Amendments to IAS 1 - Disclosure initiative	The amendments aim to strengthen the requirement for companies to use professional judgment in determining the disclosures to provide in their financial statements so that the disclosures are relevant and effective.	01.01.2016	Limited
Annual improvements 2012-2014	As part of the IFRS annual improvements cycle, the IASB issued a series of amendments to existing standards.	01.01.2016	Limited
Amendments to IAS 27 - Use of the equity method in separate financial statements	The purpose of the amendments is to enable entities to use the equity method to account for their investments in subsidiaries, joint ventures and associates in their separate financial statements.	01.01.2016	No impact

Main standards not adopted by the European Union as of December 31, 2015

IFRS 9 Financial instruments

Subject to its adoption by the European Union, IFRS 9 should become mandatory in fiscal years beginning on or after January 1, 2018. At present, Crédit Mutuel Arkéa group does not plan to adopt this standard early.

Since the amount of the issuer credit spread is considered immaterial, Crédit Mutuel Arkéa group does not intend to pursue the early recognition of this item in shareholders' equity.

Aware of the strategic and operational impact represented by IFRS 9, Crédit Mutuel Arkéa's management designated the IFRS 9 project as essential for the group and chose to launch it in the first half of 2015.

Following the impact analysis work that resulted from IFRS 9 performed in 2015, Crédit Mutuel Arkéa group plans to upgrade its IT systems and revise part or all of its information organizing and gathering processes.

IFRS 15 Revenue from contracts with customers

Subject to its adoption by the European Union, IFRS 15 will become mandatory for fiscal years starting January 1, 2018. At the present time, Crédit Mutuel Arkéa group does not plan to adopt the standard early.

This standard defines the principles for recognizing revenue from contracts with customers, with the exception of contracts subject to special standards, in particular leasing agreements, insurance contracts and financial instruments.

The group is still reviewing the main impacts of this new standard.

The standards adopted by the European Union may be viewed on the European Commission web site:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm



ACCOUNTING PRINCIPLES AND EVALUATION METHODS

Use of judgments and estimates in the preparation of financial statements

Preparation of the group's financial statements requires making assumptions and estimates whose future realisation 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 are divided into those held for trading and those assigned to this category under the option afforded by IAS 39. This allows financial instruments to be designated at fair value through profit or loss on initial recognition in the following cases:

- 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 UCITS in which the management company is in the group;
- 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.

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

Derivatives are covered by master netting agreements, which make it possible to net winning and losing positions in case of counterparty default. The group negotiates ISDA-type master agreements for each derivative transaction.

However, these derivatives are not netted on the balance sheet. Through these collateralization agreements, the group receives or disburses only cash as guarantees.

IFRS 13 allows for the recognition of own credit risk when valuing derivative financial liabilities (debt value adjustment – DVA). Moreover, the change in valuation techniques, which in particular takes into account the clarifications provided by this standard, led the group to adjust the methods for measuring counterparty risk in the fair value of derivative financial assets (credit value adjustment – CVA).

The group calculates the CVA and DVA on derivative instruments for each counterparty to which it is exposed.

The credit valuation adjustment (CVA) calculation consists of multiplying the group's expected positive exposure with regard to the counterparty, estimated using the so-called swaptions method, by the probability of default (PD) of the counterparty and the loss given default (LGD) rate. The debt valuation adjustment (DVA) calculation consists of multiplying the group's expected negative exposure with regard to the counterparty, estimated using the so-called swaptions method, by the group's probability of default (PD) and loss given default (LGD) rate.

The calculation methodology uses market data, notably CDS curves to estimate the PD.

The funding valuation adjustment (FVA) is intended to materialize the cost to finance positions on derivative instruments that do not involve any posting of collateral. The FVA calculation consists of multiplying the group's expected exposure with regard to the counterparty by the estimated market financing cost.

A negative amount of €19.3 million was recognized on the balance sheet for valuation adjustments as of December 31, 2015.

Financial assets representative of unit-linked insurance contracts include bonds issued by group entities that have not been eliminated through consolidation, in order to maintain the matching of technical provisions on unit-linked contracts with the fair value of the identified assets, which are themselves recognised at fair value. Not eliminated fixed-income securities totaled €405 million as of December 31, 2015 compared with €422 million as of December 31, 2014. Their elimination would have reduced pre-tax net income by €10.5 million as of December 31, 2015.

Initially, financial assets or liabilities at fair value through profit or loss are recognised at their fair value excluding acquisition costs and including accrued dividends. 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 (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 (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 "Net gain (loss) on financial instruments at fair value through profit or loss". 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 formalised documentation of the hedging transaction at inception: hedging strategy, designation of the hedged instrument (or the portion of the instrument), nature of the hedged risk, 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 on the income statement under the heading "Net gain (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 income statement is the potential ineffectiveness of the hedge.

The goal of the derivative financial instruments used as macro-hedging 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 as adopted by the European Union (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 income statement under "interest and similar income (expense)" synchronised 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 and similar income (expense)" at the same time as the hedged transaction itself impacts the income statement, 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 dividends. 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 or if there is permanent impairment.

The accrued or earned income from fixed-income securities is recognised in the income statement under the heading "interest and similar income" according to the effective interest rate method.

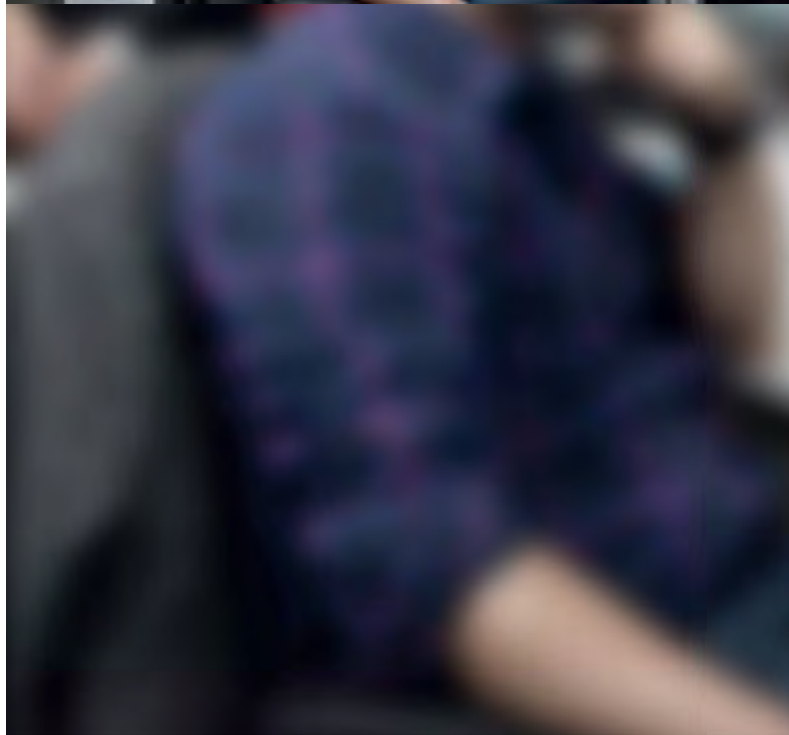
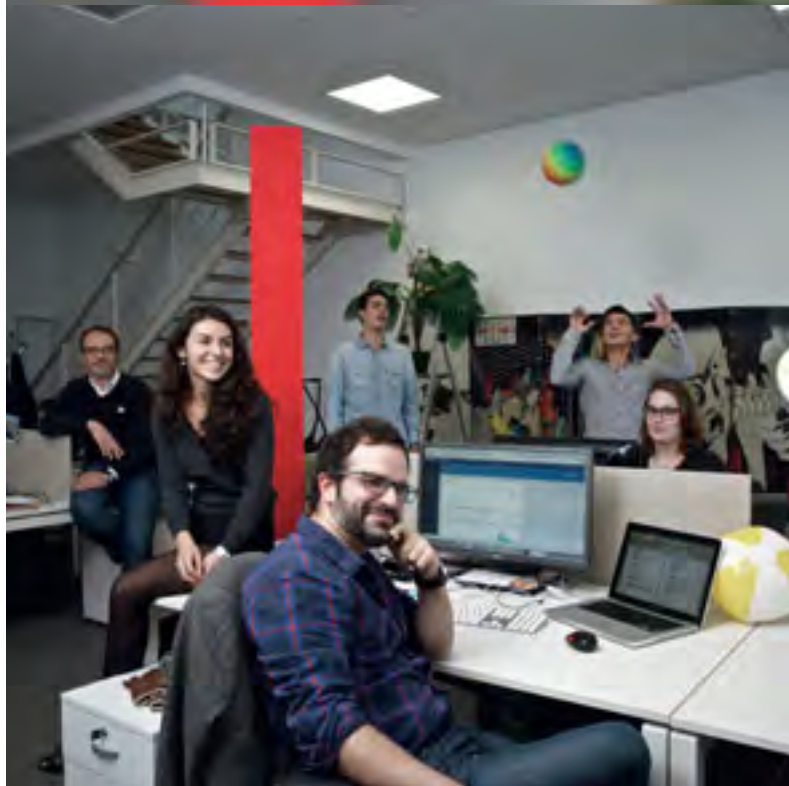
The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Dividends from variable-income securities are recognised in the income statement 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. the aforementioned criteria are nevertheless assessed for impairment if management believes that the amount invested cannot reasonably be 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". Any subsequent decline in value leads to an increase in impairment charged against net income. In the event of an increase in value, the provision may not be reversed through the income statement.

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.



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 dividends. On the balance sheet date, they are valued according to the amortised cost method at the effective interest rate and may be the subject of impairment when necessary.

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 Cr dit Mutuel Ark a 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 paid out including the transaction costs directly attributable to the transaction and fees analysed as an adjustment to the effective yield of the loan. On the balance sheet date, loans and receivables are valued at amortised cost. Interest, transaction costs, and fees included in the initial value of the loans are amortised over the life of the loan. 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.

The fees received for commercial loan renegotiations are deferred. The renegotiation of the loan results in the derecognition or modification of the former loan. According to this principle, the fees remaining to be deferred on former loans are recognized immediately in income.

The restructuring of a loan following the debtor’s financial difficulties results in the novation of the loan agreement. Based on the definition of this concept by the European Banking Authority (EBA) in its draft standards, published in late October 2013, the group identified loan restructuring (Forbearance) on those loans held as of December 31, 2013. The accounting impact of the loan restructuring was integrated into the financial statements of 2014.

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 reorganisation/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 amortised 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 impairment on disputed receivables has 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 not individually impaired 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.

This method entails recording impairment 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 et de Résolution 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 on 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 sales 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 any impairment losses.

The fair value of investment properties is determined on a specific expert evaluation.

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

- all software-related expenditures that do not satisfy the conditions for capitalisation (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 capitalised.

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 and equipment" and "Investment property". The following components and amortisation 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:

COMPONENT	AMORTISATION PERIOD
Furnitures	10 years
Computer equipment	3 to 5 years
Self-produced and acquired software	2 to 5 years
Portfolio of customer contracts acquired	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 intangible 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.

The valuation calculations are largely based on the discounted cash flow (DCF) method, which relies on assumptions regarding future revenue and expense trends based on medium-term plans, extrapolated to infinity on the basis of discounted growth rates.



The cash flows used are determined on the basis of the business plans of each cash generating unit (CGU) over a defined horizon of between three and five years. The discount rates used correspond to the cost of capital calculated using the capital asset pricing model. This method is based on a risk-free interest rate to which a risk premium is applied that depends on the underlying activity of the corresponding cash generating unit. The discount rates used in 2015 range between 7.34% and 9.6% while the growth rates to infinity range between 2% and 2.5%.

In addition, sensitivity tests are performed to measure the impact on the recoverable amount of changes in certain assumptions such as the discount rate or the growth rate to infinity. These measures led to the following results:

- a 25 basis point increase in the discount rate would lead to 3.6% overall reduction in the recoverable amounts without engendering any impairment of the cash generating unit;
- a 25 basis point decrease in the growth rate to infinity would result in a 2.6% overall decrease in the recoverable amount without engendering any impairment of the cash generating unit.

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."

Non-current assets held for sale

A non-current asset (or group of assets) satisfies the criteria for assets held for sale if it is available for sale and if the sale is highly likely to occur within 12 months.

The related assets and liabilities are shown separately in the statement of financial position, on the lines "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". Items in this category are recorded at the lower of their carrying amount and fair value less costs to sell, and are no longer amortised.

When non-current assets held for sale or associated liabilities become impaired, an impairment loss is recognised in the income statement.

Discontinued operations include operations which are held for sale or which have been shut down, and subsidiaries acquired exclusively with a view to resale. They are shown separately in the income statement, on the line "After-tax income (loss) from discontinued operations."

Amounts owed to credit institutions and customers

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

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

Accrued interest or interest due on amounts due to credit 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 and negotiable debt securities, bond issues 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 amortised 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. In particular, such provisions cover labor-related commitments, home savings product risks, disputes and liability guarantees.

Pension commitments

Pension plans include 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 plans 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, time savings accounts and long-term service awards 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 2.19% in December 2015, this rate is determined by reference to the iBoxx corporate AA 10+ euro zone index based on corporate bonds, index adjusted to take into account the specific rate context. The calculations also include an employee turnover rate of between 0.73% and 5.70% and a salary increase rate of between 1.52% and 2.50¹ %.

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.

For others long-term benefits, differences are recognised immediately in the income statement for the year.

As for post-employment benefits, actuarial differences are recognised under "Gains and losses recognised directly in equity".

Provisions for home savings accounts and plans

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 income statement under "Interest and similar income" and "Interest and similar expense".

1. Arkade UES (Unité Economique et Sociale) and Arkéa-SCD rates representing 99% of the commitment.

Subordinated debt

Subordinated debt are fixed 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 amortised 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 IFRIC 2 interpretation and treated as such in the group's consolidated financial statements.

Measurement of fair value of financial instruments

The fair value of assets and liabilities is defined as the price that would be received for the sale of an asset or paid for the transfer of a liability during an arm's length transaction between market participants as of the measurement date. Initially, fair value is usually the transaction price.

Financial assets and liabilities measured at fair value are assessed and recognized at fair value at the first-time consolidation as well as at subsequent measurement dates. These assets and liabilities include:

- financial assets and liabilities at fair value through profit or loss;
- available-for-sale financial assets;
- derivatives used for hedging purposes.

Other financial assets and liabilities are initially recognized at fair value. They are subsequently recognized at their amortized cost and are subjected to valuations whose methods are disclosed in the notes to the financial statements. These other financial assets and liabilities include:

- loans and receivables due from banks and customers;
- held-to-maturity financial assets;
- liabilities to credit institutions and customers;
- debt securities and Subordinated debt.

Assets and liabilities are furthermore broken down into three hierarchy levels, corresponding to the degree of observability of inputs used in the valuation techniques to determine their fair value.

Level 1: Assets and liabilities whose fair value is calculated using prices quoted (unadjusted) to which the entity has access on the measurement date on active markets for identical assets or liabilities.

An active market is one which, for the asset or liability being measured, has transactions occurring with sufficient frequency and volume as to provide price information on a continuous basis.

This category includes notably equities, bonds and shares of UCITS listed on an active market.

Level 2: Assets and liabilities whose fair value is calculated using data other than 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 category includes notably the following financial instruments:

- equities and bonds listed on a market that is considered inactive or that are unlisted;
- over the counter derivative instruments like swaps and options products;
- structured products.

The fair value of loans and receivables, liabilities to credit institutions, debt securities and subordinated debt are also included in this level.

Two methods are used to measure banks loans and receivables 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.

The market value of traditional fixed-rate loans, borrowings, debt securities and fixed-rate subordinated debt is obtained by discounting future cash flows and the use of dedicated yield curve spreads.

The market value of loans, borrowings, debt securities and variable-rate subordinated debt is obtained by discounting future cash

flows with calculation of a forward and the use of dedicated yield curve spreads.

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 equivalent to their fair value.

Level 3 : Assets and liabilities 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:

- loans and receivables, and liabilities to customers;
- equity securities not listed on an active market;
- private equity funds;
- certain specialized financings;
- securities held by private equity companies.

Equity investments that are not listed on an official market are measured internally. 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.

The valuation methods used by private equity companies generally include:

- the transaction price for recent acquisitions;
- the historical multiples method for mature companies;
- adjusted net asset value for portfolio companies (holding companies) and investment firms (funds).

Given the diversity of the instruments valued 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 valuation provided by the models is 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 considered as 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.

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 premiums 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.

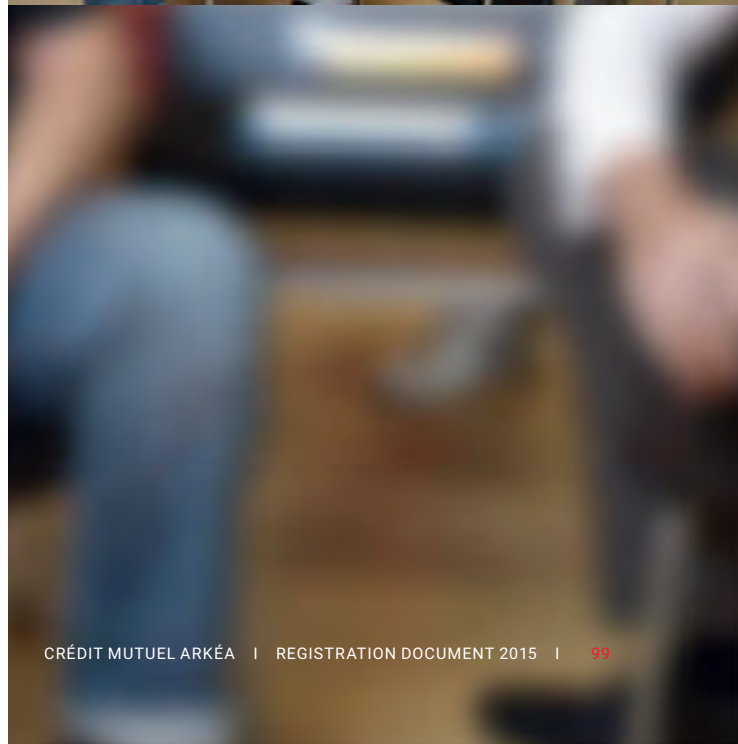
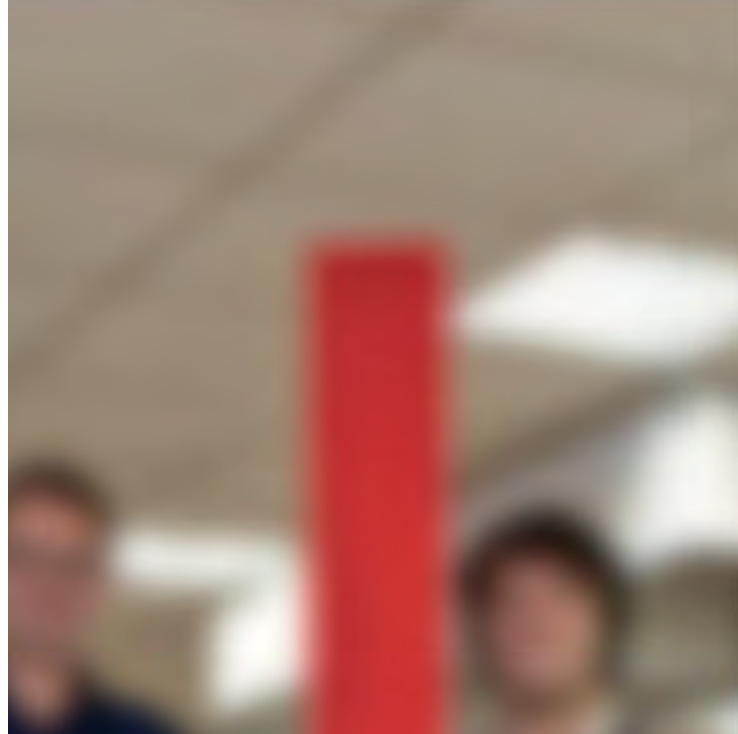
Insurance contracts and financial contracts with a discretionary profit-sharing provision are subject to "shadow accounting." The provision for deferred profit-sharing represents the share of unrealised capital gains and losses on assets attributable to the insured. This provision is presented on either 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 expenses arising on insurance contracts written by the group are recognised in the Income statement under "Income from other activities" and "Expense from other 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 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 et de Résolution". 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.

Entities included in the consolidation scope are those over which the group exercises exclusive or joint control or has significant influence and whose financial statements have a material impact on the group's consolidated financial statements, in particular with respect to total assets and net income contribution.

Shareholdings owned by private equity companies over which joint control or significant influence is exercised are excluded from the scope of consolidation. These investments are recognized at fair value through profit or loss.

Controlled entities

Control exists when the group (i) has power over an entity, (ii) is exposed to or has a claim on variable returns through its ties to the

entity, and (iii) has the ability to exercise its power over the entity in such a way as to influence the amount of the return it obtains.

The consolidation of a subsidiary in the group's consolidated financial statements begins on the date when the group obtains such control and ends on the date when the group relinquishes control over this entity.

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.

Investments in associates and joint ventures

An associate is an entity over which the group exercises significant influence. Such influence is characterized by the ability to participate in decisions involving the entity's financial and operating policies, even though control or joint control over these policies has not been obtained.

Significant influence is presumed if the group owns, directly or indirectly, 20% or more of the voting rights in an entity. If more than 20% of the voting rights are held, the absence of significant influence can be shown through the lack of representation on governing bodies or the absence of participation in the process for determining company policies.

A joint venture is a partnership in which the parties exercising joint control over the entity have claims on the entity's net assets.

Joint control is determined by the contractually agreed upon control exercised over an entity, which only exists in cases where decisions affecting the relevant activities require the unanimous consent of the parties sharing control.

The earnings, assets and liabilities of investments in associates and joint ventures are recognized in the group's consolidated financial statements using the equity method.

Under this method, investments in associates and joint ventures are initially recognized at their acquisition cost, subsequently adjusted to reflect the group's share in the earnings and other comprehensive income of the associates or joint ventures.

An investment is recognized using the equity method as of the date when the entity becomes an associate or joint venture. At the time of acquisition of an associate or joint venture, the difference between the cost of the investment and the group's share of the fair value of the entity's identifiable net assets and liabilities is recognized as goodwill. In cases where the fair value of the entity's identifiable net assets and liabilities exceeds the cost of the investment, the difference is shown through profit and loss.

Investment in joint operations

A joint operation is a partnership in which the parties exercising joint control over the entity have direct claims over the assets as well as obligations with respect to the liabilities related to this operation.

Main changes in scope of consolidation

In January 2015, the group acquired an equity investment in New Port, a co-investment company in Nexity, which is majority-owned by the Nexity group managers.

Arkéa Bourse Retail was consolidated for the first time in June 2015. This company is now the holding company owning nearly 100% of Fortuneo and Procapital following the group's internal reorganization.

In May 2015, the Leasecom group was merged with Leasecom and in June 2015 all the assets and liabilities of Leasecom and Leasecom Financial Assets were merged.

Following investments by two new shareholders, CM Arkéa's equity interest in Primonial Holding fell from 69.10% to 45% in October 2015.

Primonial acquired all minority interests in Sefal Property to increase its shareholding to 100%.

Crédit Mutuel Arkéa also acquired exclusive control of Leetchi as of September 18, 2015.

The consolidated entities of Crédit Mutuel Arkéa are presented in note 45.



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 organisational 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.

In the event of a reduction in the equity interest without any loss of control, the impact of the change in equity interest is also recognized directly in 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.

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 used. 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 10.7% of the amount of corporate income tax applicable until December 30, 2016.

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.



NOTES ON THE BALANCE SHEET

Note 1. Cash, due from central banks Loans and receivables due from banks

(In thousands of euros)

	12.31.15	12.31.14
CASH, DUE FROM CENTRAL BANKS		
Due from central banks	1,974,987	1,197,068
Cash	137,544	143,240
TOTAL	2,112,531	1,340,308
LOANS AND RECEIVABLES DUE FROM BANKS		
Crédit Mutuel network accounts	601,688	513,851
Other regular accounts	259,694	384,177
Loans	5,606,697	6,126,057
Securities not listed on an active market	10,000	10,000
Repurchase agreements	500,939	249,978
Receivables written down on an individual basis	0	0
Receivables related to all accounts	60,964	79,838
Depreciation	0	0
TOTAL	7,039,982	7,363,901
Of which, demand loans and deposits with banks	352,923	399,409

Note 2. Financial assets at fair value through profit or loss

(In thousands of euros)

	12.31.15	12.31.14
Assets classified at fair value option	14,214,563	11,098,755
Assets held for trading purposes	474,877	539,733
TOTAL	14,689,440	11,638,488

Note 2a. Assets classified at fair value option

(In thousands of euros)

	12.31.15	12.31.14
Securities	14,198,757	11,080,494
Treasury bills, notes and government bonds	0	0
Bonds and other fixed-income securities	4,179,123	2,436,538
Listed	4,114,081	2,365,777
Unlisted	65,042	70,761
Stocks and other variable-income securities	10,019,634	8,643,956
Listed	6,436,835	5,754,806
Unlisted	3,582,799	2,889,150
Other financial assets ⁽¹⁾	15,806	18,261
Of which securities loaned under purchased agreements	0	0
TOTAL	14,214,563	11,098,755

(1) Customers and interbank loans and receivables.

The maximum non-recovery risk for loans recognized at fair value through profit or loss totaled €15,301 thousand. This amount is not hedged by credit derivatives.

Note 2b. Assets held for trading purposes

(In thousands of euros)

	12.31.15	12.31.14
Securities	3,112	3,725
■ Treasury bills, notes and government bonds	0	0
■ Bonds and other fixed-income securities	3,112	3,725
Listed	3,098	3,711
Unlisted	14	14
■ Stocks and other variable-income securities	0	0
Listed	0	0
Unlisted	0	0
Derivatives held for trading purposes	471,765	536,008
Other financial assets	0	0
Of which securities loaned under purchased agreements	0	0
TOTAL	474,877	539,733

Derivative trading instruments are held as economic hedges on customer transactions.

Note 3. Derivatives used for hedging purposes

(In thousands of euros)

	12.31.15		12.31.14	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Cash flow hedges	2,057	24,897	1,806	41,263
Fair value hedges	812,056	479,198	902,003	581,274
TOTAL	814,113	504,095	903,809	622,537

The value of changes in cash flows recycled through profit or loss was equal to €1,822 thousand.

Note 4. Available-for-sale financial assets

(In thousands of euros)

	12.31.15	12.31.14
TREASURY BILLS, NOTES AND GOVERNMENT BONDS	14,049,036	14,992,694 (*)
BONDS AND OTHER FIXED-INCOME SECURITIES	18,956,963	18,667,989
Listed	17,860,524	16,781,087 (*)
Unlisted	1,096,439	1,886,902
STOCKS AND OTHER VARIABLE-INCOME SECURITIES	2,343,231	1,669,888
Listed	1,361,683	998,842
Unlisted	981,548	671,046
INVESTMENT SECURITIES	549,775	404,905
Long-term investments	276,849	268,608
Other long-term investments	180,418	49,738
Shares in associates	92,508	86,559
Translation adjustments	0	0
Loaned securities	0	0
RELATED RECEIVABLES	369,350	598,941
TOTAL	36,268,355	36,334,417
Of which unrealised gains/losses recognised directly in equity	438,961	392,777
Of which securities sold under repurchase agreements	0	0
Of which impaired securities	0	0
Of which impaired bonds	40,655	45,238
Of which depreciation for impairment recorded in profit or loss	- 57,762	- 63,244
Of which listed long-term investment	0	0

(*) Pro forma 2014

Note 5. Loans and receivables due from customers

(In thousands of euros)

	12.31.15	12.31.14
Performing receivables	42,062,147	38,631,152
■ Commercial receivables	141,608	112,189
■ Other loans to customers	41,794,130	38,384,086
Housing loans	22,232,478	20,368,466
Other loans and various receivables, including repurchase agreements	19,561,652	18,015,620
■ Related receivables	126,409	134,877
■ Securities not listed on an active market	0	0
Insurance and reinsurance receivables	131,761	125,886
Receivables written down on an individual basis	1,513,100	1,512,375
GROSS RECEIVABLES	43,707,008	40,269,413
Specific depreciations	- 854,549	- 874,718
Collective depreciations	- 108,596	- 88,879
SUB TOTAL I	42,743,863	39,305,816
Finance leases (net investment)	1,663,460	1,467,146
■ Movable goods	863,672	721,312
■ Real estate property	725,080	692,124
■ Receivables written down on an individual basis	74,708	53,710
Depreciation	- 39,124	- 23,659
SUB TOTAL II	1,624,336	1,443,487
TOTAL	44,368,199	40,749,303
Of which Equity loans with no voting rights	12,165	0
Of which subordinated loans	0	0

Note 6a. Information on impaired assets and the payment arrears

(In thousands of euros)

	PAYMENT ARREAR				GUARANTEES ON PAYMENT ARREARS
	LESS THAN 3 MONTHS	OVER 3 MONTHS - 6 MONTHS	OVER 6 MONTHS - 1 YEAR	OVER 1 YEAR	
EQUITY INSTRUMENTS					0
DEBT INSTRUMENTS	0	0	0	0	0
Central banks	0	0	0	0	0
Banking institutions	0	0	0	0	0
Other financial corporations	0	0	0	0	0
Non-financial corporations	0	0	0	0	0
Retail customers	0	0	0	0	0
LOANS AND RECEIVABLES	269,084	7,145	122	0	187,820
Central banks	0	0	0	0	0
Banking institutions	0	0	0	0	0
Other financial corporations	0	0	0	0	0
Non-financial corporations	70,256	0	0	0	42,611
Retail customers	198,828	7,145	122	0	145,209
OTHER FINANCIAL ASSETS	0	0	0	0	0
TOTAL	269,084	7,145	122	0	187,820
Unallocated guarantees					0

This table includes all outstandings not considered impaired within the meaning of French Accounting Authority (ANC) Standard 2014-07 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.

Note 6b. Restructured loans by type

(In thousands of euros)

RESTRUCTURED LOANS BY TYPE AS OF 12.31.2015	RENEGOTIATION OF CONTRACT	TOTAL OR PARTIAL REFINANCING OF DEBT INSTRUMENT	TOTAL
PERFORMING LOANS	23,937	25,521	49,458
Gross doubtful loans	161,715	156,798	318,513
Restructured doubtful loans - impairment losses	- 70,488	- 83,561	- 154,049
NET DOUBTFUL LOANS	91,227	73,237	164,464

Note 7. Held-to-maturity financial assets

(In thousands of euros)

	12.31.15	12.31.14
Securities	149,967	205,764
■ Treasury bills, notes and government bonds	59,225	69,361
■ Bonds and other fixed-income securities	90,742	136,403
Listed	78,253	97,877
Unlisted	12,489	38,526
Related receivables	1,577	4,390
GROSS TOTAL	151,544	210,154
Depreciation	0	0
NET TOTAL	151,544	210,154

Note 8. Depreciations

(In thousands of euros)

	12.31.14	ALLOCATIONS	WRITE-BACKS	OTHER	12.31.15
Loans and receivables – financial institutions	0	0	0	0	0
Loans and receivables due from customers	- 987,256	- 371,495	369,312	- 12,830	- 1,002,269
Available-for-sale securities	- 63,244	- 5,862	11,235	109	- 57,762
Held-to-maturity securities	0	0	0	0	0
TOTAL	- 1,050,500	- 377,357	380,547	- 12,721	- 1,060,031

Note 9. Current tax

(In thousands of euros)

	12.31.15	12.31.14
Assets (through profit or loss)	216,872	129,724
Liabilities (through profit or loss)	163,170	116,565

Note 10. Deferred tax

(In thousands of euros)

	12.31.15	12.31.14
Assets (through profit or loss)	87,733	99,461
Assets (through equity)	6,152	19,828
Liabilities (through profit or loss)	35,357	18,610
Liabilities (through equity)	98,109	105,417

Breakdown of deferred taxes by major category

(In thousands of euros)

	12.31.15	12.31.14
Loss carryforwards	9,322	12,718
Temporary differences on:		
Deferred gains or losses on available-for-sale assets	- 120,010	- 119,387
Unrealised gains and losses on cash flow hedging	6,048	12,130
Unrealised gains and losses on actuarial differences	22,008	21,669
Provisions for risks and losses nondeductible	51,056	57,557
Unrealised reserves of finance leases	- 31,458	- 24,606
Other temporary differences	23,453	35,181
TOTAL DEFERRED TAX ASSETS AND LIABILITIES	- 39,581	- 4,738

Deferred tax are netted on the balance sheet by tax entity.

Note 11. Accruals, prepayments and sundry assets

(In thousands of euros)

	12.31.15	12.31.14
ACCRUALS – ASSETS		
Receivables collection	493,670	420,467
Foreign currency adjustment accounts	34,010	19,454
Income receivable	83,741	72,986
Miscellaneous accrual accounts	195,536	175,401
SUB TOTAL	806,957	688,308
OTHER ASSETS		
Settlement accounts for security transactions	113,376	150,043
Various debtors	427,599	520,623
Versed deposits	772,753	859,797
Inventories and similar	5,542	6,064
Other miscellaneous applications of funds	2	2
SUB TOTAL	1,319,272	1,536,529
OTHER INSURANCE ASSETS		
Technical provisions - Reinsurers' share	68,524	52,801
Other	26,779	24,468
SUB TOTAL	95,303	77,269
TOTAL	2,221,532	2,302,106

Note 12. Equity method investments**Share of earnings of companies carried under equity method**

(In thousands of euros)

	12.31.15			12.31.14		
	INVESTMENT	SHARE OF EARNINGS	DIVIDENDS	INVESTMENT	SHARE OF EARNINGS	DIVIDENDS
Caisse Centrale du Crédit Mutuel	123,063	2,333	535	115,919	3,037	678
Crédit Mutuel Cartes de Paiement	- 844	- 5	0	- 838	2,153	3,783
Primonial Holding	58,643	1,265	0	89,946	234	0
Newport	26,672	887	0	-	-	-
TOTAL BRUT	207,534	4,480	535	205,027	5,423	4,461

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

(In thousands of euros)

	TOTAL BALANCE SHEET	NET BANKING INCOME	GROSS OPERATING INCOME	NET INCOME	OCI	EQUITY
Caisse Centrale du Crédit Mutuel	4,666,582	21,513	16,523	10,614	97,417	580,877
Crédit Mutuel Cartes de Paiement	3,139	0	- 19	- 19	0	3,122
Primonial Holding	267,306	110,483	15,108	9,128	0	106,761
Newport	155,084	4,056	2,693	2,693	31,489	8,7092

Note 13. Investment property

(In thousands of euros)

	12.31.14	INCREASE	DECREASE	OTHER	12.31.15
Historical cost	727,243	77,260	- 12,823	0	791,680
Amortisation and depreciation	- 192,479	- 25,480	7,414	0	- 210,545
NET AMOUNT	534,764	51,780	- 5,409	0	581,135

The fair value of investment real estate recognised at cost amounted to €871 million in 2015 compared to €817 million in 2014.

Note 14. Property, plant and equipment

(In thousands of euros)

	12.31.14	INCREASE	DECREASE	OTHER	12.31.15
HISTORICAL COST					
Land	22,230	91	- 25	0	22,296
Plant	515,261	15,417	- 3,391	0	527,287
Other property, plant and equipment	185,432	19,271	- 7,661	77	197,119
TOTAL	722,923	34,779	- 11,077	77	746,702
DEPRECIATION AND AMORTISATION					
Land	0	0	0	0	0
Plant	- 332,002	- 20,209	2,759	0	- 349,452
Other property, plant and equipment	- 152,738	- 13,331	4,105	- 35	- 161,999
TOTAL	- 484,740	- 33,540	6,864	- 35	- 511,451
NET AMOUNT	238,183	1,239	- 4,213	42	235,251

Note 15. Intangible assets

(In thousands of euros)

	12.31.14	INCREASE	DECREASE	Other ⁽¹⁾	12.31.15
HISTORICAL COST					
Self-produced assets	262,112	44,890	- 1,352	6,971	312,621
Acquired assets	550,734	66,461	- 42,897	15,889	590,187
Software	309,447	13,404	- 1,382	22	321,491
Other	241,287	53,057	- 41,515	15,867	268,696
TOTAL	812,846	111,351	- 44,249	22,860	902,808
DEPRECIATION AND AMORTISATION					
Self-produced assets	- 161,914	- 41,230	346	0	- 202,798
Acquired assets	- 340,355	- 23,753	1,346	- 1,056	- 363,818
Software	- 276,225	- 14,247	1,335	- 22	- 289,159
Other	- 64,130	- 9,506	11	- 1,034	- 74,659
TOTAL	- 502,269	- 64,983	1,692	- 1,056	- 566,616
NET AMOUNT	310,577	46,368	- 42,557	21,804	336,192

(1) Due to integration of Leetchi in the scope.

Self-produced assets correspond mainly to software.

Aside from software, intangible assets include mainly assets acquired through business combinations resulting from contract law (indefinite useful life brands, customer relations).

Note 16. Goodwill

(In thousands of euros)

	12.31.14	ACQUISITIONS	DISPOSALS	OTHER	12.31.15
Gross goodwill	422,951	25,682	0	0	448,633
Depreciation	0	0	0	0	0
NET GOODWILL	422,951	25,682	0	0	448,633

Allocation by cash generating unit (CGU)

(In thousands of euros)

	CONCERNED COMPANIES	12.31.15	12.31.14
Investor services and on line savings	Fortuneo Procapital	229,144	229,144
Provider of banking services	Monext	100,250	100,250
Restructuring of loans and associated funding	CFCAL Banque CFCAL SCF	38,216	38,216
Equipment lease financing	Leasecom Leasecom Car	32,723	32,723
Online payments	Leetchi SA Leetchi Corp	25,682	
Asset management	Schelcher Prince Gestion	11,649	11,649
Non-life insurance	Suravenir Assurances	10,969	10,969
NET GOODWILL		448,633	422,951

Note 17. Due to central banks - Due to banks

(In thousands of euros)

	12.31.15	12.31.14
CENTRAL BANKS	0	0
BANKS	6,455,557	5,056,126
Crédit Mutuel network accounts	10,214	62,902
Other current accounts	249,561	375,539
Loans	1,724,779	2,480,902
Other liabilities	51,143	20,248
Repurchase agreements	4,407,717	2,102,512
Related liabilities	12,143	14,023
TOTAL	6,455,557	5,056,126
Of which, loans and deposits with banks	351,333	467,244

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

(In thousands of euros)

	12.31.15	12.31.14
FINANCIAL LIABILITIES HELD FOR TRADING	564,946	663,762
Derivatives	564,946	663,762
FAIR VALUE OPTION FINANCIAL LIABILITIES THROUGH PROFIT OR LOSS	5,533	115,747
Due to banks	18	552
Customer accounts	5,515	61,391
Debt securities	0	53,804
Subordinated debt	0	0
TOTAL	570,479	779,509

The redemption value of liabilities measured at fair value amounted to €570,473 thousand at December 31, 2015, against €779,114 thousand at December 31, 2014. Given the terms applicable to the group's offerings, fair value changes due to changes in the Crédit Mutuel Arkéa group's issuer risk were negligible as of December 31, 2015.

Note 18a. Financial liabilities at fair value option through profit or loss

(In thousands of euros)

	12.31.15			12.31.14		
	CARRYING AMOUNT	AMOUNT DUE AT MATURITY	GAP	CARRYING AMOUNT	AMOUNT DUE AT MATURITY	GAP
Due to banks	18	13	5	552	540	12
Customer accounts	5,515	5,514	1	61,391	61,088	303
Debt securities	0	0	0	53,804	53,724	80
Subordinated debt	0	0	0	0	0	0
TOTAL	5,533	5,527	6	115,747	115,352	395

Note 18b. Financial assets and liabilities subject to netting, an enforceable master netting agreement or a similar agreement

12.31.15

	GROSS AMOUNT OF FINANCIAL ASSETS			
	LIABILITIES RECOGNIZED	LIABILITIES RECOGNIZED AND NETTED ON THE BALANCE SHEET	LIABILITIES SHOWN ON THE BALANCE SHEET	
ASSETS				
Derivatives	1,285,878	0	1,285,878	
Reverse repurchase agreement of securites, securities borrowing or similar agreements	500,939	0	500,939	
Other financial assets	0	0	0	
TOTAL ASSETS	1,786,817	0	1,786,817	
LIABILITIES				
Derivatives	1,069,041	0	1,069,041	
Repurchase agreements of securities, securities lending or similar agreements	4,409,469	0	4,409,469	
Other financial assets	0	0	0	
TOTAL LIABILITIES	5,478,510	0	5,478,510	

12.31.14

12.01.14

	GROSS AMOUNT OF FINANCIAL ASSETS			
	LIABILITIES RECOGNIZED	LIABILITIES RECOGNIZED AND NETTED ON THE BALANCE SHEET	LIABILITIES SHOWN ON THE BALANCE SHEET	
ASSETS				
Derivatives	1,439,817	0	1,439,817	
Reverse repurchase agreement of securites, securities borrowing or similar agreements	249,978	0	249,978	
Other financial assets	0	0	0	
TOTAL ASSETS	1,689,795	0	1,689,795	
LIABILITIES				
Derivatives	1,286,299	0	1,286,299	
Repurchase agreements of securities, securities lending or similar agreements	2,102,613	0	2,102,613	
Other financial assets	0	0	0	
TOTAL LIABILITIES	3,388,912	0	3,388,912	

(In thousands of euros)

12.31.15

	RELATED AMOUNTS NOT NETTED ON THE BALANCE SHEET			NET AMOUNT
	IMPACT OF MASTER NETTING AGREEMENTS	FINANCIAL INSTRUMENTS RECEIVED/GIVEN AS GUARANTEES	CASH COLLATERAL	
	- 357,852	0	- 546,465	381,561
	0	- 500,939	0	0
	0	0	0	0
	- 357,852	- 500,939	- 546,465	381,561
	- 357,852	0	- 643,035	68,154
	0	- 4,327,898	- 57,141	24,430
	0	0	0	0
	- 357,852	- 4,327,898	- 700,176	92,584

12.31.14

	RELATED AMOUNTS NOT NETTED ON THE BALANCE SHEET			NET AMOUNT
	IMPACT OF MASTER NETTING AGREEMENTS	FINANCIAL INSTRUMENTS RECEIVED/GIVEN AS GUARANTEES	CASH COLLATERAL	
	- 418,937	0	- 521,227	499,653
	0	- 249,978	0	0
	0	0	0	0
	- 418,937	- 249,978	- 521,227	499,653
	- 418,937	0	- 794,041	73,321
	0	- 2,082,544	0	20,069
	0	0	0	0
	- 418,937	- 2,082,544	- 794,041	93,390

Note 19. Customer accounts

(In thousands of euros)

	12.31.15	12.31.14
Savings accounts governed by special regulations	20,989,441	20,439,896
Demand accounts	16,179,123	16,086,276
Term accounts	4,810,318	4,353,620
Debt related to savings account	9,290	11,353
SUBTOTAL	20,998,731	20,451,249
Current accounts	12,682,257	10,742,969
Term accounts and term loans	7,671,706	6,329,982
Repurchase agreements	0	0
Insurance and reinsurance liabilities	46,818	35,497
Related liabilities	51,110	50,906
SUBTOTAL	20,451,891	17,159,354
TOTAL	41,450,622	37,610,603

Note 20. Debt securities

(In thousands of euros)

	12.31.15	12.31.14
Certificates of deposit	21,971	25,690
Interbank market securities and negotiable debt securities	3,202,656	3,763,014
Bond issues	10,287,338	11,126,655
Related liabilities	267,855	278,441
TOTAL	13,779,820	15,193,800

Note 21. Accruals, deferred income and sundry liabilities

(In thousands of euros)

	12.31.15	12.31.14
ACCRUALS – LIABILITIES		
Blocked accounts for collection operations	398,328	425,897
Foreign currency adjustment accounts	41,279	26,614
Expenses payable	145,760	147,148
Prepaid income	270,868	296,571
Miscellaneous accrual accounts	110,333	114,404
SUBTOTAL	966,568	1,010,634
OTHER LIABILITIES		
Settlement accounts for securities transactions	193,153	265,509
Outstanding payments on securities	3,047	3,042
Miscellaneous creditors	2,112,076	2,380,742
SUBTOTAL	2,308,276	2,649,293
OTHER INSURANCE LIABILITIES		
Security deposits and guarantees received	21,643	18,471
Other	0	0
SUBTOTAL	21,643	18,471
TOTAL	3,296,487	3,678,398

Note 22. Insurance companies' technical reserves

(In thousands of euros)

	12.31.15	12.31.14
Life	29,533,979	27,280,029
Of profit-sharing	2,327,128	2,625,668
Non life	433,264	389,517
Unit-linked contracts	7,108,811	6,005,865
Other	138,218	130,625
TOTAL	37,214,272	33,806,036
Active deferred profit-sharing	0	0
Reinsurers' share	- 68,524	- 52,801
NET TECHNICAL PROVISIONS	37,145,748	33,753,235

Note 23. Provisions

(In thousands of euros)

	12.31.14	ALLOCATIONS	WRITE-BACKS (used)	WRITE-BACKS (not used)	OTHER	12.31.15
Provisions for pension costs	242,258	21,747	- 10,820	- 223	129	253,091
Provisions for home savings accounts and plans	29,568	6,297	0	0	0	35,865
Provisions for execution of guarantee commitments	22,311	8,619	0	- 7,374	- 63	23,493
Provision for taxes	3,163	687	- 95	- 133	38	3,660
Provisions for legal proceedings	20,881	2,873	- 1,737	- 14,890	1,216	8,343
Provisions for risks	15,754	10,785	- 4,828	- 5,279	- 5,735	10,697
Other	27,256	11,219	- 2,296	- 3,935	- 1,008	31,236
TOTAL	361,191	62,227	- 19,776	- 31,834	- 5,423	366,385

Note 23a. Provisions for pension costs and similar benefits**Defined benefit retirement obligations excluding pension funds**

(In thousands of euros)

	12.31.14	ALLOCATIONS	WRITE-BACKS	OTHER	12.31.15
Retirement benefits	50,953	1,871	- 2,175	133	50,782
Defined-benefit plans	94,254	11,624	- 6,898	0	98,980
Long-term service awards	39,456	1,174	- 1,970	0	38,660
Time savings account	57,595	7,078	0	- 4	64,669
TOTAL	242,258	21,747	- 11,043	129	253,091

Note 23b. Provisions for regulated savings product risks**Deposits collected under home purchase savings schemes during the savings period - Provision**

(In thousands of euros)

	12.31.15		12.31.14	
	DEPOSITS	PROVISIONS	DEPOSITS	PROVISIONS
Home purchase savings plans	4,405,023	34,386	3,915,724	26,525
Under 4 years old	2,412,870	6,283	1,838,251	2,500
Between 4 and 10 years old	1,013,869	5,065	999,183	3,290
Over 10 years old	978,284	23,038	1,078,290	20,735
Home purchase savings accounts	681,813	1	730,719	618
TOTAL	5,086,836	34,387	4,646,443	27,143

Loans granted under home purchase savings schemes - Provisions

(In thousands of euros)

	12.31.15		12.31.14	
	LOANS	PROVISIONS	LOANS	PROVISIONS
Home purchase savings plans	13,340	60	21,141	109
Home purchase savings accounts	121,988	1,418	182,254	2,316
TOTAL	135,328	1,478	203,395	2,425

Note 24. Subordinated debt

(In thousands of euros)

	12.31.15	12.31.14
Subordinated debt	274,743	274,625
Equity instruments with no voting rights	2,693	2,693
Undated subordinated debt	97,217	97,223
Other liabilities	0	0
Related liabilities	7,300	7,600
TOTAL	381,953	382,141

Subordinated debt representing at least 10% of the total subordinated debt at December 31, 2015

ISSUERS	ISSUE DATE	AMOUNT	CURRENCY	RATE	DUE DATE
Crédit Mutuel Arkéa	07.05.04	97,314	Euro	CMS 10 years + 0.10	Undated
Crédit Mutuel Arkéa	09.18.08	300,000	Euro	6.75%	09.18.08
TOTAL		397,314			

Note 25. Share capital and reserves Consolidated reserves

(In thousands of euros)

	12.31.15	12.31.14
Share capital	2,197,182	2,211,473
Share capital related reserves	5,438	5,438
Consolidated reserves	2,980,801	2,752,664
Statutory reserve	379,475	353,964
Reserves provided for in the articles of incorporation and contractual reserves	1,605,412	1,499,713
Regulated reserves	0	0
Translation reserves	0	0
Other reserves	933,040	828,705
Retained earnings	62,874	70,282
TOTAL	5,183,421	4,969,575

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 €4,784 million at December 31, 2015 compared to €4,520 million at December 31, 2014.

The primary regulatory ratios are discussed in the group management report.

Note 26. Gains and losses recognised directly in equity

(In thousands of euros)

	12.31.15	12.31.14
Available-for-sale assets	347,473	287,910
Cash flow hedge derivatives	- 11,514	- 23,098
Real estate property	0	0
Other	- 41,973	- 41,255
TOTAL	293,987	223,558

Note 27. Breakdown of financial liabilities according to maturity

(In thousands of euros)

	RESIDUAL MATURITY					TOTAL
	LESS THAN 3 MONTHS	OVER 3 MONTHS – 1 YEAR	OVER 1 YEAR – 5 YEARS	MORE THAN 5 YEARS	NOT DETERMINED	
Financial liabilities at fair value through profit or loss	7,291	20,358	103,678	439,152	0	570,479
Derivatives used for hedging purposes					504,095	504,095
Due to banks	1,358,830	2,422,827	400,075	2,273,692	0	6,455,424
Customer accounts	31,367,672	1,936,111	5,634,884	2,511,952	0	41,450,619
Debt securities	1,068,151	2,215,783	3,749,774	6,746,112	0	13,779,820
Subordinated debt	130	35	273,288	11,206	97,294	381,953

Note 28a. Ranking of fair value

(In thousands of euros)

12.31.15	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS				
AVAILABLE-FOR-SALE FINANCIAL ASSETS	30,168,554	2,171,093	3,928,708	36,268,355
- Treasury bills and similar securities	14,018,802	194,380	0	14,213,182
- Bonds and other fixed-income securities ⁽¹⁾	14,853,005	1,975,585	2,333,114	19,161,704
- Stocks and other variable-income securities	1,296,747	794	1,046,153	2,343,694
- Equity investments and other long-term investments	0	334	456,933	457,267
- Shares in associates	0	0	92,508	92,508
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	8,695,502	3,622,855	2,371,083	14,689,440
- Bonds and other fixed-income securities - Held for trading	0	3,112	0	3,112
- Bonds and other fixed-income securities – FVO ⁽²⁾	1,021,189	3,132,172	25,762	4,179,123
- Stocks and other variable-income securities – Held for trading	0	0	0	0
- Stocks and other variable-income securities – FVO ⁽³⁾	7,674,313	0	2,345,321	10,019,634
- Due from banks – FVO	0	659	0	659
- Customer loans – FVO	0	15,147	0	15,147
- Derivatives and other financial assets - Held for trading	0	471,765	0	471,765
DERIVATIVES USED FOR HEDGING PURPOSES	0	814,113	0	814,113
TOTAL	38,864,056	6,608,061	6,299,791	51,771,908
FINANCIAL LIABILITIES				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	0	570,479	0	570,479
- Due to banks – FVO	0	18	0	18
- Customer deposits - FVO	0	5,515	0	5,515
- Debt securities - FVO	0	0	0	0
- Derivatives and other financial liabilities – Held for trading	0	564,946	0	564,946
DERIVATIVES USED FOR HEDGING PURPOSES	0	504,095	0	504,095
TOTAL	0	1,074,574	0	1,074,574

(1) €442 million have been removed from level 1 to level 2. They primarily relate to structured bonds with characteristics corresponding to criteria defined for Level 2.

(2) €90 million have been removed from level 1 to level 2. They primarily relate to structured bonds with characteristics corresponding to criteria defined for Level 2.

(3) €417 million have been removed from level 1 to level 3. They involve mutual funds (UCITS) whose valuation corresponds to the criteria defined for level 3.

(In thousands of euros)

12.31.14	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FINANCIAL ASSETS				
AVAILABLE-FOR-SALE FINANCIAL ASSETS	30,159,324	3,303,520	2,871,573	36,334,417
- Treasury bills and similar securities ⁽¹⁾	(*) 13,928,797	1,075,086	0	15,003,883
- Bonds and other fixed-income securities	(*) 15,214,070	2,228,434	1,812,563	19,255,067
- Stocks and other variable-income securities	1,016,457	0	654,105	1,670,562
- Equity investments and other long-term investments ⁽²⁾	0	0	318,346	318,346
- Shares in associates	0	0	86,559	86,559
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	8,632,090	1,864,002	1,142,396	11,638,488
- Bonds and other fixed-income securities - Held for trading	667	3,058	0	3,725
- Bonds and other fixed-income securities – FVO	1,112,127	1,306,675	17,736	2,436,538
- Stocks and other variable-income securities – Held for trading	0	0	0	0
- Stocks and other variable-income securities – FVO	7,519,296	0	1,124,660	8,643,956
- Due from banks – FVO	0	1,806	0	1,806
- Customer loans – FVO	0	16,455	0	16,455
- Derivatives and other financial assets - Held for trading	0	536,008	0	536,008
DERIVATIVES USED FOR HEDGING PURPOSES	0	903,809	0	903,809
TOTAL	38,791,414	6,071,331	4,013,969	48,876,714
FINANCIAL LIABILITIES				
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	0	779,509	0	779,509
- Due to banks – FVO	0	552	0	552
- Customer deposits - FVO	0	61,391	0	61,391
- Debt securities - FVO	0	53,804	0	53,804
- Derivatives and other financial liabilities – Held for trading	0	663,762	0	663,762
DERIVATIVES USED FOR HEDGING PURPOSES	0	622,537	0	622,537
TOTAL	0	1,402,046	0	1,402,046

(1) €15 million have been removed from level 1 to level 2. These consist mainly of bonds whose characteristics correspond to the criteria defined for level 2.

(2) €170 million have been removed from level 1 to level 3. These consist mainly of equity securities not listed on an active market.

(*) pro forma 2014

Note 28b. Ranking of fair value - Details of level 3

(In thousands of euros)

	12.31.14	PURCHASES	ISSUES	SALES	REFUNDING	TRANS-FERS
AVAILABLE-FOR-SALE FINANCIAL ASSETS	2,871,573	2,796,255	13,412	- 350,055	- 1,872,428	0
- Bonds and other fixed-income securities	1,812,563	2,320,474	0	- 316,527	- 1,870,192	0
- Stocks and other variable-income securities	654,105	348,966	0	- 5,602	- 2,148	0
- Equity investments and other long-term investments	318,346	126,514	13,411	- 23,151	0	0
- Shares in associates	86,559	301	1	- 4,775	- 88	0
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	1,142,396	782,927	0	- 24,723	0	416,855
- Bonds and other fixed-income securities - FVO	17,736	5,581	0	- 3,577	0	0
- Stocks and other variable-income securities - FVO	1,124,660	777,346	0	- 21,146	0	416,855
- Derivatives and other financial assets - Held for trading	0	0	0	0	0	0
TOTAL	4,013,969	3,579,182	13,412	- 374,778	- 1,872,428	416,855

	GAINS AND LOSSES		OTHER MOVE-MENTS	12.31.15	TRANSFERS N1,N2 => N3	TRANSFERS N3 => N1,N2
	THROUGH PROFIT OR LOSS	IN EQUITY				
AVAILABLE-FOR-SALE FINANCIAL ASSETS	11,727	22,849	435,375	3,928,708	0	0
- Bonds and other fixed-income securities	- 355	- 6	387,157	2,333,114	0	0
- Stocks and other variable-income securities	0	0	50,832	1,046,153	0	0
- Equity investments and other long-term investments	1,223	22,855	- 2,265	456,933	0	0
- Shares in associates	10,859	0	- 349	92,508	0	0
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	4,692	0	48,936	2,371,083	416,855	0
- Bonds and other fixed-income securities - FVO	- 253	0	6,275	25,762	0	0
- Stocks and other variable-income securities - FVO	4,945	0	42,661	2,345,321	416,855	0
- Derivatives and other financial assets - Held for trading	0	0	0	0	0	0
TOTAL	16,419	22,849	484,311	6,299,791	416,855	0

Note 29. Fair value of financial assets and liabilities recognised at amortised cost

(In thousands of euros)

12.31.15						
	MARKET VALUE	BALANCE SHEET VALUE	UNREALISED GAINS AND LOSSES	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS	52,880,039	51,559,725	1,320,314	41,790	6,853,153	45,985,096
Loans and receivables due from banks	6,736,190	7,039,982	- 303,792		6,736,190	0
Loans and receivables due from customers	45,985,096	44,368,199	1,616,897		0	45,985,096
Held-to-maturity financial assets	158,753	151,544	7,209	41,790	116,963	0
LIABILITIES	66,562,499	62,067,952	4,494,547	0	25,093,144	41,469,355
Due to banks	7,565,126	6,455,557	1,109,569		7,565,126	0
Customer accounts	41,469,355	41,450,622	18,733		0	41,469,355
Debt securities	17,129,966	13,779,820	3,350,146		17,129,966	0
Subordinated debt	398,052	381,953	16,099		398,052	0

(In thousands of euros)

12.31.14						
	MARKET VALUE	BALANCE SHEET VALUE	UNREALISED GAINS AND LOSSES	LEVEL 1	LEVEL 2	LEVEL 3
ASSETS	49,393,077	48,323,358	1,069,719	67,865	7,300,106	42,025,106
Loans and receivables due from banks	7,153,148	7,363,901	- 210,753		7,153,148	0
Loans and receivables due from customers	42,025,106	40,749,303	1,275,803		0	42,025,106
Held-to-maturity financial assets ⁽¹⁾	214,823	210,154	4,669	67,865	146,958	0
LIABILITIES	60,665,115	58,242,670	2,422,445	0	23,040,379	37,624,736
Due to banks	5,921,350	5,056,126	865,224		5,921,350	0
Customer accounts	37,624,736	37,610,603	14,133		0	37,624,736
Debt securities	16,708,771	15,193,800	1,514,971		16,708,771	0
Subordinated debt	410,258	382,141	28,117		410,258	0

(1) Level 1 to level 2 transfers were carried out for a total amount of €109 million. They involve mainly bonds whose characteristics correspond to the criteria defined for level 2.



Notes on the income statement

Note 30. Interest and similar income/expense

(In thousands of euros)

	12.31.15		12.31.14	
	INCOME	EXPENSE	INCOME	EXPENSE
BANKS AND CENTRAL BANKS	90,671	- 85,127	125,529	- 68,727
Customers	1,480,195	- 586,773	1,538,934	- 613,149
Derivative hedge instruments	239,693	- 252,974	271,224	- 268,759
Available-for-sale financial assets	147,359	0	125,626	0
Held-to-maturity financial assets	3,932	0	5,365	0
Debt securities	0	- 415,219	0	- 482,941
Subordinated debt	0	- 1,105	0	- 1,895
TOTAL	1,961,850	- 1,341,198	2,066,678	- 1,435,471

In 2015, the decline in interest rates resulted in certain financial assets having a negative interest rate. The IFRS interpretations committee noted that interest related to a negative interest rate on a financial asset does not satisfy the definition of interest revenue in accordance with IAS 18 Revenue. This interest expense related to a financial asset should not be presented on the interest revenue line but in an appropriate expense line item. Negative interest is immaterial for the group.

Note 31. Fee and commission income/expense

(In thousands of euros)

	12.31.15		12.31.14	
	INCOME	EXPENSE	INCOME	EXPENSE
Financial institutions	5,954	- 2,905	3,669	- 2,758
Customers	129,791	- 750	114,692	- 1,984
Derivatives	7,698	- 8	7,399	- 313
Foreign currency	2,735	- 315	1,971	- 58
Financing and guarantee commitments	667	- 1,411	666	- 828
Securities and services	462,053	- 187,356	424,757	- 143,146
TOTAL	608,898	- 192,745	553,154	- 149,087

Note 32. Net gain (loss) on financial instruments at fair value through profit or loss

(In thousands of euros)

	12.31.15	12.31.14
Instruments held for trading	11,708	- 14,527
Fair value option instruments	12,447	10,221
Hedging ineffectiveness	- 2,087	217
cash flow hedges	44	45
fair value hedges	- 2,131	172
■ change in fair value of hedged items	24,536	-356,916
■ change in fair value of hedges	- 26,667	357,088
Foreign exchange gains (losses)	3,549	164
TOTAL OF CHANGES IN FAIR VALUE	25,617	- 3,925

Note 33. Net gain (loss) on financial instruments available-for-sale

(In thousands of euros)

	12.31.15				12.31.14			
	DIVIDENDS	REALISED GAINS/LOSSES	IMPAIRMENT	TOTAL	DIVIDENDS	REALISED GAINS/LOSSES	IMPAIRMENT	TOTAL
Treasury bills, notes, government bonds, bonds and other fixed-income securities	0	12,180	0	12,180	0	6,841	0	6,841
Stocks and other variable-income securities	1,353	10,314	1,652	13,319	1,746	9,658	- 1,248	10,156
Investment securities	4,151	13,213	3,699	21,063	4,754	- 1,198	1,334	4,890
Other	0	0	0	0	0	0	0	0
TOTAL	5,504	35,707	5,351	46,562	6,500	15,301	86	21,887

Note 34. Income/expense from other activities

(In thousands of euros)

	12.31.15		12.31.14	
	INCOME	EXPENSE	INCOME	EXPENSE
Insurance business	6,477,779	- 5,929,574	5,470,006	- 4,932,097
Investment property	11,374	- 33,241	39,949	- 42,859
Other income	212,048	- 67,539	216,449	- 81,020
TOTAL	6,701,201	- 6,030,354	5,726,404	- 5,055,976

Note 34a. Gross margin on insurance activities

(In thousands of euros)

	12.31.15	12.31.14
Premiums earned	4,763,064	3,972,623
Cost of claims and benefits	- 165,586	- 172,483
Change in provisions	- 27,226	- 25,096
Other technical and non-technical income and expenses	- 4,670,329	- 4,097,548
Net investment income	648,282	860,413
TOTAL	548,205	537,909

Note 35. General operating expenses

(In thousands of euros)

	12.31.15	12.31.14
Personnel expenses	- 725,638	- 691,598
Other expense	- 411,099	- 406,461
TOTAL	- 1,136,737	- 1,098,059

Note 35a. Personnel expenses

(In thousands of euros)

	12.31.15	12.31.14
Salaries, wages and compensation	- 408,716	- 399,133
Payroll taxes	- 197,467	- 193,691
Mandatory and optional employee profit-sharing	- 61,562	- 44,099
Taxes, levies and similar payments on compensation	- 57,893	- 54,675
Other	0	0
TOTAL	- 725,638	- 691,598

The French tax credit for competitiveness and employment (Crédit d'impôt pour la Compétitivité et l'Emploi - CICE) was recognized as a deduction from personnel expenses in the amount of €11,530 thousand.

Note 35b. Average staff

	12.31.15	12.31.14
Employees	3,597	3,701
Executives and experts	4,882	4,752
TOTAL	8,479	8,453

Note 35c. Post-employment benefits, defined-benefit plans

Defined contribution plans are those for which the group's commitment is limited to the payment of a contribution but do not include any commitment by the group with respect to the level of services provided.

The main defined contribution post-employment benefit plans include mandatory social security and the Agirc and Arrco retirement plans, as well as the supplementary retirement plans established by some entities and for which they are only required to make contributions.

In 2015, expenses related to these plans totaled €68,236 thousand, compared to €67,484 thousand in 2014.

Defined benefit plans and other long-term benefits

These defined benefit plans expose the group to certain risks such as interest rate risk and market risk.

These benefits are based on the final salary for end of service awards and on the average salary over the past 10 years for the supplementary retirement benefit. When the annuity for the additional voluntary pension contribution is liquidated, the risk is transferred to Suravenir in the form of an insurance contract.

Change in actuarial liability

(In thousands of euros)

	POST-EMPLOYMENT		OTHER LONG-TERM BENEFITS ⁽¹⁾	Total 12.31.15	Total 12.31.14
	DEFINED- BENEFIT PLANS	RETIREMENT BENEFITS			
GROSS ACTUARIAL LIABILITY AT DECEMBER 31, 2014	94,254	50,953	97,051	242,258	205,671
Cost of services rendered during the period	5,282	3,363	2,905	11,550	9,587
Financial cost	1,838	1,021	1,924	4,783	6,207
Modification/reduction/liquidation of a plan				0	0
Acquisition, disposal (change in consolidation scope)		130		130	99
Benefits paid (mandatory)	- 6,898	- 2,175	- 2,557	- 11,630	- 11,917
Actuarial gains/losses	4,504	- 2,510	4,005	5,999	32,610
of which, actuarial gains/losses related to changes in demographic assumptions	1,971	148	6,841	8,960	- 9,474
of which, actuarial gains/losses related to changes in financial assumptions	- 4,437	- 1,552	- 1,120	- 7,109	34,912
of which, actuarial gains/losses related to experience adjustments	6,970	- 1,106	- 1,716	4,148	7,172
GROSS ACTUARIAL LIABILITY AT DECEMBER 31, 2015	98,980	50,782	103,328	253,090	242,258

(1) Other long-term benefits concerned long-term service awards and time savings account.

Analysis of charge to the income statement

(In thousands of euros)

	POST-EMPLOYMENT		OTHER LONG-TERM BENEFITS	Total 12.31.15	Total 12.31.14
	DEFINED- BENEFIT PLANS	RETIREMENT BENEFITS			
Cost of services rendered during the year	-5,282	-3,363	- 2,905	- 11,550	- 9,581
Financial cost	- 253	- 174	- 1,518	- 1,945	- 2,409
Impact of any reduction or liquidation of a plan				0	0
Actuarial gains/losses			- 4,000	- 4,000	- 13,771
of which, actuarial gains/losses related to changes in demographic assumptions recognised on the income statement			- 6,841	- 6,841	2,065
of which, actuarial gains/losses related to changes in financial assumptions recognised on the income statement			1,120	1,120	- 12,525
of which, actuarial gains/losses related to experience adjustments			1,721	1,721	- 3,311
CHARGE TO THE INCOME STATEMENT	- 5,535	- 3,537	- 8,423	- 17,495	- 25,761

Change in fair value of plan assets and reimbursement rights

(In thousands of euros)

	POST-EMPLOYMENT		OTHER LONG-TERM BENEFITS	Total 12.31.15	Total 12.31.14
	DEFINED- BENEFIT PLANS	RETIREMENT BENEFITS			
FAIR VALUE OF ASSETS AT DECEMBER 31, 2014	84,687	44,441	20,845	149,973	130,207
Financial cost	1,585	847	406	2,838	3,798
Employer contributions	11,449			11,449	24,624
Acquisition, disposal (change in consolidation scope)				0	0
Benefits paid	- 6,760	- 2,025		- 8,785	- 9,219
Actuarial gains/losses	- 212	1,223	5	1,016	563
of which, actuarial gains/losses on plan assets related to changes in demographic assumptions				0	0
of which, actuarial gains/losses on plan assets related to changes in financial assumptions				0	563
of which, actuarial gains/losses related to experience adjustments	- 212	1,223	5	0	0
FAIR VALUE OF ASSETS AT DECEMBER 31, 2015	90,749	44,486	21,256	156,491	149,973

Net position

(In thousands of euros)

	DEFINED- BENEFIT PLANS	RETIREMENT BENEFITS	OTHER LONG-TERM BENEFITS	Total 12.31.15	Total 12.31.14
GROSS ACTUARIAL LIABILITY AT END OF PERIOD	98,980	50,782	103,328	253,090	242,258
Fair value of assets	- 90,749	- 44,486	- 21,256	- 156,491	- 149,973
NET POSITION	8,231	6,296	82,072	96,599	92,285

Items recognised immediately in equity and shown through profit and loss

(In thousands of euros)

	12.31.15	12.31.14
Actuarial gains and losses on defined benefit plans	- 1,093	- 18,252
Asset cap adjustments		
TOTAL OF ITEMS RECOGNISED IMMEDIATELY DURING THE YEAR	- 1,093	- 18,252
TOTAL ACCUMULATED ACTUARIAL GAINS AND LOSSES AT YEAR-END	- 64,011	- 62,918

Information on plan assets

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 hedging assets are held by Suravenir.

As of December 31, 2015, the weighted average term of defined benefit obligations was 13.6 years (13.6 years in 2014).

The employer contributions to be paid for 2016 in respect of defined benefit post-employment benefits are estimated at €7,252 thousand.

Composition of hedging assets

(In thousands of euros)

12.31.15				
FAIR VALUE OF PLAN ASSETS	DEBT SECURITIES	EQUITY INSTRUMENTS	REAL ESTATE PROPERTY	OTHER
Assets listed on an active market	103,472	6,712	0	0
Assets not listed on an active market	17,135	531	7,385	0
TOTAL	120,607	7,243	7,385	0

12.31.14				
FAIR VALUE OF PLAN ASSETS	DEBT SECURITIES	EQUITY INSTRUMENTS	REAL ESTATE PROPERTY	OTHER
Assets listed on an active market	109,406	5,700	0	0
Assets not listed on an active market	7,982	537	5,504	0
TOTAL	117,388	6,236	5,504	0

Analysis of commitments' sensitivity to changes in main assumptions

(As a % of the item measured)

12.31.15				
	DEFINED-BENEFIT PLANS	RETIREMENT BENEFITS	LONG-TERM SERVICE AWARDS	TIME SAVINGS ACCOUNT
+0.5% CHANGE IN THE DISCOUNT RATE				
Impact on present value of commitments as of December 31	- 6%	- 6%	- 7%	- 5%
+0.5% CHANGE IN THE NET SALARY				
Impact on present value of commitments as of December 31	6%	7%	6%	5%

The sensitivities shown are weighted averages of observed changes relative to the present value of the commitments.

Note 35d. Share-based payment

IFRS 2 "Share-based payment" requires share-based payments to be recognized in the company's income statement and balance sheet.

This standard applies to transactions with employees, and specifically:

- transactions whose payment is based on shares and settled in equity instruments;
- transactions whose payment is based on shares and settled in cash.

For transactions settled in equity instruments, an expense is charged against shareholders' equity. This expense is spread over the vesting period.

The group is affected mainly by transactions whose settlement is performed in cash. For these transactions, the fair value of the liability, measured initially on the grant date, must be remeasured on each closing date and until the liability settlement date. Fair value changes are recorded through profit or loss on the income statement until the liability has been settled.

	PLAN 1	PLAN 2	PLAN 3	PLAN 4	PLAN 5
Type of plans	Cash settled	Cash settled	Cash settled	Equity settled	Cash settled
Grant date	10.15.15	09.18.15	04.01.15	09.03.15	06.30.15
Exercise period	T1 2018/T1 2020	S1 2019	From T2 2016 to T1 2017	09/03/2016	T4 2020
Valorisation method	Net position + Multiple of outstandings	Multiple of revenues	EBITDA + Multiple of outstandings	EBITDA + Multiple of outstandings	Discounted cash flow
2015 Net income impact	- 1,755	- 363	- 1,65	- 299	- 12,049
Debts on the balance sheet	10,686	2,765	2,063		18,054

Note 35e. Other expenses

(In thousands of euros)

	12.31.15	12.31.14
Taxes other than on income or payroll-related	- 57,974	- 63,750
External services	- 352,787	- 342,562
Other expenses	- 338	- 149
TOTAL	- 411,099	- 406,461

The independent auditor's fee recognised on the income statement for the year totaled €4,274 thousand. The invoiced fees pertaining to the legal audit of individual and consolidated financial statements totaled €3,366 thousand, while those pertaining to other services totaled €908 thousand.

Note 36. Depreciation, amortisation and impairment of property, plant and equipment and intangible assets

(In thousands of euros)

	12.31.15	12.31.14
Amortisation	- 98,059	- 96,115
Tangible assets	- 33,047	- 34,425
Intangible assets	- 65,012	- 61,690
Depreciation:	- 490	1,658
Tangible assets	- 490	93
Intangible assets	0	1,565
TOTAL	- 98,549	- 94,457

Note 37. Cost of risk

(In thousands of euros)

	ALLOCA-TIONS	WRITE-BACKS	IRRECOVERABLE LOANS		COLLECTION OF RECEIVABLES WRITTEN OFF	12.31.15
			RECEIVABLES COVERED	RECEIVABLES NOT COVERED		
FINANCIAL INSTITUTIONS	0	0	0	0	0	0
Customers	- 335,091	339,744	- 100,460	- 12,557	3,076	- 105,288
Finance leases	- 14,219	11,761	- 3,236	- 2,535	4	- 8,225
Loans to customers	- 303,557	314,808	- 97,224	- 10,022	3,072	- 92,923
Financing and guarantee commitments	- 17,315	13,175	0	0	0	- 4,140
Available-for-sale assets	- 2,085	1,718	0	0	0	- 367
Held-to-maturity assets	0	0	0	0	0	0
Other	- 4,591	2,313	- 110	0	0	- 2,388
TOTAL	- 341,767	343,775	- 100,570	- 12,557	3,076	- 108,043

Note 38. Net income on other assets

(In thousands of euros)

	12.31.15	12.31.14
Tangible and intangible assets	5,484	- 1,886
Losses on disposals	- 1,206	- 2,705
Gains on disposals	6,690	819
Expenses related to business combinations	- 3,420	0
TOTAL	2,064	- 1,886

Note 39. Income tax

(In thousands of euros)

BREAKDOWN OF THE INCOME TAX	12.31.15	12.31.14
Current income tax expense	- 125,157	- 98,086
Net deferred income tax expense	- 21,416	- 49,023
NET INCOME TAX EXPENSE	- 146,573	- 147,109
Income before taxes and income of companies accounted for under the equity method	438,566	412,831
EFFECTIVE TAX RATE	33.42%	35.63%

ANALYSIS OF EFFECTIVE TAX RATE:	12.31.15	12.31.14
Normal tax rate	38.00%	38.00%
Permanent differences	1.13%	- 0.40%
Impact of tax rate on long-term capital gains and tax relief	- 4.59%	- 2.56%
Impact of fiscal losses	- 0.13%	- 0.05%
Credit Tax	- 1.26%	- 0.79%
Exceptional items	0.30%	1.26%
Other	- 0.03%	0.18%
EFFECTIVE TAX RATE	33.42%	35.63%

Notes

on gains and losses recognised directly in equity

Note 40a. Information on the recycling in income of gains and losses recognised directly in equity

(In thousands of euros)

	MOVEMENTS DURING 2015	MOVEMENTS DURING 2014
ACTUARIAL GAINS AND LOSSES ON DEFINED-BENEFIT PLANS	- 644	- 11,961
■ Reclassification to income	0	0
■ Other movements	- 644	- 11,961
SHARE OF NON-RECYCLABLE GAINS AND LOSSES OF EQUITY-ACCOUNTED ENTITIES RECOGNIZED DIRECTLY IN EQUITY	- 74	- 1
ITEMS NOT TO BE RECYCLED IN PROFIT AND LOSS	- 718	- 11,962
REVALUATION OF AVAILABLE-FOR-SALE FINANCIAL ASSETS	45,560	158,426
■ Reclassification to income	- 9,656	5,960
■ Other movements	55,216	152,466
REVALUATION OF HEDGING DERIVATIVES	11,584	7,859
■ Reclassification to income	1,195	2,929
■ Other movements	10,389	4,930
SHARE OF RECYCLABLE GAINS AND LOSSES OF EQUITY-ACCOUNTED ENTITIES RECOGNIZED DIRECTLY IN EQUITY	14,002	1,556
ITEMS TO BE RECYCLED IN PROFIT AND LOSS	71,146	167,841
TOTAL	70,428	155,879



Note 40b. Tax on each component of gains or losses recognised directly in equity

(In thousands of euros)

	12.31.15			12.31.14		
	GROSS	TAX	NET	GROSS	TAX	NET
Actuarial gains and losses on defined benefit plans	- 983	339	- 644	- 18,239	6,278	- 11,961
Share of unrealised or deferred gains or losses in equity method companies	- 112	38	- 74	- 2	1	- 1
ITEMS NOT TO BE RECYCLED IN PROFIT AND LOSS	- 1,095	377	- 718	- 18,241	6,279	- 11,962
Revaluation of available-for-sale financial assets	46,185	- 625	45,560	229,369	- 70,943	158,426
Revaluation of hedging derivatives	17,666	- 6,082	11,584	11,981	- 4,122	7,859
Share of unrealised or deferred gains or losses in equity method companies	14,855	- 853	14,002	1,714	- 158	1,556
ITEMS NOT TO BE RECYCLED IN PROFIT AND LOSS	78,706	- 7,560	71,146	243,064	- 75,223	167,841
TOTAL CHANGES OF GAINS OR LOSSES RECOGNISED DIRECTLY IN EQUITY	77,611	- 7,183	70,428	224,823	- 68,944	155,879

Other Notes

Note 41. Commitments given and received

(In thousands of euros)

	12.31.15	12.31.14
COMMITMENTS GIVEN	10,898,488	9,194,067
Financing commitments given	7,931,006	6,520,712
to banks and financial institutions	50,050	68,200
to customers	7,880,956	6,452,512
Guarantees given	2,769,235	2,437,551
to banks and financial institutions	76,197	48,095
to customers	2,693,038	2,389,456
Commitments on securities	198,247	235,804
repurchase agreements	0	0
other commitments given	198,247	235,804
COMMITMENTS RECEIVED	34,502,209	30,853,285
Financing commitments received	8,491,975	7,755,577
from banks and financial institutions	8,491,975	7,747,577
from customers	0	8,000
Guarantees received	25,274,076	22,540,505
from banks and financial institutions	29,467	43,636
from customers	25,244,609	22,496,869
Commitments on securities	736,158	557,203
reverse repurchase agreements	0	0
other commitments received	736,158	557,203

Financing commitments given include the €50,050 thousand cash advance made to CRH to fund it.

(In thousands of euros)

	12.31.15	12.31.14
RECEIVABLES PLEDGED AS COLLATERAL	12,357,037	11,784,329
Banque de France	9,407,645	8,455,088
European Investment Bank	581,297	478,328
Caisse de Refinancement de l'Habitat	1,391,758	1,896,490
Caisse des dépôts et consignations	976,337	954,403
Société de Financement de l'Economie Française		20
SECURITIES LENT	0	0
DEPOSITS ON MARKET TRANSACTIONS	772,753	859,797
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	4,407,717	2,102,512

For its refinancing activity, the group entered into repurchase agreements of debt and/or equity securities. These agreements involve the transfer of ownership of the securities, which the beneficiary may in turn lend out, with interest or dividends going to the borrower.

These transactions are subject to margin calls and the group is exposed to the risk that the borrower may not return the securities. As of December 31, 2015, the fair value of assets provided in repurchase agreements totaled €4,328 million.

Note 42. Segment reporting

(In thousands of euros)

	RETAIL BANKING		INSURANCE AND ASSET MANAGEMENT		GROUP	
	12.31.15	12.31.14	12.31.15	12.31.14	12.31.15	12.31.14
Internal income ⁽¹⁾	209,488	195,120	- 209,488	- 195,120	0	0
External income ⁽²⁾	1,147,261	1,089,964	632,570	633,700	1,779,831	1,723,664
NET BANKING INCOME	1,356,749	1,285,084	423,082	438,580	1,779,831	1,723,664
Operating expenses and allocations to amortisation	- 1,093,488	- 1,050,495	- 141,798	- 142,021	- 1,235,286	- 1,192,516
GROSS OPERATING INCOME	263,261	234,589	281,284	296,559	544,545	531,148
Cost of risk	- 107,984	- 116,901	- 59	470	- 108,043	- 116,431
OPERATING INCOME	155,277	117,688	281,225	297,029	436,502	414,717
Share of earnings of companies carried under equity method	3,215	5,189	1,265	234	4,480	5,423
Other	- 3,594	- 1,644	5,658	- 242	2,064	- 1,886
PRE-TAX INCOME	154,898	121,233	288,148	297,020	443,046	418,254
Income tax	- 44,282	- 37,507	- 102,291	- 109,602	- 146,573	- 147,109
NET INCOME	110,616	83,726	185,857	187,418	296,473	271,145
Minority interests	60	81	98	1,595	158	1,676
NET INCOME, GROUP SHARE	110,556	83,645	185,759	185,823	296,315	269,469
	12.31.15	12.31.14	12.31.15	12.31.14	12.31.15	12.31.14
Business line assets	67,055,024	63,776,114	43,056,777	39,427,546	110,111,801	103,203,660

(1) Sectoral income arising on transactions with other sectors

(2) Sectoral income arising on sales to external customers

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 specialised 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.

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 45. 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).

(In thousands of euros)

	12.31.15	12.31.14
	COMPANIES UNDER THE EQUITY METHOD ⁽¹⁾	
ASSETS		
Loans and receivables due from banks	549,575	501,499
Loans and receivables due from customers	-	-
Financial assets at fair value through profit or loss	-	-
Available-for-sale financial assets	51,688	48,888
Held-to-maturity financial assets	-	-
Derivatives used for hedging purposes	-	-
Other assets	28,177	17,885
LIABILITIES		
Due to banks	-	-
Derivatives used for hedging purposes	-	-
Financial liabilities at fair value through profit or loss	-	-
Customer accounts	15,387	3,641
Debt securities	-	-
Subordinated debt	-	-
Other liabilities	-	-

(1) Mainly Primonial and CCCM.

	12.31.15	12.31.14
	COMPANIES UNDER THE EQUITY METHOD ⁽¹⁾	
Interest and similar income	1,055	823
Interest and similar expense	-	-
Fee and commission income	1,494	49
Fee and commission expense	- 17,782	2,524
Net gain (loss) on financial instruments at fair value through profit or loss	-	-
Net gain (loss) on financial instruments available-for-sale	535	4,461
Income from other activities	2,508	1,359
Expense from other activities	- 829	-
NET BANKING INCOME	- 13,019	9,216

(1) Mainly Primonial and CCCM.

(In thousands of euros)

	12.31.15	12.31.14
	COMPANIES UNDER THE EQUITY METHOD	
FINANCING COMMITMENTS		
Financing commitments given		
Financing commitments received		
GUARANTEES		
Guarantees given		
Guarantees received		
COMMITMENTS ON SECURITIES		
Other securities to receive		
Other securities to deliver		

Relations with the main corporate officers of Crédit Mutuel Arkéa group

The Boards of Directors of Crédit Mutuel Arkéa is currently composed by twenty members, elected for 3 years:

- eighteen administrators representatives of the depositors, elected by the Regular Shareholders' Meeting;
- two administrators representatives of the employees, designated by the Central Employee Works Committee.

One representative of the Central Employee Works Committee participates in the Board of Directors meetings as non-voting member.

Total remuneration allocated to members of the Board of Directors for 2015 is €1,057 thousand.

Total gross compensation paid to the group's main corporate officers for the year ended December 31, 2015 was €2,877 thousand (compared with €3,283 thousand the previous year).

For the Chairman and Chief Executive Officer of Crédit Mutuel Arkéa group, their employment contracts were suspended from the time of their appointment in those capacities and for the duration of their respective terms of office, and will be resumed automatically at the conclusion of said terms. The employment contract suspen-

sion period is taken into account for the calculation of their rights, as stipulated by law, under the collective bargaining agreement and employment contract.

In the event of the termination of their employment contracts, the Chairman and Chief Executive Officer of Crédit Mutuel Arkéa group are eligible to receive severance benefits, in addition to the legal or contractual provisions, in an amount equal to two years compensation, in accordance with AFEP-MEDEF Code recommendations.

At the time of their retirement, if they have at least five years' seniority, the corporate officers receive a retirement benefit equal to seven-twelfths of their annual compensation, to which is added the benefit they would have received as part of the collective bargaining agreement in effect at the group company where they were employed prior to their appointment. They are also entitled to receive a retirement benefit equivalent to 23 days of leave for each year served in these functions.

The total amount of provisions established by the group as of December 31, 2015 pursuant to IAS 19 in connection with post-employment benefits, other long-term benefits and severance benefits was €409 thousand (compared with €370 thousand as of December 31, 2014).

Note 44. Investments in unconsolidated special purpose entities

(In thousands of euros)

12.31.15	SECURITIZATION VEHICLES	ASSET MANAGEMENT (UCITS/OPCI)	OTHER SPECIAL PURPOSE ENTITIES
Total Balance sheet	61,278	2,006,340	0
Carrying amount of financial assets ⁽¹⁾	20,487	526,945	0
Carrying amount of financial liabilities ⁽¹⁾	0	0	0
Maximum exposure to loss risk	20,487	526,945	0

(1) Carrying amount of assets and liabilities that the Crédit Mutuel Arkéa group recognizes with respect to special purpose entities.

Investments in unconsolidated special purpose entities consist mainly of mutual funds (UCITS) held in connection with unit-linked life insurance policies over which Crédit Mutuel Arkéa does not exercise control.

(In thousands of euros)

12.31.14	SECURITIZATION VEHICLES	ASSET MANAGEMENT (UCITS/OPCI)	OTHER SPECIAL PURPOSE ENTITIES
Total Balance sheet	0	321,984	0
Carrying amount of financial assets ⁽¹⁾	0	93,988	0
Carrying amount of financial liabilities ⁽¹⁾	0	0	0
Maximum exposure to loss risk	0	93,988	0

(1) Carrying amount of assets and liabilities that the Crédit Mutuel Arkéa group recognizes with respect to special purpose entities.



Note 45. Scope of consolidation

COMPANY NAME	COUNTRY	SECTOR / ACTIVITY	CONTROLLING %		INTEREST % GROUP	
			12.31.15	12.31.14	12.31.15	12.31.14
Crédit Mutuel Arkéa + Fédérations + Caisses Locales du Crédit Mutuel de Bretagne, du Sud-Ouest et du Massif Central	France	Bank / Mutualist bank	Consolidating entity			
FULL CONSOLIDATED COMPANIES						
ARKEA BANQUE ENTREPRISES ET INSTITUTIONNELS	France	Bank / Corporate banking	100.0	100.0	100.0	100.0
ARKEA BANKING SERVICES	France	Bank / Banking services	100.0	100.0	100.0	100.0
ARKEA BOURSE RETAIL ⁽²⁾	France	Bank / Holding	100.0		100.0	
ARKEA CAPITAL GESTION	France	Insurances and asset management / Asset management	100.0	100.0	100.0	100.0
ARKEA CAPITAL INVESTISSEMENT	France	Bank / Venture capital	100.0	100.0	100.0	100.0
ARKEA CAPITAL PARTENAIRE	France	Bank / Venture capital	100.0	100.0	100.0	100.0
ARKEA CREDIT BAIL	France	Bank / Leasing and finance lease	100.0	100.0	100.0	100.0
ARKEA FONCIERE	France	Bank / Real-estate	100.0	100.0	100.0	100.0
ARKEA HOME LOANS SFH	France	Bank / Refinancing structure	100.0	100.0	100.0	100.0
ARKEA PUBLIC SECTOR SCF	France	Bank / Refinancing structure	100.0	100.0	100.0	100.0
ARKEA SCD	France	Bank / Services	100.0	100.0	100.0	100.0
CAISSE DE BRETAGNE DE CREDIT MUTUEL AGRICOLE	France	Bank / Mutualist bank	93.0	92.9	93.0	92.9
COMPAGNIE EUROPEENNE D'OPERATIONS IMMOBILIERES	France	Bank / Carry trading	100.0	100.0	100.0	100.0
CREDIT FONCIER ET COMMUNAL D'ALSACE ET DE LORRAINE BANQUE	France	Bank / Retail and specialised banking	100.0	100.0	100.0	100.0
CREDIT FONCIER ET COMMUNAL D'ALSACE ET DE LORRAINE SCF	France	Bank / Refinancing structure	100.0	100.0	100.0	100.0
FCT COLLECTIVITES	France	Insurances and asset management / Securitization fund	57.8	57.8	57.8	57.8
FEDERAL EQUIPEMENTS	France	Bank / Services	100.0	100.0	100.0	100.0
FEDERAL FINANCE	France	Insurances and asset management / Private bank and asset management	100.0	100.0	100.0	100.0
FEDERAL FINANCE GESTION	France	Insurances and asset management / Asset management	100.0	100.0	100.0	100.0
FEDERAL SERVICE	France	Bank / Services	97.3	97.3	97.2	97.2
FINANCO	France	Bank / Retail and specialised banking	100.0	100.0	100.0	100.0
FORTUNEO	France/ Belgium	Bank / Financial and stock market intermediation	100.0	100.0	100.0	100.0
GICM	France	Bank / Services	100.0	100.0	97.2	97.2
LEASECOM GROUP ⁽¹⁾	France	Bank / Leasing and finance lease		100.0		100.0
LEASECOM	France	Bank / Leasing and finance lease	100.0	100.0	100.0	100.0
LEASECOM CAR	France	Bank / Leasing and finance lease	100.0	100.0	100.0	100.0
LEASECOM FINANCIAL ASSETS ⁽¹⁾	France	Bank / Leasing and finance lease		100.0		100.0
LEETCHI SA ⁽²⁾	France	Bank / Services	100.0		100.0	
LEETCHI CORP SA ⁽²⁾	Luxem- bourg	Bank / Services	100.0		100.0	
MONEXT	France	Bank / Services	100.0	100.0	100.0	100.0
NOVELIA	France	Insurances and asset management / Non-life insurance	100.0	100.0	100.0	100.0
PROCAPITAL	France/ Belgium	Bank / Financial and stock market intermediation	100.0	100.0	100.0	100.0
SCHELCHER PRINCE GESTION	France	Insurances and asset management / Asset management	100.0	84.1	100.0	84.1
SOCIETE CIVILE IMMOBILIERE INTERFEDERALE	France	Bank / Real-estate	100.0	100.0	100.0	100.0
SURAVENIR	France	Insurances and asset management / Life insurance	100.0	100.0	100.0	100.0
SURAVENIR ASSURANCES	France	Insurances and asset management / Non-life insurance	100.0	100.0	100.0	100.0

COMPANY NAME	COUNTRY	SECTOR / ACTIVITY	CONTROLLING %		INTEREST % GROUP	
			12.31.15	12.31.14	12.31.15	12.31.14
INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD						
ALTAROCCA AM AS	France	Insurances and asset management / UCITS	87.1	91.9	31.5	63.5
CAISSE CENTRALE DU CREDIT MUTUEL	France	Bank / Mutualist bank	21.5	21.5	21.5	21.5
CREDIT MUTUEL CARTES DE PAIEMENTS	France	Bank / Mutualist bank	25.0	25.0	26.7	26.7
NEWPORT ⁽²⁾	France	Bank / Holding	31.0		31.0	
PARISII GESTION PRIVEE	France	Insurances and asset management / UCITS	100.0	100.0	45.0	69.1
PRIMONIAL PARTENAIRES (EX-PATRIMMOFI)	France	Insurances and asset management / UCITS	100.0	100.0	45.0	69.1
PRIMONIAL	France	Insurances and asset management / UCITS	100.0	100.0	45.0	69.1
PRIMONIAL ASSET MANAGEMENT	France	Insurances and asset management / UCITS	100.0	100.0	45.0	69.1
PRIMONIAL COURTAGE	France	Insurances and asset management / UCITS	100.0	100.0	45.0	69.1
PRIMONIAL HOLDING	France	Insurances and asset management / UCITS	45.0	69.1	45.0	69.1
PRIMONIAL INVESTMENT MANAGERS	France	Insurances and asset management / UCITS	100.0	100.0	45.0	69.1
PRIMONIAL LUXEMBOURG	Luxem- bourg	Insurances and asset management / UCITS	100.0	100.0	45.0	69.1
PRIMONIAL REIM	France	Insurances and asset management / UCITS	66.7	64.5	27.2	44.6
PRIMONIAL TI	Canada	Insurances and asset management / UCITS	100.0	100.0	45.0	69.1
ROCHE BRUNE AM SAS	France	Insurances and asset management / UCITS	67.8	67.8	30.5	46.8
SEFAL PROPERTY	France	Insurances and asset management / UCITS	100.0	67.0	45.0	46.3
SPORTINVEST	France	Insurances and asset management / UCITS	100.0	100.0	45.0	69.1
UPSTONE SAS	France	Insurances and asset management / UCITS	100.0		45.0	
CODABEL MANAGEMENT	France	Insurances and asset management / UCITS	35.0		15.8	
MATA CAPITAL	France	Insurances and asset management / UCITS	40.0		18.0	
ROCHE BRUNE INVESTISSEMENT	France	Insurances and asset management / UCITS	100.0		30.5	
VOLTAIRE CAPITAL	France	Insurances and asset management / UCITS	100.0	100.0	45.0	69.1

COMPANY NAME	COUNTRY	SECTOR / ACTIVITY	CONTROLLING %		INTEREST % GROUP	
			12.31.15	12.31.14	12.31.15	12.31.14
SHORT CUT METHOD CONSOLIDATED COMPANIES						
ARKEA CAPITAL 1	France	Bank / UCITS	100.0	100.0	100.0	100.0
AUTOFOCUS 2/4/6	France	Insurances and asset management / UCITS	/	83.1	/	83.1
AUTOFOCUS 6	France	Insurances and asset management / UCITS	/	85.5	/	85.5
AUTOFOCUS 7	France	Insurances and asset management / UCITS	84.8	84.3	84.8	84.3
AUTOFOCUS 8 ⁽²⁾	France	Insurances and asset management / UCITS	77.8	/	77.8	/
AUTOFOCUS RENDEMENT JUIN 2014 ⁽²⁾	France	Insurances and asset management / UCITS	87.5	/	87.5	/
AUTOFOCUS RENDEMENT OCTOBRE 2014 ⁽²⁾	France	Insurances and asset management / UCITS	91.9	/	91.9	/
AUTOFOCUS RENDEMENT DECEMBRE 2014 ⁽²⁾	France	Insurances and asset management / UCITS	93.8	/	93.8	/
BPE CAP 2/4/6	France	Insurances and asset management / UCITS	/	73.3	/	73.3
BPE RENDEMENT 2018	France	Insurances and asset management / UCITS	43.0	45.1	43.0	45.1
DIGITEO 2	France	Insurances and asset management / UCITS	/	92.7	/	92.7
FCPI SWEN EUROPA 4 ⁽²⁾	France	Insurances and asset management / UCITS	46.5	/	46.5	/
FCPR FUNERAIRE A ⁽²⁾	France	Insurances and asset management / UCITS	35.2	/	35.2	/
FCT SP EUROCREANCES ⁽²⁾	France	Insurances and asset management / UCITS	44.0	/	44.0	/
FEDERAL ACTIONS ETHIQUES	France	Insurances and asset management / UCITS	61.9	56.2	61.9	56.2
FEDERAL ACTIONS RENDEMENT	France	Insurances and asset management / UCITS	97.4	92.8	97.4	92.8
FEDERAL APAL	France	Insurances and asset management / UCITS	61.6	58.3	61.6	58.3
FEDERAL CAPITAL INVESTISSEMENT EUROPE	France	Insurances and asset management / UCITS	100.0	100.0	100.0	100.0
FEDERAL CONVICTION ISR EURO	France	Insurances and asset management / UCITS	60.6	61.4	60.6	61.4
FEDERAL CROISSANCE	France	Insurances and asset management / UCITS	87.2	87.9	87.2	87.9
FEDERAL ESSOR INTERNATIONAL	France	Insurances and asset management / UCITS	53.6	53.0	53.6	53.0
FEDERAL INDICIEL JAPON	France	Insurances and asset management / UCITS	56.7	66.6	56.7	66.6
FEDERAL INDICIEL US	France	Insurances and asset management / UCITS	59.5	53.8	59.5	53.8
FEDERAL MULTI ACTIONS EUROPE	France	Insurances and asset management / UCITS	72.0	72.4	72.0	72.4
FEDERAL MULTI OR ET MATIERES 1 ^{ERES}	France	Insurances and asset management / UCITS	87.2	87.7	87.2	87.7
FEDERAL MULTI PATRIMOINE	France	Insurances and asset management / UCITS	89.8	91.8	89.8	91.8
FEDERAL MULTI PME	France	Insurances and asset management / UCITS	85.8	86.8	85.8	86.8
FEDERAL OBLIGATAIRE ⁽²⁾	France	Insurances and asset management / UCITS	44.5	/	44.5	/
FEDERAL OBLIGATION COURT TERME	France	Bank / UCITS	/	62.5	/	62.5
FEDERAL OPPORTUNITE EQUILIBRE	France	Insurances and asset management / UCITS	99.7	99.7	99.7	99.7
FEDERAL OPPORTUNITE MODERE	France	Insurances and asset management / UCITS	98.2	98.5	98.2	98.5
FEDERAL OPPORTUNITE TONIQUE	France	Insurances and asset management / UCITS	98.4	98.0	98.4	98.0
FEDERAL OPTIMAL	France	Insurances and asset management / UCITS	53.1	54.9	53.1	54.9
FEDERAL PEA SECURITE ⁽²⁾	France	Insurances and asset management / UCITS	48.4	/	48.4	/
FEDERAL PERSPECTIVES 2015	France	Insurances and asset management / UCITS	/	87.8	/	87.8
FEDERAL SUPPORT COURT TERME	France	Insurances and asset management / UCITS	/	33.3	/	33.3
FEDERAL SUPPORT TRESORERIE IR ⁽²⁾	France	Insurances and asset management / UCITS	39.5	/	39.5	/
FORMUL' ACTION 2015	France	Insurances and asset management / UCITS	/	97.7	/	97.7
FORMUL'ACTION 2017	France	Insurances and asset management / UCITS	94.3	94.8	94.3	94.8
FORMUL' ACTION 2017 FP	France	Insurances and asset management / UCITS	82.8	83.1	82.8	83.1
FORMUL'ACTION SECURITE	France	Insurances and asset management / UCITS	93.1	93.0	93.1	93.0
KALEIDOSCOPE	France	Insurances and asset management / UCITS	98.8	98.8	98.8	98.8
OPCI CLUB FRANCE RET ⁽²⁾	France	Insurances and asset management / UCITS	46.3	/	46.3	/
OPCI PREIM DEFENSE 2 ⁽²⁾	France	Insurances and asset management / UCITS	35.5	/	35.5	/
OPCI PREIMS EUROS	France	Insurances and asset management / UCITS	100.0	100.0	100.0	100.0
OPCI PREIMS EUROS 2 ⁽²⁾	France	Insurances and asset management / UCITS	100.0	/	100.0	/
OPCI TIKEHAU RET PRO ⁽²⁾	france	Insurances and asset management / UCITS	41.3	/	41.3	/

Short cut method consolidated companies (end)

COMPANY NAME	COUNTRY	SECTOR / ACTIVITY	CONTROLLING %		INTEREST % GROUP	
			12.31.15	12.31.14	12.31.15	12.31.14
PRIMO ELITE ⁽²⁾	France	Insurances and asset management / UCITS	100.0	/	100.0	/
SCHELCHER EURO RENDEMENT	France	Insurances and asset management / UCITS	24.6	25.3	24.6	25.3
SCI PR2 PREIM RET 2 ⁽²⁾	France	Insurances and asset management / UCITS	38.0	/	38.0	/
SCI USUFRUIMMO ⁽²⁾	France	Insurances and asset management / UCITS	100.0	/	100.0	/
SCPI PATRIMMO CROISSANCE	France	Insurances and asset management / UCITS	68.0	68.6	68.0	68.6
SP CONVERTIBLES ISR EUROPE	France	Insurances and asset management / UCITS	35.9	34.6	35.9	34.6
STEREO 3	France	Insurances and asset management / UCITS	97.1	97.1	97.1	97.1
STEREO 3/6	France	Insurances and asset management / UCITS	/	99.1	/	99.1
STEREO 4	France	Insurances and asset management / UCITS	/	99.2	/	99.2
STEREO 4/8	France	Insurances and asset management / UCITS	/	97.9	/	97.9
SURAVENIR INITIATIVE ACTIONS	France	Insurances and asset management / UCITS	100.0	100.0	100.0	100.0
SURAVENIR REFERENCE ACTIONS	France	Insurances and asset management / UCITS	100.0	100.0	100.0	100.0
SYNERGIE FINANCE INVESTISSEMENT	France	Bank / UCITS	100.0	100.0	100.0	100.0
YUCATAN 3	France	Insurances and asset management / UCITS	/	95.4	/	95.4
YUCATAN 4	France	Insurances and asset management / UCITS	/	93.4	/	93.4

(1) Merger of assets and liabilities

(2) Company consolidated for the first time in 2015

Recognition using the short-cut method is based on the use of the fair value option for all assets held through UCITS to be consolidated.

The short-cut method consists of:

- recognizing 100% of the fair value the fund shares in assets;
- establishing a corresponding liability (financial liability) for the amount of the share not held by the group (non-controlling interests).

Note 46. Business Combinations

On September 18, 2015, Crédit Mutuel Arkéa acquired exclusive control of Leetchi, a group specialized in web site development for online money pots and electronic payment solutions for market participants in the sharing economy. The group consists of two companies and is 100%-consolidated.

The transaction results in the recognition of a goodwill of €25,682 thousand on the balance sheet. Leetchi's contribution to the group's 2015 income amounted €(793) thousand.

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 47. Events after the reporting period

On December 7, 2015, Crédit Mutuel Arkéa entered into exclusive negotiations with the Belgian cooperative bank Crelan to acquire its subsidiary Keytrade Bank, a leader in the online banking market in Belgium. On January 27, 2016, Crédit Mutuel Arkéa signed the sales agreement.

No material events occurred subsequent to the December 31, 2015 close.



3.6

Aggregate financial statements at December 31, 2015

The aggregate financial statements correspond to the parent company financial statements of the Crédit Mutuel Arkéa banking institution (i.e. the consolidating entity for the group). They include the financial statements of the Crédit Mutuel Arkéa legal entity strictly speaking as well as those of the local savings banks and Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations. The aggregate financial statements are prepared in accordance with French GAAP.

Balance sheet

Balance sheet structure

As of December 31, 2015, total assets for the aggregate scope rose by 8.3% from €61.0 billion to €66.1 billion.

Receivables due from credit institutions rose by €1.8 billion. Loans to customers increased by €1.9 billion, mainly as a result of new housing loans.

On the liabilities side, amounts due to credit institutions increased by €3.4 billion as a result of the increase in outstandings reinvested by the branches following the favorable commercial performance with respect to savings intake. The €1.8 billion increase in liabilities to customers was due in part to the intake on home savings schemes and term deposits. Debt securities contracted by €0.4 billion as a result of the reduced use of external financing.

The equity of the credit institution

Shareholders' equity totaled €4.7 billion, and included share capital, additional paid-in capital, reserves as well as reserves for general banking risks (FRBG). Share capital is stable at €2.2 billion. It consisted almost entirely of shares subscribed at the local savings banks.

Reserves for general banking risks (FRBG) totaled €245.6 million, compared with €228.4 million in 2013. In addition to amounts allocated to cover general risks, this item included the federal fund created by the local savings bank networks to provide support through financial solidarity mechanisms.

Balance Sheet

(In thousands of euros)

Assets	12.31.15	12.31.14
Cash, due from central banks	2,091,745	1,319,383
Treasury bills and similar notes	3,834,416	4,729,572
Due from credit institutions	20,525,057	18,683,698
Customer loans	28,073,267	26,195,908
Bonds and other fixed-income securities	5,406,793	4,480,371
Equities and other variable-income securities	202,993	126,366
Investments, equity securities held for long-term investment	109,972	96,019
Other participating interests	3,469,372	3,082,391
Intangible assets	324,318	326,157
Property, plant and equipment	197,562	198,195
Other assets	985,359	990,852
Accrued income	860,415	798,170
TOTAL ASSETS	66,081,268	61,027,081
Liabilities and shareholders' equity	12.31.15	12.31.14
Central banks		
Liabilities to credit institutions	22,650,299	19,211,458
Liabilities to customers	27,956,519	26,181,348
Debt securities	8,319,841	8,710,000
Other liabilities	1,065,952	897,998
Accrued expenses	951,128	1,018,021
Provisions	60,858	53,551
Subordinated debt	403,699	403,845
Provisions for general banking risks (FRBG)	245,630	228,386
Shareholders' equity excluding FRBG	4,427,341	4,322,475
Share capital	2,197,182	2,211,473
Additional paid-in capital	5,438	5,438
Reserves	2,043,926	1,912,717
Revaluation adjustments	0	0
Regulated provisions and investment subsidies	4,525	4,525
Profit carried forward	16,201	23,609
Net income for the year	160,069	164,713
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	66,081,268	61,027,082

Income statement

Net income

Net income for the aggregate scope totaled €160.1 million, down €4.6 million.

Operating expense

Operating expense increased by 1.2%, or €8.2 million, to €699.3 million in 2015.

Cost of risk

The cost of risk totaled €43.8 million (+ €3.2 million). This increase was mainly due to the credit risk at the local savings banks.

Net banking income

Net banking income for the aggregate scope totaled €841.3 million, down €16.1 million.

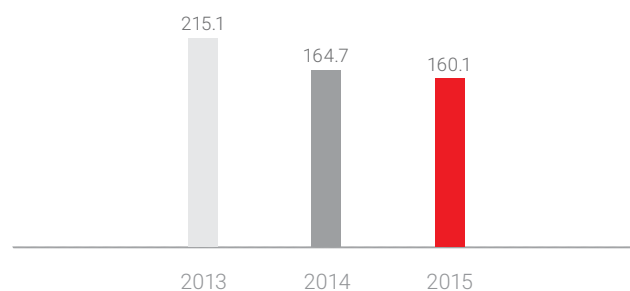
Net interest income fell by 8.0% to €437.4 million. This decline was due to a drop in the net interest margin on customer loans. It was partially offset by the continued decline in the cost of funding, net of income from investments of surplus cash.

Dividends received in 2015 totaled €147.8 million (+ €9.0 million).

Net commission income rose by 11.6% to €411.9 million.

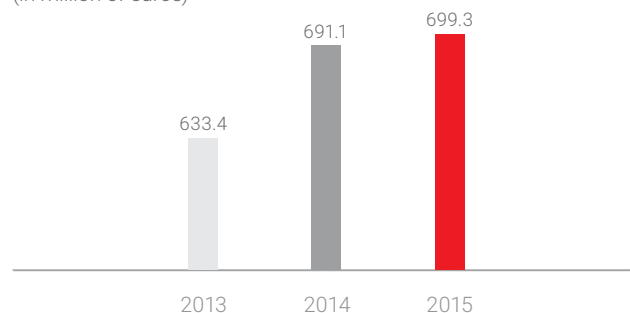
Net income

(in million of euros)



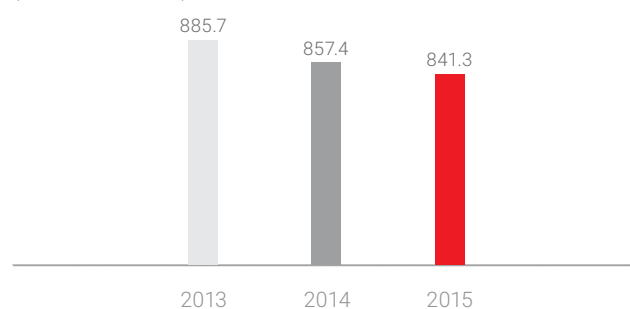
Operating expense

(in million of euros)



Net banking income

(in million of euros)



Income Statement

(In thousands of euros)

	12.31.15	12.31.14
Interest and similar income	1,710,495	1,791,738
Interest and similar expense	- 1,447,329	- 1 479,713
Income on variable-income securities	147,931	138,842
Commission income	468,101	421,494
Commission expense	- 56,170	- 52,277
Net gains (losses) on trading account securities	3,152	1,771
Net gains (losses on investment portfolio and similar securities	23,179	22,908
Other operating income from banking activities	3,047	32,842
Other operating expense from banking activities	- 11,123	- 20,181
NET BANKING INCOME	841,282	857,424
Operating expense	- 684,890	- 675,483
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	- 14,423	- 15,666
GROSS OPERATING INCOME	141,969	166,275
Cost of risk	- 43,830	- 40,607
OPERATING INCOME	98,139	125,668
Gains or losses on non-current assets	50,366	- 16,398
RECURRING INCOME BEFORE TAX	148,504	109,270
Net non-recurring income	126	95
Income tax	28,529	46,806
Allocations to / reversals from the reserve for general banking risks (FRBG) and regulated provisions	- 17,090	8,542
NET INCOME	160,069	164,713

Five-Year financial summary of Crédit Mutuel Arkéa

(thousands of euros)

	2011	2012	2013	2014	2015
SHAREHOLDERS' EQUITY AT THE END OF THE YEAR					
Share capital	1,551,710	2,018,906	2,132,865	2,211,473	2,197,182
Number of ordinary shares outstanding	1,550,755,060	2,017,896,344	2,131,845,134	2,192,127,760	2,196,901,280
Number of preferred shares (without right to vote) existing					
Maximum number of shares to be created:					
■ through exercise of convertible bonds					
■ through exercise of subscription rights					
OPERATIONS AND RESULTS FOR THE YEAR					
Revenues (net of taxes)	2,383,066	2,634,588	2,479,278	2,384,916	2,329,573
Income before tax, employee profit sharing, and allocations to depreciation, amortization and provisions	197,520	91,598	165,187	158,735	174,395
Income tax ^(*)	- 8,241	- 75,770	- 57,465	- 46,806	- 28,529
Employee profit sharing due for the year ^(*)	4,761	13,780	1,496	523	1,459
Income after tax, employee profit-sharing and allocations to depreciation, amortization and provisions	127,026	164,909	215,103	164,713	160,069
Earnings per share (in euros)	37,242	49,833	49,778	40,913	39,175
DIVIDENDS					
Earnings after tax and employee profit-sharing but before allocations to depreciation, amortization and provisions	0.13	0.08	0.10	0.09	0.09
Earnings after tax, employee profit-sharing and allocations to depreciation, amortization and provisions	0.08	0.08	0.10	0.08	0.07
Dividend per share	0.02	0.02	0.02	0.02	0.02
EMPLOYEES					
Average number of employees during the year	5,588	5,684	5,624	5,538	5,479
Total payroll for the year	236,758	246,172	226,751	237,676	234,919
Employee benefits (Social Security and other)	114,893	159,395	112,066	132,570	121,127

(*) Positive amounts = expense; negative amounts = income



4

Risk factors

- 4.1 Credit risk
- 4.2 Market risks
- 4.3 Structural interest rate and liquidity risks
- 4.4 Foreign exchange risk
- 4.5 Risk to equities and other variable income securities and risk to investment securities
- 4.6 Operational risk
- 4.7 Legal risk
- 4.8 Compliance risk, including money-laundering risk

Crédit Mutuel Arkéa's risk management function

In accordance with regulatory requirements (administrative order of November 3, 2014), the general purpose of the "risk management function" is to ensure the implementation of Crédit Mutuel Arkéa group's risk measurement and oversight systems.

The organization for this function, which was established in mid-2010 following initial regulatory changes in this area (concept of "risk function"), covers all risks for all group entities. It assesses the overall risks, on a consolidated basis, related to the group's banking and non-banking activities using a cross-functional and forward-looking approach.

The mission of the "risk management function" is to ensure that risk exposure levels are compatible with the guidance set by the Crédit Mutuel Arkéa's supervisory body, which has established the following priority objectives in this area:

- exercise its activities within limits compatible with its development strategy, financial capabilities and the corresponding regulatory requirements with respect to risk;
- provide high-quality, relevant and verified information to the group's supervisory body and so-called effective managers (*dirigeants effectifs*) as well as to the supervisory authorities, with each group entity responsible for managing its own risks.

Responsibility for Crédit Mutuel Arkéa group's risk function is assigned to the Head of Risk Management of Crédit Mutuel Arkéa, who is not affiliated with the business lines and reports directly to the Head of the Development Support division, who in turn reports to the group's Chief Executive Officer. The effective managers of each entity bear ultimate responsibility for risk management at the operating level, regardless of whether this entity's activities have been outsourced.

The group "risk management function" head is responsible for ensuring that the function operates properly and that the group's effective managers and supervisory body are well informed, and it oversees and/or participates in the application of group procedures within its remit.

Acting both upstream and downstream from the operational risk management by the entities, the "risk management function" head monitors consolidated risks at the group level. Through appropriate means and at timely intervals, results are submitted to the group Risk Monitoring Committee, the group's General Management, the Audit and Risk Committee and the Board of Directors of Crédit Mutuel Arkéa. The Head of the "risk management function" is supported in these endeavors by the network of correspondents appointed at each group entity (see below) and by a consolidated information system.

The "risk management function" is organized along functional lines that complement direct management reporting lines. Each group entity, including both banking and non-banking entities, appoints a "risk management function" head for its scope, and a person responsible for each type of risk is also appointed.

Functional ties therefore exist at three levels:

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

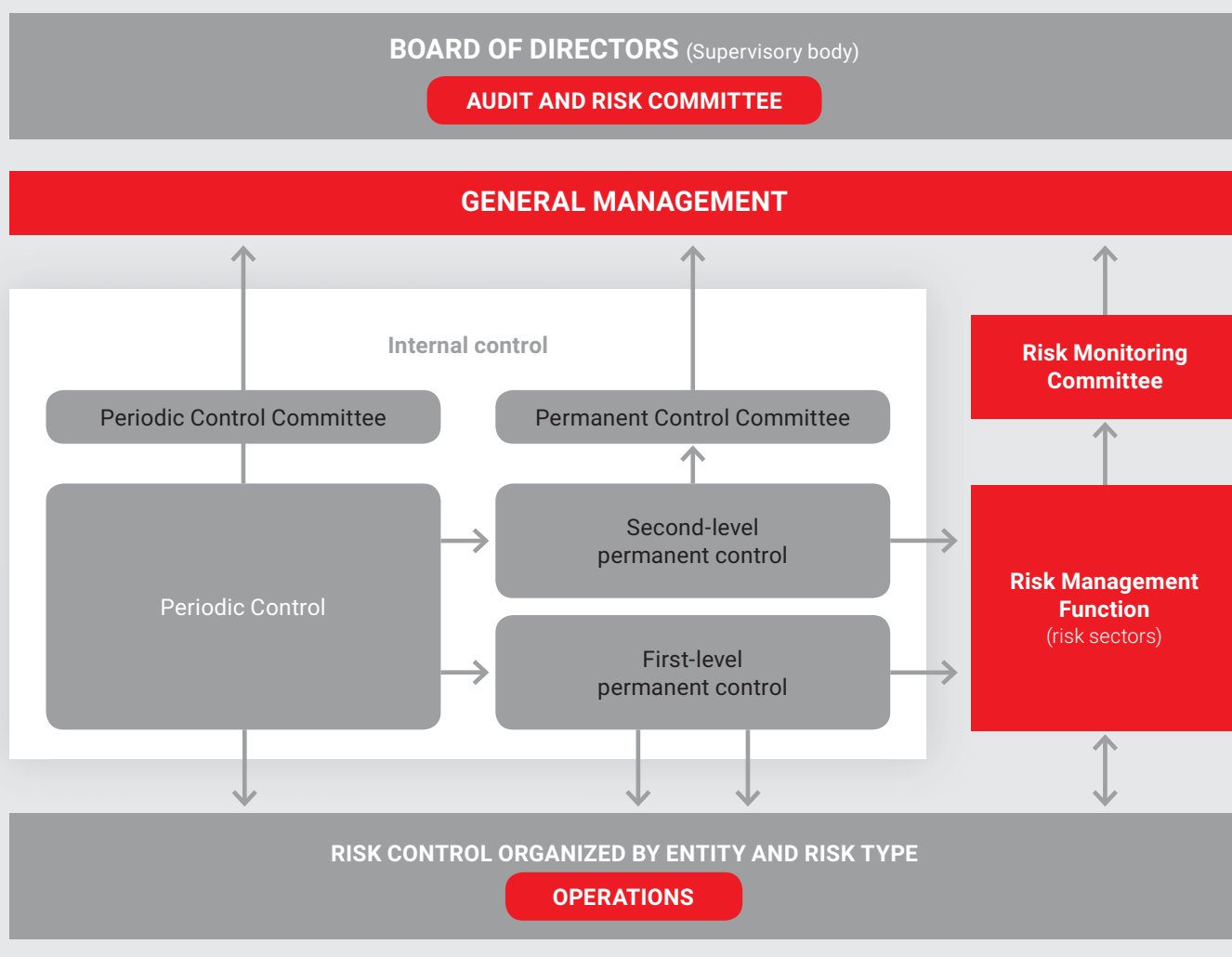
Crédit Mutuel Arkéa has a consolidated vision of risk thanks to:

- consistent approach to the "risk management function" replicated using the same model regardless of the group entity or risk;
- common methods, procedures and tools that enable both "local" management at the level of individual entities and global management at the group level.

This organization of the “risk management function” and resources available to it helps ensure that Crédit Mutuel Arkéa’s risk exposure is consistent with the risk management policy defined by its supervisory body. In that regard, all of the documents that make up the “Risk management system” constitute the rules for the group’s

system of limits. First validated by the Risk Monitoring Committee and subsequently by the group’s Executive Committee, these rules are then presented to the Audit and Risk Committee and submitted to the Crédit Mutuel Arkéa Board of Directors for adoption.

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



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 setting and monitoring procedures

All procedures implemented in selecting, setting limits on and monitoring risk are governed by a regulatory framework. They notably comply with the administrative order of November 3, 2014 relating to the internal control of companies in the banking, payments and investment services sector subject to supervision by the French Prudential Supervisory and Resolution Authority.

Risk selection system

In compliance with current regulations, internal ratings are the basis of loan approval processes and are used to determine both decision-making limits and caps on commitments for each group entity.

Loans are granted based on procedures specific to each lending entity within the group, within the framework of the limits system defined by the Board of Directors of Crédit Mutuel Arkéa. Loan requests exceeding the limits of each network or entity are referred to the group's Credit Committee. If the decision-making limits of this Committee are exceeded, a waiver is requested of the Board of Directors of Crédit Mutuel Arkéa.

The loan approval procedures used by the group's entities are based on detailed analyses of the borrowers' creditworthiness and ability to repay the loans requested.

Whether the loan request comes from an individual, business or institutional customer, these analyses may include, depending on the context:

- external data (registration with the French National Database on Household Credit Repayment Incidents, suspended banking privileges, Banque de France rating, Banque de France risk centralization, overdue payments, existence of bankruptcy proceedings, company registration certificate, etc.),
- personal data about the applicant's financial situation (account operations, accounting documents, etc.),
- qualitative contextual information (marriage settlement, legal form, analysis of business sector, etc.).

Monitoring of customer loans

In compliance with current regulations, Crédit Mutuel Arkéa ensures that the units tasked with undertaking transactions and those tasked with supervising them are strictly independent.

The group has introduced tools that allow it to quickly identify situations that involve risk (overdue or irregular payments, ratings downgrades, etc.).

The Risk Control units of the group's lending entities guarantee that risky applications are properly handled by managers, both in terms of assessing the customers' situation and swiftly taking any measures that become necessary, and in terms of ensuring that the customer's situation is being restored to normal.

At a higher level, oversight of the total risks is handled by Crédit Mutuel Arkéa's Risk department (monitoring of major risks, identification of loans with downgraded ratings, analysis of key doubtful and disputed loans).

Reporting

A customer credit risk dashboard is established monthly and sent to the members of Crédit Mutuel Arkéa's Executive Management Committee. The main indicators are calculated by market and group entity.

A summary of customer credit risk exposure 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 situation is also presented to the group Risk Monitoring Committee, which meets quarterly. It is also included in the quarterly summary of group risks sent and presented to the Crédit Mutuel Arkéa Executive Committee.

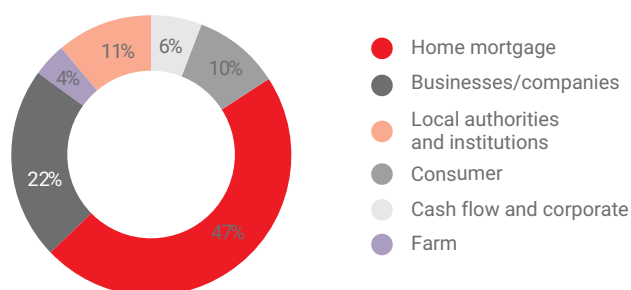
4.1.1.2 Breakdown of loans

Outstanding customer loans

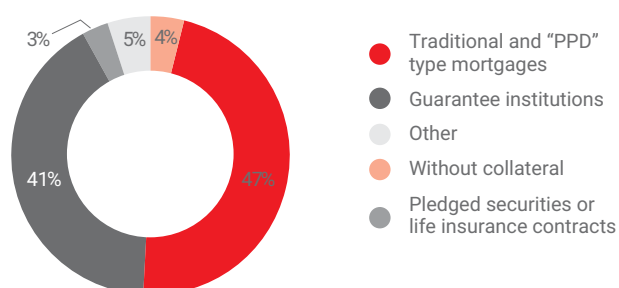
As of December 31, 2015, Crédit Mutuel Arkéa had €56 billion in outstanding loans to customers, both on- and off-balance sheet. Loans recognized on the balance sheet – including principal and related interest – totaled €45.4 billion, up 8.7%.

These loans have been granted primarily to moderate-risk customer segments, generally in limited amounts per loan. Home mortgage loans account for nearly half of total outstandings. The density of the bank's regional networks also favors close ties and a good understanding of the borrowers.

Outstanding loans on the balance sheet



Home mortgage and similar loans by type of collateral



Diversification of outstanding customer loans

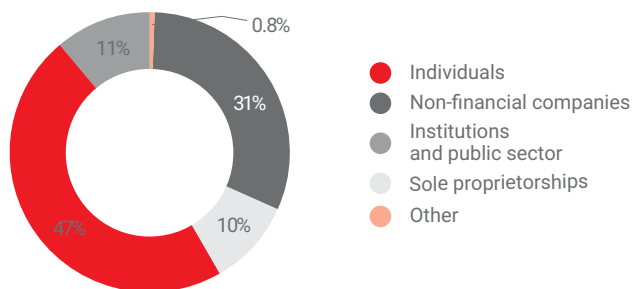
The diversification of the customer loan portfolio is satisfactory from a risk perspective, whether measured by:

- type of counterparty;
- business sector.

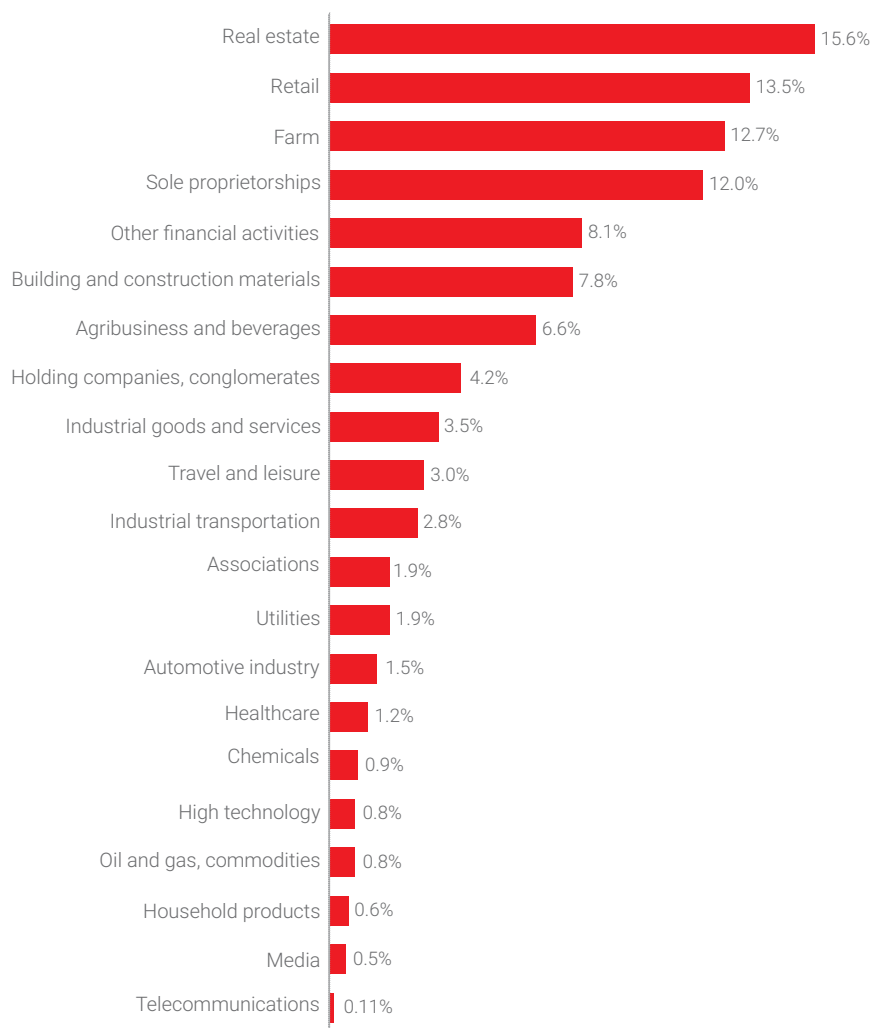
Outstandings to individuals account for nearly half of the outstandings on the balance sheet.

The gross exposure (on- and off-balance sheet outstandings) of businesses and companies totaled €19.5 billion (or 34.9% of customer commitments). The most highly represented sectors were real estate, retail, farming and sole proprietorships.

Total loans outstanding on the balance sheet by type of counterparty as of end-2015



Gross exposure (on- and off-balance sheet outstandings) of businesses and companies by sector



Portfolio's credit risk quality

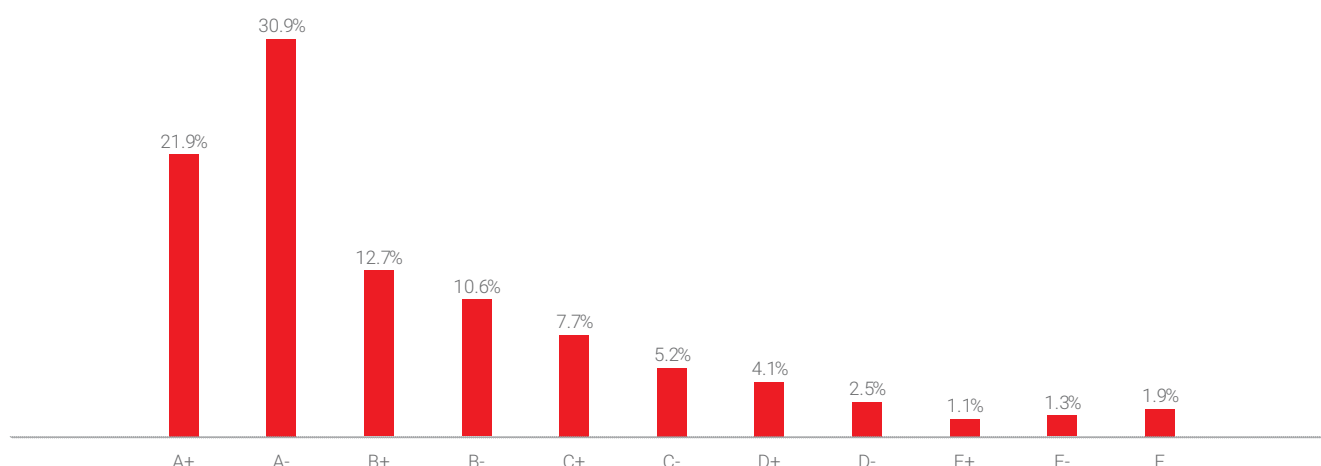
The credit risk quality of the customer loan portfolio is determined using an internal rating for customers.

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 96.8% of total outstandings. Doubtful and disputed loans (E- and F ratings) accounted for 3.2% (loan outstandings in principal only).

Balance sheet outstandings (principal) by ratings level as of end-2015



Presentation of doubtful and disputed loans

MARKETS	AMOUNT (€M)	2014		2015	
			%	AMOUNT (€M)	%
Individuals	635		41%	630	40%
Non-financial companies	733		47%	762	48%
Sole proprietorships	198		13%	196	12%
TOTAL	1,566		100%	1,588	100%

The amount of doubtful and disputed loans (including interest) totaled €1,588 million as of December 31, 2015, up from €1,566 million a year earlier. Doubtful and disputed loans rose by 1.4% in 2015.

The ratio of doubtful and disputed loans (including interest) to total outstandings dropped from 3.7% at the end of 2014 to 3.5%.

Outstanding restructured loans

In accordance with the European regulations of October 21, 2013, restructured loans are contracts that have been the subject of "concessions toward debtors who have or will have difficulties honoring their debts." These concessions may be modifications in the contract's residual term or a refinancing of the debt, excluding commercial renegotiations.

The conditions for downgrading restructured loans to default status are stricter, since such downgrades occur automatically whenever a payment is late by more than 30 days or the loans are restructured again.

For debtors already in default at the time the restructuring occurs, the restructured loans continue to be classified as doubtful for at least one year, regardless of whether loan payments are in arrears.

Based on these definitions, restructured loans totaled €367 million, or 0.8% of total outstandings. Of that total, €318 million were downgraded to doubtful or disputed loans, while €49 million were performing.

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 sensitive loans (rated E+ and related loans), as well as certain special provisions on business segments including €15.6 million on farming.

The first case involves allocated provisions. Their assessment is based initially on rules applied automatically to doubtful and disputed loans in the Crédit Mutuel networks. A case-by-case assessment then becomes the rule, particularly when loans transition to disputed status. Financo is unique in that it uses a statistical provisioning system for all its doubtful and disputed loans to individuals. For all of the group's other doubtful and disputed loans, provisioning is based on a case-by-case evaluation of the chances for collection.

For sensitive loans, 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.

Given a relatively unfavorable economic outlook, Crédit Mutuel Arkéa maintained a very conservative approach to customer credit risk in 2015. The provisioning rate for doubtful and disputed loans (principal and interest) was 56.3% at end-December 2015, compared with 57.4% the previous year. The respective rates were 59.4% for companies, 56.3% for sole proprietorships and 52.5% for individuals.

The provisioning rate for sensitive loans declined to 10.3% at the end of 2015 from 13% a year earlier, due to the extension of the calculation base at CFCAL.

Cost of risk

The cost of risk on customer loans corresponds to net provision allocations and losses not covered by provisions. The total cost of risk, including the collective provision, was €107.7 million in 2015, down from €119.1 million in 2014. The total cost in 2015 corresponded to a cost of risk on downgraded loans of €98 million and a €6.2 million net collective provision write-back, along with a €15.9 million allocation for a provision on business segments.

The cost of risk on doubtful and disputed loans decreased for all markets. As a percentage of customer outstandings, total cost of risk in 2015 was 0.24%, compared with 0.29% the previous year.

Recognition of cost of risk in rate setting

The cost of risk for lending is factored into the financial terms offered to customers using a widely accepted approach, in the spirit of the Basel III regulations. The average or statistically "expected" cost of risk is added to the cost of the loan, and has a direct influence on standard rates. The exceptional or "unexpected" cost of risk is in principle to be covered by shareholders' equity.

4.1.2 Market counterparty credit risk

4.1.2.1. group-wide limits

Crédit Mutuel Arkéa group has a system of separate limits by type of counterparty (or group of "related clients" pursuant to article 4-1-39 of the CRR Regulation), which applies independently to proprietary investments and third-party activities (assets representing euro-denominated funds of the life insurance business).

The separate limits by counterparty type are reviewed at least once a year by Crédit Mutuel Arkéa's Board of Directors. They are determined on the basis of the internal ratings of the counterparties, which are ranked in four categories:

- sovereigns (states), public sector, supranationals and secured debt;
- state-owned enterprises;
- banks, insurance companies and securitizations (senior and subordinated debt);
- companies.

With respect to proprietary capital markets trading activities, individual limits are set, both with respect to amount and time period, by referring mainly to Crédit Mutuel Arkéa's own shareholders' equity and the counterparty's "fundamentals" (shareholders' equity, debt and ratings).

Limit requests for a specific counterparty are reviewed by Crédit Mutuel Arkéa's group Counterparty Committee, which bases its decisions on the informed opinions of the Risk Management department's head of second-level risk analysis, monitoring and control. The first-level control is performed by the entities carrying and/or managing the outstandings on the counterparty.

All financial market transactions giving rise to credit risk must specify an issuer or security referenced by the group Counterparty Committee.

In the event of a request for a waiver between revisions, the decision shall be made by Crédit Mutuel Arkéa's Board of Directors.

4.1.2.2 Reporting

The credit risk position related to market transactions is reviewed on a regular basis by the group's Counterparty Committee.

A quarterly risk report is established and submitted to the members of Crédit Mutuel Arkéa's General Management Committee. It includes an update on compliance with credit risk limits for capital markets counterparties.

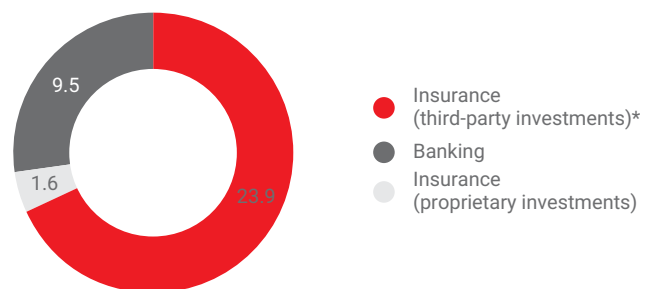
The Crédit Mutuel Arkéa Board of Directors reviews credit limit compliance at every meeting.

4.1.2.3 Analysis of credit risk on capital markets counterparties

For the entire consolidation scope

The group's fixed income investment portfolio totaled €35 billion (unless otherwise stated, the amounts below are expressed at repayment value) as of December 31, 2015, broken down into the following categories:

Breakdown by entity (€ billions)



*Insurance (Third-party): assets representing euro-denominated funds

The group's direct credit risk exposure is limited to the proprietary portfolios of the insurance (€1.6 billion) and banking (€9.5 billion) activities. In the latter case, the credit risk exposure results mainly from the reinvestment of surplus cash and guarantee commitments for funds managed by the asset management subsidiary Federal Finance Gestion. Outstandings from the proprietary investment activity, which is being wound down, have become marginal.

Meanwhile, the credit risk on the €23.9 billion in investments corresponding to the third-party investment portfolio of the Suravenir insurance company is borne mainly by policyholders through the returns they earn on euro-denominated funds.

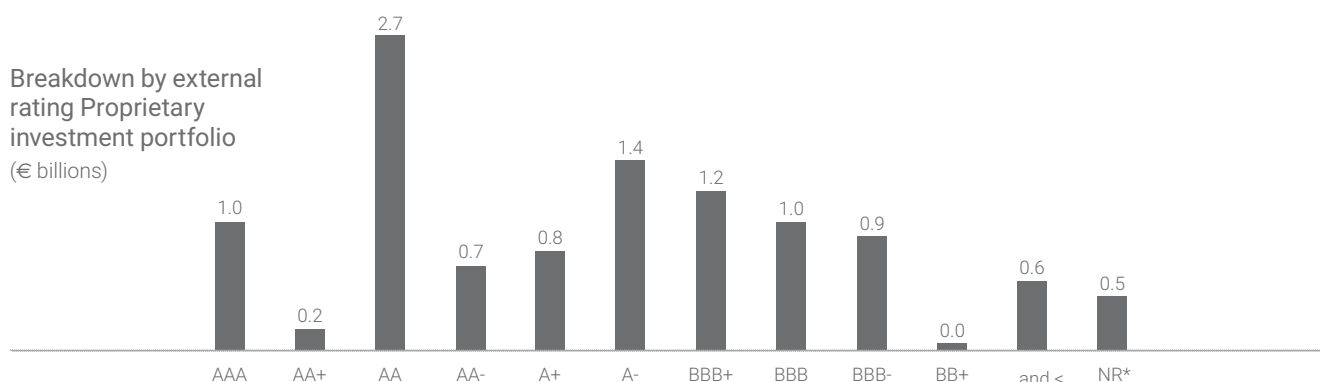
As part of its counterparty risk assessment, Crédit Mutuel Arkéa relies on its own internal rating system as well as that of the rating agencies.

For the proprietary portfolio scope (insurance and banking)

The €11.1 billion in proprietary portfolio investments for the banking and insurance activities mainly involve issuers with the highest external credit ratings: 73% have external ratings between AAA and A.

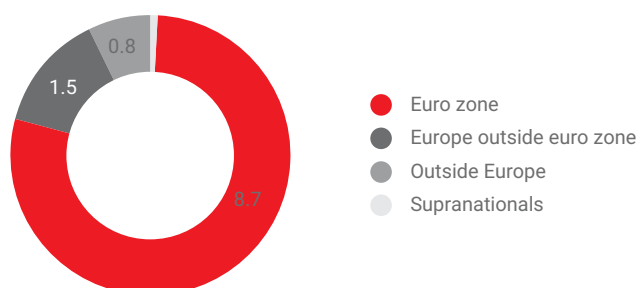
Of the investments in this scope, 92% are with European issuers and 57% are with French issuers.

53% of the investments are with bank counterparties.

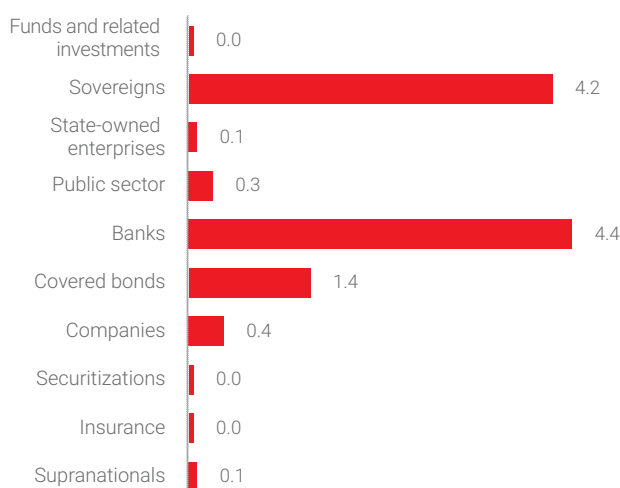


*NR: issuers not rated by one or more of the three main rating agencies (S&P, Moody's and Fitch).

Breakdown by geographic area Proprietary investment portfolio (€ billions)



Breakdown by category issuer Proprietary investment portfolio (€ billions)



For Suravenir's third-party portfolio scope

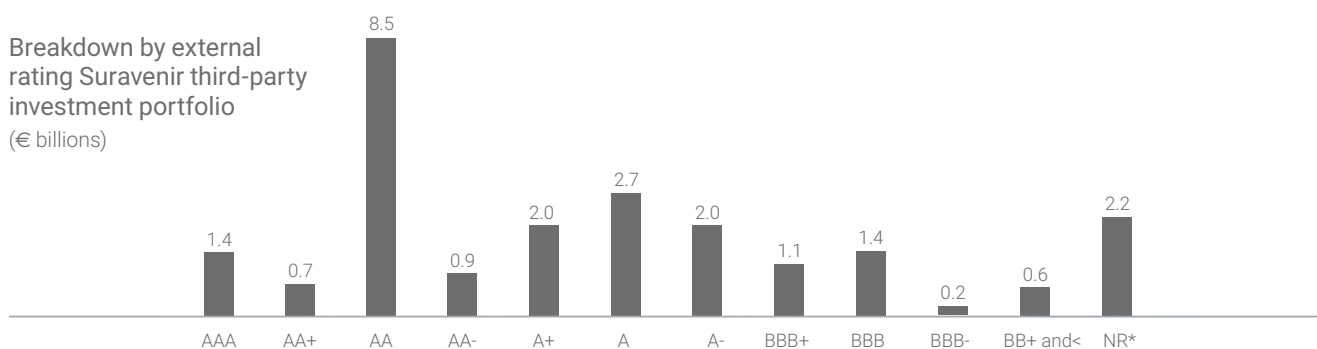
The Suravenir insurance company's third-party investments mainly involve issuers with the highest possible external credit ratings, as 77% of them are rated between AAA and A.

From a geographic standpoint, the third-party investment portfolio is mainly invested in European issuers (92%).

From a sector standpoint, Suravenir is mostly present with two main types of issuers:

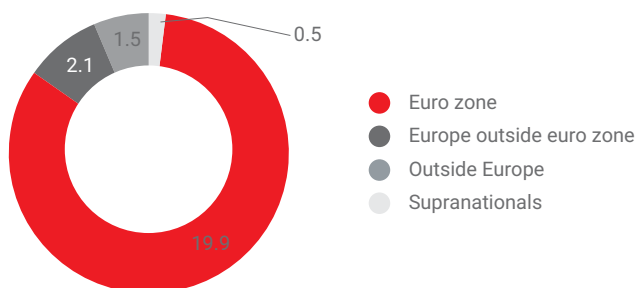
- the banking sector (banks and covered bonds) for 38%;
- sovereigns, supranationals, state-owned companies and the public sector for 45%.

Breakdown by external rating Suravenir third-party investment portfolio
(€ billions)

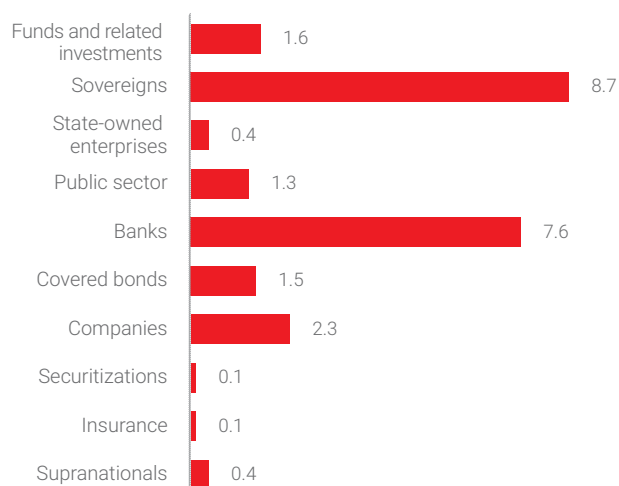


*NR: issuers not rated by one or more of the three main rating agencies (S&P, Moody's and Fitch).

Breakdown by geographic area Suravenir third-party investment portfolio
(€ billions)



Breakdown by issuer category Suravenir third-party investment portfolio
(€ billions)



4.1.2.4 Focus on sovereign risk exposure to countries covered by European Union financial assistance programs

Financial markets' concerns about some Euro zone countries' ability to service their debt going forward were mixed over the course of 2015. Several positive signs appear to confirm that the economic recovery momentum in the Euro zone first observed in 2014 is gaining traction. However, a variety of factors are putting a drag on the recovery, including political uncertainty in the Iberian Peninsula and the introduction of a new international and European bailout plan to prevent Greece from defaulting.

Crédit Mutuel Arkéa group no longer has any Greek sovereign debt exposure. Its exposures to Ireland and Portugal are presented in the table below.

They consist of:

- for Ireland, medium- and long-term investments carried by the insurance companies in the third-party portfolio and the bank's proprietary commitments for guarantees of funds managed by its asset management subsidiary Federal Finance Gestion;
- for Portugal, the banks' proprietary commitments in connection with guarantees of funds managed by its asset management subsidiary Federal Finance Gestion and short-term treasury transactions.

(€ millions)

	< 1 YEAR	1 TO 2 YEARS	2 TO 5 YEARS	5 TO 10 YEARS	> 10 YEARS	TOTAL	SHARE OF THESE SOVEREIGNS in total investments
PORTUGAL	593	–	–	1	–	594	
Insurance (third-party investments)	–	–	–	1	–	1	0%
Proprietary (banking and insurance)	593	–	–	–	–	593	5.3%
IRELAND	13	–	286	20	–	319	
Insurance (third-party investments)	5	–	286	20	–	311	1%
Proprietary (banking and insurance)	8	–	–	–	–	8	0.1%
TOTAL	606	–	286	21	–	913	2.6%

The nominal exposures listed in the above table resulted in the following net exposures (carrying amount after adjusting for impairment related to counterparty risk and the recognition of capital gains and losses, net of hedges and after the recognition of policyholder participation rights for the insurance portion) in the Crédit Mutuel Arkéa consolidated financial statements (excluding recognition of exposures to off-balance-sheet commitments):

(€ millions)

	< 1 YEAR	1 TO 2 YEARS	2 TO 5 YEARS	5 TO 10 YEARS	> 10 YEARS	TOTAL
PORTUGAL	587	–	–	1	–	588
IRELAND	5	–	285	20	–	311
TOTAL	592	–	285	21	–	899

4.1.2.5 Focus on exposure to structured assets held within the banking scope

The exposure to structured assets is being steadily reduced, as the portfolio is being wound down. No new investments have been made since 2008. The volume of outstandings on these assets therefore fell by €18 million in 2015, to €85 million.

- The volume of guaranteed CDO outstandings (the only non-guaranteed CDO still held in the amount of €2.3 million having been fully provisioned since 2009) declined slightly in 2015, to €38.6 million.
- Securitization outstandings (CMBS, RMBS, CLO and ABS) fell from €63 million at the end of 2014 to €46 million at end-2015. The average credit quality of the securitization portfolio remained satisfactory, since 61% of the outstandings had an external credit rating of BBB or higher.



4.2

Market risks

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 risks. The exposure of the proprietary activities to options risk is non-significant.

From a management standpoint and with respect to the banking scope covered in this section, the main sources of market risk are managed by Crédit Mutuel Arkéa's Financial Markets department.

Interest rate risk is managed as a whole¹ through a central interest rate entity the risk limits and management principles of which are defined by the group Assets and Liabilities Management function. Effective management of this central interest rate entity falls under the responsibility of the Financial Markets department.

Market risk exposure stood at €8.2 billion at the end of 2015, broken down as follows:

Exposure of banking scope to market risks as of 12.31.2015

(€ millions)

TOTAL INVESTMENTS	8,198
LCR PORTFOLIO	5,099
■ of which level 1 assets	4,743
■ of which level 2 assets	356
INVESTMENTS OF SURPLUS CASH	2,662
■ of which Crédit Mutuel Arkéa	2,635
■ of which subsidiaries	27
INTRA-CRÉDIT MUTUEL INVESTMENTS	175
PORTFOLIO BEING WOUND DOWN	251
OTHER INVESTMENTS	11

The portfolio of highly liquid assets – in accordance with LCR regulations – exposed to market risk totaled €5.1 billion at end-2015. It consisted of €4.7 billion in level 1 assets and €0.4 billion in level 2 assets.

With more than half of the investments (56%) having a residual maturity of more than one year, the portfolio was mainly exposed to spread risk. Meanwhile, the portfolio's interest rate risk was relatively insignificant as interest rate risk is centrally managed (see part 4.3 on structural interest rate and liquidity risks).

(1) The only exception is interest rate risk associated with the provision of investment services to customers, which is directly hedged through the market.

The surplus cash investment portfolio recorded at fair value on the balance sheet has limited market risk exposure given short maturities (nine months on average). It totaled €2.7 billion as of December 31, 2015. Within this portfolio, the securities held in connection with the origination activity are nonetheless exposed to spread risk as a result of its higher residual maturity (6.6 years on average). Low exposure levels (€85 million at end-2015) nevertheless limit the impact. Moreover, the market risk exposure related to treasury investments by the group's banking subsidiaries is relatively small (€27 million as of December 31, 2015). This low level is a reflection of the policy of centralizing such investments at Crédit Mutuel Arkéa.

The investment portfolio being wound down saw its outstandings contract further. Over the year, total outstandings were reduced by €30 million to just €0.3 billion at end-2015.

The other activities of the banking scope involving financial markets have more marginal market risk exposure. Derivative instruments negotiated with clients of the branch networks (€8.1 billion as of December 31, 2015) are systematically hedged through the market, with some exceptions¹, neutralizing interest rate and currency risks. These transactions are therefore exposed only to the CVA, DVA and FVA risks described in point 4.2.2.

From a regulatory standpoint, Crédit Mutuel Arkéa's market risk is limited to the interest rate risk on the trading portfolio², CVA risk and overall currency risk. The trading portfolio is not significant since it is limited to market-making transactions for the group's secondary debt.

As for the currency risk, it should be noted that Crédit Mutuel Arkéa is not subject to the capital requirement calculation, as mentioned in point 4.4.

All of the aforementioned points relate to notes 2, 3, 4, 7 and 18 of the Crédit Mutuel Arkéa consolidated financial statements.

4.2.1 Risk organization and monitoring

Organization

Crédit Mutuel Arkéa executes market transactions by way of a trading floor that reports to the Financial Markets department. This trading floor is organized around three activities (treasury³ and refinancing, structuring, and corporate and institutional sales).

The Back Office 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 controls in accordance with regulations.

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 Monitoring Committee, sets the overall framework for the level of involvement in capital markets activities each year. The detailed limits system is then determined by General Management after a review by the group Risk Monitoring Committee.

The system is based on limits or management thresholds applied to positions, sensitivity, losses, capital adequacy requirement and additional value adjustments.

In 2015, the limits for the different portfolios were adjusted, primarily to align with activity levels.

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

(1) Exposures to interest rate and currency risk are subject to caps set at low levels.

(2) The trading portfolio consists of positions held with the intention of being sold in the short term.

(3) Including the monitoring of the trading portfolio being wound down.

An investment monitoring committee, meeting quarterly, works to track outstandings and the results of the LCR portfolio, the treasury portfolios and the portfolio being wound down.

Reporting to General Management

The Risk department provides the operating departments with daily reports on the consumption of limits associated with market activities. In the event the limits are exceeded, a procedure for notifying General Management is activated. The Risk department also regularly prepares consolidated market risk overviews for General Management.

Reporting to the supervisory body

A report on risks related to capital markets activities is established for each meeting of Crédit Mutuel Arkéa's Board of Directors. It includes a presentation of exposures, results, risk indicators and an update on compliance with the limits set by the Board of Directors.

The consolidated risk situation, which includes market risk, is also presented three times a year to the Audit and Risk Committee of Crédit Mutuel Arkéa.

4.2.2 Sensitivity analyses

The valuations used as references in sensitivity analyses 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 listed price. If no such listing is available, the price is obtained using market valuation techniques based on the most frequently observed market data. In certain specific cases, 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.

Also, in accordance with IFRS 13, the valuation of derivative instruments gives rise to two adjustments.

The first aims to integrate the market value of the counterparty risk. The adjustment takes into account the bilateral nature of this risk, i.e. counterparty risk (*Credit Valuation Adjustment* - CVA) on the one hand, and Crédit Mutuel Arkéa's own credit risk (*Debit Valuation Adjustment* - DVA) on the other.

The second adjustment seeks to recognize the financing cost of uncollateralized derivative instruments (*Funding Valuation Adjustment* - FVA).

Overall, a net expense of €2.9 million was charged against net banking income in 2015⁽¹⁾.

Value at Risk

The market risk of the trading portfolio is subjected to a VaR measurement.

The method applied uses a full revaluation of positions based on a history of 250 business days.

The model is calibrated with a 99% confidence interval and a timeline of 10 business days. It was neither audited by the statutory auditors nor certified by the French Prudential Supervisory and Resolution Authority for the capital adequacy calculation. The amount obtained is reported for information purposes.

In 2015, The VaR calculation scope was limited solely to the securities portfolio purchased for making market-operations involving the group's debt. The VaR amount remained negligible in 2015 (maximum VaR: €0.3 million in January).

Potential loss

Changes in the value of Crédit Mutuel Arkéa's trading portfolios (fair value changes shown through profit and loss) and available-for-sale (AFS) portfolios are controlled by sensitivity limits.

These daily measurements of sensitivity to modest standardized fluctuations in spreads and interest rates are accompanied by a monthly calculation of the potential loss.

The goal is to assess the impact on net income and shareholders' equity of tensions that might arise in markets under reasonably possible scenarios, with the impact determined on the basis of a complete revaluation of positions.

The choice of risk factors results from a detailed analysis of the portfolio composition, since a financial instrument can be sensitive to several factors.

The potential loss is estimated applying a VaR-type model based on historical data for the most recent sliding three-year period.

(1) CVA-DVA: -€4.3 million, FVA: +€1.4 million.

Two approaches can be taken, depending on the risk:

■ **spread, equity and currency risks:** The scenarios applied correspond to relative or absolute changes for a one-month period, with a 99% probability over three-year sliding periods;

■ **rate risks:** The potential loss applied is the historical daily VaR at 99%, extrapolated to one month. This difference in methodology with other risk factors was introduced in 2015 notably to provide a better picture of negative rates.

The total potential loss is the sum of the impacts of shocks calculated for each risk.

The model implemented to calculate the potential loss offers three main simplifications:

■ the scenarios applied to the positions are based exclusively on historical observations (stationarity assumption);

■ given the difficulties in obtaining individualized historical data, aside from interest rate risk, the volatility of the portfolio's risk factors is determined based on proxies, which are as granular as possible;

■ the potential loss associated with rate risk for a month is calculated by extrapolating VaR to one day.

In order to assess the model's relevance periodically, the results obtained are subject to an ex-post control.

The potential loss calculation performed on December 31, 2015 showed that adverse market changes would mainly affect shareholders' equity (94% of total losses) and that the portfolio was primarily exposed to spread risk (82% of the total). This latter risk was concentrated on the bond and securitization portfolios.

99% POTENTIAL LOSS AS OF 12.31.2015 (1 month horizon)

(€ millions)

RISK	SCENARIO	EXPOSURE	POTENTIAL LOSS	OF WHICH, IMPACT ON NET INCOME	OF WHICH, IMPACT ON EQUITY
TOTAL			- 43.0	- 2.7	- 40.4
INTEREST RATE	SCENARIO APPLIED BASED ON HISTORICAL DATA OBSERVED	8,149	- 6.0	- 0.1	- 5.9
Equity	- 11 % ⁽¹⁾	13	- 1.4	- 0.9	- 0.5
CURRENCY	+/- 7% ⁽¹⁾	2.5	- 0.2	- 0.2	–
Spread	TOTAL	8,258	- 35.5	- 1.5	- 34.0
	+ 10 bp in French sovereigns	2,041	- 12.5	–	- 12.5
	+ 15 bp in Belgian sovereigns	110	- 0.1	–	- 0.1
	+ 30 bp in Spanish sovereigns	600	- 1.2	–	- 1.2
	+ 30 bp in Portuguese sovereigns	587	- 0.5	–	- 0.5
	+ 45 bp in Italian sovereigns	600	- 1.6	–	- 1.6
	+ 10 bp in covered bonds	1,326	- 4.6	–	- 4.6
	+ 35 bp on European financial institutions	2,448	- 7.6	- 0.0	- 7.5
	+ 80 bp for redeemable subordinated debt for European financial institutions	67	- 4.4	–	- 4.4
	+ 15 bp for US financial institutions	254	- 0.6	- 0.1	- 0.5
	+ 25 bp for corporates	182	- 0.0	–	- 0.0
	+ 170 bp for securitizations	41	- 2.4	- 1.4	- 1.0

(1) in relative value

Stress scenarios

The stress test calculation scope is aligned with the potential loss. It includes all Crédit Mutuel Arkéa investments recognized at fair value.

For each risk factor used, the shocks applied correspond to the most severe changes recorded over a one-year period using a historical baseline ranging from 6 to 11 years depending on available data.

The scenarios involving interest rate risk were complemented in 2015 by the addition of shocks at the short end of the curve.

It should be noted that the simplifications mentioned with respect to the potential loss also apply mostly to crisis scenarios.

The results obtained are also subject to ex-post control.

CRISIS SCENARIOS AS OF 12.31.2015 (1 year horizon)

(€ millions)

RISK	SCENARIO	EXPOSURE	STRESS TEST	OF WHICH, IMPACT ON NET INCOME	OF WHICH, IMPACT ON EQUITY
TOTAL			- 269.7	- 12.6	- 257.1
INTEREST RATE	50% TO 120% INCREASE DEPENDING ON MATURITIES ⁽¹⁾	8,149	- 12.7	- 0.0	- 12.7
Equity	- 51% ⁽¹⁾	13	- 6.4	-4.3	-2.1
CURRENCY	+/- 24% ⁽¹⁾	2.5	- 0.6	- 0.6	–
Spread	TOTAL	8,258	- 250.0	- 7.7	- 242.3
	Medium-/long-term	4,355	- 227.7	- 7.7	- 220.0
	+ 130 bp in French sovereigns	1,977	- 127.2	–	- 127.0
	+ 215 bp Belgian sovereigns	50	- 1.2	–	- 1.2
	+ 70 bp in covered bonds	1,053	- 31.7	–	- 31.7
	+ 190 bp in European financial institutions	976	- 26.2	- 0.2	- 25.9
	+ 365 bp for redeemable subordinated debt for European financial institutions	67	- 15.1	–	- 15.1
	+ 545 bp in US financial institutions	240	- 17.9	- 2.5	- 15.4
	+ 725 bp in securitizations	41	- 8.4	- 4.9	- 3.5
	Short-term	3,904	- 22.3	- 0.0	- 22.3
	+ 125 bp in short-term securities	3,904	- 22.3	- 0.0	- 22.3

(1) in relative value.



4.3

Structural interest rate and liquidity risks

4.3.1 Organization

The ALM function strives to manage the group's key balance sheet ratios over a medium- to long-term horizon. In addition to allocating capital, its duties consist of measuring, monitoring and making recommendations to optimize liquidity and interest rate risk (the currency risk being marginal).

The ALM function is exercised by a dedicated and centralized unit – the Crédit Mutuel Arkéa ALM department, reporting to the Financial Steering department, which tracks the balance sheet health of Crédit Mutuel Arkéa as a group as well as the Crédit Mutuel Arkéa company – and by the subsidiaries' financial departments, which carry out their activities within the limits set by the group.

The main indicators for the banking sector are generated by the Crédit Mutuel Arkéa ALM department. Insurance risks are monitored at the level of the insurance companies, under the control of the group's ALM Committee.

ALM steering is performed at three levels:

- group-wide ALM limits are set annually by the Board of Directors of Crédit Mutuel Arkéa, acting on the recommendations of the group's ALM Committee. The subsidiaries' limits are adopted by their respective supervisory bodies in accordance with the framework defined at the group level;
- the ALM Committee executes strategic planning and controls the exposure of the group and its components. Chaired by the group's Chief Executive Officer, it met seven times in 2015;
- the Operational ALM committees of the group and the subsidiaries are responsible for the day-to-day ALM of the corresponding credit institution, by delegation of authority and based on guidelines defined by the group ALM Committee. The group Operational ALM Committee meets monthly.

The reporting information related to the principle ALM indicators is integrated into the dashboards prepared for the General Management of Crédit Mutuel Arkéa, the Audit and Risk Committee and the

Board of Directors. Any breach of a group limit must be notified to the Crédit Mutuel Arkéa Board of Directors and General Management and brought into compliance immediately (barring a specific reasoned decision to the contrary accompanied by a timeline for coming back into compliance with the limit where appropriate).

Financial market transactions are carried solely by Crédit Mutuel Arkéa, which enables it to control and optimize the group's liquidity and interest rate risk management. Hedging decisions taken by banking entities are undertaken exclusively through Crédit Mutuel Arkéa.

4.3.2 Interest rate risk on the banking and insurance portfolio

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

Banking portfolio

Assessment and monitoring

Interest rate risk is assessed and monitored 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 facilities, are integrated into the risk assessment.

Three main indicators, calculated at least once every quarter, enable the group to measure interest rate risk on a static basis:

- net present value (NPV) sensitivity is an indicator provided for in the CRD IV directive. Expressed as a percentage of capital, it measures the change in the net present value of the balance sheet for a 200 basis point increase or decrease in interest rates. Regulations set a 20% threshold for interest rate exposure. Calculation methods were adjusted at the end of 2015 to take into account the guidelines published in May 2015 by the European Banking Authority. The discount rate the group applies in its calculation no longer factors in a liquidity risk spread,

and equity capital is excluded from the calculation (though it contributes to interest rate risk hedging).

As of December 31, 2015, the group's NPV sensitivity was -0.6% for shareholders equity with a 200 bp decrease in interest rates and +5.5% for a 200 bp increase in rates. Simulations conducted without the change to the method show a substantially lower sensitivity – below 5% for equity;

- interest rate gaps consist of projecting outstandings with a known interest rate based on their contractual characteristics (maturity date and type of amortization) or modeling their maturity flows.

A modeling of maturity flows is necessary when the amortization profile is not known (products with no contractual maturity such as current accounts, savings accounts and shareholders' equity) or when embedded options are included in the customer products (early loan repayments, extensions on home savings plans). With the exception of reserves, whose maturity flow is standardized, the modeling is based essentially on an analysis of past customer behavior. In the case of early repayments, it takes into account a possible correlation between market interest rates and early repayment rates.

Interest rate gaps are produced for the group using different interest rate scenarios, based on continuity of business or applying a stress factor. As of end-2015, interest rate risk exposure was limited: the transformation position resulting from the gap under the standard scenario represents 2% of the bank balance sheet at the most;

- 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 net banking income (NBI) using different changes in interest rates. It is constructed using interest rate gaps and the impact of options risks (measuring the effect of the activation of caps and floors on the net interest margin). As of December 31, 2015, interest margin sensitivity remained under control; the maximum negative annual impact for a 100 basis point increase in interest rates was €11 million over the first five years, or less than 1% of NBI. This level is consistent with the group's policy.

Management

Crédit Mutuel Arkéa acts as the central interest rate unit for the entire banking scope. The interest rate position of the banking entities is fully backed by this central interest rate unit, which manages the group's hedging levels on markets.

Interest rate gaps and the interest margin sensitivity indicator are systematically presented to the Operational ALM committees and thereby serve as the basis for key hedging decisions.

When the risk arises from a difference in the type of interest rate (e.g. between assets with fixed rates and liabilities with adjustable rates), the hedge is performed mainly through macro-hedge swaps. If the risk is optional in nature, the hedge must be in the form of an option; hedging credits with capped variable rates is therefore ensured using interest rate caps.

Macro-hedge transactions are generally justified as fair value hedges under IFRS on the basis of credit and deposit portfolios. Accounting documentation and effectiveness tests are generated as soon as the hedge is established and updated regularly in order to ensure the quality of the hedge and limit the impact on the group's IFRS results.

In the current low interest rate environment, the group continues to adopt a conservative policy, with assets and liabilities well matched up in terms of interest rates. It therefore has low interest rate exposure in order to protect its margins, which is corroborated by the level of the standard gap and interest margin sensitivity indicator.

Insurance portfolio

A change in interest rates directly affects the bond portfolio's valuation and returns, for both the proprietary and euro-denominated funds. 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 decreasing interest rates

Persistently low interest rates could put downward pressure on the net margin generated by Suravenir, affecting its profitability and ultimately its solvency. 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 2015. As of December 31, 2015, the risk going forward pertained to a 0.62% minimum gross guaranteed return to be paid in 2016, well below the average actuarial rate of return on Suravenir's fixed-rate bond portfolio.

The risk of rising interest rates

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 value can affect shareholders' equity or earnings. Thus at end-2015, a 100 basis point increase in rates would have a €0.8 million negative impact on Suravenir's earnings, and shareholders' equity would decline by €126 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 could incur capital losses. To avoid this risk, Suravenir maintains a considerable amount of variable-rate bonds and options (cap, spread cap and duration-adjusted cap) in its portfolio. These financial instruments also enable the returns on Suravenir's euro-denominated funds to converge more quickly toward the returns offered by other savings products, thereby limiting redemption risk. As of December 31, 2015, some 34% of the bond portfolio in general assets was hedged against an increase in interest rates.

4.3.3 Liquidity risk

Liquidity risk arises from maturity differences between the sources and applications of funds. It may create additional expense in the event of widening liquidity spreads; in the most extreme case, it could result in the company being unable to honor its commitments.

The group has historically been vigilant and conservative in managing this risk.

Banking portfolio

Assessment and monitoring

The group assesses and monitors liquidity risk for the consolidated banking scope and each entity within that scope. Its efforts focus primarily on three elements:

- liquidity gaps;
- refinancing amount limits (notably short term);
- liquidity ratios (regulatory and non-regulatory).

The liquidity gaps, which are calculated at least once every quarter, include all balance sheet items (all financial and non-financial assets and liabilities) and off-balance sheet items that affect the group's liquidity (overdraft facilities, etc.). They are established on the basis of static scenarios (no assumption of new production), and complemented by dynamic scenarios in order to estimate refinancing needs at different maturities.

The static gaps are produced using both a standard and a stress scenario. The latter assumes the depletion of commercial deposits, draw-downs under certain off-balance sheet liquidity agreements or liquidity levels that vary from financial securities held based on their type. These assumptions are consistent with the principles and rules adopted by the European Union for the Liquidity Coverage Ratio (LCR).

Based on the stress scenario, the group has established a rule of minimal matching credits for maturities for the next five years, at a level between 100% and 80% depending on the maturity. This objective was satisfied throughout 2015.

Short-term refinancing amount limits have also been set. The goal is to minimize the impact of a non-renewal of these lines in the event of market tensions. These limits were satisfied throughout 2015.

A number of ratios are closely monitored:

- the one-month liquidity ratio is a French regulatory requirement. It measures available liquidity for the month relative to liabilities with the same maturity. The regulatory minimum ratio was 100% until October 1, 2015 (when the LCR took effect). Up until that date, Crédit Mutuel Arkéa met the 100% minimum with a 145% ratio as of September 30, 2015;
- the LCR is a liquidity ratio created by the CRD IV and CRR regulations (transposing the "Basel III" proposals into European standards). It measures the ratio between liquid assets and net cash outflows over 30 days in a stress scenario. The minimum ratio required is 70% in 2016 (60% between October and December 2015) and 100% in 2018. The group's LCR stood at 117% at the end of 2015, a testament to its resilience under stress scenarios;
- the NSFR (Net Stable Funding Ratio) is another liquidity ratio called for in the CRD IV and CRR regulations. It ensures that stable applications are backed by stable sources. The ratio is currently being applied across the European Union. A minimum of 100% is expected to be required starting in 2018; simulations conducted at the end of 2015 (based on weightings called for in Basel III) show that the minimum was met;
- the loan-to-deposit ratio measures the portion of loans financed by bank deposits and thereby the dependency on financial markets. The gross loan-to-deposit ratio stood at 109% at the end of 2015.

The group also adopted complementary indicators that enable it to ensure its ability to withstand high-stress situations involving financial markets and clients. The qualitative assessment of these indicators reveals a low and controlled risk thanks to a high degree of coverage and substantial liquidity reserves.

Refinancing program and liquidity reserves

Crédit Mutuel Arkéa acts as the central refinancing entity for all of the group's banking entities. In this capacity it manages a portfolio of funding sources that it makes available to the banking entities.

The group's refinancing program is prepared annually and updated every quarter to reflect observed and forecast trends in business activity. It aims to uphold the various limits set by the Board of Directors, and takes into account:

- investor appetite and preferred issuance periods;
- the level of collateral available for issuing securitized debt. A limit was set on the use of assets for this purpose in order to preserve the capacity to issue such vehicles and protect the quality of the group's senior debt;
- the need for the group to remain active in debt markets and maintain a regular presence with investors.

In 2015, the group contracted €2.1 billion of debt with maturities exceeding one year.

Crédit Mutuel Arkéa has developed a diversification policy for its refinancing channels and has:

- a short-term refinancing program (€1.7 billion in negotiable certificates of deposit (CDN));
- unsecured medium- and long-term refinancing programs (€4.3 billion in EMTN and €0.3 billion in BMTN outstandings);
- long-term refinancing programs secured through two funding vehicles: a home finance company (*Société de Financement de l'Habitat* – SFH, with €4.5 billion in outstandings issued and guaranteed by mortgage loans) and a mortgage-backed lending company (*Société de Crédit Foncier* – SCF, with €0.9 billion in outstandings issued and backed by exposures on public-sector authorities);
- interbank loans either unsecured or secured through the assignment of loans to Caisse de Refinancement de l'Habitat (€1 billion), the European Investment Bank (€0.6 billion) or Caisse des Dépôts et Consignations (€0.9 billion).

The terms of the debt securities issues are carefully considered. In addition to the usual clauses, these agreements may include an early repayment option at the group's discretion. They do not, however, include an early repayment clause at the discretion of the counterparties.

The group therefore controls the maturity schedule of these agreements and can, in the case of certain securities, repay them in advance.

The group nonetheless strives to limit its dependency on financial markets. The increase in bank deposits – with individuals, companies and institutional customers – thus reached almost €4 billion in 2015.

To protect itself from a potential market shutdown, the group has significant liquidity reserves. These reserves are calculated based on the survival periods in times of stress and different limits set by the Board of Directors.

Binding standards for investing surplus cash were set to guarantee that buffers would be immediately available in the event of a crisis:

- securities maturing in more than six months must be highly liquid (i.e. eligible for the LCR numerator) and/or considered eligible by the European Central Bank;
- the use of collateral eligible with the Central Bank is subject to a specific limit.

At the end of 2015, liquidity reserves – including available cash – were abundant, amounting to about twice the amounts required for the LCR.

Insurance portfolio

Liquidity risk arises when the company is forced to sell its assets following a massive wave of redemptions. This risk is assessed by studying the liquidity gaps between asset flows (dividends/ redemptions, etc.) and liability payments, in both the central scenario and the stress scenario (three-fold increase in redemptions / deterioration in asset valuations).

In the event of a liquidity squeeze, Suravenir has the ability to repo securities, particularly those that are eligible for ECB refinancing, at their market value less a haircut in order to obtain additional liquidity. As of December 31, 2015, the analyses performed show that in the stress scenario, Suravenir could overcome a three-fold increase in redemptions without experiencing any liquidity problems.



4.4

Foreign exchange risk

Currency risk is defined as the risk that the fair value of or future cash flows from a financial instrument will fluctuate with changes in the value of foreign currencies.

The group's currency exposure, which does not include any structural exposure, remains very limited with a total combined exposure set at €4.5 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 in article 351 of Regulation (EU) 575/2013.

The Financial Markets department is responsible for hedging foreign exchange risk either at its own initiative or at the request of the entities affected.

An analysis of foreign exchange position sensitivity is included in point 4.2.2.



4.5

Risk to equities

and other variable income securities and risk to investment securities

Equity risk arises in the event of adverse equity market trends, which result in a drop in the portfolio valuation.

Also, some unlisted variable-income securities are exposed to real estate risk, which arises in the event of an adverse change in the valuation of the underlying real estate assets.

The fair value of the equities and other variable income securities portfolio recognized in the IFRS-compliant financial statements totaled €12.4 billion as of December 31, 2015. For the purpose of analyzing the risk related to this portfolio, it is necessary to distinguish three parts:

- the first part, whose total fair value is €10.4 billion, includes €6.3 billion in equities and other variable income securities recognized by Suravenir with respect to unit-linked insurance policies and for which the risk is borne entirely by policyholders, along with €4.1 billion in investments in assets representing Suravenir's

euro-denominated funds for which the risk is borne by policyholders and the insurance company;

- the second, whose total fair value is €0.9 billion, consists mainly of proprietary investments by Suravenir and Crédit Mutuel Arkéa totaling €0.3 billion and €0.2 billion, respectively, as well as investments by Arkéa Capital Investissements totaling €0.2 billion;
- the third, whose total fair value is €1.1 billion, corresponds to the consolidation of shares held by non-controlling interests of mutual funds (OPCVM) controlled by the group, and results from the application of IFRS 10.

The group also holds a portfolio of investment securities whose fair value was €549 million as of December 31, 2015. These securities are held for the medium or long term in order to generate a capital gain or to facilitate the development of long-term economic relations with the issuing companies or to exercise influence over them.



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 III regulations and the administrative order of November 3, 2014.

The administrative order of November 3, 2014 defines operational risk as "the risk of loss arising from inadequacies or failures of processes, personnel or internal systems or external events, including legal risk; operational risk includes in particular risks related to events with a low probability of occurrence but a high impact, internal and external fraud risks (...) and model-related risks."

Given this regulatory context and 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" management function

Organization

Crédit Mutuel Arkéa decided to apply its operational risk control system to all its components, even those not directly subject to Basel III 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" management function, the department uses operational risk correspondents who report directly to each central department of

Crédit Mutuel Arkéa, the Crédit Mutuel federation or the head of the subsidiary. The Operational Risk Correspondent is the conduit for operational risk control policy within each unit.

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

- updating the operational risk maps by incorporating their self-assessments;
- collecting information on losses;
- modeling operational risk as part of the capital requirements calculation;
- implementing business continuity plans;
- IT systems security;
- managing external fraud prevention efforts.

Reporting

Quarterly reports are established by the Risk department and submitted primarily to the following recipients:

- group Risk Monitoring Committee;
- group Executive Management;
- Crédit Mutuel Arkéa Audit and Risk Committee;
- Crédit Mutuel Arkéa Board of Directors.

These reports cover three main topics:

- losses observed;
- results of Business Continuity Plan (BCP) tests;
- the self-assessment of risks shown on operational risk maps.

4.6.2 Operational risk assessment

Risk assessment system

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

- a risk self-assessment, performed by the Operational Risk Correspondents working at the group's various entities and backed by the expertise of operating staff in these units;
- disclosures of all 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. This process enables the construction of the PRDC guidelines, whose goals at each step are:

- process: definition and description of the processes in the form of a flow chart;

- Risks: identification, assessment and ranking of operational risks;
- Systems: identification and assessment of systems for managing inherent risk (resources used to mitigate risks or their impacts) classified by type (procedures, first-level operational control, tools, training, alerts, insurance, business continuity plans);
- Second-level permanent controls: verification and assessment of the relevance and effectiveness of risk management systems attached to the processes.

The construction of these guidelines is based on:

- an internal catalogue of processes;
- a catalogue of risks, replicating the Basel III risk map;
- mapping of Crédit Mutuel Arkéa's entities (organization chart);
- mapping Crédit Mutuel Arkéa's IT applications.

Process

A series of chronological tasks known as key stages used in the production or processing of information, products or services.



Operational risk

"the risk of loss arising from inadequacies or failures of processes, personnel or internal systems or external events, including legal risk; operational risk includes in particular risks related to events with a low probability of occurrence but a high impact, internal and external fraud risks (...) and model-related risks." Administrative order of November 3, 2014.



System

Risk management system implemented before completion of a process.
First-level control, procedure, indicator, training, BCP, insurance, etc.



Permanent control

Ex post control of the effectiveness of systems

After assessing each individual risk using the processes and risk instructions 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 eight levels of frequency and ten levels of severity.

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

Disclosure of incidents that have occurred

Crédit Mutuel Arkéa collects information on these incidents in a dedicated internal application. This application is based on the above-mentioned risk processes.

The total volume of reported incidents in 2015 was slightly higher than in 2014. Reported incidents in 2015 represented a total amount (known losses and provisions) of €15.3 million, compared with €15.1 million in reported incidents in 2014.

4.6.3 Operational risk modeling

Organization

Since January 1, 2010, the overall Crédit Mutuel network has been authorized to use its advanced measurement approach to calculate regulatory capital requirements with respect to operational risk and since 2012 to apply the insurance deduction.

Crédit Mutuel Arkéa actively participates in projects initiated by the overall Crédit Mutuel network 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 to the statistical modeling and calculation of regulatory 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 the overall Crédit Mutuel network.

Quantification

In order to quantify operational risk, two modeling approaches have been 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 and the application of the insurance deduction.

The overall capital requirements are then allocated among the various entities of the Crédit Mutuel network. For Crédit Mutuel Arkéa, regulatory capital requirements related to operational risk totaled €148 million at end-2015.

Insurance

The overall Crédit Mutuel network has been authorized by the French Prudential Control and Resolution Authority to use insurance deductions for hedging 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:

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

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

4.6.4 Crisis management and business continuity

The Business Continuity Plan (BCP), or emergency and continuity of activity plan as it is called in the administrative order of November 3, 2014, aims to provide rapid solutions in the event of a crisis in order to minimize the impact of a major incident 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.

In keeping with Crédit Mutuel Arkéa's crisis management procedure, the group Business Continuity Plan is based on the following two plans:

- the Crisis Management Plan;
- the Business 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 consistency 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:

- scenario 1: unavailability of offices
offices destroyed, unusable or inaccessible;
- scenario 2: unavailability of IT systems
incident involving the central system or a server, network or application;
- scenario 3: unavailability of employees
personnel incapable of working (anywhere, including at home);
- scenario 4: unavailability of power and telecommunications
power or telecommunications outage;
- scenario 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 other things, to exposure to fines, penalties, and damages for a tort attributable to the company in connection with its operations.

The group's Legal department is a unit of the Development Support division, which is the responsibility of the Associate Executive Officer who is also a member of the Executive Committee.

Crédit Mutuel Arkéa group is subject to all regulations applicable to companies in the banking, insurance and financial services sectors. In an environment marked by significant regulatory tightening, which places additional constraints on business activities and therefore heightens the legal risks, the legal function has an overall view and the ability to intervene over a wide-ranging area.

To that end, the Head of the group Legal department relies on a centralized team of more than 40 legal experts in addition to the legal advisors working at the subsidiaries. To promote efficiency, the litigation activity of the networks was centralized in order to ensure that case management is homogenous and optimal. Meanwhile, the Legal department has added to its staffing through

numerous new hires and continued to fine-tune its management policy for outside legal counsel.

Training opportunities were also made available to all of the group's legal advisors using new multimedia applications (Massive Open Online Courses, or MOOC).

The group set aside provisions for pending legal risks as of December 31, 2015 that could negatively affect its net assets. These provisions reflect General Management's best estimate based on available information.

Only six cases involved amounts greater than €1 million and the total amount was €27.4 million, with €1.7 million in corresponding provisions. No provisions have been set aside as of today for the largest case (€16.8 million).

Based on these factors, no litigation is likely to affect Crédit Mutuel Arkéa's financial situation significantly.



4.8

Compliance risk, including money-laundering risk

The administrative order of November 3, 2014 – relative to the internal control of companies in the banking, payment services and investment services sector and subject to the supervision of the French Prudential Supervisory and Resolution Authority – defines compliance risk as “the risk of a court-ordered, administrative or disciplinary penalty or of significant financial loss or injury to reputation resulting from non-compliance with: i) directly applicable national or European legislative or regulatory provisions governing banking and financial activities; ii) professional and ethical standards; iii) instructions from the effective managers taken pursuant to the orientations set by the supervisory body”.

In order to strengthen compliance governance and ensure that compliance risk is managed within the group, the Permanent Control and Compliance department has developed a compliance risk map on a consolidated basis and identified cross-functional control frameworks. These frameworks are notified to all group entities for inclusion in their PRDC (Process, Risk, Risk Management System and Second-Level Permanent Control).

Quarterly compliance reports submitted by each group entity constitute an essential source of information for managing and consolidating compliance data at the group level.

In accordance with the principles in effect within Crédit Mutuel Arkéa, training for compliance control systems is carried out at two levels:

- the group;
- each group entity and subsidiary.

Crédit Mutuel Arkéa has assigned the task of defining, organizing and managing the legal and regulatory monitoring system to the Legal department. This system covers the full range of issues pertaining to banking law and various legal areas that could potentially affect the banking activity.

In order to strengthen the recognition of compliance risk in light of the French data protection law enacted on January 6, 1978, and amended in 2004, the group's data protection activity was organized in 2011 through the creation of a central team of data protection correspondents reporting to the group's Legal department.

A network of local data protection correspondents was set up by the central data protection team.

No organizational changes occurred in that respect in 2015.

The risk of penalty, financial loss or injury to reputation following the execution of a money-laundering transaction that was not detected by the prevention systems therefore qualifies as a compliance risk.

Compliance risks, including money-laundering risks, are addressed through specially adapted framework systems and dedicated staff at the group's various entities in order to keep these risks under control.

In accordance with the principles of the European Third Directive, the group's money-laundering risks are covered in a special risk classification.

In 2015, efforts were focused mainly in the following areas:

- updates to the anti-money-laundering and terrorism financing risk classification, broken down based on the four regulatory objectives, and more specifically the expansion of risk factors taken into account in calculating the inherent risk level related to client profiles;
- improvements to the oversight system for transactions to reflect the risk classification;
- corresponding adjustments to the group's framework procedures;
- work relating to the implementation of an external software system for transactions oversight (Nice Actimize solution);
- the enhancement of the system for training and maintaining the skills of staff at the CCM networks;
- consolidation of the organizational structure at the anti-money-laundering and terrorism financing network within the group by adding more anti money-laundering and terrorism financing experts to staff at the Permanent Control and Compliance department;
- the quality of the know-your-customer files and steering of actions to bring these files into compliance.

Overall, staffing levels in the anti-money-laundering and terrorism financing activity were increased within the Permanent Control and Compliance department in order to ensure better coverage of the processing of alerts related to banking transaction oversight and applications upgrades.

As is the case each year, procedural rules were updated in line with regulatory and internal organization changes, and staff members received training in these areas.



4.9

Risks specific to the insurance business

4.9.1 Underwriting risks of life insurance

Suravenir is exposed mainly to the following risks in connection with its life insurance business:

Redemption risk

Redemption risk arises mainly from guarantees and financial options of life insurance policies that may be exercised by policyholders. A financial risk therefore exists for Suravenir linked to the actual behavior of policyholders in the event the volume of redemptions exceeds the amount projected in ALM models, which could lead to the recognition of capital losses on asset disposals. Suravenir seeks to minimize this financial risk through a proactive ALM policy: matching of asset and liability maturities, partial hedging of interest rate changes through derivatives, etc.

Moreover, pursuant to IFRS 4, Suravenir performed a Liability Adequacy Test (LAT) as of December 31, 2015, which clearly showed that total insurance liabilities measured in accordance with French generally accepted accounting practices exceeded their fair value taking into account the redemption option embedded in the policies.

Longevity risk

Longevity risk arises from 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. The underwriting income recorded clearly shows the company's limited longevity risk.

4.9.2 Underwriting risks of protection and borrower's insurance

With respect to protection insurance, the activity is exposed to several risk factors: mortality risk associated with the death of the policyholder, which leads to death benefit payments, and the risk of disability associated with the policyholder's medical leave, 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 real risk observed.

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. Some actuarial tables prepared by the insurance company have been certified by an independent actuary, certified by the French Institute of Actuaries (and recognized by the ACPR), to ensure the relevance of these tables with respect to the company's risk exposure.

Regarding the provisions established in connection with these risks, the allocation of the various underwriting provisions stipulated in the French Insurance Code depending on the nature of the products and therefore the group's commitments is presented in note [22] of the consolidated financial statements as of December 31, 2015 (page 117 of the Registration Document).

Mortality risk

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 have been implemented to measure mortality risk:

- the loss ratio makes it possible to uncover unsuitable rate-setting 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. As of December 31, 2015, at-risk capital in connection with protection insurance policies represented approximately €34 billion;
- 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.

Disability risk

The disability risk assessment is designed to detect any increase in medical leaves, whether they involve a temporary disability, total or partial disability or professional incapacity. This increase may result in significantly higher medical leave benefits 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 medical leave cases 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 medical leave cases (new policyholder claims) and the level of continuing medical leaves (policyholders continuing to receive benefits) on a monthly basis. The goal is to determine a medical leave 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 medical leave) provide a more detailed view of the outstanding policies at risk for disability as well as changes in medical leave occurrences and continuations.

These indicators as well as the actuarial tables used by the company make it possible to monitor this specific risk closely.

4.9.3 Underwriting risks of non-life insurance

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

Frequency risk and rate-setting risk

Overexposure to these risks may be the result of inappropriate risk selection (types of guarantees granted, level of benefits paid out, failed subscription processes) and/or insufficient oversight of these risks.

These risks are notably managed and controlled via a regulator monitoring of technical indicators on the portfolios and how they evolve over time. 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 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 rate-setting, 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 disasters, etc.). They are essentially covered by the use of reinsurance.

In accordance with the risk appetite defined by the Board of Directors of Suravenir Assurances, the exceptional claims risk for 2016 is as follows:

If an exceptional weather event – i.e. one with a statistical probability of occurring once every 200 years – occurs (a storm whose claims payments to policyholders is about €115 million), the reinsurance program is structured such that the residual expense for Suravenir Assurances is limited to €7.5 million.

4.9.4 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.



Banking capital requirements

Crédit Mutuel Arkéa uses the following methods to calculate its capital requirements under the Basel III, Pillar 1 regulations:

■ for credit risk:

- the advanced method for the retail customer portfolio (since June 30, 2008) and the banking and corporates portfolios (since December 31, 2012) following the authorizations given by the French Prudential Supervisory and Resolution Authority (ACPR) to use its internal ratings-based approach. In the case of the corporates portfolio, an additional capital requirement regulation based on the standardized method still applies on a provisional basis;
- the standardized method, on a long-term basis, for the central governments and public sector portfolio, for several subsidiaries (Financo, CFCAL);

■ for market risk, the standardized method;

■ for CVA risk, the standardized method for derivative portfolio exposure to volatility in the market value of financial counterparty default risk;

■ for operational risk, the advanced method for most Group entities, with the basic method or standardized method applied to a few entities of marginal importance.

The regulatory capital requirement arises mainly from credit risk. The results by category and method appear in the section "capital and capital adequacy ratios".

In addition, Pillar 2 of the Basel agreements requires banks to conduct their own assessment of economic capital and to use stress tests to assess their capital requirements in the event of an economic downturn. This pillar serves as the basis for discussions between the bank and the French Prudential Supervisory and Resolution Authority on the appropriate capital adequacy level used by the institution.

Crédit Mutuel Arkéa produces each year a report providing an overall assessment of the economic capital with its three year development forecast. This report forms part of the Internal Capital Adequacy Assessment Process (ICAAP).

The methods for assessing economic capital requirements have been pursued in conjunction with the drafting of management and control procedures also aimed at creating a risk management framework. Meanwhile, various stress scenarios have been conceived and further enrich the economic capital assessment process within the Crédit Mutuel Arkéa group.

This assessment process is conducted for the scope of credit risk, sector concentration, concentration of individual exposures, market risks, CVA risk, operational risks, reputational risks as well as risks involving the insurance business.

Currently, the economic capital requirement is only marginally greater than the regulatory capital requirement, which is slightly higher because of the additional capital requirement on the corporates portfolio. The security level in terms of solvency, measured by surplus capital relative to regulatory capital requirements (CET1 ratio) and economic capital requirements, therefore remains very high given the Crédit Mutuel Arkéa group's modest risk profile and ample capital.





5

Corporate social responsibility

- 5.1 Crédit Mutuel Arkéa's
Social Responsibility strategy
- 5.2 Cooperative engagement
- 5.3 Social engagement
- 5.4 Societal engagement
- 5.5 Environmental engagement
- 5.6 CSR indicators

5.1

Crédit Mutuel Arkéa's

Social Responsibility strategy



Social Responsibility at the heart of the group's strategy

Crédit Mutuel Arkéa adopted a new Corporate Social Responsibility strategy in 2015, which was approved by the group's governance bodies.

This strategy aims to support the group's positioning as a player committed to tomorrow's economy and to the future of its regions.

In the face of deep and long-lasting social changes, and their impacts on its businesses, Crédit Mutuel Arkéa has chosen to focus on:

- supporting pioneers who have played a trailblazing role in successful change, in four areas: the energy transition, the circular economy, social entrepreneurship and the sharing economy;
- integrating these four areas into its business lines, product and service ranges, and into the processes for all its entities, to accompany its customers and customer shareholders in these domains;
- supporting customer shareholders and customers who have been weakened by social change;

■ setting the example in terms of environmental footprint and human resources;

■ all in a spirit of cooperation and codevelopment with its stakeholders.

Fully integrated into the objectives of the group's new strategic project, Arkéa 2020, this CSR strategy seeks to position Crédit Mutuel Arkéa as an agent committed to tomorrow's economy, that supports all its stakeholders through these social changes.

Implementing this policy involves developing new offers, new banking and non-banking services, and thus represents a genuine lever for innovation and development for the group. It enables the group to adapt and sustain its economic model in a constantly changing environment. In bringing solutions to its stakeholders, Crédit Mutuel Arkéa gives them the opportunity to themselves adapt to these challenges, fostering shared value creation with players in its regions.

CSR AT CRÉDIT MUTUEL ARKÉA

A cooperative approach
A performance vector

4 priority areas

in which we invest and that we integrate into our own practices and our business lines

Energy transition



Circular economy

Sharing economy



Social entrepreneurship

Paying particular attention to:

Customers and customer shareholders who have been weakened by social change

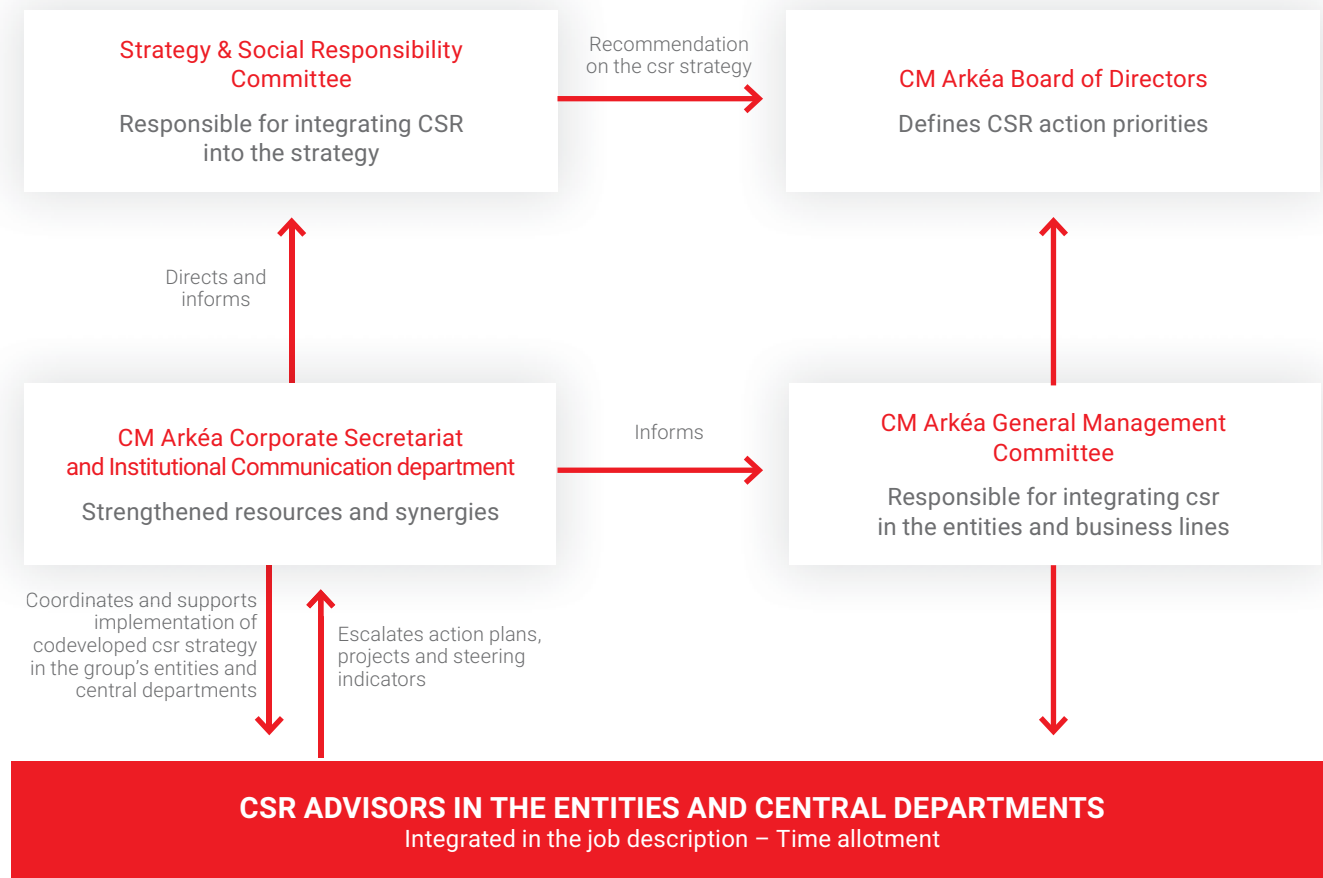


Pioneers who are inventing the world of tomorrow

Enhanced Social Responsibility governance

GOVERNANCE AND GROUP ORGANISATION OF SOCIAL RESPONSIBILITY

Each entity has to implement its own CSR governance, in a co-construction approach with the group.



Crédit Mutuel Arkéa's Corporate Secretariat and Institutional Communication department is in charge of steering, coordinating and supporting the group's entities in rolling out the CSR strategy.

It works with the CSR advisors in the federations, subsidiaries and central departments, who coordinate and facilitate the strategy's deployment within their organization.

The Corporate Secretariat and Institutional Communication department reports on the progress of the CSR strategy to the General Management Committee, as well as to the Strategy and Social Responsibility Committee. The latter is responsible for integrating Social Responsibility into the group's strategy. It issues a recommendation to the Crédit Mutuel Arkéa Board of Directors, which defines the group's strategic priorities. In 2015, the Committee examined implementation of the CSR strategy on two occasions. During its February 2016 meeting it also examined the present report.

In the federations, the directors are also involved in this process.

The Responsible Development committee at Crédit Mutuel de Bretagne is derived from this cooperative governance in which the stakeholders participate in the decisions of the company. It comprises 13 directors, and has the mission of staying apprised of current affairs in the area of Corporate Social Responsibility, and of participating in implementation of the CSR strategy for CMB.

It may propose, or participate in implementing, any event or function designed to promote Corporate Social Responsibility among directors, customer shareholders and the CMB audience in general. The committee meets quarterly. In 2015 its work primarily involved: updates to the committee road map and the missions of the CSR advisors for the local savings banks; reporting on the progress of the strategy to be implemented for Arkéa 2020; the first wave of deployment of the CSR strategy at Crédit Mutuel de Bretagne, CMB's carbon balance sheet; the issue of inclusive banking.

The CSR committee at Crédit Mutuel du Sud-Ouest serves to enrich reflection, encourage implementation, formulate recommendations and propose solutions for the sustainable development strategy and related issues at Crédit Mutuel du Sud-Ouest, and to identify, evaluate and measure the actions to be conducted. The committee comprises five directors and five employees and meets at least three times per year.

In 2015 the committee's work involved the development of a CSR strategy aligned with the framework defined by Crédit Mutuel Arkéa and taking into account the four priority sectors, adapted to CMSO and its regions. The committee identified the initiatives to be highlighted, promoted and supported. Currently it is examining the feasibility and impact of new actions.

Initiatives underway

Implementation of the new CSR strategy was accompanied by a communication campaign for all in-house audiences, involving awareness-raising for managers, creating a dedicated space on the employee intranet, organizing information meetings for employees and directors, etc. The stakeholders who took part in the process were also informed of the strategic priorities that were selected.

Crédit Mutuel Arkéa applies a continuous improvement approach. During the year it responded to several Social Responsibility questionnaires from non-financial rating agencies or from its counterparties, which enabled it to define a progress plan.

As an indicator of the group's ambitions in this area, a CSR criterion was integrated into the variable compensation for officers and senior managers for 2016 (impacting some 50 individuals). This criterion represents at least 10% of senior managers' variable compensation.

In December 2015, Crédit Mutuel Arkéa chose to adhere to the ten principles of the UN Global Compact.



5.2

Cooperative engagement

5.2.1 Group governance

The cooperative movement

The cooperative values of responsibility, equity, reciprocity, and solidarity guide Crédit Mutuel Arkéa's development. Its organization is based on local corporate governance, participatory democracy and the application of the principle of subsidiarity.

The customer shareholder, a stakeholder in the organization

Because it is a partnership and not a corporation, Crédit Mutuel Arkéa is not listed on the stock exchange.

In the cooperative movement, the customer shareholder is at the heart of corporate governance, following the principle of "one person, one vote." As the owner of a membership share, the customer shareholder is both shareholder and customer, its beneficiary and consumer.

In March 2015, a new format was trialed for the shareholders' meeting at a local savings bank, with the goal of highlighting the bank's actions within its region and giving a boost to local projects.

A portion of the distributable profit may be paid to customer shareholders in the form of compensation for the share capital they hold. This return on capital is capped at the average gross yield for issue of corporate bonds. In 2015, customer shareholders received more than €40 million in payment for their share capital, with respect to fiscal year 2014.

In 2015

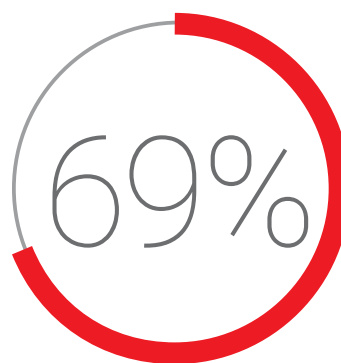


1,454,038

customer shareholders were invited
to the shareholders' meetings
of the local savings banks.
The participation rate was 3.4%

In 2015

the membership rate reached



of the individual customers

The directors, representatives of the customer shareholders

Elected by and from among the customer shareholders, the directors participate in the development of the company as part of local and regional committees. In 2015, 223 new directors were elected, of which 119 women. Women now account for 37.3% of directors, and 78 women manage local savings banks.

Directors' involvement in local life cultivates and strengthens Crédit Mutuel Arkéa's local and regional attachments.

Thus, at Crédit Mutuel de Bretagne, the Cooperative Living, Training, Responsible Development and Customer and Customer Shareholder Relations committees formulate opinions and suggestions that nourish and guide the work of the federation's Board of Directors. The committees at Crédit Mutuel du Sud-Ouest are the CSR, Cooperative Investment and Actions Regulation and Director Training committees. Crédit Mutuel du Massif Central has a Director Training committee.

Control of operating decisions and structures by elected directors enables the company to formulate its actions for the long term. This control focuses on responsible management to ensure the longevity of economic, social and environmental investments. The group prioritizes reinvestment of its profits in the company and its development, in the interests of the shareholder. The fact that the reserves cannot be distributed sustainably consolidates the company's wealth and enables it to boast one of the best solvency ratios in the market.

Crédit Mutuel Arkéa governance

Crédit Mutuel Arkéa is a variable capital limited liability credit cooperative with a Board of Directors, and, in accordance with its by-laws, is 99.99% owned by the local and regional Crédit Mutuel banks, entities affiliated with the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations.

The group's Board of Directors consists of 20 directors:

- 18 directors (three women and 15 men) who represent the customer shareholders, elected by the member savings banks and shareholders at the Annual Shareholders' Meeting. Pursuant to the by-laws, they each own one share of Crédit Mutuel Arkéa;
- two directors (one woman and one man) who represent the employees, designated by the Central Works Council.

The Board's directors are of French nationality and come from the home regions of Crédit Mutuel Arkéa's businesses.

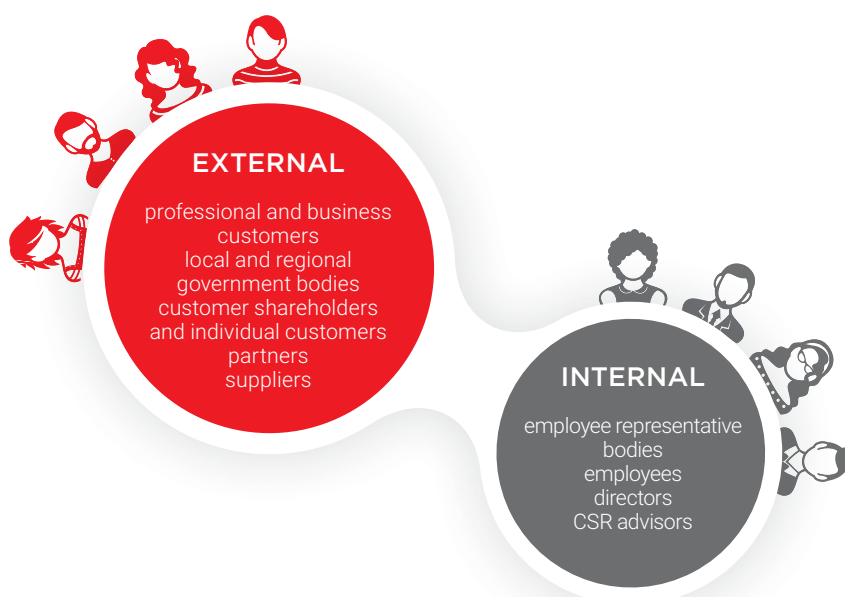
The Board of Directors met ten times in 2015, with an attendance rate of 94%.

The Board adopted a Corporate Governance Charter which defines in particular the responsibilities and missions of the Chair and CEO with respect to the specificities of the cooperative and mutualist model. It contains guidelines for both the directors who are the driving force behind the business model, and the employees who implement it on a daily basis.

The members of the Crédit Mutuel Arkéa Board of Directors benefit from a training program.

5.2.2 A model inclusive of its stakeholders

Stakeholders involved in defining the CSR strategy





Stakeholders, both internal (employees, directors, employee representative bodies and directors) and external – customers (individuals, professionals, businesses, local and regional government bodies), suppliers and subcontractors – were closely involved in thinking about Crédit Mutuel Arkéa's CSR strategy. This approach further added to and enhanced the relationships that the group maintains with its stakeholders throughout the year.

Relations with customer shareholders and customers

The first line of contact for customers and customer shareholders is their customer advisor.

The local savings bank annual shareholders' meeting, the first level of governance, is also the venue for the democratic expression of customer shareholders' rights.

The group's entities regularly conduct measurements of the quality of customer relations.

The three federations of Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel du Massif Central thus carry out surveys, round tables and individual interviews with customers, customer shareholders and advisors to better understand their expectations of products and services offered. Twenty-two customer surveys were conducted in 2015. More than 190,000 customer shareholders, customers and employees have been surveyed since 2009. Satisfaction surveys have also been conducted by the federations: with individual customers in 2014 and with professional, farming and wine-growing customers in 2015. The overall individual customer and customer shareholder satisfaction score was 7.6 out of 10, and 7.1 out of 10 for professional customers. The Net Promoter Score (share of promoter customers – share of detractor customers) for individual customers was +12 overall.

The subsidiaries are also attentive to the satisfaction of their customers. Fortuneo measures the overall satisfaction of its customers three times per year. Other subsidiaries do so twice annually (Suravenir, Leasecom, etc.) or annually (Federal Finance, Arkéa Assistance, CFCAL).

Novelia conducts a "quick response" satisfaction survey twice a year, along with an annual strategic survey. These contribute to defining areas of progress: A customer-oriented training initiative was implemented with all Novelia employees based on these results in 2015. Also in 2015, Suravenir Assurances conducted a survey of customer satisfaction after claim payment.

Another focus has been on transparency and customer education. In 2015, a great deal of work was done to simplify the banking general terms and conditions and product descriptions for individual customers of the three federations. The aim is to make them easier to understand so that they become effective customer relationship tools. To go further in supporting its customers, Suravenir Assurances has developed a "Fire Prevention" document sent out with home insurance billing statements, and has enhanced the customer service facet of its liability offer with access to an educational information site on issues of law and personal life.

Customer shareholders can also contact the Customer Relations departments of the different entities within the three federations, CFCAL, Fortuneo Banque and Federal Finance.

These requests concern:

- customers' thoughts on fees, in particular for populations made less secure by economic difficulties;
- media positioning and regular statements by consumer associations condemning banking practices;
- enhanced information for customers, in particular via the Internet and social networks;
- the economic and financial situation.

Among the major events of 2015, a targeted campaign was conducted for employee training in this area.

More specifically concerning mediation, a legal system governed by the French Monetary and Financial Code, 189 cases eligible for mediation were registered.

Internally, a customer-supplier relationship was contractually implemented with the goal of maintaining a powerful customer focus in all company processes.

Director relations

Volunteer directors are elected by and from the body of customer shareholders. This system ensures genuine representation for customer shareholders on the boards of directors of each of the local savings banks, the regional federations and Crédit Mutuel Arkéa, independent of corporate executive management.

At each level, elected directors represent the region's customer shareholders. They are in particular directly involved in Crédit Mutuel Arkéa's solidarity initiatives.

The federations offer a training program for directors to support them in their mission. This program covers three major topics: mutualism, banking and insurance, and general expertise and skills. Forty-two percent of directors have taken at least one training course, which represents almost 15,951 hours provided within the group.

Employee relations

The human resources structure ensures a strong presence on the ground, supporting managers and accessible to employees. More than 150 employees are present across the group's different entities to implement the company's labor and employment policy. They ensure compliance with labor law and proper application of collective agreement provisions at their level; they promote discussion and consultation during employee interviews and reviews (interviews during trial periods and for final hire, career reviews and professional orientation interviews, etc.). An org chart detailing the HR functions is available to employees on the group intranet in the HR spaces, so that each individual can directly contact the right person for their need.

Management quality is a key factor behind employee success, motivation and engagement. The manager is the company's first-line HR contact and the daily representative for the group's human resources policy among employees.

Managers frame actions, set goals, motivate, are accessible, and signal each stage of achievement towards the expected result. They promote dialogue and coordination, support employee autonomy and accountability, and strive in particular to develop employee skills. They create the conditions for motivation and qualitatively assess the results of their teams.

During annual reviews, in discussion with their employee, they evaluate skills and the missions achieved over the course of the year, as well as taking stock of the employee's career path. To develop management qualities, the group defines managers' action principles with respect to corporate policy in a Management Guide. Managers also receive training and support to apply the group's values in conducting their missions. The company organizes training sessions for employees who assume managerial responsibilities during the year following their promotion.

Team meetings are organized periodically by managers to provide employees with information on the group and its projects throughout the year.

The group's executive management initiated semi-annual meetings in 2012 to inform all employees of the latest news and outlook for Crédit Mutuel Arkéa. In-house media, including a collaborative intranet, and regular conferences on various cross-company topics, including the Arkéa 2020 strategic project, round out this internal communication offer.

A survey of quality of life at work was launched at end-2015 for the scope of the UES (representing almost three-quarters of the group's employees), with a response rate of more than 50% of employees concerned. The results will be published in Q1 2016.

Supplier and subcontractor relations

The group's Purchasing policy considers the regional dimension when choosing providers, consistent with the group's positioning.

Environmental issues are taken into account in advance of the calls for tender, whose specifications include environmental requirements (e.g. products or materials used, environmentally friendly processes, certifications). This favors the more compliant suppliers and subcontractors (see 5.5.4).

The choice of provider also takes into consideration employment and social criteria. Thus, certain suppliers and subcontractors may be preferred on the basis of criteria such as wage policy or training programs implemented in support of employee development or risk prevention. Nearly all the group's suppliers and providers are located in France, and human rights issues primarily involve labor law. Contracts with suppliers and providers include clauses concerning compliance with labor law.



Relations with institutions, companies and associations

Crédit Mutuel Arkéa and its various components are leading partners for local and regional public authorities, businesses and associations.

For example:

- Crédit Mutuel Arkéa has been a partner to Produit en Bretagne ("Made in Brittany") since 1997, and works together with indus-

try, distributors and service companies towards the shared goal of economic development and job creation in Brittany. Support for the Bretagne brand serves the same purpose;

- Crédit Mutuel Massif Central mobilizes numerous partners, both companies and associations, via the Fan d'Auvergne and Fan d'Aveyron campaigns. Some 19,000 people hold a "Fan" card and 650 local shops and retailers partner with the initiative. At the Espace Renan located in Clermont Ferrand, Crédit Mutuel Massif Central makes premises available to businesses, associations, athletic clubs and artists to showcase their activities;
- Crédit Mutuel Arkéa also participates in the Crisalide Trophies together with the Créativ European Enterprise and Innovation Center, and in the Finistère Sustainable Development Club. These partnerships are opportunities for meetings and discussions with all sustainable development players;
- Arkéa Assistance, the remote assistance subsidiary, has regular contacts with personal assistance associations, pensioners' associations, social services, and more generally any private or public organization that works to help ill or aging individuals to stay in their homes. It also conducts innovative pilot projects in collaboration with nursing homes (wandering prevention) and hospitals (pre- and post-hospitalization monitoring program).

Relations with investors and rating agencies

Crédit Mutuel Arkéa has developed a program to present its results to the financial community, in particular financial analysts and credit analysts, mutual fund managers and financial managers. These presentations take place in France and several European countries, and are an opportunity for discussion of Crédit Mutuel Arkéa's economic and financial performance, strategy and development prospects. In 2015, the group's CSR strategy was integrated into these presentations. This information is also sent to the Standard & Poor's and Moody's rating agencies, which regularly interact with the group's executives.

5.2.3 Fair trade practices

Ethics and best practices

Two ethics and best practice awareness guides for employees in the central departments and networks were updated in December 2015 and distributed in January 2016. Suravenir also has a code of ethics.

In addition to the company by-laws, the UES has a code of ethics concerning financial instrument transactions.

The policy for management of conflicts of interest related to Crédit Mutuel Arkéa's investment services is accessible to the public on the corporate website.

The latest version of the code of ethics aims to provide employees with general knowledge of the various rules of conduct they must follow, and provide easy reference by compiling existing texts and guidelines in this area, so as to concretely define the commitments of the company (UES).

Protecting customers

Framework provisions have been introduced within the group to provide guidance in the areas of banking mobility, basic account rights, banking inclusion, customer complaint processing, and customer understanding of distribution of savings products.

Data protection

To strengthen best practices for the protection of personal data and ensure a consistent approach in this area, the group has appointed a data protection correspondent, as provided for in French law, to cover its entire scope.

A framework document defines the group's operating principles and modalities with regard to the French data protection act of January 6, 1978. A network of around 30 local contacts has been activated from various fields of expertise (human resources, legal, security and IT systems, training and promoting awareness, risks, control and compliance, cross-functional organization and projects).

With this system and its implementation requirements (defined by France's data protection agency CNIL), the group pays specific and sustained attention to the personal data contained in or transiting through its information systems.

Human Resources provides the UES with an information space and rules for the secure use of the Internet, IT tools, files and company data on the group's intranet.

The aim is to inform all employees of the legal provisions and in-house rules for the secure use of these tools and data. It details and updates the texts that apply within the company, and in particular the internal regulations and ethics agreement concerning the use of data from technical and IT applications.

A corporate agreement on "Ethical use of data from technology and IT applications" was also signed in 2009.

Combating money laundering, terrorism financing and tax evasion

The system to combat money laundering and terrorism financing applies in the entities subject to this regulation. It is integrated into the internal control system defined in accordance with the provisions of the CRD IV ruling of November 3, 2014 concerning internal control.

This system was approved by the group's Permanent Control and Compliance Committee.

The applicable IT tools rely on an automated monitoring system that detects transactions that exhibit predefined characteristics, and filters transactions with respect to lists of individuals whose assets have been frozen. The system generates alerts that are processed by customer managers or anti-money laundering and terrorism financing analysts according to a risk rating system. A network of Tracfin correspondents is assigned to the group's various entities.

Procedures are in place to prevent transactions from or towards countries that have been sanctioned by the EU and French regulators.

In accordance with the agreements signed by France and the United States, Crédit Mutuel Arkéa and its subsidiaries subject to FATCA registered with the US tax administration and were listed as compliant financial institutions on the first list published by the IRS.

Every company implements a training program tailored to its activities. New employees participate in an integration program in which training on the fight against money laundering and terrorism financing is a key element. Training is also regularly provided to employees and directors to reflect changing laws and regulations, and employees' degree of exposure to money laundering/terrorism financing risks (twice annually for banking network employees).

The results of the application of the anti-money laundering and terrorism financing system are regularly presented to the group's Permanent Control Committee, Audit and Risks Committee and Board of Directors. In 2015, Crédit Mutuel Arkéa transmitted 563 declarations of suspicion to Tracfin, compared with 436 in 2014.

Crédit Mutuel Arkéa has no subsidiaries outside the eurozone and does not offer offshore banking services to its customers and customer shareholders. The group is not present in any tax havens as defined by the OECD.

Compliance

In accordance with article 37 of the ruling of November 3, 2014 on internal control of banking sector, payment service and investment service companies subject to oversight by the French Prudential Supervisory Authority (*Autorité de contrôle prudentiel et de résolution*), the group has a system in place enabling any employee to question the compliance supervision manager for their entity concerning any possible dysfunction in the implementation of compliance obligations with respect to activities inherent to the entity's corporate purpose.

To strengthen compliance governance and ensure that the risk of non-compliance is addressed within the group, the Permanent Control and Compliance Department has developed a consolidated map of the risks of non-compliance and identified the systems to reduce this risk. Permanent control actions addressing compliance issues supplement these systems.



5.2.4 Key governance figures

3 FEDERATIONS: CRÉDIT MUTUEL BRETAGNE, CRÉDIT MUTUEL DU SUD-OUEST, CRÉDIT MUTUEL DU MASSIF CENTRAL			
	2013	2014	2015
Number of local savings banks	337	336	334
Number of customers	2,300,661	2,324,518	2,312,915
of whom individuals	2,090,705	2,109,593	2,108,463
Number of customer shareholders	1,428,020	1,436,045	1,454,038
Rate of customer shareholding (among individual customers)	68.30%	68.07%	69.00%
Rate of participation in shareholders' meetings	3.6%	3.6%	3.4%
Average amount of share capital owned (in euros)			1,511
1ST LEVEL			
Number of 1 st level directors	3,691	3,648	3,581
% of female directors	32%	37%	38%
Number of new directors elected during the year	168	192	223
% of women among the new directors	68%	41%	53%
Rate of participation in local savings bank board of directors' meetings (*)	78%	84%	75%
Number of new local savings bank chairs	18	23	33
% of women among new bank chairs	33%	48%	36%
2ND LEVEL			
Number of federation directors	116	114	114
% of female federation directors	22%	25%	24%
Number of new federation directors	4	11	3
% of women among the new federation directors	75%	45%	33%
TRAINING			
Number of directors who took at least one training course in the year (*)	1,361	1,815	1,463
Total number of training hours dispensed	15,515	14,252	15,951
% of directors trained (*)	37%	50%	41%
Duration of training per administrator trained (in hours) (*)	14	8	11



5.3

Social engagement

As part of its new CSR strategy, the group intends to set an example in the area of Human Resources.

Its values of commitment, openness and audacity are foundational elements of its human resources policy, together with its cooperative model and regional attachments.

This policy must align the needs of the company with its employees' skills and ambitions, while also providing a response to the social and societal issues related to its unique model and to changes in its business sector.

Promoting autonomy and recognizing initiative, innovation and diversity are core features of the group's evolving social model.

As a key employer in its regions, the group is responsible for developing a long-term employment policy that seeks to maintain employee motivation and engagement at a high level and continuously develop their employability.

For this purpose, the group implements a dynamic recruitment and mobility policy centered on people, which aims to promote its employees' entrepreneurial spirit. The policy's primary objectives are:

- to maintain an active recruitment policy to support the growth of its businesses and attract new talents to its business lines;
- to monitor and anticipate changes in its business lines and social model arising from ongoing economic, demographic, technological and organizational change;
- to promote shared responsibility between employees, the initiators of their own development, and the company, which provides the necessary tools for their personal and professional development, in particular via a job and skills management planning system, training programs and functional and/or geographic mobility.

The group is proud of its diversity and supports the promotion of diversity and equal treatment and recognition. In particular, the group seeks to be a pioneer and benchmark in the employment of people with disabilities.

The group promotes shared support and management in its hierarchical structures. As key agents for the deployment of HR policy, managers must bring meaning to and foster the initiative of their employees. Management also ensures recognition of personal investment and of collective and individual performance.

Lastly, in its relationships with its labor partners, the group supports honest dialogue that is respectful of different viewpoints and perspectives. It takes the initiative in achieving a good balance between the efficiency and performance of its organization, and quality of life at work, via innovative company-wide agreements.

5.3.1 Geographic breakdown of the workforce

Crédit Mutuel Arkéa is primarily present in France, with less than 1% of its workforce abroad (Belgium, Luxembourg, United Kingdom). Eighty-one percent of the workforce is located in the home regions of the three federations, in Brittany, the South-West and Massif Central. Its subsidiaries operate across the French territory, in Belgium, and to a limited extent in Luxembourg and the United Kingdom.

The group is committed to the fundamental principles of the International Labor Organization, concerning freedom of association and the right to collective bargaining, eliminating discrimination in employment and occupation, eliminating forced and compulsory labor and abolishing child labor.

Crédit Mutuel Arkéa recruited



563

new employees under
permanent contract in 2015.

5.3.2 Workforce changes

The total number of employees under permanent contract was 8,603 at end-2015, an increase of +1.28% over the previous year. Added to this total are the 40 staff at Leetchi, a group subsidiary since September 2015.

5.3.3 Integration of new hires

The Human Resources functions of the various Crédit Mutuel Arkéa entities organize specific integration and training tracks for new employees: welcome and contact points, information on administrative matters and procedures, introduction to the business lines, monitoring of the trial period. The goal is to provide optimal job performance conditions for each new hire and to verify that his or her aptitudes match the company's expectations. This approach also seeks to create a social connection between the employee and the company, and between the new hire and other employees.

For this purpose, Crédit Mutuel Arkéa also organizes an annual "Carrefour for new recruits" conference, where new hires can meet the Chairman and CEO and learn about the group's organization, strategy, major projects, operating methods and diversity, and understand its scope of activities and development prospects.

All Crédit Mutuel Arkéa entities adopt harmonized procedures with respect to recruitment and integration to ensure employees' future job mobility.

5.3.4 Efficient job and skills management planning

Given changes in the banking and insurance market, and in its strategic goals, age pyramid and regional positioning, Crédit Mutuel Arkéa views professional mobility as a crucial component of its development.

Internal mobility, both geographic and functional, is significant.

Crédit Mutuel Arkéa provides a full range of tools for the UES (which comprises nearly three-quarters of group employees) in the company agreement on Jobs and Skills Management that was renewed in October 2013 for a period of three years. These tools enable employees to manage their careers proactively.

Dedicated information system for job and skills management planning

An information system dedicated to job and skills management is used by all group companies.

It includes annual reviews, the highlighting of employee career paths (resume library), internal mobility (job market) and career advice.

Every year, an annual performance review gives employees the opportunity to discuss their career plans with their managers. An individualized development plan is drafted, resulting in training or other actions to help the employee acquire the skills required for the job or related to a career plan that is consistent with the company's needs. During the 2014-2015 campaign, 98% of performance reviews were completed.

Employees also have the possibility of benefiting from "career reviews" to explore in more depth the pathways mentioned during the performance review. The career review may lead to a joint skills assessment for evaluating a career plan.

The skills assessment is a tool developed by a consultant to assist employees in guiding and managing their career path. It aims to help define a career modification or change plan.

To encourage employees to be active agents in their own careers, the company posts open positions in a job exchange system. Each company presents its offers, and all employees can apply.

Previous to making an application, the Human Resources department encourages employees to showcase their professional experience. To identify employee skills, it draws from the experience described in annual performance reviews and entered into the IT system, and the information provided during career review meetings.

It may use these elements to fill internal job offers to propose a meeting and present an open position to an employee.

Crédit Mutuel Arkéa organizes a Career Fair to exhibit and promote the great diversity of jobs available and the opportunities and tools made available to employees. The third edition of the Career Fair was organized in December 2015 in the Crédit Mutuel du Sud-Ouest region. More than 750 employees were able to meet with the group's HR management.

During this three-day fair organized at several locations, employees could explore the full breadth of the group via a lecture presentation and at stands for the various entities, as well as participate in a motivational conference or personal development workshop.

A touring version of the Career Fair was also implemented, with HR visiting employees' workplaces, in particular the more remote local savings banks, to discuss their daily experience, the group's projects and HR. Visits were made to 30 local savings banks and departments. A space dedicated to promoting this event, and more broadly to providing information about careers and mobility, is available on the company intranet.

5.3.5 Strong commitment to employee training

Crédit Mutuel Arkéa maintains a high level of commitment to training (4% of total payroll in 2015). It is a key resource for adapting to change, developing skills and supporting employees in their careers, and thus contributes to greater efficiency within the company.

The group defines a training plan that includes all initiatives financed by the company to:

- support the corporate strategy;
- facilitate job adaptation;
- foster career changes;
- maintain employee motivation.

In addition to the training plan, the group proposes the following resources provided by French law: recognition of acquired skills and experience, the individual training account, individual training leave and a joint individual training leave management committee. Beyond its legal obligation, Crédit Mutuel Arkéa implements this approach by financing:

- projects for vocational retraining outside of Crédit Mutuel Arkéa;
- contributions to the non-profit sector;
- personal training needs.

In December 2015 the company adopted a new Learning Management System tool that makes it possible to blend training modes, in particular classroom-based instruction, eLearning and virtual classrooms, and to integrate evaluations into the training track. It will be rolled out to all group entities.

The group also participates in basic education by hosting interns and apprentices. More than 1,000 interns and apprentices were hosted by the group in 2015. In the local savings bank network, apprentices who successfully complete their courses are systematically offered employment.

5.3.6 Promoting diversity

Crédit Mutuel Arkéa views diversity as an invaluable resource. This commitment is expressed in particular in the areas described below.

Gender diversity

Since 2004, the initiatives implemented in favor of professional equality have been framed by the unanimous signature of four company agreements with the representative labor unions (on February 26, 2004, November 29, 2007, October 13, 2011, and November 28, 2014) for the scope of the UES.

The company agreement 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.

The primary focus of the agreement is to measure and reduce gaps in compensation and professional development or career path between men and women. To limit differences and reduce these gaps, the company agreement provides solutions in terms of professional pathway, training and mechanisms for supporting work-life balance, without fostering positive discrimination towards men or women.

Four priority areas were defined under the agreement:

- career tracks;
- balance between work and family responsibilities;
- compensation;
- communication.

Three other areas are also monitored: hiring, training and employee representative bodies. The Arkade UES thus chose to focus on six of the eight action areas proposed by the government.

The goals of the current agreement are to:

- promote women's career paths, in particular access to management positions, to support the company's performance;
- implement solutions to enable a fair work-life balance for all, in terms of work organization and management of parenting;

- remain vigilant with respect to equal compensation of men and women;
- raise awareness, inform or train company employees, partners and customers around our professional equality policy;
- understand and reduce stereotypes, in particular via appropriate internal and external communication.

In accordance with article L. 2323-57, the company communicates an annual comparative status report to employee representative bodies, including, above and beyond the mandatory legal data, indicators to analyze the comparative situation of women and men in the company, and its evolution.

Within the company, gaps in compensation are less than 5% across all levels of employment, with a single exception (level 11) in which the population of women is not representative. This gap is trending downward year by year. During the mandatory annual bargaining for 2015, following analysis of the compensation gaps between men and women by level of employment, it was decided to allocate a special professional equality budget envelope of €150 thousand to further reduce these gaps.

In 2015, in accordance with the commitments made in the agreement, a maternity, adoption or parental leave support system was introduced within the Arkade UES. An interview is arranged between the employee and their manager before the leave begins, to discuss the organization of the employee's duties during their absence, and answer their questions. At this meeting, the manager gives them an absence kit containing all the necessary information to best prepare for their leave.

After the maternity, adoption or parental leave, the manager ensures that conditions for their return are suitable to gradual readaptation and successful reentry in the position. An interview is arranged between the manager and employee to provide the latter with any new technical or contextual information and define the education actions needed to facilitate their return.

PROPORTION OF WOMEN IN UPPER MANAGEMENT AND EXECUTIVE POSITIONS AT DECEMBER 31, 2015:

- department managers: 25% women;
- regional unit directors: 20% women;
- senior managers: 22% women;
- executive managers: 14% women;
- members of the group General Management Committee: 8% women.

In 2015, a work group defined an action plan to improve gender diversity in the group, which should in particular help increase the proportion of women in the group's management bodies. This action plan was approved by the General Management Committee and will be rolled out starting in first-half 2016. It prioritizes four key focus areas:

1. raising employee, manager and executive awareness of gender diversity as a strategic issue for the company, and of the fight against micro-discrimination;
2. adapting job and skills management planning to better attract, identify and make visible the talents of tomorrow, with a specific facet for women;
3. optimizing work organization for greater flexibility;
4. adapting the appointment process to foster the rise of women to key positions.

A criterion related to gender diversity was integrated into the variable compensation for senior and executive managers at end-2015 (around 160 people).

Employees with disabilities

The company seeks to foster the integration of employees with disabilities, as well as to maintain and support employees with disabilities or dealing with a disability throughout their career, by adapting jobs and finding solutions that enable them to continue working.

The group's rate of employment of employees with disabilities was 3.2% in 2015.

A new 2015-2017 three-year agreement was signed in May 2015 by all representative labor unions at the UES. The agreement was approved by the Finistère branch of DIRECCTE Bretagne on December 17, 2015. This approval grants the company autonomous management of the funds associated with the disability segment, and thus enables it to best support the company's employees and provide individualized assistance to directly benefit employees.

The 2015-2017 action plan focuses on:

- digital accessibility;
- development of outsourcing to the adapted and protected sectors;
- training;
- communication.

The company agreement provides for financial aid to employees with disabilities to facilitate their professional activity (accessibility, hearing aids, wheelchair, vehicle and housing adaptations, etc.).

In 2015 the group workforce was **55.7%**  **women** and **44.3%**  **men**



Tracking of employment of people with disabilities is centralized in the "Disabilities Mission." This unit coordinates promotion and facilitation and organizes tracking of actions in support of people with disabilities, in coordination with the Disability officers at the various establishments. The Disabilities Mission is an additional contact point for company staff impacted by disability and for outside partners. Lastly, the team provides ideas, advice and support to group companies.

It also contributes to the work of the Regional Chamber of the Social and Solidarity Economy in Brittany and to the AGEFIPH Project Leader Club.

A disabilities IT officer has also been appointed. S/he works in collaboration with the disabilities mission and people with disabilities to:

- ensure that IT tools adapted to workers with disabilities are provided;
- support and train users;
- monitor accessibility of communication materials;
- plan for the provision of new, adapted IT solutions.

In November 2015, during European Disability Employment Week, the Disabilities Mission also participated in various events in Brittany.

Crédit Mutuel Arkéa develops partnerships with training centers for people with disabilities. Thus in 2015, a class of apprentices was formed with the Kerlann Faculty of Trades in Rennes, to prepare for a sales representative diploma equivalent to a two-year undergraduate level.

The Purchasing department, together with the Human Resources department, also promotes the use of employment assistance establishments (ESAT) and adapted enterprises (EA) for certain activities.

This results in:

- improved awareness for internal purchasing advisors of the value of this approach;
- mapping of all business sectors for which the use of adapted sector providers could be considered;
- completion of a listing of tenders to be carried out under a timetable aimed at expanding the group's positioning over the next three years.

ProCapital notably places orders every year with the Ateliers de la Vallée des Duynes employment assistance establishment (USB keys, promotional items).

Generation contract

A company agreement for a generation contract was signed in late 2013 for a period of three years. The goal is to foster the hiring and professional integration of young people, continued employment and retraining of older employees, and interaction between these two groups.

The two main objectives of the agreement were met during its first two years:

- the goal of recruiting young people under the age of 27 was set at 40 employees per year. In 2014, 96 young people were hired, and the threshold of 100 was exceeded in 2015;
- concerning the employment of older workers until the end of their career, the defined objective is to maintain a greater than 10% proportion of employees age 57 and older within the total UES workforce. This goal was achieved for the past two years (10% and 10.2% respectively).

The company is committed to taking every opportunity to recruit employees age 55 and older in accordance with needs and abilities.

The agreement also provides for a series of actions for anticipating career changes and age management: an interview concerning the second half of their career at age 45, and a career planning interview at age 57. Conditions for the employee's retirement are also discussed at this time. A "career completion" review is organized three months before the date at which the employee is able to retire with full benefits. As part of its commitment to equal access to career progress, Crédit Mutuel Arkéa has committed to monitoring the share of promotions and bonuses attributed to employees age 57 and older each year, compared with the overall population.

Every year, as part of the skills review, Human Resources managers identify with the managers of each structure the departures that will require a period of tutoring by the employee leaving a given position for the person replacing him or her. The priority focus is on replacing key skills.

5.3.7 Active employee dialogue

Every group company has, based on the regulatory requirements of its own personnel representative institutions, employee representatives, union representatives, works councils and health, safety and working conditions committees. The UES and each subsidiary outside this scope negotiates their own company agreements. There is also a body for economic, social and organizational information, the Group Committee, which meets twice a year. This body is informed of the situation and prospects of all entities.

Within the UES, the representative bodies of the different establishments are supplemented by a central works council (CCE) and a central health, safety and working conditions committee (CCHSCT).

Aside from the mandatory committees (economic, employment-training, retirement and pension, housing), the company has formed discretionary committees (social and cultural activities, social life, new information and communication technologies, etc.) and granted significant non-mandatory resources to these bodies and their members to strengthen the power and effectiveness of employee dialogue.

The establishments' employee representatives and works councils meet monthly, the health, safety and working conditions committees four times a year, the central works council between four and ten times a year depending on the number of current projects and items and their complexity, and the CCHSCT meets quarterly. The scope of this dialogue with employees created the need to acknowledge the particular position of employee representatives, who benefit from a specific agreement with respect to raises and career development. In this framework of trust, participants have developed dynamic and innovative social dialogue over many years, finding expression in particular in the negotiation and signature of multiple company agreements.

An important company agreement on union rights and employee representation was signed at end-2015. This particularly innovative document, inspired by the legislative changes of summer 2015, defines a new architecture for employee representative bodies and provides employee representatives with new resources to combine their terms of office with their career pathways and orientations.



List of company agreements signed in 2015

For the UES, the following agreements were signed in 2015:

- agreement on union rights and employee representation;
- agreement on the employment of people with disabilities (2015-2017);
- agreement on a contract with a fixed number of days p.a.;
- telecommuting agreement;
- voluntary part-time work agreement;
- company savings plan agreement/amendment;
- incentive bonus agreement/amendment;
- profit-sharing agreement/amendment;
- agreement on the renegotiation of loans granted to employees;
- 2015 Mandatory Annual Bargaining Agreement.

The subsidiaries also signed various agreements and amendments in 2015 concerning:

- the profit-sharing contract: Suravenir, Leasecom, Novelia, Procapital, Financo, CFCAL; or the incentive bonus: Monext and CFCAL;
- wages: Suravenir, Suravenir Assurances (signed in December 2014 but applicable in 2015);
- mandatory Annual Bargaining Agreement (Monext);
- work time: Time Savings Account agreement + (Suravenir), Fixed Days Package agreement (Suravenir), new work time management/reduction agreement (Leasecom);
- early Retirement Agreement (Suravenir);
- agreement on the welfare insurance plan (Suravenir Assurances), applicable as of January 1, 2016;
- pension Fund agreement (Suravenir Assurances);
- collective pension fund and company savings plan amendment (Monext).

5.3.8 Quality of life at work and prevention of workplace risks

The quality of the environment and of life at work is a constant concern for the company.

A collaborative atmosphere and open attitude are priority aims to enhance the quality of the work environment.

WORK-LIFE BALANCE

Crédit Mutuel Arkéa signed the Parenting Charter in 2011.

Actions have been implemented in favor of parent employees:

- "Sick child" leave;
- contribution to childcare costs for young children;
- adapted work hours for pregnant women;
- maternity leave is 18 weeks at the same wage starting from the first child;
- wage maintained during paternity leave.

Specific types of leave have also been created (sabbatical, entrepreneurship).

The company also encourages leave donations for severely ill children: in 2015, employees of the UES made 144 pledges to donate, corresponding to 194.5 days that can be made available to employees who need them.

A multi-company daycare has also been available to employees since 2013, in close proximity to the group headquarters. Lastly, employees at headquarters and some subsidiaries benefit from a cafeteria at their workplace, as well as concierge services (Suravenir).

Work-life flexibility

Directly aligned with the Arkéa 2020 strategic project, three company agreements were signed in 2015 that seek to enhance employee autonomy. They enable employees who so wish to benefit from a more flexible work setting, in a relationship of mutual trust with the company and their managers:

- fixed Days Package agreement, for management staff with proven autonomy and positioned in one of the 27 designated jobs. The purpose of the agreement is to eliminate a rigid organization of daily work in favor of annual management of total days worked. At 12/31/15, 727 employees (around 90% of employees in eligible positions) had opted for this new system;
- telecommuting agreement which is a trial system offered to 54 employees to test out this new form of work organization. The trial launches at the start of 2016 and ends in 2018, and will be specifically monitored by committee to evaluate the advisability of expanding the system and, if applicable, the modifications to be made;
- voluntary part-time work agreement, which aims to provide broader access to part-time employment and to achieve a target of 10% of employees in part-time work. Employees can now request part-time work for a defined and renewable period of two years.

Occupational risks

The company boasts a long-standing health and safety culture and applies a continuous improvement approach of "Well-being at work".

The Human Resources and Training department is in charge of coordinating the occupational risk prevention approach within the scope of the UES. The initiatives conducted cover the three levels of prevention: primary (actions to eliminate risk at the source), secondary (actions to increase resistance to risk) and tertiary (remedial actions). They are part of a three-year agreement on prevention of psychosocial risks signed in 2012, for which renegotiation began in the final quarter of 2015.

The intranet site for UES staff provides information about existing resources and supports available in the workplace. It represents a permanent source of information for all employees on the prevention of occupational risks.

A system of aggression incident forms was introduced for employees in contact with customers. Employees can use this system to report situations of verbal, behavioral or physical aggression.

Managers are also made aware of psychosocial risk prevention via training courses. The company has formed a partnership with a network of social workers to help employees experiencing difficulties. A review is conducted each year. There is also a full-time nurse on the premises of the group's central departments.

Efforts in 2015 included:

1. a survey of UES employees concerning their work environment, using a questionnaire developed with the assistance of a specialized consultant. This survey will serve to establish a baseline measurement of stress, motivation and factors contributing to quality of life at work, to help in defining the future action plan;
2. launch of thinking about a program to support and remotivate employees. The goal is to support an employee for a period of six months, by arranging one meeting per month with an outside consultant with a view to renewing their motivation in their job. A trial pilot will be rolled out in Q1 2016 ;
3. dissemination of a culture of risk prevention with a facet including formal creation of a network of Occupational Risk Officers based on organizations and resources already in place. All first-line HR managers and the three federations took a new training course on occupational risks in 2015, including a specific unit dedicated to the prevention of psychosocial risks;
4. overhaul of the "Well-being at work" intranet to optimize its role as a permanent, concrete information tool for prevention of occupational risks and quality of life at work;
5. modification of the aggression incident forms to include the notion of recidivism and enable employees to express their feelings about a situation of aggression in the framework of the customer relationship.

Crédit Mutuel
Massif Central

The subsidiaries also implemented actions in the area of occupational risk:

- a “human-centered” working group was formed under the Leasecom 2020 project. Analysis of this group’s work is currently being finalized, and the selected priorities will be applied to the strategic plan;
- in 2015, Monext introduced a stress and personal development training program, as well as awareness of workspace ergonomics. A “working conditions” topic was also added to annual reviews;
- furthermore, following on the 2014 survey on working conditions, Fortuneo conducted thematic workshops with managers and employees in 2015. These gave rise to an action plan that will be deployed starting in 2016;
- ProCapital introduced a quality of life at work committee in 2015, stemming from the CHSCT, which employees can convene. Issues brought to its attention are discussed in the CHSCT;
- an audit of screen work was conducted by an ergonomics specialist at CFCAL.

Finally, workplace accidents remain infrequent and of low severity: 57 in 2015 compared with 70 in 2014.

Preparing for retirement

In a regulatory context supporting a lengthened professional career, the company wishes to develop a full array of tools for preparing for retirement. An Anticipatory Retirement Contract was created for this purpose. Employees of the UES benefit from a supplemental retirement insurance.

When taking retirement, employees also receive an end-of-career compensation package.

5.3.9 Wage policy

The NAO mandatory annual bargaining led to an overall wage increase of 0.5% for employees of the UES. In addition, 1,859 employees, or 30% of the workforce received an individual raise.

Employees of the UES participate in the company’s performance via profit-sharing and incentive schemes. A total of €25.5 million was distributed to employees in 2015 under the 2014 profit-sharing and incentive programs.

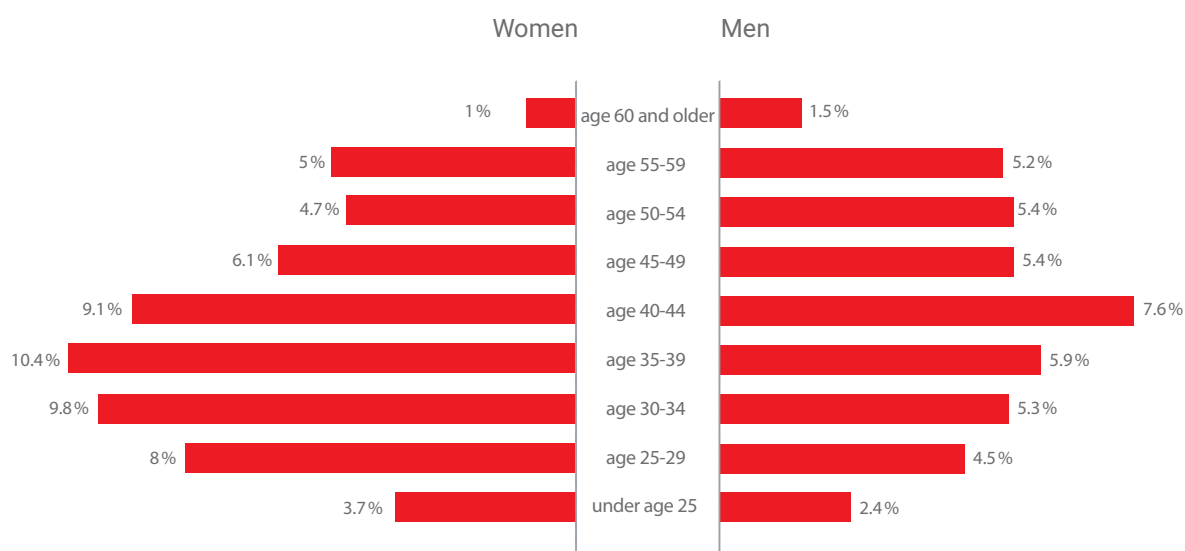
In 2015, the Board of Directors of Crédit Mutuel Arkéa approved the General Management proposal to create a bonus system for all group employees. This new compensation component linked to achievement of group objectives will be redistributed in an equitable manner.

5.3.10 Human Resources key figures

CRÉDIT MUTUEL ARKÉA	2013	2014	2015
TOTAL WORKFORCE (PHYSICAL PERSONS)	9,250	9,156	9,345
Permanent workers (physical persons under permanent contract)	8,589	8,494	8,603
Non-permanent workforce (physical persons)	661	662	742
Total workforce (full time equivalent)	8,968	8,965	9,046
Permanent employees (permanent contract - FTE)	8,360	8,379	8,357
Non-permanent workforce (full time equivalent)	608	587	688
Managers	4,921	4,895	5,063
% women managers	40.4%	42.3%	43.1%
Non-managers	4,329	4,261	4,282
Average age (years)	40	40	40
Recruitments (permanent & temporary contracts)	1,448	1,480	1,800
Number of employees under permanent contract who left the company	745	465	451
of which dismissals	55	70	51
average compensation per permanent employee (in €) (*)	41,004	41,912	43,378
% of total payroll allocated to training	5.0%	4.2%	4.4%
Proportion of workers with disabilities	2.9%	3.1%	3.3%

(*) Change of calculation method in 2013

Age pyramid (breakdown by age group, % of total workforce under permanent contract)



5.4

Societal engagement

Crédit Mutuel Arkéa has remained true to its original vocation: to support and fund the real economy, first and foremost in its regions, and with a "long-term" approach that is one of its exceptional characteristics. In a society in search of meaning and bearings, Crédit Mutuel Arkéa as a company claims specific responsibility for the environment in which it applies its expertise, with respect to both the most innovative players and those in fragile situations.

5.4.1 Support for regional economic expansion

Support for innovation and entrepreneurship

Crédit Mutuel Arkéa supports pioneers with a view to promoting tomorrow's economy.

Therefore in 2015 Crédit Mutuel Arkéa renewed its partnership with Association France Digitale, in particular by participating in France Digitale Day. Crédit Mutuel Arkéa and Association France Digitale co-wrote a white paper on the relationship between banks and startups, one aspect of the group's support to entrepreneurs in terms of education.

Crédit Mutuel Arkéa also once again sponsored a short program broadcast on M6 titled *Entreprendre C Grandir*. It aims to showcase entrepreneurs in the digital economy and motivate more people to take on the challenge of starting a business, with a particular focus on the value of digital technologies.

Crédit Mutuel Arkéa also took part in the Brest startup weekend and in the second edition of the West Web Festival in Carhaix, organized during the Festival des Vieilles Charrues, which enabled experience-sharing around the digital economy.

In 2015 the three federations launched the "La Vie d'iCi Innovation" account, whose funds contribute in particular to granting "La Vie d'iCi Innovation" loans to innovative business projects in their regions. These projects must be supported by dedicated structures, such as technology clusters (Technopoles).

Financing businesses and professionals

For Arkéa Banque Entreprises et Institutionnels and the three federations Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel du Massif Central, business creations and acquisitions constitute a key strategic priority.

Many partnerships have been formed that enable the group to participate in every stage of the process of business creation or acquisition:

- close relations with representative business organizations (Chambers of commerce and industry, Chambers of trades and crafts), support structures ("management boutiques," local platforms of the Initiative France network, France Active, Réseau Entreprendre), professional agricultural organizations and inter-company works councils;
- equity investment by Crédit Mutuel de Bretagne in Bretagne Capital Solidaire (BCS), a venture capital solidarity company;
- financial contribution to several regional programs, in particular:
 - the "BRIT" regional recovery fund, formed by Réseau Initiative Bretagne, the Brittany Region and Caisse des Dépôts;
 - the Réseau Initiative Bretagne guarantee-free loan fund;
 - the guarantee-free loan fund for regional business growth (PHAR), formed by Réseau Entreprendre.

Almost 40% of Crédit Mutuel de Bretagne's new professional customers in 2015 were business creators or buyers. At end-2015, €26 million in new CMB "Install Pro" loans were extended out of a total of €79 million.

An agreement was signed in 2015 with BPI France concerning loans to microbusinesses and SMEs. This delegation agreement enables the local savings banks of the group's three federations, as well as the Arkéa Banque Entreprises et Institutionnels business centers, to benefit from a BPI France guarantee for loans to finance a business creation or purchase, a development strategy or stronger cash flow.

In summer 2015, the three federations also launched a commercial offer targeting sole entrepreneurs.

The association Ark'ensol Créavenir, whose goal is to foster and accelerate the economic and social development of the regions covered by Crédit Mutuel de Bretagne, Crédit Mutuel du Massif Central and Crédit Mutuel du Sud-Ouest, under certain conditions grants assistance in the form of donations to small companies being founded or purchased and that create jobs. Since 2015, the guarantee-free loans previously granted by Ark'ensol Créavenir are directly granted by the local savings banks. These provide business creators with a zero-interest loan for the project owner, alongside a conventional bank loan.

In fiscal year 2015 and taking account of the latest applications processed under this system,

Ark'ensol Créavenir received 482 applications and granted 253 assistance

packages totaling €813,950, corresponding to the last guarantee-free loans processed by Ark'ensol Créavenir totaling €492,700, and subsidies totaling €321,250.

This assistance managed by Ark'ensol Créavenir is supplemented by zero-cost "Ark'ensol Pro" loans examined by the federations totaling €521,344.

ARK'ENSOL CRÉAVENIR			
	2013	2014	2015
■ Donations (in € thousands)	613	609	321
■ Guarantee-free loans and "zero cost" loans (in € thousands)	1,207	1,197	1,013
Number of jobs created	825	760	380

With a view to supporting the development of the sharing economy, Crédit Mutuel Arkéa created a crowdfunding platform in June 2015, in partnership with Le Télégramme group, called Kengo.

Kengo allows project owners in Brittany to make themselves known and receive donations. The Region of Brittany has chosen to partner with Kengo to support the entrepreneurship of young Bretons: Once donations have reached the 70% mark, the project can receive a regional subsidy of up to 30%. Eighteen projects – 66% of those published – were funded on the platform in 2015, and €64,500 collected.

Support to farmers and wine growers

Crédit Mutuel de Bretagne lends to more than 30% of the establishments of Young Farmers in Brittany.

In 2015, a specialized “La Vie d’iCi Jeunes Agris” savings account was launched by Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest. The assets deposited in this savings account enable Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest to help finance projects presented by young farmers in the region via the La Vie d’iCi Jeunes Agris loan. For Crédit Mutuel Massif Central, this program targets all farmers and is called “La Vie d’iCi Agris.”

In 2015, given the financial difficulties faced by some farmers due to the livestock crisis, Crédit Mutuel de Bretagne implemented several schemes in support of farmers: a five-year livestock crisis loan and an “année blanche - FACélevage” loan to refinance a full year of payments. The “Clé-Appros” offer was also launched in 2015, credit to finance supplies paid directly to suppliers, thus optimizing financing of the operating cycle.

In 2015, Crédit Mutuel Arkéa also participated in SPACE in Rennes, in the Clermont-Ferrand Sommet de l’Elevage and in SIMA Paris.

Equity investment in companies

The group also pursues its policy in support of regional and local business growth via its private equity subsidiaries, Arkéa Capital Investissement, Arkéa Capital Gestion and Arkéa Capital Partenaire.

In 2015, in line with the group’s CSR strategy, Arkéa Capital Investissement participated in raising capital for the Ergosup group, 2015 winner of the Concours Mondial de l’Innovation in the energy storage category. This startup is developing an innovative hydrogen production technology. Arkéa Capital Investissement also invested €5 million in the Quadran group, which produces electricity from renewable energies.

In accordance with its mission to serve as a long-term core shareholder, Arkéa Capital Partenaire maintained its investments in the Le Graët, Paprec, Armor and Sermeta groups. The three latter groups are specifically active in energy savings and the circular economy.

Private equity activity also takes other forms. Federal Finance and its subsidiary Swen Capital offer innovation investment funds (FCPI) and local investment funds (FIP). Since the launch of this business in late 2008 and the creation of the first fund open to individual investors, the FIPs and FCPIs have invested in more than 200 companies, overwhelmingly unlisted French SMEs.

Subscribing to an FCPI or an FIP allows individual investors to benefit from a tax savings while also supporting the development of innovative regional companies or businesses near where they live. They contribute directly to developing the fabric of the economy by supporting innovative small and medium-sized businesses that drive growth and create jobs. In 2015, Pluriel Valeurs N°4 (FCPI) et Pluriel Atlantique (FIP) were marketed by the Crédit Mutuel Arkea networks for the second consecutive year.

In 2015 Crédit Mutuel Arkéa also invested in Ouest Ventures 3, a fund to that invests in innovative regional companies. This new technology venture capital fund is offered by Go Capital. It will invest for a period of four years in 15 to 20 innovative regional technology companies in the Grand Ouest region.

Financing of local and regional government bodies

Via the Crédit Mutuel de Bretagne, du Massif Central and du Sud-Ouest federations as well as Arkéa Banque Entreprises et Institutionnels, Crédit Mutuel Arkéa is a preferred partner for local and regional government bodies. It finances local and regional government bodies (region, departments, metropolises, agglomerations and large EPCIs) as well as small municipalities with fewer than 20,000 residents. It supports players in the public-private economy, development and administration (water, energy, energy renewal, transportation and waste).

In Brittany, for example, each year Crédit Mutuel de Bretagne extends more than one-third of new loans to the local and regional government bodies in the region.

At the end of 2015, Arkéa Banque Entreprises et Institutionnels rolled out a unique sharing economy initiative for institutional investors. It launched a digital platform (La Plateforme des Institutionnels) to enable local government bodies to apply for loans directly from institutional investors who wish to make meaningful investments that support regional development. Arkéa Banque Entreprises et Institutionnels is a facilitator and participant in the process, by financing and managing the loan and serving as the single point of contact for the local government body.

Partner to the social and solidarity economy

The group is a natural partner to the non-profit sector and the social and solidarity economy. In Brittany, 48,000 non-profits, or around two out of every three, are customers of Crédit Mutuel de Bretagne. Total deposits for the non-profit market amount to around €1 billion. All sectors are represented: education, culture, sport, family and social organizations, environment, recreation, tourism, etc.



NON-PROFITS AND SOLIDARITY	2013	2014	2015
Customer non-profits	63,900	66,803	68,568

Via Ark'ensol, the group supports non-profits and SSE players by providing them with refurbished computers in excellent condition. Since 2013, 238 non-profits have received 507 computers and printers to help them in their work. This program was expanded in 2015 with the addition of 100 printers from the LEASECOM subsidiary.

5.4.2 Corporate responsibility initiatives and offers

Group initiatives in favor of people in precarious situations

Banking inclusion

Crédit Mutuel Arkéa seeks to support its financially disadvantaged customers and customer shareholders by involving employees and directors and by adapting its offers and business lines.

Programs to help customer shareholders in difficulty have been implemented for many years. The association Ark'ensol Entraide thus seeks to help people in temporary difficulties with three types of approach: borrowers' assistance, personal microcredit, and the "sensitive accounts" system (reversal of processing fees).

Assistance to borrowers in difficulty consists of one-time coverage of up to 50% of loan payments for a period of up to six months (renewable one time) for customer shareholders who, for various reasons, are encountering temporary difficulties in repaying their loans. In 2015, 114 families received such assistance totaling €273,500.

Monitoring sensitive accounts enables the Board of Directors of the local savings banks to offer a reversal of fees for customer shareholders with more than €200 in monthly fees and no withdrawal greater than €400. In 2015, €420,000 were not debited or were reversed.

Ark'ensol Entraide also offers **personal microloans** of up to €3,000 via its partners. These loans are intended for people for who have difficulty accessing conventional credit. As part of a social lending system, these microloans might help pay for vehicle maintenance or household appliances, or assist with self-reliance, access to housing or family cohesion projects. In 2015, 436 personal microloans were extended totaling more than €990,000.

The federations, in application of article L312-1 of the French Monetary and Financial Code, offer "basic banking services" as defined by law free of charge to those customer shareholders and customers eligible for basic account rights. The federations are thus in compliance with the Moscovici Act (Act no. 2013-672 of July 26, 2013 on the separation and regulation of banking activities).

Since 2005 the federations have also offered the range of alternative payment methods to checks (GPA) introduced by the banking profession as part of an action plan of the CCSF (financial sector advisory committee).

In 2014, in accordance with the Moscovici Act and its application texts, the federations adapted their GPA offer to benefit their customers and customer shareholders in fragile financial situations. In this way, according to the selected detection criteria, the federations systematically propose to these customer shareholders and customers an offer that reduces costs in case of an overdraft and allows them to benefit from secure payment methods and normal use of their bank account at a lower cost.

In 2015, in accordance with the banking inclusion and insolvency prevention charter adopted by the AFCEI (French association of credit institutions and investment companies) and approved by the Finance Ministry (article L. 312-1-1 A of the French Monetary and Financial Code), Crédit Mutuel Arkéa enhanced its inclusive banking tools.

The federations expanded access to banking and payment services, and made them easier to use by providing their "basic banking services" customer shareholders and customers with an annual check-up to assess whether, given their personal situation and needs, a different banking product and services offer would be more suitable.

(in € millions)

ARK'ENSOL ENTRAIDE	2013	2014	2015
Borrower assistance (in € thousands)	700	443	273
Microloans (in € thousands)	680	845	987

The federations also strengthened insolvency prevention in terms of identification and support for customers in fragile financial situations.

Crédit Mutuel Arkéa developed insolvency risk detection indicators to prevent a worsening of the situation of customers and customer shareholders, and formed partnerships with other players via the Ark'ensol association, in particular with non-profit groups and current partners in the distribution of personal microloans, to facilitate orientation of customer shareholders and customers when their financial difficulties cannot be managed by the credit institution alone. More than 2,800 employees received training, some of which, for employees with risk prevention expertise, was provided by ANSA (Agence Nouvelle des Solidarités Actives).

Ark'ensol also supported its partner Familles Rurales 22 by helping to fund the educational budgeting game Budgetissimo.

CFCAL, in partnership with the Alsace Comité FBF, participated in the "budget days" event organized by CRESUS in Alsace from November 30 to December 4, 2015. The purpose of the budget days is to bring various public and private players together to conduct concrete actions to raise awareness among all types of audience of issues related to budget management, general banking operations, insurance, credit and savings. The idea is to promote informed and responsible borrowing in a non-judgmental process of discussion and inclusion.

ADIE, a partner for more than 20 years

Crédit Mutuel Arkéa has partnered with ADIE, French association for the right to economic initiative, since 1994.

The partnership provides in particular for credit lines totaling €2.4 million annually for three years, as well as funding for guarantee-free loans of up to €30,000 annually. These loans will be extended to business creators in Brittany, the South-West and Massif Central.

The amendment signed in 2015 brings an additional boost to the financing granted by ADIE. This assistance, subject to conditions, takes the form of a solidarity donation granted by the Ark'ensol Créavenir association to the project owners. It reinforces the beneficiaries' financing plan and generally supplies the startup cash flow.

The group is also partner to the Second Chance Foundation and donated to this organization's business creation assistance fund.

Arkéa Assistance: mutual assistance and solidarity between generations

Arkéa Assistance proposes a remote assistance service for people who are isolated, living with disabilities or elderly, which combines a local connection (installation in the home), innovation (mobile application) and simplicity (no time commitment beyond the current month). Ten thousand people in France have already taken advantage of this offer. The average subscriber age is 82. Arkéa Assistance expanded its services with the launch of a smartwatch with a remote assistance application. This solution is already used by 1,500 subscribers.

In Brittany, refinancing lines granted to ADIE by Crédit Mutuel Arkéa, as well as the contribution to the guarantee-free loans fund,

**have allowed more than
6,000 entrepreneurs to start
their business since 2004.**

In 2015, €1,600,000 was allocated in the form of microloans to 532 project owners receiving support.





Arkéa Banque Entreprises et Institutionnels works with close to **186 institutions in the medical-social sector.**

In 2015, Arkéa Assistance launched a dedicated offer for senior housing and nursing homes, a wandering prevention system using geolocating watches as well as a fall prevention system for the residences.

Initiatives in favor of low-income housing and home purchasing assistance

Crédit Mutuel Arkéa holds equity of €3.1 million in 70 low-income housing and semi-public enterprise structures.

In Brittany, 80% of public assistance landlords are its customers, and one out of every two lease-to-purchase projects is financed by Crédit Mutuel Arkéa.

Its specialized subsidiary Armorique Habitat is committed to housing and social diversity (diversity of housing types and adapted rents to enable genuine social diversity).

At the 2015 Annual Congress of Union Sociale pour l'Habitat, PERL and Arkéa Banque Entreprises et Institutionnels signed a partnership agreement to promote the development of the ULS (Usufruit Locatif Social) system of public assistance rental.

In 2015, Arkéa Banque Entreprises et Institutionnels also published a white paper on home purchasing assistance.

The banking offer of the three federations contributes to financing low-income housing via the savings collected from "Livret Bleu" and social housing incentive loans.

Healthcare and medical-social sectors

In the area of public health, Crédit Mutuel Arkéa finances university hospitals (CHU) and the major regional hospital centers of Brittany, and supports research as a donor to the Rennes EHESP School of Public Health. Crédit Mutuel du Massif Central signed a partnership agreement with Clermont-Ferrand CHU in 2015.

Arkéa Assistance collaborates with a nursing home to implement solutions for the safety of people suffering from dementia (such as Alzheimer's). It has also introduced a pilot program with Foch Hospital in the Paris region to support hospitalized individuals during the pre- and post-operative phase.

Solidarity and responsibility offers

The group's various components incorporate sustainable development into their offers of products and services.

Socially Responsible Investment and Environmental, Social and Governance (ESG) criteria

For Federal Finance, solidarity and respect for people and the environment are the keys to sustainable and responsible performance, a belief expressed in particular beginning in 2000 with the creation of Federal Actions Ethiques.

(in € millions)

LOW-INCOME HOUSING OUTSTANDINGS			
	2013	2014	2015
"Livret Bleu"	5,974	6,176	5,912
Social housing incentive loans (PLS and PLSA)	1,027	1,004	1,059

Federal Finance Gestion is a signatory of the Principles for Responsible Investment (PRI) since 2009. Its investment policy relies on three fundamental principles: responsibility, performance and transparency. Fund managers rely on an in-house research team of SRI financial analysts.

Over the past ten years Federal Finance has also developed:

- expertise in “responsible investment” discretionary management to meet the needs of institutional investors;
- SRI employee savings programs which account for 31% of employee savings deposits under management.

In 2015, for the sixth consecutive year, the eleven SRI Funds from Federal Finance submitted for Novethic certification were granted the “2015 Novethic SRI” label. Federal Finance Gestion remains the management company with the largest number of Novethic certified funds, and the only one to have the entire range of employee savings products SRI certified.

At end-2015, SRI assets totaled more than €1.2 billion.

Federal Finance’s shows its commitment as a responsible investor by opening up SRI research to a larger range of funds, covering most of the socially aware funds under active management. Concretely, this means the fund managers have access to ESG data for the issuers in which they invest. They are prohibited from investing in certain companies with practices that are incompatible with their values. This commitment is laid out in a policy published on the Federal Finance website.

Voting in shareholder meetings is another way of defending the long-term interests of shareholders and subscribers. For this reason, exercising voting rights is a fully implemented feature of Federal Finance’s management process, which is to encourage companies to comply with best environmental and governance practices.

Federal Finance Gestion is also involved in improving the practices of the companies in which it invests. Its status as administrator provides for dialogue with the companies to encourage them to adopt policies that are consistent with its expectations as a responsible investor.

SWEN Capital Partners, a subsidiary of Federal Finance Gestion and OFI AM founded in 2015 and specialized in responsible investment in unlisted companies, organized the second edition of the ESG Best Practices Honors by SWEN Capital Partners in June 2015.

Four European Private Equity and Infrastructures management companies with outstanding ESG practices were honored at this event. Motivated by its commitment to more sustainable finance, SWEN CP seeks to promote best practices in its profession. In particular, it contributes to shaping and disseminating excellent ESG practices as an active member of several professional associations in France and abroad. Every year it publishes two studies of progress in the private equity and infrastructures market in terms of integrating non-financial criteria into investments outside the listed market.

At a time when Responsible Investment is a key concern for the future of economic players, SWEN CP works to fully support these long-term changes and to position itself as a benchmark player in the unlisted sector.

SOCIALLY RESPONSIBLE INVESTMENT OFFER AND ESG CRITERIA			
	2013	2014	2015
SRI assets under management*	499	1,147	1,231
ESG assets*			4,635
Number of shareholder meetings in which the company participated	97	99	120
Rate of approval of resolutions	74%	75%	75%

(* in € millions)

Solidarity savings

Livret Solidaire

The Crédit Mutuel de Bretagne, du Massif Central and du Sud-Ouest federations propose a solidarity investment product for individuals that combine savings and giving. The Livret Solidaire solidarity savings account allows for some or all of the interest earned each year to be donated to public interest associations chosen from the list of partner organizations in four action areas: social and housing, employment, international solidarity and environment. This contract has received Finansol's "solidarity finance" certification. Deposits in these savings accounts total €18 million and €122,075 was donated to associations in 2015.

KEREA:

solidarity savings for institutions and companies

Kerea Partage is an innovative solidarity investment designed by Arkéa Banque Entreprises & Institutionnels and the Crédit Mutuel Arkéa trading floor. It meets the group's desire to offer its business and institutional customers savings products able to impact the real economy by fostering responsible local solidarity initiatives. Kerea Partage enables subscribers to share the profits from their investment with agents in the social and solidarity economy. Specifically,

the savings holder chooses to donate a portion (25% to 100%) of the remuneration received directly to associations such as ATD Quart Monde, the French Red Cross or WWF France.

Ethical funds

The solidarity share of Federal Finance's FEE Solidarité SRI employee mutual fund, which accounts for 5.7% of total assets (€6 million at end-2015) is invested in the capital of Société d'Investissement France Active (SIFA). France Active offers support and financing for entrepreneurs in the social and solidarity economy and to people facing challenges who want to start their own company. Since 2013, investments made by FEE Solidarité SRI have been distributed across four regions: Brittany, Auvergne, Aquitaine and Provence-Alpes-Côte-d'Azur.

In February 2015, Suravenir and Chatel Gestion launched Ethic Vie, an online life insurance policy with an ethical approach. This is a 100% online life insurance policy offering an approach that differs from that of traditional finance: "money that does good."

(in € millions)

SOLIDARITY SAVINGS: ASSETS	2013	2014	2015
Employee solidarity savings	4	4,6	6,1
LEA	13	15	18
Kerea Partage	1,5	1,5	1
Total	16,9	21,1	25,0

5.4.3 Support for regions' cultural, community and athletic expansion

Sponsorship

Enhancing the attractiveness of its home regions, their ability to achieve national and international influence and attract entrepreneurs, investors, workers, tourists, students, and others is a key priority for Crédit Mutuel Arkéa. For that reason, the group works closely with organizations and associations looking to optimize and promote the regions' talents (artistic, scientific, etc.) and develop their resources and skills.

As an active and involved sponsor, the group organizes its work around flagship initiatives in Brittany, the South-West and Massif Central in three areas:

- culture, by supporting cultural venues that are open and accessible to all (stages, entertainment halls, museums, etc.). The group supports in particular Le Quartz – Scène Nationale de Brest, Musée de Faouët, Sémaphore de Cébazat, the Association of Small Towns with Character in Brittany, etc. Arkéa Banque Entreprises et Institutionnels, Federal Finance and Suravenir are sponsors of the Hélène & Edouard Leclerc cultural fund;
- healthcare, by financing in particular initiatives that aim to improve the daily lives of hospitalized patients and the comfort of elderly individuals. It supports, for example, the Association des Blouses Roses in Finistère and Massif Central;
- education, by providing financial aid to two benchmark university foundations in its regions, Rennes 1 and Bordeaux.

Crédit Mutuel Arkéa pursues solidarity with its regions and supports many charitable organizations via local initiatives: Banque alimentaire, Restos du Cœur, Caritas France, Secours Populaire, Ligue contre le Cancer, Téléthon, French Red Cross, Les Bouchons d'Amour, etc. Crédit Mutuel du Sud-Ouest also supports the association Our Neighborhoods have Talents, which promotes jobs for young graduates and equal opportunity. Leasecom has signed a corporate giving agreement with the association Aviation Sans Frontière, whose mission is to provide assistance to isolated populations by making its logistics resources and the aeronautical skills of its members available to support humanitarian and social action in France and in developing countries. The agreement involves the donation of ten computers per year for five years.

Sports partnerships

Investment in sports, from soccer to sailing, takes place via specific partnerships. For example, the group supports Stade Rennais Football Club, Football Club de Lorient, En Avant Guingamp, Girondins de Bordeaux, as well as Stade Brestois 29 and Clermont Foot Auvergne.

Crédit Mutuel de Bretagne has been involved in sailboat racing for many years, alongside the Region of Brittany, with initiatives aimed at supporting both up-and-coming and established skip-pers. This sponsorship led to the 2011 launch of the "Bretagne – Crédit Mutuel" offshore racing development program.

Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central support many sports clubs and organizations in their regions, thus contributing to developing and sustaining sports activities. With its Chèque-Sport voucher program launched several years ago, Crédit Mutuel Massif Central offers benefits to sports clubs and the unemployed to enable them to practice sports more easily.

Since 2014, Fortuneo Banque has sponsored the Bretagne Séché Environnement professional cycling team, now known as Fortuneo – Vital Concept since January 1, 2016.

Relations with educational institutions

Crédit Mutuel Arkéa and its subsidiaries receive many young people with apprenticeship or trainee contracts as well as many interns. The human resources and training department teams participate in guidance forums throughout the year to present the banking and insurance businesses.

Crédit Mutuel Arkéa also contributes to a significant degree to financing Breton educational institutions. It is one of the seven founding members of Fondation Rennes 1. This organization works to promote and publicize university research, foster student access to employment and promote international development. Fondation Rennes 1 has created three university chairs: Innovation Economy, Environment and Innovation and Smart Living and Innovation. A “CSR, digital transformation and innovation” chair will be created in 2016.

Crédit Mutuel Arkéa has also taken part since 2012 in the steering group for the University of Bordeaux Foundation. This group aims to launch and develop innovative actions based on a seed capital fund model and finances the projects of professors, researchers and students.

Aside from these sponsorship activities, Crédit Mutuel Arkéa has developed many partnerships with institutions of higher education. Employees teach university classes as guest lecturers.



(in € millions)

SPONSORSHIP	2013	2014	2015
Total sponsorship budget	3,65	3,42	2,76

5.5

Environmental engagement

The energy transition and the circular economy are key priorities in Crédit Mutuel Arkéa's CSR strategy.

The aim is to reduce its direct environmental footprint, which means decreasing consumption of energy and natural resources as well as greenhouse gas emissions.

The group also seeks to influence its indirect environmental impact by raising awareness and offering specific solutions to its customers and partners.

5.5.1 Employee awareness and training

Training modules have been provided by Energence, the Brest agency for energy and climate management, for employees directly involved in energy transition issues related to housing and commercial property.

The group intranet space dedicated to Social Responsibility suggests various actions to employees to reduce their environmental footprint, as well as initiatives rolled out by the entities.

Arkéa Banque Entreprises et Institutionnels organized an employee awareness week around various social responsibility initiatives.

5.5.2 Eco-design and circular economy

Eco-design

In 2015, a consulting firm conducted an eco-design and social responsibility audit of the new design for the local savings banks currently being rolled out. Three themes were examined: the branch's social and societal quality, environmental quality and the responsibility facet. This audit made it possible to assess the level of eco-design of this new concept compared with the previous branch design, and to develop an improvement plan for certain areas.

In December 2015, the headquarters of Leasecom and the Paris sales office moved into new premises. These were designed under consideration of environmental factors (eco-responsible carpet selection, LED lighting, furniture manufactured by a Breton company, etc.), as well as the well-being of employees (custom community space, membership in an inter-company restaurant, etc.). The former premises were emptied by an association that supports employment integration, and materials were collected by Valdélia network for recycling.

Waste management

Waste management is a major environmental and economic concern.

In 2014, the group reorganized and streamlined its waste processing chain to maximize waste recovery, by:

- introducing designated paper baskets in the administrative buildings and local savings banks to increase the percentage of paper sent to recycling. These specialized containers were placed in the Leasecom offices when the company moved to its new premises in 2015;
- rearranging bins and containers to foster waste sorting;
- refurbishing waste sorting bins;
- identifying local waste treatment facilities for electric and electronic equipment;
- launching a study of compliance with the new bio-waste regulations: a call for tender was conducted in 2015 for the company cafeteria and central departments.

In 2015 a system for recycling cups, bottles and cans was introduced in the central department buildings. A study is currently underway to roll out waste recovery at Crédit Mutuel du Sud-Ouest and Crédit Mutuel du Massif Central.

For computer equipment disposal, Leasecom works with its distribution partners to return returned leased devices to the market via its Technical Remarketing Center. Its French recycling branch processes equipment at end of life in accordance with WEEE standards and supplies the corresponding certificates.

The Ark'ensol association also donates computers and printers to non-profit organizations.

5.5.3 Responsible resource management

Energy

The group and its subsidiaries, in particular Financo et Armorique Habitat, were ahead of the curve for changing standards in their new constructions, with high energy quality (HQE) guidelines and energy plus buildings for low-income housing.

Armorique Habitat continues its systematic efforts in favor of certified high energy efficiency buildings, and supports innovative projects to promote energy savings and the reduction of expenses for renters. Armorique Habitat built France's first multi-unit building (14 residential units) with a cogeneration furnace, in Finistère. It earned third place in the "Quality natural gas in social housing" awards in the New construction category for this project.

IN 2016 ARMORIQUE HABITAT WILL DELIVER ITS FIRST POSITIVE ENERGY HOUSES and continue its policy of massive rehabilitation of existing housing, with the goal of achieving at least DPE D/E to C classification (exterior insulation, furnace replacement, water flow reduction equipment, etc.).

Two other subsidiaries, Foncière Investissement and Arkéa Immobilier Conseil, pursue the same long-term collaborative social responsibility approach with sustainable building developers.

In 2015, work was undertaken to replace the HVAC system in Suravenir's headquarters building. The goal was to remove air conditioning from almost the entire building. Sunshades were installed on the building facades, and the ventilation system was replaced (nighttime ventilation and high-efficiency heat recovery).

Crédit Mutuel Arkéa conducted regulatory energy audits in its 20 main buildings in 2015.

Group employees received awareness training in the use of heating, lighting and printers, aimed at saving energy. Memos and guides contribute to disseminating best practices for daily use.

Use of a specialized energy optimization tool was tested on 200 workstations in 2015, enabling an overall reduction in energy use of 33% compared with the initial energy use. Turning off workstations outside of office hours has been extended to the branches, as a first response.

The policy also seeks to optimize lighting in the workplace. For example, the fluorescent lights at the Crédit Mutuel du Massif Central headquarters have been replaced by LED bulbs, cutting energy use in half. Finally, the local savings banks in the Crédit Mutuel Arkéa networks comply with the law to turn off window lighting between 11 PM and 6 AM.

In 2015, Crédit Mutuel Arkéa began implementing insulation of the data center cold aisles with doors. The goal is to have a smaller volume of air to cool, and for the warm air to be nearer to the heating systems to reduce energy use.

Paper

The central departments and federations are intensifying their efforts to reduce paper volumes by:

- generalizing two-sided printing as the default for printing systems;
- generalizing the use of remanufactured (second life) consumables.

The group is also continuing to upgrade its printer inventory, eliminating individual printers, configuring for black and white printing by default, and raising employee awareness of environmentally friendly practices. Email communication is preferred both internally and with customers.

Individual printers were almost entirely eliminated when Leasecom headquarters and its Paris branch moved to new premises.

With electronic signature of documents for its entire line, Fortu-neo allows its customers to complete all application materials for every product in its range online. The three federations of Crédit Mutuel de Bretagne, du Sud-Ouest and du Massif Central also offer electronic signature for some of their products, notably savings accounts.

A campaign inciting employees to switch to paperless wage statements was conducted in 2015.

Finally, all the papers supplying photocopy stations comply with Forest Stewardship Council (FSC) and Program for the Endorsement of Forest Certification (PEFC) standards for sustainable forest management and product traceability.

Water

Crédit Mutuel Arkéa has no difficulties with water supply, as the group's activities are located in France and Belgium.

Equipment to reduce water use was installed in the central department buildings (pressure reducers on water faucets and low-water flush system).

5.5.4 Responsible purchasing policy

Environmental issues are taken into account in calls for tender involving environmental constraints:

- environmental expectations are specified in advance concerning the products and materials used, as well as technical processes;
- when assessing the bids, an environmental criterion is included to favor the suppliers and subcontractors that apply the best practices. This criterion might be based on products, techniques used (manufacturing process, waste management, supply and delivery pathways, etc.), or certifications.

Specifically, this means using Ecolabel products for cleaning services, the use of supplies with a “green” label, or management of green spaces that better addresses the protection of local plants and animals.

Bonuses have also been granted to suppliers and subcontractors who are implementing a self-owned fleet, or those who maximize recovery of waste generated.

5.5.5 Proactive and innovative action for transportation

The company mobility plan

Building on the group mobility plan launched in 2010, a company mobility plan for the group headquarters (1,800 employees) was launched in March 2014. It includes:

- the introduction of shuttles between headquarters and public transportation services (TER-Tram-Bus);
- the creation of a parking area reserved for carpools in the parking lots at headquarters and Suravenir Assurances;
- the creation of a carpool club and a bicycle club;
- locker storage for bicycles, outlets for e-bikes, etc.;
- the installation of transportation information kiosks in the three entry halls;
- improved outside signage;
- the creation of a dedicated space on the Intranet portal to promote local carpooling.

Finally, video conferencing continues to be preferred within the group.



Training and awareness in sustainable approaches

Communication and awareness initiatives on these topics continued in 2015.

For example, employees were invited to open a CO₂ savings account as part of the partnership with the company 450, which is developing this innovative tool. This CO₂ savings account enables all households and companies to increase their purchasing power by reducing their greenhouse gas emissions.

As in 2014, the group mobilized for European mobility week with several initiatives to promote alternative modes of transportation among employees. During this mobility week, customers and employees who live or work in the Brest region were invited to take part in the "Moving differently" contest organized by Brest Métropole, with prizes such as an electric bicycle.

Espace Renan at Crédit Mutuel du Massif Central hosted local partners Co-voiturage Auvergne, C'Vélo and Vélo Cité.

In September 2015, ADEME, the Bordeaux Chamber of Commerce and Industry, and transit operator TBC, organized the fifth edition of the Aquitaine mobility challenge. Crédit Mutuel du Sud-Ouest took part in this challenge for the second time. Employees of the Bordeaux region were also offered trial use of electric vehicles under a sharing system known as Bluecub for work commutes.

5.5.6 Carbon and greenhouse gas impacts

A group carbon balance sheet and two GHG balance sheets for Brittany and the South-West were conducted in 2015 based on 2014 data. The group carbon balance sheet was conducted using the "carbon balance" method.

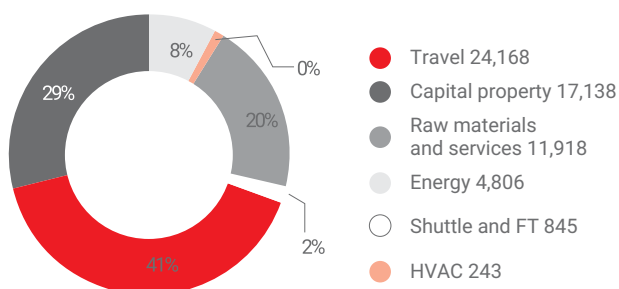
These led to the definition of GHG emission reduction goals over the next three years.

Travel includes the commute from home to work, business travel by train, by air and in private, business and department automobiles.

Leasecom, subsidiary specialized in product service systems, which offers a responsible lease management service for scalable professional equipment, practices carbon offsetting for its leased equipment. Each year it estimates the electrical consumption of all equipment rented to companies, and its CO₂ equivalent. For 2015 the consumption of Leasecom's leased equipment is estimated at 796 tons of CO₂. A contribution of €15,920 was made to the company 450 to offset this consumption, under the "CO₂ savings account" program.

Breakdown of Crédit Mutuel Arkéa's global emissions

59,220 metric tons of CO₂



Bilan carbone du Crédit Mutuel Arkéa

EMISSION CATEGORIES	NUMBERS	EMISSION ITEMS	SOURCE	TOTAL (TONS OF CO ₂ E)
Direct GHG emissions (scope 1)	1	Direct emissions from fixed combustion sources	Natural gas and domestic fuel oil at the sites	1,270
	2	Direct emissions from mobile sources with combustion engines	Diesel in the automobile fleet	2,066
	4	Direct emissions leaks	Refrigerant leaks	243
	SUBTOTAL			3,579
Indirect emissions associated with energy (scope 2)	6	Indirect emissions related to electricity consumption	Electricity at the sites	2,623
	SUBTOTAL			2,623
Other indirect GHG emissions (scope 3)	8	Emissions related to energy not included in items 1 to 7	Same item 1 and 7	1,488
	9	Purchase of products or services	Paper, ink and services	11,923
	10	Capital property	Building, vehicle and computer equipment property	17,091
	11	Waste	Treatment of conventional waste	102
	12	Upstream transportation of goods	Fund transport and internal shuttles	845
	13	Business travel	Travel by car, rail and air	4,507
	23	Commute from home to work	Employee travel	17,063
	SUBTOTAL			53,019
	TOTAL			59,220
GHG EMISSION PER FTE				6.6

5.5.7 Biodiversity

Armorique Habitat created a collective garden that is primarily mineral and has low maintenance needs. It requires no watering or mowing, and just one annual pruning. This initiative to support biodiversity is intended to be duplicated in other projects.

Nesting boxes have been installed at group headquarters in Brest, as well as two beehives. Some grassy areas have been maintained, flowering and natural fields have been introduced with delayed cutting to foster biodiversity.

5.5.8 Impacting the indirect environmental footprint

Support for virtuous initiatives in the financial sector

Federal Finance is a signatory of the Carbon Disclosure Project (CDP). CDP is a non-profit organization whose purpose is to manage a single reporting system for companies to report to investors on their environmental impact and climate change adaptation strategy. Three environmental topics are addressed: climate change, water and forests. Federal Finance chose to join this initiative to enable SRI analysts to access an additional environmental database to complement their own analyses.

In 2015 Federal Finance also signed the Paris Pledge for Action as part of the COP21 climate change conference.

Following COP21, SWEN CP joined the Carbon20 initiative and has committed to integrating carbon issues in its fund management. SWEN CP will develop an innovative methodology to measure the carbon footprint of all its portfolios of unlisted investments in 2016.

In 2015, Suravenir invested €25 million in Tera Neva, a new responsible climate product launched by BNP Paribas that enables investors to combine their financial and energy transition objectives.

Participation in major public awareness events

Crédit Mutuel Massif Central sponsored a unique event, Climate Bourboulé Boot Camp, designed to help journalists "learn and gain perspective about climate issues a few weeks before COP 21," with the participation of the best French experts in the field, including Nicolas Hulot.

Crédit Mutuel de Bretagne took part in the Breizh transition festival in Quimper to present its offers for financing energy renovation work.

On November 3, 2015, Crédit Mutuel Arkéa took part in the ceremony for the Breton sustainable development awards in Rennes, which it partners together with the French government, the Region of Brittany and ADEME.

Energy renovation financing solutions

In 2015, Crédit Mutuel de Bretagne responded to the Call for Manifestation of Interest by the Region of Brittany to support a regional policy in favor of large-scale deployment of energy renovation for housing in Brittany, in the framework of the Breton Sustainable Building Plan.

Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel du Massif Central offer a range of loans for energy renovation work, including regulated zero-interest ECO PTZ loans and Crédinergie loans.

In addition, all home loan advisors in the Crédit Mutuel de Bretagne network received training to support energy renovation work undertaken by customer shareholders and customers.

Crédit Mutuel Arkéa is a founding member of the Réseau Energie Habitat (REH) economic interest grouping along with ten materials, equipment, consulting and energy audit partners. This grouping aims to offer individuals, homeowners' associations and local and regional government bodies a complete energy renovation solution for their buildings.

In the framework of the goals of the Aquitaine Sustainable Building Plan, Crédit Mutuel du Sud-Ouest has joined forces with the Region of Aquitaine with its dedicated "Crédinergie Habitat" environmental credit offer. This project enables it to contribute to improving the living conditions of the region's residents.

The Ark'ensol Energie offering was created in 2015, the result of a partnership between Crédit Mutuel Massif Central and the Allier departmental council to fight against energy insecurity. This offer is designed for people with low and very low income or who do not have access to traditional bank loans.

Crédit Mutuel du Massif Central grants loans at rates indexed to the livret A savings account, of up to €10,000, to finance an advance on assistance and/or subsidies obtained to complete work, while awaiting their release. Two applications were granted by the joint committee comprising two departmental officials, an administrator and an employee of the bank.

Arkéa Banque Entreprises et Institutionnels also supports semi-public enterprises to prefinance their subsidies in the framework of the third-party funding system for work conducted on common-area property.

LOANS TO FINANCE ENERGY EFFICIENCY IMPROVEMENT RENOVATIONS

	2013	2014	2015
Number of interest-free Eco loans granted in the year	1,200	1,157	1,087
Average amount of interest-free Eco loans granted (in €)	16,105	16,094	16,440
Total amount of interest-free Eco loans granted (in € millions)	19	19	18

Financing for green energy and the circular economy

Several farm methanation plants have been financed in recent years, totaling production of 6,586 kW, as well as an injection plant representing 6,000 kW.

In terms of financing, €18.3 million were granted to currently operating installations, and €10.6 million to installations under construction, for a total of €29 million. Photovoltaic systems are also regularly financed.

Crédit Mutuel de Bretagne and Arkéa Crédit Bail offer a new turn-key financing solutions for farmers that enables them to acquire cogeneration units, financed entirely or in part through leasing, supplemented by traditional credit. Crédit Mutuel de Bretagne and

Arkéa Crédit Bail enabled financing for thirteen cogeneration units in Brittany in less than two years. In 2015, half of the cogeneration units installed in Brittany were financed by the group.

Leasecom finances eco-responsible equipment such as LED lighting.

At end-2015, Arkéa Banque Entreprises et Institutionnels was lending to new energy companies in the amount of €181 million, and waste recycling companies for €72 million.



“Green” loans

Green loans have been created at Crédit Mutuel du Sud-Ouest and Crédit Mutuel du Massif Central which let the owners of clean vehicles (individuals and businesses) benefit from particularly advantageous financing conditions.

5.5.9 Environmental indicators

CRÉDIT MUTUEL ARKÉA SCOPE	2013	2014	2015
ENERGY CONSUMPTION (GWH)	57	53	55
■ of which electricity (GWh)	52	46	47
■ of which natural gas (GWh)	5	6	7
■ of which heating oil (GWh)	0.3	0.3	0.5
Steam heating - urban grid, invoiced by metric ton of water returned (in GCV)	–	–	0.1
Cold water in the urban network, invoiced in kWh (in GCV)	–	–	0
WATER CONSUMPTION (THOUSANDS OF M³)	59	54	58
CONSUMPTION OF PAPER (METRIC TONS)	1,656	1,606	1,630
■ of which paper for internal use	570	575	553
■ of which paper for external use	1,086	1,031	1,078

TRAVEL	2013	2014	2015
Business travel - Air (km)	8,130,369	8,518,810	9,477,371
Business travel - Rail (km)	2,409,390	3,823,226	4,042,942

VIDEOCONFERENCES	2013	2014	2015
Number of videoconferencing systems	72	74	77
Number of videoconferences	6,587	5,186	4,195

5.6

CSR indicators

5.6.1 Methodology note concerning CSR indicators

The CSR indicators listed in the tables of the CSR section of the Registration Document are part of a measurement and reporting methodology first developed in 2008 and updated annually.

This methodology organizes the rules for gathering, managing, calculating and consolidating indicators, their scope and the controls performed. It is designed for the advisors and collectors in the three federations of Crédit Mutuel Arkéa and its subsidiaries which contribute to current CSR reporting, using a new application developed for this purpose in 2013. It defines the audit trail for both internal and external audits. The overall scope of the group is taken into account for consolidating all these CSR indicators.

The approach used is based in particular on:

- article 225 of the Grenelle 2 law;
- the French New Economic Regulations law;
- the French Environment and Energy Management Agency (ADEME) method (V2) for preparing greenhouse gas emissions balance sheets;
- ongoing discussions with stakeholders;
- the cooperative principles of the International Cooperative Alliance (ICA);
- the Statement of Cooperative Identity;
- the Global Compact (member since 2004);
- the transparency code of the French Financial Management Association – Forum for Socially Responsible Investment (AFG-FIR);
- Inter-Union Employee Savings Committee (Comité intersyndical de l'épargne salariale - CIES) certification.

Given the group's business, noise pollution, pollution, soil impacts and adapting to the consequences of climate change are not significant areas of impact. Analysis of these risks is thus not included in the current report. Crédit Mutuel Arkéa did not recognize any environmental provision or guarantee in its accounting.

Concerning the social data:

- the total workforce is the number of employees at December 31, excluding interns, temporary workers and consultants;
- the total number of calendar days of absence includes the following absences by employees under permanent contract, fixed term contract, or work-study: paid sick leave, unpaid sick leave, sick leave without a medical certificate, workplace and commuting accidents, special leave, leave for sick children, long-term leave without pay (lasting longer than one month), sabbatical leave, parental leave, and disability leave;
- absences not accounted for are paid vacation or contract-based leave (RWD, seniority, marriage, etc.) and maternity or paternity leave;
- the payroll expenditures invested in training includes Fongecif subsidies and work-study training.

Concerning paper consumption:

- the calculation of non-group paper consumption for Suravenir does not follow regulatory guidelines.

5.6.2 Summary tables of CSR indicators

CSR INDICATORS LIST	CSR INDICATORS	2015 DATA
	GOVERNANCE	
	DIRECTORS	
GOUV01	Number of members on the Board of Directors (or Supervisory Board if there is an Executive Board)	18
GOUV02	■ of which women	3
GOUV03	Number of local savings banks	334
GOUV04	Number of directors - local savings banks	3,581
GOUV29	■ of which women	1,352
GOUV05	Number of directors - federations	114
GOUV30	■ of which women	27
GOUV06	Number of local savings bank boards	3,569
GOUV31	Number of women chairpersons of local savings banks	78
GOUV31-1	% of women chairpersons of local savings banks	23%
GOUV07	Number of directors summoned to local savings bank Board meetings	38,672
GOUV08	Number of directors present at local savings bank Board meetings	29,184
	RENEWAL - LOCAL SAVINGS BANKS	
GOUV14	Number of new directors - local savings banks	223
GOUV15	■ of which women	119
GOUV34	% of women among the new directors	53%
GOUV18	Number of new chairpersons - local savings banks	33
GOUV19	■ of which women	12
GOUV35	% of women among the new chairpersons	36%
GOUV35-F	Number of women among chairpersons - local savings banks	78
	RENEWAL - FEDERATIONS	
GOUV16	Number of new directors - federations	3
GOUV17	■ of which women	1
GOUV20	Number of new chairpersons - federations	2
GOUV34-F	% of women among the new federation directors	33%
	TRAINING	
GOUV55	Number of directors or officers who received at least one training course during the year	1,463
GOUV56	Total number of training hours dispensed	15,951
GOUV58	% of directors trained	41%
GOUV59	Duration of training per director trained	11
	CUSTOMER SHAREHOLDERS - CUSTOMERS	
GOUV61	Number of local savings bank customers	2,312,915
GOUV62	■ of whom individuals	2,108,463
GOUV63	Number of customer shareholders	1,454,038
GOUV63-1	Number of customer shareholders last year	1,436,045
GOUV65	% of customer shareholders among individual customers	69%
GOUV80	Average amount of share capital owned	1,511

CSR INDICATORS LIST	CSR INDICATORS	2015 DATA
	PARTICIPATION IN SHAREHOLDER MEETINGS (LOCAL)	
GOUV68	Number of customer shareholders present and represented	49,294
GOUV70	% of participation in voting	3.4 %
	LABOR	
	WORKFORCE	
SOC01	Total FTE workforce	9,046
SOC01bis	Physical person workforce	9,345
SOC02	■ of which France	9,256
SOC03	■ of which outside France	87
SOC05	■ of which non-management	4,282
SOC08	Permanent contract workforce	8,357
SOC08bis	■ of which women	4,663
SOC08NC	Permanent contract workforce, non-management	3,524
SOC12	% of employees under permanent contract	92%
	RECRUITMENT	
SOC13	Total number of hires	1,800
SOC15	■ of which women	1,150
SOC16	■ of which permanent contracts	563
	DISMISSALS AND REASONS	
SOC19	Number of employees under permanent contract who left the organization	451
SOC20	■ of which dismissals	51
SOC21	Turnover (%)	4.3%
	ORGANIZATION, WORKING HOURS AND ABSENTEEISM	
	ORGANIZATION OF WORKING HOURS	
SOC31	% of full-time employees	93%
SOC32	% of part-time employees	7%
	ABSENTEEISM AND REASONS	
SOC38	Total calendar days of absence	140,673
SOC39	■ of which illness	138,733
SOC40	■ of which workplace accidents	1,940
SOC43	Number of work-related illnesses	–
	HEALTH AND SAFETY CONDITIONS	
SOC44	Number of reported workplace accidents with work absence	57
	TRAINING AND EMPLOYMENT INTEGRATION	
SOC46	Total payroll invested in training (in €)	16,671,583
SOC47	% of total payroll dedicated to training	4.4%
SOC48	Number of employees who received at least one training course	6,245
SOC49	% of employees trained	67%
SOC50	Total number of hours devoted to employee training	150,544
SOC51	Average number of training hours per year and per employee who took training	24

CSR INDICATORS LIST	CSR INDICATORS	2015 DATA
	GENDER EQUALITY AT WORK	
SOC59	Number of female managers	2,144
SOC60	% of female managers	43%
SOC61	Number of managers promoted during the year to a higher-level function	417
SOC62	■ of which women	208
SOC63	% of women promoted to manager	50%
	EMPLOYEE DIALOGUE	
SOC67	Number of condemnations for hindrance (in France)	–
SOC78	Number of consultations with personnel representatives (works council, CHSCT, DP)	562
SOC79	Number of information procedures with personnel representatives (works council, CHSCT, DP)	436
	EMPLOYMENT AND INTEGRATION OF WORKERS WITH DISABILITIES	
SOC68	Number of workers with disabilities	305
SOC71	% of people with disabilities in the total workforce	3.3%
	COMPENSATION AND ITS INCREASES	
SOC73	Gross total payroll (in €)	381,235,958
SOC74	Average gross annual compensation - all levels, permanent contracts	43,378
SOC75	Average gross annual compensation - non-managers, permanent contracts	29,966
SOC76	Average gross annual compensation - managers, permanent contracts	53,178
SOC107	Total gross annual compensation (in €) permanent contracts	362,517,785
SOC108	Total gross annual compensation (in €) non-manager permanent contracts	105,606,429
SOC108-F	France portion of consolidated group	103,247,834
SOC109	Total gross annual compensation (in €) manager permanent contracts	257,009,641
	SOCIETY	
SOT01	Number of Crédit Mutuel Arkéa Group points of sale in France and abroad	1,180
SOT01A	Number of Crédit Mutuel points of sale	469
SOT01-1	Number of Crédit Mutuel Arkea Group points of sale outside France	3
SOT01C	Periodic points of sale	639
	MICROCREDIT	
	PERSONAL SUPPORTED MICROCREDIT (PARTNERSHIPS)	
SOT10	Number of microloans granted in the year	436
SOT11	Average amount of granted microloans (in €)	2,265
SOT13	Amount of microloans financed in the year (in €)	987,333
	ADIE INTERMEDIATED BUSINESS MICROCREDIT	
SOT16	Number of intermediated business microloan applications	532
SOT17	Available amount of credit lines (in €)	1,609,043
	OTHER SUPPORTED BUSINESS MICROCREDIT	
SOT201	Number of supported business microloans granted during the year (in the framework of a partnership)	91
SOT202	Amount of local microloans granted locally by the group (in €)	230,200

CSR INDICATORS LIST	CSR INDICATORS	2015 DATA
	SRI - ESG	
SOT28	SRI assets (in €)	1,230,536,810
SOT28LNOV-ISR	SRI assets - with NOVETHIC SRI certification	1,125,538,710
SOT87	ESG assets (in €)	4,634,972,366
	VOTING POLICY	
SOT29	Rate of approval of resolutions	75%
SOT30	Number of shareholders' meetings in which the company participated	120
	SOLIDARITY SAVINGS	
SOT31	Overall solidarity savings assets (in €)	25,034,979
SOT32	■ of which donated to associations	128,263
	DAT SOLIDARITY SAVINGS (KERE)	
SOT31-1	DAT solidarity savings assets (in €)	950,000
SOT32-1	■ of which donated to associations	6,188
	SAVINGS ACCOUNTS FOR OTHERS (LEA)	
SOT33	Savings Accounts for Others (LEA) assets excluding capitalization (in €)	17,988,617
SOT33LFinansol	Savings deposits for products with FINANSOL certification	17,988,617
SOT32-2	■ of which donated to associations	122,075
	EMPLOYEE SOLIDARITY SAVINGS	
SOT37	Employee solidarity savings deposits (in €)	6,096,362
	ASSOCIATIONS MARKET	
SOT40	Number of non-profit customers (associations, unions, works councils, etc.)	68,568
	CORPORATE GIVING AND SPONSORSHIP	
SOT52	Overall budget dedicated to corporate giving and sponsorship (in €)	2,760,947
	LOANS FOR RENEWABLE ENERGIES AND ENERGY EFFICIENCY	
SOT63	Number of PTZs granted in the year	1,087
SOT64	Average amount of granted PTZs (in €)	16,440
SOT65	Total amount of interest-free Eco loans granted (in €)	17,869,839
SOT69	Number of projects financed (professionals and farmers)	50
	PRODUCTS AND SERVICES WITH SOCIAL PURPOSE	
SOT71	Regulated social loans outstanding (PLS, PSLA) (in €)	1,058,596,450
	MEDIATION	
SOT75	Number of eligible files	189
SOT77	Number of decisions favorable to the customer	74

CSR INDICATORS LIST	CSR INDICATORS	2015 DATA
	ENVIRONMENT	
	WATER (M³)	
ENV04	WATER CONSUMPTION (m³)	58,307
	ENERGY (KWH)	
ENV05	TOTAL ENERGY CONSUMPTION (kWh)	54,597,003
ENV05-1	Steam heating - urban grid, invoiced by metric ton of water returned (in GCV)	143,724
ENV05-2	Cold water in the urban network, invoiced in kWh (in GCV)	518
ENV06	■ of which electricity (kWh)	46,965,800
ENV07	■ of which natural gas (kWh)	7,020,528
ENV08	■ of which heating oil (kWh)	466,433
	PAPER (METRIC TONS)	—
ENV09	CONSUMPTION OF PAPER (metric tons)	1,630
ENV10	■ of which paper for internal use (metric tons)	553
ENV11	■ of which paper for external use (outside services: printing, communication, customer statements, checkbooks, etc.) (metric tons)	1,078
ENV13	Consumption of toner cartridges (number of cartridges purchased)	20,542
ENV16	■ Of which number of toner cartridges recycled	12,565
ENV14	% of purchased toner cartridges recycled (Purchasing/suppliers)	61%
	TRAVEL (KM)	
ENV18	Business travel - Air (km)	9,477,371
ENV19	Business travel - Rail (km)	4,042,942
ENV20	Business travel - Automobile fleets (km)	12,027,347
ENV21	Number of liters of gasoline consumed by the company fleet	15,636
ENV22	Number of liters of diesel fuel consumed by the company fleet	766,142
ENV23	Business travel with private vehicles	10,285,887
ENV29	Mail management: interbank and inter-business shuttles + currency transport	1,778,605
	DIRECT EMISSIONS LEAKS	
ENV30	Refrigerant leaks from air conditioning installations (tertiary water and air conditioning)	270
ENV34	Number of digitized documents and pages	57,136,000
	SYSTEMS FOR REDUCING ENVIRONMENTAL IMPACT AND GREENHOUSE GAS EMISSIONS	
	EMISSIONS PREVENTED	
ENV31	Number of videoconferencing systems	77
ENV32	Number of videoconferences	4,195



6

General information

Information relative to sites and activities within the consolidation scope as of December 31, 2015.

The main information with respect to sites as of December 31, 2015, drawn from the consolidated financial statements and compiled at the Country and Territory levels, is as follows:

(€ thousands)

ZONE	COUNTRY	NBI	EMPLOYEES (FULL-TIME EQUIVALENT)	NET INCOME (LOSS) BEFORE TAX	CORPORATE INCOME TAX (*)	SUBSIDIES (*)
France	France	1,742,592	8,390	426,703	-142,214	0
Other EU countries	Belgium	36,498	82	16,720	-4,437	0
	Luxembourg	741	7	-368	78	0
North America	Canada	0	0	-9	0	0
GENERAL TOTAL		1,779,831	8,479	443,046	-146,573	0

Information about the Company

Registered company name and trade name: Crédit Mutuel Arkéa

Place of registration and registration number:

Siren number: 775 577 018 Brest Corporate and Trade Register/

APE Code: 651 D

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.

Registered office: 1 rue Louis Lichou, 29480 Le Relecq-Kerhuon

Telephone: +33 (0)2 98 00 22 22

Fax : +33 (0)2 98 28 46 32

Legal form:

The company is a French-incorporated variable capital credit cooperative. It is also a union of cooperatives.

It is subject to the following laws:

- law of September 10, 1947 on cooperatives;
- articles L 231-1 to L 231-8 of the French Commercial Code on variable capital;
- the provisions of the French Commercial Code on commercial companies;

■ the provisions of the French Monetary and Financial Code on the activity and control of credit institutions;

■ articles L 512-55 to L 512-59 of the French Monetary and Financial Code and all laws related to Crédit Mutuel;

■ the provisions of its by-laws and internal regulations.

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.

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 situation or profitability of the company and/or Crédit Mutuel Arkéa group.

Information relative to sites and activities within the consolidation scope as of December 31, 2015

The main information with respect to sites as of December 31, 2015 and compiled at the Country and Territory levels is as follows:

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.

Material changes 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 2015 financial statements by the company's Board of Directors on February 26, 2016.

Audit of annual historical financial information and sources of financial information appearing in this document

For the 2015 fiscal year:

See statutory auditor's report for 2015.

For the 2014 fiscal year:

See statutory auditor's report for 2014.

For the 2013 fiscal year:

See statutory auditor's report for 2013.

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.

Earnings forecasts or estimates

This Registration Document contains no earnings forecasts or estimates.

Date of most recent audited financial information

The date of the most recent audited financial information is December 31, 2015. This information was certified by the Board of Directors on February 26, 2016 and will be submitted to the Shareholders' General Meeting for approval on April 21, 2016.

No quarterly or interim financial information has been published subsequent to the most recent audited financial statements.

Documents available to the public and documents incorporated by reference

During the period in which the Registration Document is valid, a copy of the following documents may, where applicable, be viewed:

- the company's by-laws;
- all reports, correspondence and other documents, historical financial information, assessments and statements prepared by an appraiser at the request of the company included in this Registration Document;
- the financial information of the Crédit Mutuel Arkéa parent company and group for the fiscal years ending December 31 of 2013, 2014 and 2015;



- this Registration Document;
- registration Document number D.15-0325 of April 13, 2015, incorporated by reference and updated on August 27, 2015 under number D.15-0325;
- registration Document number D.14-0317 of April 9, 2014 incorporated by reference and updated on August 29, 2014 under number D.14-0317-A01;
- registration Document number D.13-0326 of April 10, 2013 incorporated by reference and updated on September 2, 2013 under number D.13-0326-A01;

The Issuer assumes responsibility for the information incorporated by reference.

Registration Document number D.15-0325 of April 13, 2015 incorporated by reference and updated on August 27, 2015 under n°. D.15-0325 as well as this Registration Document are also available on the web site of the French Financial Markets Authority: www.amf-france.org

These documents may be viewed at the company's registered office during normal business hours. A copy of this Registration Document will be sent at no cost to any person requesting it. These documents may also be viewed on the company's web site (www.arkea.com).

Incorporation by reference

In accordance with Article 28 of European Regulation No. 809/2004 of April 29, 2004, the reader is advised to consult the previous Registration Documents with respect to certain information, notably financial information regarding the company's net assets, financial situation and earnings:

1. for the 2014 fiscal year: pages 50 to 113 of Registration Document number D.14-0317 of April 13, 2015;
2. for the 2013 fiscal year: pages 56 to 121 of Registration Document number D.14-0317 of April 9, 2014;
3. for the 2012 fiscal year: pages 64 to 135 of Registration Document number D.13-0326 of April 10, 2013.

Other information included in those previous Registration Documents separate from the information cited above was, in some cases, replaced and/or updated with information included in this Registration Document.



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Person responsible

Person responsible for the information contained in this document

Ronan Le Moal, Chief Executive Officer of Crédit Mutuel Arkéa.

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 that 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 to the overall presentation of the Registration Document.

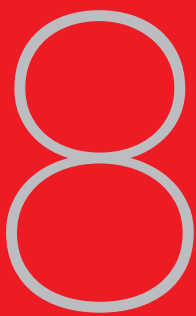
The financial information presented in this Registration Document was reviewed in reports by the statutory auditors of the financial statements, with the observations contained in these reports appearing on page 255 of this Registration Document.

Historical financial information for the fiscal year ending December 31, 2014 appearing in Registration Document number D.15-0325 of April 13, 2015, incorporated by reference, was reviewed in a report of the statutory auditors of the financial statements, which contains observations. This report appears on page 173 of that Registration Document.

Historical financial information for the fiscal year ending December 31, 2013 appearing in Registration Document number D.14-0317 of April 9, 2014, incorporated by reference, was reviewed in a report of the statutory auditors of the financial statements, which contains observations. This report appears on page 188 of that Registration Document.

Relecq Kerhuon, 04/06/2016

Ronan Le Moal, Chief Executive Officer of Crédit Mutuel Arkéa



Statutory auditors

The company's 2015 consolidated financial statements were audited by:

Principal statutory auditors:

Mazars

61, rue Henri Regnault
Exaltis
92075 La Défense Cedex - France

Represented by **Charles de Boisriou**

Start of initial term: 1976

Expiration of current term: December 31, 2020 (following the financial statements closing)

The decision to renew the term of Mazars represented by Charles de Boisriou beginning with the 2012 fiscal year was made on May 6, 2015 for a six-year period.

and

Deloitte & Associés

185, avenue Charles de Gaulle
BP 136
92524 Neuilly-sur-Seine Cedex - France

Represented by **Jean-Vincent Coustel**

Start of initial term: 2007

Expiration of current term: December 31, 2020 (following the financial statements closing)

The decision to renew the term of Deloitte & Associés represented by Jean-Vincent Coustel beginning with the 2015 fiscal year was made on May 6, 2015 for a six-year period.

Alternate statutory auditors:

Anne VEAUTE,

61, rue Henri Regnault
Exaltis
92075 La Défense Cedex - France

Start of initial term: 2012

Expiration of current term: December 31, 2020 (following the financial statements closing)

The decision to appoint Anne Veaute was made on May 6, 2015 for the term of Charles de Boisriou, i.e. six years.

and

Société BEAS

7-9, villa Houssay
92524 Neuilly-sur-Seine Cedex - France

Represented by **Pascal Pincemin**

Start of initial term: 2009

Expiration of current term: December 31, 2020 (following the financial statements closing)

The decision to appoint Société BEAS was made on May 6, 2015 for a six-year period.

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Statutory Auditors' report

on the consolidated financial statements
for the year ended December 31, 2015

For the year ended December 31st, 2015

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, 2015, on:

- the audit of the accompanying consolidated financial statements of Crédit Mutuel Arkéa;
- 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 December 31st, 2015 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

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 that we bring the following matters to your attention:

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, 1, 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 described in notes: « Measurement of fair value of financial instruments » from the Accounting principles and evaluation methods applied, 2, 3, 4, 18, 18a, 28a, 28b, 32 and 33 to the consolidated financial statements). Our work consisted in examining the control procedures applicable to the models used to measure them; in evaluating the appropriateness of the data and assumptions; and in verifying that the risks and results related to these instruments were taken into account. We also reviewed the control procedures for the identification of financial instruments that can no longer be traded on an active market or whose valuation parameters are no longer observable and the data used to measure them.

Impairment of available-for-sale assets

Crédit Mutuel Arkéa recognizes impairment losses on available-for-sale assets where there is objective evidence of a prolonged or significant decline in value, as described in notes 4, 8, 33 and 37 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 2015, as described in notes « Property, plant and equipment, intangible assets and investment property » 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.

Deferred tax assets

Crédit Mutuel Arkéa recognized 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.

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 the insurance business » 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.

These assessments were made as part of our audit of the 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 March 25th, 2016

The Statutory Auditors *French original signed*

MAZARS

Charles De BOISRIOU

DELOITTE & ASSOCIÉS

Jean-Vincent COUSTEL



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Statutory Auditors' report

on the report of the Chairman
of the Board of Directors

For the year ended December 31st, 2015

Ladies and Gentlemen,

In our capacity as Statutory Auditors of Crédit Mutuel Arkéa and in accordance with Article L.225-235 of the Code of Commerce, we hereby report on the report prepared by the Chairman of your company in accordance with Article L.225-37 of the Code of Commerce for the year ended December 31st, 2015.

The Chairman is responsible for preparing and submitting the approval of the Board of Directors a report describing the internal control and risk management procedures implemented by the company and disclosing other information as required by Article L.225-37 of the Code of Commerce, particularly in terms of corporate governance.

It is our responsibility:

■ to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and;

■ to attest that this report contains the other disclosures required by Article L.225-37 of the Code of Commerce, it being specified that we are not responsible for verifying the fairness of these disclosures.

We have performed our work in accordance with the professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

Professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

■ obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;

- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and

risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Supervisory Board in accordance with Article L.225-37 of the Code of Commerce.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of the Code of Commerce.

Courbevoie and Neuilly-sur-Seine, April 4th, 2016

The statutory auditors

French original signed by

MAZARS

Charles De BOISRIOU

DELOITTE & ASSOCIÉS

Jean-Vincent COUSTEL

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Statutory auditors' special report

on related party agreements and commitments

For the year ended December 31st, 2015

Annual General Shareholders' Meeting for the approval of the financial statements for the year ended 31 December 2015

Ladies and Gentlemen,

In our capacity as Statutory Auditors of Credit Mutuel Arkéa, we hereby report to you on related party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, the main terms, conditions and purpose of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance nor substance nor identifying any undisclosed agreements or commitments. Under the provisions of article R.225-31 of the French Commercial Code (Code de Commerce), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation with the implementation during the year of agreements and commitments already approved by the Annual General Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments to be submitted for the approval of the annual general shareholders' meeting

Agreements and commitments authorized during the year

We were not informed of any agreements or commitments authorized during the year to be submitted for approval at the Annual General Shareholders' Meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

Agreements and commitments authorized during precedent years and not submitted for approval at the Annual General Shareholders' Meeting

We were informed that the following agreements and commitments, authorized in years 2008, 2010 and 2012 were not submitted to the Annual General Shareholders' Meeting for approval.

President's work contract

On May 7th 2010, the Board of Directors authorized the modification of the President's work contract regarding his compensation plan in the case of his termination at Crédit Mutuel Arkéa's initiative, excluding termination for serious misconduct or willful misconduct, in the following terms: amounts due in application of the law, the collective bargaining agreement and a dismissal complementary compensation of a net amount corresponding to 18 months of gross salary.

- In case of the termination of his work contract at Crédit Mutuel Arkéa's initiative, whatever the motive, excluding termination for serious misconduct or willful misconduct, as well as in the case of a conventional termination of his work contract, payment

of a net compensation equal to two years pay (calculated based on the average monthly gross salary from the 12 months ahead of the termination, increased with the monthly gross variable from the last 3 years ahead of the termination) added to the amount due in application of the law and the existing agreements applicable within Crédit Mutuel Arkéa.

On April 6th 2012, the Board of Directors authorized the signature of a supplementary clause specifying the terms consented between Crédit Mutuel Arkéa and its President, regarding the conditions of his work contract suspension, and those applicable in the case of reintegration in his employee status. It also authorized the Human Resources Officer to reintegrate in the suspended work contract of the President, the evolutions of the social status applicable to the Group executive directors.

Chairman's work contract

On September 12th 2008, the Board of Directors approved the dispositions of the supplementary clause regarding the suspension of the Managing Director's work contract of Crédit Mutuel Arkéa. This supplementary clause mentions the following dispositions:

- the date of the work contract suspension;
- the reintegration conditions at the end of his mandate;
- taking into account his mandate in the calculation of his years of service as well as for all the rights linked to it;
- the subscription of a private unemployment insurance during the time of the work contract suspension.

On May 7th 2010, the Board of Directors approved the modification of the last bullet points in the following terms:

- In case of the termination of his work contract at Crédit Mutuel Arkéa's initiative, whatever the motive, excluding termination for serious misconduct or willful misconduct, as well as in the case of a conventional termination of his work contract, payment of a net compensation equal to two years pay (calculated based on the average monthly gross salary from the 12 months ahead of the termination, increased with the monthly gross variable from the last 3 years ahead of the termination) added to the amount due in application of the law and the existing agreements applicable within Crédit Mutuel Arkéa.

On April 6th 2012, the Board of Directors authorized the signature of a supplementary clause specifying the terms consented between Crédit Mutuel Arkéa and its Managing Director on September 12th 2008 and April 10th 2010, regarding the conditions of his work contract suspension, and those applicable in the case of reintegration in his employee status. It also authorized the Human Resources Officer to reintegrate in the suspended work contract of the Managing Director the evolutions of the social status applicable to the Group executive directors.

Agreements and commitments previously approved by the annual general shareholders' meeting

Pursuant to article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, approved in previous years by the Annual General Shareholders' Meeting, continued to apply during the year.

President's work contract

On September 12th 2008, the Board of Directors approved the dispositions of the supplementary clause regarding the suspension of Jean-Pierre DENIS's work contract, President of the Board of Director of Crédit Mutuel Arkéa. The supplementary clause of the work contract mentions the following dispositions

- the date of the work contract suspension;
- the reintegration conditions at the end of his mandate;
- taking into account his mandate in the calculation of his years of service as well as for all the rights linked to it;
- the subscription of a private unemployment insurance during the time of the work contract suspension;
- the compensation terms in case of the termination of his work contract at Crédit Mutuel Arkéa's initiative, excluding termination for serious misconduct or willful misconduct, namely: compensation due in application of the law and the existing agreements applicable within Crédit Mutuel Arkéa and dismissal complementary compensation of a net amount equal to 18 months of gross salary.

Neuilly sur Seine and Courbevoie, April 4th 2016

The Statutory Auditors

MAZARS

Charles De BOISRIOU

DELOITTE & ASSOCIÉS

Jean-Vincent COUSTEL

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Report by the independent third party, on the consolidated human resources, environmental and social information included in the management report

For the year ended December 31st, 2015

To the Shareholders,

In our capacity as independent third party, certified by COFRAC under number 3-1058¹ and member of Mazars' network, Crédit Mutuel ARKEA's Statutory Auditor, we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31st, 2015, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the protocols used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

¹. whose scope is available at www.cofrac.fr

Our work involved 5 persons and was conducted between the beginning and end of February during a 3-week intervention period.

We performed our work in accordance with the professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000² concerning our conclusion on the fairness of CSR Information.

I - Attestation regarding the completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, namely:

- the credit institution Crédit Mutuel Arkéa including the Crédit Mutuel de Bretagne, Crédit Mutuel du Sud-Ouest and Crédit Mutuel Massif Central federations and the Crédit Mutuel savings banks belonging to these federations as well as Crédit Mutuel Arkéa;

- its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in the sections "5.6.1 Methodological Note on CSR indicators" of the management report.

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

II - Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted about fifteen interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and controls based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

2. ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

Regarding the CSR Information that we considered to be the most important ³, we at the level of the Group's various departments ⁴:

■ referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;

■ conducted interviews to verify that procedures are properly applied and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents.

The selected sample represents on 100% of headcount and 100% of quantitative environmental data disclosed.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris La Défense, April 4th, 2016

The independent third-party entity

MAZARS SAS

Charles De BOISRIOU

PARTNER

Emmanuelle RIGAUDIAS – CSR & Sustainable
development Partner

3. **Human resources information:** Total workforce (physical persons), Total number of recruitments, Number of employees under permanent contracts who left the company, of which dismissals, Total number of days of absence (working days), Percentage of personnel expenditures dedicated to training, Total number of hours dedicated to employee training, Percentage of women among managers, Total gross annual compensation (in euros) of permanent contracts: breakdown by managers and non-managers. **Environmental information:** Total energy consumption, Consumption of paper (internal and external). **Social information:** Number of cases handled – ADIE, Amount of credit lines made available – ADIE, Number of new microcredits funded – France Active Garantie, Amounts guaranteed - France Active Garantie, Number of additional bank loans granted – Initiative France, Total amount of additional bank loans granted – Initiative France, Outstanding SRI funds, Outstanding funds in solidarity salary savings, Number of non-profit organisation customers, Total budget dedicated to corporate giving and sponsorship (euros). **Governance information:** Number of local savings banks, Number of new directors - local savings banks, Number of new women directors - local savings banks, total number of hours of training for directors.

4. The Human Resources and Training department, the Organization and Resources department (Real Estate and General Resource and Mail Operations departments), the Innovation and Operations Division (Banking Products department), Federal Finance Gestion, Corporate Secretariat and Institutional Communications department (Ark'ensol and External Communications departments), Corporate Secretariat – Crédit Mutuel de Bretagne, Cooperative Life department and Communications department – Crédit Mutuel du Sud-Ouest, Corporate Secretariat – Cooperative Life – Crédit Mutuel du Massif Central.

Cross-reference table

Cross-reference table of the Registration Document

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