

Responsible Finance

Crédit Mutuel Arkéa* completed a second social bond.

Brest, June 12, 2020 - Following the success of its first *social bond* in October 2019, Arkéa completed a second bond issue with social impact on June 4, 2020. This €750 million fund-raising will contribute to the economic development of regions in a context of unprecedented health crisis, via the financing/refinancing of loans to SMEs and the health sector in particular.

Arkéa's second bond issue was carried out in a deteriorated economic and social context in France, as a result of the Covid-19 epidemic. On Thursday, June 4, 2020, €750 million were raised on the financial markets from asset managers and insurance companies, the main subscribers to the bond. The *social bond* has received strong interest from investors, who are renewing their confidence in the Arkéa group. Demand reached €2.6 billion in three hours, with more than 100 high-quality orders, initiated mainly by major accounts with a strong commitment to ESG (environmental, social, governance) issues, with a significant concentration in France (40%). The volume of funds raised made it possible to significantly tighten the *spread* to MS+150bp, a level which implies that no issue premium was paid for this transaction.

Supporting and financing the real economy

Arkéa is one of the first European banking players to enter the *social bond* market in October 2019. This type of bond, designed to refinance social projects, is perfectly in line with Arkéa's convictions. With the aim of helping to mitigate the effects of the Covid-19 crisis, the funds raised on 4 June will be allocated as a priority to the financing or refinancing of loans to SMEs, which make a significant contribution to the economic development and vitality of the regions, and to the health sector in order to improve access to healthcare for all. In the current unprecedented context, it seems essential to continue and strengthen support for local players. To do so, Arkéa relies on its various banking networks: Arkéa Banque Entreprises et Institutionnels, established throughout France, Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest.

Continuation of the Group's refinancing programme

This *social bond* is Arkéa's third issue since January 2020. It is a *senior non-preferred* format, following previous issues in *senior preferred* and *covered bond* format. With a maturity of 9 years, it is issued under the "*green, social & sustainability bond framework*", validated by the Vigeo Eiris agency.

Stéphane Cadieu, Head of Arkéa's Financial Markets, comments: "*We are proud of the very favorable reception given to this second social bond issue and of the renewed confidence in Arkéa by investors. The transaction was a success with strong demand and a high quality order book. It took place in a very particular context of health crisis. The funds will be allocated first and foremost to refinancing projects carried out by SMEs, which are the real players in their regions, and to the healthcare sector. This is a new illustration of the responsible financing policy pursued by the Arkéa group, on behalf of its regions and their economic players*".

**Hereinafter referred to as Arkéa*

About the Arkéa group

The Arkéa group is made up of Crédit Mutuel Arkéa, the federations of Crédit Mutuel de Bretagne, Sud-Ouest and their member local mutuals, as well as nearly forty specialized subsidiaries (Fortuneo, Monext, Arkéa Banque Entreprises et Institutionnels, Arkéa Investment Services, Suravenir, etc.). It has more than 10,500 employees, nearly 2,800 directors, 4.7 million members and customers in bancassurance, and a balance sheet total of 157 billion euros. Crédit Mutuel Arkéa is one of the leading banking institutions based in the regions. More information on www.arkea.com

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