

Half-year financial results

Fully committed to its stakeholders during the crisis, the Arkéa group displays solid results

Brest, August 27th, 2020 - Arkéa's Board of Directors today approved the financial statements for the first half of 2020. In an economic context strongly impacted by the health crisis, the Group maintains a strong commercial momentum and proves, by the very good performance of its financial indicators, the relevance of its strategic choices and the resilience of its business model. Faithful to its values and convictions, the cooperative and collaborative banking group is fully committed, in the face of this unprecedented situation, to supporting its individual, professional and corporate customers in its territories.

Sustained commercial activity

Throughout the lockdown period, Arkéa group employees were mobilised to ensure the continuity of activities and banking and insurance services, and to meet the expectations of members and customers faced with the economic consequences of the health crisis.

- **The customer portfolio** grew by 2% in the first half of the year to nearly 4.8 million members and customers. Arkéa has 92,000 new individual and professional customers (net acquisition). This performance, mainly driven by online banking, the insurance business and Max, the fintech developed by the group, benefits from Arkéa's successful diversification strategy.
- **Gross outstanding loans** increased by 3.3% to €64.9bn, with a new loan production of €8.3bn (compared to €7.7bn in H1 2019). In the first half of the year, the local branch networks of Crédit Mutuel de Bretagne et du Sud-Ouest and Arkéa Banque Entreprises et Institutionnels granted their corporate customers 9,000 State-guaranteed loans (PGE) for a total amount of €1.3 billion. To support members and customers facing cash flow difficulties due to the health crisis, more than 56,000 business, real estate or consumer loans were also subject to maturity extensions granted by the group, for a total outstanding amount of €5.2 billion.
- **Total outstanding savings** amounted to €128.1 billion (+2.6%), with a net inflow of €2 billion.
- **In property, life and health insurance**, premiums earned in the portfolio increased by €10.7 million to €218 million. The Arkéa group is successfully continuing to diversify its distribution

channels: external networks represent 35% of total earned premiums in the portfolio (+5 points compared to June 2019).

A solid group driven by the relevance of its strategic choices

- Group **revenues*** reached €1.1 billion (- 1.7%). This significant resilience in a context strongly impacted by the health crisis is supported by the good sales momentum. As a result, net interest margin and commissions increased in the first half of the year. The Group is also taking full advantage of its strategy to diversify its revenue sources, with a 16% contribution from BtoB and white label banking services. Finally, revenues* include income related to the deconsolidation and revaluation of the shares invested by Arkéa in the fintech Younited , and the effect of the crisis on the valuation of life insurance and private equity assets.
- **Gross operating income** was €429 million, up 25% year-on-year, reflecting a reduction in operating expenses over the period.
- **The net income group share** amounts to €249 million, stable over the last 3 fiscal years, despite a sharp increase in the cost of risk, at €84 million (x 2.5 compared to the first half of 2019) to integrate the effects of the Covid-19 crisis on the macroeconomic environment. This performance, which was significant during the period, was driven by the good resilience of revenues in the first half of the year and benefited from non-recurring impacts (revaluation of Younited shares, closure of the pension plan following the Pacte law).
- **Total assets** increased by 4.8% compared to December 31, 2019, to €165 billion.
- **The Common Equity Tier One (CET1) solvency ratio**, at 16.8%, and **the overall solvency ratio**, at 21.7% at June 30, 2020, are among the highest in the French banking sector and illustrate the robust financial structure of the Arkéa group.

Jean-Pierre Denis, Chairman of the Arkéa group, comments: « The Arkéa group's performance for the first half of the year is a source of great pride, as it reflects the collective work accomplished to meet the challenges we have faced. The Group's teams have shown tremendous commitment in providing our members and customers with concrete support measures to meet the challenges of this unprecedented economic and health crisis. These results also reveal the many assets that the group has to continue on its path: a very solid financial position, a healthy balance sheet, and an attractive and efficient business model. I would also like to commend the strengthening of our solidarity measures in favor of individual and professional clients and associations weakened by this crisis, to which we are particularly attentive as an ethical and inclusive company. »

Hélène Bernicot, Chief Executive Officer of Arkéa, adds: « In a period deeply marked by a major health and economic crisis, the Arkéa group has demonstrated its agility and ability, through the exemplary commitment of its employees, to mobilise in record time to support and assist its members and customers. These results also reflect the Group's solidity and the relevance of its model, a model of cooperative and collaborative banking, at the service of its territories and their players, in all circumstances, to enable everyone to achieve their potential. »

* Net banking and insurance income and gains on disposal or dilution of companies accounted for by the equity method

About Arkéa

ARKEA is made up of Crédit Mutuel Arkéa and two regional federations representing two main French geographic zones (Brittany in the West and the South West) and their member local savings banks. ARKEA also has a presence across Europe thanks to its corporate and online subsidiaries (Fortuneo, Monext, Financo, Arkéa Investment Services, Suravenir, CFCAL...). ARKEA is entirely owned by its customer shareholders. ARKEA employs more than 10,500 people, counts 2,800 directors and has a total of 4.8 million customers. The bank has 165 billion euro in total assets. Crédit Mutuel Arkéa ranks among the leading banks with headquarters in the regions. A detailed presentation for the first half of 2020 is available on the group's website at the following address : https://www.arkea.com/banque/assurance/credit/mutuel/ecb_5037/en/investor-presentations

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