

## Half-year financial results

### **Crédit Mutuel Arkéa continues its growth trajectory and confirms the efficiency of its development model in serving its customers and partners**

*Brest, August 26th, 2021* – The Board of Directors of Crédit Mutuel Arkéa today approved the financial statements for the first half of 2021. In a general context still marked by the health crisis, Crédit Mutuel Arkéa benefits from the rebound of economic activity and shows very good commercial dynamics, which illustrate the confidence of its members and customers. With the presentation of very good financial indicators, Crédit Mutuel Arkéa confirms the relevance of its strategic choices and the resilience of its original development model, which supports customers and territories in their environmental and social transition.

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#### **Very good commercial dynamics**

Crédit Mutuel Arkéa has been resolutely mobilised in its territories alongside its members and customers throughout the health crisis, and its activity indicators are at a very good level. The strong momentum observed in all business lines reflects the quality of the range of products and services and the support provided by the group's employees.

- With a customer portfolio up by 1.8%, i.e. 85,000 new individual and professional customers in the first half of the year, **Crédit Mutuel Arkéa now has nearly 5 million members and customers**. This growth, mainly driven by retail banking activities (Fortuneo and Keytrade online banks, and the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest networks in particular) and by the insurance activities, testifies to the success of the diversification strategy pursued by the group.
- **Gross outstanding loans** amount to €70.1 billion (+3.6%), driven by an increase in housing, corporate, institutional and consumer loans compared to the end of 2020. Loan production in the first half of 2021 amounted to €7.7 billion. Excluding State-guaranteed loans (PGE), it rose by 8.6% compared to the first half of 2020. In particular, the Group is stepping up production of the "PACT" loans offered since 2020 by Arkéa Banque Entreprise et Institutionnels to SMEs, ETIs, institutions and real estate players. These impact loans provide for significant savings (up to 20%) on financial expenses, correlated with the borrower's improvement of its ESG performance.
- **Total outstandings savings** also rose by 7% in the first half, to €147.3 billion, with net inflows of €4.6 billion, compared with €2 billion in the first half of 2020. Net life insurance inflows benefited from the Group's long-standing commitment to diversifying savings into unit-

linked products. Unit-linked policies accounted for 61% of gross life insurance inflows and 37% of total assets under management. Financial savings, driven by Arkéa Investment Services, also posted a very good level of inflows, reflecting the product innovation strategy implemented to offer attractive asset classes in the low-rate environment. At the end of June 2021, assets under management by the Group's multi-boutique asset management subsidiary amounted to €66 billion, compared with €60 billion at the end of 2020.

- **In property, life and health insurance**, compared with the first half of 2020, earned premiums on existing policies rose by 2.8% to €224 million, and new business premiums increased by 22.6% to €32 million. External networks accounted for 56% of new business premiums and 34% of earned premiums on existing policies.

### Results that confirm the relevance of the strategy

- **Group revenues\***, at €1,224 million, were up 11.6% compared with the first half of 2020, and 9.7% compared with the first half of 2019. They reflect Crédit Mutuel Arkéa's very good commercial momentum in all its activities, and the relevance of the strategy to diversify its revenue\* sources. The net interest margin increased, in line with the decrease in funding costs. Fees and commissions increased, driven by the contribution of the lending business and white label banking services. The BtoB and specialised services division thus contributed 16% of the Group's first-half revenues\*, or €192 million. The good performance of the life insurance market and the financial markets benefited the net income of the insurance business. As for the group's private equity business, after being heavily impacted in 2020 by the effects of the health crisis, it recorded a significant rebound in the first half of the year, with asset valuations benefiting from a more favorable economic environment.
- **Net income group share**, at its highest level ever at €277 million, was up 11.1% compared with net income for the first half of 2020, which benefited in particular from non-recurring impacts. It is also 13.4% higher than in the first half of 2019. The cost of risk fell by 37.6% compared with the same period last year, to €53 million, representing an annual level of 15 basis points in relation to outstanding customer commitments. This change in the cost of risk in the context of the health crisis reflects the good quality of the loan portfolio, as well as a still very limited exposure to sectors considered vulnerable.

### A solid financial structure

- **Total assets** increased by 3.3% compared to December 31, 2020, to €174.9bn, with a gross loan-to-deposit ratio of 98.5%.
- **Group shareholders' equity** increased by 4.5% to €8.1 billion. They include €2.5bn of member shares, up 4.5% compared to December 2020, illustrating the confidence that members have in Crédit Mutuel Arkéa.
- **The Common Equity Tier One (CET1) solvency ratio** of 17.1%, up from December 31, 2020, and **the total capital ratio** of 21.6% as at June 30, 2021, are well above regulatory requirements and reflect an extremely solid financial structure.

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

## SIMPLIFIED INCOME STATEMENT

| €M   | 30/06/2021   | 30/06/2020   | Variation         | %            |
|--|--------------|--------------|-------------------|--------------|
| Net banking and insurance income including gains on disposal or dilution of companies accounted for by the equity method | 1 224        | 1 096        | + 128             | 11.6%        |
| Operating expenses   | 807          | 667          | + 139             | 20.9%        |
| <b>Cost/income ratio</b>   | <b>65.9%</b> | <b>60.9%</b> | <b>+ 5 points</b> |              |
| Gross operating income   | 417          | 429          | - 12              | -2.7%        |
| Cost of risk   | 53           | 84           | - 32              | -37.6%       |
| Operating income   | 365          | 345          | + 20              | 5.8%         |
| <b>Net income - group share</b>  | <b>277</b>   | <b>249</b>   | <b>+ 28</b>       | <b>11.1%</b> |



« Crédit Mutuel Arkéa's performance in the first half of the year, to which all business lines contributed, testifies to the group's attractiveness and the relevance of its development model. Against the backdrop of a strong rebound in the French economy, we are taking full advantage of the flexibility and agility provided by our intermediate size. Our diversified business model and solid financial structure will enable us to continue our development, serving our members, our customers and the local economy. The group's employees and directors are mobilised to support each of our members in the realisation of their projects, by providing real added value in terms of expertise and quality of service. We are working towards a successful and sustainable recovery, based on the convictions of our strategic plan Transitions 2024, unveiled at the beginning of the year. Aligned with our Raison d'être, it expresses our collective ambition to strengthen our positive impact and support all our stakeholders in their environmental and societal transition. »

– **Julien Carmona**, Chairman of Crédit Mutuel Arkéa –

« With results at an all-time high and indicators at a very good level, Crédit Mutuel Arkéa is on a fine growth trajectory. Fundamentals are solid and commercial performance testifies to the company's commitment to its members and customers and to the quality of its product and service offering. The group confirms the effectiveness and relevance of its development model, and has the essential assets to ensure the success of its Transitions 2024 strategic plan, which places environmental and societal considerations at its heart, for the responsible achievement of all. Our dynamic HR policy, which has already resulted in more than 450 new hires since the beginning of the year, underscores our uniqueness and also reflects our objective of striving for overall performance in our businesses.»

– **Hélène Bernicot**, Chief Executive Officer of Crédit Mutuel Arkéa –

## About Crédit Mutuel Arkéa

Crédit Mutuel Arkéa is made up of two regional federations representing two main French geographic zones (Brittany in the West and the South West) and their member local savings banks. Crédit Mutuel Arkéa also has a presence across Europe thanks to its corporate and online subsidiaries (Fortuneo, Monext, Financo, Arkéa Investment Services, Suravenir, CFCAL...). Crédit Mutuel Arkéa is entirely owned by its customer shareholders. Crédit Mutuel Arkéa employs more than 11,000 people, counts 2,800 directors and has a total of nearly 5 million customers. The bank has 174,9 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.cm-arkea.com/banque/assurance/credit/mutuel/ecb\\_5037/en/investor-presentations](https://www.cm-arkea.com/banque/assurance/credit/mutuel/ecb_5037/en/investor-presentations)

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