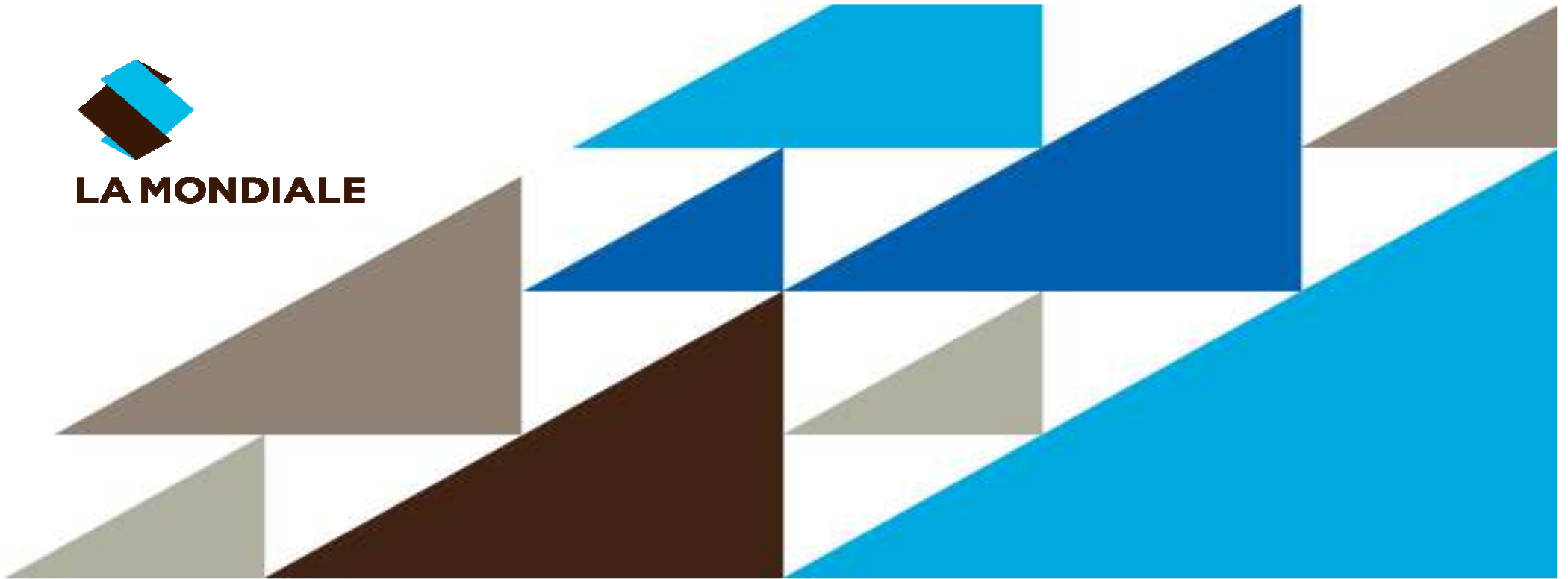


**LA MONDIALE**



# La Mondiale

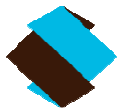
## **FULL YEAR 2013 EARNINGS**

April 2014

## Cautionary note

Certain statements contained herein may be forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and La Mondiale's plan and objectives to differ materially from those expressed or implied in the forward looking statements. Please refer to "La Mondiale Rapport Financier 2012" for a description of certain important factors, risks and uncertainties that may affect La Mondiale's business and/or results of operations. La Mondiale undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

Unless otherwise specified, financial statements are calculated in accordance with IFRS as adopted by the European Union. Those relating to the solvency margin are, according to regulatory rules, calculated with current French Gaap standards.



# Contents

Key figures page 4

Business activity page 9

Financial performance page 15

Invested assets page 23

Appendix page 29

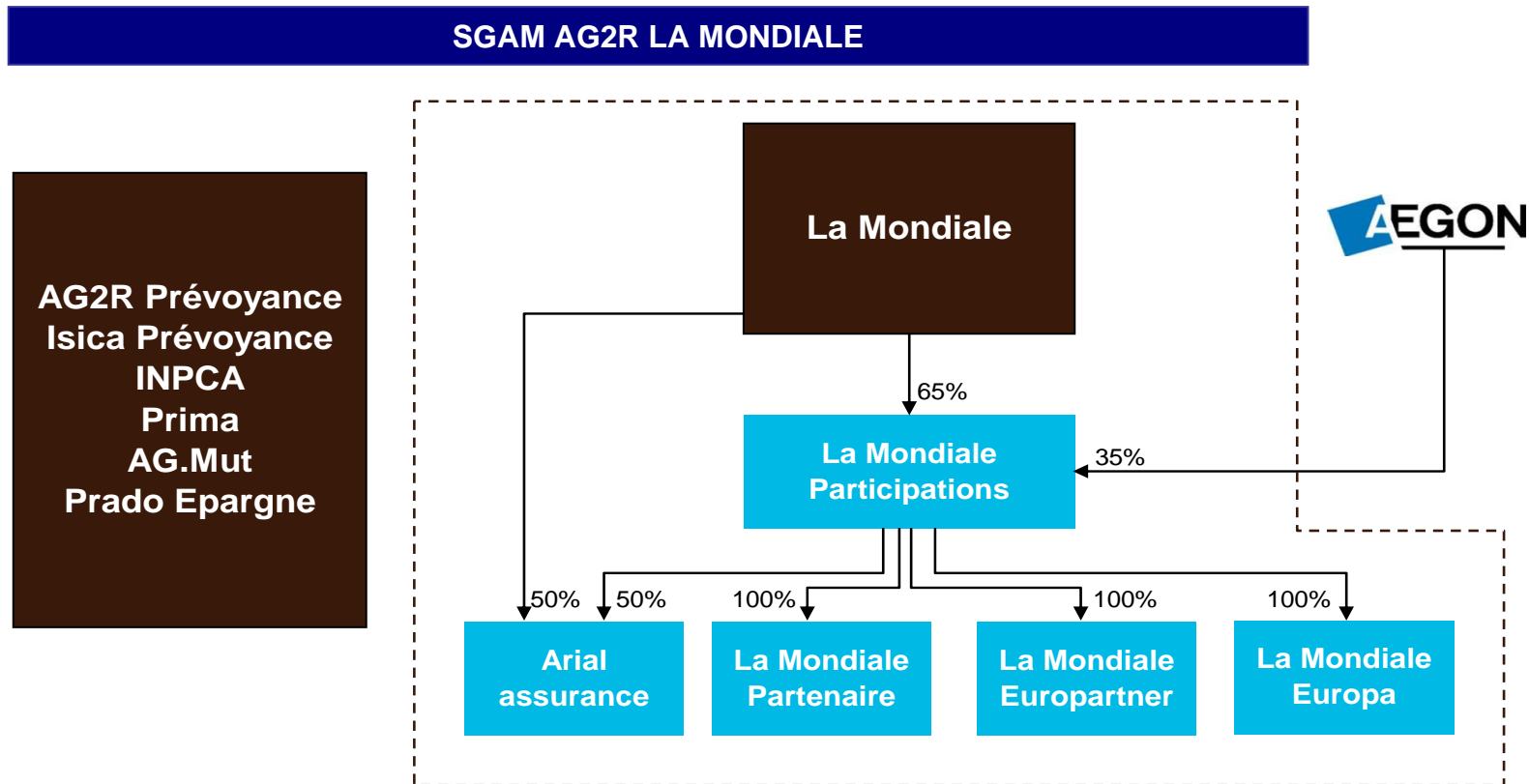




# KEY FIGURES

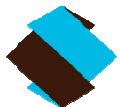
# La Mondiale at a glance

- Founded in 1905
- French Mutual Life Insurance Company
- Strong positions on private wealth management market, Group and Self Employed Retirement Plans
- Multi channel distribution networks
- Long story of sustained growth
- In the capital market since 1989
- Strong risk management and well diversified asset allocation
- La Mondiale is a member of a mutual insurance groups taking the form of a Société de Groupe d'Assurance Mutuelle (SGAM) together with AG2R Prévoyance under which it has committed to financial solidarity with the members of the SGAM



# FY 2013 Summary

- Strong growth of premiums with significant growth in savings and a reduction in retirement plans
- Net income in the average of previous years but down compared to 2012 with the non-renewal of exceptional gains
- Equity has doubled over the last five years
- Core Solvency ratio (excluding unrealized gains) up 27 points over the last five years
- Regulatory Solvency ratio: 250% which represents an excess of € 3 bn



# FY 2013 Key figures

(1/2)

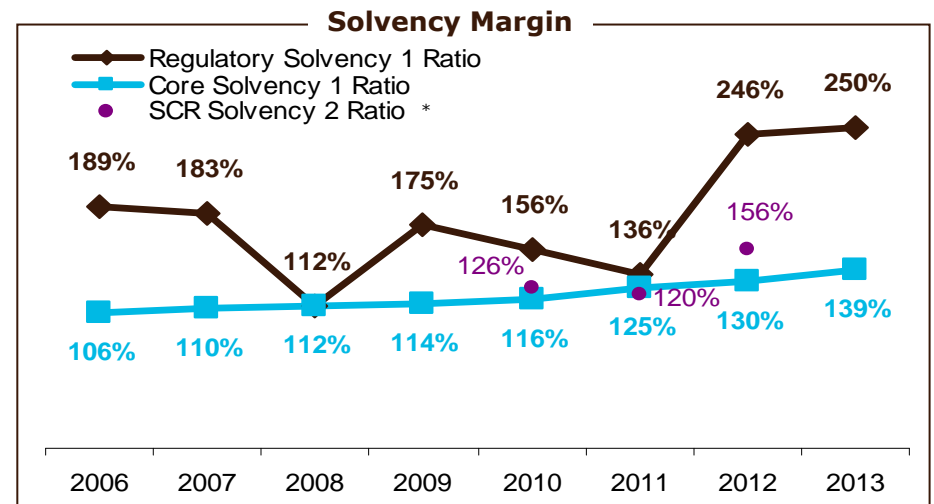
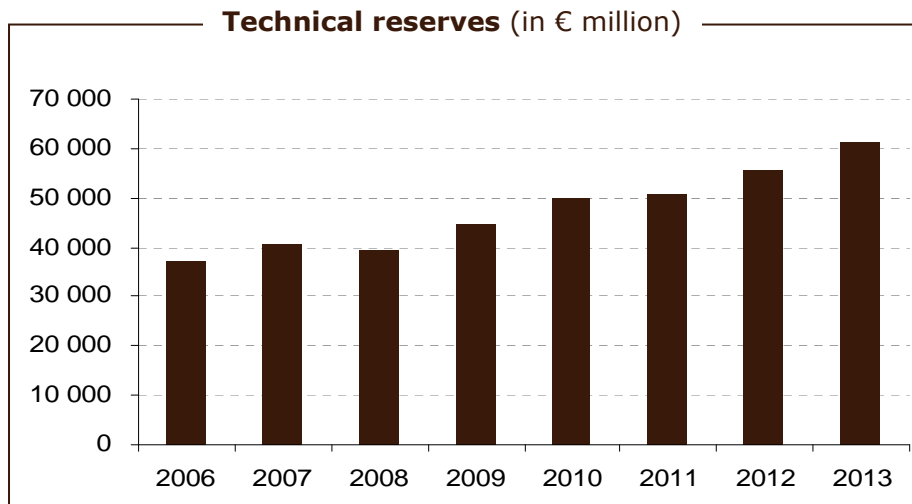
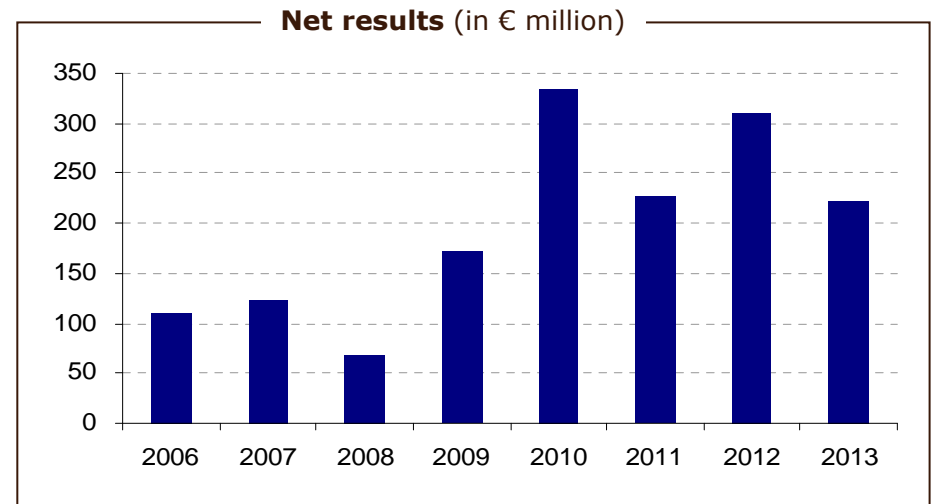
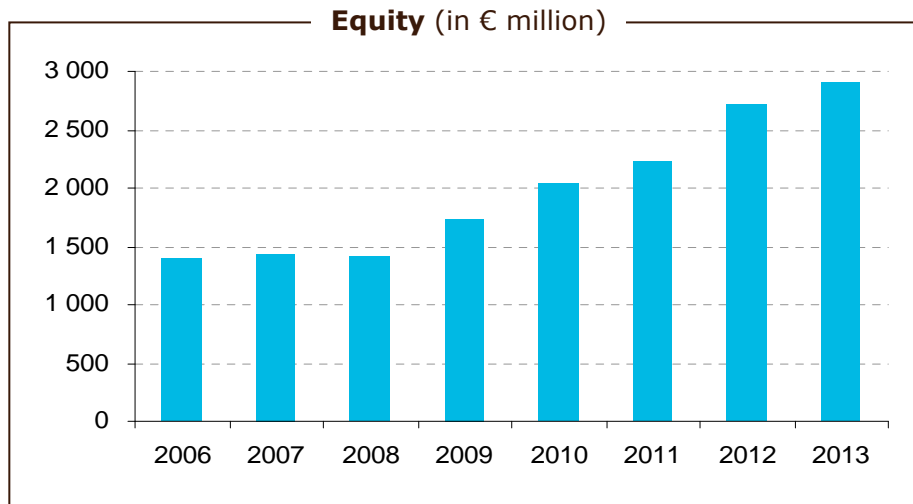
In € million	FY 2011	FY 2012	FY 2013	FY13 / FY12
<b>Premiums</b>	<b>5 239</b>	<b>6 234</b>	<b>6 752</b>	<b>+8,3%</b>
<b>Net Income</b>	<b>227</b>	<b>310</b>	<b>222</b>	<b>-28,4%</b>
<b>Equity</b>	<b>2 223</b>	<b>2 726</b>	<b>2 898</b>	<b>+6,3%</b>
<b>Gearing Ratio <sup>(1)</sup></b>	<b>19,7%</b>	<b>16,6%</b>	<b>29,5%</b>	<b>+13 pts</b>
<b>Technical Provisions</b>	<b>50 589</b>	<b>55 642</b>	<b>61 411</b>	<b>+10,4%</b>
<b>Total Balance Sheet</b>	<b>57 721</b>	<b>67 013</b>	<b>73 257</b>	<b>+9,3%</b>
<b>Solvency I ratio</b>	<b>136%</b>	<b>246%</b>	<b>250%</b>	<b>+4 pts</b>
<b>Number of employees</b>	<b>2 700</b>	<b>2 811</b>	<b>2 852</b>	<b>+1,5%</b>

(1) *Financing debt / total equity*



# FY 2013 Key figures

(2/2)



\* 2013 not available

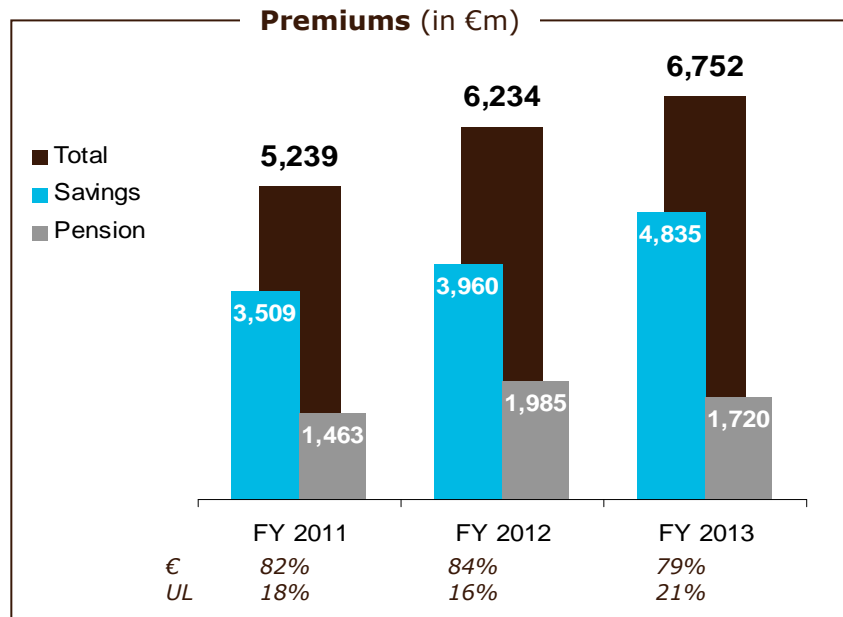






# BUSINESS ACTIVITY

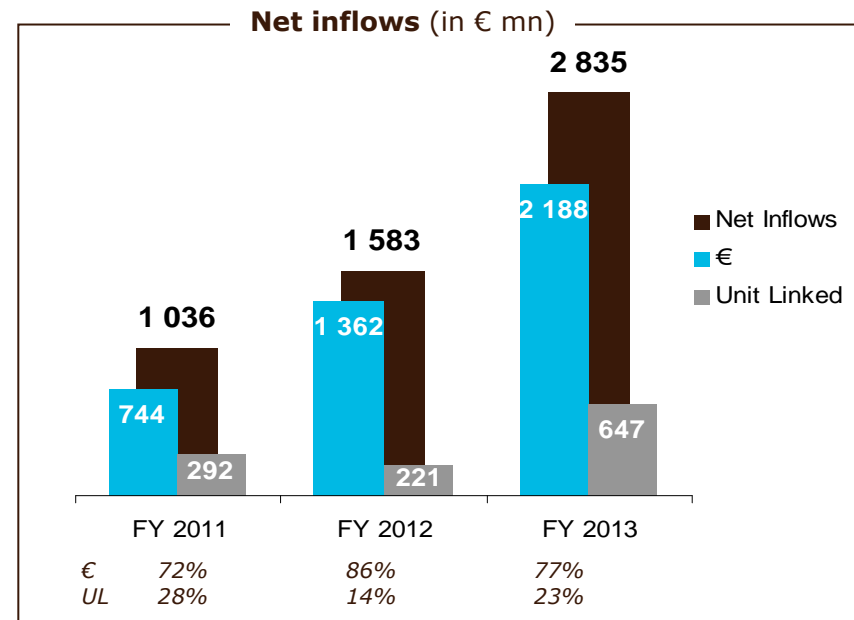
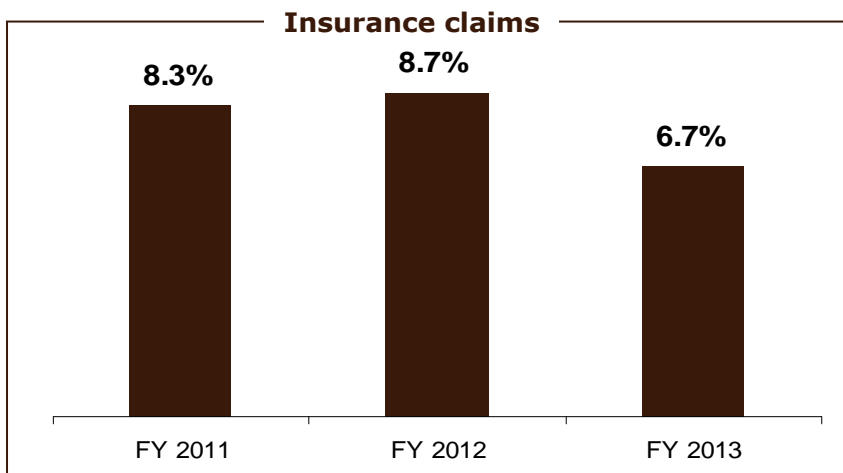
# Business activity



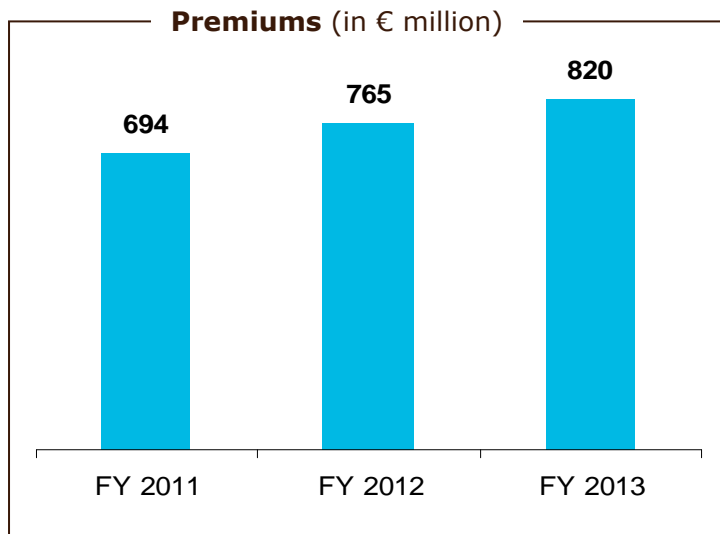
**Premiums** : improvement of UL/€ mix and global growth of 8.3%  
 ✓ Savings : +22.1%  
 ✓ Pension : -13.4%

**Claims** : back to normal after 2 years of high level for the market as a whole

**Net inflows** : increase of both UL (x2.9) and € net inflows (x1.6)



# Individual retirement plans

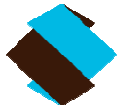
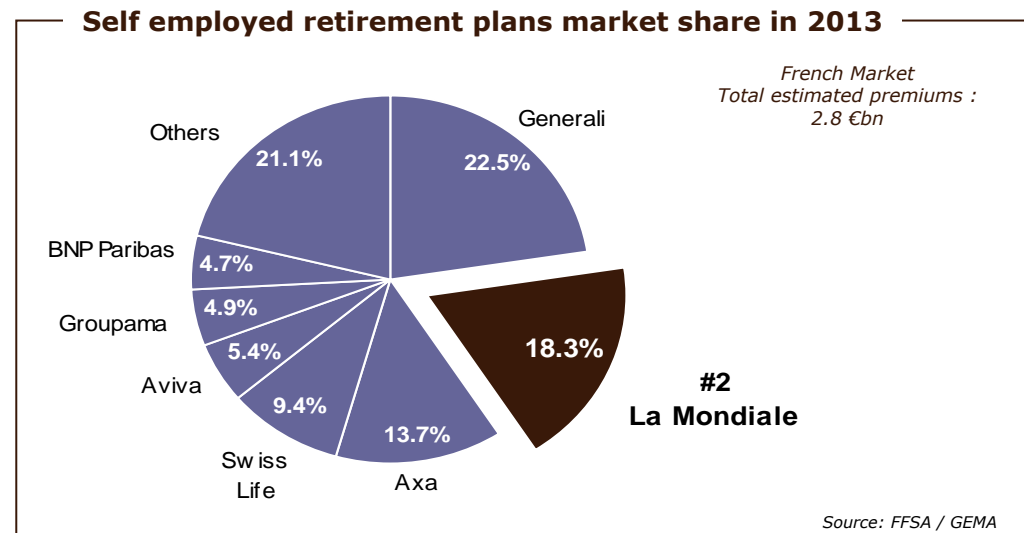
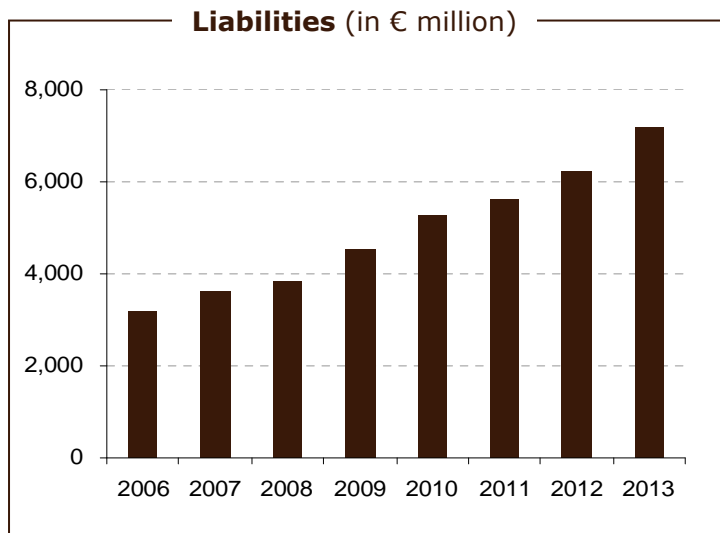


## Premiums :

- Growth by +7.2% in 2013 including +8.7% for Self employed retirement plans

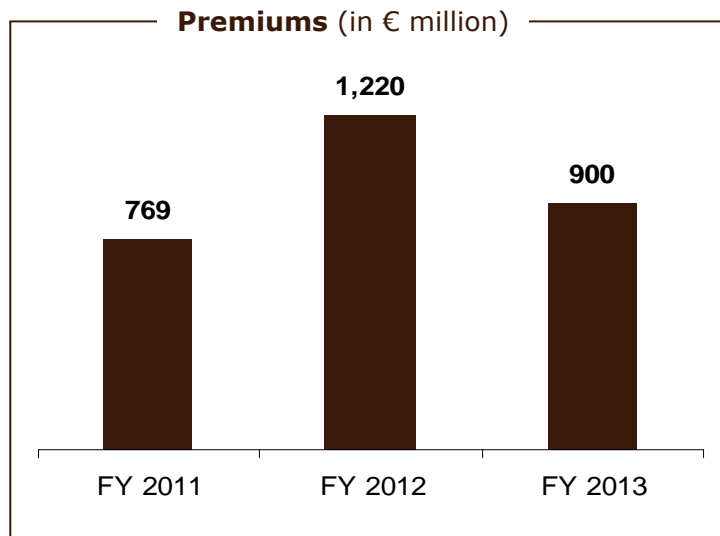
## Liabilities :

- Increase by +15.3% in 2013
- CAGR\* of 12.5% since 2006



\* CAGR : Compound Annual Growth Rate

# Group supplementary pension

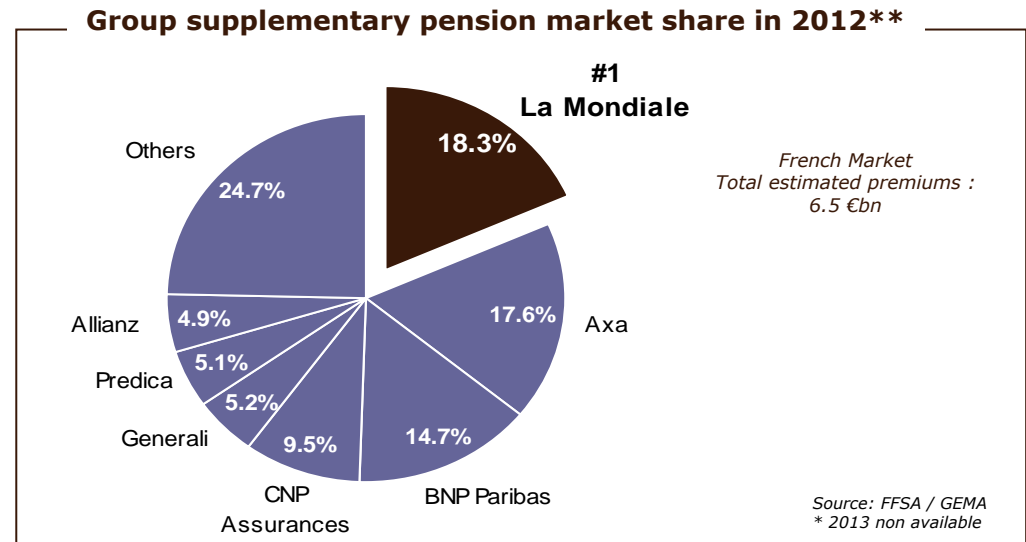


## Premiums :

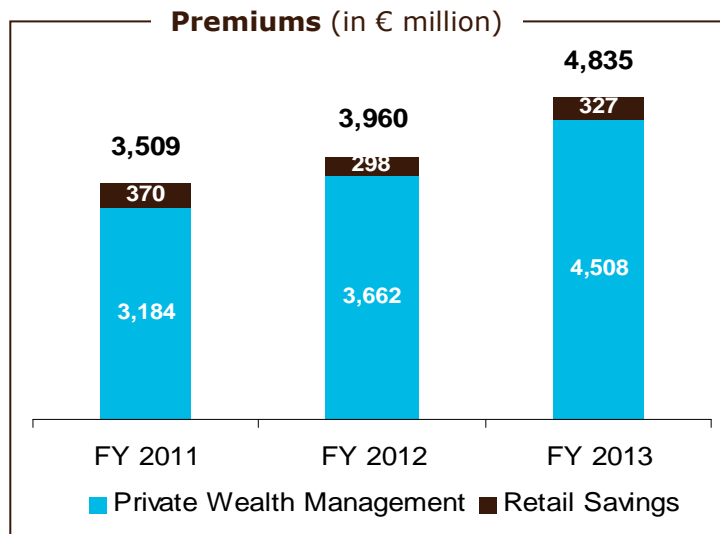
- Decrease by -26.2% in 2013
- +8.0% proforma, without exceptional premiums by 2012

## Liabilities :

- Increase by +4.2% in 2013
- CAGR by 7.1% since 2006



# Private wealth and retail savings

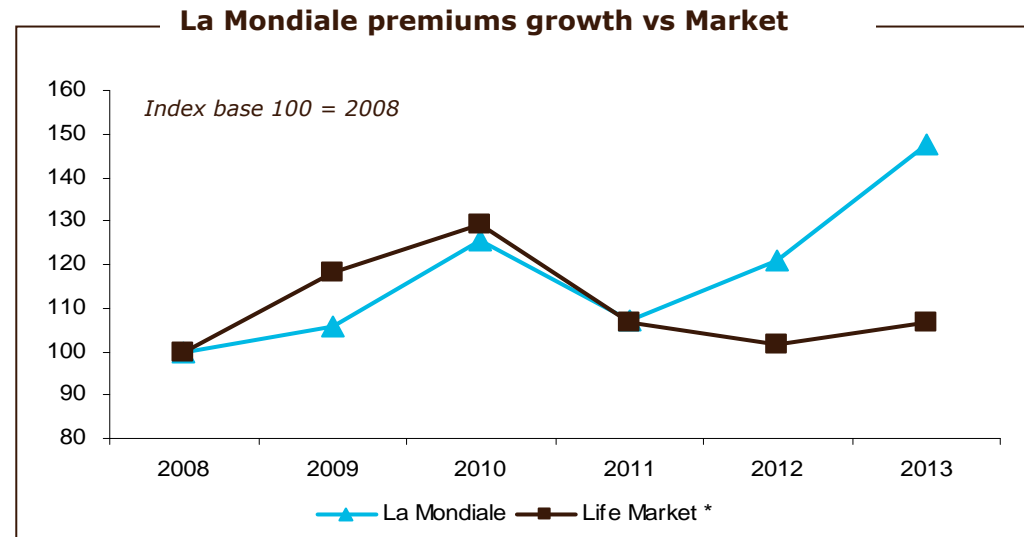
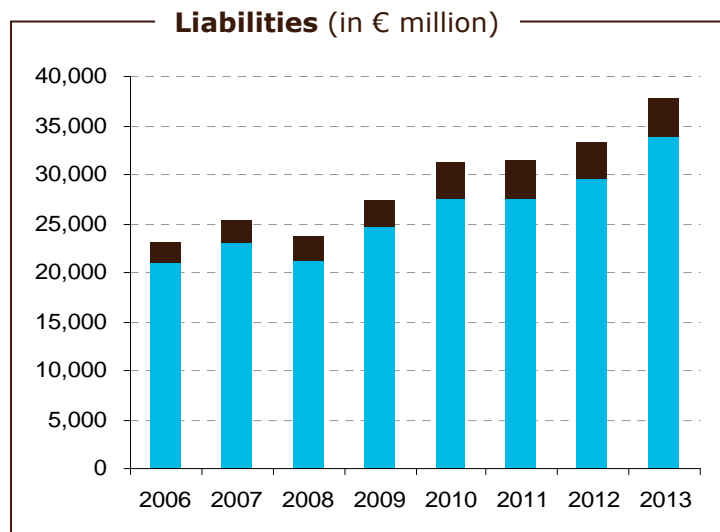


**Premiums** : growth by +22.1%

- Private wealth management savings : +23.1%
- Retail savings : +9.7%

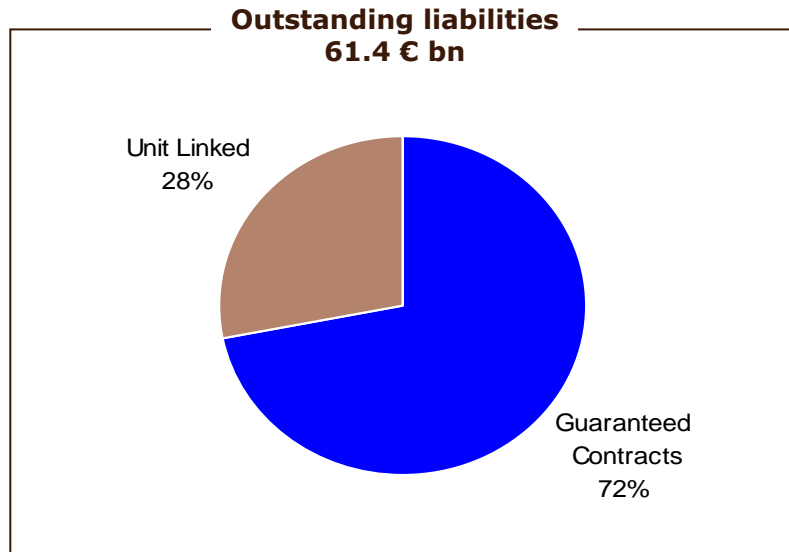
83% through partnerships, 10% via brokers and 7% via direct distribution channel

**Liabilities** : CAGR of 7.2% since 2006



\* FFSA + commissariat aux assurances Luxembourg

# Core businesses' financial structure

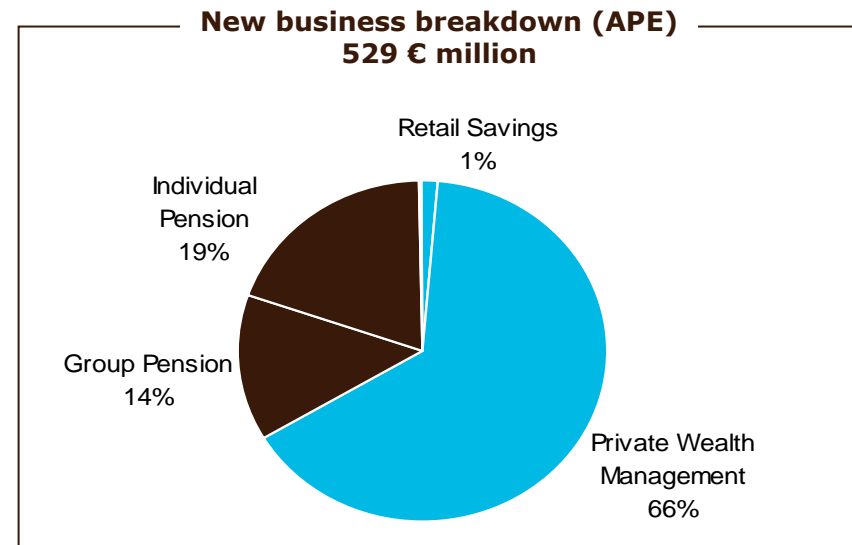
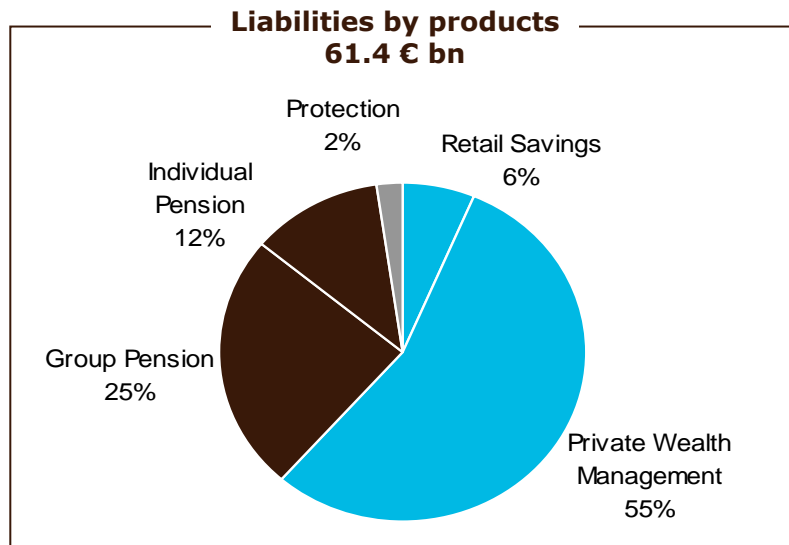


**Liabilities** : global growth by +10.4%

- ✓ Guaranteed contracts : +7.2%
- ✓ Unit linked : +19.5% (proforma +14.8%)

In 2013 UL liabilities represent 28% of total liabilities vs 26% in 2012

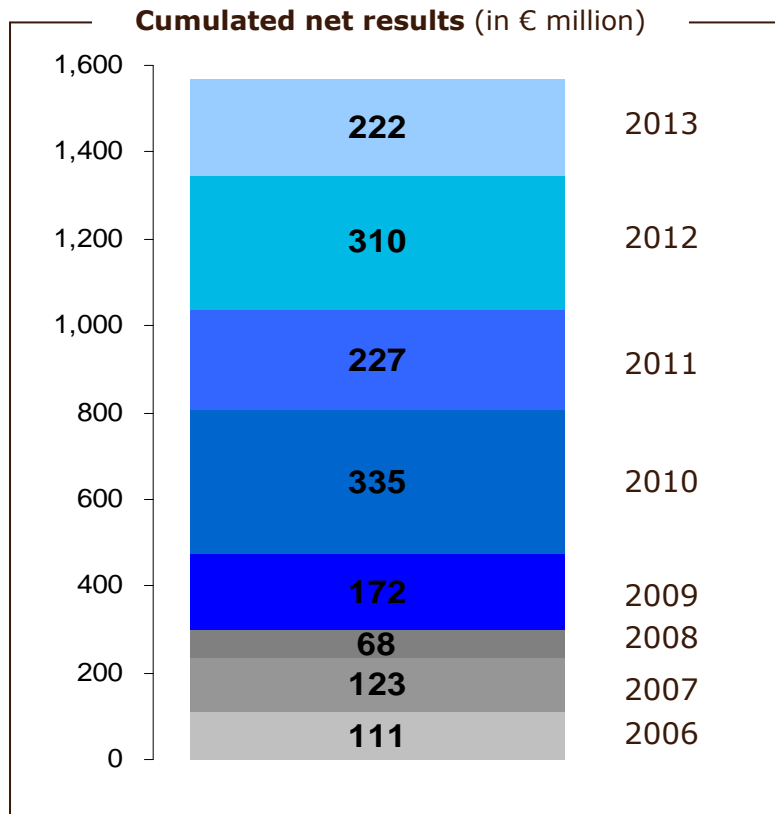
Outperformance of the market in both guaranteed contracts (+3.8%) and UL (+9.7%)





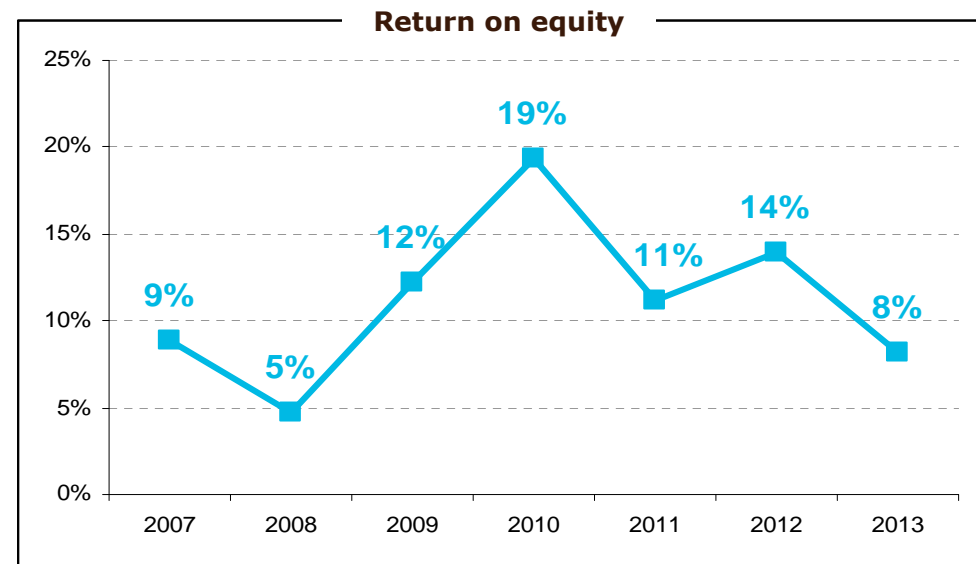
# FINANCIAL PERFORMANCE

# Earnings and profitability



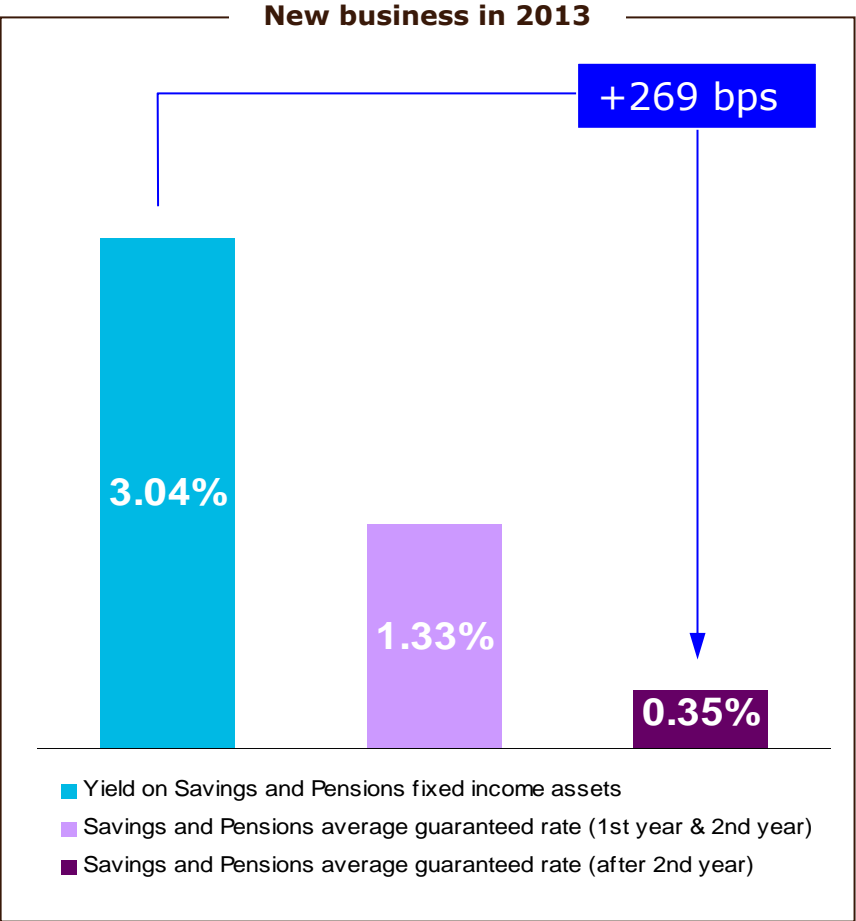
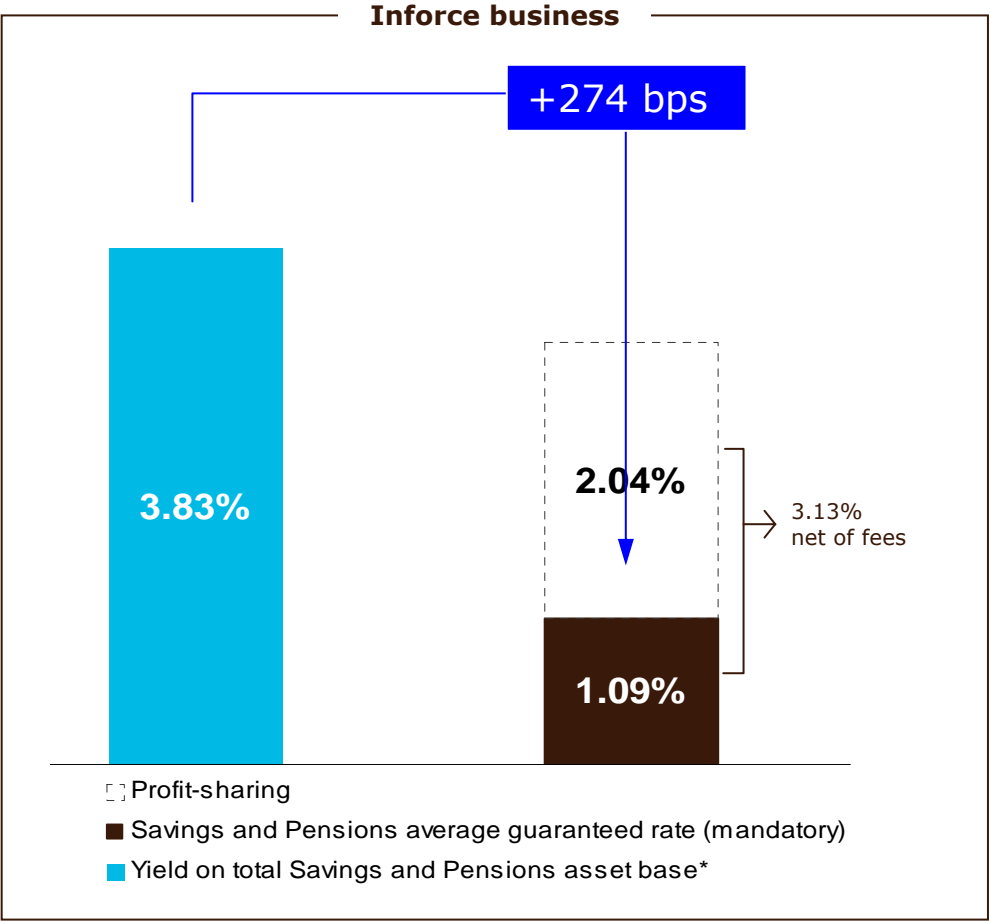
## 2013 net result : 222 € million

- -28.4% compared to 2012 net result
- Net result is increasing of **+9.9%** excluding operations below :
  - ✓ exit tax on capitalisation reserve : -33 €m
  - ✓ exceptional capital gains : +141 €m
- Over the average net result of the past 7 years
- Cumulated net results of **1,567 €m** since 2006, including two financial crisis



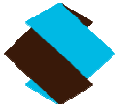


# Savings and pensions investment spreads



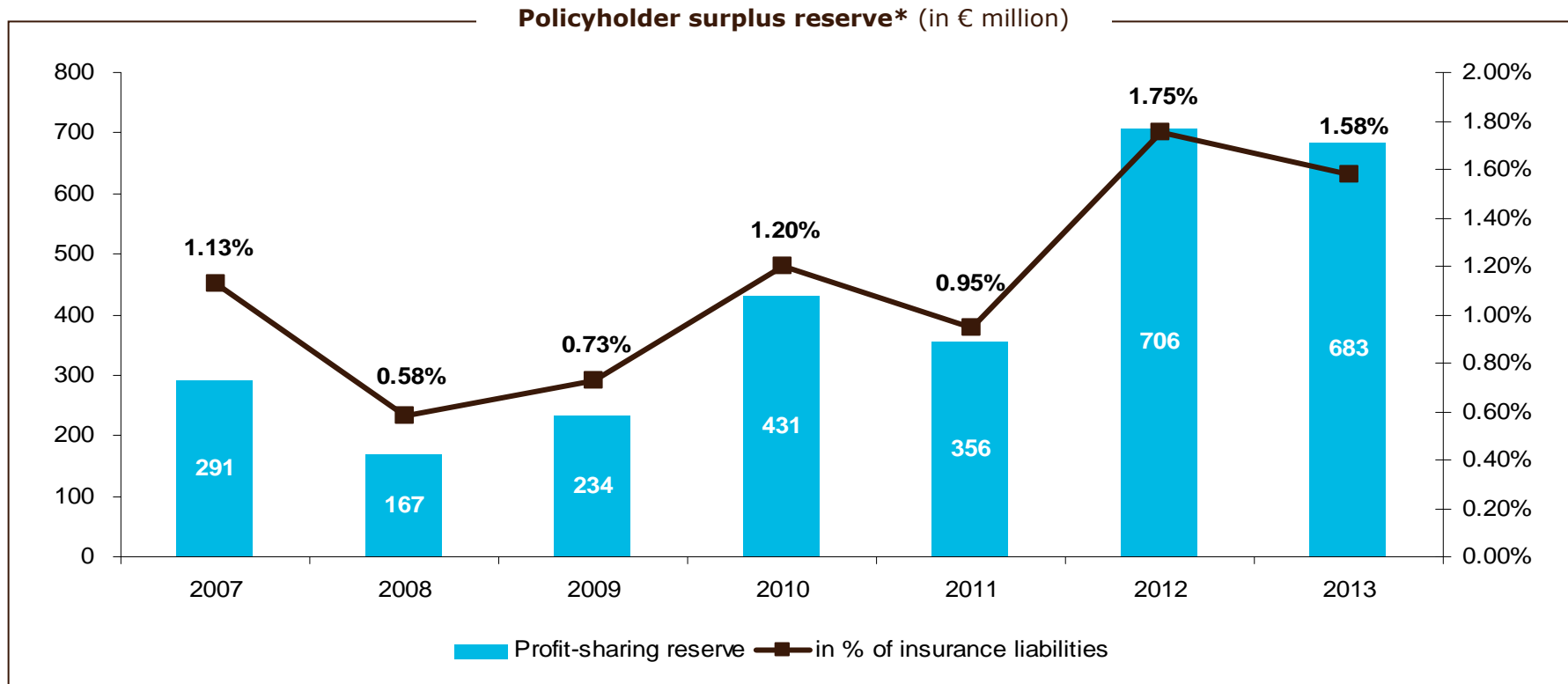
- Buffer of **1.2 €bn** above minimum guaranteed rate
- Average reserves of **42.7 €bn**

Very low long term guaranteed rate, in line with financial market conditions



\* Weighted average based on statutory accounts

# Policyholder surplus reserve



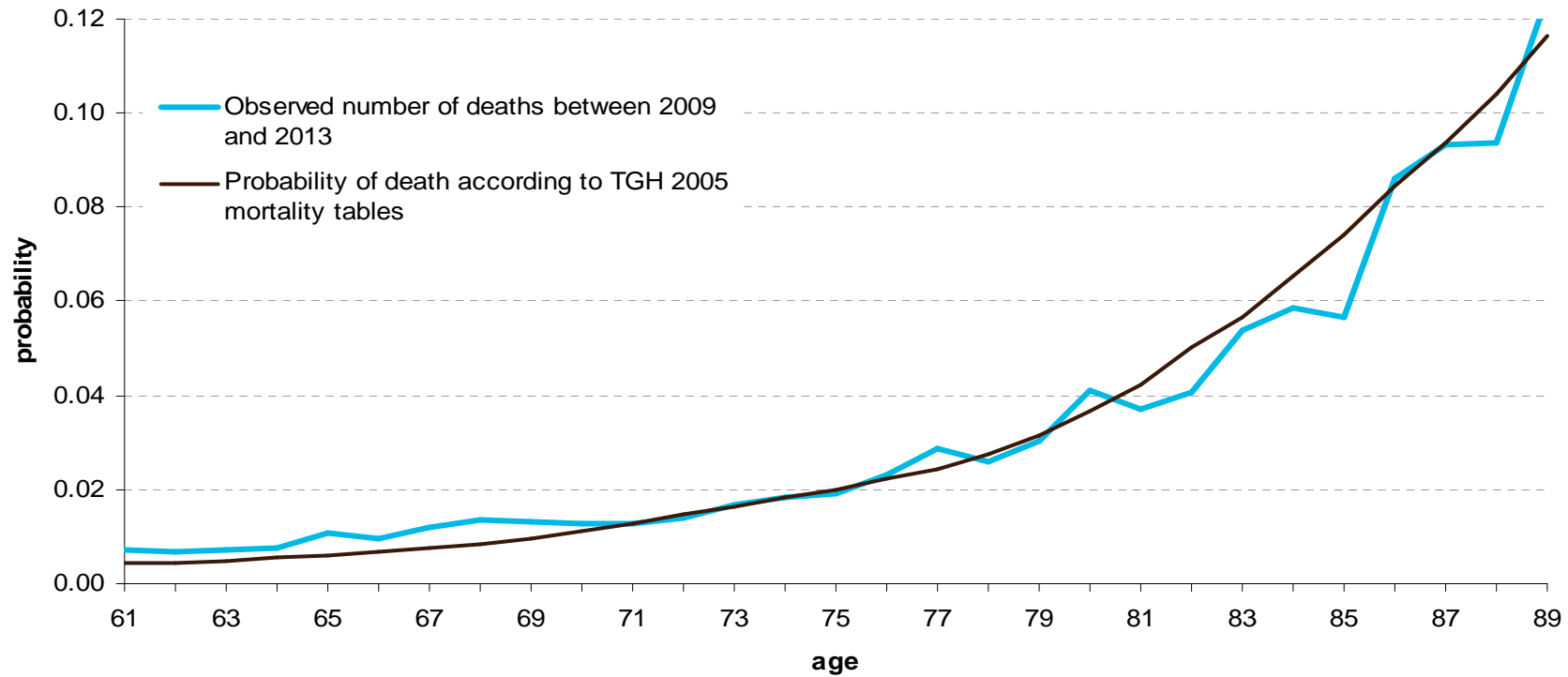
Significant loss absorption mechanism through undistributed profit in the policyholder surplus reserve.

**1.58%** of insurance liabilities: 0,17% reallocated to policyholders in 2013



\* Savings and Pensions surplus reserve

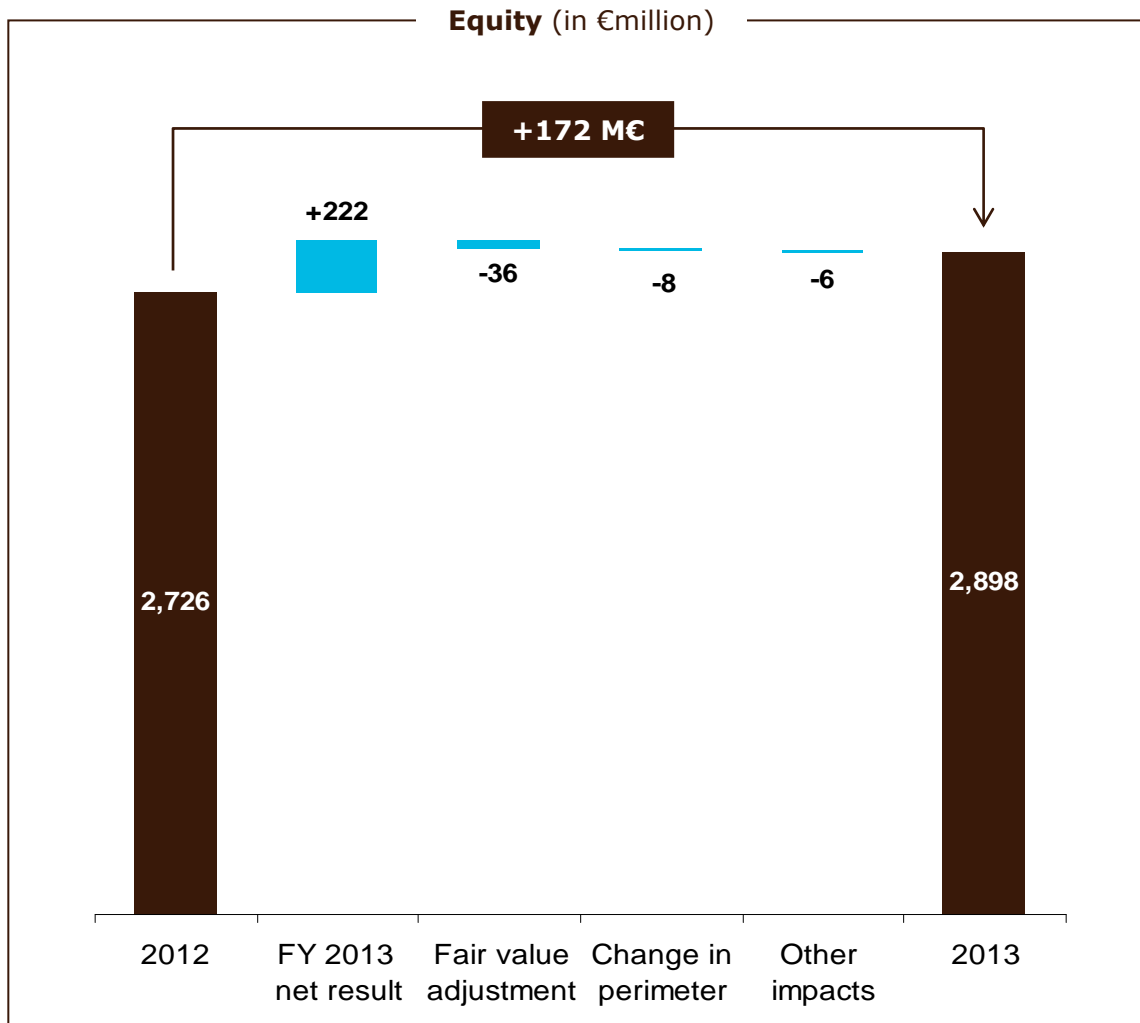
# Longevity risk management



- La Mondiale closely monitors longevity risk
- La Mondiale is able to face a major longevity shock.  
In case of a 15% decrease in death probability, impact on profit sharing is limited to 30bp



# Equity

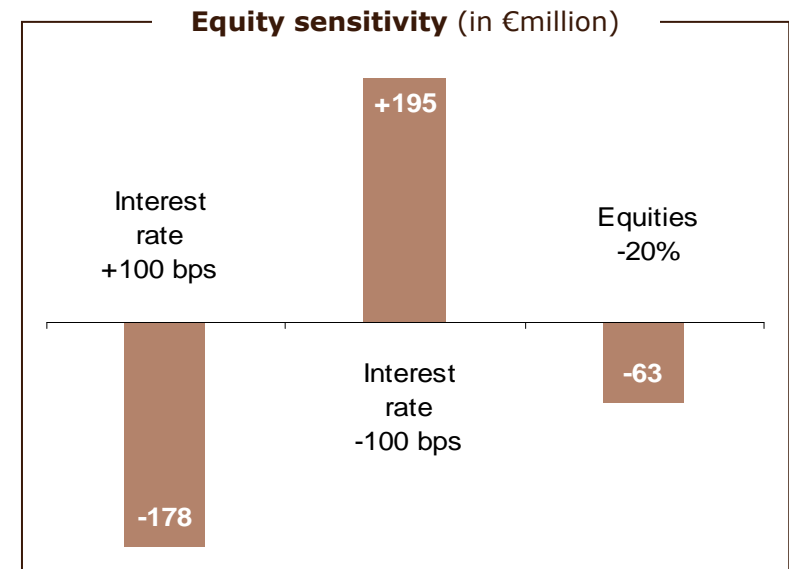


## Equity +6.3%

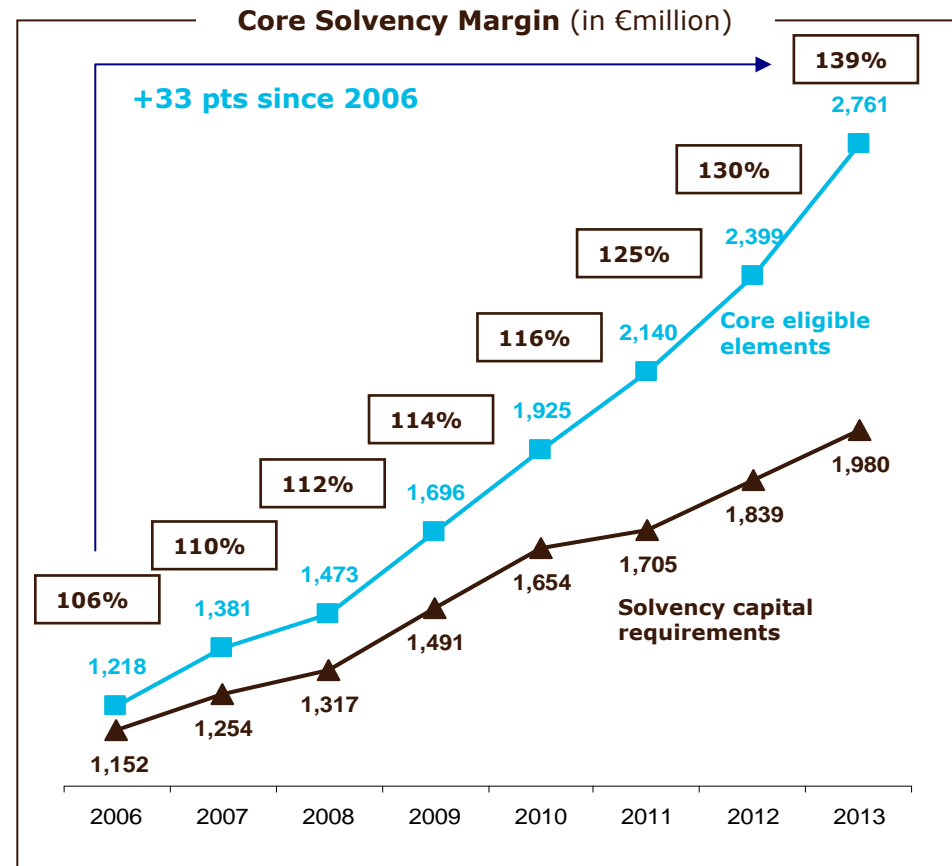
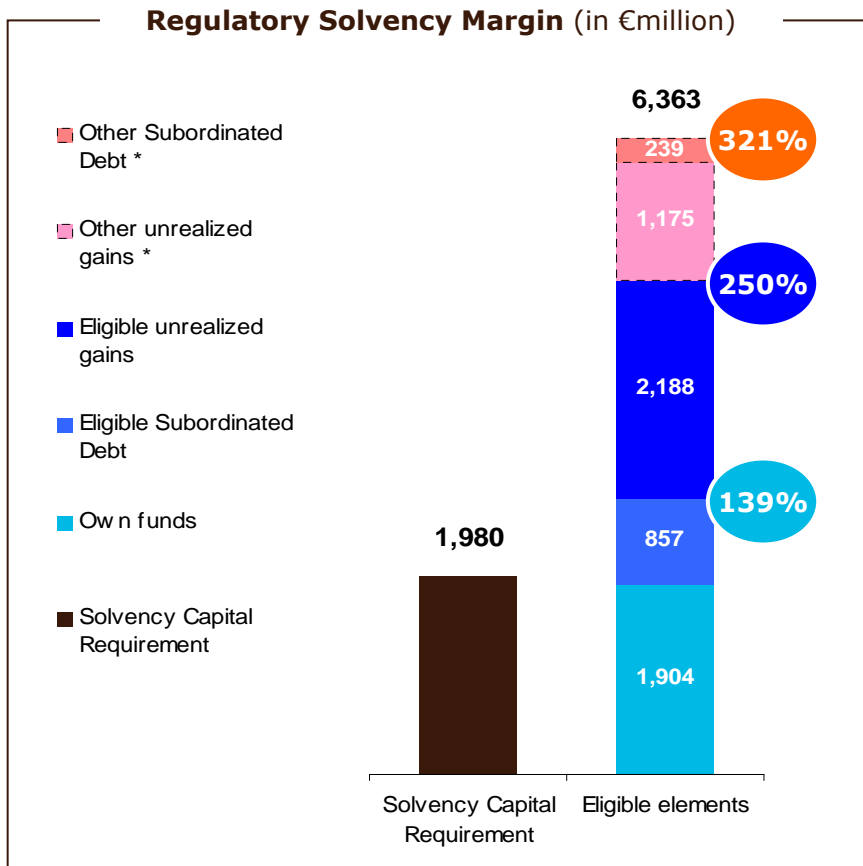
FY net result (including minority interests)  
+222 M€

Fair value adjustment -36 M€  
*Equities* +15 M€  
*Bonds* -55 M€  
*Other investment* +4 M€

Change and other impacts -14 M€



# Solvency margin

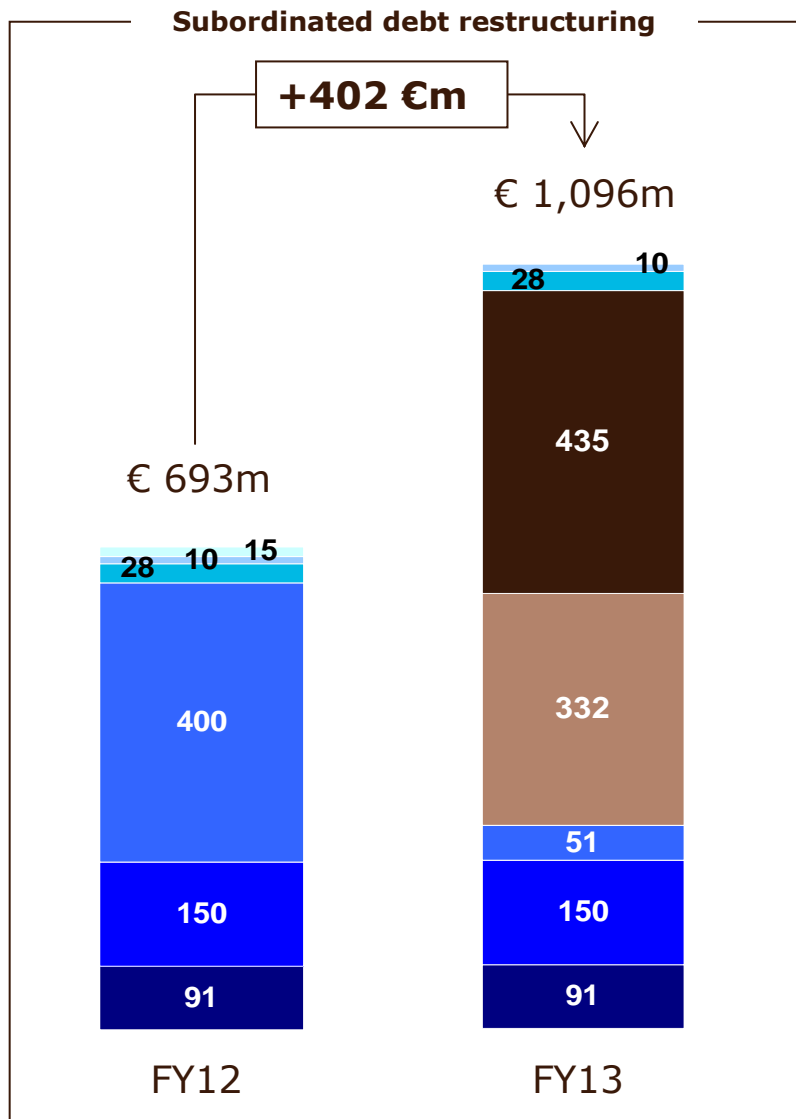


- **Core S1 margin has continued to improve in 2013**, including the growth of eligible subordinated debt (€857m vs €693m at the end of 2012)
- Other Subordinated debt represents €239m vs 0 at the end of 2012. This debt will be eligible following the growth of the Solvency Capital Requirement.
- Core solvency margin has increased by **33 points since 2006 and 27 points for 5 years.**



\* Other Subordinated Debt and Other unrealized gains temporary above regulatory ceiling

# Subordinated redemption profile



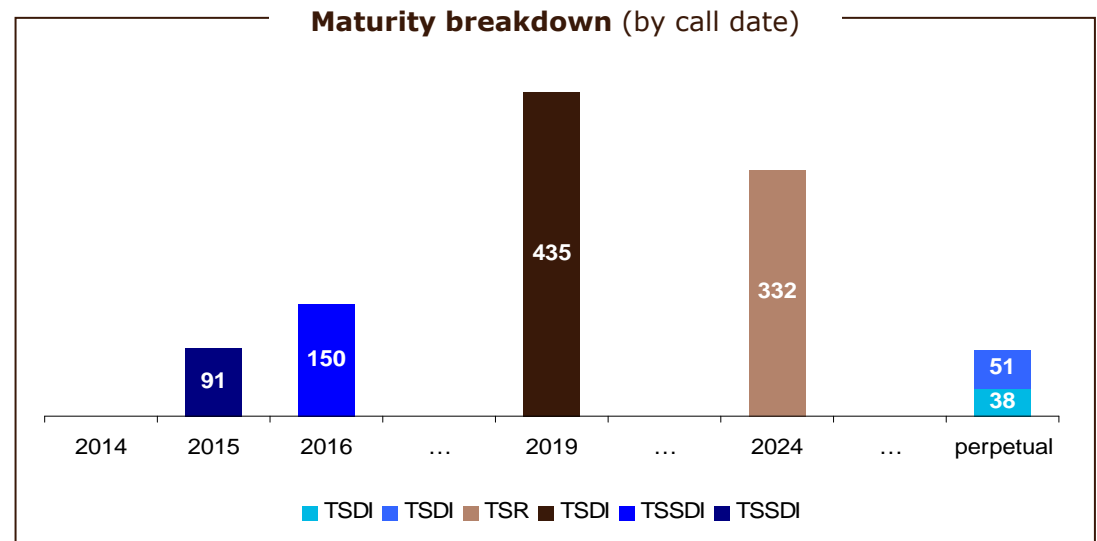
## Financial debt +58%

January 2013

- €15m redeemed

April 2013

- Issuance of USD 600m (€434m end of 2013) Undated Subordinated Notes
- Tender and Exchange offer on Undated Subordinated Notes (TSDI) :
  - Exchange of € 332m TSDI for dated Subordinated Notes (TSR)
  - € 17 m redeemed and € 51 m unchanged





**INVESTED ASSETS**

# Diversified asset allocation

Assets under management have grown significantly over the last decade at an average annual growth rate of **+11%** since 2006

La Mondiale's sound asset allocation is key and enabled La Mondiale to perfectly accommodate the recent two crisis (2008 and 2011) without a significant P&L or solvency impact

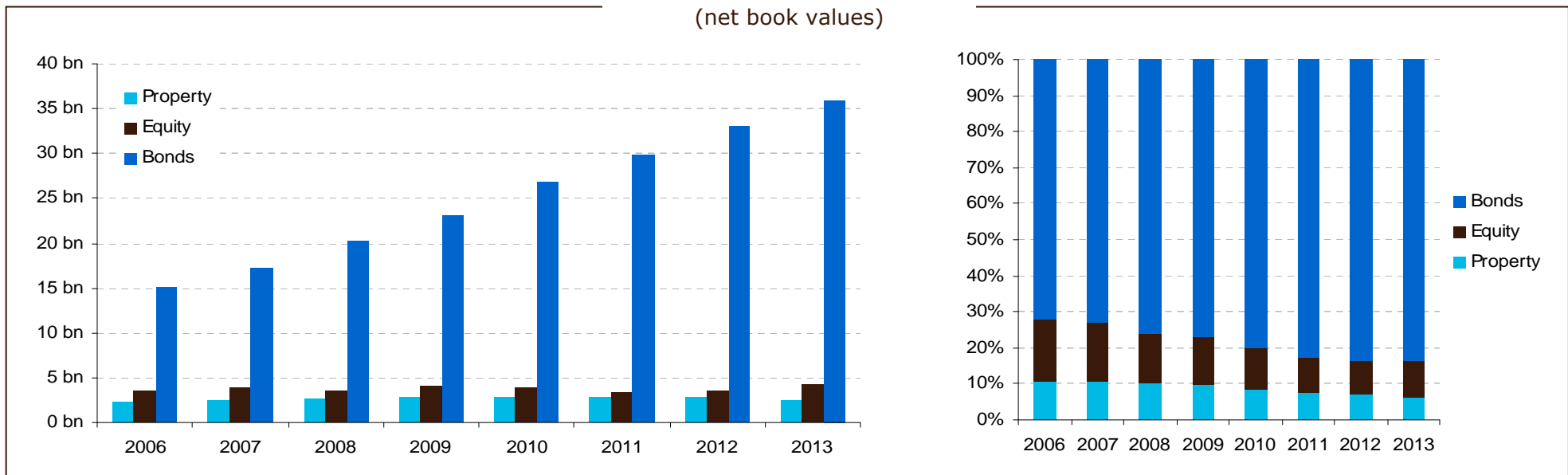
La Mondiale kept a de-risking and diversified asset allocation over the years

**Asset allocation**  
(excl. unit-linked assets)

Market values	% (as of 2013)	2013 (in € m)	2012 (in € m)
Property	5.5%	2,740	2,836
Equity	8.8%	4,436	3,217
Bonds *	84.9%	42,611	41,009
Others	0.9%	428	149
<b>Total</b>	<b>100.0%</b>	<b>50,215</b>	<b>47,211</b>

\* including rate OPCVM's

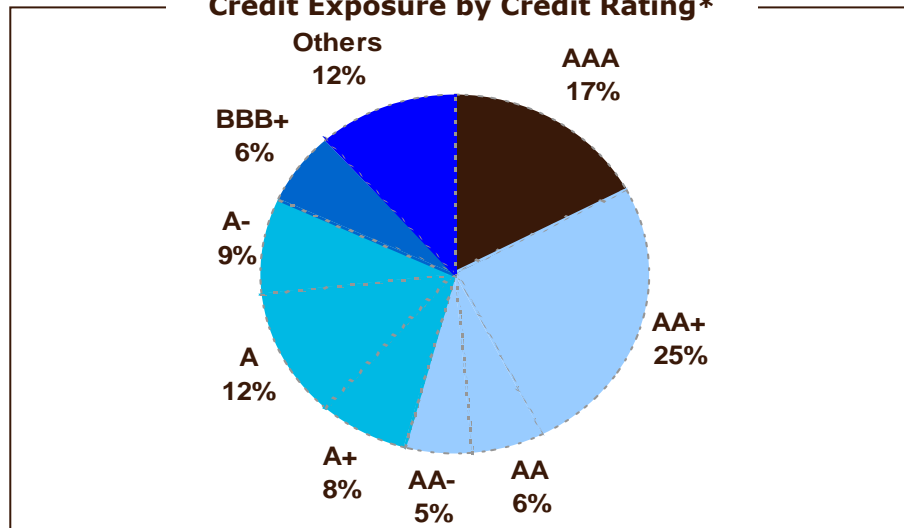
**Historical asset allocation**  
(net book values)





# Bonds – Low risk asset allocation

**Credit Exposure by Credit Rating\***

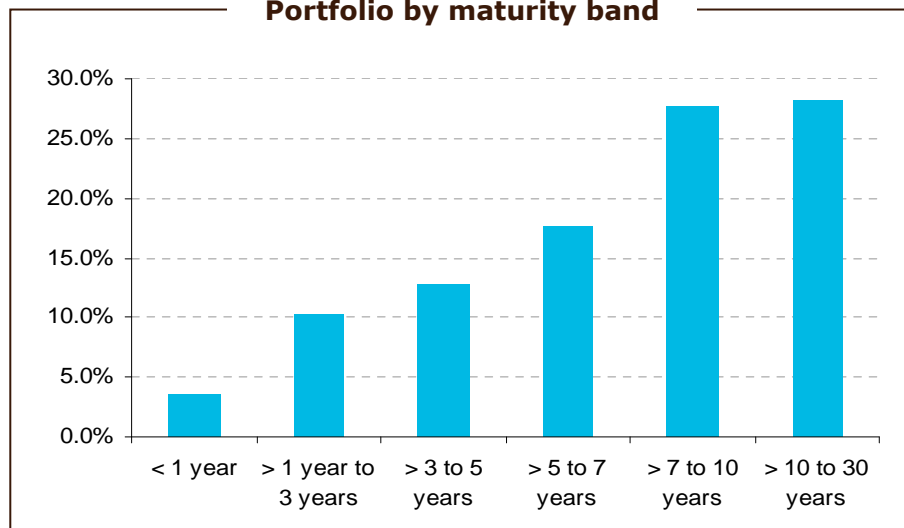


**Total Bond exposure is at €41 €bn, excluding OPCVMs (€42.6 bn with OPCVMs)**

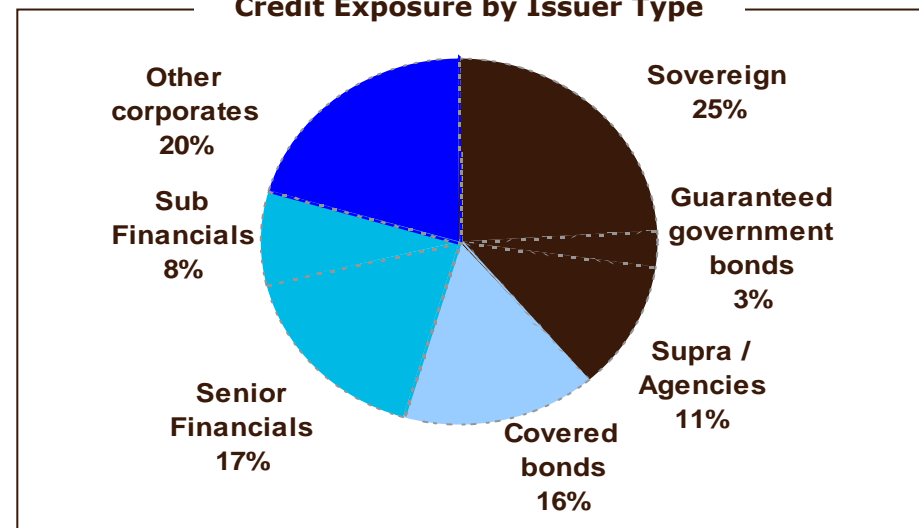
Limited exposure to risky investments with as less than 18% of the investments currently rated BBB+ or below

An estimated 15-year liabilities duration is a key strategic element of our asset management policy

**Portfolio by maturity band**

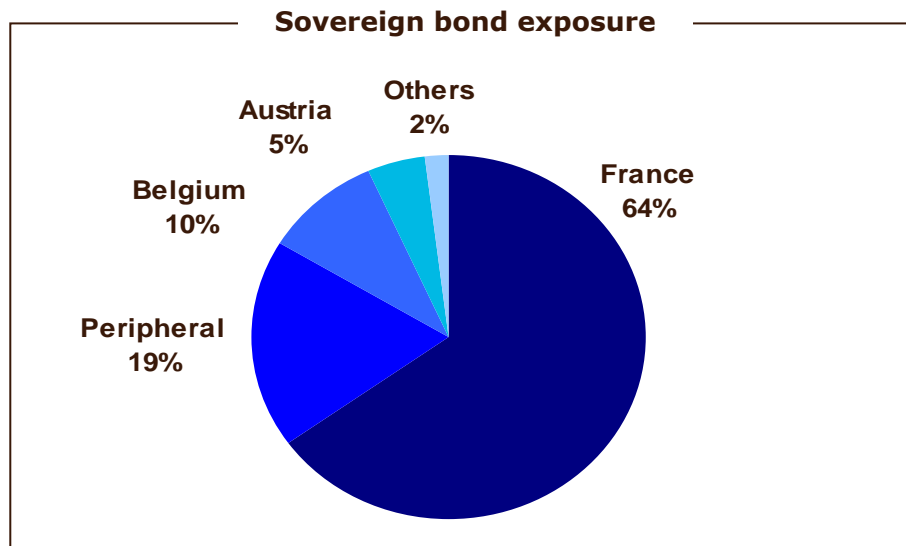


**Credit Exposure by Issuer Type**



\* Second best rating methodology consists of using the second best rating awarded to an issue by the three leading agencies, S&P, Moody's and Fitch

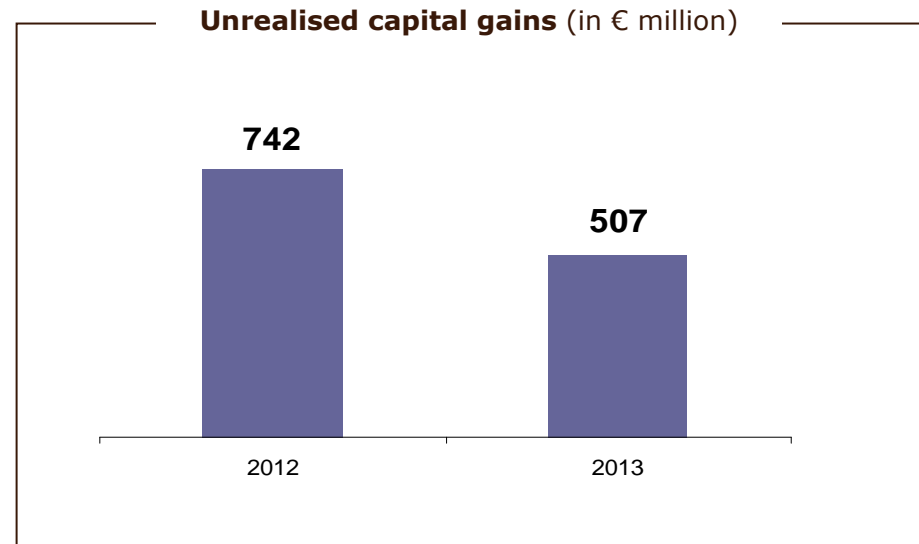
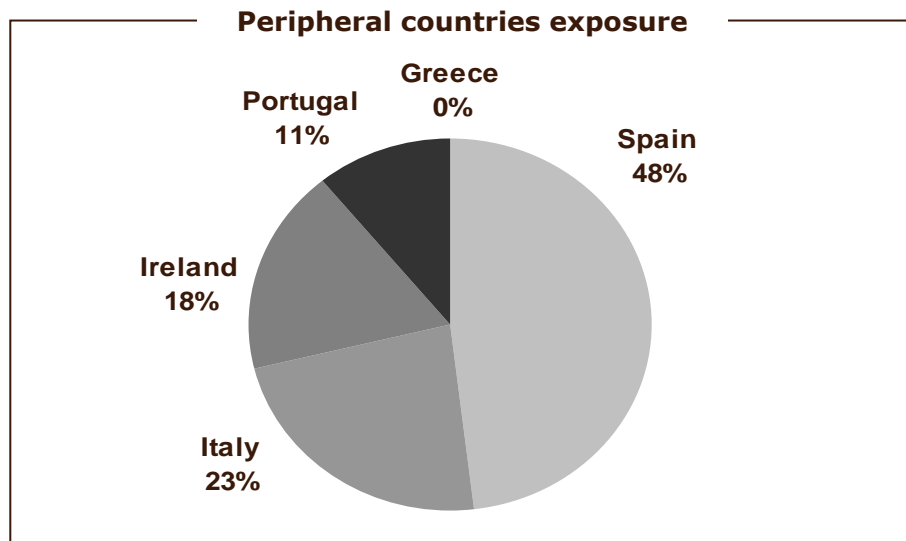
# Bonds – Sovereign exposure



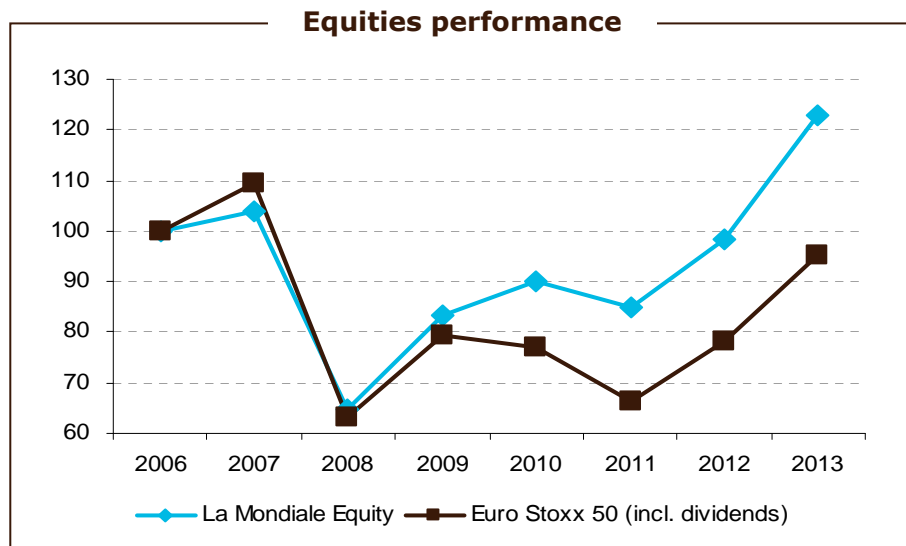
## Total Sovereign exposure is at 10 €bn

Sovereign exposure is less than 25% of total bonds exposure

Peripheral countries exposure is 19% of this sovereign bucket, hence only 4.3% of the total investments – This is lower than industry average.



# Equities – Long term performance

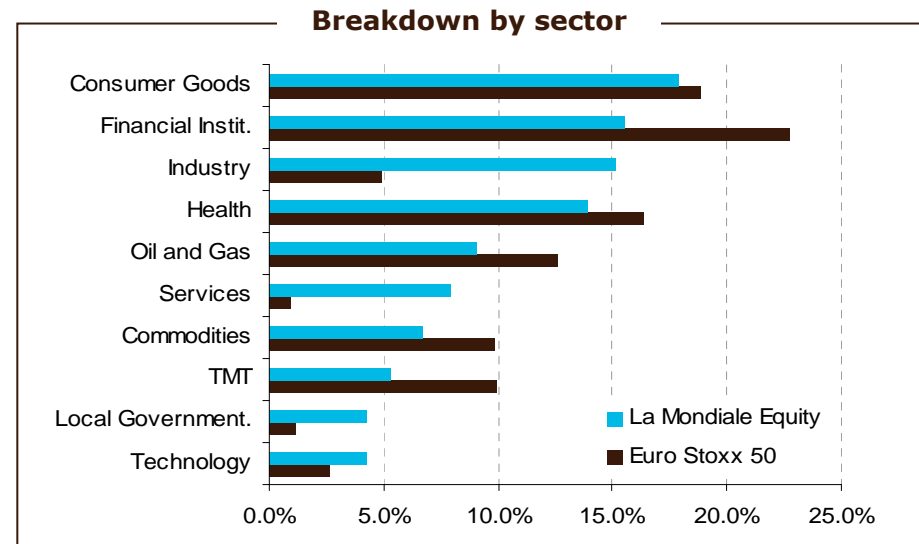
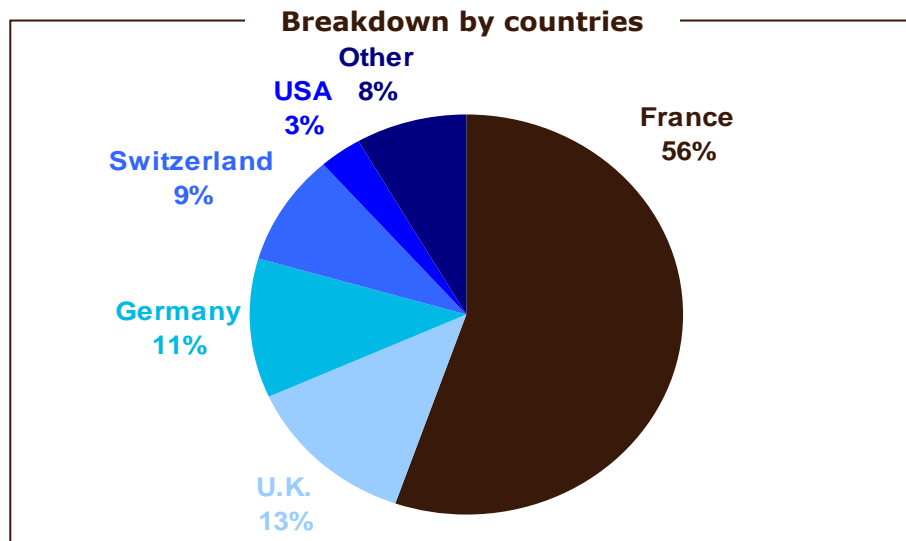


**Total Equities exposure is at €3.3 bn, excluding OPCVMs (€4.4 bn with OPCVMs)**

2013 performance at 24.6%, after 16.3% performance in 2012.

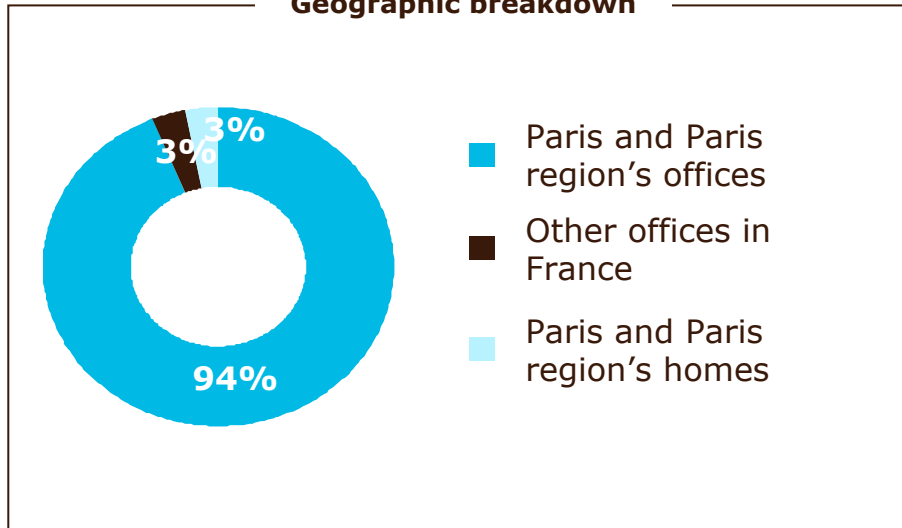
An Equity portfolio well diversified by geography and sector

A focus on large liquid Equity stocks traded on the main exchange markets



# Property – Resilient return

**Geographic breakdown**

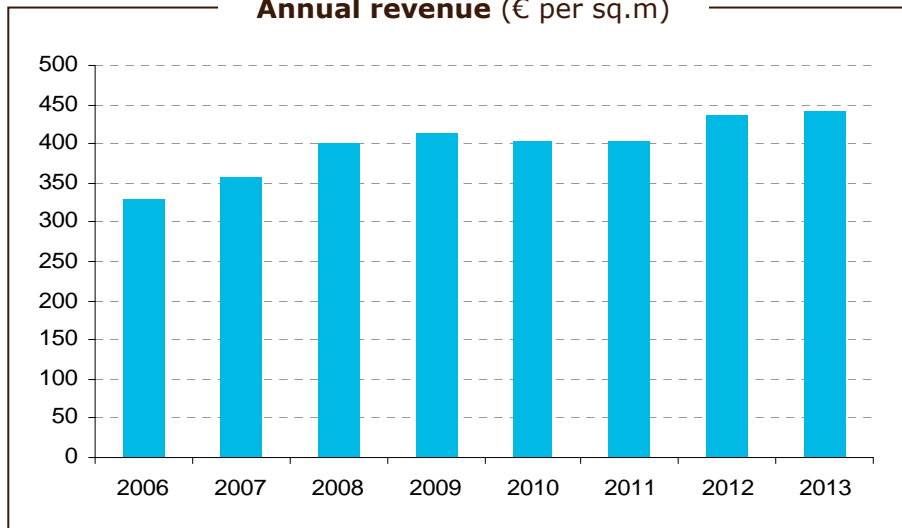


## Total Property exposure is at 2.7 €bn

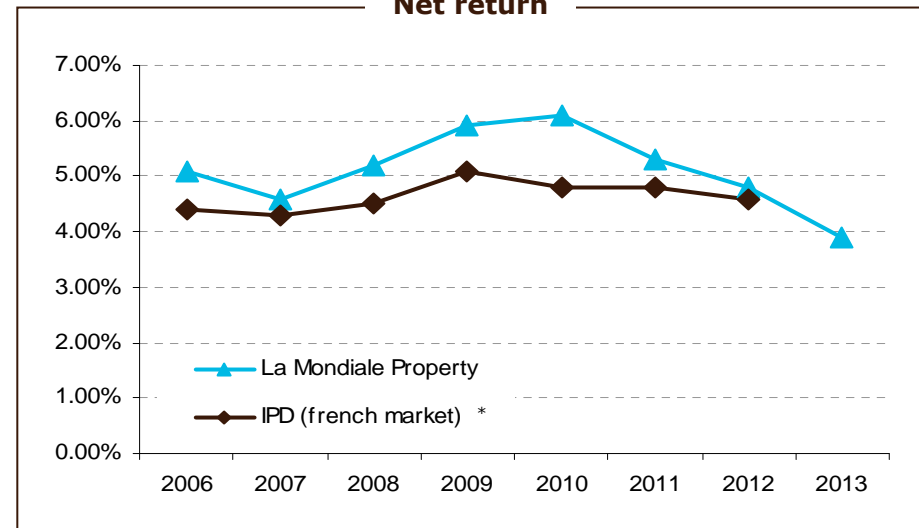
La Mondiale property assets represent 457,000.00 sq.m. and are mainly offices located in the center of or in Western Paris, i.e. only Prime Real Estate

Rental yields largely outperforms the fixed income markets even though they have been trending slightly downwards recently

**Annual revenue (€ per sq.m)**



**Net return**



\* 2013 not available





# APPENDIX

# Overview of La Mondiale Balance sheet

€ million	FY 2011	FY 2012	FY 2103	%Change FY 2013/ FY 2012
<b>TOTAL ASSETS</b>	<b>57,721</b>	<b>67,013</b>	<b>73,257</b>	<b>+9.3%</b>
Intangible assets	67	64	57	-11.1%
<i>ow. Goodwill</i>	43	41	42	+2.9%
<b>Insurance investments</b>	<b>42,057</b>	<b>49,348</b>	<b>52,818</b>	<b>+7.0%</b>
<b>Unit Linked investments</b>	<b>12,707</b>	<b>14,573</b>	<b>17,426</b>	<b>+19.6%</b>
Others assets	2,773	2,692	2,587	-3.9%
Cash and cash equivalent	117	335	370	+10.2%

€ million	FY 2011	FY 2012	FY 2103	%Change FY 2013/ FY 2012
<b>TOTAL LIABILITIES</b>	<b>57,721</b>	<b>67,013</b>	<b>73,257</b>	<b>+9.3%</b>
Equity Group Share	1,965	2,432	2,575	+5.9%
Minority Interests	259	294	323	+9.9%
<b>Total Equity</b>	<b>2,223</b>	<b>2,726</b>	<b>2,898</b>	<b>+6.3%</b>
Financing debt	439	453	855	+89.1%
Insurance and financial liabilities	50,589	58,794	64,278	+9.3%
Other liabilities	4,471	5,040	5,225	+3.7%



# Overview of La Mondiale P&L account

<i>€ million</i>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2103</b>	<b>%Change FY 2013/ FY 2012</b>
Revenue	5,239	6,234	6,752	+8.3%
Financial Products	2,372	2,760	2,322	-15.9%
<b>Current operating income</b>	<b>6,237</b>	<b>10,394</b>	<b>10,847</b>	<b>+4.4%</b>
<b>Current operating expenses</b>	<b>-5,904</b>	<b>-9,872</b>	<b>-10,470</b>	<b>+6.1%</b>
<b>Operating Income</b>	<b>333</b>	<b>520</b>	<b>377</b>	<b>-27.6%</b>
<b>CONSOLIDATED NET RESULT</b>	<b>227</b>	<b>310</b>	<b>222</b>	<b>-28.4%</b>
<i>o.w Group share</i>	<i>206</i>	<i>289</i>	<i>199</i>	<i>-31.3%</i>
<i>o.w Minority Interest</i>	<i>21</i>	<i>20</i>	<i>23</i>	<i>+12.5%</i>



# Contact details

## **Management**

André Renaudin  
Chief Executive Officer

Sylvain de Forges  
Deputy Chief Executive Officer

David Simon  
Chief Financial & Risk Officer  
david.simon@ag2rlamondiale.fr  
+33 1 76 60 87 41

Jean-Louis Charles  
Chief Investment Officer  
jean-louis.charles@ag2rlamondiale.fr  
+33 1 76 60 99 91

La Mondiale  
104-110, boulevard Haussmann, 75008 Paris - France

**Investor Relations - Contact: [infosfinancieres@ag2rlamondiale.fr](mailto:infosfinancieres@ag2rlamondiale.fr)**

<http://www.ag2rlamondiale.fr>

