



AG2R LA MONDIALE

# LA MONDIALE

# INVESTOR PRESENTATION

October 13, 2020

# Group overview

✓ **Leader in savings & pensions in France**

✓ **Strong footprints in private wealth savings, with a large share in Unit-Linked**

✓ **Major player in health & protection in France**

**€4.2bn** GWP at HY2020

**€106m** net result at HY2020 (€350m as of FY2019)

Target organic capital generation of **€1bn in 3 years**

**€12.1bn** eligible own funds as of HY2020

SII ratios of **198%** (SGAM) & **237%** (La Mondiale) as of HY2020

**A- / Positive outlook** from S&P



# Highlights

Over the first 6 months of the year, the Covid crisis was obviously the main focus, alongside the low interest rate environment which was already a major theme in 2019

## Impacts of the Covid crisis: a tremendous shock that can be absorbed by the Group

- Technical impacts: increase in unpaid premiums and increase in partial unemployment, offset by a decrease in health claims; few surrenders on life insurance contracts
- Financial impacts: lower real estate rental fees and dividends, liquidity well above the comfort zone at any time of the crisis, impairment of property and equity
- Participation to national rescue effort: donation to the insurance industry solidarity fund (€6m) over the 1<sup>st</sup> semester and contribution to the exceptional tax which will impact the annual accounts (€35m expected)

**Impact on end-of-year result but without calling into question the LT vision and strategy**

## Management of low rates environment:

- Control of net inflows and arbitrage: monitored negative net inflows in euros, good performance of net inflows in Unit Linked (details p.13), positive arbitrage from General Account to UL
- Management of UL mix: 48% of total premiums, and 31% of total liabilities (details p.11), above the French market
- A solid solvency ratio of 198% (details p.25)
- Successful opportunistic issuance of a Tier 2 Bullet for €500m, representing 7 points of solvency, in a context of low interest rates
- Equity hedging set up in 2019 and updated in order to gradually lengthen the hedging maturity to end of 2021, to secure the whole equity portfolio (details p.20)



# A steered business model

## **Robust capital position**

- ☑ Solvency II ratio stands at 198% (SGAM) and 237% (La Mondiale) as of HY2020
- ☑ €1bn organic capital generation every three years with no dividend to be distributed given our mutual structure
- ☑ Disciplined ALM group policy and active management of traditional books with a continued decrease of guaranteed rates

## **No exposure to most-affected businesses**

- ☑ Pure Life player with no exposure to business interruption nor Corporate lines
- ☑ Steered business model with unique positioning towards high net worth individuals and supplementary pensions
- ☑ Large share of Unit Linked in our Balance Sheet as well as in the New Business

## **Resilient asset allocation despite headwinds**

- ☑ Very efficient equity hedging program that allowed us to stabilize unrealized gains during the crisis
- ☑ Exceptional liquidity (€1.5bn cash) above our reference position
- ☑ Slight reweighting towards Corporates without changing our credit investment policy



# In the midst of the crisis, SGAM benefits from the trust of the rating agency

## **S&P Global** Ratings

### **'A-' Positive Outlook**

Business risk profile: **Strong**

Financial Risk Profile: **Strong**

Liquidity: **Exceptional**

Financial Strength Rating: **A-**

### **Rating confirmed on June 09, 2020**

S&P points out:

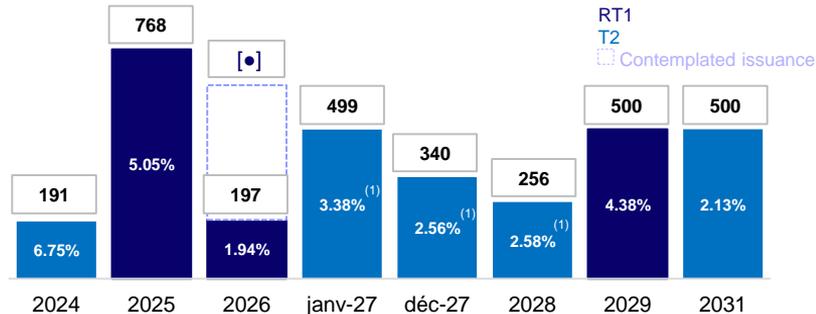
- ✓ the financial strength of SGAM
- ✓ its leading positions in France
- ✓ the volume and extent of the products distribution
- ✓ The stable operational performance
- ✓ the exceptional liquidity of its balance sheet
- ✓ the actions implemented to reduce its sensitivity to COVID-19-related market shocks



# Proposed transaction

<b>Issuer</b>	La Mondiale
<b>Format</b>	5.5-year Subordinated Tier 3 Notes
<b>Size</b>	€ Benchmark
<b>Issuer Rating</b>	A- / Positive (S&P)
<b>Issue Rating</b>	Expected [BBB] by S&P

## Debt maturity profile



<sup>(1)</sup> Euro equivalent issuance rate, after hedging

## Rationale

- Benefit from current attractive market conditions to reinforce and diversify the group's capital structure with a new and rare Tier 3 format
- Pursuant to the confirmation of the positive Outlook by S&P during Q2, despite the unprecedented circumstances – highlighting the strong resilience of the group's business model
- As the Group already benefits from a comfortable excess of capital within the S&P model, cost-effective solution to go with a T3 format



# Tier 3 bullet notes – summary of terms

<b>Issuer</b>	La Mondiale
<b>Notes</b>	EUR [●] Subordinated Tier 3 notes
<b>Issue Rating</b>	[BBB] (S&P) (expected)
<b>Maturity</b>	[●] April 2026, subject to conditions to Purchase and Redemption(the Scheduled Maturity Date)
<b>Ranking</b>	At issuance: direct, unconditional and unsecured Ordinary Subordinated Obligations of the Issuer, ranking <i>pari passu</i> among themselves (subordinated to unsubordinated debt and Senior Subordinated Obligations, <i>pari passu</i> with Ordinary Subordinated Obligations and senior to Deeply Subordinated Obligations and all present and future Mutual Certificates, <i>prêts participatifs</i> , <i>titres participatifs</i> ). Upon redemption or repurchase and cancellation of all of the Existing Ordinary Subordinated Obligations: direct, unconditional and unsecured Senior Subordinated Obligations of the Issuer, ranking <i>pari passu</i> among themselves (subordinated to unsubordinated debt, <i>pari passu</i> with Senior Subordinated Obligations and senior to Ordinary Subordinated Obligations, Deeply Subordinated Obligations and all present and future Mutual Certificates, <i>prêts participatifs</i> , <i>titres participatifs</i> ). Provision waiving set-off will be included
<b>Interest Payment</b>	Fixed rate of [●] per cent. per annum (the Interest Rate), payable annually in arrear on [●] in each year (each, an Interest Payment Date), commencing on [●] [2021]
<b>Optional Redemption</b>	At the option of the Issuer in whole but not in part: (i) at anytime from and including [3 months prior to the Scheduled Maturity Date] to, but excluding the Scheduled Maturity Date, (ii) at any time upon a Capital Disqualification Event, tax reasons (including deductibility and gross-up due to withholding) and Clean-up Call. In each case subject to Conditions to Redemption and Purchase are met
<b>Mandatory Interest Deferability</b>	Cash cumulative non-compounding Mandatory Interest Deferral either if i) a Regulatory Deficiency Interest Deferral Event has occurred and is continuing, or ii) the payment of interest would itself cause a Regulatory Deficiency Interest Deferral Event
<b>Arrears of Interest</b>	Arrears of Interest may be paid in whole or in part at any time (subject to the Conditions to Settlement, at the option of the Issuer) and must be paid on the earliest of: (i) the next succeeding Interest Payment Date which is not a Mandatory Interest Deferral Date or (ii) the date of any redemption of the Notes in accordance with the provisions relating to redemption of the Notes or (iii) the date upon which a judgment is made for the voluntary or judicial liquidation of the Issuer. The arrears of interest shall not themselves bear interest
<b>Regulatory Deficiency Interest Deferral Event</b>	The own funds regulatory capital of the Issuer and/or the SGAM is not sufficient to cover its Minimum Capital Requirement (MCR) and such breach is an event which under the Solvency II Regulations requires the Issuer to defer payment of interest
<b>Regulatory Deficiency Redemption Deferral Event</b>	The own funds regulatory capital of the Issuer and/or the SGAM is not sufficient to cover its capital requirements (incl. SCR or MCR) and a redemption or repayment of principal is prohibited under Solvency II Regulations
<b>Conditions to Purchase and Redemption</b>	The Notes may not be redeemed or purchased if (i) a Regulatory Deficiency Redemption Deferral Event has occurred and is continuing (or would occur) except if (a) the Relevant Supervisory Authority has exceptionally approved such redemption or purchase, (b) the Notes have been exchanged for or converted into another basic own-fund item of the Issuer of at least Tier 3 own funds regulatory capital and (c) the MCR of the Issuer and the consolidated group is complied with after the redemption or purchase, and (ii) no Insolvent Insurance Affiliate Winding-up having occurred and is continuing, and (iii) Prior Approval of the Relevant Supervisory Authority has been obtained. In addition, certain other conditions to redemption apply in accordance with Solvency II Regulations
<b>Denominations</b>	EUR 100,000 + 100,000
<b>Governing Law / Docs</b>	French law / Information Memorandum dated [●] 2020
<b>Selling Restrictions</b>	As per the Information Memorandum; Professional investors and ECPs only target market
<b>Form / Listing / Clearing</b>	Dematerialised bearer / Euronext Growth / Euroclear France



# Comparison of Notes

Issuer	La Mondiale	La Mondiale	CNP Assurances	BNP Paribas Cardif
Notes	EUR [●] Tier 3 notes	EUR 500m Tier 2 notes	EUR 1bn Tier 3 Notes	EUR 750m Tier 3 Notes
Issue Rating (at issue)	BBB (S&P) (expected)	BBB (S&P)	BBB+ (S&P)	BBB (S&P)
Maturity	● April 2026	23 June 2031	20 October 2022	29 November 2024
Ranking	<ul style="list-style-type: none"> <li>At issuance: direct, unconditional and unsecured Ordinary Subordinated Obligations ranking pari passu among themselves (subordinated to unsubordinated debt and Senior Subordinated Obligations, pari passu with Ordinary Subordinated Obligations and senior to Deeply Subordinated Obligations and all present and future Mutual Certificates, prêts participatifs, titres participatifs)</li> <li>Upon redemption or repurchase and cancellation of all of the Existing Ordinary Subordinated Obligations: direct, unconditional and unsecured Senior Subordinated Obligations, ranking pari passu among themselves (subordinated to unsubordinated debt, pari passu with Senior Subordinated Obligations and senior to Ordinary Subordinated Obligations, Deeply Subordinated Obligations and all present and future Mutual Certificates, prêts participatifs, titres participatifs).</li> </ul>	Direct, unconditional and unsecured ordinary subordinated obligations of the Issuer, ranking pari passu among themselves (subordinated to unsubordinated debt and Tier 3 debt, pari passu with Tier 2 debt and senior to Tier 1 debt and all present and future Mutual Certificates)	<ul style="list-style-type: none"> <li>At issuance: direct, unconditional, unsecured Ordinary Subordinated Obligations and ranking pari passu among themselves and Ordinary Subordinated Obligations, senior to present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, prêts participatifs, and titres participatifs and junior to Unsubordinated Obligations</li> <li>As from the Existing Ordinary Subordinated Obligation Redemption Event: direct, unconditional, unsecured Senior Subordinated Obligations, ranking pari passu among themselves and other Senior Subordinated Obligations, senior to all present and future Equity Securities, Undated Junior Subordinated Obligations, Dated Junior Subordinated Obligations, Ordinary Subordinated Obligations, prêts participatifs, and titres participatifs but junior to Unsubordinated Obligations</li> </ul>	<ul style="list-style-type: none"> <li>At issuance: direct, unconditional, unsecured Ordinary Subordinated Obligations, ranking pari passu with other Ordinary Subordinated Obligations, junior to unsubordinated creditors and senior to any prêts participatifs, Deeply Subordinated Obligations and Equity Securities</li> <li>Upon redemption or repurchase and cancellation of all of the Existing Ordinary Subordinated Obligations: direct, unconditional, unsecured Senior Subordinated Obligations, ranking pari passu without any preference among themselves and Senior Subordinated Obligations, junior to unsubordinated creditors, senior to Ordinary Subordinated Obligations, prêts participatifs, Deeply Subordinated Obligations and Equity Securities</li> </ul>
Interest Payment	●% annually in arrear	2.125% annually in arrear	1.875% annually in arrear	1.000% annually in arrear
Optional Redemption	Anytime from 3 months prior to but excluding Scheduled Maturity, for tax reasons, upon a Capital Disqualification Event or Clean-Up Call	Anytime from 3 months prior to but excluding Scheduled Maturity, for tax reasons, upon an Accounting Event, Capital Disqualification Event or Clean-Up Call	For tax reasons and upon a Regulatory Event or Clean Up Call	For tax reasons, upon an Accounting Event, Capital Disqualification Event or Clean-Up Call
Substitution / Variation	Upon Capital Disqualification Event or for tax reasons	Upon Accounting Event, Capital Disqualification Event or for tax reasons	Upon a Regulatory Event	N/A
Mandatory Interest Deferability	Breach of MCR	Breach of SCR or MCR	Breach of MCR	Breach of MCR
Arrears of Interest	Cumulative, non-compounding	Cumulative, non-compounding	Cumulative, compounding	Cumulative, non-compounding
Redemption deferral	Breach of SCR and/or MCR or Insolvent Insurance Affiliate Winding-up	Breach of SCR and/or MCR or Insolvent Insurance Affiliate Winding-up	Breach of SCR and/or MCR or Insolvent Insurance Affiliate Winding-up	Breach of SCR and/or MCR or Insolvent Insurance Affiliate Winding-up
Governing Law	French law	French law	French law	French law

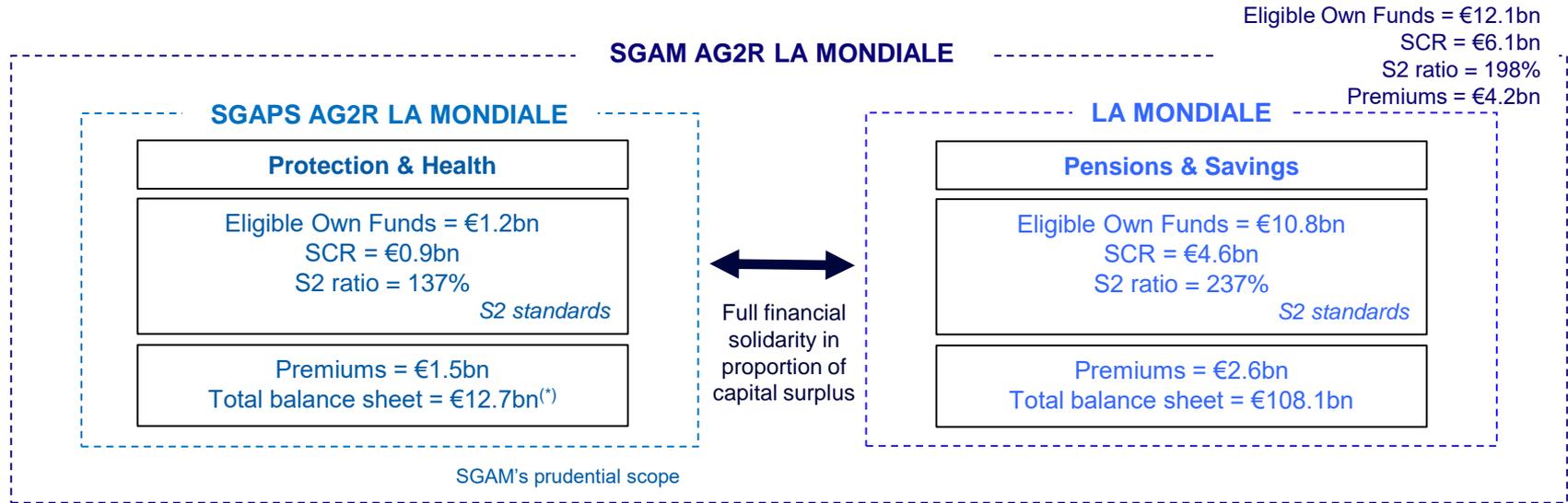


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# Group structure

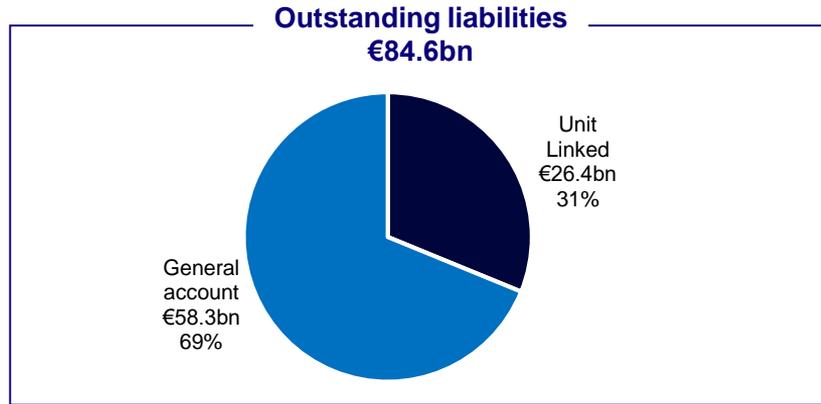


- A mutual life insurance company is a company with no shareholders, i.e. results go directly into equity
- All securities issued since 2016 have a dual trigger on both the SGAM and La Mondiale solvency ratios (see details p.38 / p.40)



(\*): as of EoY2019

# Core businesses' financial structure

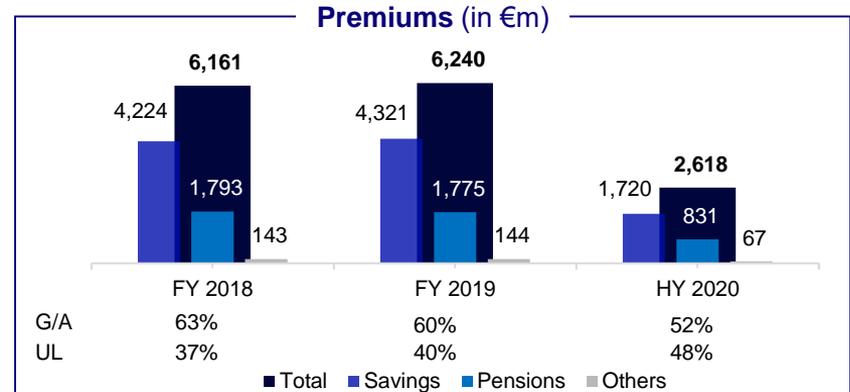
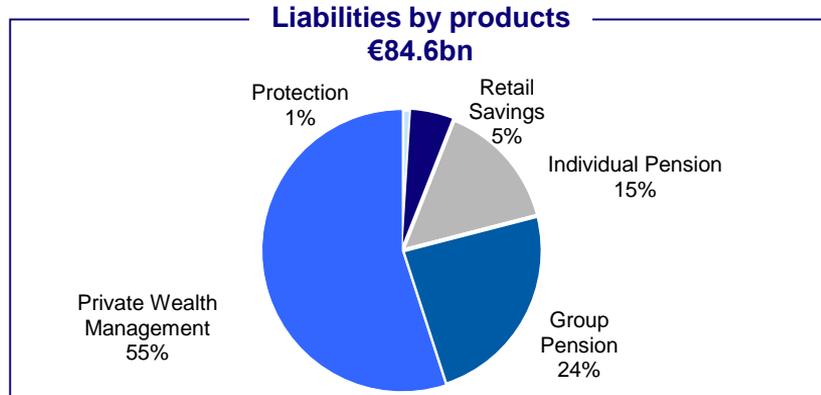


**Liabilities:** decrease by 1.5% compared to FY 2019

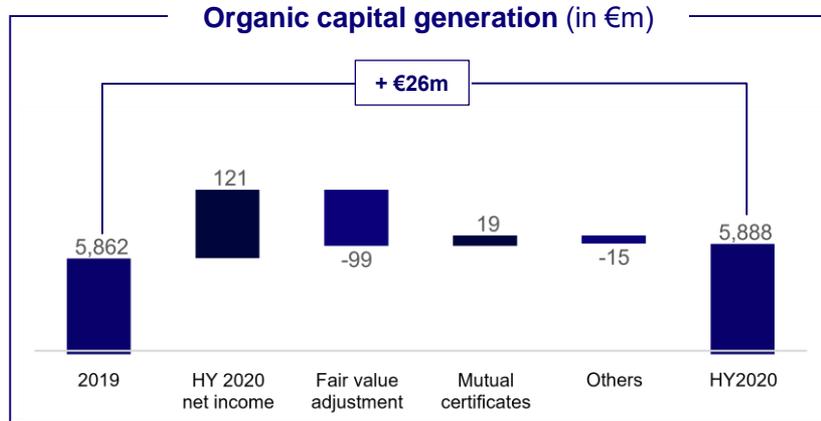
- UL liabilities represent 31% of total liabilities – after restatement of the profit sharing reserve, the UL part is 32%, c.10 pts above the market
- 40% pensions / 60% savings: natural hedge between liabilities

**Results in line with the Group's strategy:**

- Positive outflows on the general account
- Keeping competitive position on the market
- Maximizing the unit linked inflows: UL share (48%) in sharp increase on all portfolios (Savings and Pension) despite the decline in financial markets



# Performance in line with our financial strategy

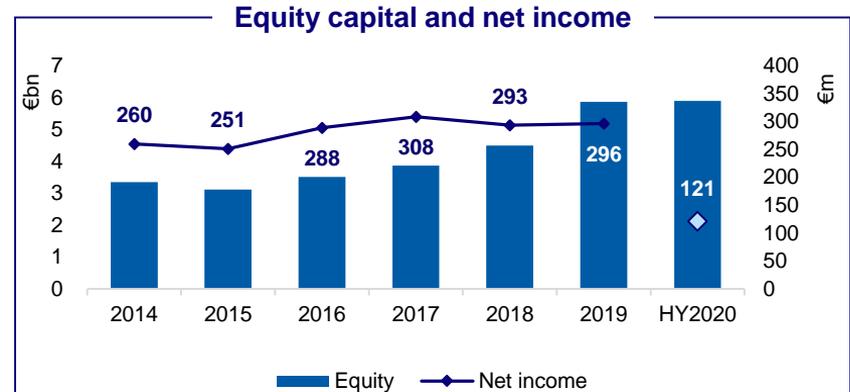
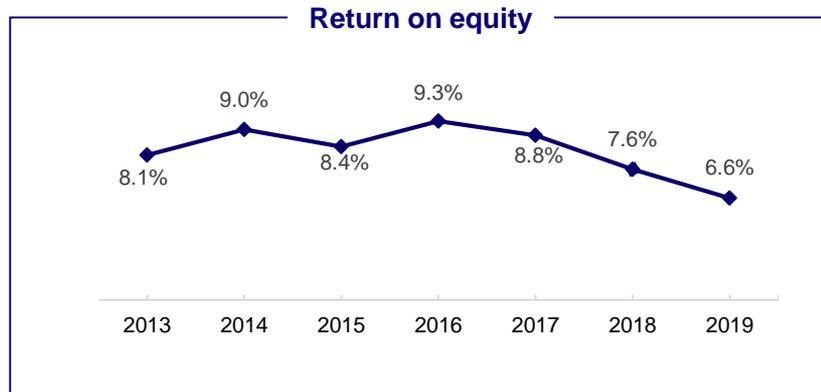


**La Mondiale: €5.9bn of IFRS own funds (+0.4% compared to FY2019, more than x3 compared to 10 years ago), as a result of:**

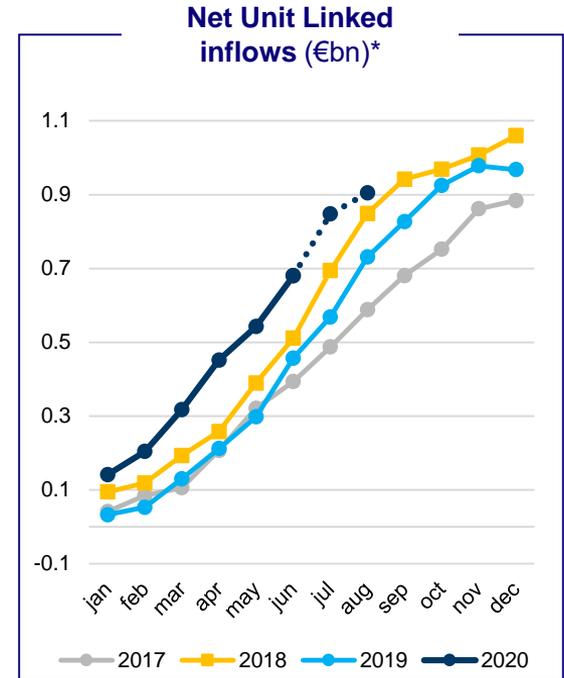
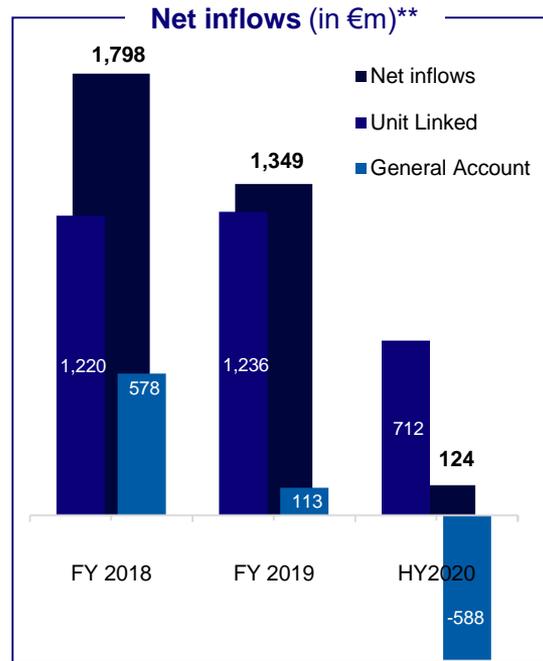
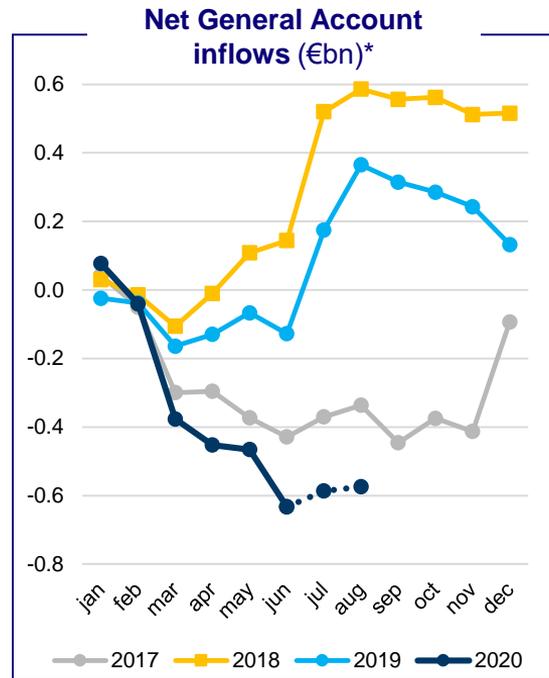
- ✓ €121m of HY2020 net income
- ✓ €19m of mutual certificates issuance
- ✓ -€99m of fair value adjustment (mostly on non-real estate investments, net of deferred profit-sharing and tax)

**Net income: €121m (compared to €210m as of HY2019) as a result of the decline on financial markets:**

- ✓ sharp drop in equity dividends (-€50m)
- ✓ property and equity impairment



# HY2020: positive outflows on the GA and continue inflows growth on UL



\*: French Gaap

\*\*: IFRS

**Measures have been taken to monitor the volume in GA while keeping good UL net inflows: levels of UL net inflows are higher than ever despite an unfavorable financial environment, while GA's levels keep decreasing**



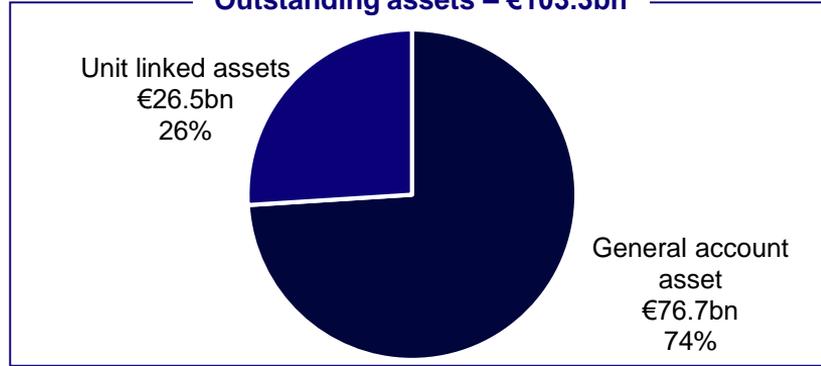
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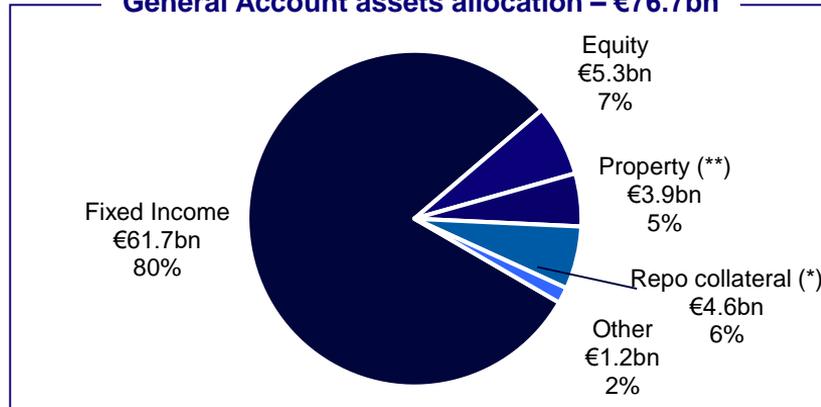
# Disciplined asset allocation in line with our liabilities profile

## Outstanding assets – €103.3bn

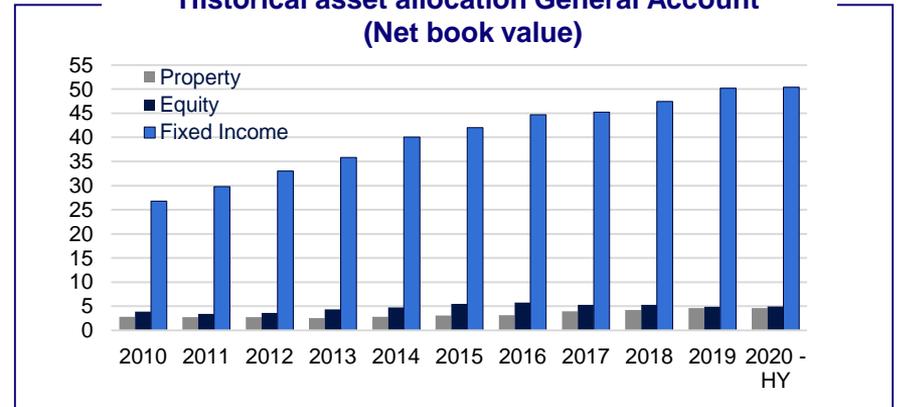


- ✓ Steadiness in outstanding assets (+0.6% compared to FY2019)
- ✓ Asset allocation stable over time
- ✓ Stability of risk policy in the current environment
- ✓ Investment on average longer than the market thanks to pension business

## General Account assets allocation – €76.7bn

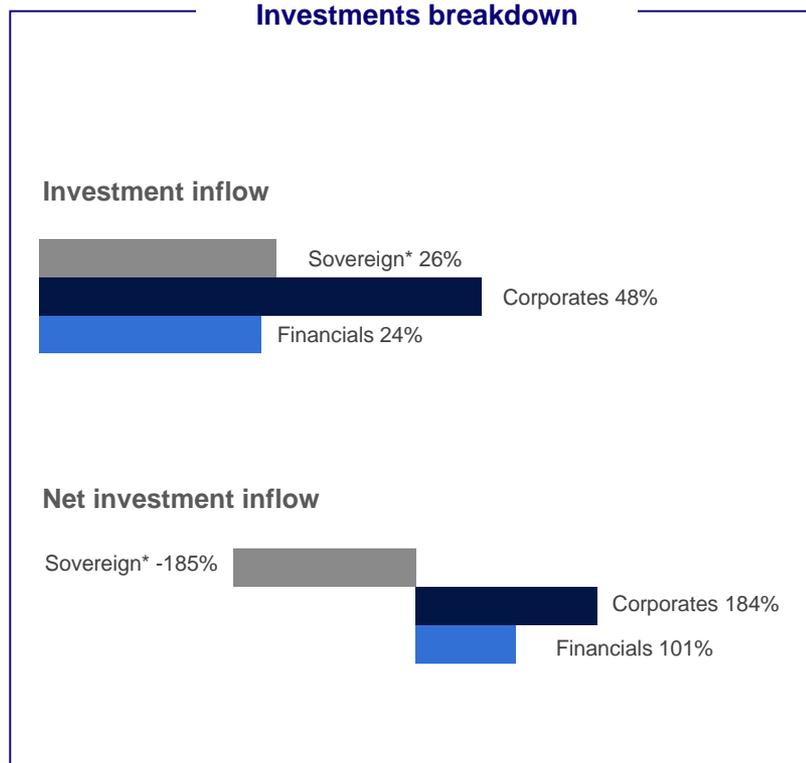


## Historical asset allocation General Account (Net book value)

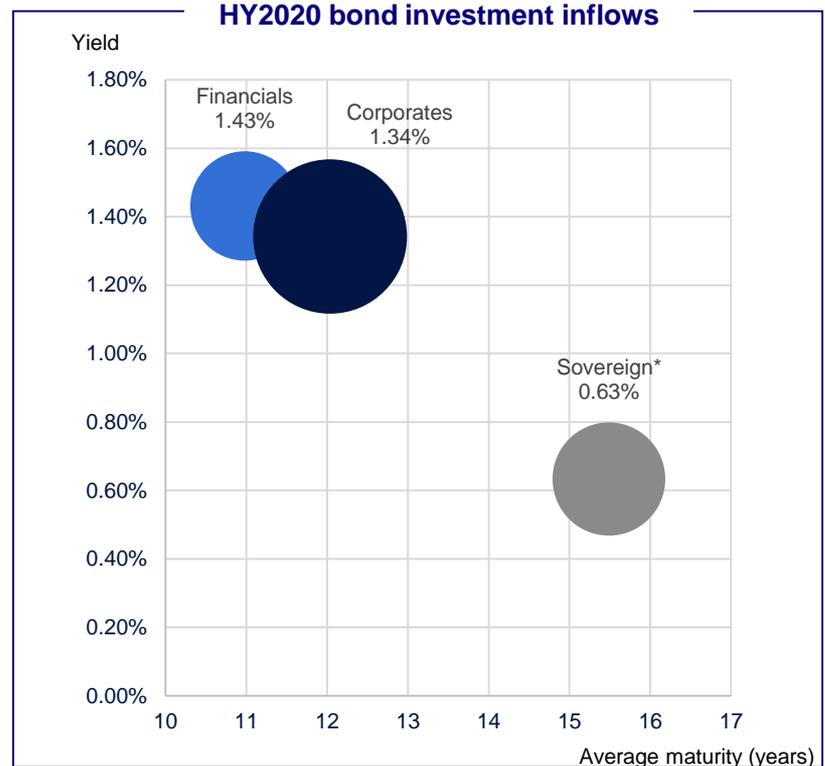


# HY2020 Investments

Average investment rate on bond portfolios: 1.32%

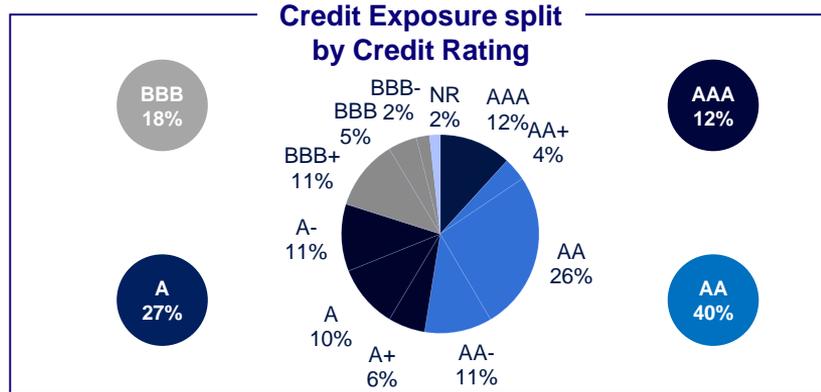


Reweightings towards Corporates within the unchanged credit policy



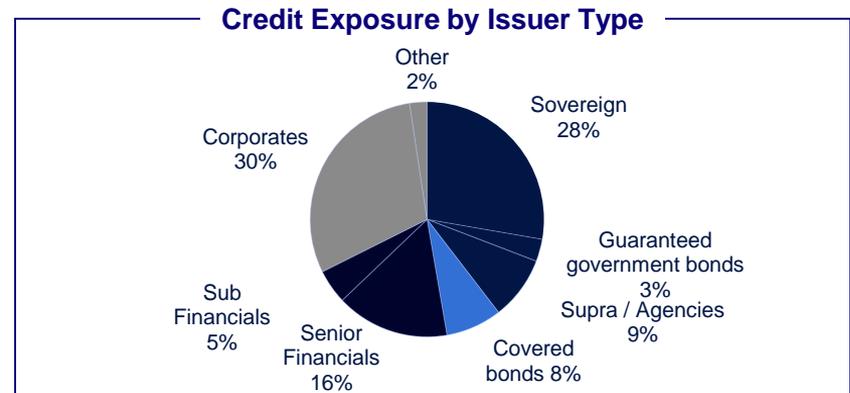
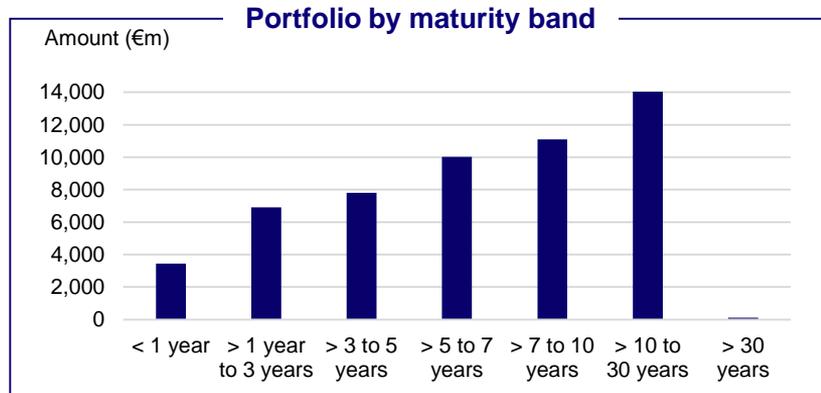
(\*) including Supra / Agencies  
Focus La Mondiale

# Fixed income allocation

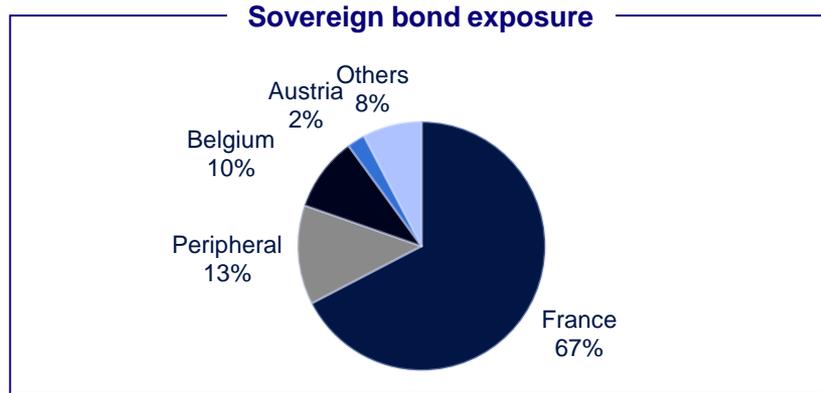


Total fixed income exposure is at €61.7bn

- Limited exposure to risky investments, demonstrated by less than 21% of the investments currently rated BBB+ or below
- No floating rate bond
- Duration / sensitivity of portfolio (7.5) in line with liabilities sensitivity, much lower than their duration (11.5) due to crediting rate policy
- Sovereign exposure accounts for 28% of total fixed income exposure

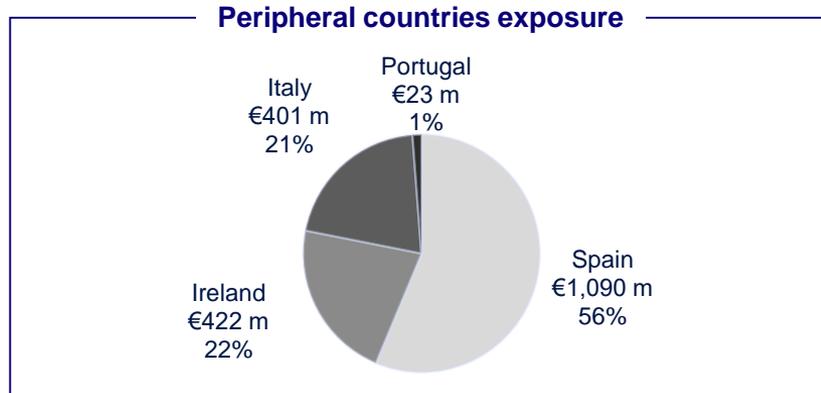


# Fixed income allocation – Sovereign exposure



**Total Sovereign exposure is at €15.0bn**

- Sovereign exposure accounts for 28% of total fixed income exposure

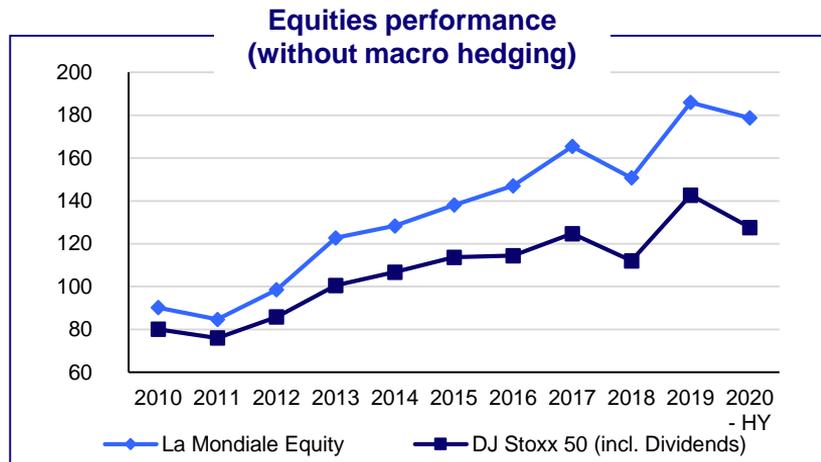


**Total Sovereign on Peripheral countries exposure is at €2.0bn**

- Peripheral countries exposure forms 13% of this sovereign bucket and hence represents only 4% of overall total investments
- High level of unrealized gains (€319m) allowing credit shock absorption

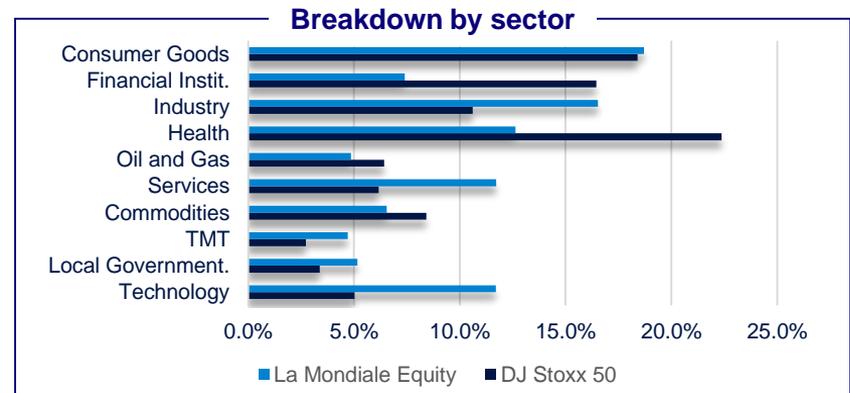
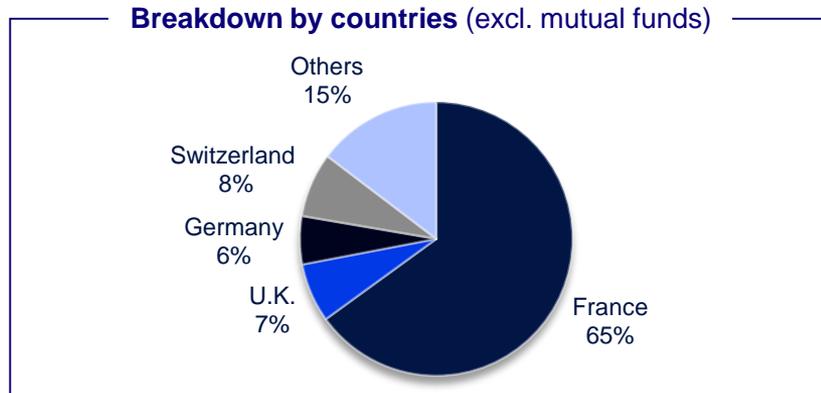


# Equities investment allocation



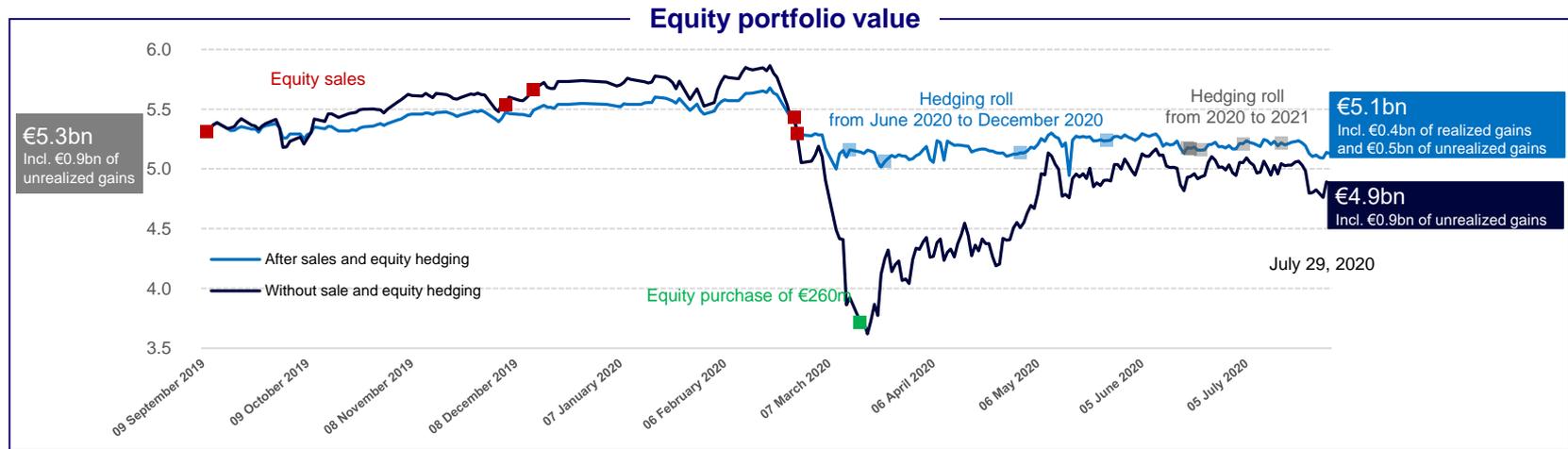
**Equities exposure: €5.3bn** (including €1.3bn through mutual funds)

- HY2020 performance at -3.9%, after +23.3% in 2019 and -8.9% in 2018
- A well diversified equity portfolio by geography and sector
- Focus on large liquid equity stocks traded on the main exchange markets
- All FX exposures are fully hedged

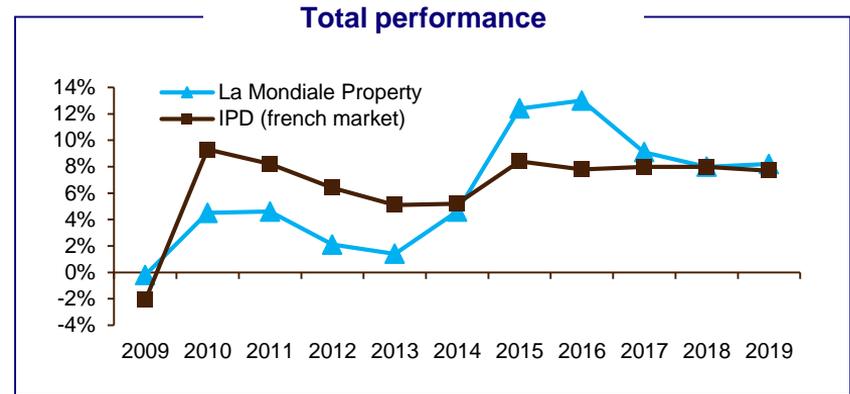
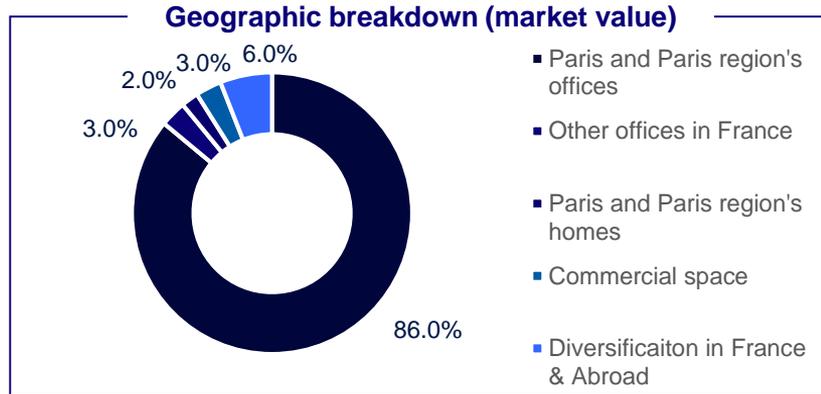


# Equity hedging: protect its balance sheet and manage the solvency

- The equities portfolio value was at €5.3bn in September 2019, with unrealized gains significantly higher than expected (€0.9bn at the end of September vs €0.2bn at the end of 2018)
- 20% of the portfolio have been sold, and the remaining 80% have been hedged with an original strike of Stoxx50 3150 that has been updated in order to gradually lengthen the hedging maturity to end of 2021
- The investment was made at the right time and allowed to go through the health crisis soundly, with a winning strategy still today



# Property allocation



IPD = Investment Property Databank

**Total Property exposure is at €3.9bn (fair value: €5.6bn).**

La Mondiale property assets represent 765,000 sq.m. and are mainly offices located in the center or Western Paris, i.e. only Prime Real Estate. The composition of the real estate portfolio (few small structures) allowed not to be affected by unpaid rents during lockdown (c.€5m loss in rental revenues)

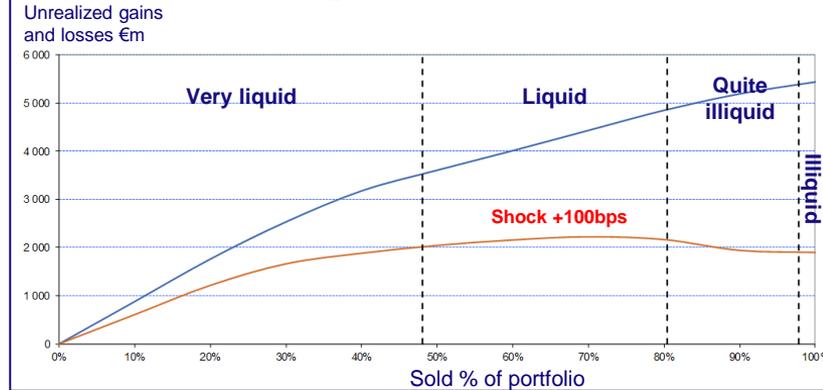
Solid rental market, especially on all recently delivered surfaces, prompting a very good vacancy rate of c.9.3%

Exceptional IPD index outperformances of 2015 and 2016 explained by the strong value creation on the deliveries of the restructured buildings  
Average revenue: €439/m<sup>2</sup>



# Exceptional liquidity during Covid crisis, slightly above reference position

Evolution of unrealized gains and losses according to the securities sold



Evolution of cash during lockdown above high range of reference position (€1.2bn)



## S&P analysis

### Liquidity: Exceptional

"We believe AG2R LM has exceptional liquidity, sustained highly liquid assets, and positive net inflows. The group's pension business, which cannot be surrendered easily, is positive for its liquidity, in our view. Should any cash needs arise, we believe that AG2R LM's investment assets are highly marketable and could provide liquidity."

Extract of detailed analysis - October 3, 2019

## Cash buffer: €14.4bn



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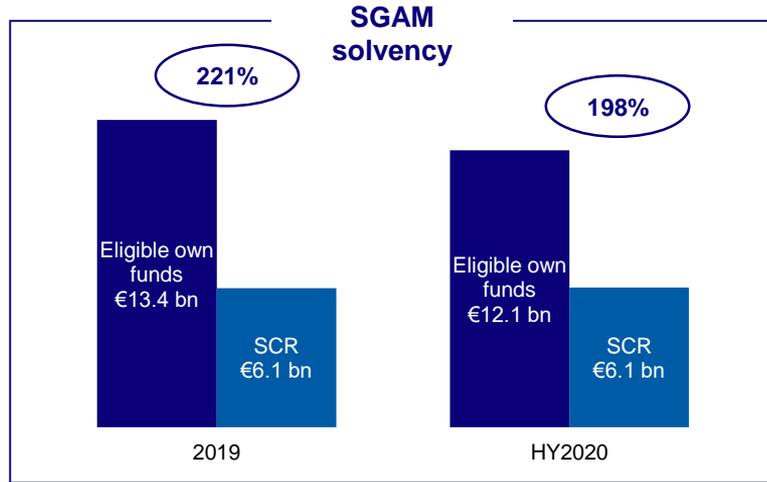
# Capital management: key indicators

	Framework	FY2019	Estimated FY2020	
<b>Solvency ratio</b>	> 175%	221%	198%	<ul style="list-style-type: none"> <li>Financial market Impacts</li> <li>Issuance of Tier 2 Bullet</li> </ul>
<b>Financial leverage</b>	< 40%	26%	29%	<ul style="list-style-type: none"> <li>Leverage between 20%-40%</li> <li>Issuance of €500m Tier 2 Bullet in June 2020</li> </ul>
<b>Interest coverage</b>	> 4	5.3	4.9	<ul style="list-style-type: none"> <li>Tier 2 Bullet at 2.125% (annualized charge for the IC calculation)</li> <li>Interest coverage in a highly satisfying range</li> </ul>

In addition, the residual issuance capacity under Solvency 2 is significant at €1.7bn (€0.6bn in RT1, €1.1bn in T2, including €0.9bn of T3) – details on p.27



# Solvency 2 position

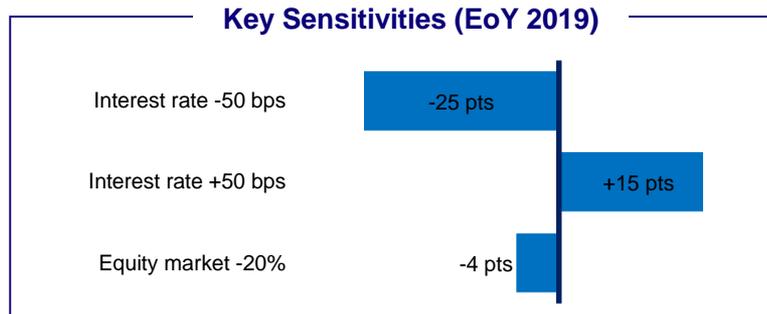


The solvency ratio decreased by 23 pts between FY2019 and HY2020 mainly due to:

- -30 pts: financial market environment, especially drop of interest rate by -27 bps (the yield curve is in negative territory over the first 12 years) and CAC40 drop of -17% compared to December 2019
- +7 pts: €500m issuance of Tier 2 Bullet in June 2020

Thus, the amount of the transitional measure on technical provision is €2.6bn and represents 42pts of SGAM ratio. The measure has been agreed by the supervisor until 2032

The issuer La Mondiale (solo) S2 ratio is at 237% (see details p.39)

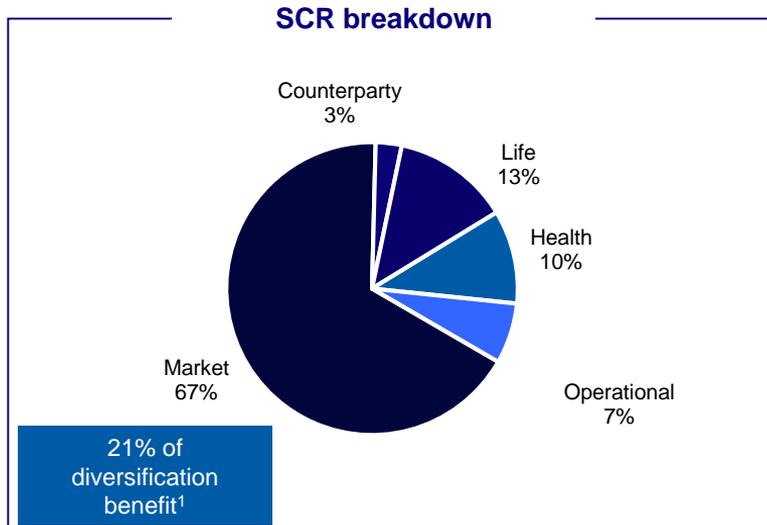


Thanks to the equity hedging, the equity market sensitivity was at FY2019 quite low at -4pts in case of a drop by -20%. Under market conditions at the publication date and taking into account equity hedging, this sensitivity would be zero

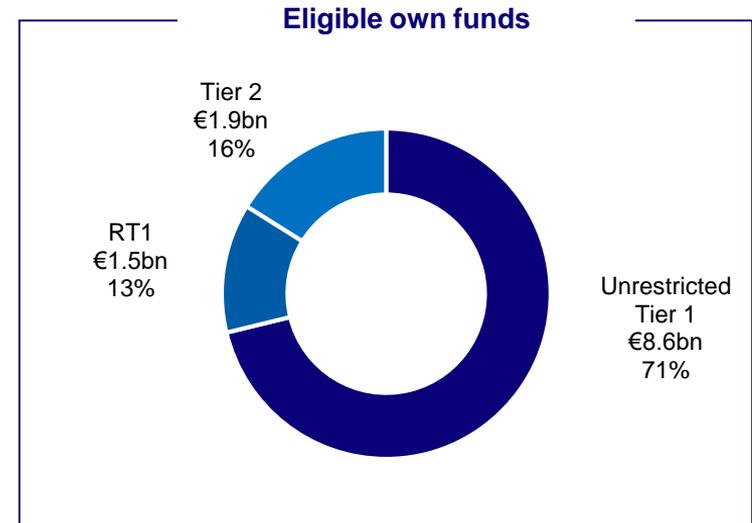
A rough estimate of the sensitivity to the credit rating migration (downgrade of 20% of the portfolio by 3 notches) would be around -7 pts of solvency ratio



# Solvency 2 position



(1) Diversification benefit = (sum of net SCR excluding Operational risk SCR - net BSCR) / sum of net SCR excluding Operational risk SCR

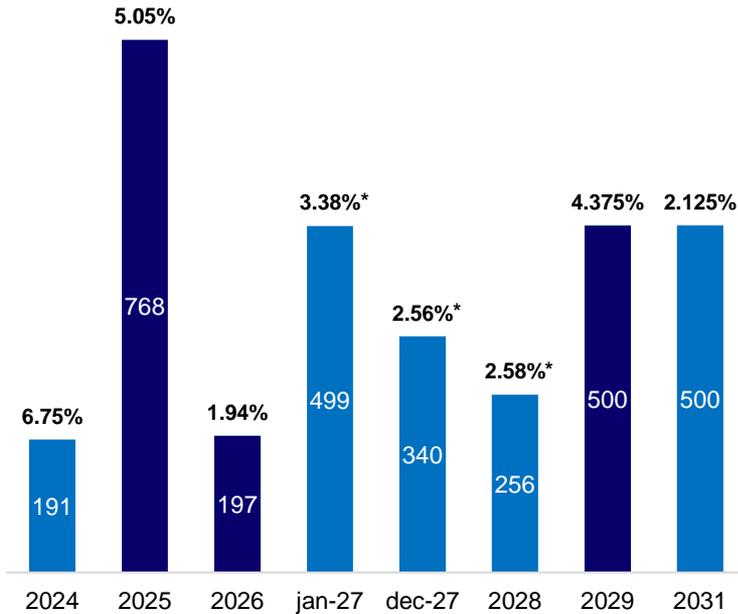


Eligible Own Funds mostly made of the hardest form of capital



# Still significant financial flexibility left

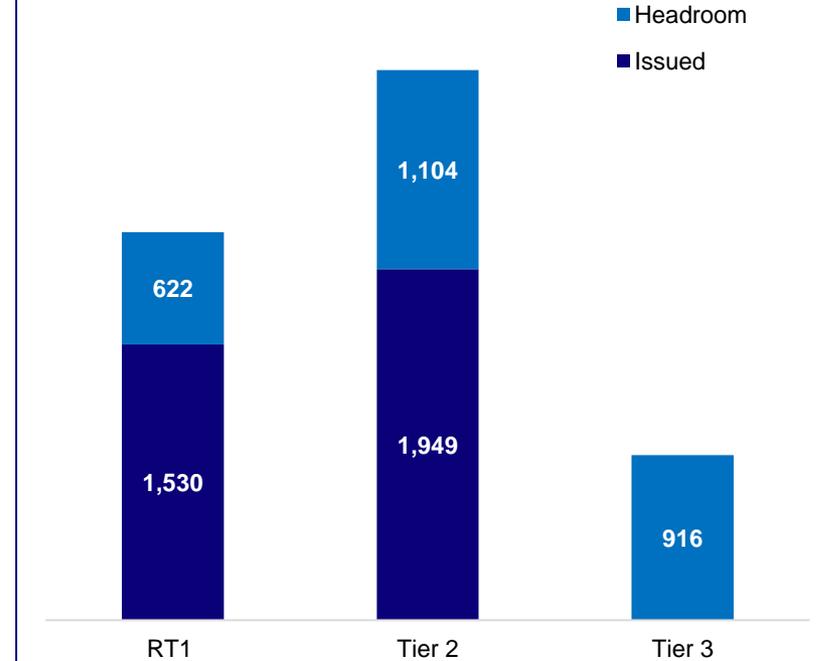
Next / Regulatory call date breakdown (nominal in €m)



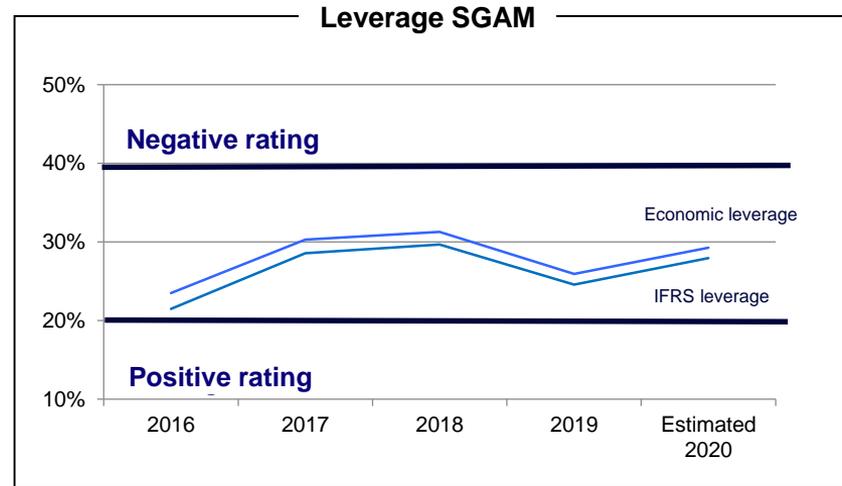
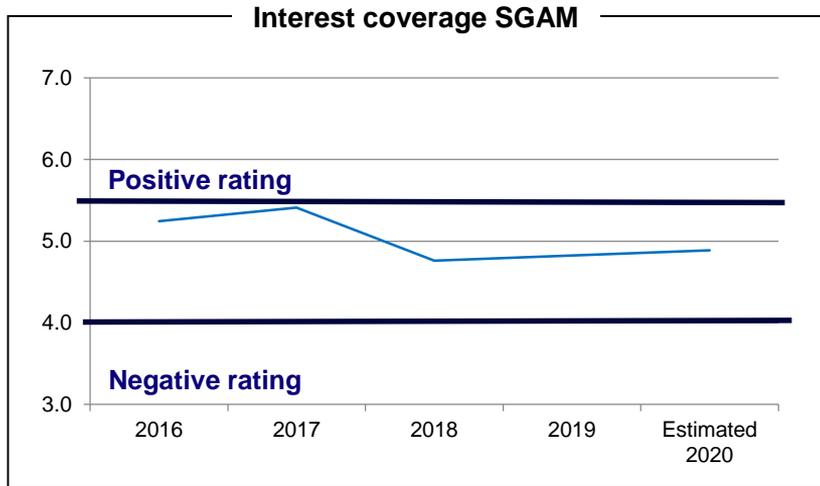
Total RT1: €1,465m  
Total T2: €1,786m

(\*) euro equivalent issuance rate, after hedging

Issuance capacity as per S2 regulation (in €m)



# Interest coverage and Leverage, as of HY2020



NB: IFRS leverage doesn't take into account €146m of Super Subordinated Debts

Interest coverage and leverage remain in a highly satisfying range

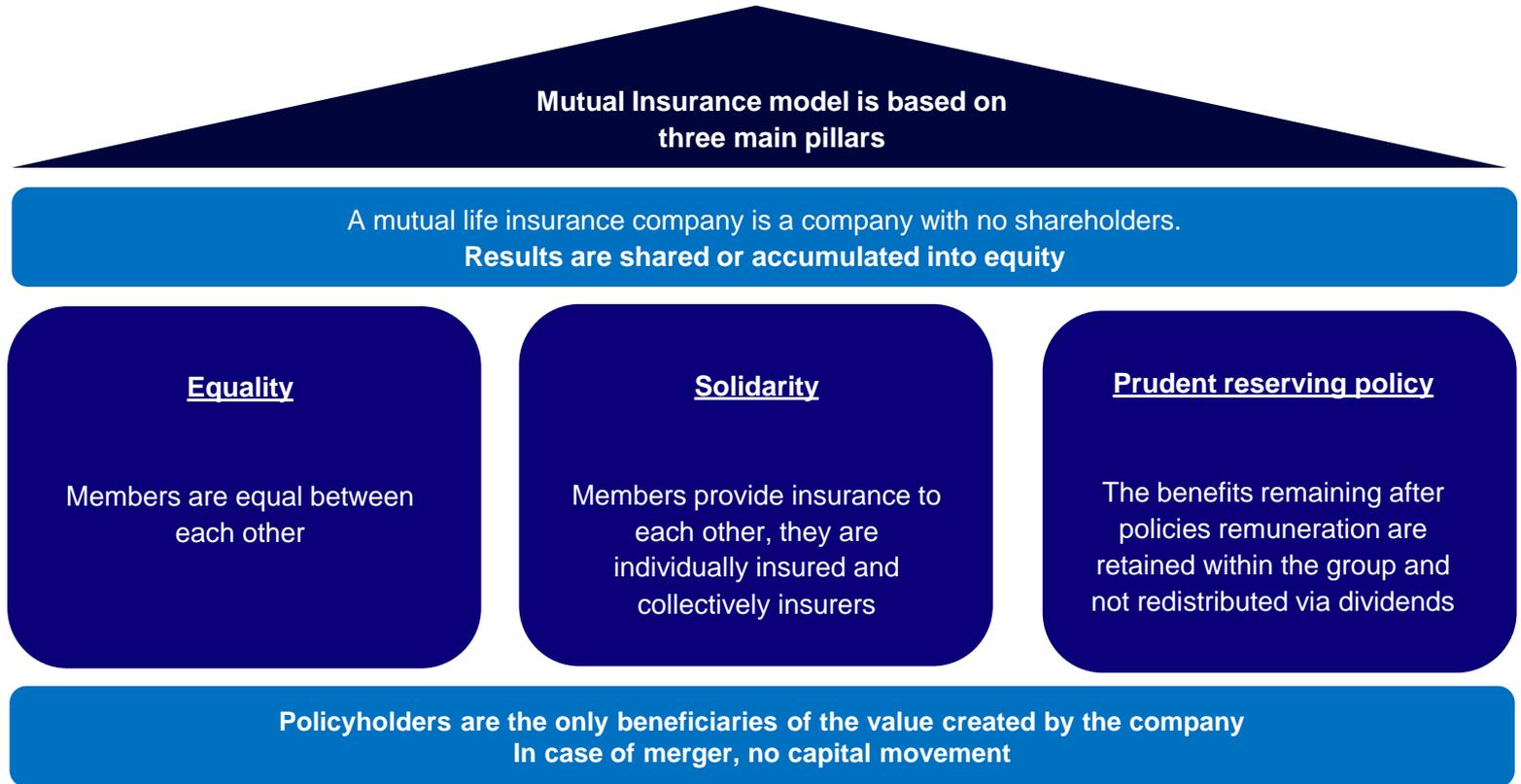
Issuance of the 2.125 11y Bullet (Tier 2) in June 2020

# Table of contents

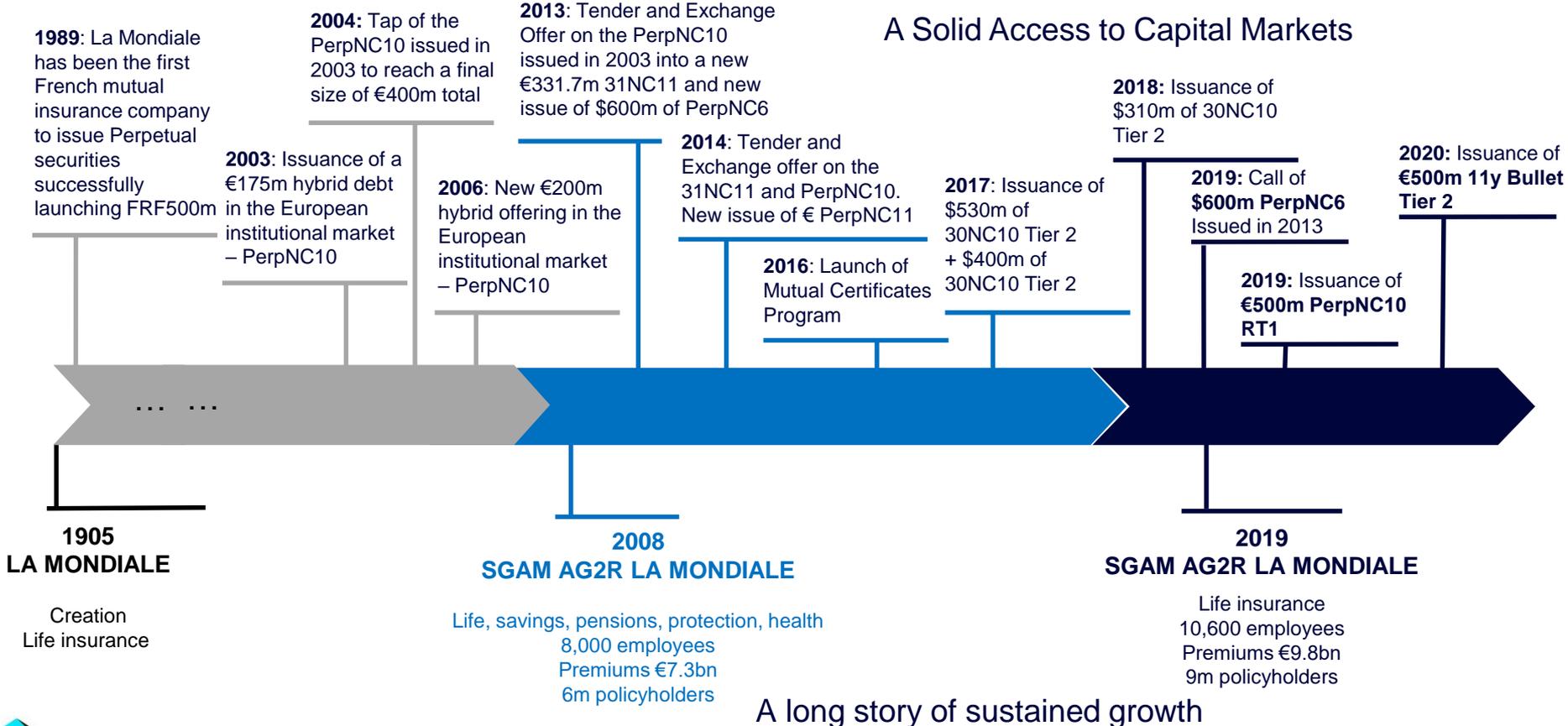
1. Steered business & strong performance
2. Prudent investment policy
3. Solid solvency & flexible capital management
4. **Appendix**



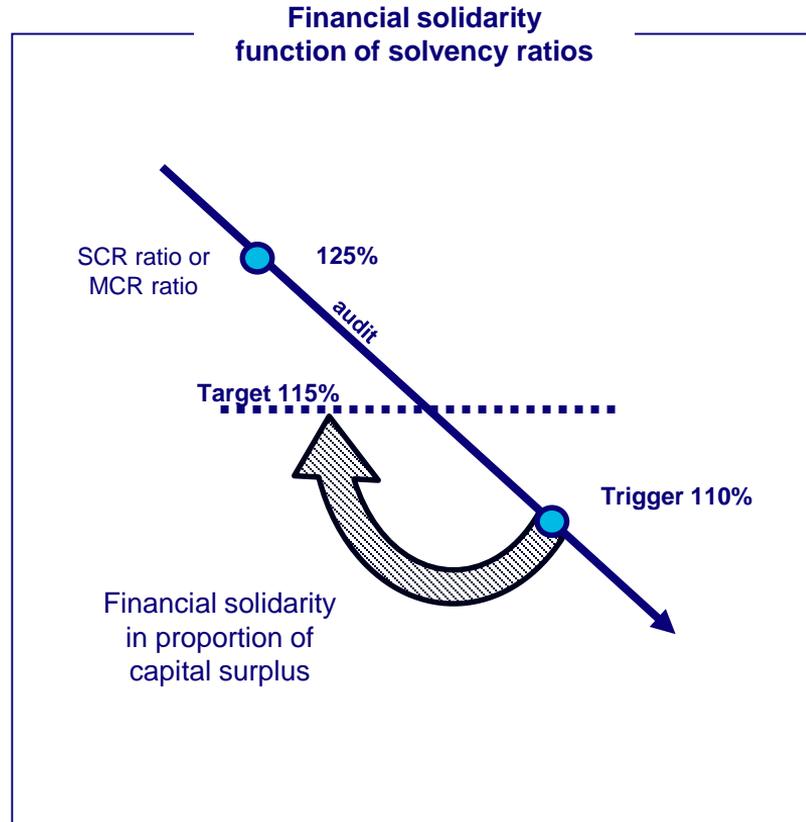
# The strength of the mutual insurance model



# More than a century of presence and diversification



# AG2R LA MONDIALE financial solidarity



## Financial solidarity – description

- Financial solidarity rules are set in a way such that, if the solvency ratio of a member were to go below 110%, other members will have to provide additional capital to restore a 115% ratio, as long as this does not make other members breach their own solvency
- Starting at 125%, an audit is performed in order to reduce the risk of triggering financial solidarity

# Overview of La Mondiale Balance sheet (consolidated, IFRS)

€m	FY 2018	HY 2019	FY 2019	HY 2020	%Change HY 2020/ HY 2019
<b>TOTAL ASSETS</b>	<b>97,479</b>	<b>105,227</b>	<b>107,418</b>	<b>108,053</b>	<b>2.7%</b>
Intangible assets	49	48	49	48	0.1%
<i>ow. Goodwill</i>	41	40	39	38	-4.2%
<b>Insurance investments</b>	<b>69,699</b>	<b>74,670</b>	<b>75,313</b>	<b>76,746</b>	<b>2.8%</b>
<b>Unit Linked investments</b>	<b>23,826</b>	<b>26,092</b>	<b>27,383</b>	<b>26,520</b>	<b>1.6%</b>
Others assets	3,042	3,336	3,757	3,487	4.5%
Cash and cash equivalent	863	1,081	917	1,252	15.8%

€m	FY 2018	HY 2019	FY 2019	HY 2020	%Change HY 2020/ HY 2019
<b>TOTAL LIABILITIES</b>	<b>97,479</b>	<b>105,227</b>	<b>107,418</b>	<b>108,053</b>	<b>2.7%</b>
Equity Group Share	4,132	4,686	5,495	5,524	17.9%
Minority Interests	339	364	367	363	-0.2%
<b>Total Equity</b>	<b>4,471</b>	<b>5,050</b>	<b>5,862</b>	<b>5,888</b>	<b>16.6%</b>
Financing debt	2,641	2,127	2,144	2,648	24.5%
Insurance and financial liabilities	83,731	89,990	91,711	90,080	0.1%
Other liabilities	6,636	8,061	7,700	9,437	17.1%

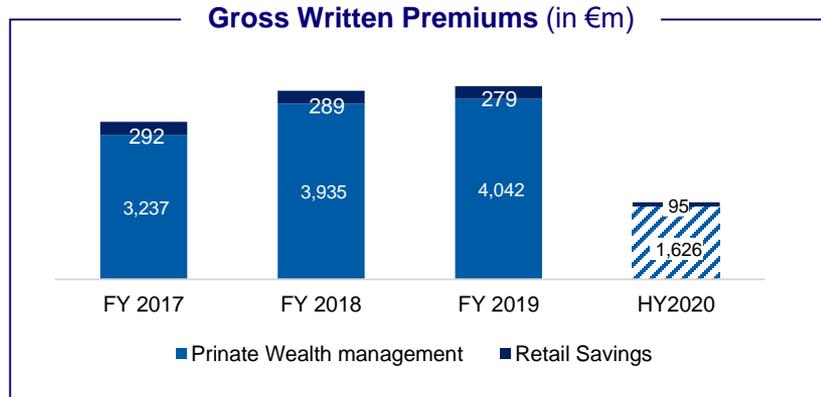


# Overview of La Mondiale P&L account (consolidated, IFRS)

€m	FY 2018	HY 2019	FY 2019	HY 2020	%Change HY 2020/ HY 2019
Revenue	6,161	2,744	6,241	2,617	-4.6%
Financial Products	2,429	1,229	2,594	1,211	-1.5%
Others	-2,307	2,818	3,921	-1,455	-151.6%
<b>Current operating income</b>	<b>6,282</b>	<b>6,792</b>	<b>12,756</b>	<b>2,374</b>	<b>-65.1%</b>
<b>Current operating expenses</b>	<b>-5,876</b>	<b>-6,522</b>	<b>-12,357</b>	<b>-2,209</b>	<b>-66.1%</b>
<b>Operating Income</b>	<b>406</b>	<b>271</b>	<b>400</b>	<b>166</b>	<b>-39.0%</b>
<b>CONSOLIDATED NET RESULT</b>	<b>293</b>	<b>210</b>	<b>296</b>	<b>121</b>	<b>-42.5%</b>
<i>o.w Group share</i>	292	208	292	120	-42.2%
<i>o.w Minority Interest</i>	1	2	4	1	



# Private wealth savings: a UL-focused market



**Partnerships with leading private banks and distributors**

**Top 3 on the French market**

- 59% of UL in Premiums:** strong increase on all portfolios, far above budget (c.10 points)
- Specific focus on HNWI**s thanks to our distribution networks (private banks)
- Specific tax treatment and inheritance purpose
- Continuous **product innovation bringing tailor-made solutions** to our partners: dedicated funds, multiple investment options, more than 7,200 unit-linked supports
- A joint offer of Luxembourg and French insurance products

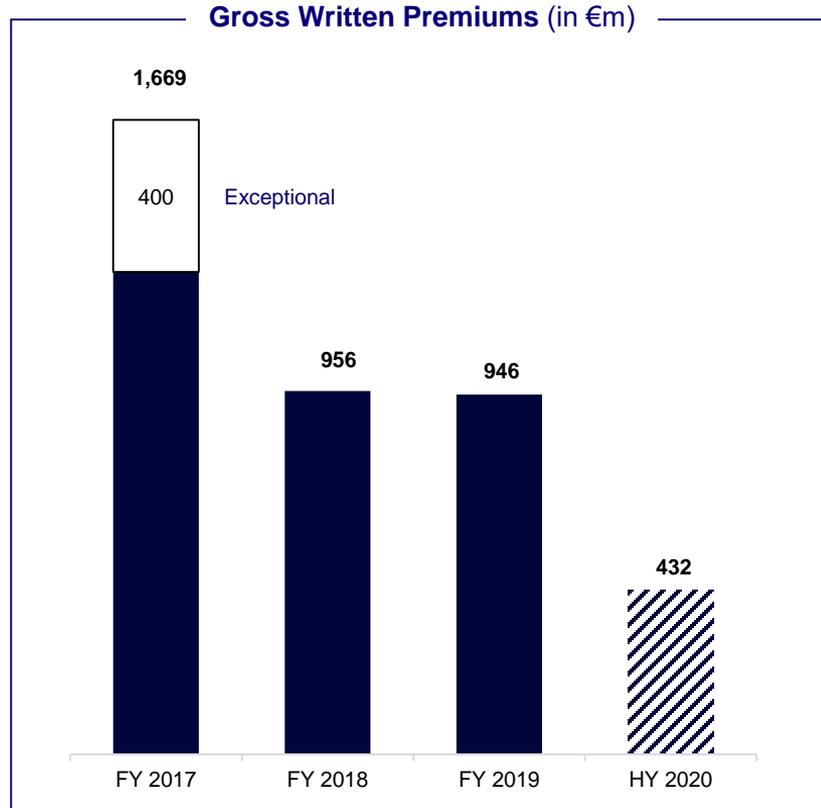
**Savings GWP: -7%**

Delay in life insurance savings due to the health crisis and lockdown, lower than the French market (-27%), but with an excellent asset mix UL/GA

Private wealth management savings GWP: -4%  
Retail savings GWP: -34%

(Source: Fédération Française de l'Assurance and Commissariat aux assurances Luxembourg)

# Group supplementary pension: a market with a strong potential

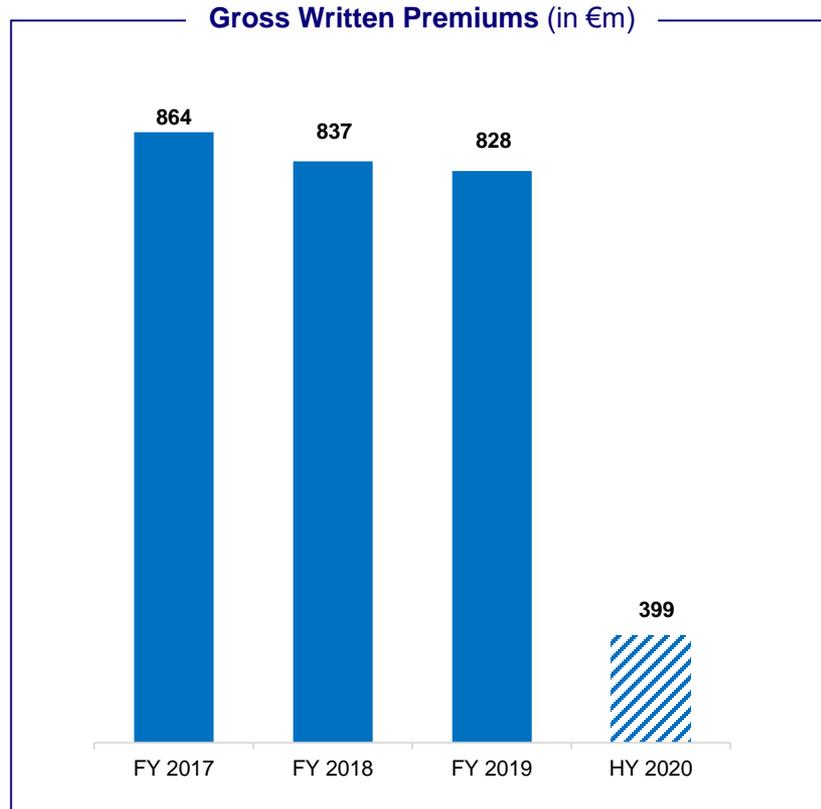


- #2 on the French market through the partnership with CNP
- Strong growth experienced in Group Supplementary Pension over the last 20 years
- Affected positively by the ageing population and the reduction of the state pension benefits going forward
- Clients: medium and large companies, including those of the CAC 40 - covering the retirement of their employees
- Powerful IT platform for underwriters to manage group contracts incorporating all product innovations
- PACTE law: an opportunity for further market development

## Group supplementary pension:

GWP (periodic premium) stability despite of Covid crisis (-0.6% compared to HY2019)

# Individual retirement plans: a selective and mature market

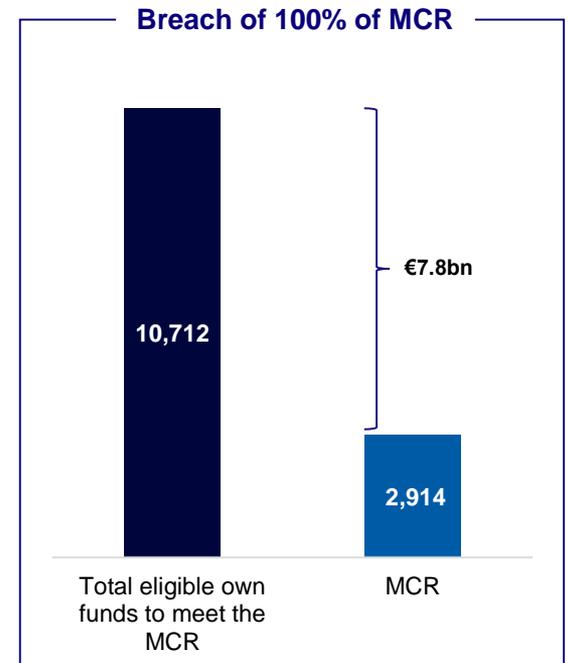
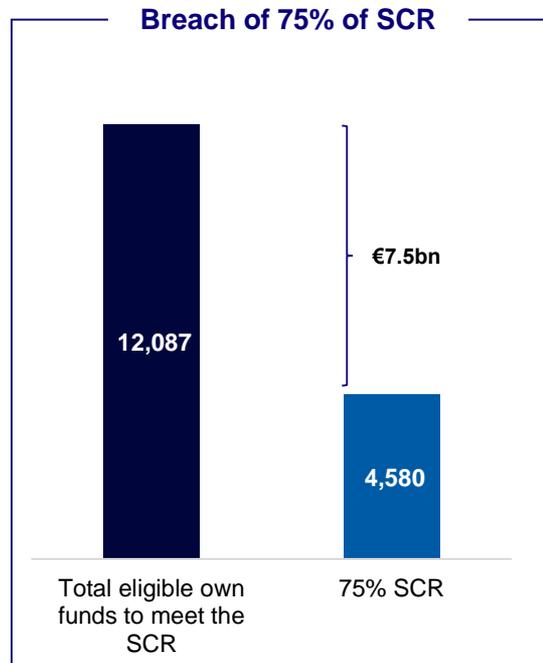
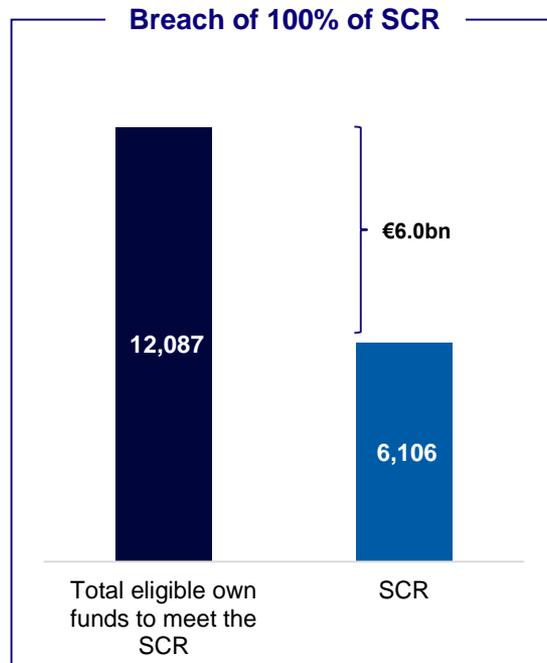


- #1 on the French market** on Self-Employed Retirement Plans, landmark business line of **La Mondiale** for more than 50 years
- Distribution network with more than 1,000 salespeople who are **expert in tax and patrimonial optimization**
- Clients: CEOs and entrepreneurs, long-term partnerships in particular with auditors / accountants
- Contracts with regular premium payments** which cannot lapse ensuring a very stable portfolio
- Increased needs of the French ageing population for retirement products to complement the state retirement system given the reduction of the state pension benefits
- Critical mass which ensures a mutualization / diversification of the longevity risk (more than 50k annuitants) without a negative selection bias

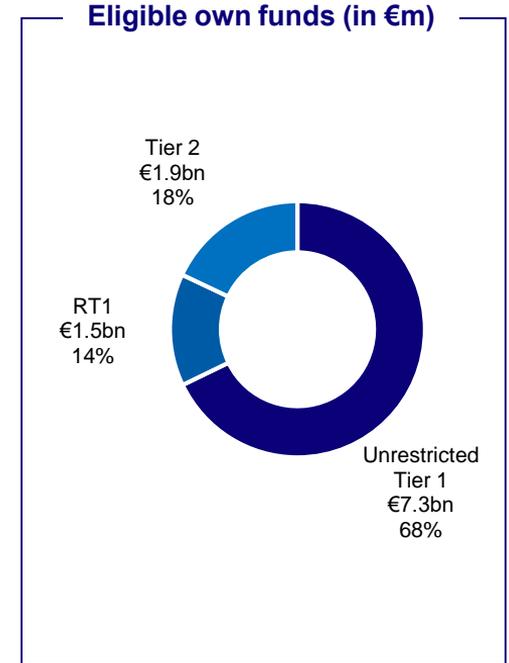
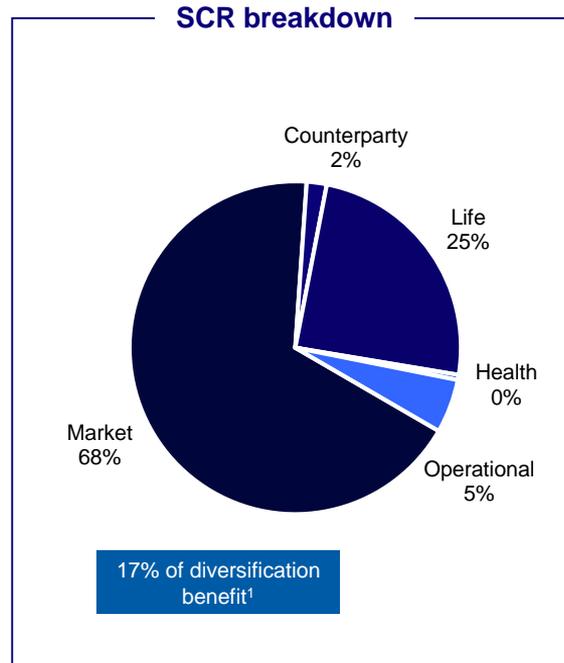
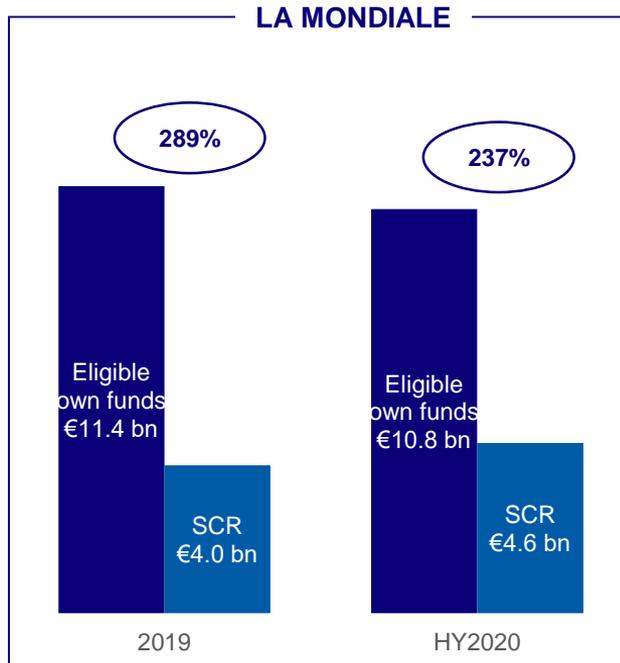
**Individual retirement plans:**  
GWP stability compared to HY2019  
High UL shares on the new range of PACTE contracts (67% vs 45% on the 2016 range of contracts)



# Significant distance to triggers of Solvency 2 hybrid capital instruments – SGAM (in €m)



# LA MONDIALE (solo): Solvency figures and SCR breakdown

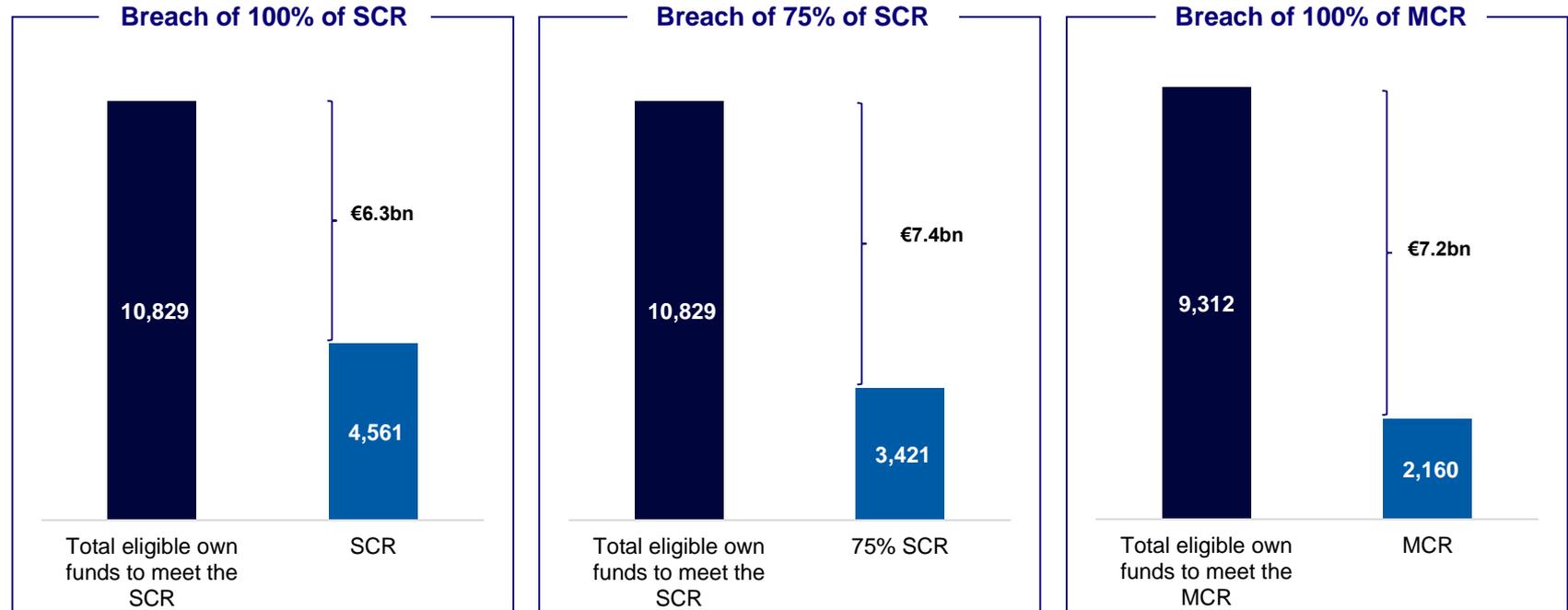


The amount of the transitional measure on technical provision is €2.4bn and represents 55 pts of La Mondiale ratio. The measure has been agreed by the supervisor until 2032

(1) Diversification benefit = (sum of net SCR excluding Operational risk SCR - net BSCR) / sum of net SCR excluding Operational risk SCR



# Significant distance to triggers of Solvency 2 hybrid capital instruments – La Mondiale (in €m)



**As of HY2020, available distributable items<sup>1</sup> amounted to €1.1bn**

<sup>1</sup>Distributable Items: (i) the retained earnings and the distributable reserves of the Issuer, calculated on an unconsolidated basis, as at the last calendar day of the then most recently ended financial year of the Issuer; plus (ii) the profit for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date; less (iii) the loss for the period (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date, each as defined under national law, or in the articles of association of the Issuer.)

# Executive summary (SGAM AG2R LA MONDIALE, as of 06/30/2020)

Robust balance sheet and monitored solvency	
<b>SGAM</b>	
<b>€8.4bn*</b>	IFRS Equity capital (+5% / FY2019)
<b>198%</b>	S2 ratio (-23pts / FY2019)
<b>La Mondiale</b>	
<b>€5.9bn</b>	IFRS Equity capital (+0.4% / FY2019)
<b>237%</b>	S2 ratio (-51pts / FY2019)

Capital items	
<b>€3.3bn</b>	Total amount of subordinated debt
<b>€224m</b>	Total amount of mutual certificates (unrestricted Tier 1)

Diversified and steered business model	
<b>SGAM</b>	
<b>€4.2bn</b>	Premiums (-4% / HY2019) <i>42% Life &amp; Savings</i> <i>20% Pensions</i> <i>22% Health</i> <i>15% Protection</i>
<b>€91.9bn*</b>	Liabilities
<b>€106m</b>	Net income
<b>La Mondiale</b>	
<b>€2.6bn</b>	Premiums, 48%/52% UL <sup>1</sup> /GA <sup>2</sup> mix above the French market: 35%/65%
<b>€84.6bn</b>	Liabilities, 31%/69% UL <sup>1</sup> /GA <sup>2</sup> mix above the French market 22%/78%
<b>€121m</b>	Net income

Sound asset allocation & risk management (La Mondiale FY2019)	
<b>4.1%</b> <small>of reserves</small>	High level of profit sharing reserve with €2.3bn
Around 21% of investments rated BBB+ or below (lower than the market)	

Complete and competitive player on the French market	
<b>2<sup>nd</sup></b>	in Supplementary Pension
<b>6<sup>th</sup></b>	in Health Insurance
<b>6<sup>th</sup></b>	in Protection
<b>12<sup>th</sup></b>	in Savings
<b>Top3</b>	in Private Wealth Management

Rated A- / positive outlook	
<b>A-</b> positive outlook confirmed by Standard & Poor's in June 2020	

(1): Unit Linked are low capital need products

(2): General Account products are more capital intensive than Unit Linked ones

(\*): HY estimated

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