



AG2R LA MONDIALE

HALF YEAR 2017 EARNINGS LA MONDIALE

October 2017, 20th

Cautionary note

At half-year, La Mondiale does not produce full financial statements but only prepares a balance sheet and an income statement. Auditors are not required and do not issue any audit or limited review report on these financial figures. They have been presented and reviewed by La Mondiale Board on October 18, 2017.

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 2016" 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, from the 1st January 2016, calculated under the European Union's Solvency 2 rules.



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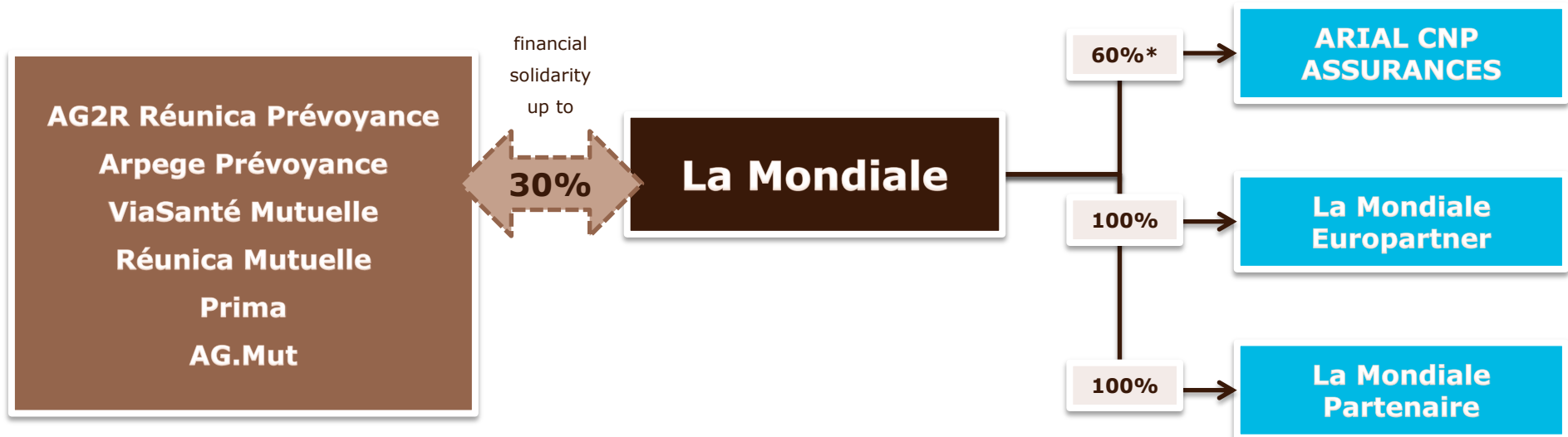


KEY FIGURES

La Mondiale: Company overview

- 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 record of sustained growth
- Accessing capital markets since 1989
- Strong risk management and well diversified asset allocation
- La Mondiale and AG2R Réunica Prévoyance are member of a mutual insurance group through a Société de Groupe d'Assurance Mutuelle (Sgam). Within this framework, all members are committed with each others to a financial solidarity (30%).

SGAM AG2R LA MONDIALE



* consolidated through use of the equity method as of 1st of April 2016



LA MONDIALE

HY 2017 Summary

Steered decrease of
premiums

€ 2.5 billions

(-36.1% compared to HY 2016)

Strong HY2017
La Mondiale net income

€ 198 millions

(+31% compared to HY2016)

High level of policyholder
surplus reserve

4.28%

of reserves as of 06/30/2017

Increase premiums
UL / GA mix

39% / 61%

(+13pts compared to HY2016)

Increase of La Mondiale
equity capital

€ 3.7 billions

(+9% compared to HY2016)
(+5% compared to FY2016)

SGAM
AG2R LA MONDIALE
Solvency 2 ratio

224%

(+38pts compared to FY2016)
(146% excluding transitional rules)



LA MONDIALE

HY 2017 Key figures ^(1/2)

	In € million	FY 2015	HY 2016	FY 2016	HY 2017	HY17/ HY16
LA MONDIALE	Premiums	6,790	3,859	6,611	2,465	-36.1%
	Net Income	251	152	288	198	+30.6%
	Total Equity	3,114	3,393	3,508	3,696	+8.9%
	Gearing Ratio ⁽¹⁾	37.0%	34.5%	34.1%	37.8%	+3.3 pts
	Technical Provisions	72,615	74,173	76,329	77,892	+5.0%
	Total Balance Sheet	88,719	94,233	94,242	98,565	+4.6%
	Number of employees	2,848	2,937	2,878	2,922	-0.5%
SGAM	Solvency 2 ratio	196%	186%	213%	224%	+38 pts
	Solvency 2 ratio excl. transitional rules ⁽²⁾	120%	123%	130%	146%	+23 pts

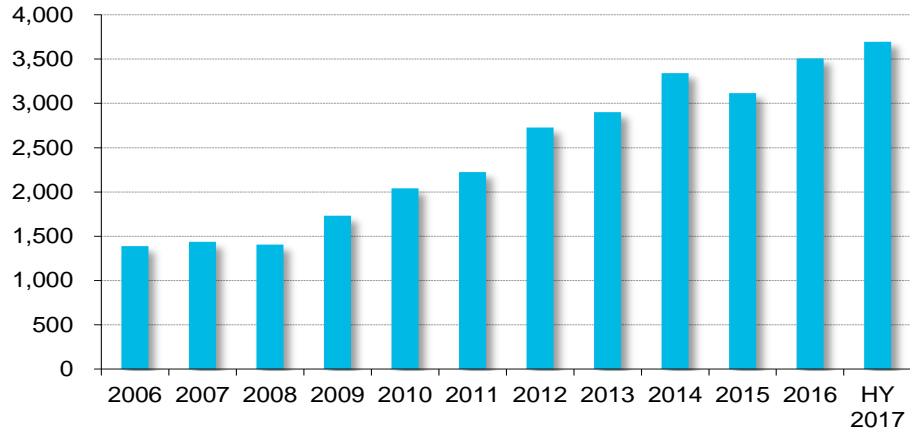
(1) *Financing debt / total IFRS equity*

(2) *On technical provisions*

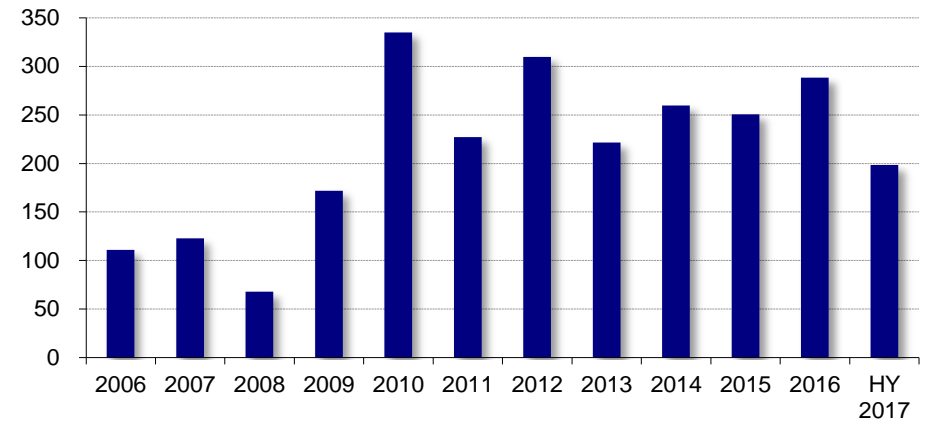


HY 2017 Key figures (2/2)

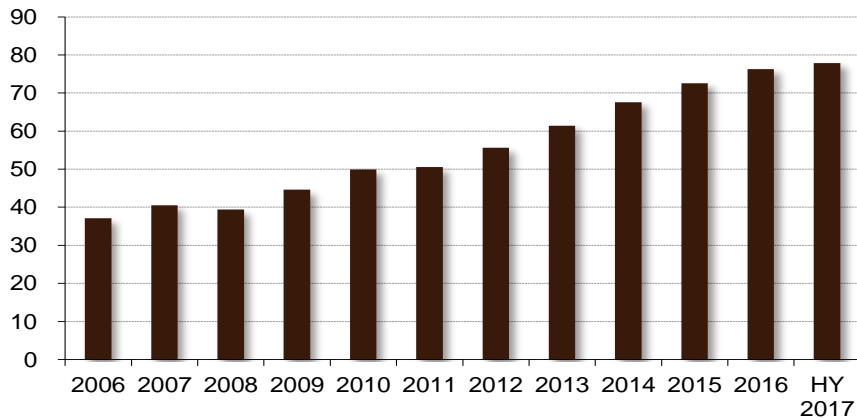
Equity (in € million)



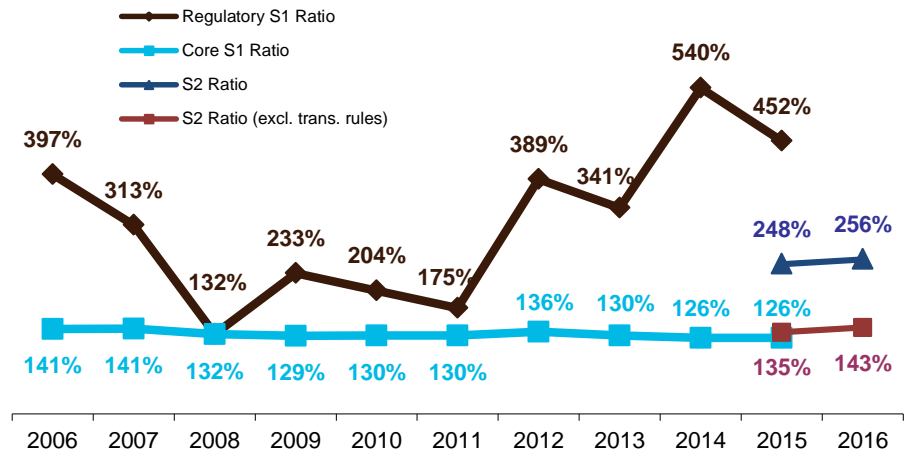
Net results (in € million)



Technical reserves (in € billion)



Solvency Margin La Mondiale solo*



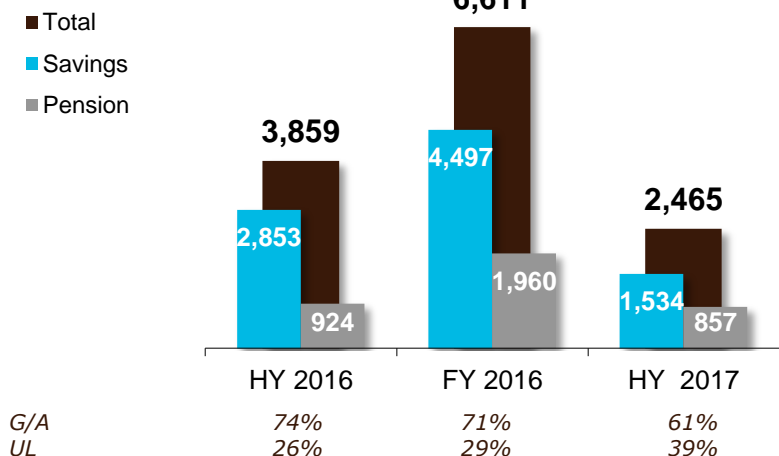
* The group prudential level is SGAM AG2R LA MONDIALE



BUSINESS ACTIVITY

HY 2017 Business activity

Premiums (in € mn)



Premiums : -36.1% compared to HY 2016, mostly due to :

- ✓ Savings : -46.2% voluntary decrease in general account
- ✓ Pension : -7.3% especially on Group Supplementary Pension after a strong HY2016

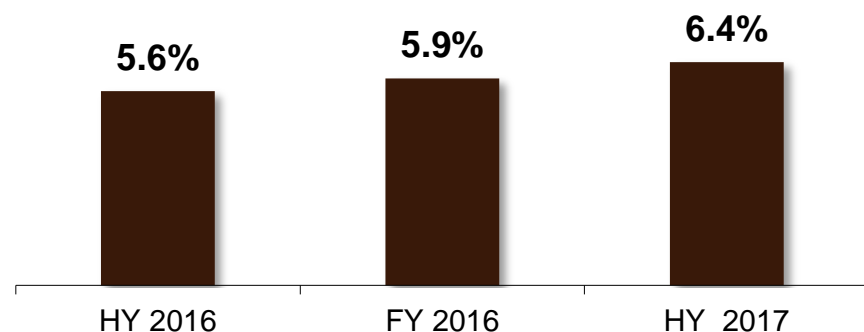
Claims :

Slight increase of the insurance claims ratio (in line with the French market), after two years historically low

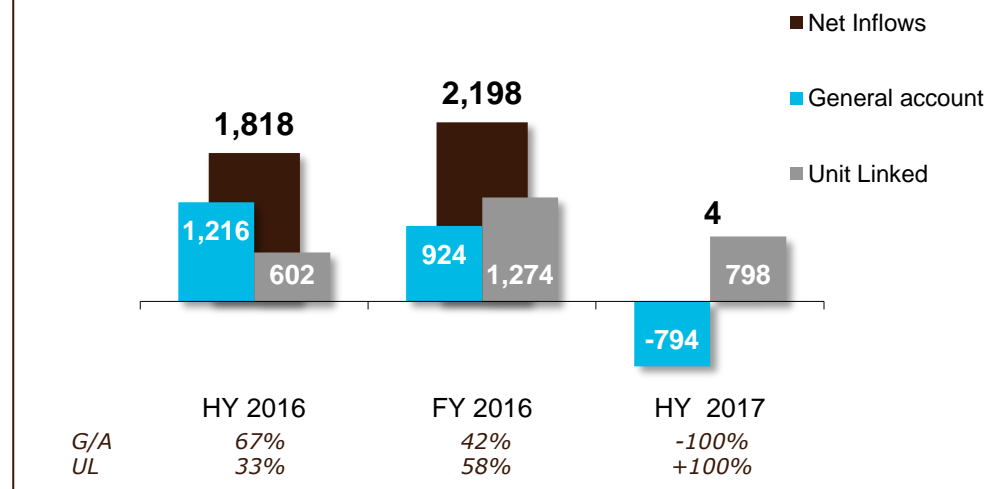
Net inflows :

Steered GA net inflows in a low interest rate environment

Insurance claims ratio

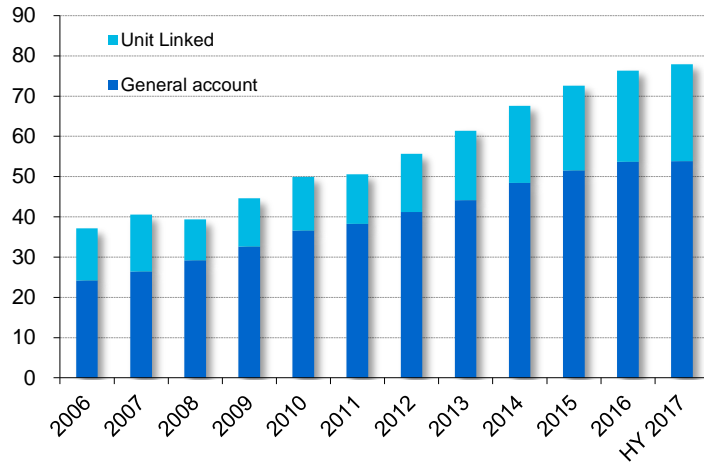


Net inflows (including arbitrage, in € mn)



HY 2017 Core businesses' Financial structure

Outstanding liabilities
78 € bn



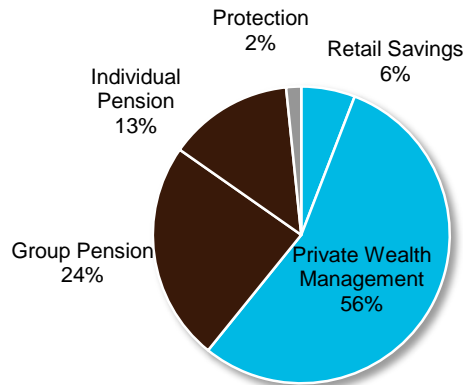
Liabilities : +2.0% compared to FY 2016

- General account : +0.3% including a strong increase of the policyholder surplus reserve
- Unit linked : +6.2% with a positive performance (+3.7%) of underlying assets and positive net inflows.

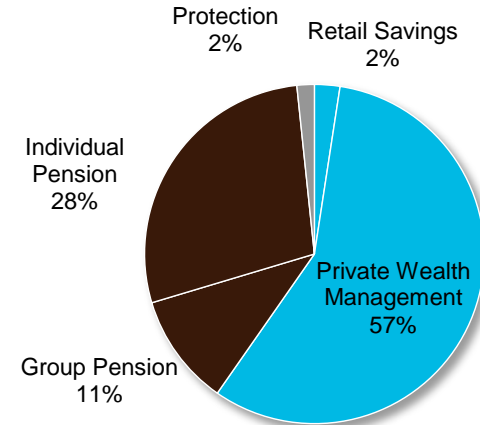
Compared to 1.3% for French market : GA (+0.3%) and UL (+5.9%) liabilities

Increase UL/GA mix at 31%(+1pt) / 69% (above the French market at 20% / 80%)

Liabilities by products
78 € bn



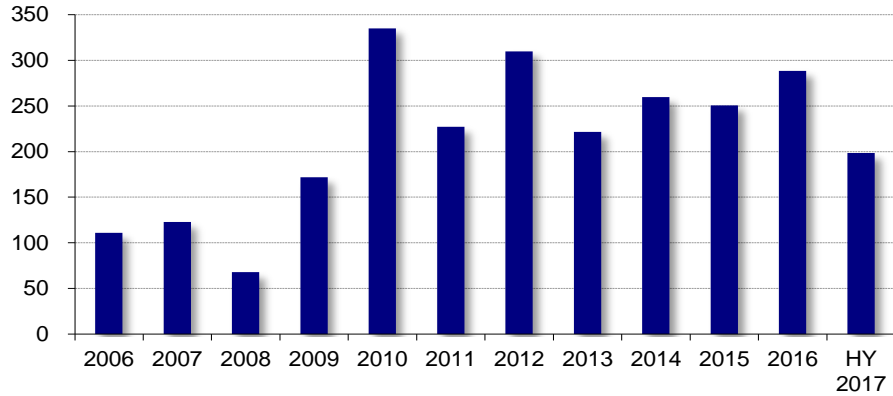
New business breakdown (APE)
170 € mn



FINANCIAL PERFORMANCE

HY 2017 Earnings and profitability

Net results (in € mn)



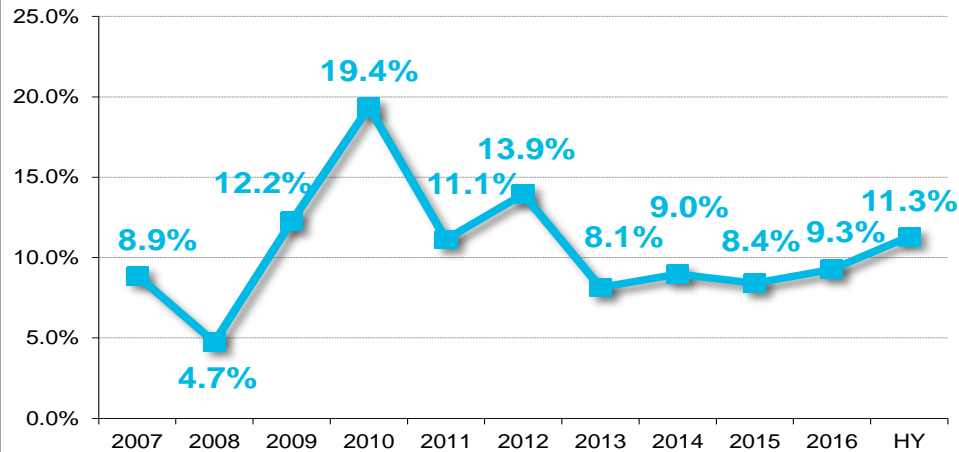
HY 2017 net result : € 198 mn

- HY net result ahead of the trajectory due to significant financial income over the first semester
- Increase of policyholder surplus reserve by € 462 mn
- Cumulated net results of € 2,564 mn since 2006, facing two financial crisis

Policyholder surplus reserve : € 2,201 mn

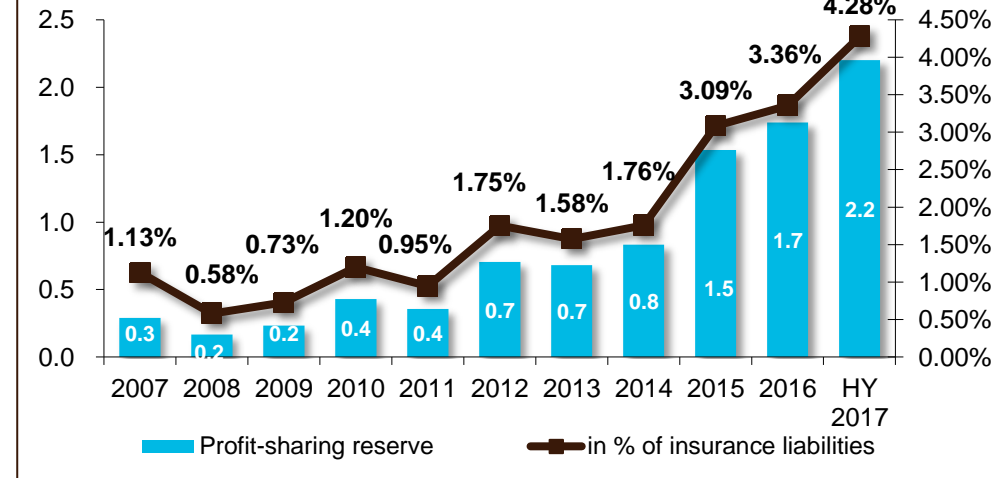
4.28% (+0.93pt compared to FY 2016) of G/A insurance liabilities

Return on equity



Consolidated Policyholder Surplus Reserves*

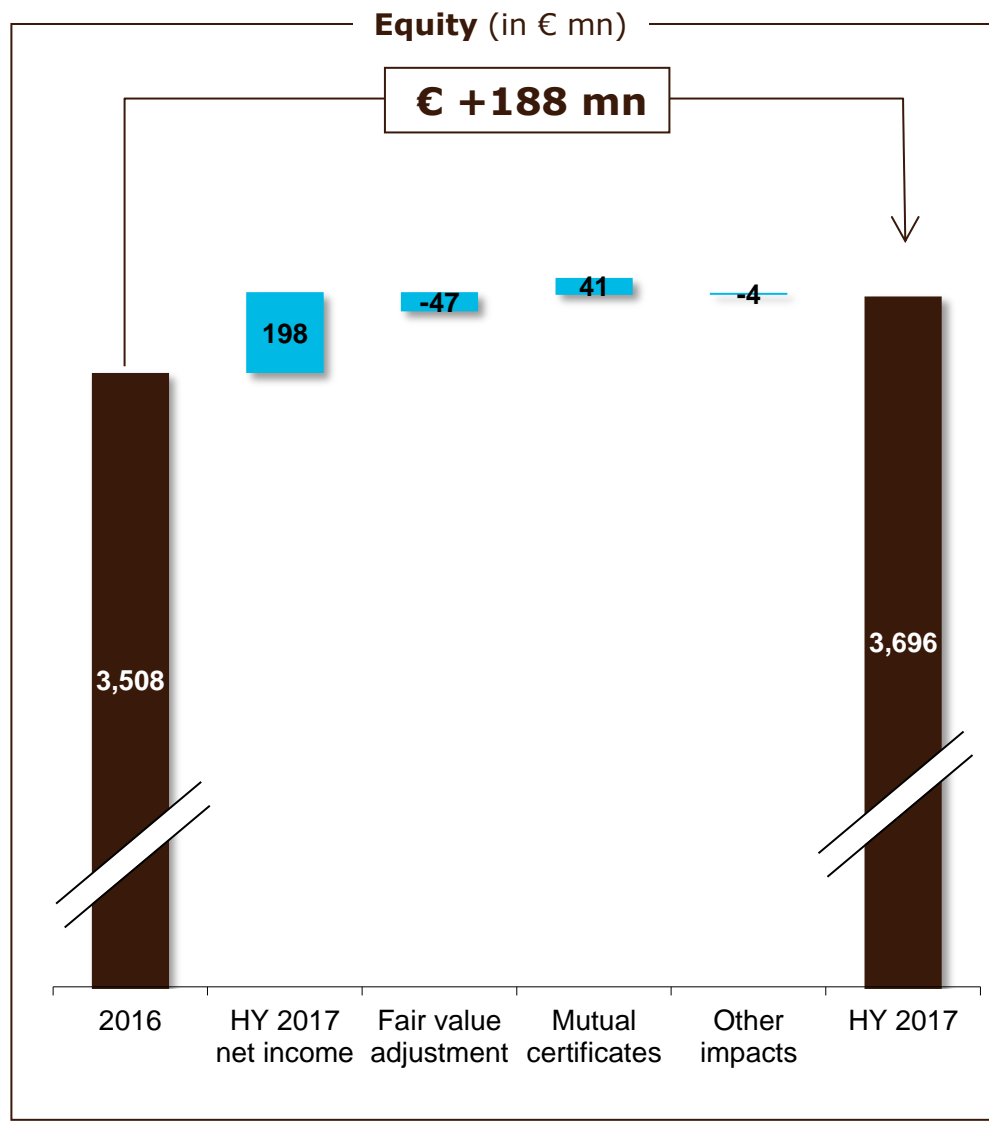
(in € bn)



* Savings and Pensions surplus reserve



HY 2017 Equity



Total Equity :

+5,4% compared to FY 2016

HY net result € +198 mn

Fair value adjustment € -47 mn
Due to the decrease of long term rates

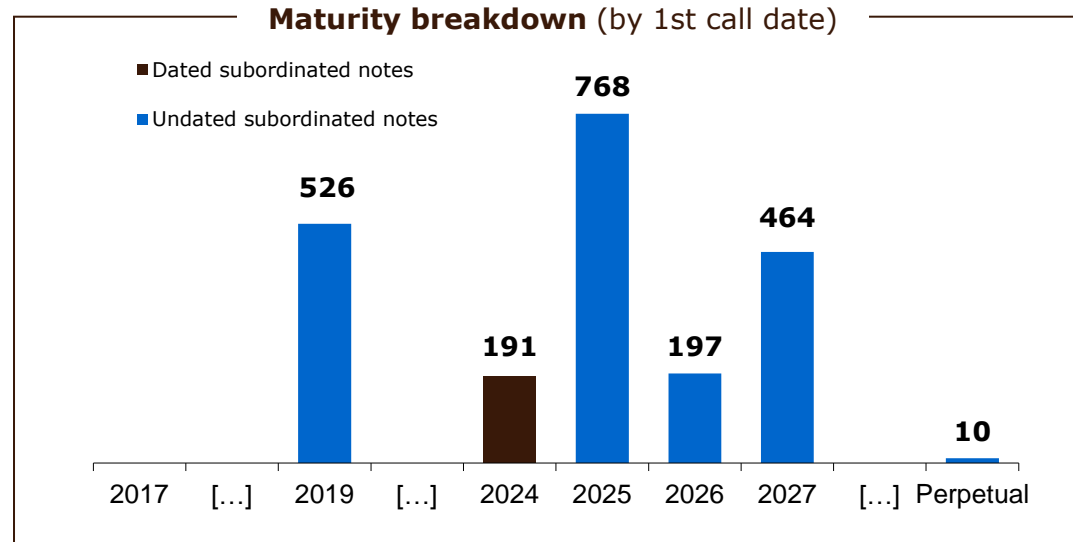
Mutual certificates € +41mn

Change and other impacts € -4 mn



Subordinated redemption profile

(French GAAP)



Subordinated Financial debt : € 2,157 mn

€ 191 millions of EUR dated debt with a 1st call option in 2024, Tier2 until 2026

€ 526 millions of perpetual debt denominated in USD, with a 1st call option in 2019, restricted T1 until 2026 (fully hedged until 2019 for an equivalent of € 457 millions)

€ 768 millions of EUR perpetual debt, with a 1st call option in 2025, restricted Tier1 until 2026, Tier2 after

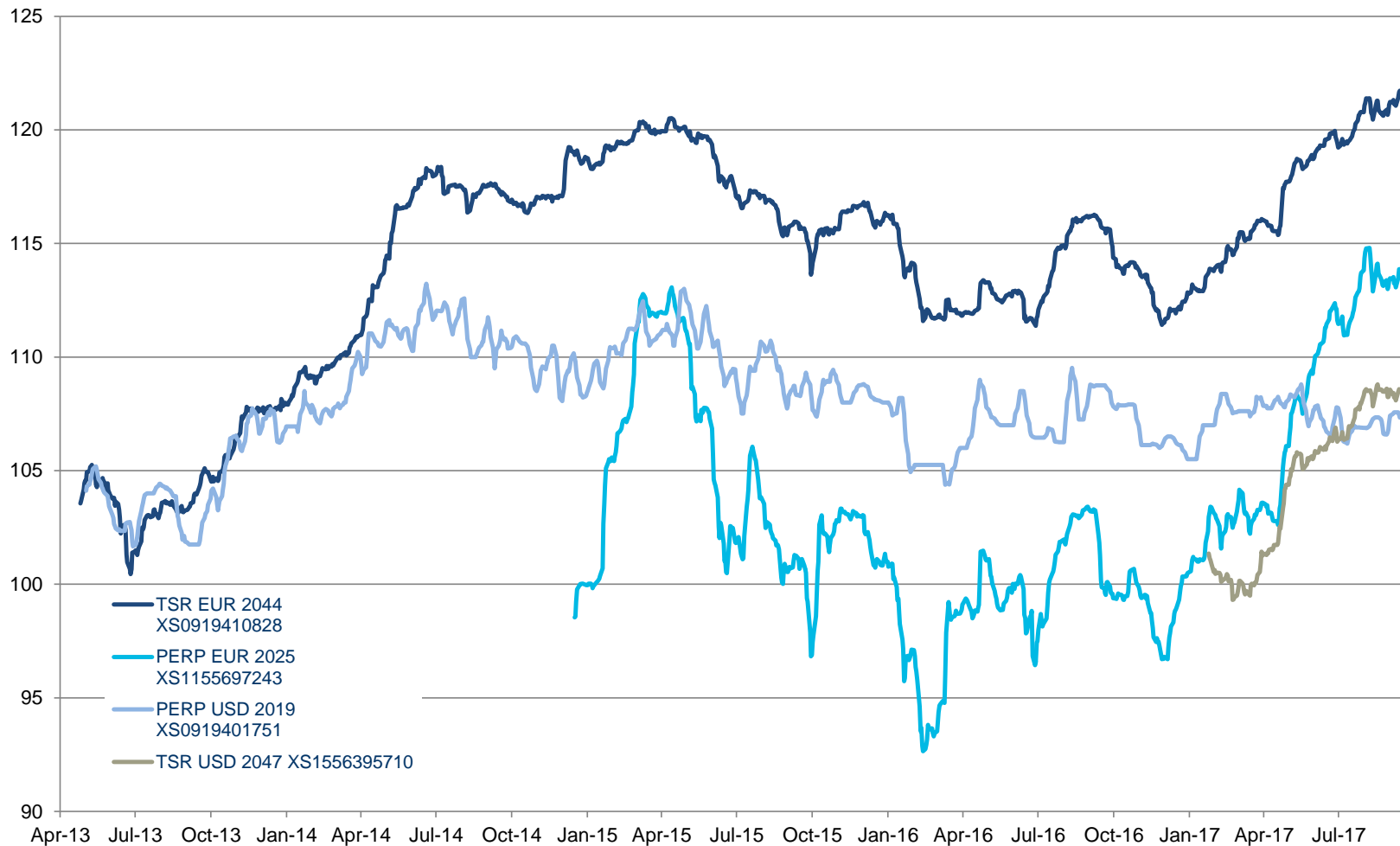
€ 207 millions of other EUR perpetual debts, mostly outstanding amounts remaining from past liability management operations, Restricted Tier1 until 2026

Operations in 2017

€ 464 millions of Reset Subordinated Notes in USD, with a 1st call option in 2027 (fully hedged until 2027 for an equivalent of € 499 millions)



Robustness of La Mondiale' secondary levels



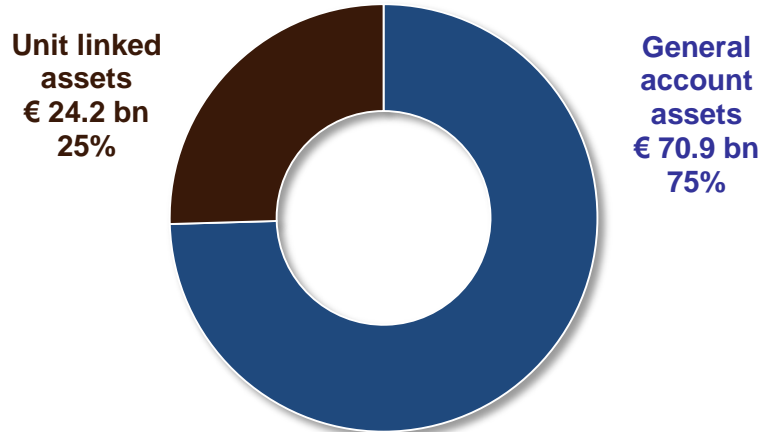
Price evolution of main bond issues



INVESTED ASSETS

HY 2017 Asset allocation

Outstanding assets
95 € bn



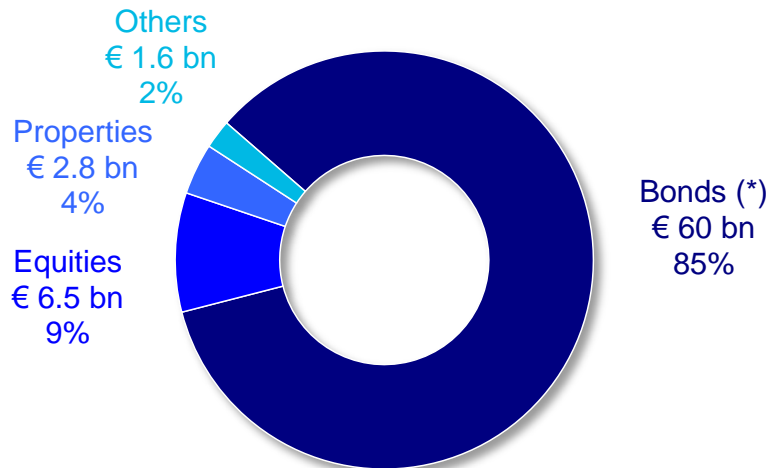
Assets : +4.7% compared to FY 2016

- General account : +4.2%
- Unit linked : +6.1%

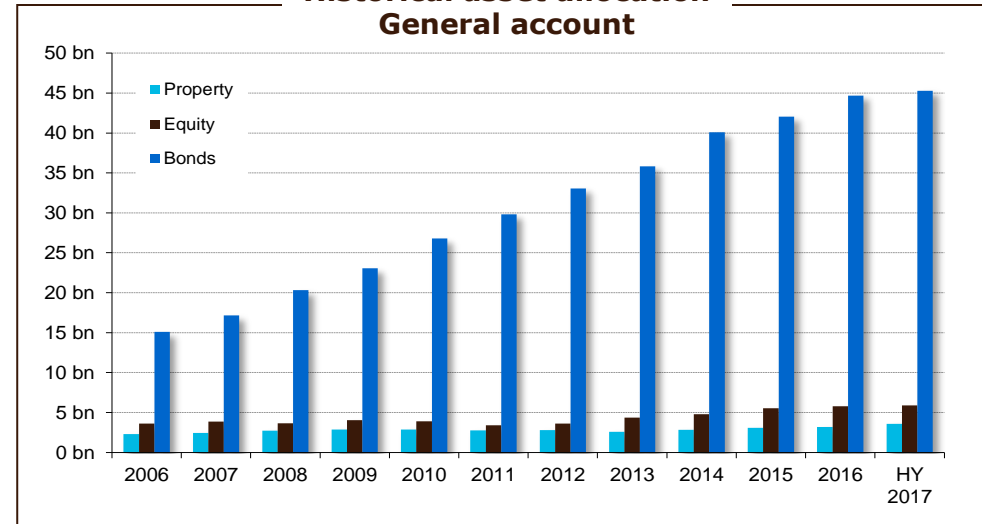
Assets under management have grown significantly over the last decade at an average annual growth rate of **+10.1%** since 2006

Bonds represent 85% of General account in HY 2017 vs. 72% in 2006

Euro assets allocation
70.9 € bn



Historical asset allocation
General account

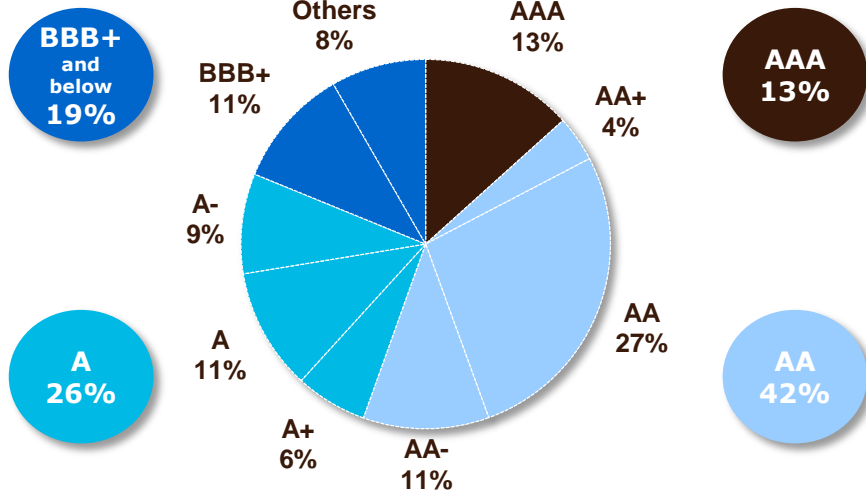


(*)including repo (sale and repurchase agreement)



HY 2017 bonds allocation

Credit exposure by credit rating

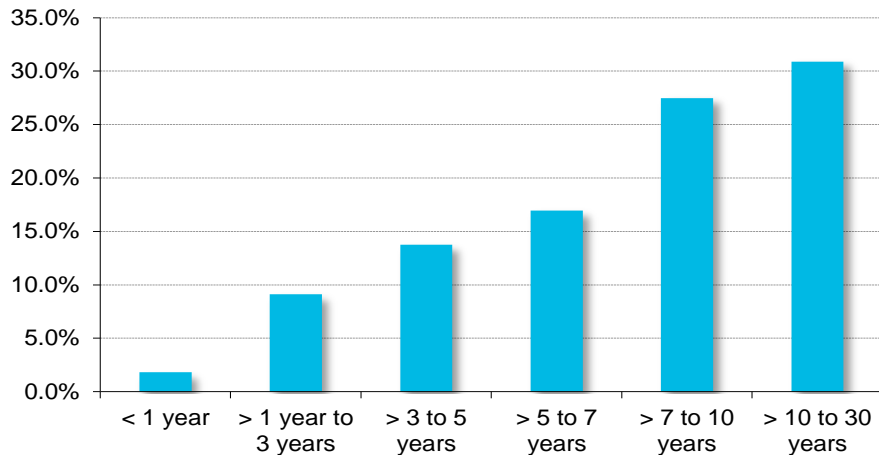


Bond exposure : € 53.3 bn

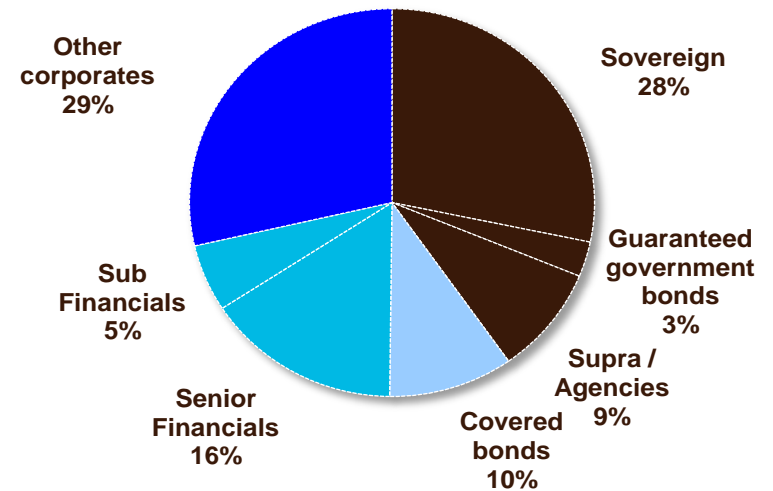
Limited exposure to risky investments with as less than 19% of the investments currently rated BBB+ or below, exposure lower than the market

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

Portfolio by maturity band

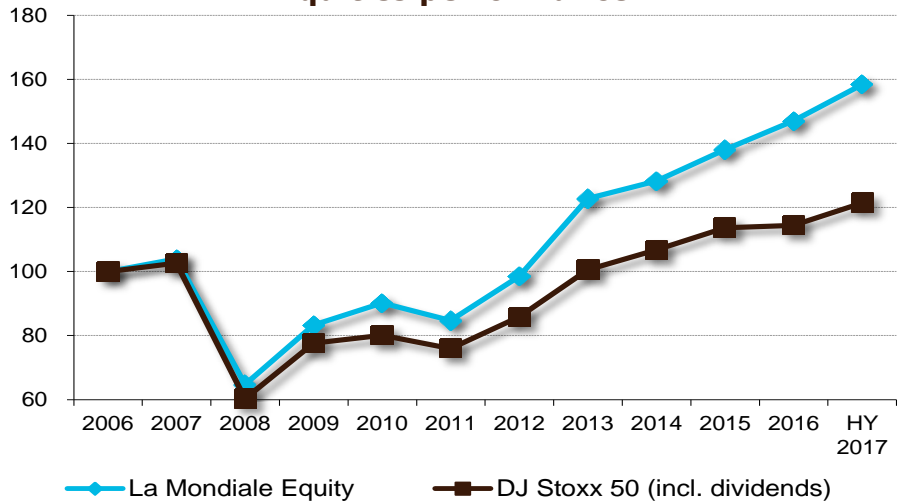


Credit exposure by Issuer type



HY 2017 equity investment allocation

Equities performance



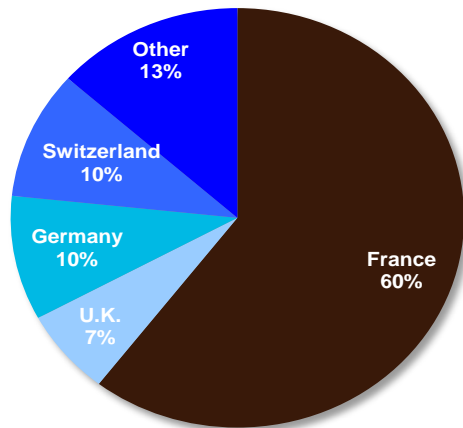
Equities exposure : € 6.5 bn
(including € 1.4 bn through mutual funds)

HY2017 performance at +7.7%, after +6.5% performance in 2016.

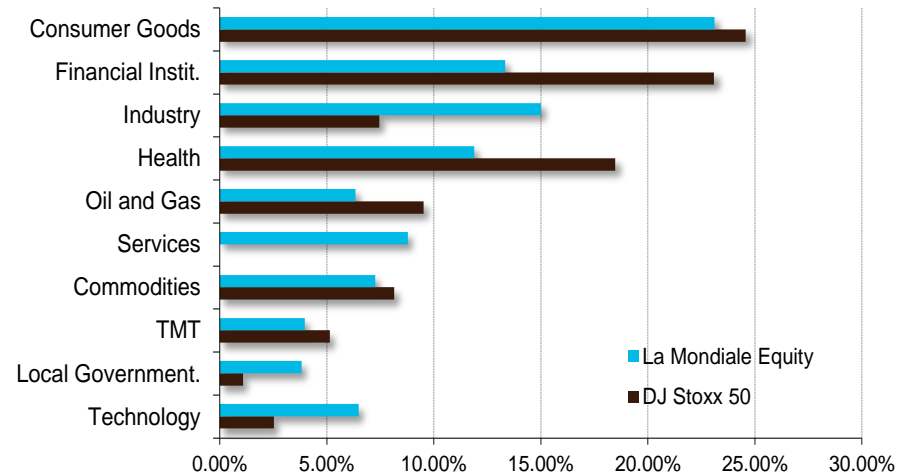
An Equity portfolio well diversified by geography and sector

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

Breakdown by countries
(excl. mutual funds)

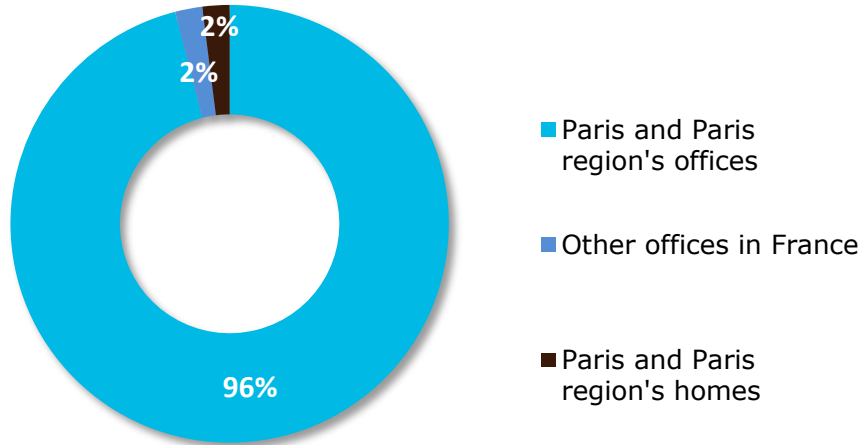


Breakdown by sector



HY 2017 Property allocation

Geographic breakdown



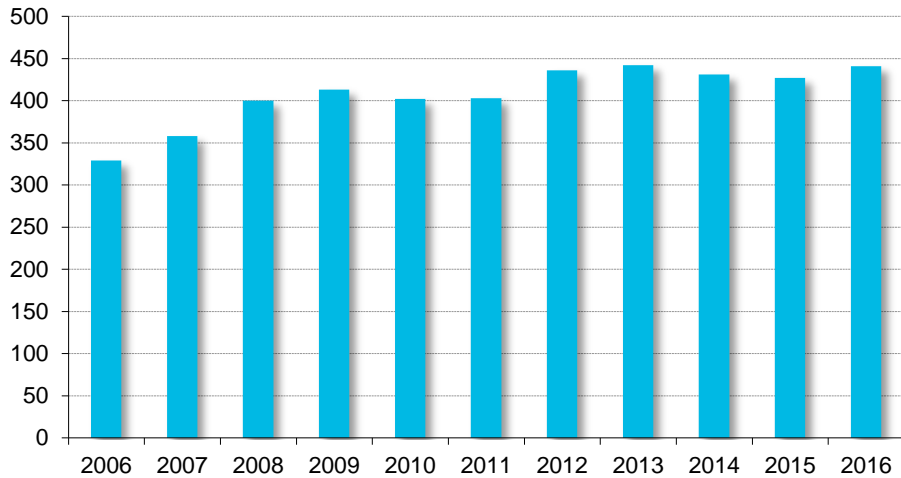
Total Property exposure is at € 2.8 bn (fair value €4.0 bn)

La Mondiale property assets represent 479,000 sq.m. and are mainly offices located in the center of or in Western Paris, i.e. only Prime Real Estate

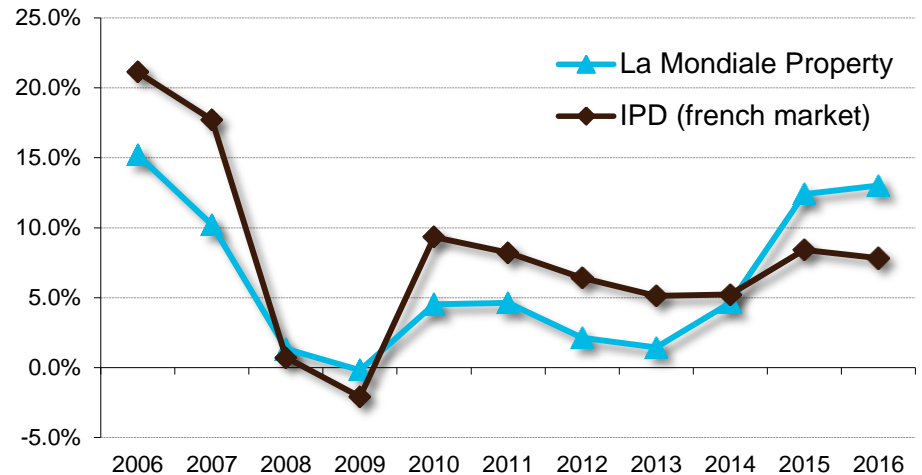
Rental yields largely outperforms the fixed income markets even though they have been trending slightly downwards recently

From 2015, La Mondiale property performance outperforms the IPD index due to the successful development and restructuration strategy driven before.

Annual revenue (€ per sq.m)



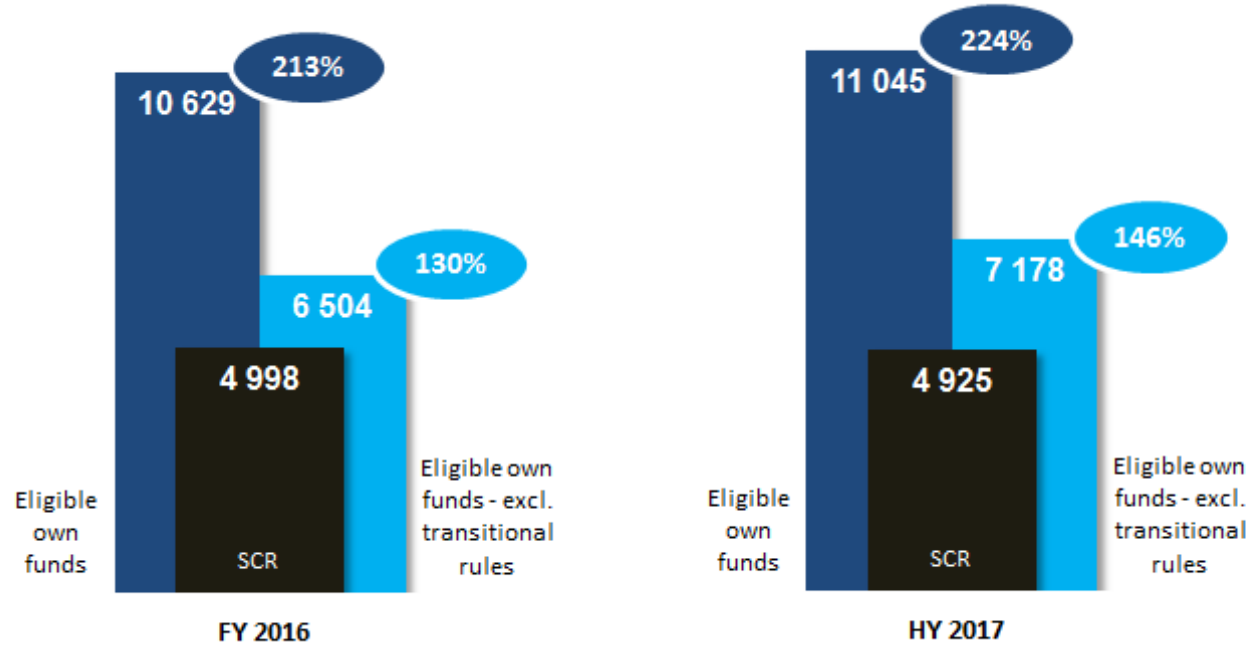
Total performance



SOLVENCY 2 RATIO

Solvency 2 Key Figures

(SGAM AG2R LA MONDIALE)



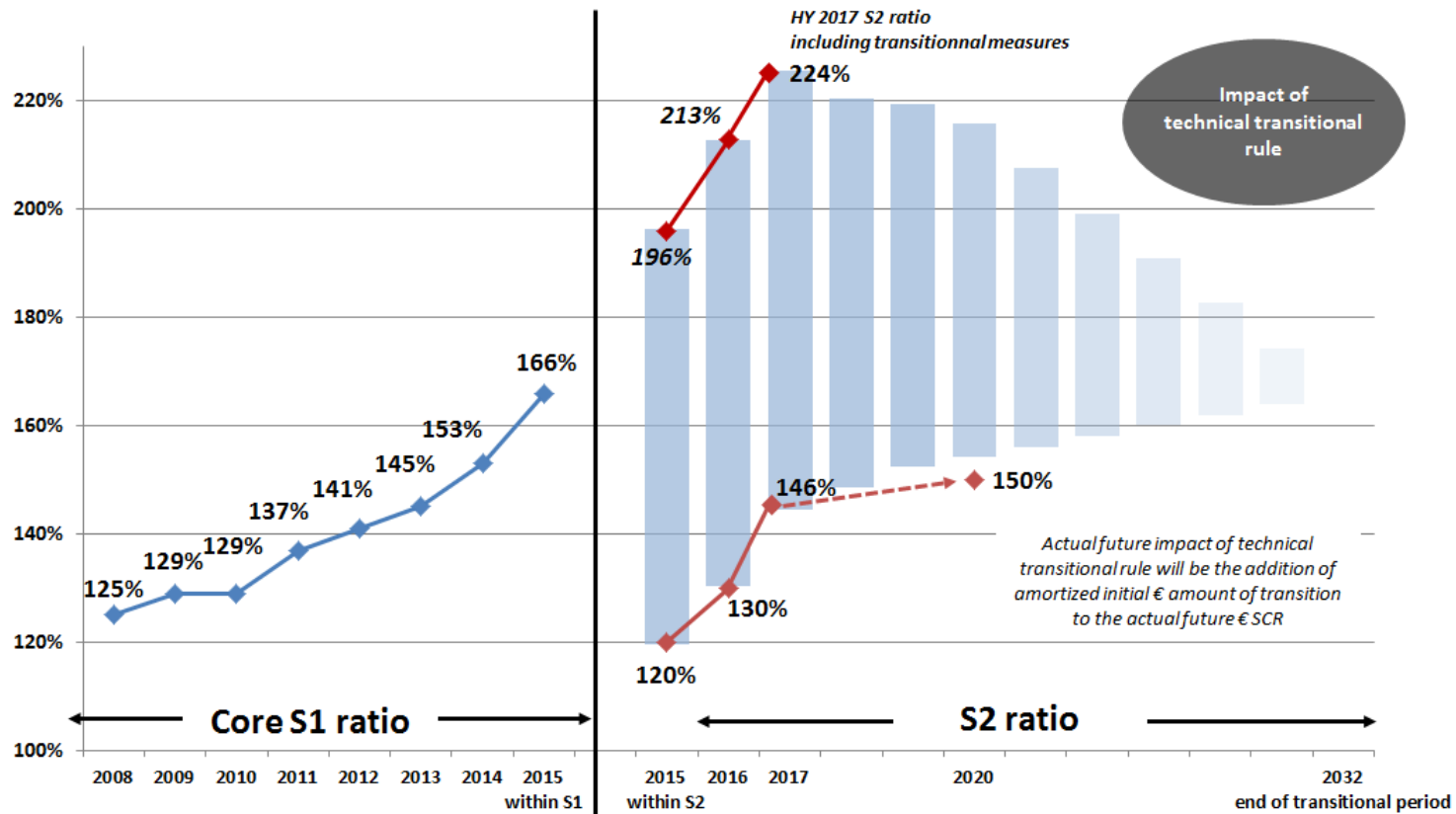
FY2016 -> HY 2017 : main favorable effects

- ✓ Issuance of dated subordinated notes (done in January 2017), improving solvency ratio by 10 pts.
- ✓ HY 2017 favorable market conditions
 - Slight rise in interest rates
 - Good equity market performance



Continuous improvement of the solvency ratio

(SGAM AG2R LA MONDIALE)



AG2R LA MONDIALE intends to reach a target of **150%** with the Standard Formula by 2020.

2020 objective : main effects

- ✓ Issuance of dated subordinated notes (done in January 2017)
- ✓ Issuance of envelope of Mutual Certificates
- ✓ Steered G/A net inflows and increase of UL/GA mix
- ✓ Lower the minimum guaranteed rate on savings/pension new premiums
- ✓ Decrease of the expense ratio within 3 years
- ✓ Improved Health/Protection loss ratio
- ✓ Optimized asset allocation



APPENDIX

Overview of La Mondiale Balance sheet

<i>€mio</i>	FY 2015	HY 2016	FY 2016	HY 2017	%Change HY 2017/ HY 2016
TOTAL ASSETS	88,719	94,233	94,242	98,565	+4.6%
Intangible assets	68	65	63	62	-4.5%
<i>ow. Goodwill</i>	56	55	54	53	-3.1%
Insurance investments	63,898	70,029	68,086	70,935	+1.3%
Unit Linked investments	21,360	20,984	22,829	24,223	+15.4%
Others assets	3,096	2,747	2,801	2,882	+4.9%
Cash and cash equivalent	298	408	462	463	+13.4%

<i>€mio</i>	FY 2015	HY 2016	FY 2016	HY 2017	%Change HY 2017/ HY 2016
TOTAL LIABILITIES	88,719	94,233	94,242	98,565	+4.6%
Equity Group Share	3,104	3,383	3,498	3,686	+9.0%
Minority Interests	9	10	10	9	-0.8%
Total Equity	3,114	3,393	3,508	3,696	+8.9%
Financing debt	1,599	1,562	1,590	2,011	+28.8%
Insurance and financial liabilities	77,685	80,956	82,224	83,227	+2.8%
Other liabilities	6,321	8,323	6,920	9,632	+15.7%



Overview of La Mondiale P&L account

<i>€mio</i>	FY 2015	HY 2016	FY 2016	HY 2017	%Change HY 2017/ HY 2016
Revenue	6,790	3,859	6,611	2,465	-36.1%
Financial Products	3,431	1,288	2,381	1,219	-5.4%
Others	798	-576	839	898	-255.8%
Current operating income	11,018	4,570	9,831	4,581	+0.2%
Current operating expenses	-10,653	-4,352	-9,470	-4,300	-1.2%
Operating Income	365	218	360	281	+29.1%
CONSOLIDATED NET RESULT	251	152	288	198	+30.6%
<i>o.w Group share</i>	<i>251</i>	<i>152</i>	<i>288</i>	<i>198</i>	<i>+30.7%</i>
<i>o.w Minority Interest</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	



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