



AG2R LA MONDIALE

LA MONDIALE

FULL YEAR 2021 EARNINGS

March 29, 2022

Full Year 2021 Earnings - Group overview

€11.4bn Gross Written Premiums (+22% /2020)

- ✓ Strong profitable growth of the portfolio on all the business lines

€2.2bn Unit Linked Net Inflows (+54% /2020)

- ✓ Net inflows well above target and steering reserves towards Unit Linked

€273m Net Result (+19% /2020)

- ✓ Solid performance and resilient balance sheet

SGAM Solvency ratio at **218%** (+38pts /2020)
(La Mondiale Solvency ratio at **262%** (+67pts /2020))

- ✓ Robust and comfortable Solvency position

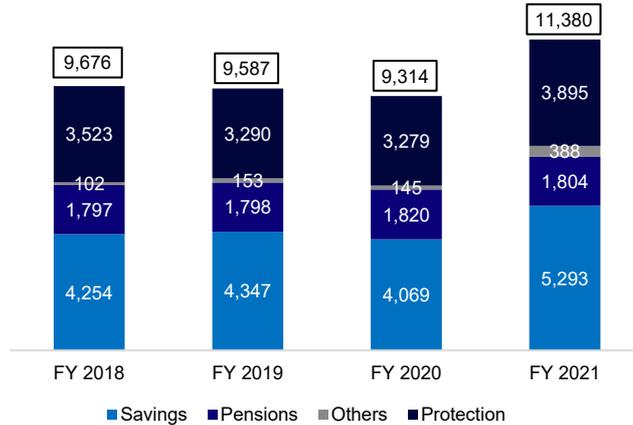
S&P rating '**A**', **Stable outlook**

- ✓ Resilient model as emphasized by the S&P upgrade



FY21 – Business overview

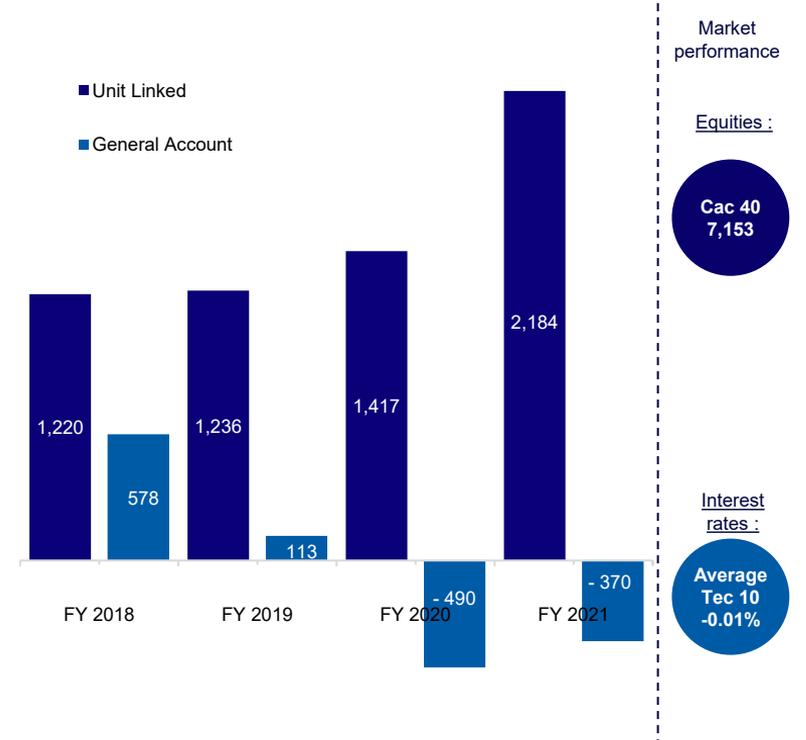
Gross Written Premiums (€m)



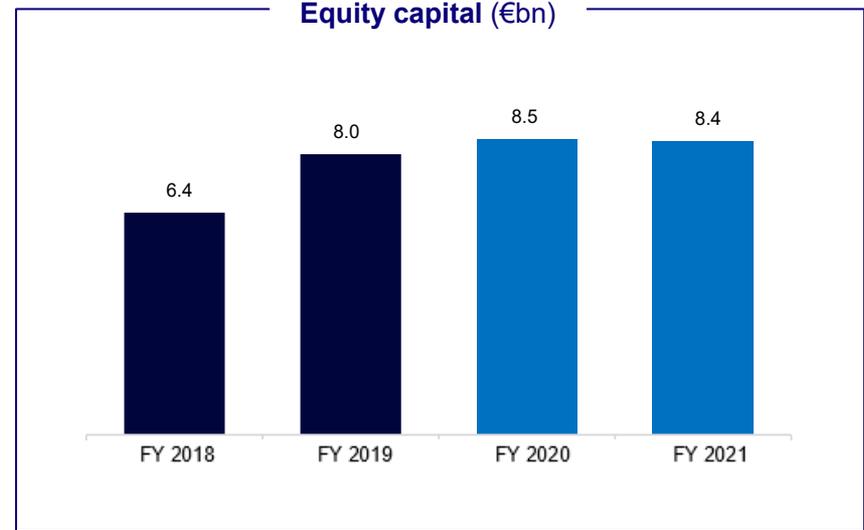
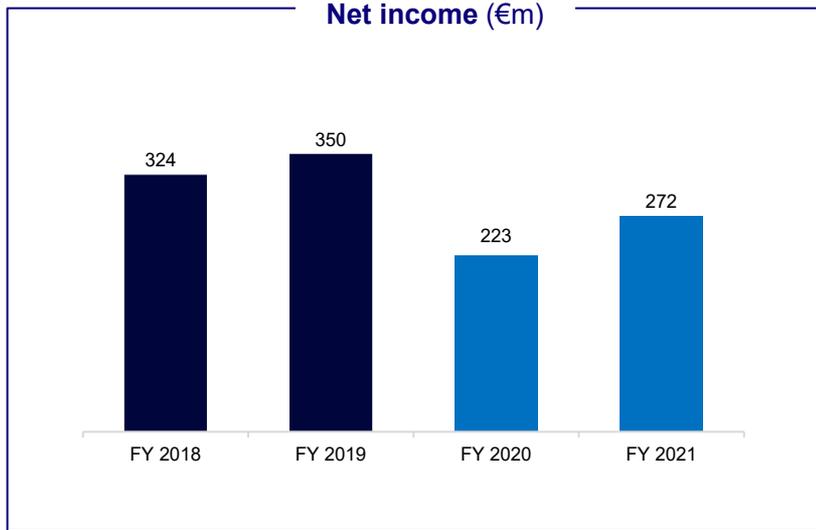
	Savings	Pensions	Others	Protection
G/A	63%	60%	55%	48%
UL	37%	40%	45%	52%

- ✓ Historically high GWP level in a context of very low interest rates
- ✓ Record-breaking net inflows for UL, still under control for GA
- ✓ Strong shift from GA towards UL for in force contracts

Net Inflows (€m)



FY21 - Net income



Net income up 19% from 2020, with record contribution from Savings and Pensions

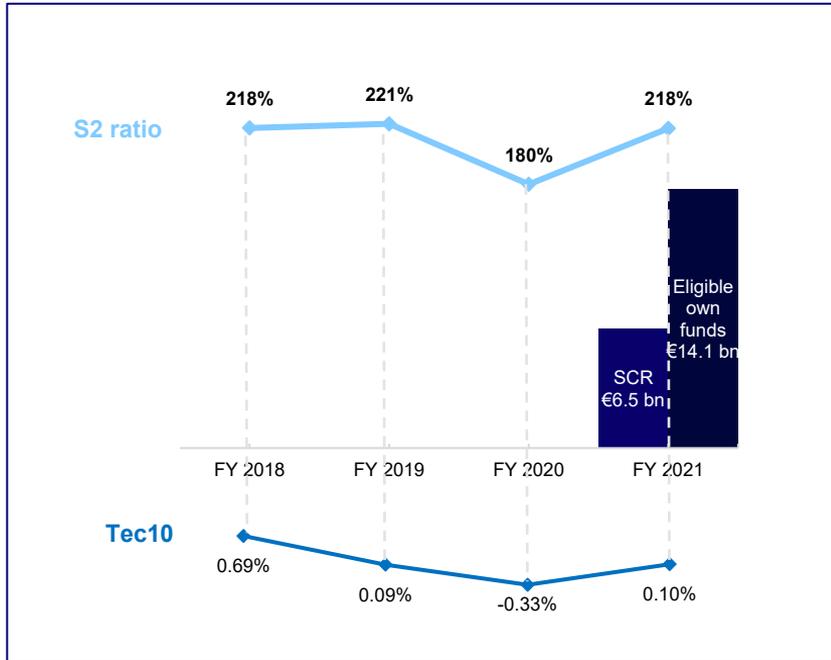
Significant financial production taking advantage of bull markets :

- ✓ All the production above target has been used to strengthen the balance sheet, with a maximum discount rate at 2.75%
- ✓ Representing an equivalent decrease of 9bps of the guaranteed rates
- ✓ Including all effects, the minimum guaranteed rate stands at 0.36% from an accounting point of view

Organic capital generation of €300m (net income + mutual certificates) offset by OCI reserve



FY21 - Solvency



+38pts SGAM Solvency Ratio Increase

- ✓ Positive effect of financial markets
- ✓ Positive impact of the supplementary pension contracts transformation

“A” stable outlook - A strong recognition by S&P of the robustness of AG2RLM model

- ✓ Rating upgraded on March 25, 2021
- ✓ S&P pointed out :
 - The financial strength of the Sgam
 - Its leading market positions in France
 - Stabilization of fundamentals
 - Control of net General Account inflows
 - The continued decrease of guaranteed rates
 - The transformation of Madelin contracts (pension contracts) by end of 2021



2022 Outlook

Appointment of Bruno Angles

- ✓ Joined the Group Management Committee of AG2R LA MONDIALE on May 5, 2021, as Deputy Chief Executive Officer
- ✓ Appointed Chief Executive Officer of AG2R LA MONDIALE in succession to André Renaudin on November 26, 2021. This appointment will take effect on May 1, 2022, after clearance from the relevant authority (ACPR)

Capital management initiatives and investors' relations

- ✓ €106m of residual debts, which would have been called by 2026 due to the end of the grandfathering clause, may be called during 2022
- ✓ Transfer of subordinated debts listing to Euronext Growth in order to keep a stable financial reporting framework and financial operational excellence
- ✓ These changes would have no impact on the financial strength of the Group, nor on its debt instruments, nor on the quality and frequency of reporting to investors

New supplementary pension framework (FRPS – “French pension funds”)

- ✓ Regulatory framework better suited to long-term commitments such as retirement has been introduced in France
- ✓ In this regulatory framework, the pillar 1 solvency requirements are not assessed under the Solvency 2 standard, but under “Solvency 1-like” rules – thus reducing the capital charge
- ✓ AG2RLM in discussion with the regulator for implementation at the end of 2022
- ✓ Positive impact on the Solvency expected as of 2022

Operational excellence

- ✓ Decrease of the expense ratio in all business lines (retirement, savings and protection & health insurance)
- ✓ Accrued cost control
- ✓ Increase of digital and automated acts



Ukrainian crisis

Since the beginning of the crisis, the Group has been monitoring closely the potential impacts. So far, no significant impact is to be reported

Operational Business Continuity Plan

- ✓ Group Management Committee and key relevant functions monitor the potential consequences on the activity and the associated risks and participate to market discussions
 - Cyber threat monitoring
 - Investments monitoring to assess the impact of sanctions against Russia, increase of commodities prices and financial instability
 - Compliance monitoring related to sanctions (e.g. freezing of assets)
 - Lapses and switches are also closely checked

Technical risk and insurance activity

- ✓ Group has **no related development or activity, neither in Russia nor in Ukraine**
- ✓ On savings and pensions, a reinforced follow-up on GA/UL switches and redemptions has been set up, without detection of significant movements or trends to date
- ✓ On protection and health insurance, no direct impact on our claims experience is currently detected

Market risk

- ✓ The General Account investment exposure at EoY21 was extremely limited :
 - No direct investment
 - €1m of indirect investment through diversification funds
- ✓ Equity portfolio hedging partially offsets the decline in value of the portfolio
- ✓ No client came up in our portfolio when searching for individuals subject to the new US/European embargoes/sanctions

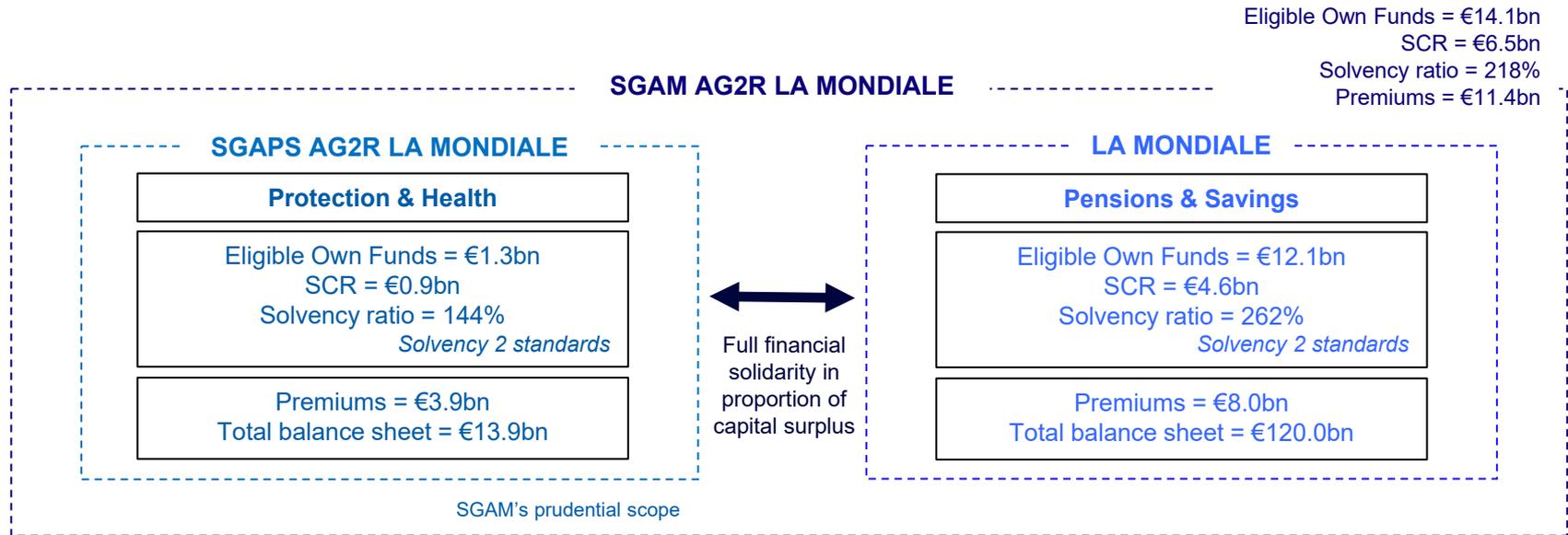


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Group structure

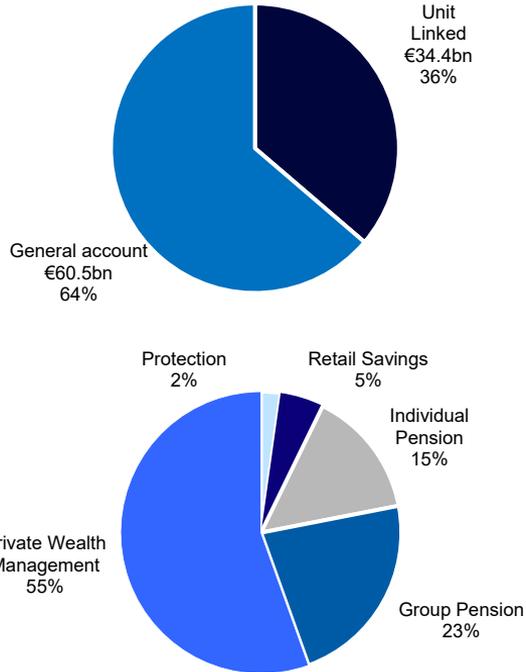


- A mutual life insurance company is a company with no shareholders, i.e. results go directly into equity
- All securities issued since 2016 have a dual trigger on both the SGAM and La Mondiale solvency ratios (see details p.31 / p.42)



La Mondiale - Key business figures

Technical reserves €94.9bn



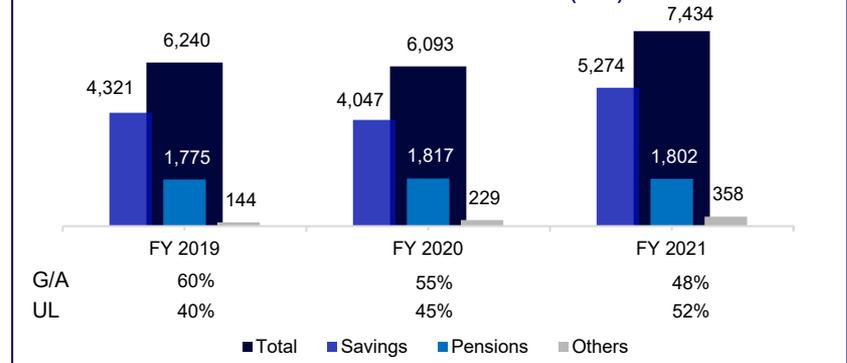
Strong performance of the key business indicators, maintained at a strong level in line with the Group's strategy:

- **Steer and limit gross inflows on the general account**
- **Maintain a competitive market position**
- **Maximize the unit linked inflows**

36% of La Mondiale's liabilities made of UL (+4pts vs FY 2020): c.9pts above the market average

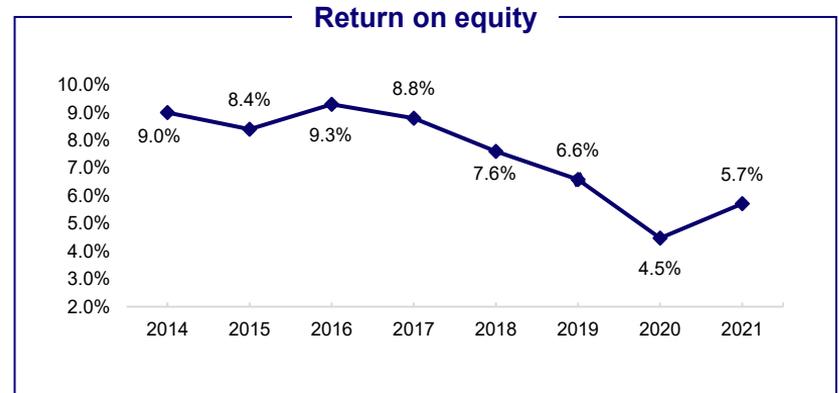
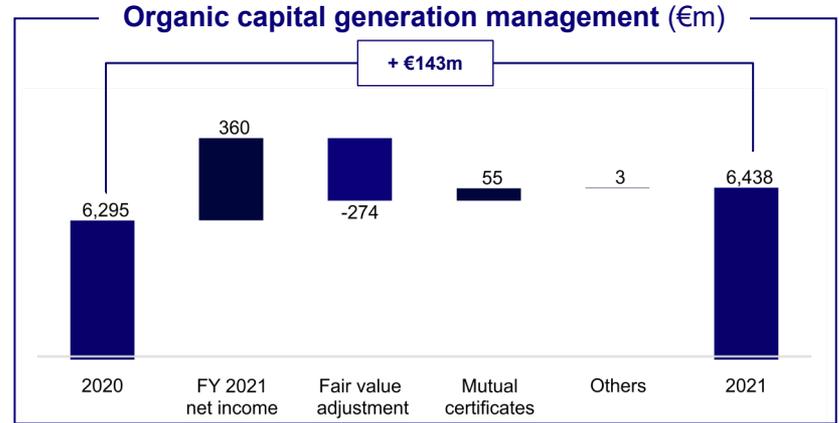
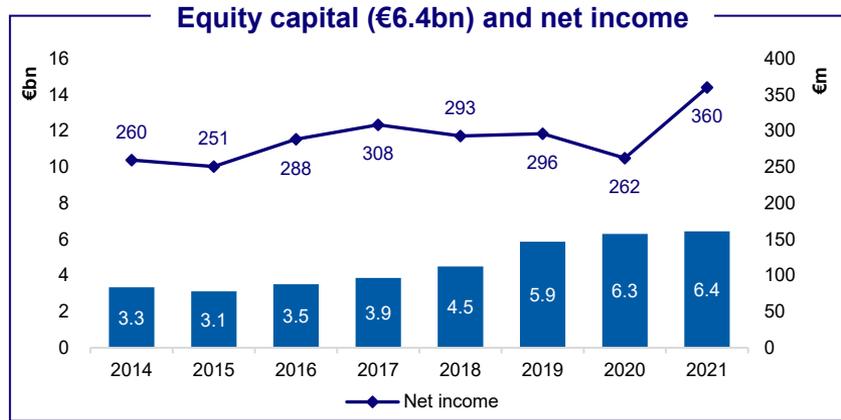
38% pensions / 60% savings: natural hedge between liabilities

Gross Written Premiums* (€m)



(*) Excluding internal reinsurance

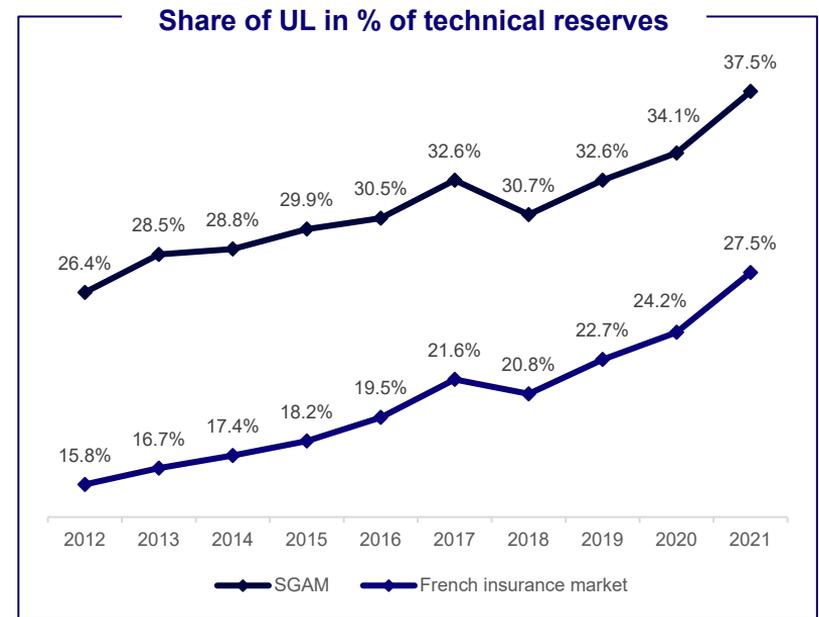
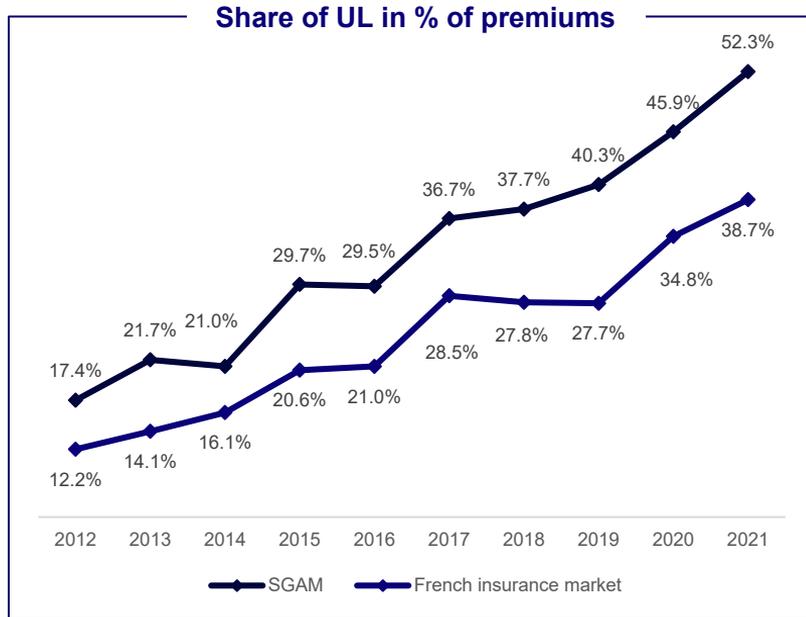
Strong performance in line with our strategy



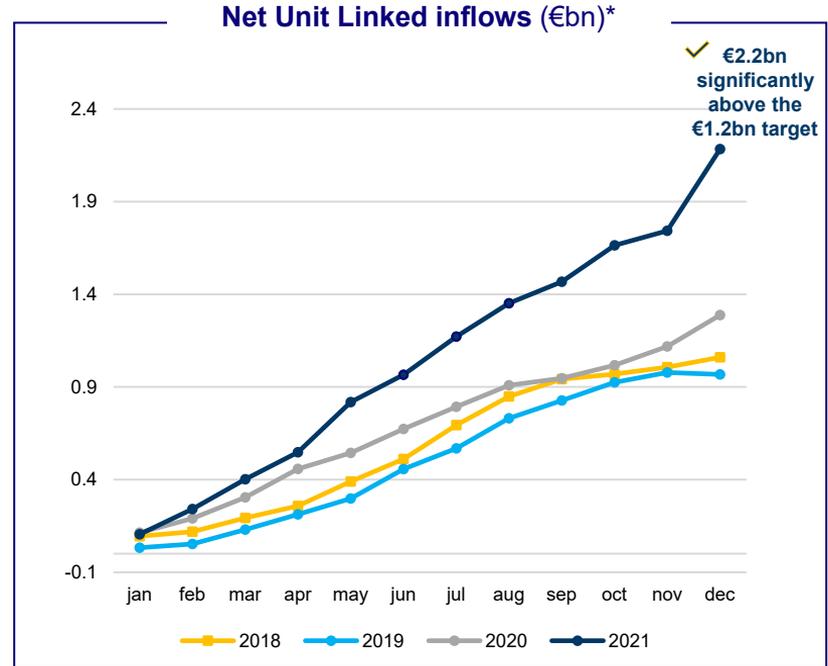
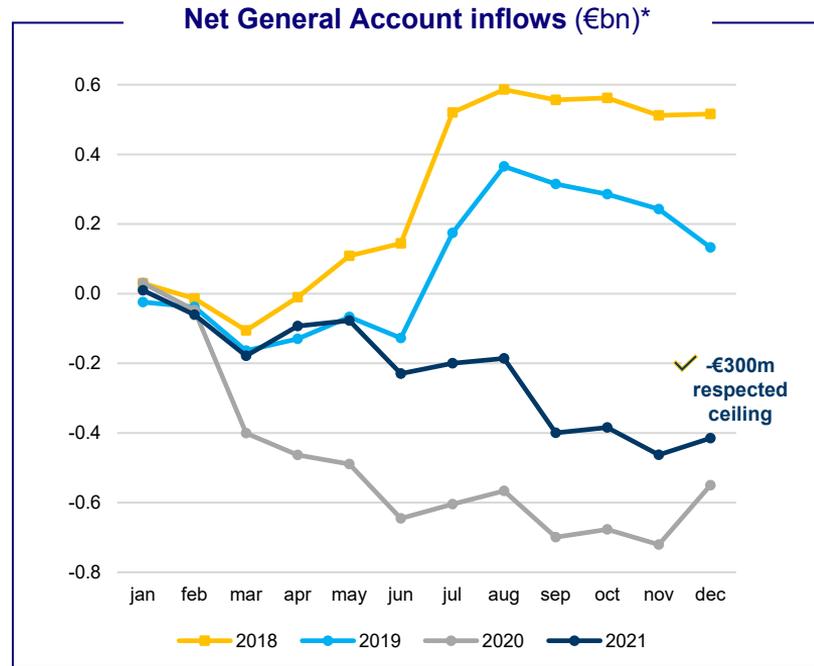
La Mondiale: €6.4bn of IFRS own funds (+2,3% compared to FY 2020)

- ✓ Results directly contribute to equity, hence driving growth in equity
- ✓ No dividend distribution given our mutual nature
- ✓ Strong growth in mutual certificates (+€55m) : €318m outstandings at EoY21, i.e. Tier 1 capital representing almost 5pts of solvency

A Unit Linked rate well above the market, for both premiums and reserves



FY 2021: negative net outflows on the GA and historical record net inflows on UL



Measures have been taken to monitor the volume in GA while keeping good momentum on UL net inflows: levels of UL net inflows are higher than ever, while GA's levels keep on decreasing

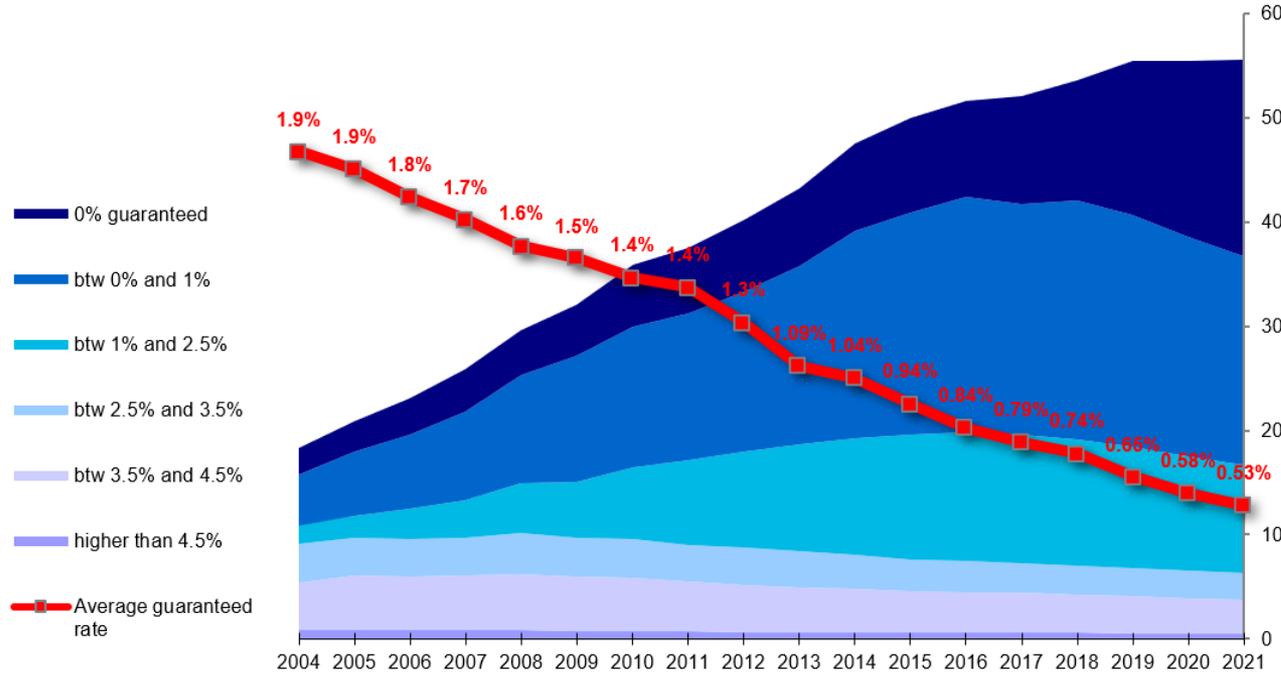


Reduction of guarantees and strong management buffers

0% before fees	Negative guaranteed rate on new business since November 2017 <ul style="list-style-type: none">✓ Actual guarantee at about -80bps✓ Buffer of 154bps (difference between fixed income investment yield and average new business guaranteed rate)
- 5 bps	Continuous decrease of the average guaranteed rate <ul style="list-style-type: none">✓ FY 2021 average guaranteed rate on the Inforce = 0.53%✓ Additional decreases of the average guaranteed rate : accounting decrease of 9cts (prudential reserve) and BoY22 decrease of 8cts (supplementary pension contracts transformation)✓ Buffer of 182bps (difference between asset yield and average guaranteed rate)
1.41%	Discretionary profit-sharing <ul style="list-style-type: none">✓ Follows the decrease of the asset yield
€2.3bn	Profit-Sharing Reserve (PSR) <ul style="list-style-type: none">✓ Represents more than 4.1% of technical reserves✓ Considered as hard equity by S&P's



Continuous reduction of guaranteed rates



Portion of liabilities with a gross guaranteed rate above 3.5% decreased from 35% in 2003 to 7% in 2021

Average guaranteed rate decreased from 0.58% in 2020 to **0.53% in 2021**

Inforce guaranteed rate lower than peers

A reinforcement of €400m and €200m had been made in 2019 and 2021 to provision annuities with a technical rate above 2.75%, corresponding to an additional impact of ⇒ **-9bps** on the accounting average technical rate

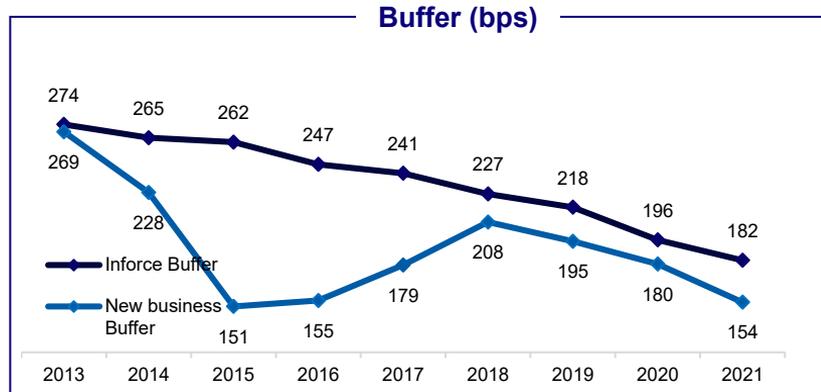
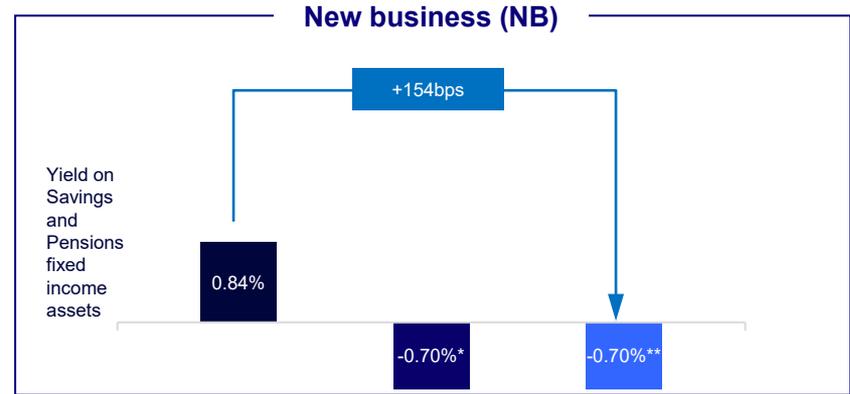
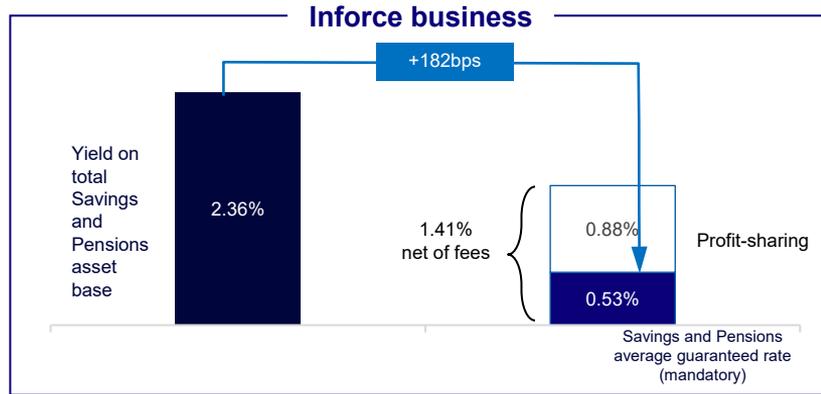
Pension contracts transformation at early 2022 ⇒ **-8bps** on the average technical rate

⇒ Accounting average technical rate stands at **0.36% at BoY22**

	SGAM	CNP	AXA	Generali	Groupama
Inforce guaranteed rate	0.53%	0.13%	1.40%	1.15%	0.90%
New business guaranteed rate	0% before fees	0.01%	0.20%	0.06%	0.00%



Still high buffers on savings and pensions



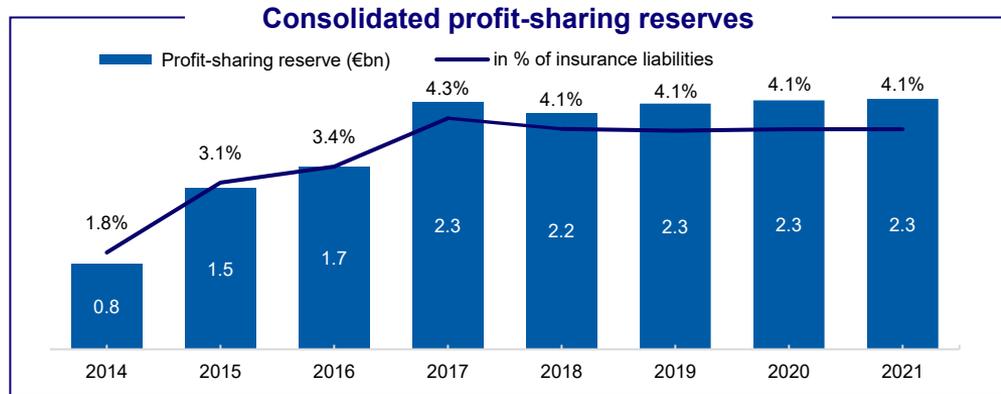
Market buffer (bps)	Inforce buffer	NB buffer
SGAM	182	154
CNP	175	79
AXA	130	120
Generali	170	144
Groupama	140	170



(*) Savings and Pensions average guaranteed rate (1st year & 2nd year)

(**) Savings and Pensions average guaranteed rate (after 2nd year)

Profit-sharing reserve (PSR) : maintained above 4% of reserves



Target: stability over 4%

- ✓ Increase in the provision between 2020 and 2021 (€12m)
- ✓ €2.3bn PSR, representing 4.1% of total technical reserves

Profit-sharing drop by 15bps

The profit-sharing rate is still decreasing, along with the asset return rate drop.

- ✓ While keeping our PSR target above 4% of reserves

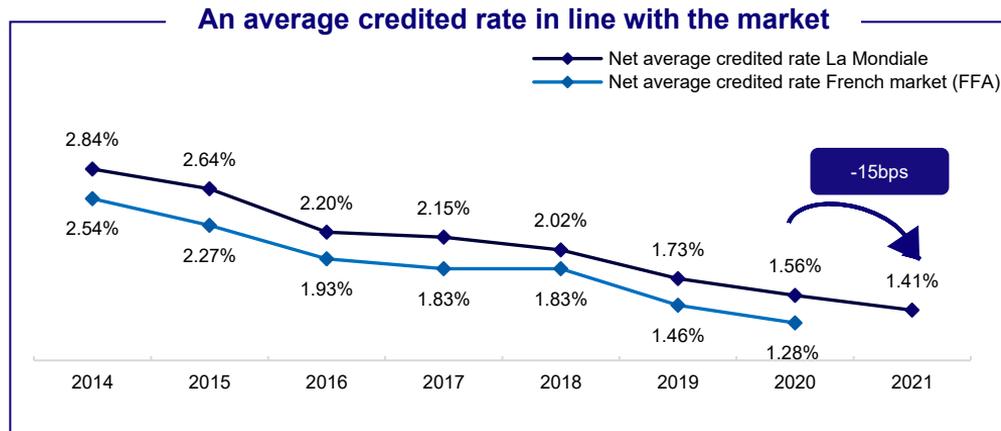
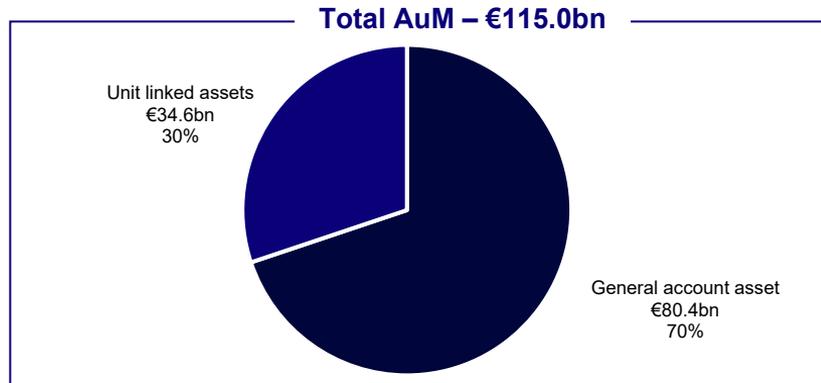


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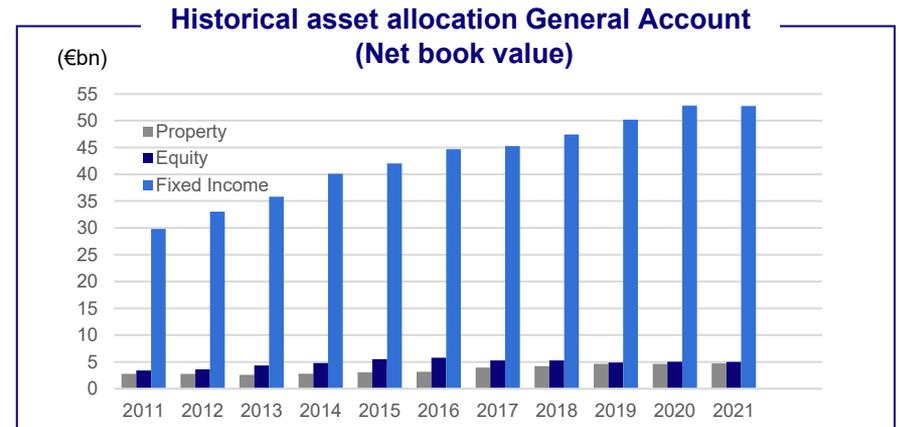
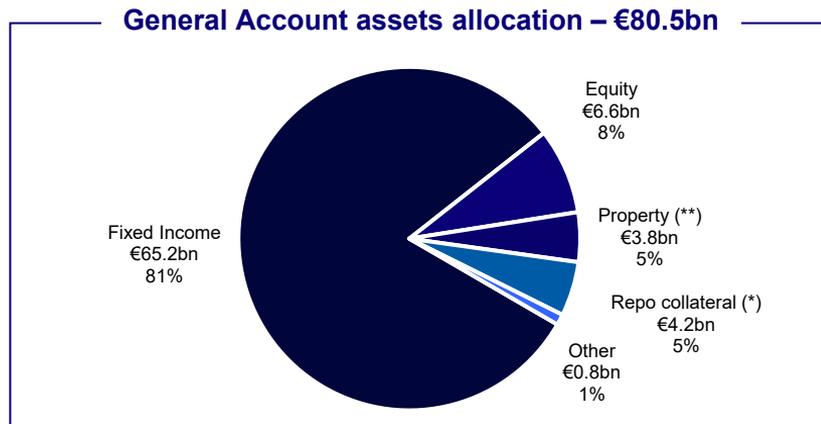
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Stable asset allocation in line with liabilities profile

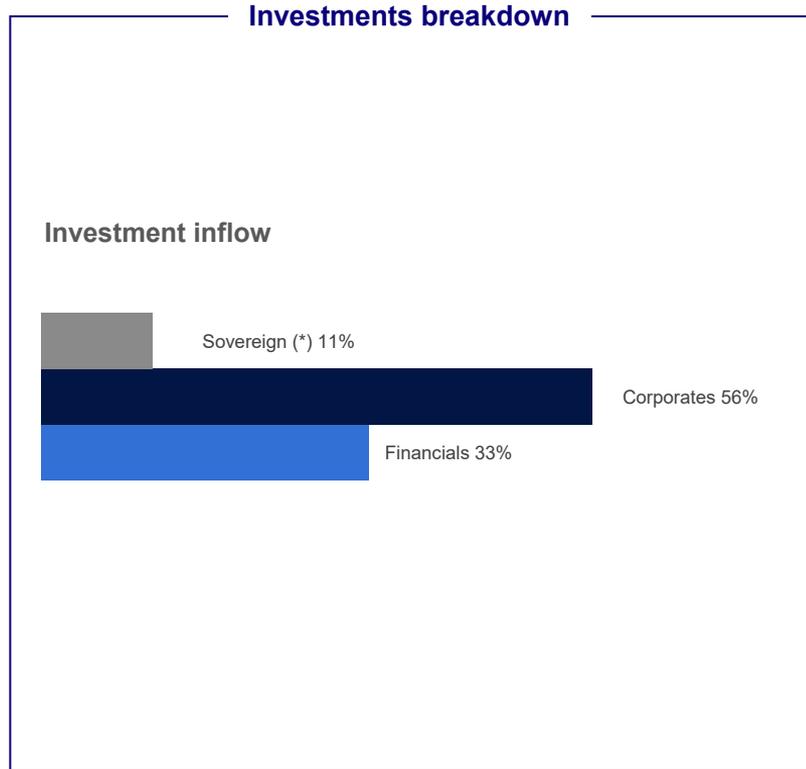


- ✓ AuM growth: +1.4%
- ✓ Risk monitoring increased in the current environment

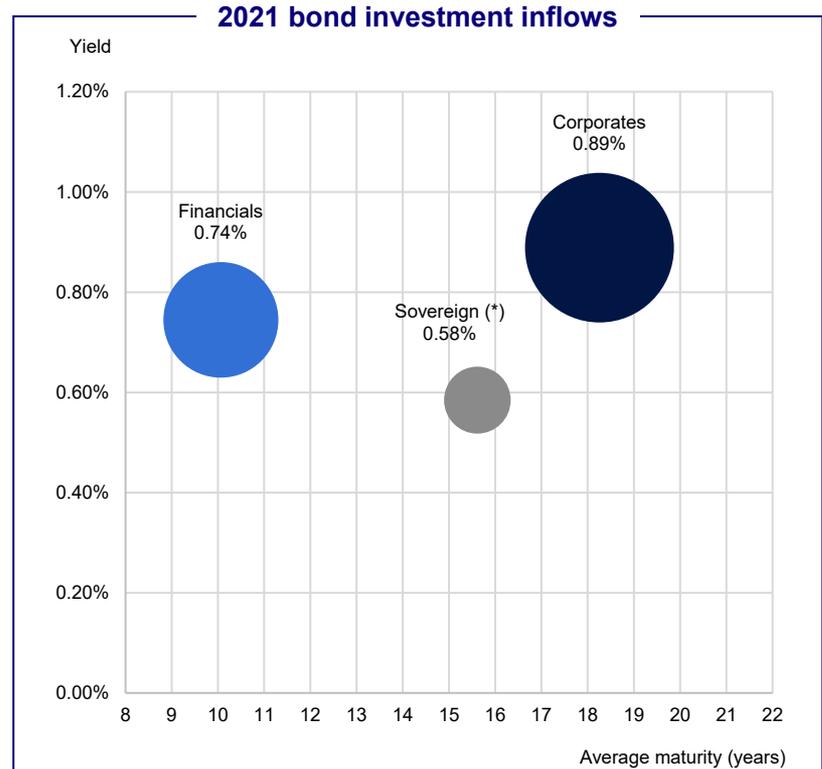


FY 2021 fixed income cash flows

Average investment rate on new bonds portfolio: 0.86%



Steering towards Corporates – No change in the credit policy

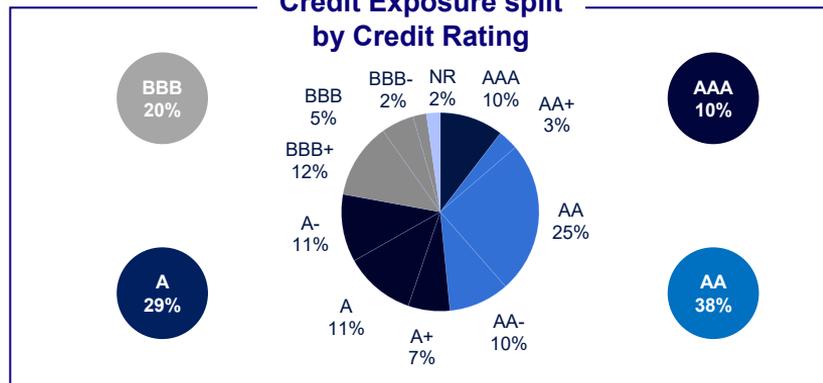


(*) including Supra / Agencies
Focus La Mondiale



Fixed income allocation

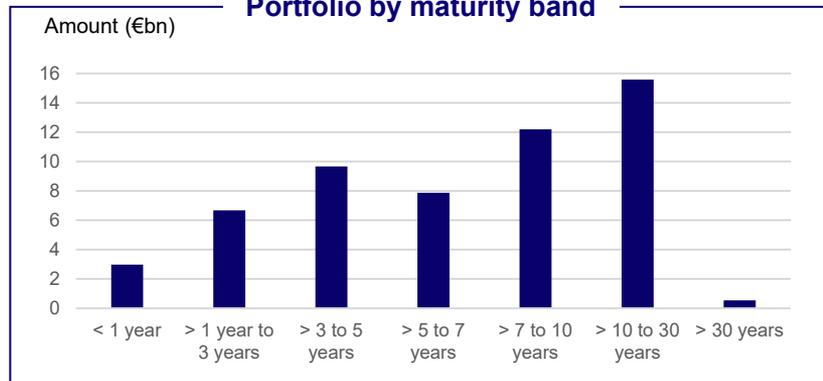
Credit Exposure split by Credit Rating



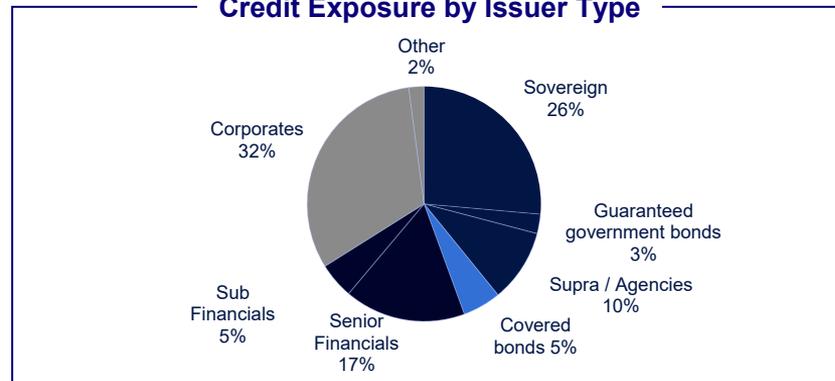
Total fixed income exposure is at €65.2bn

- Limited exposure to risky investments, 20% of the investments currently rated BBB, no high yield exposure
- No floating rate bond
- Duration / sensitivity of portfolio (7.6) in line with liabilities sensitivity, much lower than their duration (13.8) due to crediting rate policy
- Sovereign and sovereign-like exposure accounts for 39% of total fixed income exposure

Portfolio by maturity band

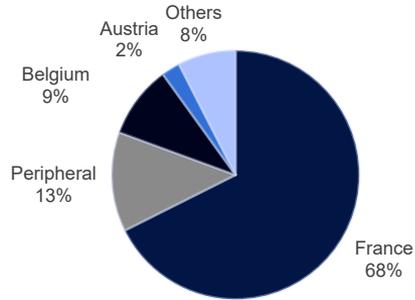


Credit Exposure by Issuer Type



Fixed income allocation – Sovereign exposure

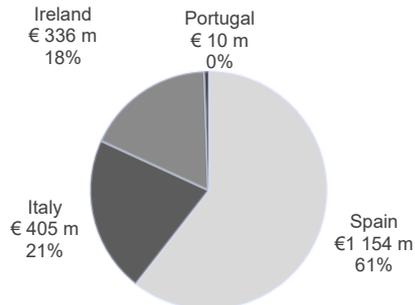
Sovereign bond exposure



Total Sovereign exposure is at €14.7bn

- Sovereign exposure accounts for 26% of total fixed income exposure

Peripheral countries exposure



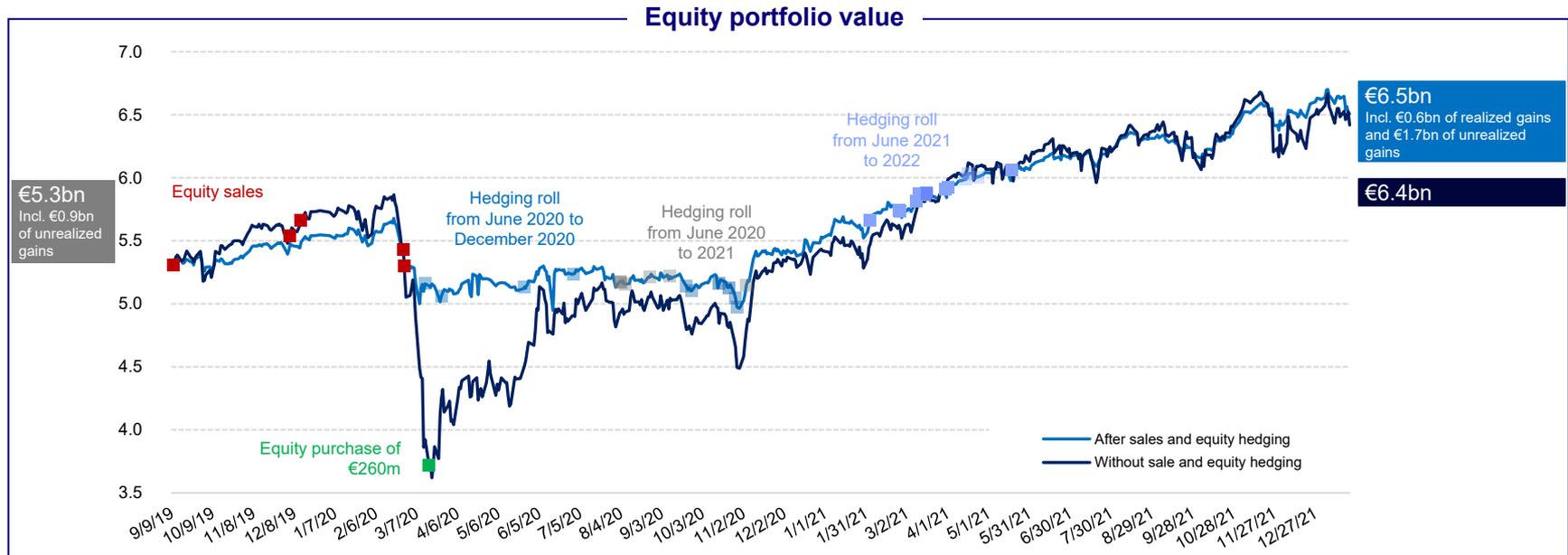
Total Sovereign exposure on Peripheral countries is at €1.9bn

- Peripheral countries exposure represents 13% of the sovereign bucket and only 2% of overall total investments
- High level of unrealized gains (€247m) allowing credit shock absorption

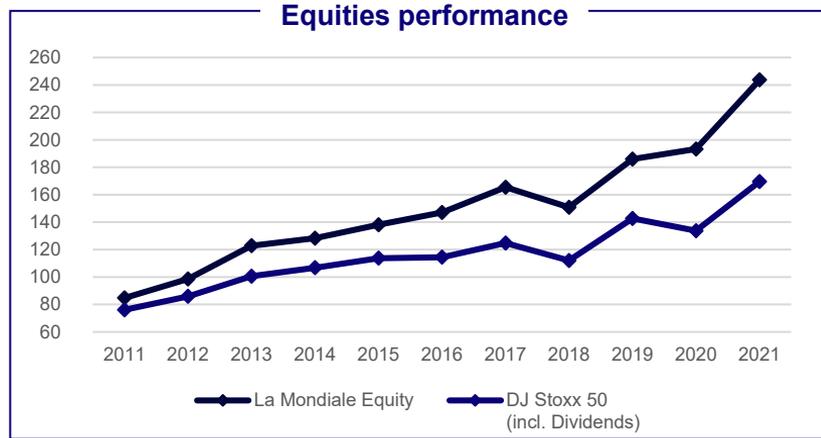


The equity hedging allows to keep active management of underlying equities portfolio

- The strike of the hedge has been lowered to 2800 points on the Eurostoxx 50 to benefit from the market rebound in a post Covid context
- In order to take advantage from the rise of interest rates, cyclical and financial stocks have been favored at the expense of defensive stocks
- The hedging strategy allowed **an 8pts gain on solvency ratio**

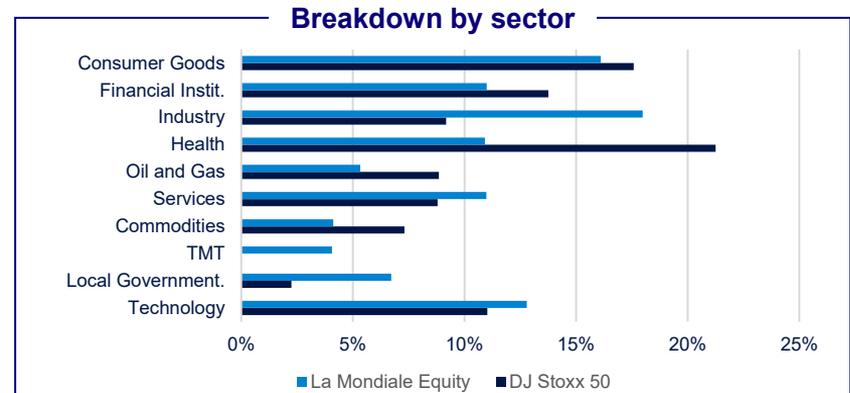
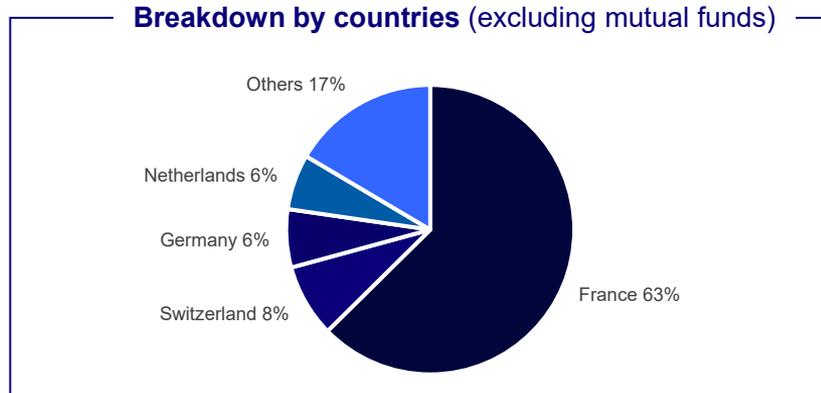


Equity allocation

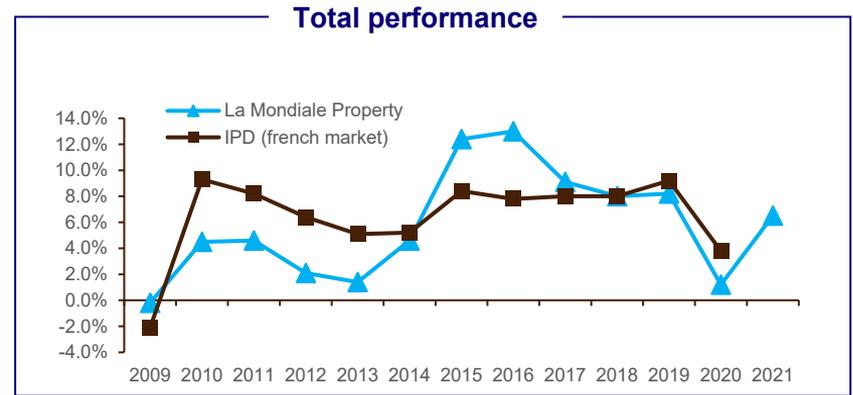
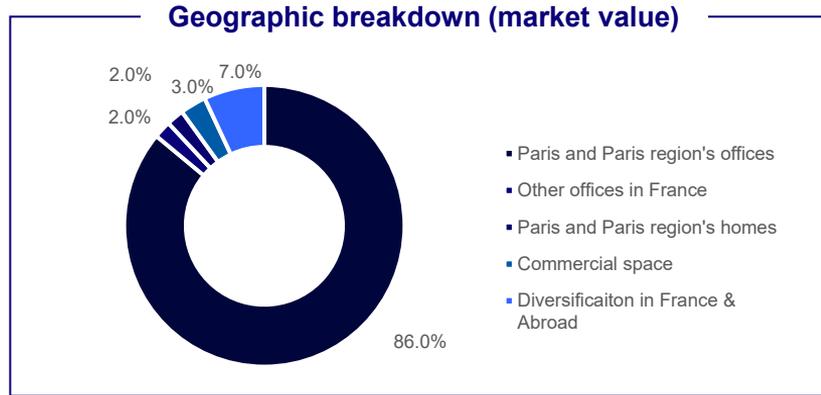


Equities exposure: €6.6bn (including €1.6bn through mutual funds)

- FY 2021 performance at +26.1%, after +3.9% in 2020 and +23.3% in 2019
- 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



Property allocation



IPD = Investment Property Databank

Total Property exposure is at €3.7bn (fair value: €5.6bn).

La Mondiale property assets represent 694,000 sq.m. and are mainly offices located in the center or Western Paris, i.e. only Prime Real Estate.

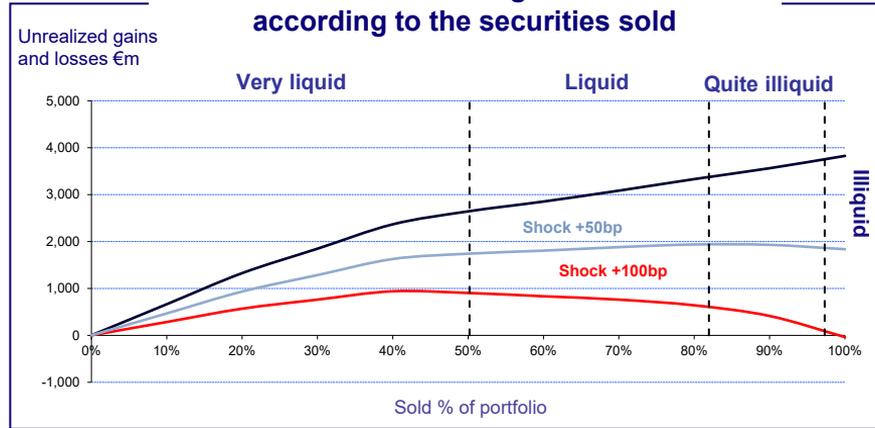
Solid rental market, especially on all recently delivered surfaces, prompting a good vacancy rate of c.16.1 %.

Average revenue: €461/m²

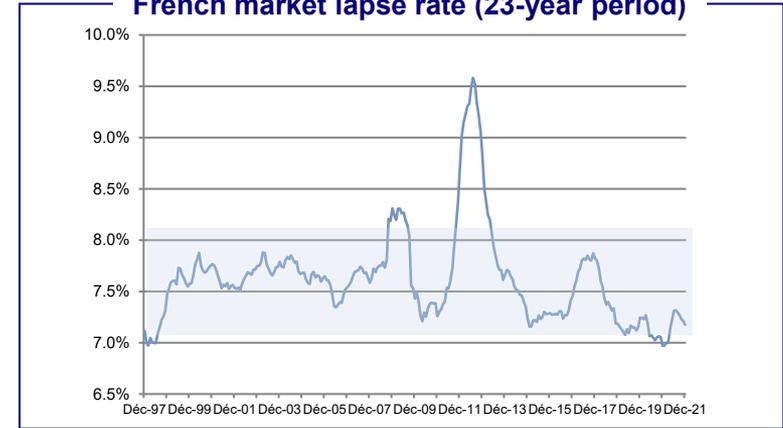


Exceptional liquidity

Evolution of unrealized gains and losses according to the securities sold



French market lapse rate (23-year period)



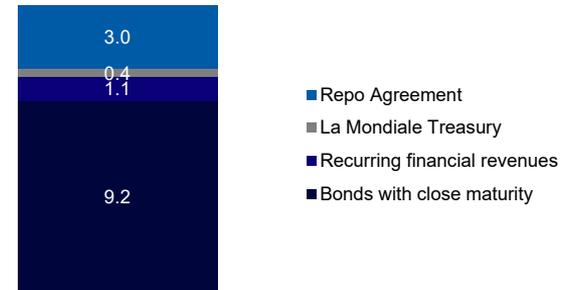
S&P analysis

Liquidity: Exceptional

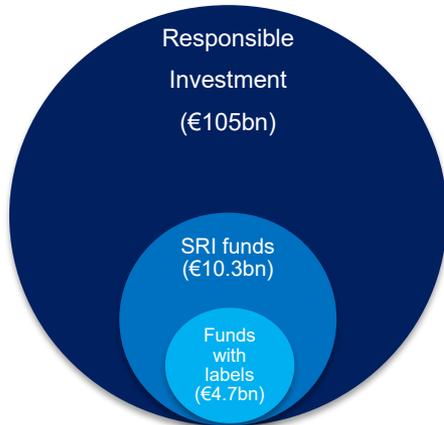
“AG2R LM has exceptional liquidity, as it has sustained highly liquid assets, and positive net inflows. The group’s pension business, which cannot be easily surrendered, is positive for its liquidity, in our view. Should any cash needs arise, we think that AG2R LM’s highly marketable investment assets could provide liquidity.”

Extract of detailed analysis - October 4, 2021

Cash buffer: €13.7bn



A responsible investment policy of the assets managed^(*) by the Group



(*) including asset management on behalf of public pension scheme

All Portfolios: Responsible investment

The responsible investment strategy consists of integrating Environmental, Social and Governance (ESG) criteria into the management of all assets managed by AG2R LA MONDIALE.

Commitments :

- ✓ ESG criteria in asset management
- ✓ Principles and Objectives for Responsible Investment
- ✓ Signature of the **UN PRI**
- ✓ Exclusion policies for specific weapons, tobacco and coal
- ✓ Company dialogue and voting policy



Reports :

- ✓ Annual « *Responsible Investment Report* »

SRI portfolios

The investment policy is particularly selective and discriminatory in managing AG2R LA MONDIALE's SRI funds, which were created in the early 2000s and now represent €10bn.

Commitments :

- ✓ Selection of the best issuers in each sector (over 40% of issues excluded by a best-in - class process)
- ✓ Transparency Code
- ✓ Public label for 7 **SRI funds**



Reports :

- ✓ Annual SRI report
- ✓ Annual Portfolio Disclosure, detailed votes for equity funds

Responsible investment public commitments and key figures



Climate policy

All assets should be aligned with Paris agreement target of 1.5 C° by 2050. Portfolio temperature is permanently monitored and progress towards the target is supported by a gradual phasing-out of investment in coal and investing in renewable energies and energy saving.



No further investment in the tobacco industry

Portfolio investments in the tobacco industry went from €510m as of EoY2017 to €356m as of EoY2020, reducing the exposure by 17%



No purchase or holding of issuers involved in the production, marketing or storage of weapons prohibited by international conventions ratified by France (i.e., anti-personnel mines, cluster munitions, biological weapons and chemical weapons)



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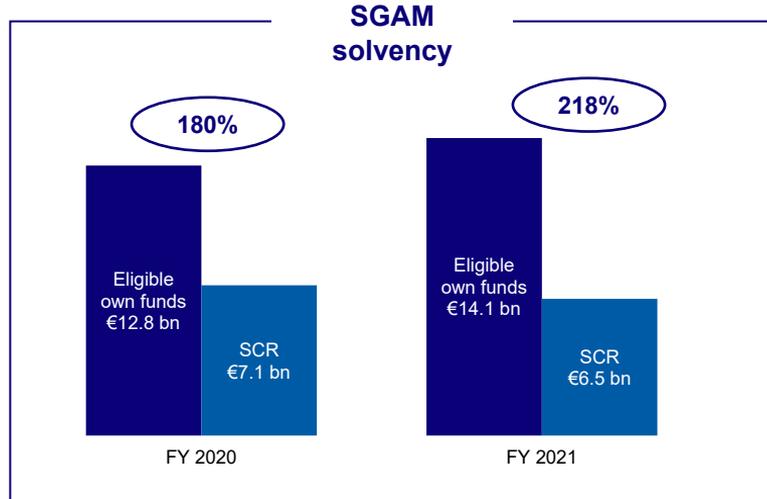
Capital management: key indicators

	<u>Framework</u>	<u>FY 2020</u>	<u>FY 2021</u>	
Solvency ratio	> 175%	180%	218%	<ul style="list-style-type: none">▪ Capital surplus of €7.6bn▪ Positive market impacts▪ Successful individual pension transformation
Financial leverage	< 40%	33%	33%	<ul style="list-style-type: none">▪ Leverage between 20%-40%
Interest coverage	> 4	4.9	4.1	<ul style="list-style-type: none">▪ FY 2020 interest coverage at 3.5 including Covid-19 impact▪ FY 2021 interest coverage in the range

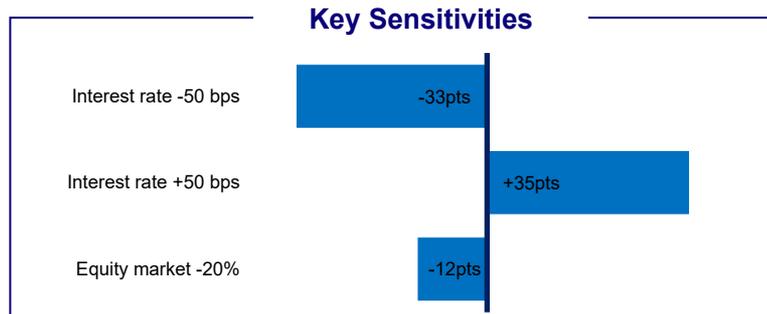
In addition, the residual issuance capacity under Solvency 2 is still significant at €2.4bn (€1.1bn in RT1, €1.4bn in T2, including €0.5bn of T3) – Details p.33



Solvency position



- Robust and comfortable solvency at 218%, with nearly €7.6 billion in excess margin
- The solvency ratio increased by 38pts between FY 2020 and FY 2021 mainly due to :
- Financial market environment (especially rising interest rates) for +35pts
 - +25pts impact through the individual pension transformation
 - An inflation rise which costs 15pts
 - Other negative effects (Domitys integration and transitional measures amortization)



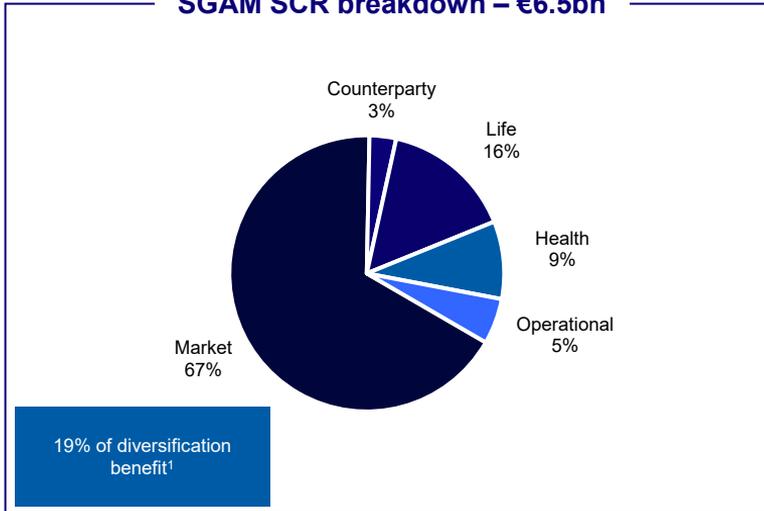
The transitional measure on technical provision represents 50pts of SGAM ratio. The measure has been agreed by the supervisor until 2032

The issuer La Mondiale solvency ratio is at 262% (see details p.42)



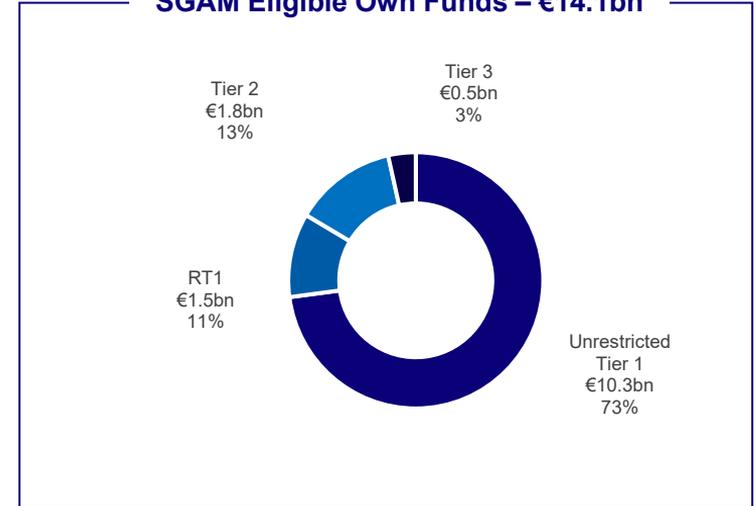
Solvency position

SGAM SCR breakdown – €6.5bn



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

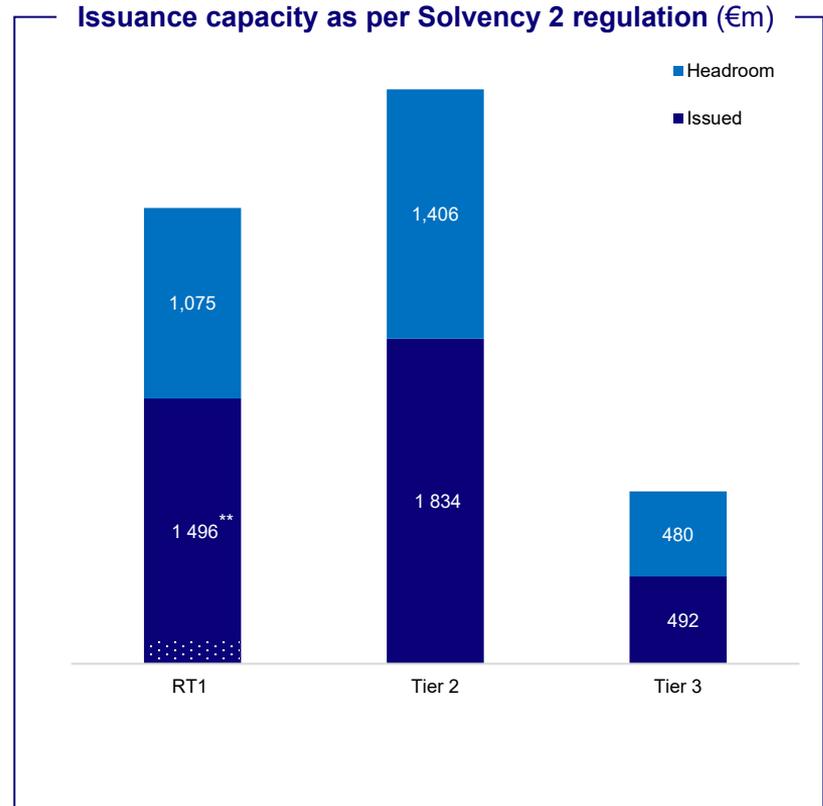
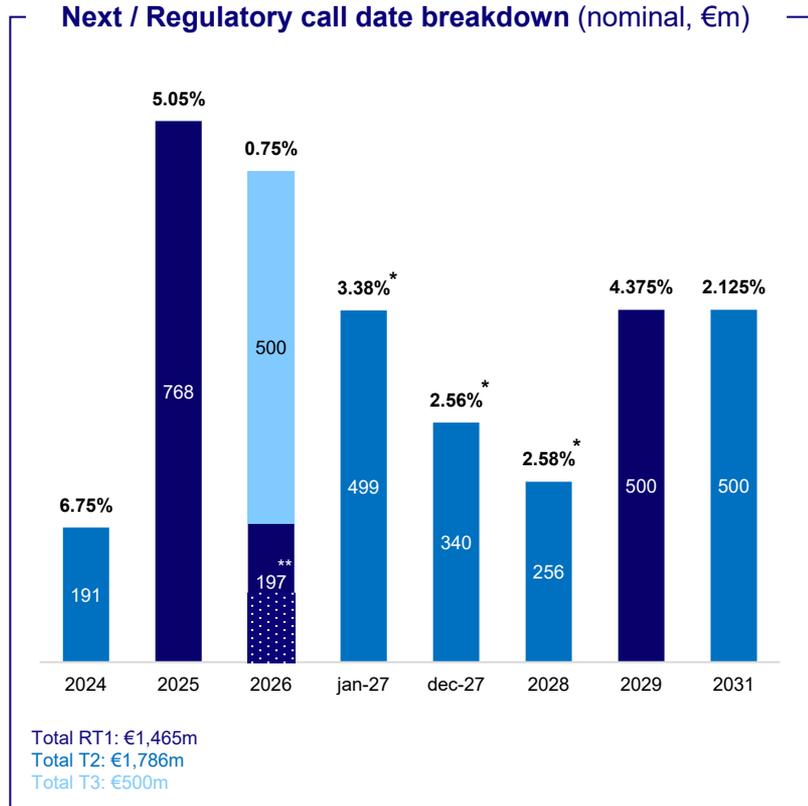
SGAM Eligible Own Funds – €14.1bn



Eligible Own Funds mostly made of the hardest form of capital

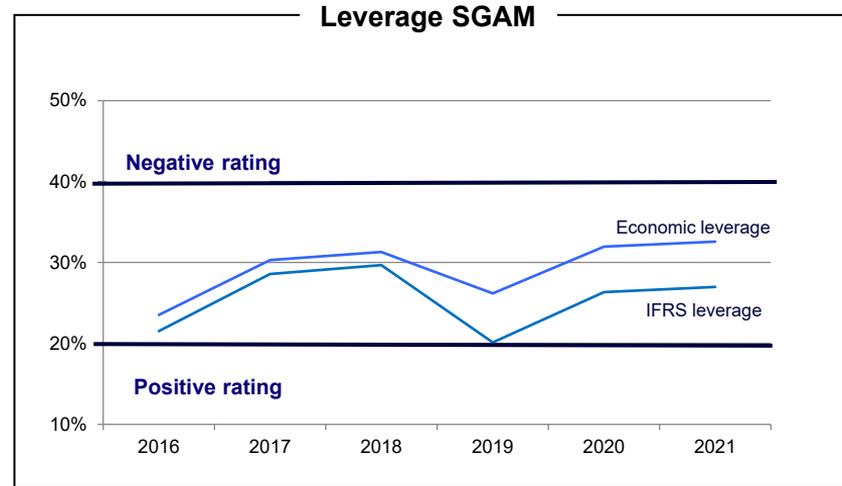
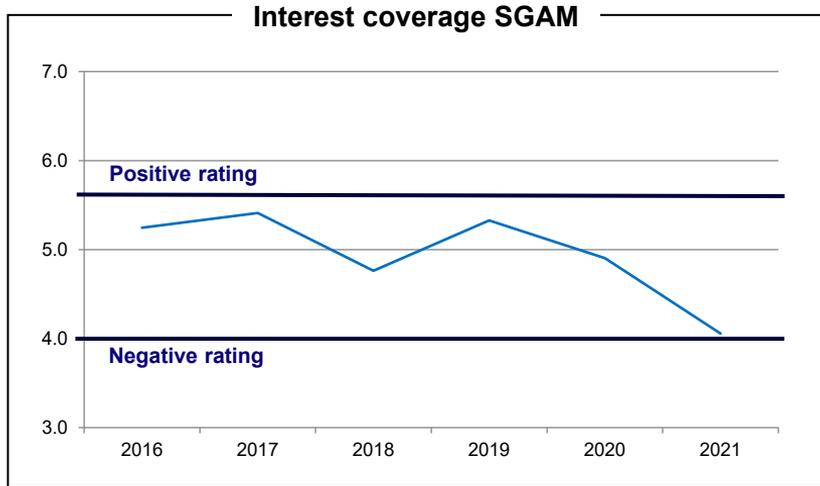


Significant financial flexibility left



(*) euro equivalent issuance rate, after hedging
 (**) Including €106m that may be called in 2022

Interest coverage and Leverage, as of 12/31/2021



NB : IFRS leverage doesn't take into account €146m of Super Subordinated Debts and €500m of RT1

Interest coverage and leverage indicators remain in a highly satisfying range

Liability management of the 7.07 2013 PerpNC6 in April 2019

Issuance of the 4.375 PerpNC10 (RT1) in October 2019

Issuance of the 2.125 11Y Bullet (T2) in June 2020

Issuance of the 0.75 5.5Y Bullet (T3) in October 2020

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3. Robust solvency position & capital management
4. **Appendix**



Executive summary (SGAM AG2R LA MONDIALE, as of 12/31/2021)

Robust balance sheet and monitored solvency	
SGAM	
€8.4bn	IFRS Equity capital (-0.5% / FY 2020)
218%	Solvency ratio
La Mondiale	
€6.4bn	IFRS Equity capital (+2% / FY 2020)
262%	Solvency ratio

Capital items	
€3.8bn	Total amount of subordinated debt
€318m	Total amount of mutual certificates (unrestricted Tier 1)

Diversified and steered business model	
SGAM	
€11.4bn	Premiums (+22% / FY 2020) <i>48% Life & Savings 16% Pensions 20% Health 16% Protection</i>
€101.8bn	Liabilities
€273m	Net income
La Mondiale	
€8.0bn	Premiums, 52%/48% UL ¹ /GA ² mix above the French market: FY 2021: 39%/61%
€94.9bn	Liabilities, 36%/64% UL ¹ /GA ² mix above the French market: FY 2021: 27%/73%
€360m	Net income

Sound asset allocation & risk management (La Mondiale FY 2021)	
4.1% of reserves	High level of profit-sharing reserve with €2.3bn
Around 20% of investments rated BBB+ or below (lower than the market)	

Complete and competitive player on the French market	
2nd	in Supplementary Pension
6th	in Health Insurance
6th	in Protection
10th	in Savings
Top3	in Private Wealth Management

Rated A / stable outlook	
Upgrade on March 25, 2021 by S&P, in an unusual environment	

(1): Unit Linked are low capital need products

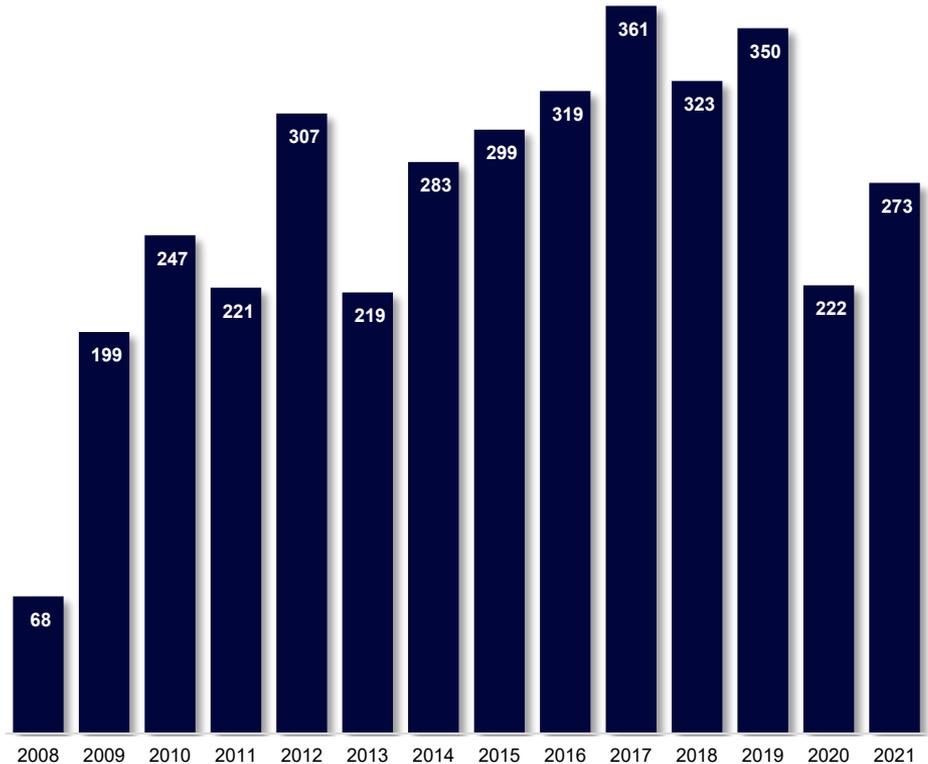
(2): General Account products are more capital intensive than Unit Linked ones



SGAM: A robust net income, that supports the growth of own funds

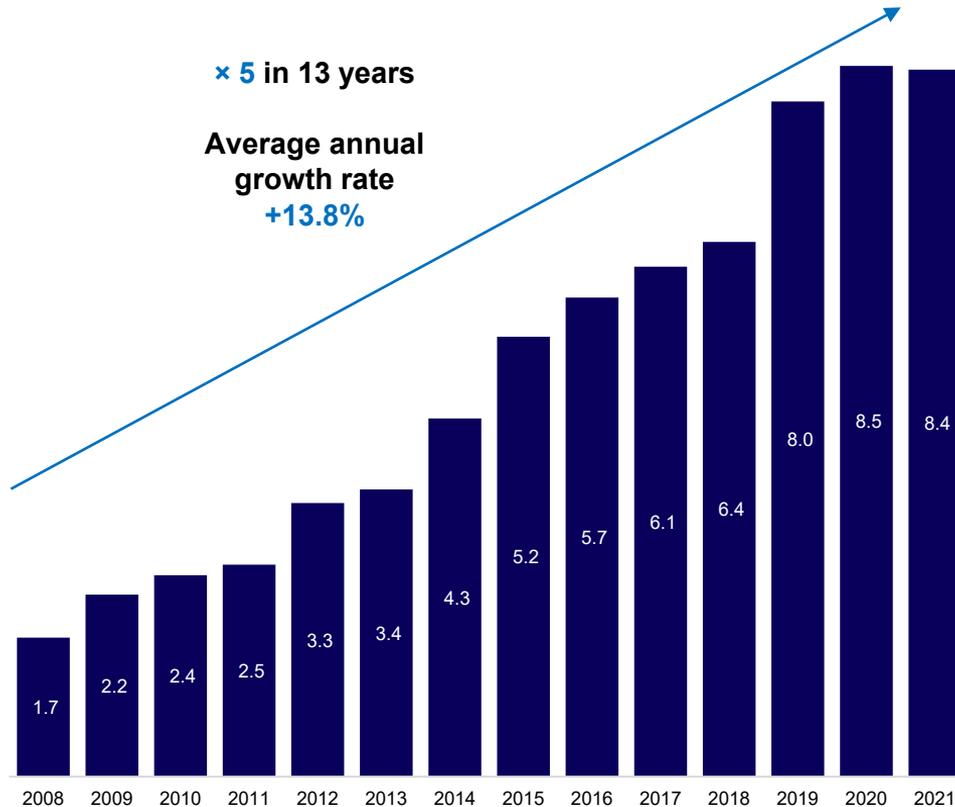
(IFRS, €m)

2021 net income
(Group share)
€273m



SGAM: Equity capital

(IFRS, €bn, Group share)



2021 Equity capital
(Group share)
€8.4bn (-0,5% / 2020)



Overview of La Mondiale Balance sheet (consolidated, IFRS)

€m	FY 2019	FY 2020	FY 2021	%Change FY 2020/ FY 2021
TOTAL ASSETS	107,418	114,151	119,959	5.1%
Intangible assets	49	46	398	772.5%
<i>ow. Goodwill</i>	39	38	385	925.4%
Insurance investments	75,313	79,223	80,365	1.4%
Unit Linked investments	27,383	29,342	34,640	18.1%
Others assets	3,757	3,691	3,644	-1.3%
Cash and cash equivalent	917	1,849	911	-50.7%

€m	FY 2019	FY 2020	FY 2021	%Change FY 2020/ FY 2021
TOTAL LIABILITIES	107,418	114,151	119,959	5.1%
Equity Group Share	5,495	5,923	6,041	2.0%
Minority Interests	367	372	397	6.7%
Total Equity	5,862	6,295	6,438	2.3%
Financing debt	2,144	3,056	3,148	3.0%
Insurance and financial liabilities	91,711	95,624	99,722	4.3%
Other liabilities	7,700	9,176	10,651	16.1%

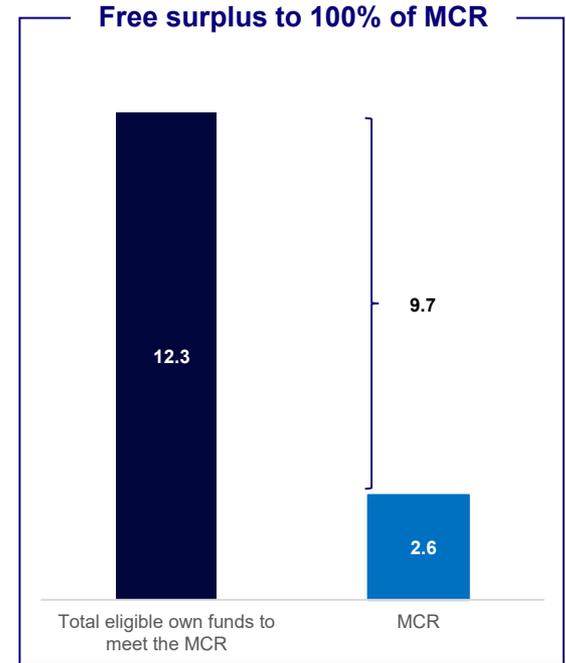
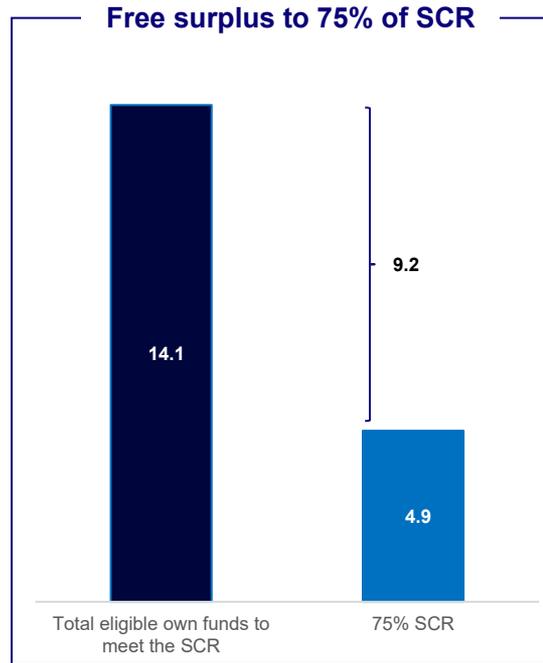
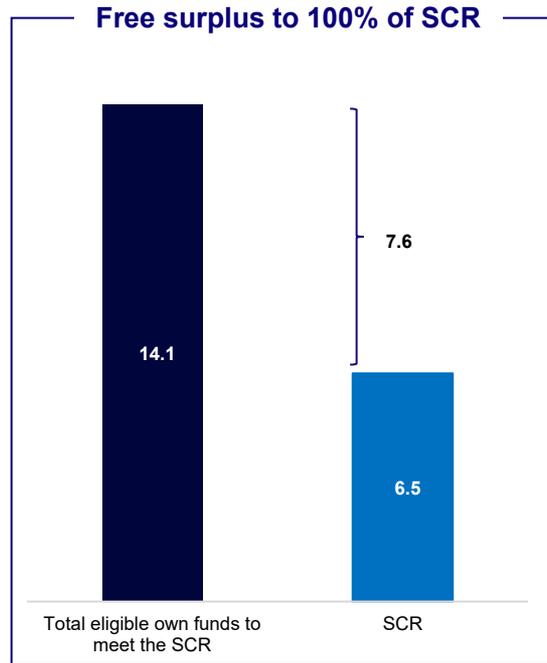


Overview of La Mondiale P&L account (consolidated, IFRS)

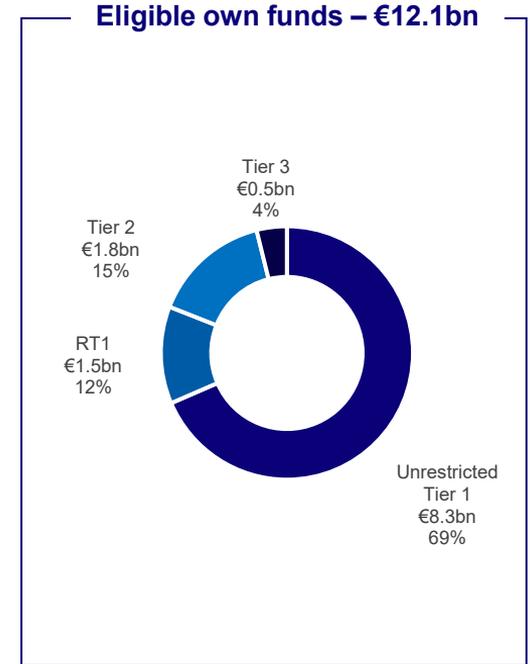
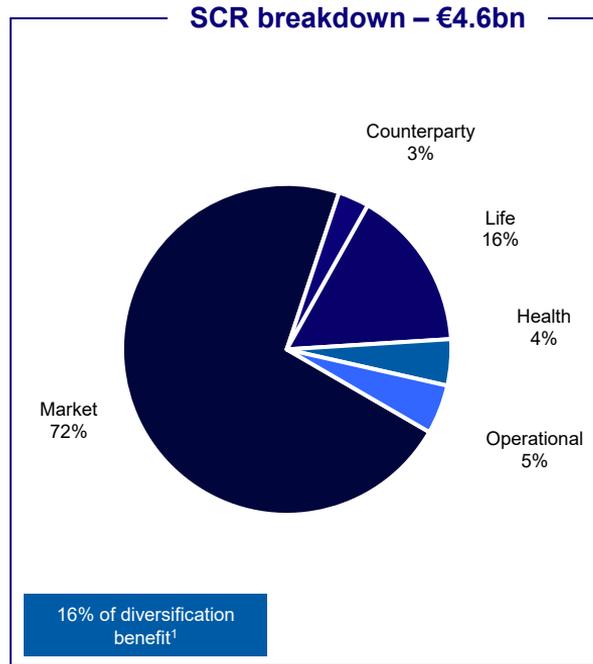
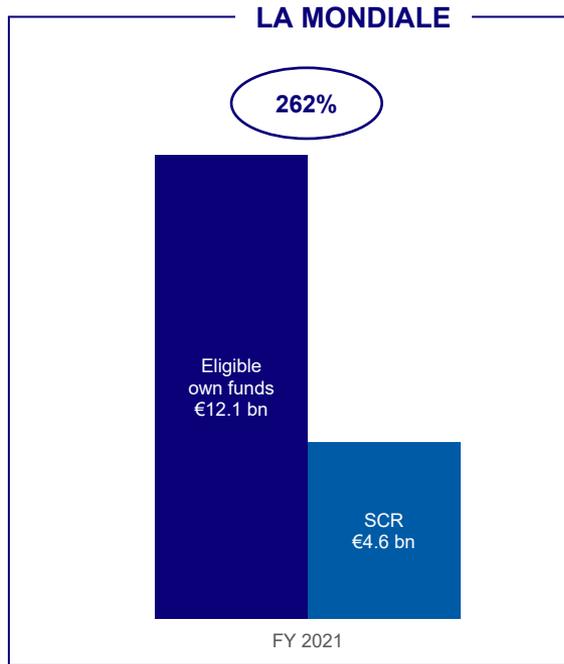
€m	FY 2019	FY 2020	FY 2021	%Change FY 2020/ FY 2021
Revenue	6,241	7,414	8,041	8.5%
Financial Products	2,594	2,480	2,667	7.5%
Others	3,921	939	2,981	217.6%
Current operating income	12,756	10,833	13,689	26.4%
Current operating expenses	-12,357	-10,465	-13,204	26.2%
Operating Income	400	369	485	31.4%
CONSOLIDATED NET RESULT	296	262	360	37.3%
<i>o.w Group share</i>	292	259	353	36.7%
<i>o.w Minority Interest</i>	4	4	7	



Large buffers to principal write-down triggers – SGAM (€bn)



LA MONDIALE: Solvency figures and SCR breakdown

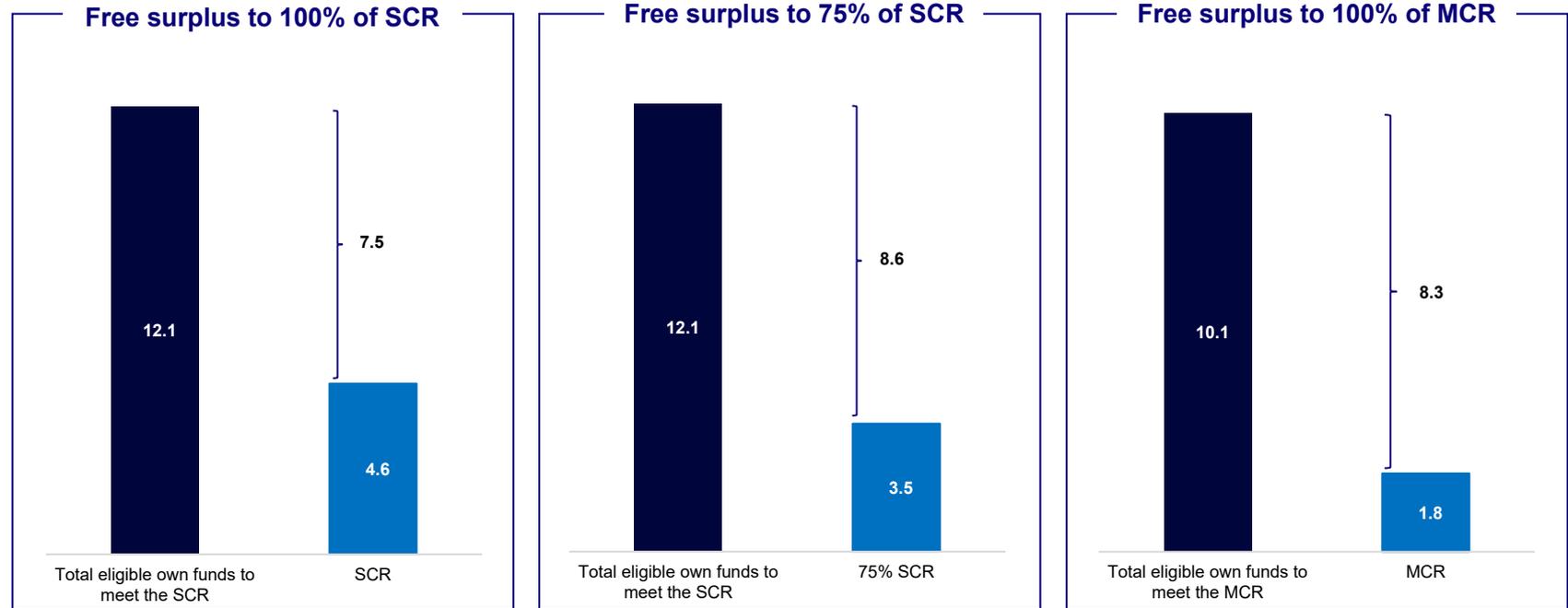


The amount of the transitional measure on technical provision is €2.6bn and represents 56pts of La Mondiale ratio. The measure has been agreed by the supervisor until 2032

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



Large buffers to principal write-down triggers La Mondiale (€bn)



As of FY 2021, available distributable items amounted to €1.3bn



¹Distributable 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.)

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Disclaimer

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.

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. The IFRS figures are subject to the review by the statutory auditors, whose work is still in progress.

In the presentation, SGAM AG2R LA MONDIALE is called "SGAM" and is a French prudential insurance group.

