

# Corporate Credit > Europe Investment Grade



## La Mondiale

Updated: Oct 28, 2015

### Trade Idea:

- ▶ Buy

### Investment Rationale:

- ▶ Large and diversified French life and protection insurance group, recently upgraded by S&P to A- (sub: BBB)
- ▶ Recent merger provides further solvency buffers and risk management's improvements
- ▶ Increased automatic solidarity links between AG2R Prevoyance and La Mondiale to 30% of shareholders equity
- ▶ High likelihood that the French regulator will assess AG2R La Mondiale as a „prudentially regulated group“, which is credit positive
- ▶ Eur denominated
- ▶ Lower Tier 2 instrument, coupons could be deferred in case of a solvency event. Perpetual with first call in 2024.
- ▶ A yield to call of 4.7% is still compelling given the rating upgrade, the rarity of the instrument and the overall improving fundamental picture.

### Recommendation(s)\*:

View	Trade Horizon	Ticker	Coupon	Maturity	S&P	Moodys	Ccy	Issue Size	Yield	Entry Spread	Target Spread	Rsk Level	Cash Price	Isin	Capital Structure	Security_des
outperform	12m	LAMON	5.05	12/17/2025	BBB	#NA N/A	EUR	768.41	4.7	427	350	550	102.34	XS1155697243	LowerTier 2	LAMON5.05 12/29/49

\* Levels as of 10/28/2015