

# Côté AXA

AXA Group shareholders' newsletter

## FOREWORD

***“A few months from the completion of our Ambition AXA plan, we are perfectly in line with our objectives.”***

Dear Shareholders,

During the first half of 2015, AXA delivered a strong performance in line with our Ambition AXA plan: our business is growing and we posted an increase in underlying earnings for the ninth consecutive half-year, setting a new record at €3.1 billion.

A few months from the completion of our Ambition AXA plan, we are therefore perfectly in line with our objectives.

We are also laying the foundations of tomorrow's sustainable growth, by scouting the technological landscape for new trends, investing in innovative solutions and engaging the right talent to develop the digital assets necessary to meet our clients' needs. For example, our latest Corporate Meeting\* was held in Shanghai to give our executives a better grasp of the specificities of Chinese innovation.

In this issue of your newsletter, you will find a summary of our half-year earnings published on August 5 and news on AXA's latest expansions—the acquisition in Egypt and the launch of AXA Partners—and our innovation initiatives—AXA Lab, Data Innovation Lab, AXA Strategic Ventures in Asia, and the creation of Kamet.

I hope that you will enjoy the read.

**Denis Duverne**  
Deputy Chief Executive Officer of AXA

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\* The annual seminar for Group Senior Executives.



# Half-Year Earnings 2015: strong performance in line with Ambition AXA

AXA delivered a strong performance during the first half of 2015, generating €3.1 billion in underlying earnings, a record high. Within months of the completion of its strategic plan, AXA is therefore very well positioned to meet its objectives.

**Total revenues** increased by 10% (2% on a comparable basis) to €55 billion, supported by growth in all business lines.

→ **Life & Savings** revenues grew 10%, with new business volume up 16% (5% on a comparable basis, with the difference chiefly due to forex impact), mainly driven by unit-linked products.

→ **Property & Casualty** revenues were up 8% (1% on a comparable basis), driven mainly by high growth markets and direct business.

→ **Asset Management** revenues were increased by 23% (6% on a comparable basis). This segment continued its strong momentum, supported by very high net inflows totaling +€35 billion (of which +€28 billion recorded by AXA IM and +€7 billion by AB).

**Life & Savings New Business Value margin** was stable at 34% despite market impact, which was offset by lower unit costs.

New Business Value increased by 5% on a comparable basis to €1.3 billion. In Property & Casualty, the **combined ratio** improved by 0.6 point to 95.1%.

Overall, AXA recorded **underlying earnings** growth of 12% (2% on a comparable basis), reaching €3.1 billion, its highest-ever level. **Adjusted earnings** increased by 12% (3% on a comparable basis), mainly reflecting the rise in underlying earnings.

AXA has already generated €1.8 billion of **cost savings** since the launch of Ambition AXA, of which €0.2 billion in the first half of 2015.

AXA's balance sheet is robust, with shareholders' equity at €66.9 billion, up €1.7 billion\*, and debt gearing at 23%, down 1 point\*.

\* Versus December 31, 2014.

## KEY FIGURES

**+10%**  
Total revenues up,  
to **€55 billion**

**+12%**  
Underlying earnings up,  
to **€3.1 billion**

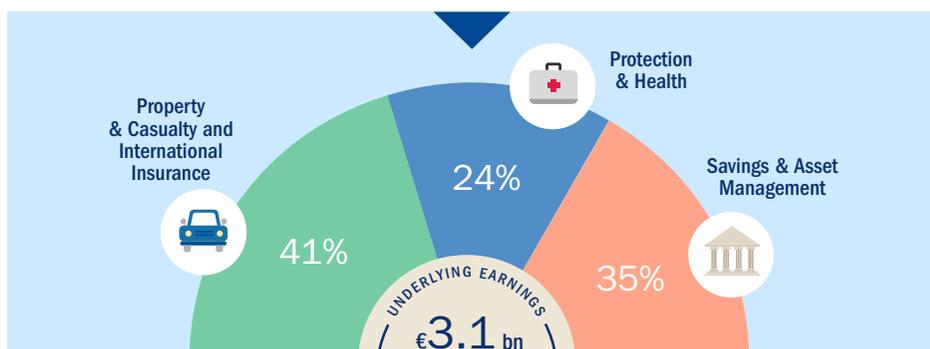
**+12%**  
Adjusted earnings up,  
to **€3.5 billion**

**+€1.7bn\***  
Shareholders' equity up,  
to **€66.9 billion**

**23%**  
Debt gearing  
down 1 point\*

\* Versus December 31, 2014.

## 1<sup>ST</sup> HALF 2015 EARNINGS





## AXA intensifies its international initiatives

**O**n top of the strong half-year performance delivered, AXA also focused on its transformation during these first six months. Below, a look at the Group's expansion and innovation strategies.

## AXA Partners to develop global partnerships

On September 7, AXA announced the launch of AXA Partners, a new dedicated unit to develop partnership business globally.

AXA Partners will be involved in co-creation of offers and distribution agreements, primarily with automotive businesses, banks and credit card providers, retail, utilities and telecoms companies, digital players, public-sector and NGOs.

## AXA reinforces its presence in Egypt with a Commercial International Bank tie-up



**A**XA entered into a partnership with Commercial International Bank (CIB) involving a 10-year exclusive Life & Savings distribution agreement for AXA.

With more than 628,000 retail and 60,000 corporate customers, CIB is Egypt's leading private-sector bank whose extensive network comprises 166 branches and 10,000 points of sale. The bank has built a highly reputable brand and a robust market position with the ambition to accelerate its presence in the retail banking segment. Thus, CIB represents a unique partner for AXA to benefit from the high growth prospects of the Egyptian market.

This transaction will allow AXA to accelerate its development in Egypt, following the grant of its preliminary non-life insurance license in March 2015, and more generally to pursue the strengthening of its footprint in the Middle East and Africa. It will also support the shift in business mix towards more unit-linked and Protection & Health products, in line with the Ambition AXA strategy.

Partnership business delivers today over 4 billion euros of revenues across the Group, and the success of AXA Partners will make it a source of sustainable growth for AXA going forward."

**Nicolas Moreau,**  
member of the Management Committee  
of the AXA Group and Chairman & CEO  
of AXA France

The main missions for AXA Partners will be to design, implement and manage global partnerships and to support AXA entities in developing local partnerships.

It will leverage the worldwide presence of the AXA Group and its know-how across insurance business lines to promote partnerships with both global and local players.



## AXA invests in innovation

In June, AXA announced the creation of three new structures dedicated to investment and innovation in Asia, in order to better connect the Group to the region's growing entrepreneurs, talents and new business models. They will complement the structures already launched in Europe and North America and support the same objective—to improve customer experience—through partnerships, pilots and investments.

### Accelerating investments in Asia



#### → AXA Lab Asia in Shanghai

The AXA Lab drives innovation and digital business. Its aims to detect emerging technologies and potential partners in order to reinforce the Group's innovation capacity and digital culture.

AXA Lab Asia was therefore created in Shanghai, modeled after the existing lab in Silicon Valley in the United States.



#### → Data Innovation Lab (DIL) in Singapore

The Data Innovation Lab (DIL) is AXA's center of metadata expertise. It supports Group entities by building technological platforms, helping them to select projects, and exploring the latest opportunities brought by new technologies, with the aim to benefit from today's data revolution while offering our customers an optimal level of

protection. Like the lab set up in France in 2013, the Singapore DIL will act as a center of expertise fostering R&D for products and services catering to our customers in Asia.



#### → AXA Strategic Ventures in Hong Kong

AXA Strategic Ventures, a €200 million venture capital fund, is dedicated to driving innovation in the insurance, savings, banking and asset management businesses to enhance the customer experience. In July, the fund backed Easypropritaire\*, its third investment since AXA Strategic Ventures was launched in February 2015.

AXA Strategic Ventures in Hong Kong was created to seize the numerous investment opportunities in the region and to help European and American start-ups grow in the Asian market. The new office joins those in San Francisco, New York, London, Paris, Zurich and Berlin.

\* Easypropritaire is a community real-estate site for all prospective homeowners, particularly first-time home buyers.

### AXA LAUNCHES KAMET, AN INSURTECH INCUBATOR\*

AXA has announced the creation of Kamet, a technological innovation incubator to enhance service to insurance clients.

Endowed with an initial €100 million, Kamet's vocation is to imagine, initiate, launch and support several disruptive InsurTech projects to help us better protect and serve our customers in the future.

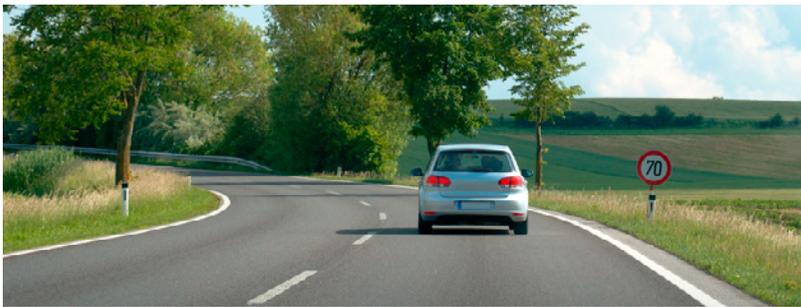
These projects will be led by AXA teams or external entrepreneurs, who will benefit from the agility of an incubator while tapping AXA's know-how and expertise from around the world.

|| The digital revolution is transforming the entire insurance value chain.

Joining forces with our existing trend spotter AXA Lab (based in San Francisco and Shanghai) and the investment structure AXA Strategic Ventures, Kamet will become another pillar of our strategy to connect the Group to the InsurTech\* Ecosystem."

**Henri de Castries,**  
Chairman and CEO  
of AXA

\* Tech start-up specialized in insurance.



# BlaBlaCar and AXA make ridesharing even more reliable in Europe

**BlaBlaCar\* members can now enjoy free additional insurance. The new coverage, specifically tailored to long-distance ridesharing, emerged from a European partnership with AXA.**

BlaBlaCar and AXA have signed a European partnership to make ridesharing even more reliable for its millions of members. Having made ridesharing a mainstream activity, BlaBlaCar goes further and offers its members a tailored free of charge, additional insurance cover written by AXA, launched in France, the United Kingdom and in Spain.

The additional coverage was designed to address situations specific to long-distance ridesharing.

→ **Breakdown cover and onward travel:**

BlaBlaCar covers roadside assistance and, if required, towing and alternative transport for the driver and passengers to their destination.

→ **Insurance for passengers sharing the wheel:**

If a BlaBlaCar passenger gets behind the wheel and is responsible for an accident, BlaBlaCar refunds the extra excess payment owed under the driver's insurance policy for lending the car.

This coverage applies to all rides in France booked online through BlaBlaCar. To use the service, ridesharers can call an assistance hotline, available 24/7.

**BLABLACAR**

—

global leader in  
long-distance ridesharing

**20 M**

members across  
19 countries

**AXA**

—

global insurance  
leader protecting

**103 M**

customers in 59  
countries

**AXA & BLABLACAR HAVE CREATED  
ADDITIONAL INSURANCE TAILORED  
FOR LONG-DISTANCE RIDESHARING**

**free of charge for BlaBlaCar members**

Available in France & The UK

**AS PART OF AXA'S STRATEGY TO:**

Protect risks  
arising with new  
consumer behaviours

Be the leading  
insurer in the sharing  
economy



**Frédéric Tardy,**  
Chief Marketing  
and Distribution Officer  
of the AXA Group

City to city ridesharing is a fast growing practice across Europe with a lot of potential thanks to the money saving, environmental and social benefits it brings to members. We are certain that AXA has an important role to play in developing the practice as it relies on a trusted community which insurance can help strengthen."

\* Europe's leading long-distance ridesharing service

# AXA share price movements

**The AXA share has outperformed the CAC 40 and comparable European indexes\* since the start of the year.**

To date, 2015 has been a year of significant stock market volatility. The first quarter was impacted by concerns about the Greek elections, the economic situation in the eurozone, and its effect on interest rates. Since mid-August, fears about the slowing of the Chinese economy and the magnitude and timing of a Fed interest rate hike have again weighed on stock markets, which lost a large chunk of their earlier gains.

During this period, both publications of the Group's earnings (in late February and early August) supported the AXA share by showing that AXA could achieve strong solid results and generate record-high earnings despite the current low-interest-rate environment. On September 18, 2015, the AXA share price was €21.54, up 12% from the beginning of the year, excluding dividends. It has outperformed both the CAC 40, up 6%, and the insurance sector in general, down 3.5%. With dividends reinvested, the total return of the AXA share stands at 17%, versus 9% for the CAC 40.

\* As of September 18, 2015.

# 2015 Agenda

October 15, 2015

SHAREHOLDERS' INFORMATION MEETING, DIJON

October 20, 2015

TOUR OF THE MARSEILLE STOCK EXCHANGE\* AT 6:30 PM

October 21, 2015

TOUR OF THE MARSEILLE STOCK EXCHANGE\* AT 9:30 AM

October 27, 2015

PUBLICATION OF FIRST NINE MONTHS 2015 ACTIVITY INDICATORS

November 20, 2015

SALON ACTIONARIA IN PARIS

November 30, 2015

SHAREHOLDERS' INFORMATION MEETING, GRENOBLE

December 3, 2015

"RUGBY: HOW AXA 'CONVERTS THE TRY'" THEMATIC CONFERENCE\* AT AXA'S HEADQUARTERS IN PARIS

December 8, 2015

PRIVATE TOUR\* OF THE "A BRIEF HISTORY OF THE FUTURE" EXHIBITION AT THE LOUVRE MUSEUM AT 8:30 AM

(registration starts on November 8, 2015)

\* Exclusively reserved for members of the AXA Shareholders' Circle and subject to available places.

▶ See all our events at: <http://www.axa.com/en/shareholders/calendar-new/>

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LE SALON POUR INVESTIR EN ENTREPRISE

**AXA WILL BE PRESENT AT THE ACTIONARIA SHOW ON FRIDAY, NOVEMBER 20, 2015**

At the Salon Actionaria show to take place in Paris in November, Gérald Harlin, AXA Group Chief Financial Officer, will host a shareholders' information meeting at 10:00 am on Friday, November 20 in the Salle Maillot room.

AXA is also the exclusive partner of the student program for students and new investors wanting to get started in the stock market.

An AXA expert will facilitate a round table on stock market investing for young people (*Être jeune et investir en Bourse : bien maîtriser ses premiers pas sur les marchés*) at 5:30 pm the same day.

▶ To participate, go to <http://www.axa.com/en/shareholders/shareholder-events/>

## SPECIAL AXA MILLÉSIMES OFFER

Through AXA Millésimes, you can enjoy premium estate wines at discounted prices, as well as free shipping, using the code ACTIONNAIRE when you order. Vins Guy Jeunemaitre also offers a 20% discount off fine wines sold in any of its four shops in Paris or on its website (use the code ACTAXA15).



▶ To find out more: <http://offre-axa-millesimes.com> or [www.netvin.com](http://www.netvin.com)