

AXA Half Year 2015 Earnings

EuroBusiness Media (EBM): AXA, a world leader in insurance and asset management, reports results for the first half of 2015. Henri de Castries, welcome, you are the Chairman and CEO of AXA. What are your main takeaways from this first half of the year?

Henri de Castries: This first half is a very strong one for AXA. It's a first half of growth in revenues, growth in earnings, and it's also a first half of continuing transformation of the Group to face the new challenges.

Revenues are progressing in the three big pillars of the activity. On the Life & Savings side, as well in Savings as in Health & Protection, the revenues are progressing in P&C, even if the P&C cycle is now more difficult and if the growth there is lower. Revenues and asset gathering are progressing on the asset management side of the business, where the net flows are I think reaching the highest ever for AXA for a semester. It's a semester of progression in earnings because EPS, on an adjusted basis, are growing by 12%, which bodes well for the future dividend capacity.

It's also a semester of continuing transformation of the Group along a couple of lines: the geographical ones where we have completed some deals in emerging countries: Brazil for commercial lines; Egypt for our General and Life businesses. It's also a semester where we've done some significant things in more mature countries, with the announcement of the Genworth acquisition which is going to help develop our Protection offer in a large number of countries. It's doubling our market share.

It's also a semester of transformation on the digital and data front, with the setup of the Innovation Labs, with the setup of the various initiatives we have taken to progressively transform the Group. And I think that there we have done some very good things during this first half.

Last but not least, on the CSR front, I think the announcements we have made to have AXA participate more actively in the debates on climate change and what the private sector can do about it – what we've said of our coal investments, our green investments, of the carbon footprint of our portfolio – is going to be helpful not only for the Group and its clients, but also for the society in general. So, overall, it's a good and strong semester.

EBM: How does this first half performance sit with respect to your strategic plan Ambition AXA?

Henri de Castries: This semester confirms that we will reach the goals and sometimes exceed them. We said, in 2010, when we decided to go for Ambition AXA, if you remember – these goals were goals of selectivity, acceleration and efficiency.

On the selectivity front, if you look at the product mix, and if you look at the profitability of the Group in its different business lines, you will see that we are very well in line or exceeding the targets we had. The profitability is progressing in all business lines. The margins are high. The return on equity is at the upper side of what our range was.

On the acceleration front, you can see that the investments we've made in emerging countries and the ones we are continuing to make are accelerating the growth of the Group and accelerating its profitability. You are seeing also that, in the mature countries, we have become more selective and that this is bearing fruit now.

Last but not least, on the efficiency front, we had set initially a goal of €1.5 billion of savings. We have then revised this goal upwards, and the numbers of the first half are showing that we will very comfortably reach or exceed the revised goals at the end of the year. So, overall, very well aligned

with Ambition AXA, but it doesn't mean that the story is stopping there. We have, of course, further ambitions.

EBM: And finally, regarding the first six months of 2015, what would you like the employees listening today to remember?

Henri de Castries: What I would like them to remember is very simple. They have made very, very significant achievements and they can be proud of what they have done because this puts us very comfortably in a position where we will reach or exceed the ambitions we had 5 years ago, and this despite an environment which has not been benign. So that's one thing I would like them to remember.

The second thing I think they should have in mind is that it doesn't mean that the story is stopping there. We have plans for the future. The future is going to be a future of transformation. We need to transform the way we operate to remain efficient and state of the art with our clients. This is going to require investments, which we are doing, but this is also going to require efforts. And I know they will be very engaged and they will help us achieve the goals we have there.

The very last thing I would like them to remember and be proud of is, I think, the more active role we are taking in some of the societal debates, especially the ones surrounding the areas we are very familiar with. And from that standpoint, I think what we have said of the participation of the private sector in the climate debate is important.

So these are the three things I would like them to remember. And of course, I'd like to thank them for their engagement and their performance because the numbers are there, and the numbers are strong.

EBM: Henri de Castries, Chairman and CEO of AXA, thank you very much.

Henri de Castries: Thank you.