

Autumn Investor  
Seminar

November 24, 2009

# European P&C Operations

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**redefining** / standards



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# Today's key messages

**A very strong franchise**

**The capacity to maintain profitability through the cycle**

**An increasing growth potential**

# A very strong franchise

## A very strong franchise

The capacity to maintain profitability through the cycle

An increasing growth potential

- 1 Leadership positions in most European markets**
- 2 Highly diversified operations**
- 3 Strong track record of profitable growth**

# Leadership positions in most European markets with leading distribution capabilities and a strong brand

A very strong franchise

## Leading operations

2008 data

**€23bn premiums in Europe**  
(88% of total Group P&C)



\* Including AXA Corporate Solutions France

\*\* Personal lines 5% #5, commercial lines 7% #2. Does not include Ireland that is #5 with an 11% market share.

**H** P&C including Health

**Top 3 agent network in continental Europe**  
ca. 15,000 agents

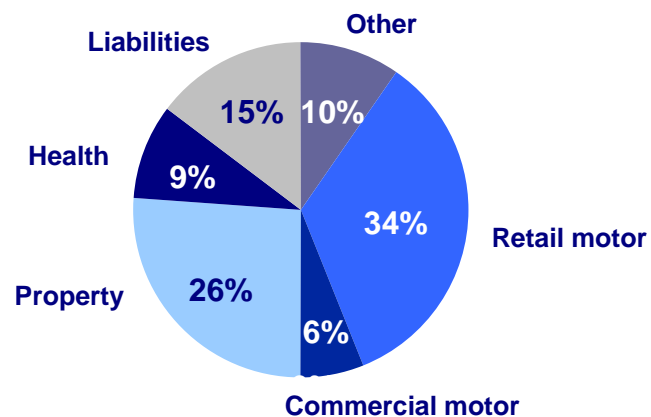
**Top 3 pan European Direct platform in Europe**

# Highly diversified operations

A very strong franchise

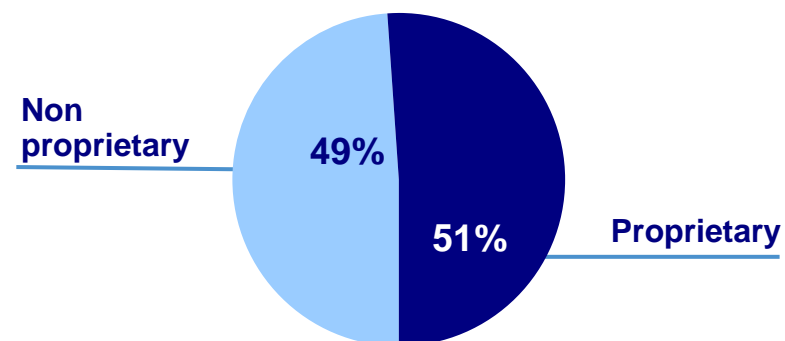
## Business mix

FY08 revenues



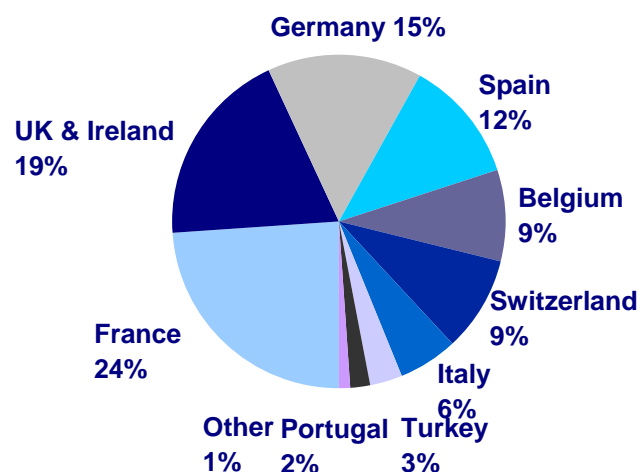
## Distribution mix

FY08 revenues



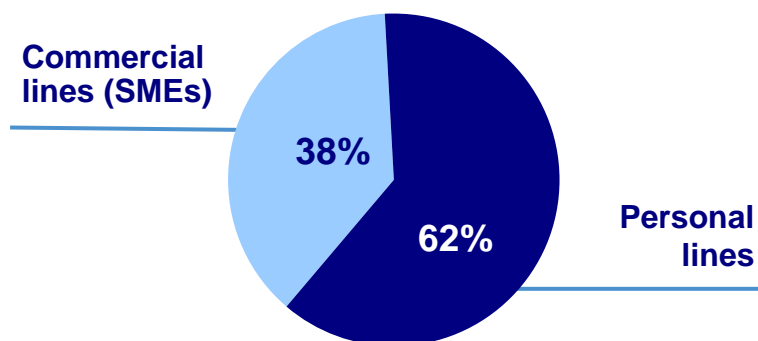
## Geographical mix

FY08 revenues



## Client mix

FY08 revenues

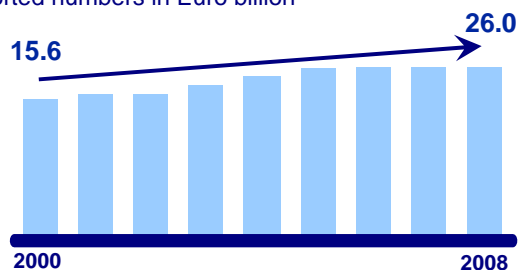


# Strong track record of profitable growth

A very strong franchise

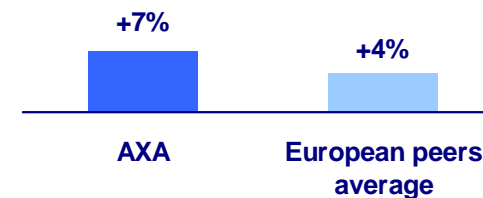
## Sustained growth track record

Reported numbers in Euro billion

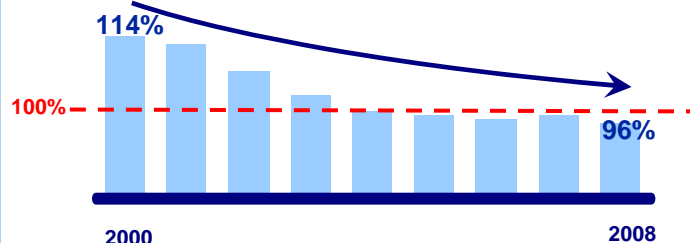


## Growth above peers' average

Average growth in non-life revenues 2000-2008

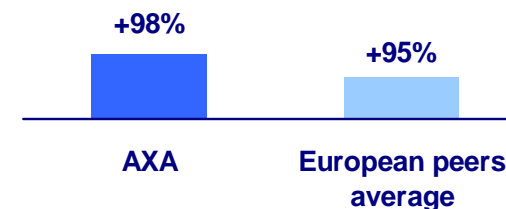


## Continuous improvement in combined ratio

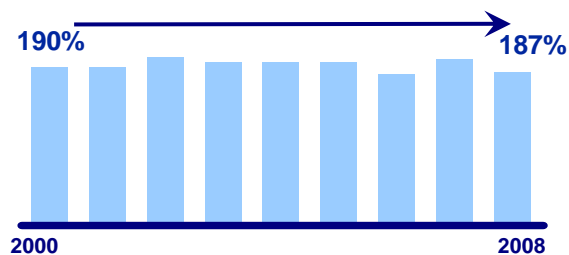


## Combined ratio above peers' average

1H09

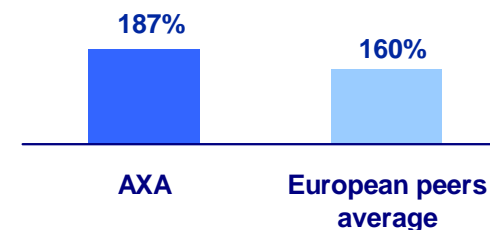


## While maintaining our reserve ratio



## Reserving levels above peers' average

FY08



# The capacity to maintain profitability through the cycle

A very strong franchise

**The capacity to maintain profitability through the cycle**

An increasing growth potential

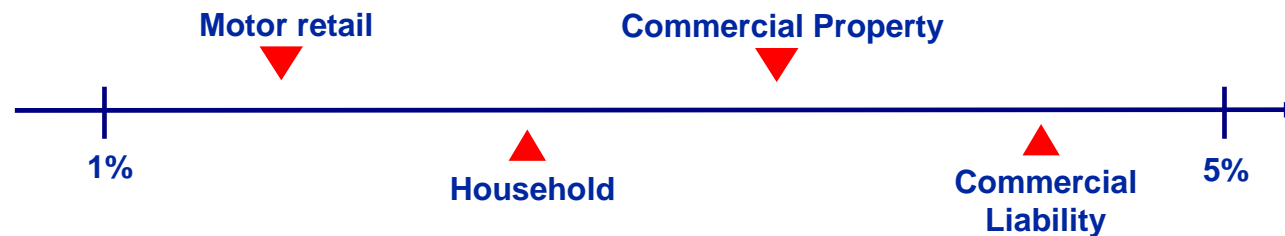
- 1** Increasing average premium by 1 to 5% on average per business line while managing retention
- 2** Saving €750m by 2012 through claims-related initiatives
- 3** Maintaining strong discipline in pricing, underwriting and reinsurance

# Increasing average premiums by 1 to 5% per business line

Maintain profitability through the cycle

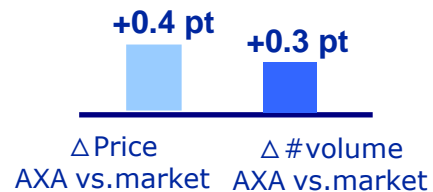
## We are increasing average premium...

Indicative average premium increase for 2010  
By business line, in Europe

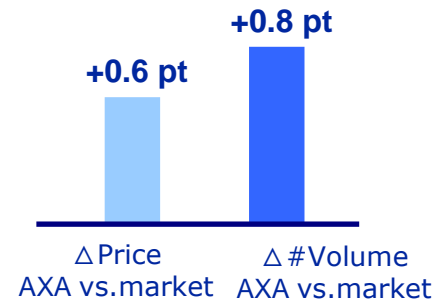


## ...and we have a strong track-record: Motor in France (agent network)

### Hard market (2003-06 – France Motor)



### Soft market (2007-09 – France Motor)



# ... While increasing satisfaction, which is the main driver of retention

Maintain profitability through the cycle

## A leading Brand

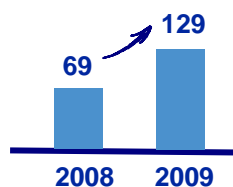
### redefining / standards

- Opportune timing for launch of new positioning in 2007
- #1 insurance brand worldwide in 2009
- Best ranking increase amongst financial service brands

Source : Interbrand

## Quality of service

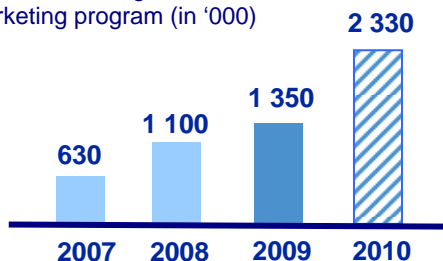
Service commitments launched



- Most impacting lever on customer satisfaction
- Programs centered on key moments for the customer : assistance, claims settlement, etc.

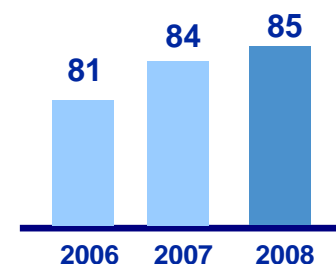
## Operational marketing programs

P&C clients contacted through an operational marketing program (in '000)



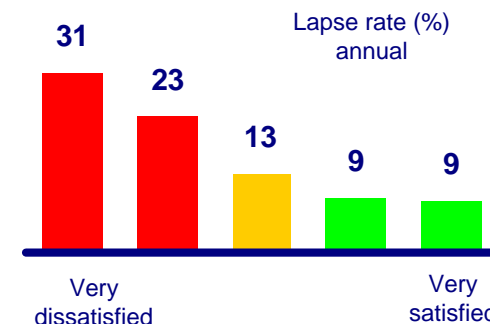
## Even through the crisis, we improved our customer satisfaction...

P&C Customer Satisfaction index



Source : Nielsen Market Research Institute

## ... which is the main driver of customer retention



# Saving €750m by 2012 through claims-related initiatives

Maintain profitability through the cycle



\*: Euro 260 million investment costs evenly spread over 2009-2012

# Maintaining strong discipline in pricing, underwriting and reinsurance

Maintain profitability through the cycle

## Product & Pricing

## Underwriting

## Risk mitigation

### Integrated reinsurance platform

- Centralized purchasing platform
- Consolidated Counterparty risk management
- Risk transformation
- Internal pooling
  - ➔ €0.3bn savings since its creation in 2002
  - ➔ Improved return period coverage

### Inflation hedge on long term P&C reserves

- €1bn hedge against yearly inflation above 4% each year until 2013
- €2.5bn additional hedges against average inflation rate above 4% for defined periods until 2022

# An increasing growth potential

A very strong franchise

The capacity to maintain profitability through the cycle

**An increasing growth potential**

- 1 Expanding our market reach towards SME clients**
- 2 Building a Direct platform to reach out new customer segments**
- 3 Increasing our exposure to high growth markets**

# Expanding on SME clients

Increasing growth potential

## Leveraging leading market positions...



## To improve proprietary distribution capacities...

- Strong regional coverage
- Dedicated training programs
- Commercial lines Agents “Clubs”
- Compensation strategy

## ...and a comprehensive offer

- **Full product range** (Liability, Construction, Fleets, Industrial risks, Buildings)
- **Service commitment to distributors**
- **Service offering to our clients** (Crisis management services/Prevention)

## ...and continue to innovate

- New building infrastructure and construction materials
- Transport & energy
- Environmental risks
- Agri-business

\*: Fire

# Building a European Direct platform to reach out new customer segments

Increasing growth potential

## Building a European platform

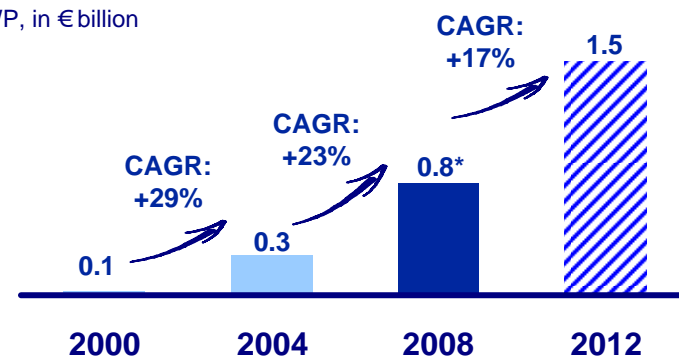
Transition to a low-cost web-enabled model

Develop marketing & experience capabilities

Develop a harmonized pricing model

## A growth story

GWP, in € billion



\* Excluding Asia for ca. €0.5bn in Korea and Japan

## Strong development of Direct at AXA



# Increasing our exposure to new high growth markets

Increasing growth potential

## Central & Eastern Europe



**9% market share**  
+ 42% growth in 2008 (+12% in 1H09)



**6% market share.**  
18 000 tied agents covering all Russia  
Combined ratio below 100%



**+46% growth in 2008**  
2006 start up. Above 150K new contracts to date

## Med. high growth markets



**13% market share**  
Above 20% of market profits (CR 97%)



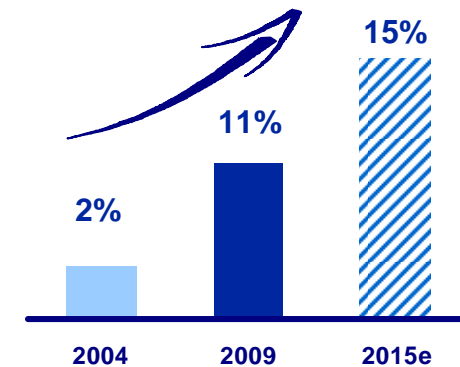
**14% market share**  
+12% growth in 2008 (CR 95%)



**+58% growth in 2008**  
Combined ratio below 90%

## Emerging markets

Contribution to Group revenues (1H09, pro forma figures)



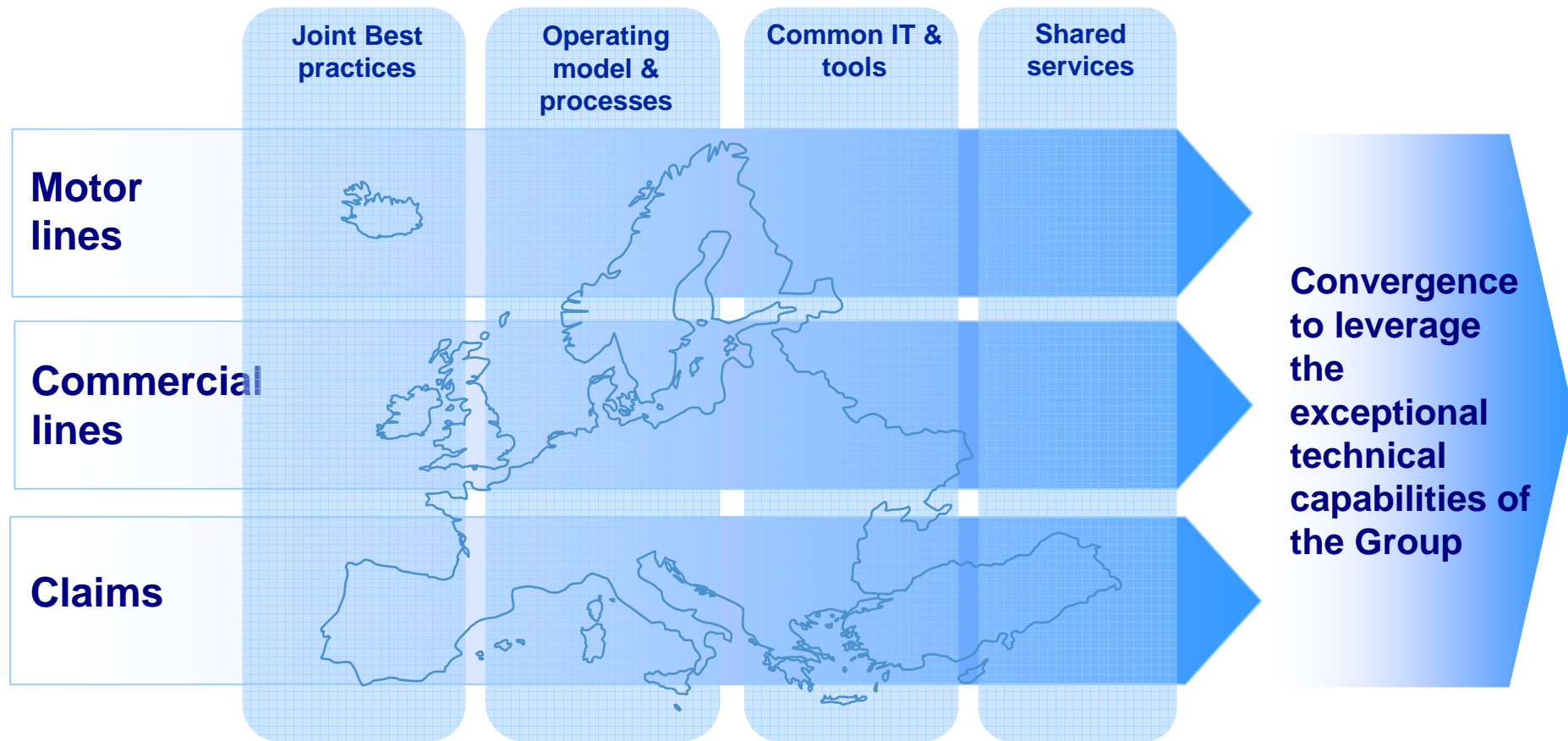
## **Wrap-up : a robust strategy ...**

**A very strong franchise**

**The capacity to maintain profitability  
through the cycle**

**An increasing growth potential**

## ... and the will to accelerate



- ➔ **Keep combined ratio below 100%**
- ➔ **Support growth across markets and distribution models**

