



# CÔTÉ AXA

AXA Group shareholders' newsletter

No. 30 - December 2017

“WE ARE BUILDING THE FUTURE OF AXA ACCORDING TO A CLEAR STRATEGIC VIEW, focusing on fewer countries, with emphasis on scale and potential. We will continue to shift our portfolio towards our preferred segments. We have identified three core segments for growth – Health, Protection and P&C Commercial lines – and are dedicating €200 million per year to innovation, from within our existing M&A budget.”

**Thomas Buberl**, Chief Executive Officer

## Simplifying to accelerate





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AXA organized an investor day during which it presented its strategic vision and its steps to simplify its organization and support its growth.

**“AXA is well on track to achieve its Ambition 2020 targets, and is taking important steps towards making the Group simpler, while fostering growth”**, confirmed Thomas Buberl, Chief Executive Officer of AXA, when opening the Investor Day event.

AXA wants **to focus on the countries** where the Group has critical scale and potential for growth. The Group is looking to build its development around the 10 major markets that represent more than 80% of its earnings, and is moving forward with its growth in the six high potential countries identified.

AXA is confirming the realignment of its portfolio of activities around the **growing segments identified**, focused on products with **high frequency** customer contacts and innovative additional services: health, protection and commercial property and casualty insurance. The Group is focusing on traditional insurance activities and plans to scale back its exposure to financial risks.

AXA has hence informed the market that it has filed a registration statement with the US

**“We have delivered a strong performance, allowing us to reaffirm our confidence to deliver annual underlying earnings per share growth. Our reliable and sustainable cash generation capacity supports our investment for growth and sustained attractive dividends.”**

**Thomas Buberl**

AXA's Chief Executive Officer

Securities and Exchange Commission (SEC), the first step towards its initial public offering (IPO) for a minority stake in its US life insurance operations in the second quarter of 2018, subject to market conditions.

AXA **is also simplifying its organization** in order to get closer to its customers. Its new and simplified operating model will be based around five geographies and a refocused

corporate center. This organization will give more autonomy to the operational companies, **which are closest to our customers**. Entities will be empowered to take decisions on a local level to help roll out Group's transformation.

The Group, which is already able to count on an efficient innovation ecosystem, has also announced that it will be setting aside €200 million for innovation within its **M&A budget**.

To support these measures and oversee this new operating model, a new Management Committee has been set up.

**Thomas Buberl** is now working alongside:



**Gérald Harlin**,  
Chief Financial  
Officer, appointed  
Deputy CEO



**George Stansfield**,  
General Secretary,  
appointed Deputy  
CEO



**Benoît Claveranne**,  
appointed CEO  
International and New  
Markets



**Mark Pearson**,  
CEO of AXA US



**Jacques de Peretti**,  
Chairman and CEO of  
AXA France

Four new members are joining the Management Committee:



**Alban de Mailly Nesle**,  
Chief Risk Officer,  
appointed Group  
Insurance Officer



**Antimo Perretta**,  
appointed CEO  
Europe



**Astrid Stange**,  
appointed Chief  
Operating Officer



**Gordon Watson**,  
appointed CEO Asia from  
January 1, 2018

Following the constitution of this new Management Committee, two appointments have also been announced: **Karima Silvent** as Group Human Resources Director and **Guillaume Borie** as Chief Innovation Officer.



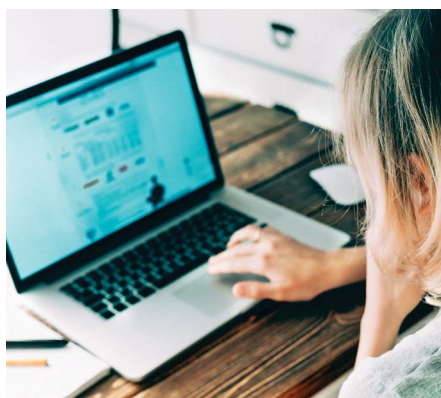
## Better understanding and reducing risks thanks to Give Data Back

To enable everyone to better understand and reduce the risks to their home, AXA is now sharing the benefits of its claims management experience on the Give Data Back platform.

One of the Group's ambitions is to build stronger relationships with the 80% of its customers who do not have any claims during the year, and the Give Data Back initiative has been launched in line with this goal. The Give Data Back website openly shares AXA's data on water damage and burglaries in six European countries (Belgium, France, Germany, Italy, Spain and Switzerland).

Users can enter an address and access an interactive map and information presenting the risks for water damage and burglary for their location: average frequency of claims, most frequent periods and average claim resolution costs. Going even further, AXA offers numerous tips for users explaining how to better protect their home. This advice comes from AXA's experts, as well as other users, because the site is a collaborative platform on which all users can share their tips and experiences.

With Give Data Back, AXA is harnessing its data to benefit its customers and offering a new service to help people better understand and manage their risks thanks to a transparent, collaborative approach. To guarantee total confidentiality for the data



analyzed and shared on the site, they have been anonymized and consolidated.

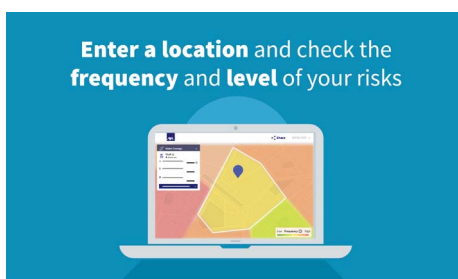
This is just the first step for AXA. In the near future, the Group intends to connect the website to a whole ecosystem of services, notably by connecting users and service providers from its international partner network. The Group would also like to expand the platform to include more countries and additional types of risks.

### AXA AND THE DATA REVOLUTION

Big data is driving improvements in efficiency in understanding risks and managing claims. Firstly, data is enabling the Group to become a genuine partner for its customers. Both the insurer's and customers' interests are aligned, since both want to prevent claims from occurring.

Big data will make it possible to improve knowledge of customers and risk prevention. AXA views its customers as the owners of their data, while it is their guardian, and it does not sell their data to any third parties outside the Group. In certain cases, we may offer products to our customers working with other companies, but only when we are convinced that these products offer real added value for our customers. Lastly, AXA applies the "privacy by design" concept to build in the security of its customers' data into the design stage for its products and services.

▶ Check out the platform at [www.givedataback.axa](https://givedataback.axa)







## fizzy: simplifying insurance

The AXA Group has launched fizzy, a fully secure and automated parametric insurance platform enabling users to take out cover against delayed flights.

This new type of insurance has been developed through joint work by AXA Next, AXA Travel Insurance, AXA Global Parametrics and AXA Corporate Solutions. AXA is the first major insurance group to offer insurance cover using blockchain technology.

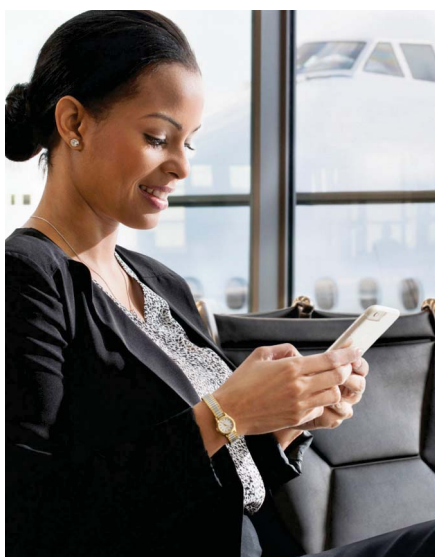
Thanks to a range of secure tools, an automated process and a transparent policy, fizzy will reimburse you immediately if your plane is more than two hours late. When you buy flight delay insurance on the fizzy platform, your transaction is recorded in a tamperproof network – the Ethereum blockchain. This is connected directly to global air traffic databases, which makes it possible to automatically trigger compensation as soon as your flight delay has been recorded.

**“Thanks to the principles of parametric insurance, fizzy offers a transparent policy with clear conditions.”**

The policy's conditions are clear and, when you take out the policy, you know exactly how much compensation you will receive, whatever the reason for the delay may be. By combining a parametric policy with blockchain technology, we are able to offer an insurance product with a simple user experience: as soon as the database records a delay with your flight, your compensation is paid out automatically with no need to report your claim.

fizzy is already available for flights between Roissy-Charles de Gaulle Airport in Paris and the United States, and the platform will be rapidly ramping up its services to include other airports and destinations. New partnerships with airlines, travel agencies and airports will make it possible to further improve the experience for large numbers of travelers by offering easy access to a simple and secure insurance product.

This initiative illustrates the changes that are being driven forward by AXA, capitalizing on its innovation ecosystem and further investments to offer new products and services that are simpler and more transparent for its customers.



## WHAT IS BLOCKCHAIN?

Blockchain is a system for storing and transmitting information. This digital data management protocol integrates standard features of a conventional database, but with improved reliability and security. Blockchain stands out from a conventional database because it is: transparent, fully open and public, and anyone can consult it. It is built around exchanges of information between users, making them interdependent, without requiring a trusted third party responsible for authenticating transactions. Secured with several backups on different computers across the network, this protects blockchain against hackers. This innovative system, a core focus within AXA's research, has the potential to transform a number of sectors.



## WHAT IS PARAMETRIC INSURANCE?

Parametric insurance is based on the use of indexes that are correlated with trigger factors for claims, such as temperature, wind speed or even transport delays. Payments are triggered automatically when the selected index reaches a given threshold. A wide variety of risks can be covered with this type of insurance, such as adverse weather affecting harvests, delays with construction projects, reduced visitor numbers for amusement parks, etc.

By creating AXA Global Parametrics in March 2017, AXA has put in place a dedicated independent entity for parametric insurance.



## Five reasons to invest, spotlight on the shareholder communications campaign

AXA has launched its shareholder communications campaign. Here, we look at the five main reasons why shareholders choose to include AXA in their portfolios:

### → A world leader for insurance

- 107 million customers.
- Leading positions on the world's biggest markets\*.
- Diversified business mix: property and casualty insurance, life, savings, retirement, health insurance, asset management.
- AXA recognized as the world's #1 insurance brand for the 9<sup>th</sup> consecutive year in the 2017 Interbrand rankings.

### → New areas for growth

- Three areas for growth identified in the Ambition 2020 strategic plan: health insurance, commercial property and casualty insurance, and protection.
- Clear financial goals.

### → Solid balance sheet

- €68 billion of shareholders' equity at June 30, 2017.
- Solvency II ratio of 201% at June 30, 2017, within the target range of 170% to 230%.
- Strong financial ratings.

### → Attractive returns

- Dividend of €1.16 paid out in 2017 for 2016, up 5%, with a payout ratio representing 48% of adjusted earnings\*\* and a return of 4.8%\*\*\*.

### → A Group that is close to its shareholders

- Regular meetings and exchanges throughout France.
- Publications available to all shareholders throughout the year.
- Exclusive benefits for Shareholders' Circle members.

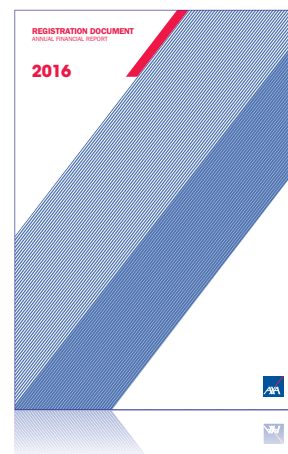
\* AXA is in the Top 5 in the following countries: France, Switzerland, Belgium, UK and Ireland, Germany, Spain, Hong Kong, Thailand, Indonesia and Mexico.

\*\* Net of undated debt interest charges.

\*\*\* Dividend paid out in May 2017 for 2016 / AXA share price at December 31, 2016.

▶ To learn more, visit:  
<https://www.axa.com/en/investor/being-a-shareholder>

The risk factors relating to AXA's business are presented in detail in the registration document (section 4).



## AXA, #1 GLOBAL INSURANCE BRAND



GLOBAL  
INSURANCE  
BRAND  
FOR THE 9<sup>TH</sup>  
CONSECUTIVE  
YEAR

AXA is the world's leading insurance brand for the ninth consecutive year. The AXA brand has continued to progress up the global Interbrand rankings, climbing four places to 42nd, and is still the third best financial services brand. The brand is valued at over USD 11 billion.

AXA has shifted its purpose to empowering people to live a

better life. The Group has embarked on a deep transformation of its business model with the aim to create more value for its customers, and become a true partner for life. The AXA brand plays a critical role in this transformation journey.

"In the past year, we have made important shifts in our brand expression such as an identity

refresh and advertising platform that demonstrate a more simple, human, and modern brand", confirmed Paul Bennett, AXA's Brand Director. "We have continued our global rollout of customer assets, like service quality hallmarks and MyAXA, which create a tangible and distinctive AXA experience."

# AXA share price movements

While the first few months of 2017 were marked by fears of a general surge in populism that might undermine global growth, the election results in France, following on from Austria and the Netherlands, have helped dissipate these fears.

Equity markets have benefited from the improvement in the general economic environment, pointing to a solid recovery, and the upturn in forecasts for world growth (+3.7% expected for 2018 according to the OECD). The gradual increase in interest rates, particularly

in the US, and higher yields on government bonds have been supporting factors for stock prices in the financial sector.

Overall, 2017 has been marked by growth across the majority of the financial markets. On December 1, 2017, AXA's share price was €25.20, with a year-on-year performance (dividends reinvested) of +19%, compared with +17% for the European insurance industry and +20% for the CAC 40 over the same period.

AXA SHARE PERFORMANCE  
(dividends reinvested)



Source: Bloomberg, December 1, 2017.

AXA's shareholder relations team would like to wish you all the best for the Holiday Season.

## 2018 calendar

### February 1, 2018

CULTURAL CONFERENCE ON DUTCH PAINTERS IN PARIS\*  
AXA'S HEADQUARTERS, 6:30PM

### March 8, 2018

SPECIAL CONFERENCE ON THE FULL-YEAR EARNINGS  
AXA GROUP'S HEADQUARTERS, 6:30PM

### April 4, 2018

PRIVATE TOUR OF THE YVES SAINT LAURENT\* MUSEUM IN PARIS, 8:30AM

### April 25, 2018

AXA GROUP SHAREHOLDERS' MEETING  
PALAIS DES CONGRÈS DE PARIS, 2:30PM

### May 29, 2018

SHAREHOLDERS' MEETING IN MONTPELLIER, 6PM

### June 5, 2018

SHAREHOLDERS' MEETING IN ANNECY, 6PM

### June 12, 2018

SHAREHOLDERS' MEETING IN AVIGNON, 6PM

See all our events at:  
[axa.com/en/newsroom/events](http://axa.com/en/newsroom/events)

\* Tour reserved for AXA's shareholders' circle members, subject to availability.

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## AXA'S AWARD-WINNING SHAREHOLDER RELATIONS IN 2017

AXA's shareholder relations won the Grand Trophée d'Or award for Best Shareholder Relations on the CAC 40, organized by *Le Revenu*, recognizing the services offered and the Group's interaction with its shareholders.

This award rounds off a successful year in 2017, after AXA already won gold in the category for Best Governing Body Operations in L'Agefi's Corporate Governance Awards. Earlier, the Group also received the Governance Award in the General Meeting Awards organized by the Institut du Capitalisme Responsable.\*

\* French institute for responsible capitalism.



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