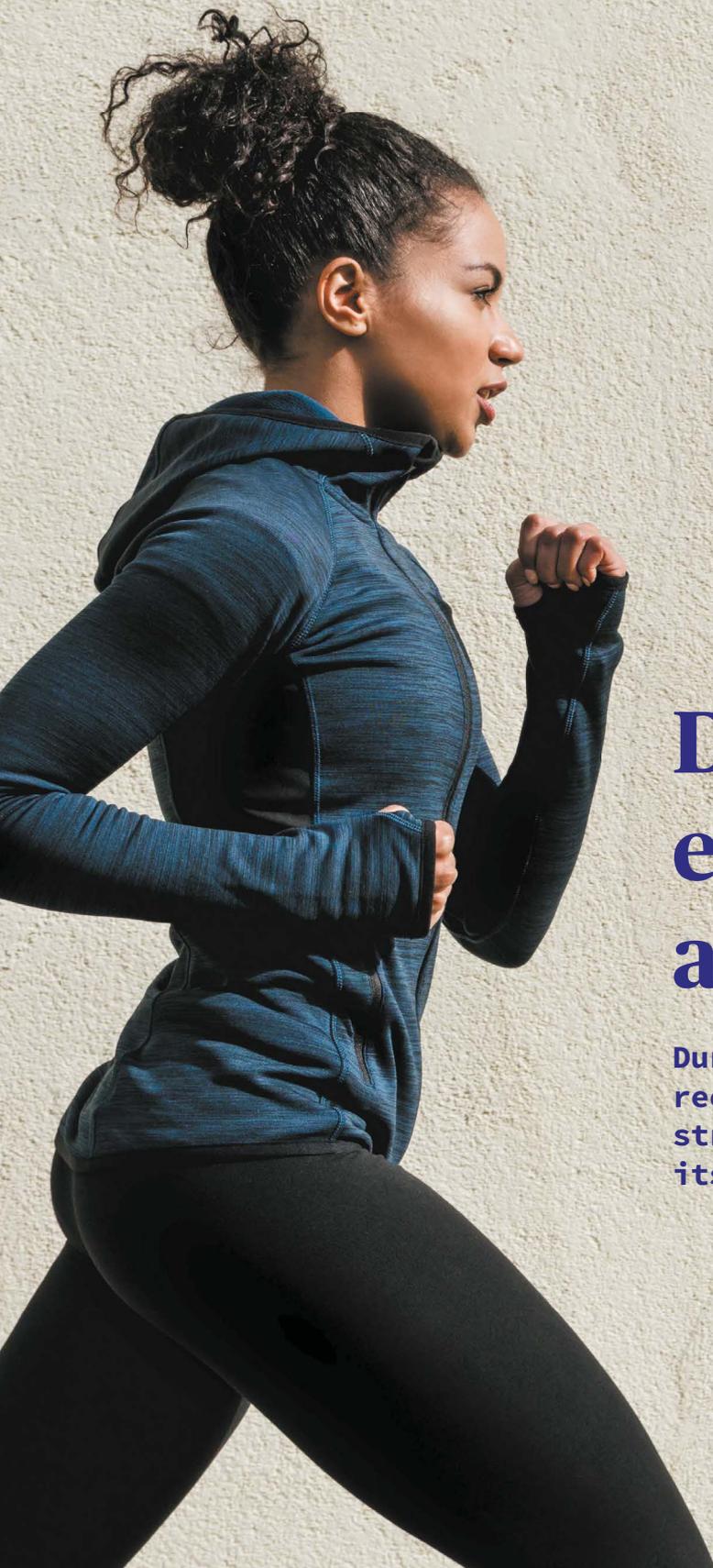




# CÔTÉ AXA

AXA Group shareholders' newsletter

No. 37 — October 2019



## Disciplined execution and delivery

During the first half of 2019, AXA recorded robust organic growth and a strong operating performance across all its preferred segments and geographies.

**P&C COMMERCIAL LINES**



**+6%\***

Revenues

**HEALTH**



**+5%\***

Revenues

**PROTECTION**



**+3%\***

Revenues

# 2019 half-year earnings: disciplined execution and delivery of the Ambition 2020 strategy

AXA recorded robust organic growth and a strong operating performance across all its preferred segments and its geographies.

**A**XA continued to deliver strong operating performance during the first half of 2019, with a 4% growth in revenues and a 10% increase in underlying earnings per share. AXA's earnings benefited from a virtuous double dynamic: growing volumes and improving profitability across all the Group's geographies and preferred segments.

AXA XL had a great first half, with continued and disciplined growth, making a solid contribution to the Group's earnings. Synergies are materializing well and the pricing context is expected to become increasingly positive.

AXA is very well advanced on its transformation journey, and the Group, now the #1 global property and casualty (P&C) commercial lines insurance platform, is reducing its sensitivity to the financial markets. AXA is building on its leading position on European markets to develop its key segments, while capitalizing on its globally recognized brand.

The Group has also further strengthened its leading international position for health insurance by opening its own medical centers, notably in Mexico and Egypt, with the aim to simplify and enhance the healthcare journey for its customers.

The results for the first half of 2019 once again confirm that AXA is on track to achieve the targets from its Ambition 2020 plan.



**AXA is benefiting from a virtuous double dynamic: growing volumes and improving profitability**



▶ Learn more at [axa.com](http://axa.com)

\* Changes on a comparable basis (constant forex and scope)

\*\* Change at constant forex



## Crafting tomorrow’s insurance: solutions to better suit women’s expectations

Women, with rising levels of education and purchasing power, are key decision-makers. They are increasingly active professionally and are now taking more risks as entrepreneurs. To address effectively these needs, there’s really just one response: become their partner.

Interviews and workshops conducted in partnership with the International Finance Corporation\* in India and Nigeria, as well as in-depth focus groups in five other emerging countries, revealed huge potential for growth in insurance, estimated at 1.7 billion dollars by 2030.

### Clear insights

One of the findings from these interviews is that women are looking for evolving financial solutions during key life moments, such as entering the workforce, maternity, entrepreneurship and retirement, as well as more unexpected events. They are also looking for financial independence and security. These expectations are still insufficiently taken into account by financial firms, both in emerging and mature economies.

However, the response to these findings is not to define specific products for women that exclude men. Instead, it involves better understanding customers’ expectations at every moment in their lives. In other words: by considering women as specific stakeholders with their own particular features, insurance is therefore more in tune with society as a whole.

### Acting as a partner

By acting as a genuine partner, AXA is able to take into account the particular concerns of women. The insights gained from these

interviews have enabled AXA to develop 18 financial solutions in 15 countries, all designed based on feedback from the field and focus groups. For instance, to specifically support women in their unofficial role of “Chief Medical Officers” for their households, the Group has developed teleconsultation services, for which 60% of users are women.

In Turkey, after consulting with women entrepreneurs, AXA has created specific services such as emergency childcare to help them avoid missing professional appointments.

In Mexico, women’s cancers (such as breast cancer) are the leading cause of death for women between the ages of 25 and 44. AXA’s Mujer Unica includes annual screening services, as well as psychological support for women and their families faced with such a critical life event.

### Building a global strategy

The Group’s goal now is to build a global strategy that will be deployed across all of AXA’s organizations throughout the world and to continue to go further in areas such as safety, health and protection. AXA also wants to share and ramp up this movement by working with the sector’s key stakeholders during events such as the Financial Alliance for Women. Through the large-scale mobilization of all our energies, insurers will collectively be able to better meet the needs of women...and therefore society.



of working women take financial decisions for their households, whether they are single or part of a couple



of working mothers make decisions regarding the health of their relatives (children, partners, parents)

\* The International Finance Corporation (IFC) is part of the World Bank Group.



## Innovative healthcare delivery systems in emerging markets

In July this year, AXA announced the expansion of its Payer to Partner strategy in emerging markets by opening medical centers to further strengthen its health insurance services.

**A**XA is creating a digital and physical healthcare ecosystem by launching its own medical centers. By combining, in one offer, services that are normally delivered by different providers, AXA is simplifying the healthcare journey for its customers.

The Group’s target is to open 50 medical clinics serving as many as 1.5 million customers across emerging markets by 2023, starting with Mexico in Latin America and Egypt in Africa, before extending these services to include other key emerging markets.

These medical centers will provide access to advanced diagnoses, laboratory equipment and medical consultations in key specialties. They will offer an affordable, high-quality and seamless patient experience, in markets

where access to care is still a challenge for many individuals and their families and where non-reimbursable medical care spending is often high.

In Mexico, AXA has announced the launch of a joint venture with Keralty to develop a vertically integrated health system incorporating quality day-to-day healthcare delivery. Present in Mexico since 2015, Keralty is the leading health insurer and provider in Colombia and also has a significant presence in the US and Brazil.

Alongside this, AXA will open diagnostic centers and primary care centers, owned 100% by AXA, in Egypt. World Health Management will be its technical partner, with expertise in designing and setting up healthcare facilities.

*« The innovative ecosystem that we are building will provide accessible, affordable and high-quality health solutions to our customers in Mexico and Egypt, as well as other emerging markets in the future. This initiative perfectly symbolizes AXA’s strategy to become a partner for its customers »*

**explains Benoît Claveranne,**  
AXA Chief Executive Officer  
International and New Markets

### RESPONSE TO MEXICO’S HEALTHCARE CHALLENGES

**M**exico, the second largest economy in the Latin America and Caribbean region, faces a number of serious healthcare issues: 70% of its population are overweight and the OECD estimates that 40% of adults will be obese by 2030. The private insurance sector covers 4 billion euros of healthcare spending, significantly lower than Mexico’s 20 billion euros of social security expenditure and the 22 billion euros that Mexicans spend on healthcare from their own pockets.

AXA wants to play an important role in filling this gap. Eight new primary care clinics operated by AXA and its partner Keralty will be opened between now and the end of the year. They will provide high-quality,

affordable healthcare that is included as part of a patient’s insurance coverage or through a healthcare plan.

AXA’s new health ecosystem is based on accessibility, affordability, quality care and continuity, with a simple model.

A patient makes an online or phone request for a consultation at one of the AXA clinics. During the appointment, a doctor assesses the patient and provides the necessary care or makes arrangements for tests within the center itself, which is equipped with a range of diagnostic tools such as imagers, scanners and laboratory facilities. The patient then benefits from follow-up care.

**70%**

Percentage of the Mexican population that is overweight

**€22 Bn**

Total net healthcare costs supported by Mexicans

**50**

Number of primary care clinics to be opened by AXA by 2023 in emerging markets



# AXA joins B4IG for a more inclusive economy

AXA has joined the Business for Inclusive Growth Initiative (B4IG), a coalition launched at the G7 in Biarritz to foster public-private cooperation and develop collective solutions for a more inclusive economy.

**F**ighting inequalities and contributing to a more resilient and inclusive society have always been important commitments for AXA. By pooling risks, insurers protect people, businesses and goods over the long term and actively contribute to economic growth and social stability. The Group is going further and wants to perform its role as a responsible corporate citizen with dedicated health, financial inclusion and environmental

### Business for Inclusive Growth Initiative's three core pillars

- The creation of a **coalition of companies** willing to build common solutions for a more inclusive economy
- An **incubator** enabling companies to share their initiatives and co-develop projects to address inequalities
- A **funding mechanism** to support the incubator's projects and scale up the most promising solutions

initiatives, in line with its corporate social responsibility policy.

For AXA, joining B4IG, a coalition of more than 30 companies from the G7 countries and supported by the OECD, represents an opportunity to unite strengths and drive collective action to tackle an increasingly complex issue.

**« Through its expertise, products, services and investments, insurance can take action to foster stronger social and economic resilience and inclusion. By joining the B4IG initiative, we aim at working and developing collective solutions with other players from the private and public sectors for a more inclusive economy »**

**confirms Thomas Buberl,**  
AXA's Chief Executive Officer

Within this coalition, AXA will share and develop some of its flagship initiatives:

- **Addressing territorial inequalities.** In France, AXA has been a pioneer in offering telemedicine services to its customers since 2015. In Morocco, the Group has been organizing «health caravans» since 2011, which allow people living in rural areas to consult a doctor free of charge.
- **Reducing inequalities of opportunity,** through the Emerging Customers initiative. Since 2016, AXA has offered tailored micro-insurance solutions for low income populations. As of December 2018, AXA was supporting more than 9 million people in emerging countries, mainly in Africa and Asia.

- **Promoting the empowerment of women through entrepreneurship.** In France, AXA provides financial support for the “Elles pour Entreprendre” project, which provides women with training content and financing solutions. To help women entrepreneurs overcome the specific difficulties they face, in Italy the Group has created “Angels for Women”, the first dedicated business angel network for women.

- **Tackling the effects of climate change.** Almost 90% of the losses related to natural events in developing countries are not insured. Capitalizing on the data it has access to, AXA has developed parametric insurance solutions to provide cover aligned with the needs of populations at risk. Payments are triggered automatically when a measurable threshold is crossed (river level, temperature, etc.).

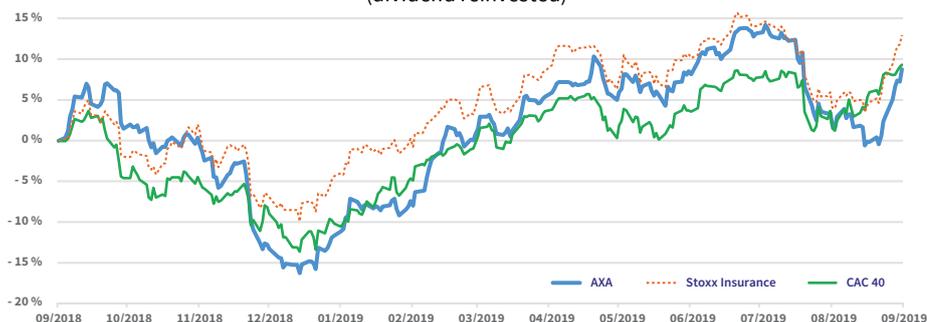
By becoming an active member of the Business for Inclusive Growth Initiative, AXA wants to join forces with its partners, foster ambitious cooperation with the public sector and bring these expert capabilities and solutions together to work towards a more inclusive and sustainable economy.

# AXA share performance

For several months, developments on the financial markets have been guided to a great extent by the latest twists and turns in the US-China trade war and the risks that it represents for global growth. The inversion of the yield curve in the US during the summer once again raised fears of a global recession. However, the announcements made by the Fed in August then the ECB paved the way for the equity markets to pick up again at the end of the summer. In this environment, AXA's share has delivered a performance (dividend reinvested) of +28% since the start of the year, outperforming the CAC40 (+23%) and Stoxx Insurance, the European insurers index (+22%).

On September 13, AXA's share price was up 9% year-on-year to €22.73 (dividend reinvested), compared with +10% for the CAC40 and +13% for the Stoxx Insurance.

**AXA SHARE PERFORMANCE OVER THE PAST YEAR**  
(dividend reinvested)



Source: Bloomberg, september 13, 2019

## AXA RANKED AS THE 3<sup>RD</sup> MOST RESPONSIBLE INSURER IN 2019

In 2019, AXA's overall score on the Dow Jones Sustainability Index climbed to 83%, a 4-point increase from 2018. The Group has made progress in all areas: economic (+3 points), social (+4 points) and environmental (+10 points), in line with the three pillars of its corporate social responsibility strategy.

## THOMAS BUBERL MEETING SHAREHOLDERS IN LILLE

AXA is committed to maintaining a close relationship with its shareholders. To help achieve this, the Group organizes meetings, conferences and visits throughout France with numerous opportunities to meet up. The calendar for the second half of the year is particularly busy, with a number of events planned.

Thomas Buberl, the Group's CEO, will be in Lille on October 22 for an information meeting, during which he will review AXA's strategy, results and outlook. We look forward to seeing many of you there to talk with Thomas Buberl and ask him any questions you may have.

To find out more and register, please contact our advisors by phone from 9am to 6:30pm Monday to Friday or by email at [actionnaires.web@axa.com](mailto:actionnaires.web@axa.com).



# 2019 calendar

## October 8

SHAREHOLDERS' MEETING IN BORDEAUX, 6:00PM

## October 9

SPECIAL CONFERENCE ON REINSURANCE\* AT AXA'S HEADQUARTERS, 6:30PM

## October 22

SHAREHOLDERS' MEETING IN LILLE, ATTENDED BY THOMAS BUBERL, 6:00PM

## November 4

PRIVATE TOUR OF THE PALACE OF VERSAILLES CORONATION ROOM\*, 6:30PM  
Registrations open from October 5

## November 14

SHAREHOLDERS' MEETING IN MONACO, 6:00PM

## November 19

SHAREHOLDERS' MEETING IN TOULOUSE, 6:00PM

## November 27

SHAREHOLDERS' MEETING IN LAUSANNE, 6:00PM

## December 3

SHAREHOLDERS' MEETING IN GRENOBLE, 6:00PM

## December 17

CULTURAL CONFERENCE ON "SHAREHOLDERS AND THE CINEMA"\* AT AXA'S HEADQUARTERS, 6:30PM

To keep informed of the Shareholders' Circle events, send us your email address and receive the Circle's calendar.

\* Visite et conférences réservées aux membres du Cercle des actionnaires et dans la limite des places disponibles.

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

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