



# Nicolas Moreau

Member of the AXA Management Committee  
Chairman & Chief Executive Officer of AXA France

---

14th edition of The Premium Review  
Société Générale Corporate & Investment Banking

December 2, 2015





## TABLE OF CONTENTS

---

AXA GROUP RESULTS	<b>P.4</b>
CREATING DIGITAL ASSETS FOR AXA	<b>P.12</b>
AXA FRANCE	<b>P.17</b>
AXA PARTNERS	<b>P.22</b>



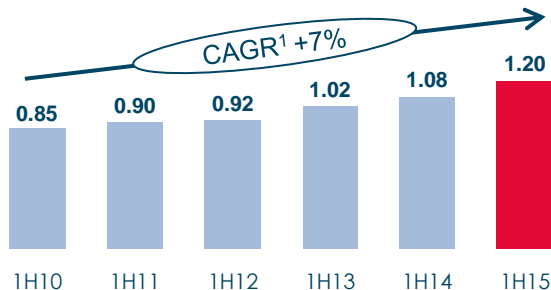
# AXA Group Results

---

# Well positioned to achieve Ambition AXA targets

## UNDERLYING EARNINGS PER SHARE

In Euro per share



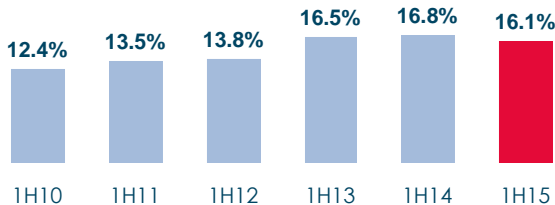
Ambition  
AXA 2010-  
2015 CAGR

+5%  
to  
+10%

## ADJUSTED RETURN ON EQUITY<sup>2</sup>

Average adjusted shareholders' equity<sup>3</sup>  
(in Euro billion)

34.3 33.4 33.1 34.1 35.3 41.3



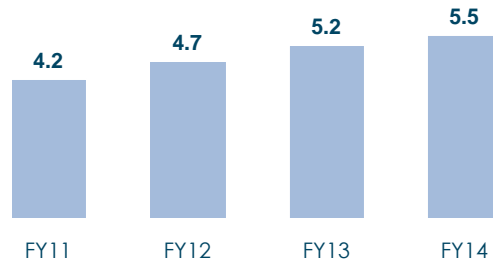
Ambition  
AXA 2015

13%  
to  
15%

## GROUP OPERATING FREE CASH FLOWS

In Euro billion

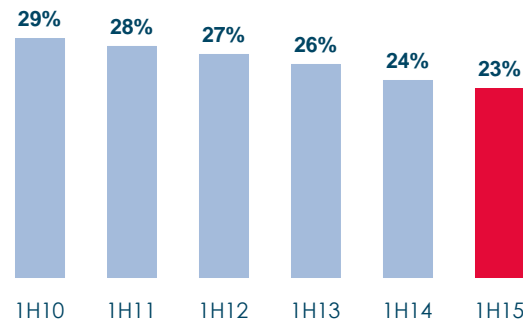
Cumulative operating free cash flows: Euro 19.6 billion



Ambition  
AXA 2015

Euro  
24 billion

## DEBT GEARING



Ambition  
AXA 2015

23%  
to  
25%

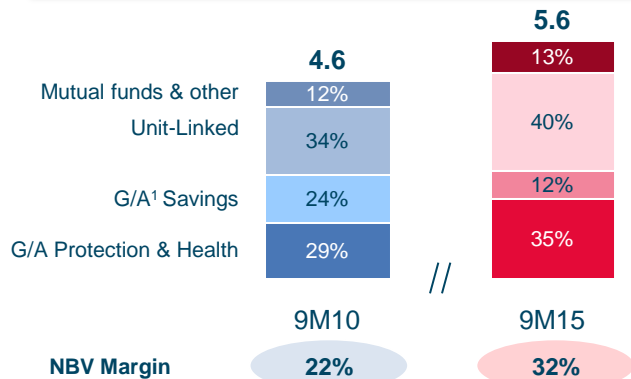
All numbers are as published

All notes are on page 26 of this document

# A positive evolution across all business lines

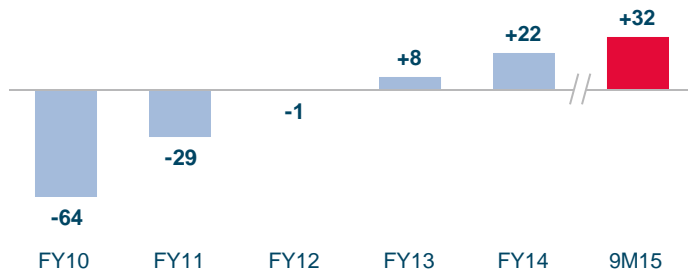
## LIFE AND SAVINGS APE EVOLUTION

In Euro billion



## ASSET MANAGEMENT FLOWS

In Euro billion

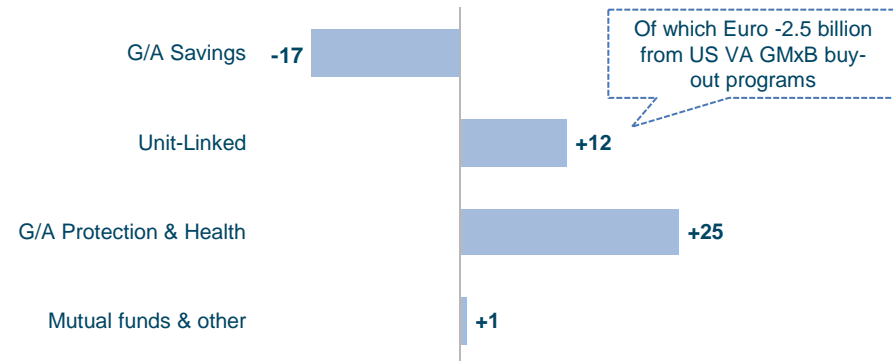


All numbers are as published

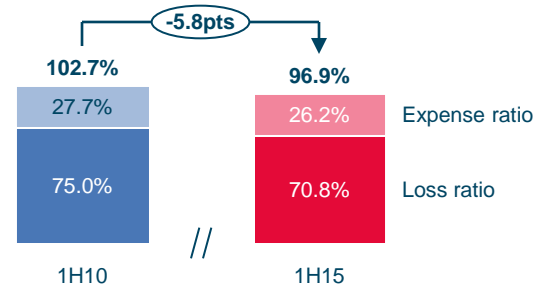
All notes are on page 26 of this document

## LIFE AND SAVINGS NET FLOWS

In Euro billion - Cumulated Life flows between FY11 and 9M15



## CURRENT YEAR COMBINED RATIO

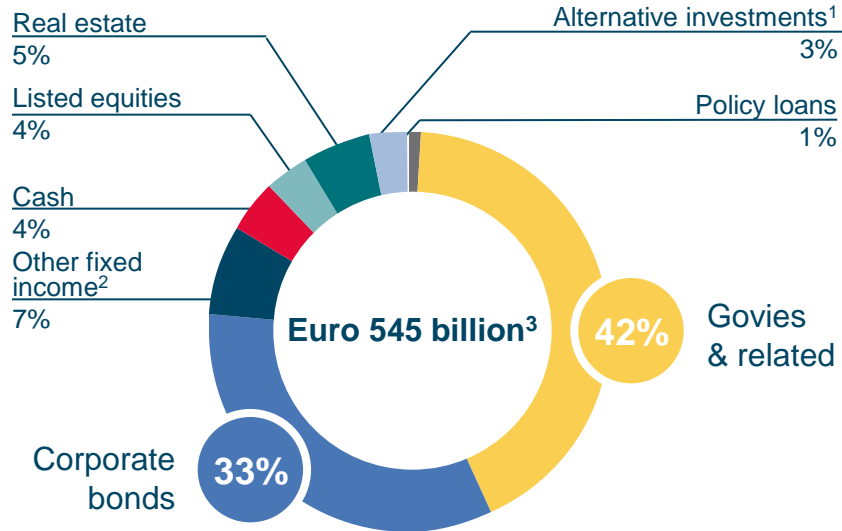


# Disciplined Asset & Liability management (1/2)

Diversified and resilient investment portfolio

## 1H15 Total General Account invested assets

83% in Fixed income



Average rating of govies maintained in the **AA** range

Average rating of the non-govies fixed income portfolio maintained in the **A** range

## Limited yield dilution

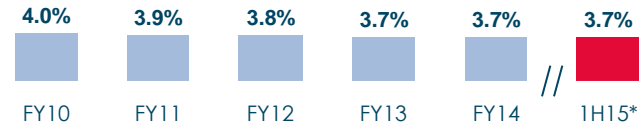
Fixed income Assets duration  
as at June 30, 2015

Life & Savings	7.7 years
Property & Casualty	5.0 years

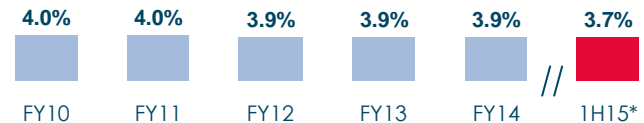
Long asset duration leading to a slow  
yield dilution



### Life & Savings



### Property & Casualty



\* Annualized

All numbers are as published

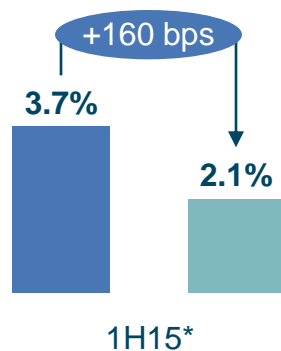
All notes are on page 26 of this document

# Disciplined Asset & Liability management (2/2)

## L&S General Account investment spreads and margin

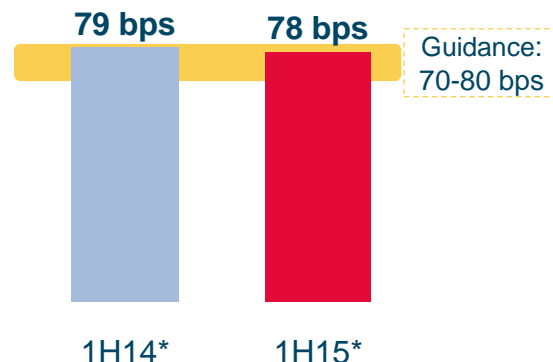
### Inforce business

#### Spread above guaranteed rates



■ Yield on total L&S asset base  
■ L&S average guaranteed rate

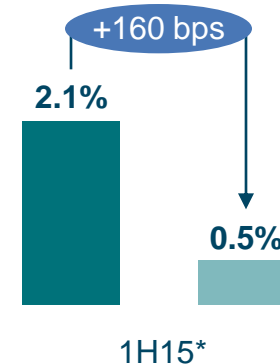
#### Resilient investment margin<sup>1</sup>



- ➔ Significant buffer to cover guarantees and to manage crediting rates to preserve investment margin
- ➔ Average reserves of Euro 354 billion

### New business

#### Spread above guaranteed rate



■ Reinvestment yield on L&S fixed income assets  
■ L&S average guaranteed rate

- ➔ Products sold in combination with higher margin Unit-Linked business (hybrid<sup>2</sup> sales)

\* Annualized

All numbers are as published

All notes are on page 26 of this document



# 2010 to 1H15 Capital Allocation

1

Performed annual capital allocation and portfolio reviews, which led to Euro 9.1<sup>1</sup> billion of disposals since 2010

2

Less than Euro 1 billion spent per year on average for acquisitions since 2010, funded from disposals in line with our commitment

3

Reallocation of capital contributed to the shift in the geographic mix from mature markets to high growth markets, in line with Ambition AXA

4

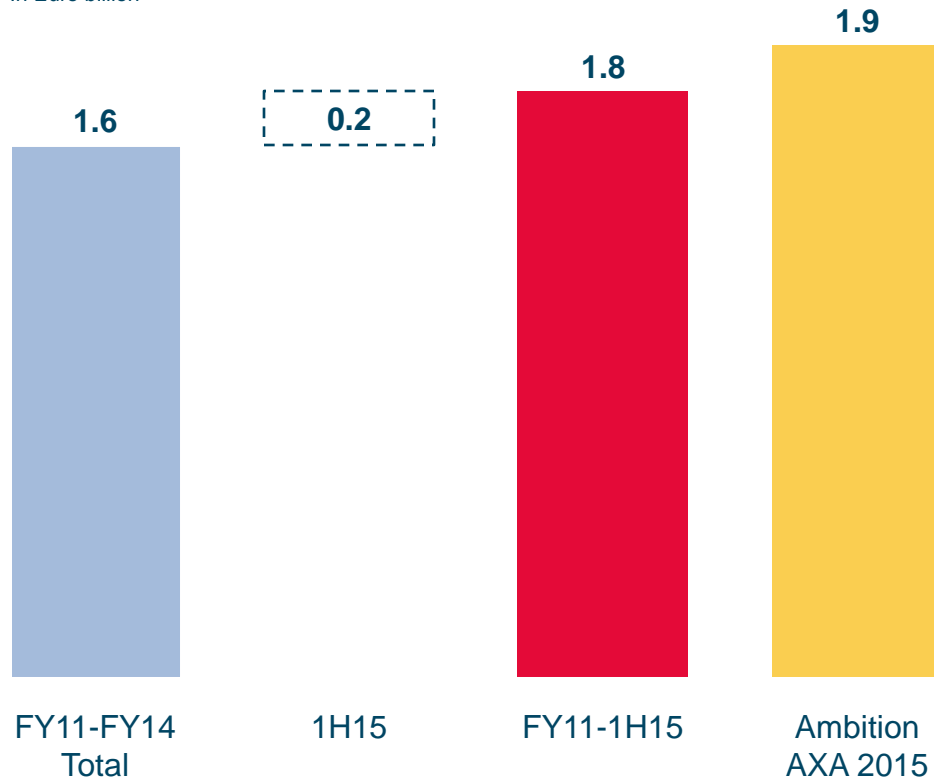
Remaining proceeds used to strengthen the balance sheet

All numbers are as published

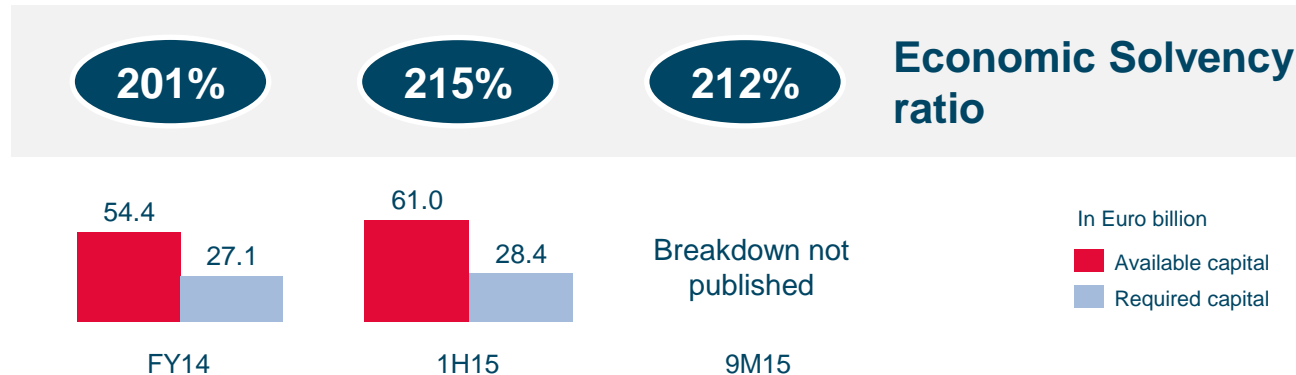
**All notes are on page 26 of this document**

# Disciplined cost savings strategy

In Euro billion



## Economic Solvency ratio<sup>1</sup>



**Investor Day**  
**December 3, 2015**

- Solvency II position
- Capital Management Framework

All numbers are as published

**All notes are on page 26 of this document**



# Creating digital assets for AXA

---



- ➔ Detect emerging trends and potential digital partners
- ➔ Accelerate digital awareness

1



(San Francisco, Shanghai)



- ➔ Attract new skills & deploy talent
- ➔ Learn, pilot, implement

2



(Paris, Singapore)



- ➔ Gain knowledge
- ➔ Support promising companies

3



(Europe, North America, Asia)

## Detecting trends



**AXA Lab**

**450+** contacts within tech and fintech US West Coast & Asian scenes

**300+** AXA employees welcomed to Silicon Valley over learning trips

**Become early partners of emerging winners and leading established players**



(AXA Belgium)

Protect our clients against household fire risk by providing them with a smart smoke detector



(Europe)

Provide additional ridesharing insurance cover

Leverage data to transform our business model

Create value at each stage of the client journey



Data  
Innovation Lab

**45+** FTEs working in the Lab

**200+** data specialists in AXA entities

**35+** projects launched



Consumer value targeting



Advanced fraud detection and  
intelligent bodyshop orientation



Driving score pricing discount



Cross-sell and upsell propensity  
modelling

**€200 million venture fund** to be invested in start-ups in insurance, fintech and healthcare services

**Invest** in innovative start-ups globally



**Support** their development and international expansion

**Facilitate** synergies with AXA ecosystem

**KAMET** **€100 million incubator** dedicated to initiate, build and scale InsurTech start-ups



Leverage climate prediction technology to manufacture climate-related risks products



Use airfare predictive analytics to underwrite new price protection products





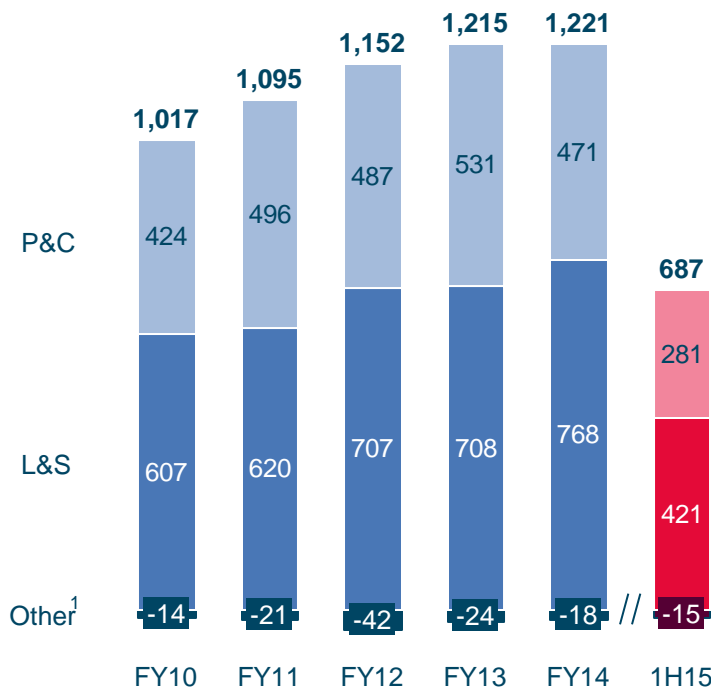
# AXA France

---

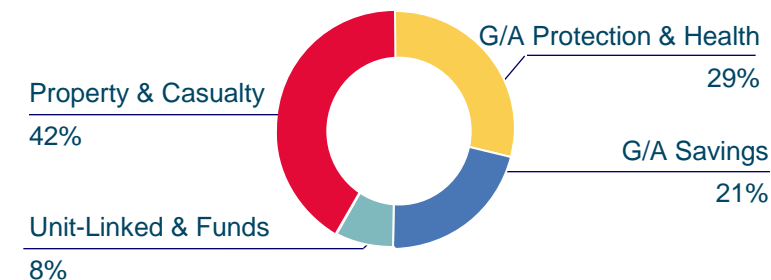
# AXA France sustainable earnings and free cash flows generation

## UNDERLYING EARNINGS

In Euro billion



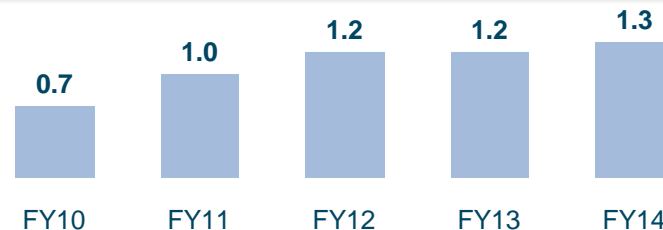
## PRE-TAX EARNINGS BY BUSINESS LINE<sup>2</sup>



**Total 1H15 Pre-tax Underlying Earnings: Euro 1,024 million**

## OPERATING FREE CASH FLOWS

Life & Savings and Property & Casualty (in Euro billion)



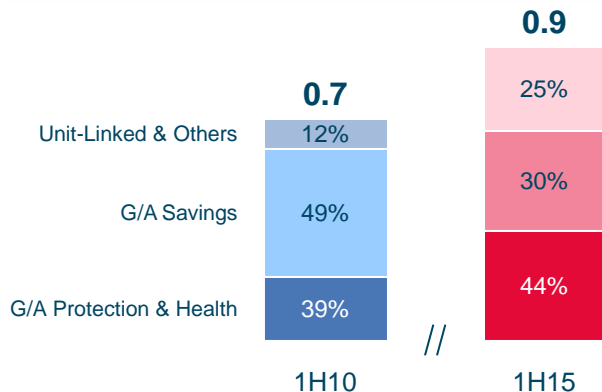
All numbers are as published

**All notes are on page 26 of this document**

# AXA France 2010-2015 trajectory

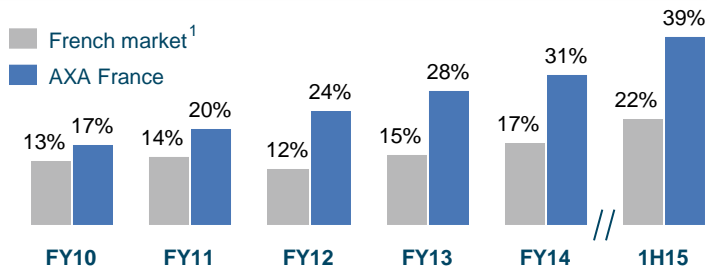
## LIFE AND SAVINGS APE EVOLUTION

In Euro billion

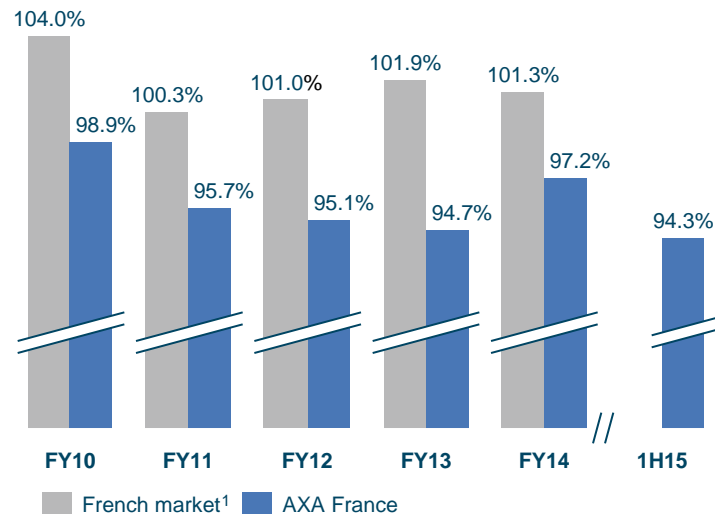


## SHARE OF UNIT-LINKED PRODUCTS

Unit-Linked share in Individual Savings premiums



## P&C ALL YEAR COMBINED RATIO



AXA France  
P&C GWP  
In Euro billion

5.5    5.6    5.7    5.9    6.0    3.3

All numbers are as published

All notes are on page 26 of this document

# “CLIC&GO” : Multi-access motor insurance e-offer

## Multi-channel e-offer

- Simple product offered online with prepackaged ancillaries
- Finalize underwriting either online or with an agent

## Leads management

- Agents able to buy leads generated online
- “Agent + online” combination increases lead conversion

## Leverage of physical network

- Creates additional cross-sell and up-sell opportunities
- Easily deployable through our large network

**93,000**

Clic&Go contracts sold  
as at June 30, 2015

**95%** of contracts

originated online are  
eventually sold by an agent

# AXA France salaried salesforce network transformation

## Higher value products and customers

- Unit-Linked and Protection & Health
- Align sales representatives incentives
- Focus on affluent customers

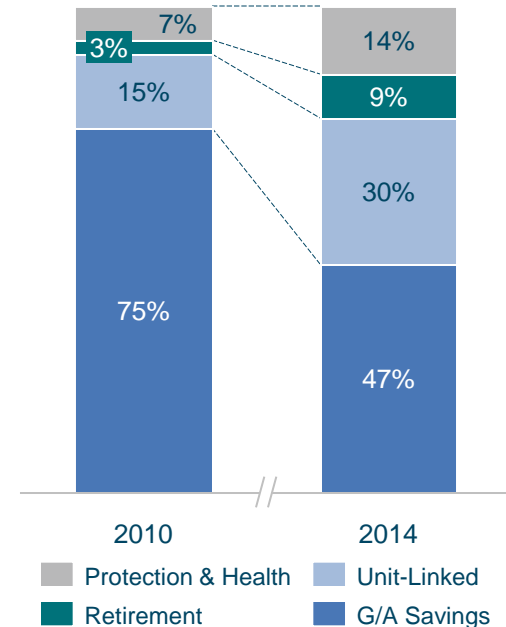
## Productivity and expertise

- Selection and training
- Specialization to foster expertise
- Sales productivity program (lean sales)

## Digital capabilities

- Fully paperless sales process (including e-signature) covering full product range
- Live digital interactions with the client

## Salaried salesforce network APE mix evolution





# AXA Partners

---

# AXA Partners launched to accelerate global partnerships



**Manage & develop business with selected global partners**

**Create specific industry expertise at group level**

**Develop adequate partnership management capabilities**

## **CAPTURE GROWTH IN PARTNERSHIPS**

- ➔ Customize products to client needs
- ➔ Increase synergies across entities and geographies

## **FOCUS ON EFFICIENCY**

- ➔ Efficiency gains with mutualized capabilities
- ➔ Leverage existing teams and shared service

## **SUSTAINABILITY**

- ➔ Build critical knowledge and reach
- ➔ Deliver tangible innovations

# AXA Partners is built upon two successful existing business entities



**Global assistance specialist provider in motor, home, health and travel**

**#2 Global assistance player<sup>1</sup>**

Euro **1.2** billion  
Revenues in 2014

 **34**  
countries

**+10,000**  
Providers in France

**CREDITOR /**  
Lifestyle Protection

**Credit & Lifestyle protection with large distribution partners on international markets**

Euro **895** million  
GWP in 2014

 **+80**

New partnerships per year for the 3<sup>rd</sup> consecutive year

**Pending acquisition: Genworth Lifestyle Protection Insurance**

**#3** AXA ranking on the European creditor insurance market<sup>2</sup> post acquisition<sup>3</sup>, up from #6





# Q&A

---

## Page 5

1. Compound annual growth rate
2. Adjusted ROE: Return corresponds to adjusted earnings net of interest charges on undated debt. Equity corresponds to average shareholders' equity excluding undated debt and reserves related to change in fair value
3. Average shareholders' equity excluding undated debt and reserves related to change in fair value

## Page 7

1. Mainly Private Equity and Hedge Funds
2. Other fixed income include Asset backed securities (Euro 10 billion), residential loans (Euro 12 billion), commercial & agricultural loans (Euro 16 billion) and agency pools (Euro 2 billion)
3. 1H15 invested assets referenced in page 57 of the financial supplement are Euro 783 billion, which include notably Euro 199 billion of Unit-Linked assets and Euro 40 billion related to the banking segment.

## Page 8

1. General Account only
2. Hybrid products: savings products allowing clients to invest in both Unit-Linked and General Account funds.

## Page 9

1. Includes the sale of AXA's Portuguese operations, which is subject to customary closing conditions

## Page 11

1. The Economic Solvency ratio is based on AXA's internal model calibrated based on adverse 1/200 year shock and assuming US equivalence. AXA's internal model is subject to a comprehensive review and approval process being conducted by ACPR as part of the implementation process around Solvency II which is scheduled to take effect January 1, 2016

## Page 18

1. AXA France holdings, AXA Banque France and AXA Epargne Entreprise
2. Life & Savings and Property & Casualty only

## Page 19

1. Source: FFSA, AXA Estimates

## Page 24

1. Source: AXA estimates
2. Source: Finaccord Creditor Insurance in Europe PartnerBASE and market model (2014). Ranking based on the weighted share of non-captive partnerships across the creditor insurance market related to consumer finance and credit cards in Europe
3. Subject to customary conditions