

**AXA**

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Member of the AXA Management Committee  
CEO, AXA France

September 24, 2013

Bank of America Merrill Lynch  
Annual Banking & Insurance CEO Conference 2013

**redefining** / standards



# Cautionary note concerning forward-looking statements

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties. Please refer to the section “Cautionary statements” in page 2 of AXA’s Document de Référence for the year ended December 31, 2012, for a description of certain important factors, risks and uncertainties that may affect AXA’s business. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise.

# Today's key messages

**1H13 results: strong performance across the board**

**Ambition AXA: halfway there and well on track**

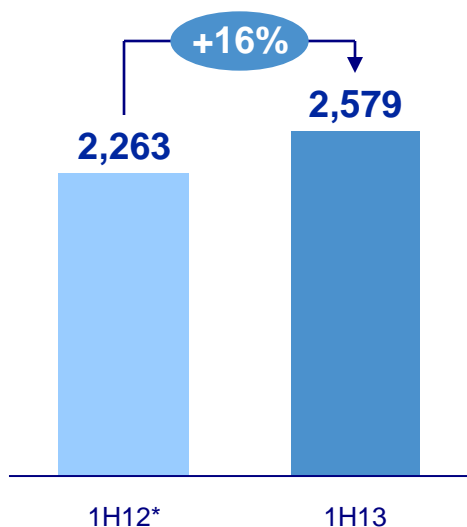
**Ambition AXA: AXA France is a key contributor**

**Going forward: shaping AXA for the future**

# Strong earnings growth in 1H13

## Underlying Earnings

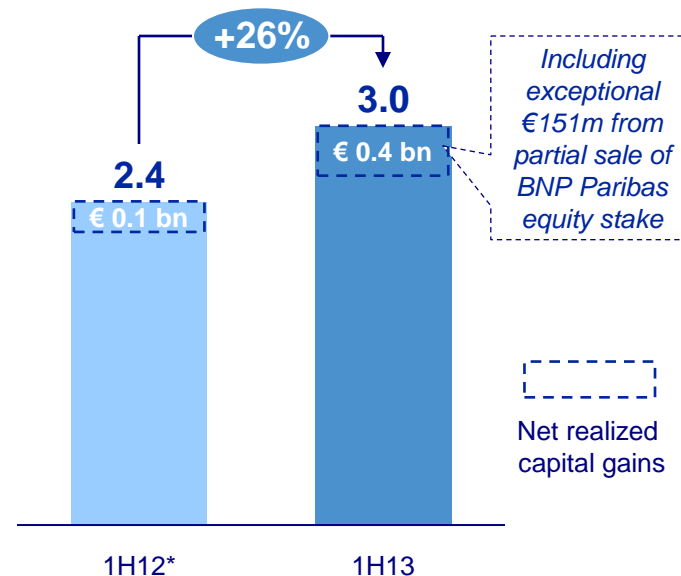
In Euro million



Change is at constant Forex

## Adjusted Earnings

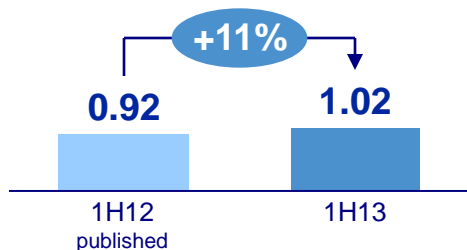
In Euro billion



Change is at constant Forex

## Underlying Earnings per share

In Euro



Change is on a reported basis

## Dividend policy:

long-term guidance unchanged

**Payout ratio:**

**40-50% of Adjusted Earnings**

net of undated debt interest charges

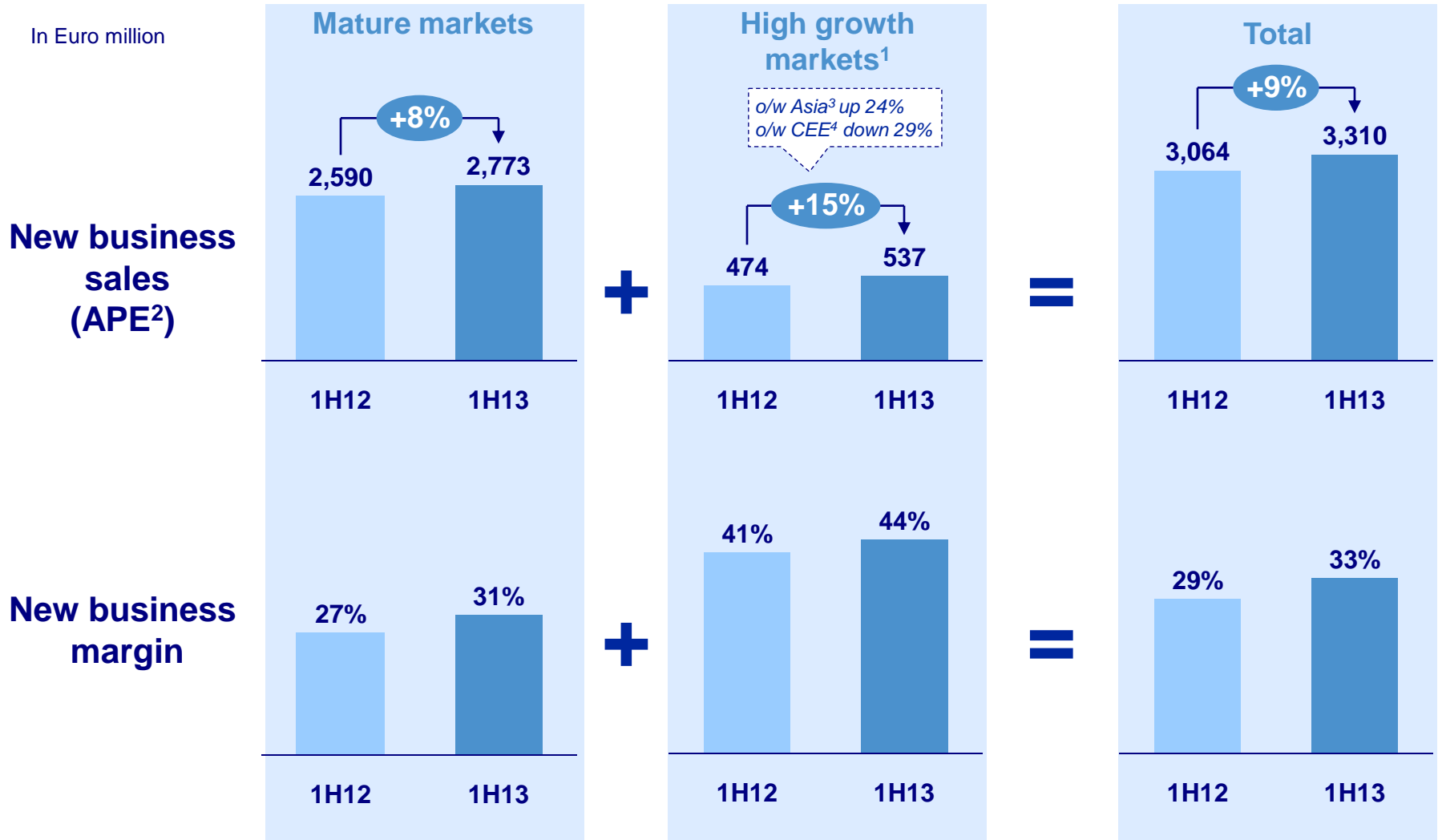
**Realized capital gains:**

**Euro 300-500 million per year**

\* Retrospectively restated for the amendments to IAS 19

# L&S – Strong increase in New business sales and profitability

In Euro million



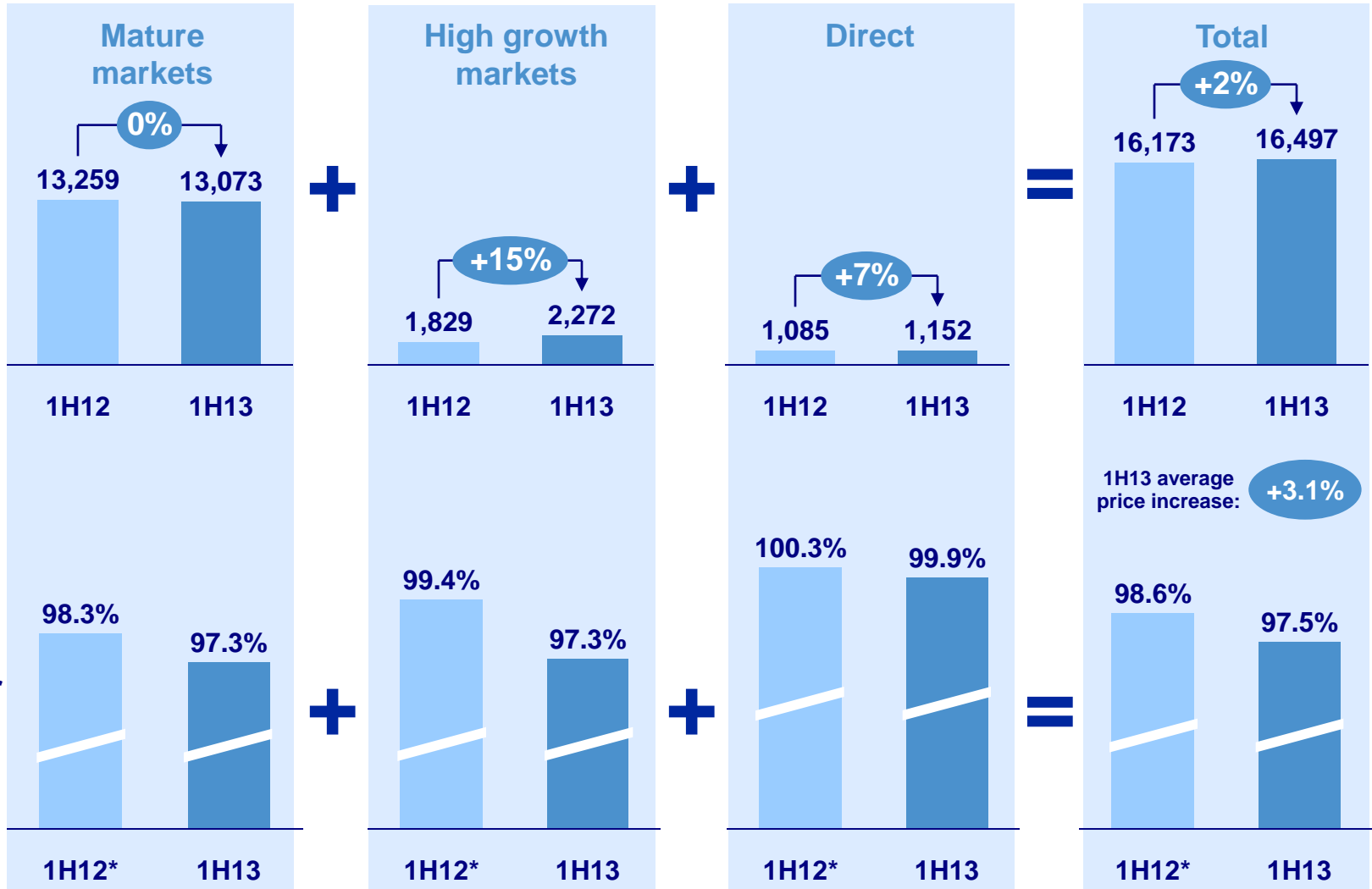
Changes are on a comparable basis<sup>5</sup>  
All notes are on page 25 of this document

# P&C – Revenues and margins by market

Improved current year combined ratio with strong sales in high growth markets and Direct

In Euro million

Revenues



\* Retrospectively restated for the amendments to IAS 19

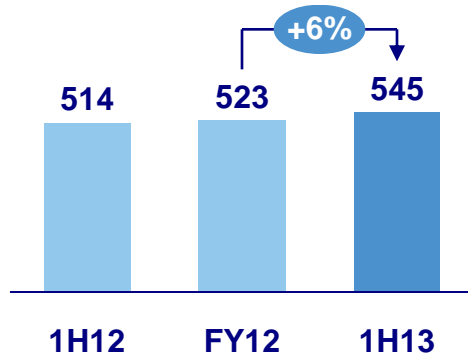
Changes are on a comparable basis

# Asset Management – Improving net flows and strong operational leverage

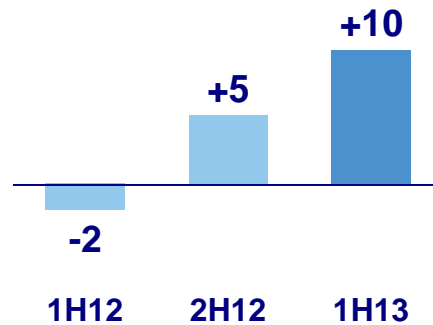


In Euro billion

## Average AUM

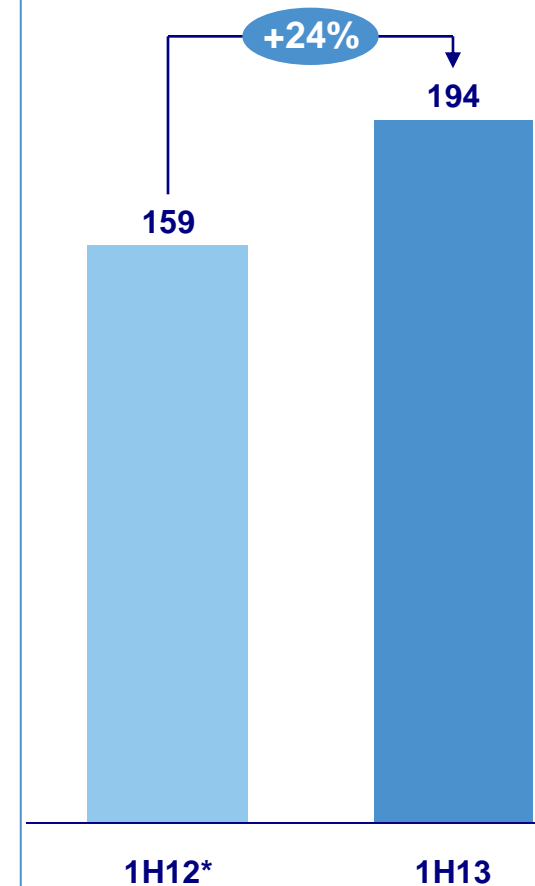


## Net flows



## Underlying Earnings

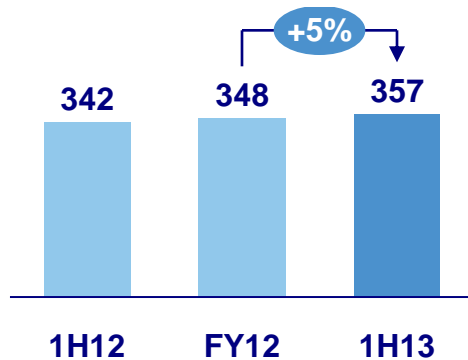
In Euro million



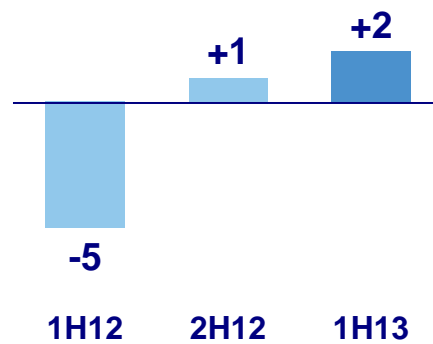
ALLIANCEBERNSTEIN

In Euro billion

## Average AUM



## Net flows



Changes are on comparable basis

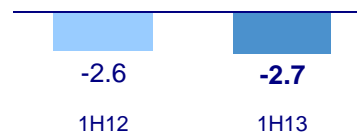
\* Retrospectively restated for the amendments to IAS 19

# Last year's challenged businesses are recovering

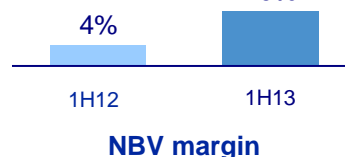
## G/A Savings

De-emphasizing whilst focusing on selectivity and improving profitability

Net flows (In Euro billion)



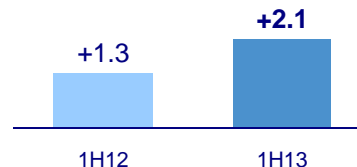
NBV margin



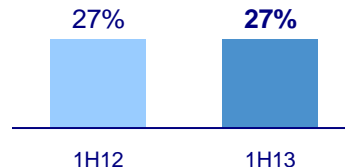
## Unit-Linked

Further growth in Unit-Linked flows

Net flows (In Euro billion)



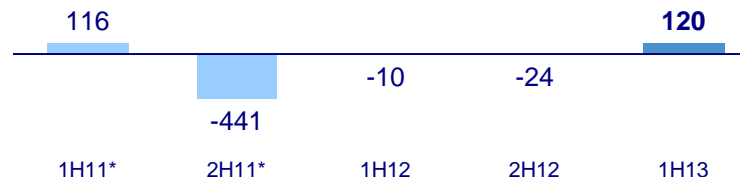
NBV margin



## US Variable Annuities

De-risked and stabilized US Variable Annuity book

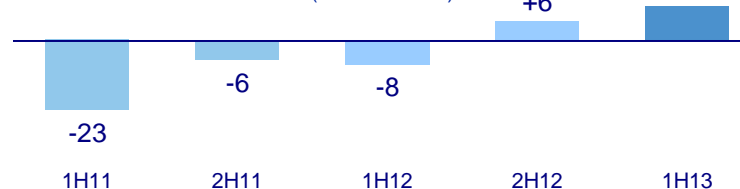
Variable Annuities GMxB Underlying Earnings (In Euro million)



## Asset Management

Positive flows in the last 12 months, whilst improving investment performance

Net flows (In Euro billion)

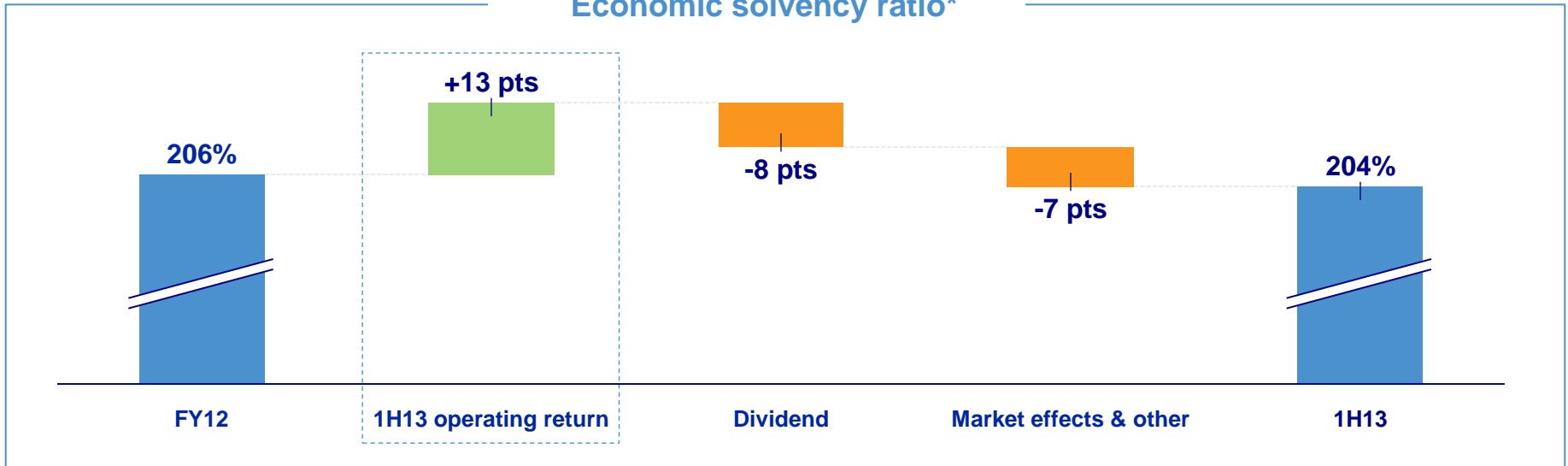


\* Restated for the change in DAC accounting methodology adopted retrospectively as at January 1, 2012

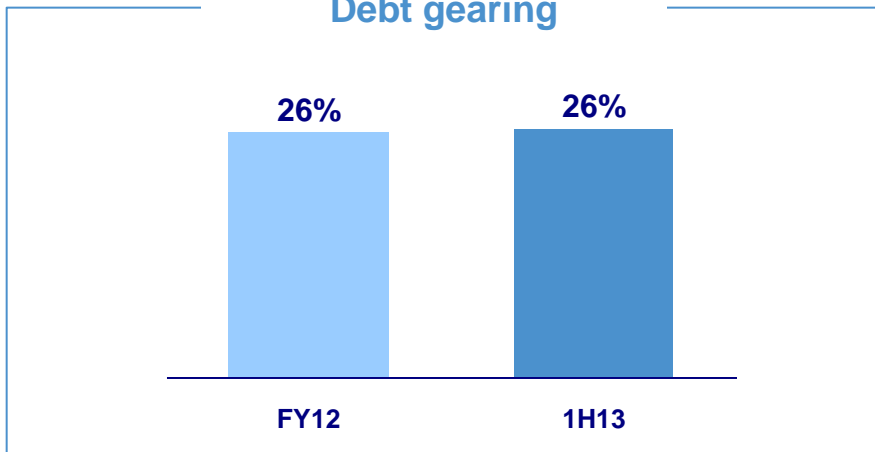


# Our solvency level is comfortable, supported by strong operating return

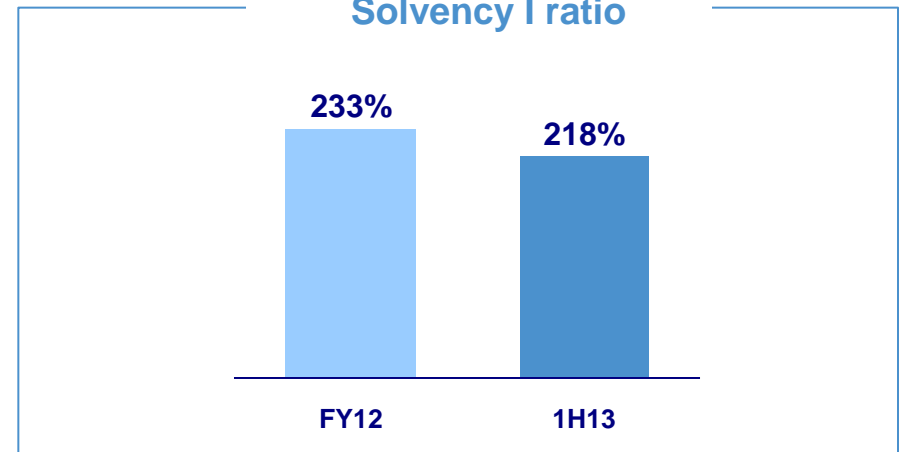
Economic solvency ratio\*



Debt gearing



Solvency I ratio



\* Including US equivalence

# Today's key messages

**1H13 results: strong performance across the board**

**Ambition AXA: halfway there and well on track**

**Ambition AXA: AXA France is a key contributor**

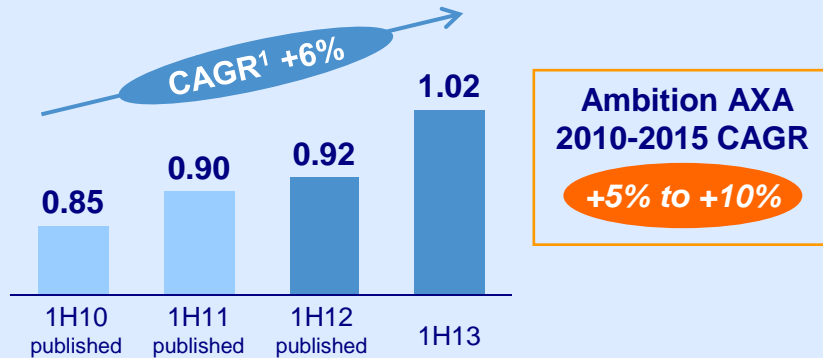
**Going forward: shaping AXA for the future**

# Ambition AXA

Financial objectives: halfway there and well on track

## Underlying Earnings per share

In Euro per share



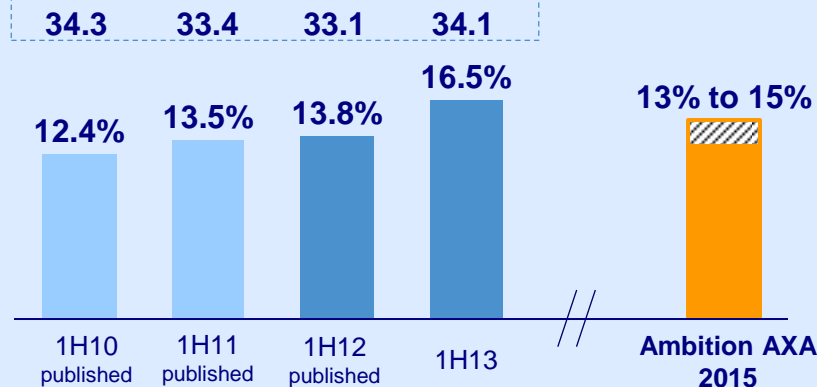
## Group operating free cash flows

1H13 in line with Ambition AXA plan

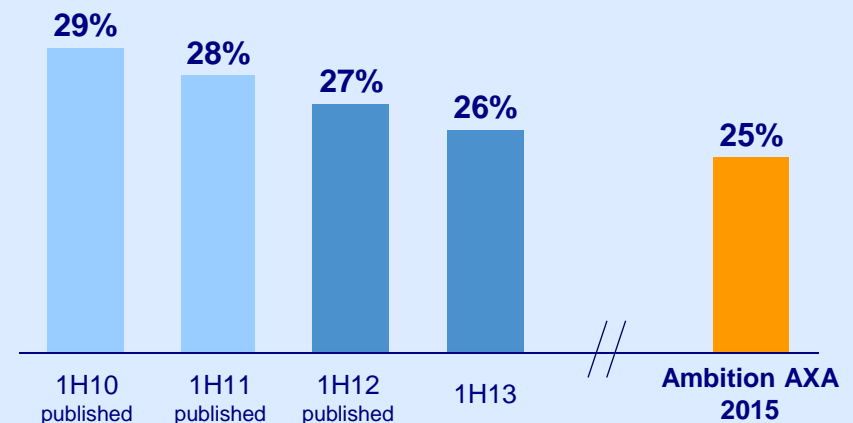
**Ambition AXA 2010-2015 cumulative**  
**Euro 24 billion**

## Adjusted return on equity<sup>2</sup>

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



## Debt gearing



All notes are on page 25 of this document

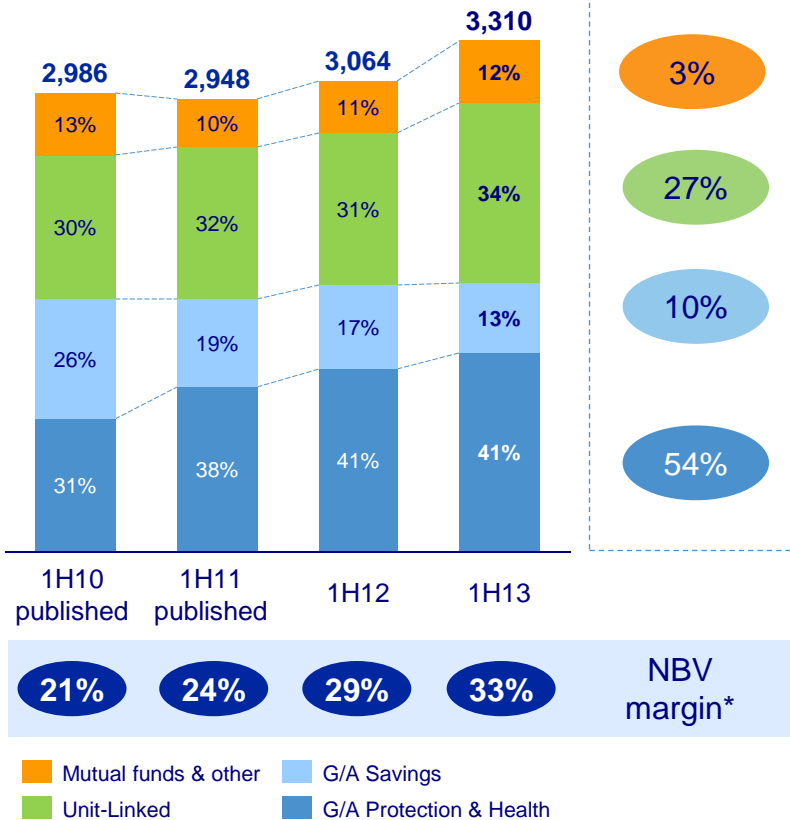
# Selectivity

We are reshaping the Life & Savings business and fostering P&C profitability

## Life & Savings: resuming APE growth (+9% YoY) whilst increasing margins

In Euro million

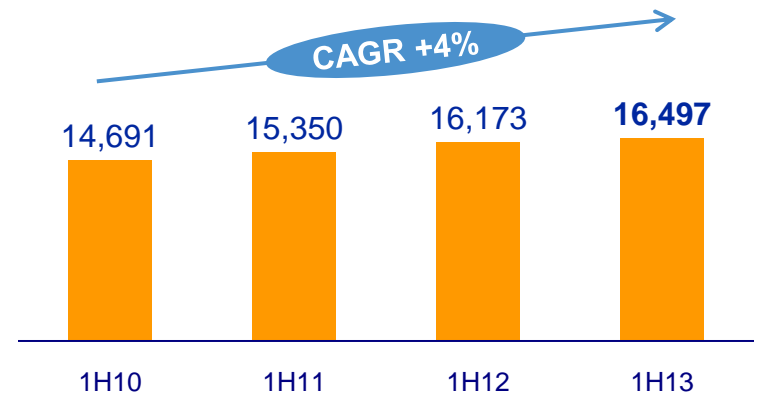
### APE by product



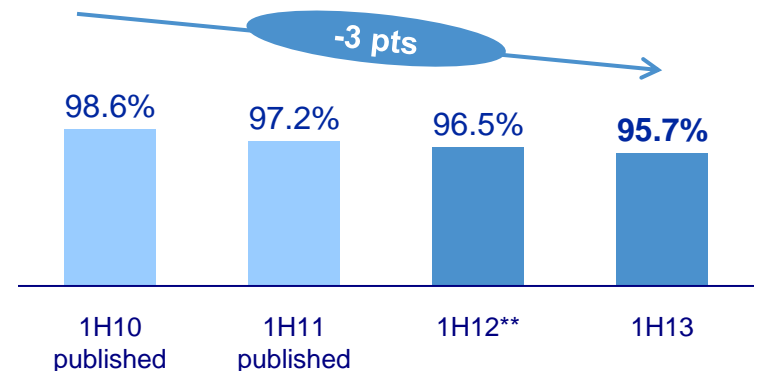
## P&C: continuing to grow the business whilst improving profitability

in Euro million

### Gross revenues



### Combined ratio



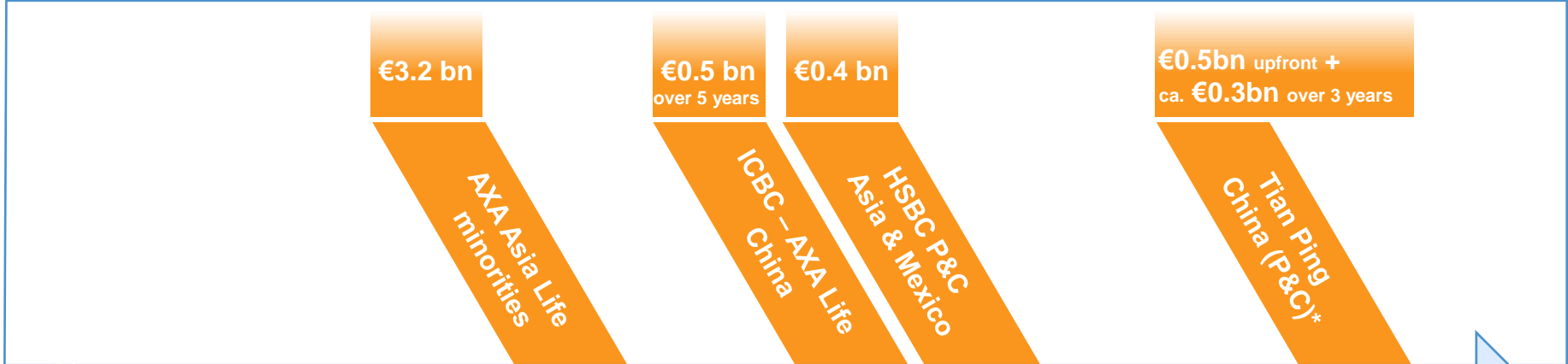
\* Updated for actuarial and financial assumptions as of year end of respective accounting periods. 1H13 will be updated at FY13.

\*\* Retrospectively restated for the amendments to IAS 19

# Acceleration

Pursuing an active capital management

## Investments in high growth markets

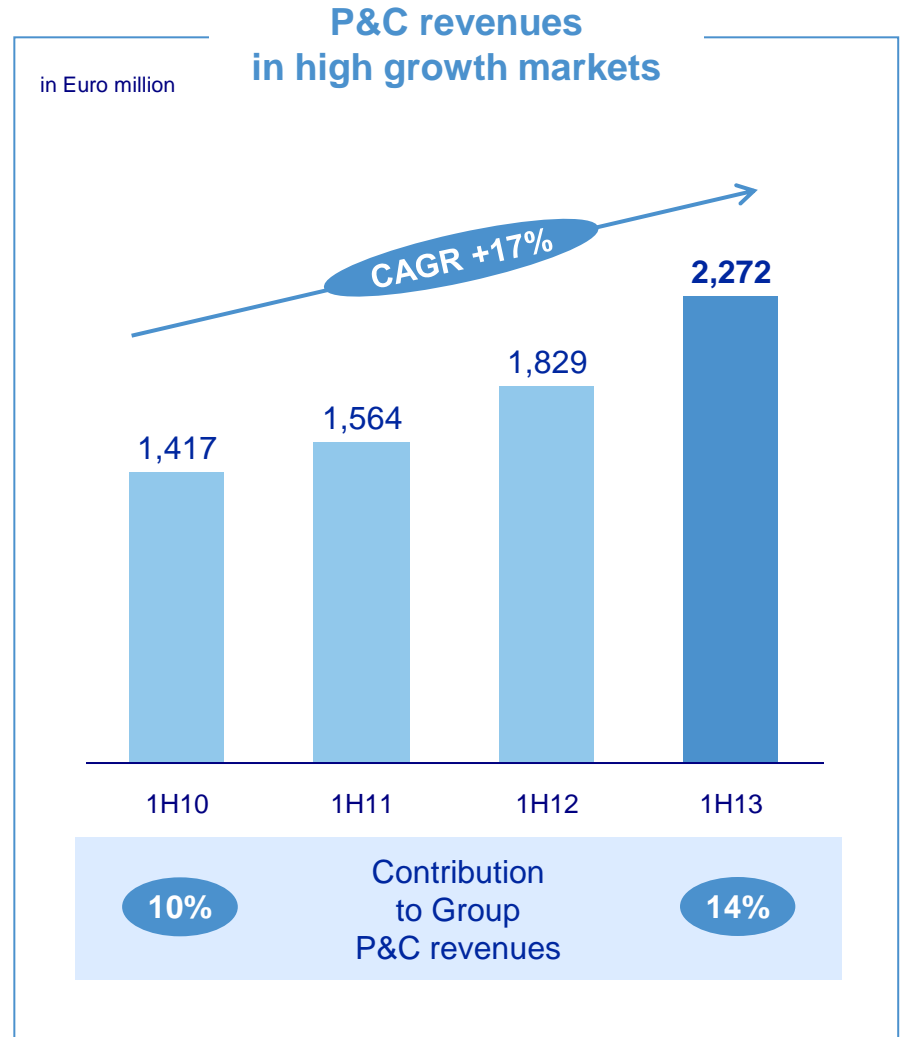
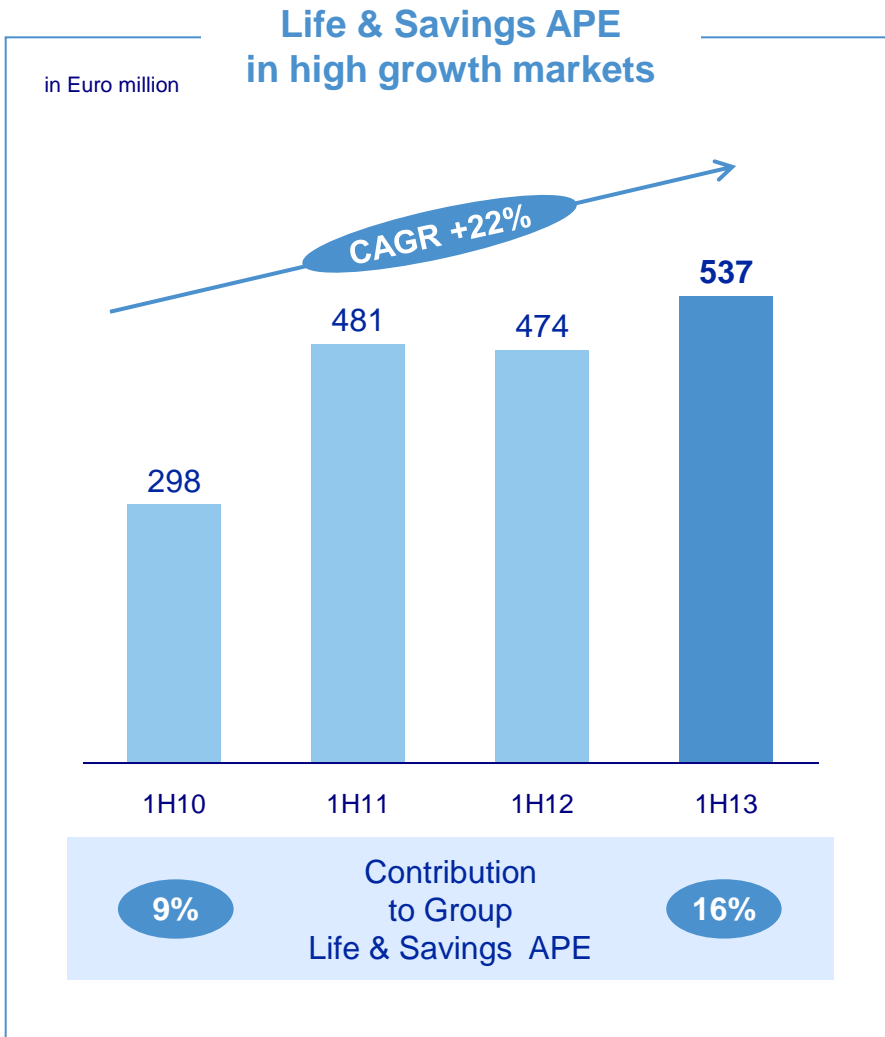


## Disposals of mature entities and non-strategic partnerships

\* Transaction pending, subject to customary closing conditions, including obtaining regulatory approvals

# Acceleration

Double-digit topline evolution in high growth markets



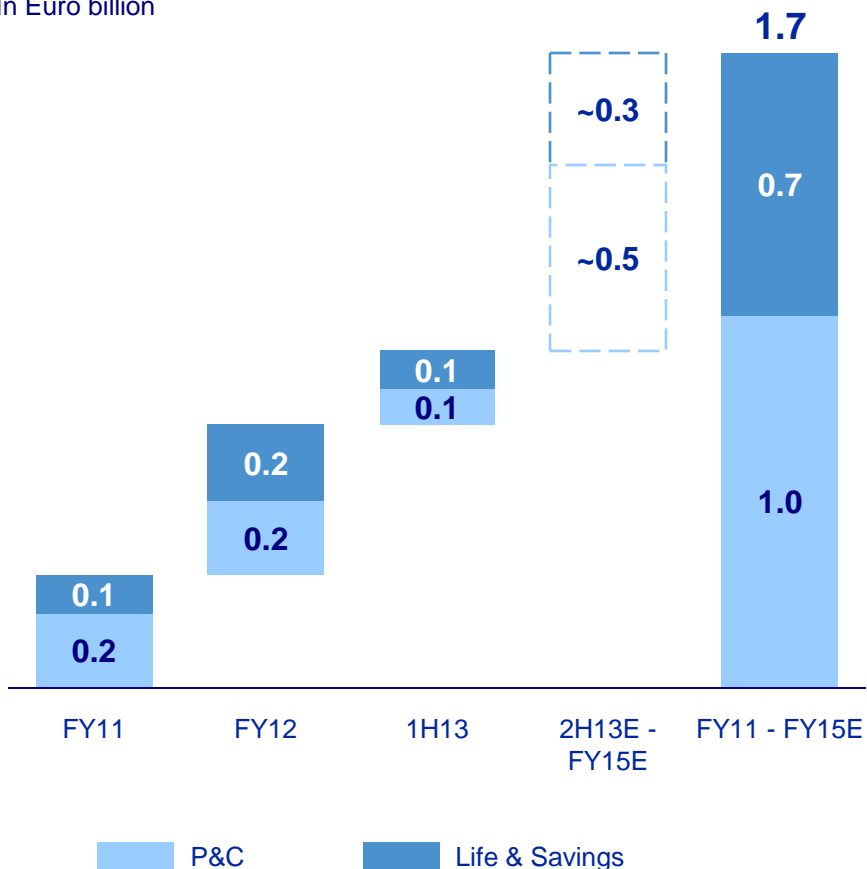
APE and revenues are as reported

# Efficiency

We are on track to deliver our 2015 productivity gains

## Euro 0.9 billion savings achieved since 2011

In Euro billion



## Ambition AXA efficiency program in mature markets

### Euro 0.6 billion from acquisition costs

**P&C**  
~ Euro 0.4 bn

**Life & Savings**  
~ Euro 0.2 bn

### Euro 1.1 billion from maintaining L&S and P&C administrative and claims handling costs

**Operations**  
~ Euro 0.6 bn

**Procurement**  
~ Euro 0.3 bn

**IT**  
~ Euro 0.2 bn

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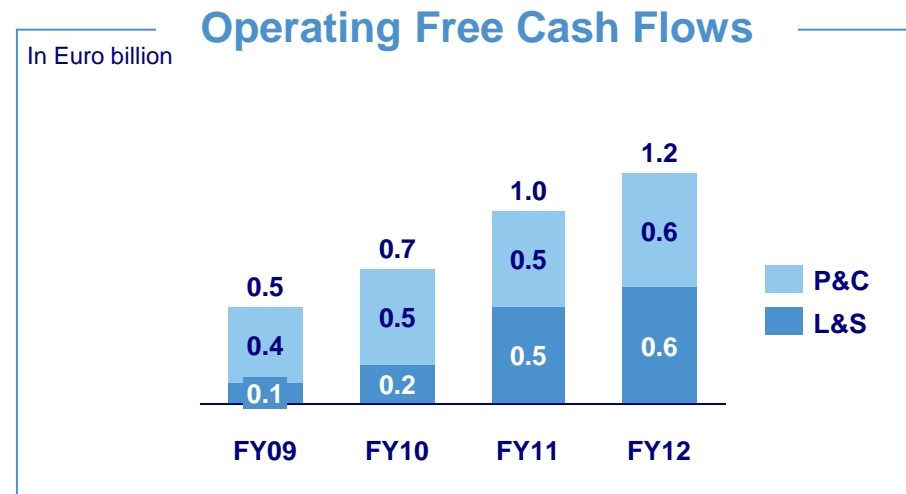
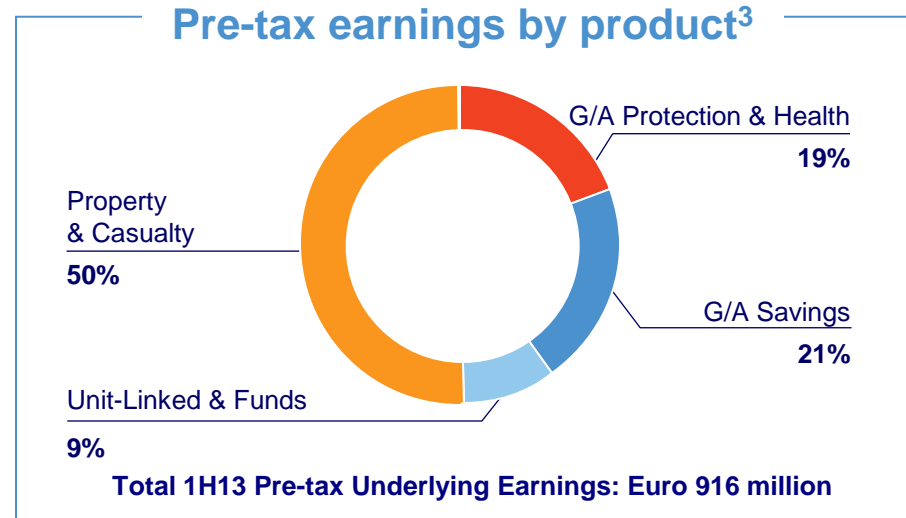
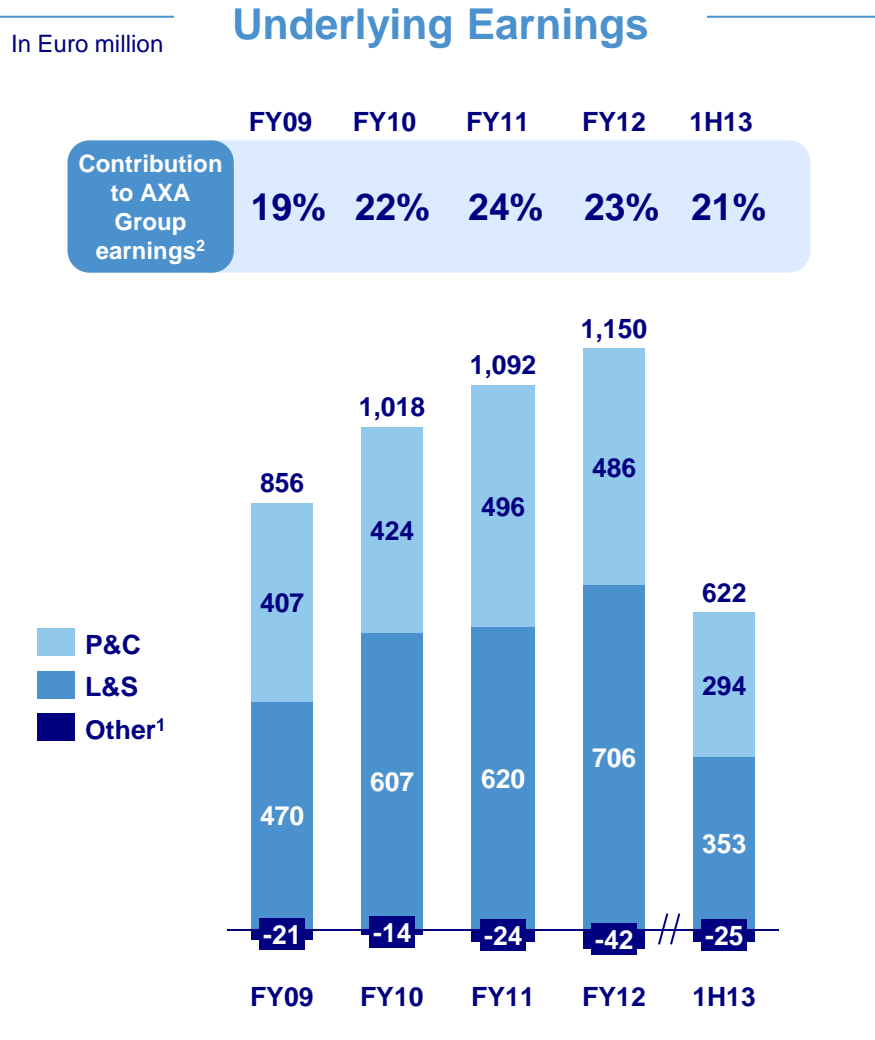
**Ambition AXA: AXA France is a key contributor**

**Going forward: shaping AXA for the future**



# AXA France

Key contributor to the Group with sustained earnings and free cash flows generation



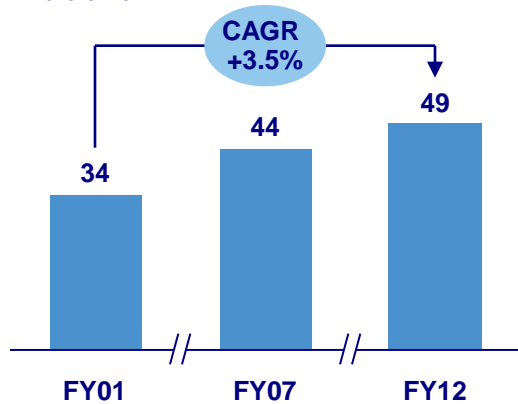
# French insurance market

A healthy market, where AXA is well positioned to capture opportunities notably in Protection & Health

## P&C market

### P&C GWP<sup>1</sup>

In Euro billion



French GDP

CAGR +2.8%

AXA France position

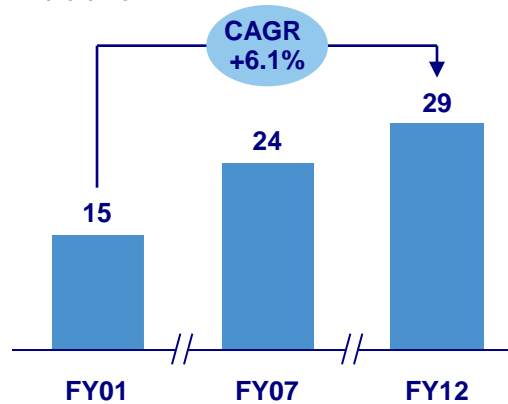
# #1

16% market share<sup>2,3</sup>

## Protection & Health market

### Protection & Health GWP<sup>1</sup>

In Euro billion



AXA France position

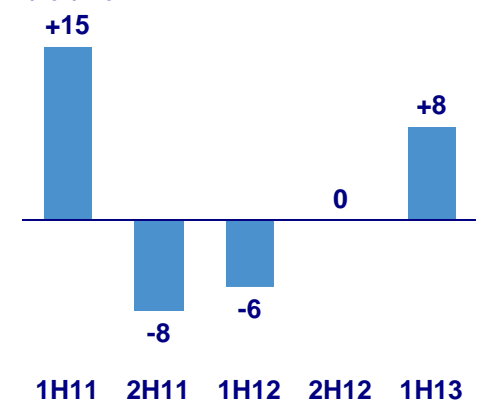
# #1

13% market share<sup>4</sup>

## Savings market

### Savings net flows

In Euro billion



Total AUM as of 1H13

Euro 1.4 trillion

AXA France position

# #3

Savings<sup>5</sup>

8% AUM market share<sup>2</sup>

# #1

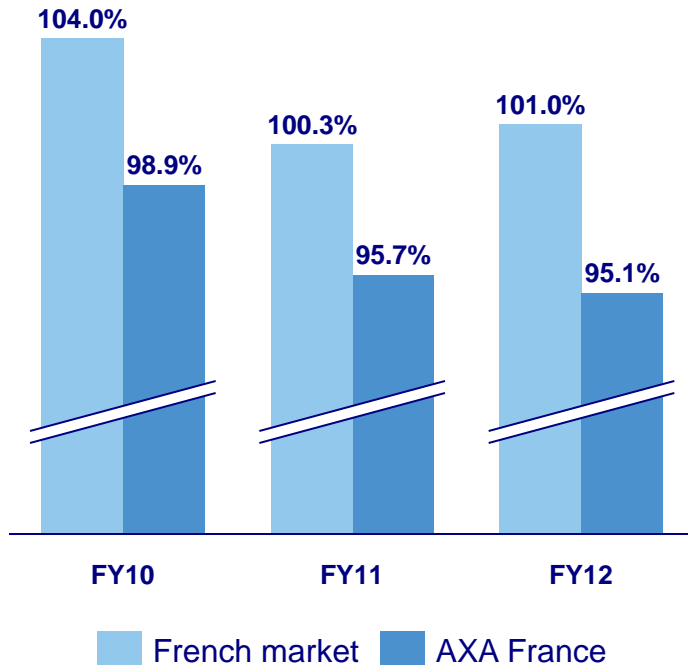
Group Pensions

18% AUM market share<sup>2</sup>

# AXA France Property & Casualty

Continuous increase in profitability thanks to technical expertise

## P&C all year combined ratio



In Euro billion



## P&C Strategy

### Personal Lines

- Increase cross selling
- New business unit for self-employed customers

### Commercial Lines

- Focus on profitable small companies segment
- More selectivity on large accounts

### Across the board

- Further improvement in claims management
- Transform quality of service into a source of differentiation
- Continued cost management

# AXA France Life & Savings

A leader in the most profitable segments

## Actively grow Protection & Health

### Individual Protection: targeting 4 segments

Ranking based on new contracts

	2010	2012	2015 Ambition
Self employed protection	#1	#1	#1
Family protection	#7 <sup>1</sup>	#1	#1
Long term care	#5	#2 <sup>2</sup>	#1
Funerals	Not present	Market entry	Top 3

**Develop new products**  
"Essen'ciel", "Entour'age"

**Leverage proprietary networks**

### Group Protection & Health: targeting international EB



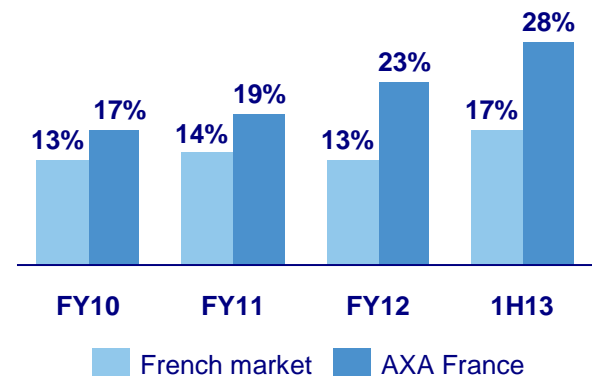
AXA and MetLife have joined forces to create Maxis in 1998

Largest Employee Benefit network in the world (107 countries)

## Reshape the Savings business

### Individual Savings: foster Unit-Linked

Unit-Linked share in individual savings premiums



### Group pensions: strengthened leadership

#### Selectivity

Maintain growth whilst further improving profitability

**Strengthening development of our partnerships**

**Accelerating development for SMEs**

Source: FFSA, AXA estimates

All notes are on page 25 of this document

20 – Bank of America Merrill Lynch Annual Banking & Insurance CEO Conference 2013 – September 24, 2013

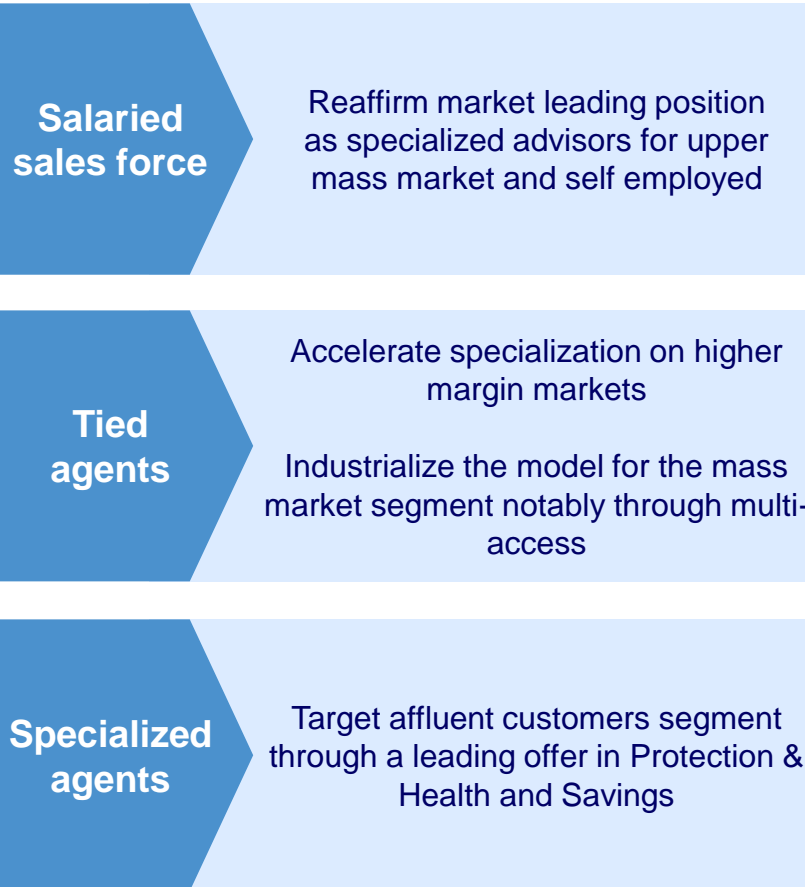
redefining / standards



# Preparing for the world of tomorrow

## Transform AXA France into a full multi-access player

### 2015 vision for proprietary networks



### Multi-access transformation program

#### Objectives

Capture more prospects

Engage new purchase behaviors through new channels

Increase sales

Foster cross/up selling  
Develop affinity offers

Improve quality of service

Facilitate access to services  
Consistent multi-channel approach with clients

#### Approach

Develop core capabilities

Adapt modularity and pricing agility  
Develop innovative digital services  
Implement new customer experience

Push experimentations

Leverage big data management and social media  
Develop test & learn culture

Transformation management

Leverage existing leading positions  
Maintain strong profitability

# Today's key messages

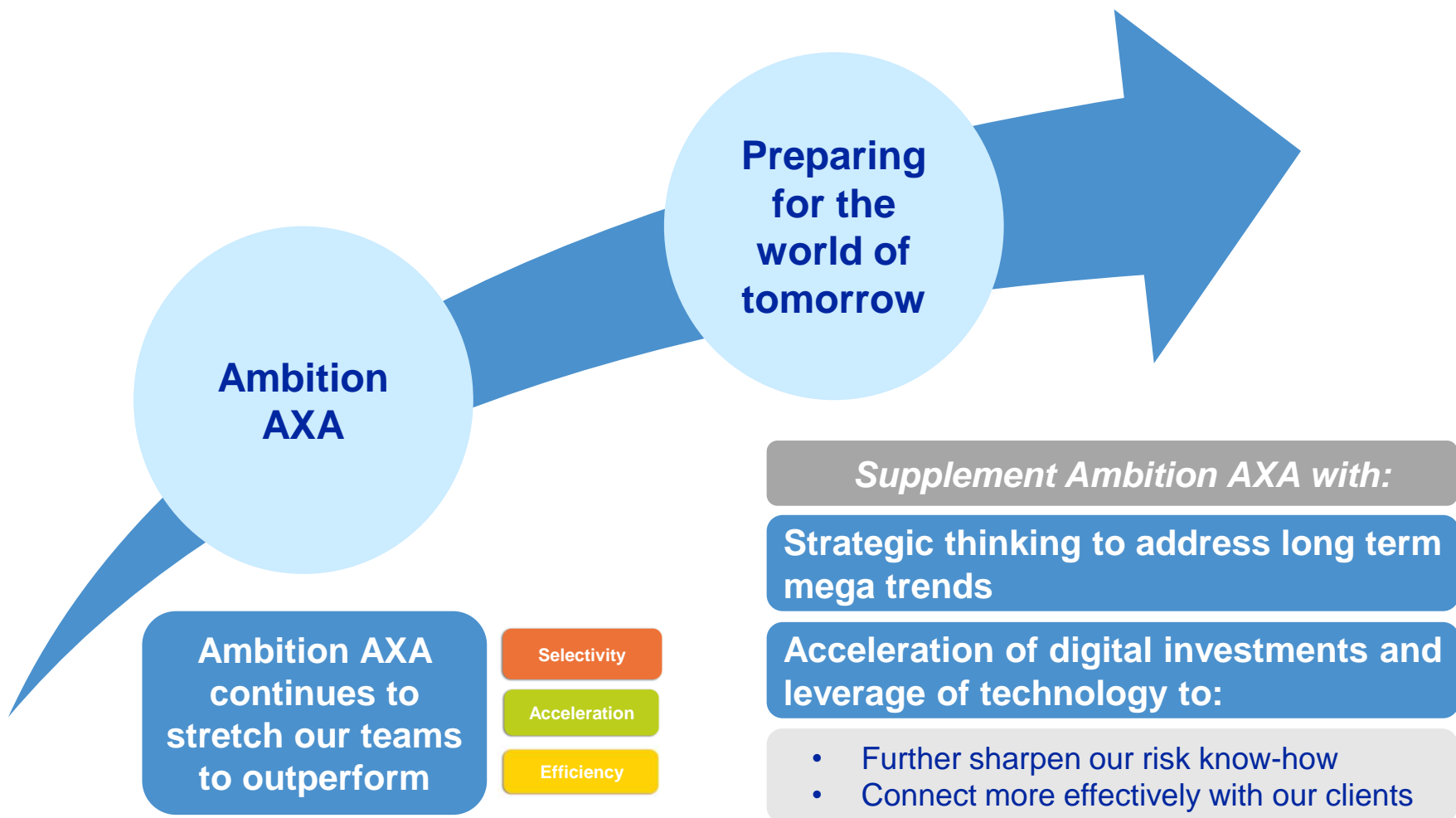
**1H13 results: strong performance across the board**

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# Continuing to deliver on Ambition AXA objectives whilst shaping AXA for the future



**Q&A session**

**Q&A session**



# Notes

## Page 5

1. In Life & Savings, high growth markets are: Hong Kong, Central & Eastern Europe (Poland, Czech Republic, Slovakia and Hungary), South-East Asia (Singapore, Indonesia, Philippines and Thailand), China, India, Morocco, Mexico and Turkey  
In Property & Casualty, high growth markets are: Morocco, Mexico, Turkey, Gulf region, Hong Kong, Singapore, Malaysia, India, Thailand, Lebanon, Russia, Ukraine and Poland (excl. Direct)
2. Annual Premium Equivalent (APE) represents 100% of new business regular premiums + 10% of new business single premiums. APE is Group Share
3. Excluding Japan
4. Closing of pension fund new business in Poland and Hungary following changes in regulation
5. Change on a comparable basis corresponds to:
  - For activity indicators, constant exchange rates, scope and methodology
  - For earnings and profitability indicators, constant exchange rates

## Page 11

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 17

1. AXA France holdings, AXA Banque France and AXA Epargne Entreprise
2. Before cost of holding companies
3. Life & Savings and P&C only

## Page 18

1. Excluding: acceptances, mutual societies that fall under the scope of the "Code de la mutualité" and provident institutions
2. 2012 market shares. Direct business, excluding acceptances, perimeter AXA France SA + Mutuelles AXA
3. AXA in France (AXA France, Avanssur, AXA Assistance, Natio (50%), AXA Corporate Solutions France, Juridica)
4. 2011 market shares. Direct business, excluding acceptances, perimeter AXA France SA + Mutuelles AXA
5. Life insurance

## Page 20

1. Based on all contracts
2. 2011 ranking