



# AXA FRANCE LIFE & SAVINGS

Successfully transforming Savings and Retirement

---

Investor Day  
November 20, 2014

Olivier MARIEE – AXA France Executive Vice President  
Savings and Wealth Management



# Today's key messages

---

A GROWING SAVINGS MARKET

TRANSFORMING OUR BUSINESS WHILE INCREASING PROFITABILITY

- DIVERSIFICATION TOWARDS UNIT-LINKED PRODUCTS
- FOCUS ON FAST GROWING RETIREMENT MARKET
- CREATING VALUE FROM INFORCE MANAGEMENT

LOOKING FORWARD

CONCLUDING REMARKS

# A growing savings market

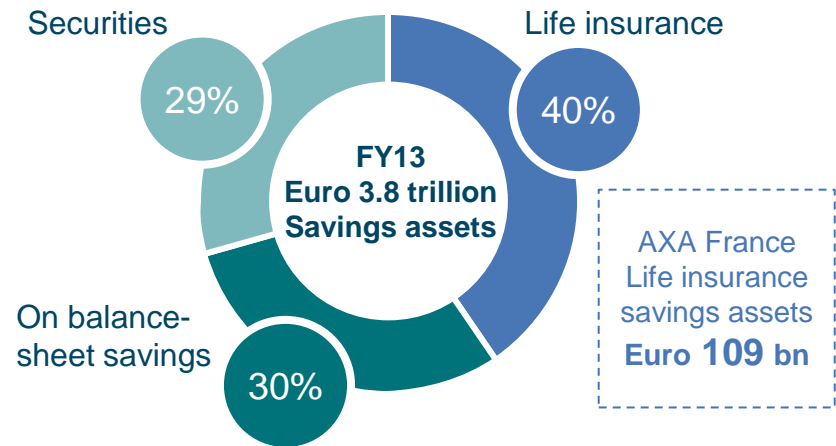
Consistently high savings rate (15%) with a growing population

Life insurance represents more than 1/3 of total saving assets

Less punitive tax treatment<sup>1</sup> than other types of investments

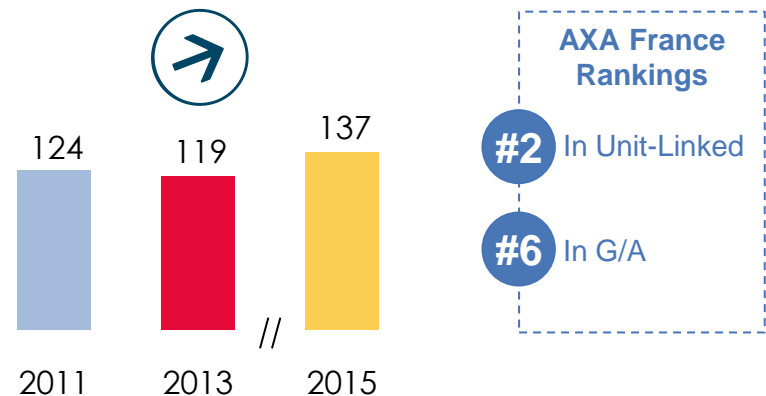
Strong growth of retirement market with ageing population and withdrawal of state

## Euro 1.5 trillion Life insurance savings assets



## Life insurance premiums

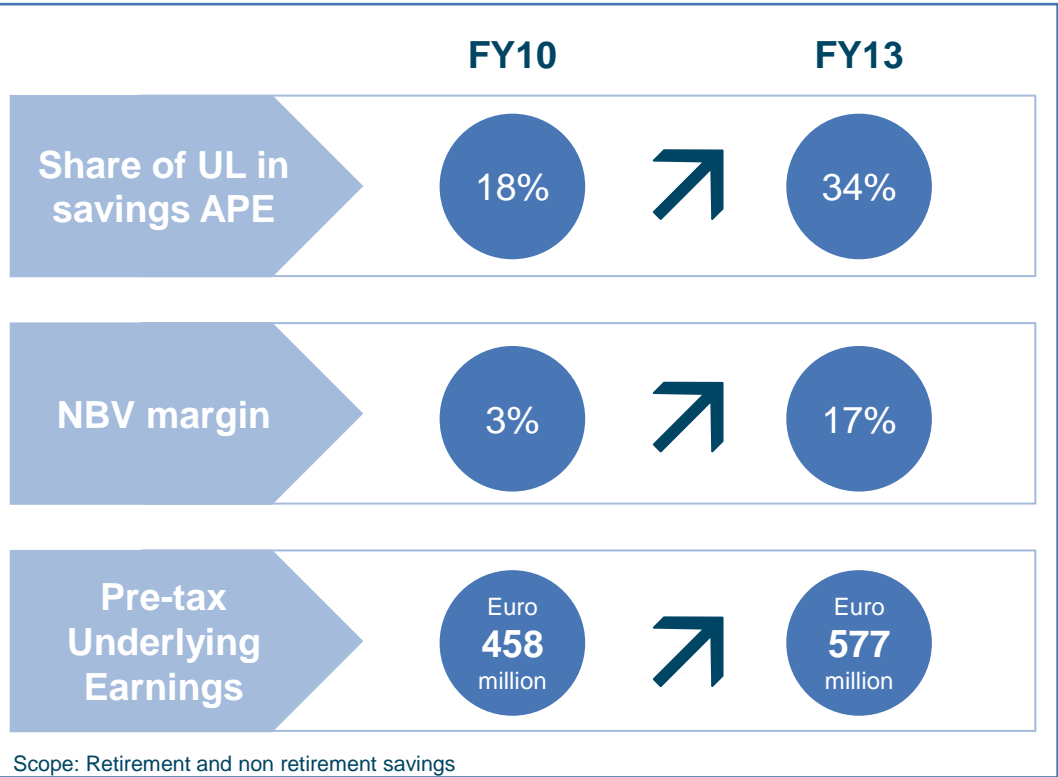
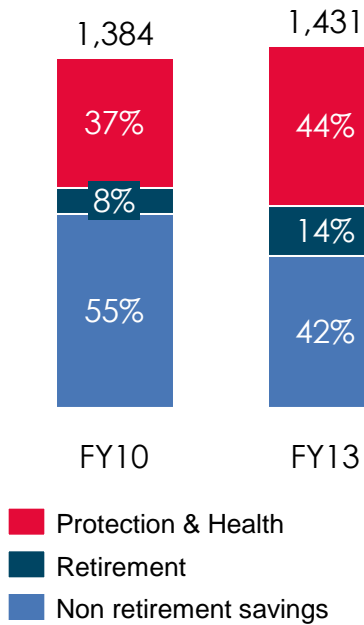
In Euro billion



Source: PAIR conseil «Les cahiers de l'épargne (September 2014)» and FFSA (for rankings)

# Transforming our business while increasing profitability

APE in Euro million



## MAIN LEVERS

1

**DIVERSIFICATION TOWARDS UNIT-LINKED PRODUCTS**

2

**FOCUS ON FAST GROWING RETIREMENT MARKET**

3

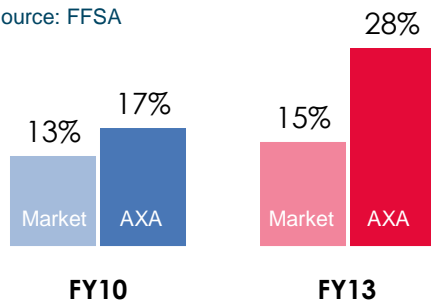
**CREATING VALUE FROM INFORCE MANAGEMENT**

# Diversification towards Unit-Linked products

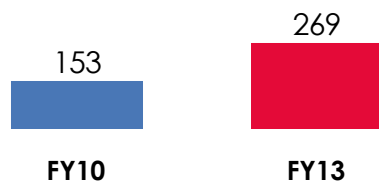
Successfully increased Unit-Linked share in savings

## Unit-Linked share in savings premiums<sup>1</sup>

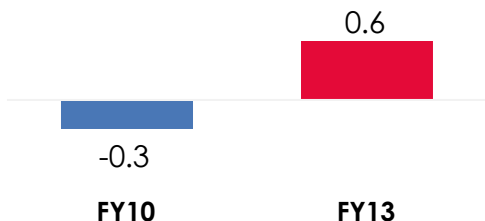
Source: FFSA



## Unit-Linked APE (in Euro million)



## Unit-Linked Net flows (in Euro billion)



Compelling value propositions to clients and distributors

### Innovative Unit-Linked offer based on customer profile

- **Financial protection** (structured products with third party guarantee and upside potential)
- **Innovative asset classes:** Axa Selectiv'immo, packaged investment solutions, tailored offers

### Customer and distributor incentives

- **Bonus Euro +** additional crediting rate up to 40 bps on GA with +25% of UL
- Commission schemes for distributors

### Raising advisor expertise

- Dedicated sales tools and processes
- Regular training and news flow
- Roadshow for customers, prospects and distributors
- Dedicated technical support to support sales force

# Focus on fast growing retirement market

## LEADING POSITION IN TWO KEY PRODUCTS

#2 *PERP*<sup>1</sup>

#3 *Madelin*<sup>2</sup>

- Lump sums blocked till the retirement
- Tax deductible<sup>3</sup>
- Specific evolving asset allocation
- Exit through an annuity

#1 *Group Retirement*

- Defined benefit schemes for high level executives
- Defined contribution schemes, supplemental retirement plans open to all employees
- Exit through an annuity

INDIVIDUAL RETIREMENT

GROUP RETIREMENT

## AXA GROWING FASTER THAN THE MARKET

Market share

12%



13%

FY10

FY13

APE in Euro million

23% CAGR

105

200

FY10

FY13

■ Individual ■ Group

Market share

11%



21%

FY10

FY13

## STRONG PRESENCE WITH CUSTOMERS

- Strong initiative in sales promotion: « Happy hours »
- Digital workshops
- Direct commercial presence enabling lead generation
- Telemarketing platform
- Network modernization

# Creating value from inforce management

EURO ~ 80 MILLION OF YEARLY ADDITIONAL RECURRING UNDERLYING EARNINGS<sup>1</sup> AS OF 2013  
DRIVEN BY A SYSTEMATIC CUSTOMIZED REVIEW OF OUR INFORCE PORTFOLIO

1

## FURTHER ENGAGE WITH OUR CUSTOMER BASE

- Promote additional individual contribution
- Increase share of Unit-Linked while delivering value for customers

14%

2

## ADAPT TO CURRENT FINANCIAL & MARKET ENVIRONMENT

- Offer options to clients allowing for resilient investment margin despite decreasing interest rates
- Renegotiate financial advisors' commissions

68%

3

## TRANSFORM ORGANIZATION, PROCESSES AND IT

- Decommission legacy IT systems (moving from 2 to 1 single IT platform)
- Modernize IT and manage expense reduction

21%

4

## UNLOCK AND ACCELERATE CASH FLOWS

- Capital & reserve optimization:
  - +€0.2bn capital relief through reinsurance of €8bn savings portfolio
  - Longevity risk transfer through a longevity swap

Free  
Cash  
Flow  
impact



# Looking forward

- ✓ Launch of a **new retirement income product** « AXA Selectiv' Revenus »
- ✓ Develop **discretionary mandate** to affluent customers
- ✓ Launch «**Eurocroissance**» with specific investment categories and tax advantages

INCREASING OUR  
LEADERSHIP  
THROUGH  
PRODUCT  
INNOVATION



- ✓ Develop **Self-service for customers**
- ✓ Leverage distributors presence on **social networks**
- ✓ Propose a **full digital experience** to customers
- ✓ Build a **telemarketing platform**
- ✓ Foster **multi-access**

DRIVING DIGITAL  
TRANSFORMATION

- 20%  
**Further cost rate  
reduction**

between 2013 to 2020  
representing

Euro **170** million  
**Cost savings**

ENHANCING  
COMPETITIVENESS

WHILE TACKLING  
THE  
REGULATORY  
CHALLENGES

- ✓ **360° approach** to « best advice » (online tools, reporting, training, dedicated teams)
- ✓ Pricing in a **Solvency II** environment
- ✓ **Aiming to be best in class** in terms of advice and service ahead of mandatory commission disclosure

# Concluding remarks



## Key takeaways

- ✓ Growing savings and retirement needs in France create a massive opportunity
- ✓ AXA France successfully adapted its business towards more Unit-Linked products and retirement solutions
- ✓ Our leadership position, efficient business model and offer innovation capabilities are key assets to seize these opportunities



## Priorities going forward



Product innovation



Digital transformation



Enhancing competitiveness

# Appendix

---

**OLIVIER MARIÉE**  
**AXA FRANCE EXECUTIVE VICE PRESIDENT**  
**SAVINGS AND WEALTH MANAGEMENT**

- ✓ Since 2012, Olivier Mariée has been Executive Vice President of Savings and Wealth management businesses at AXA France.
- ✓ He was Marketing and Distribution Director for the Group from 2009 to 2012 and before that in the UK. Previously he was Director of Wealth management at AXA Investment Managers and Director of CRM and Inforce Management at AXA Japan.
- ✓ He joined AXA Group in 1992 as commercial manager within the A2P network.