

2015 ACTIVITY AND  
CORPORATE RESPONSIBILITY  
REPORT

**#tomorrowtoday**



2015 ACTIVITY AND  
CORPORATE RESPONSIBILITY  
REPORT

#tomorrowtoday



**Protect today for a better tomorrow**

## #tomorrowtoday

64

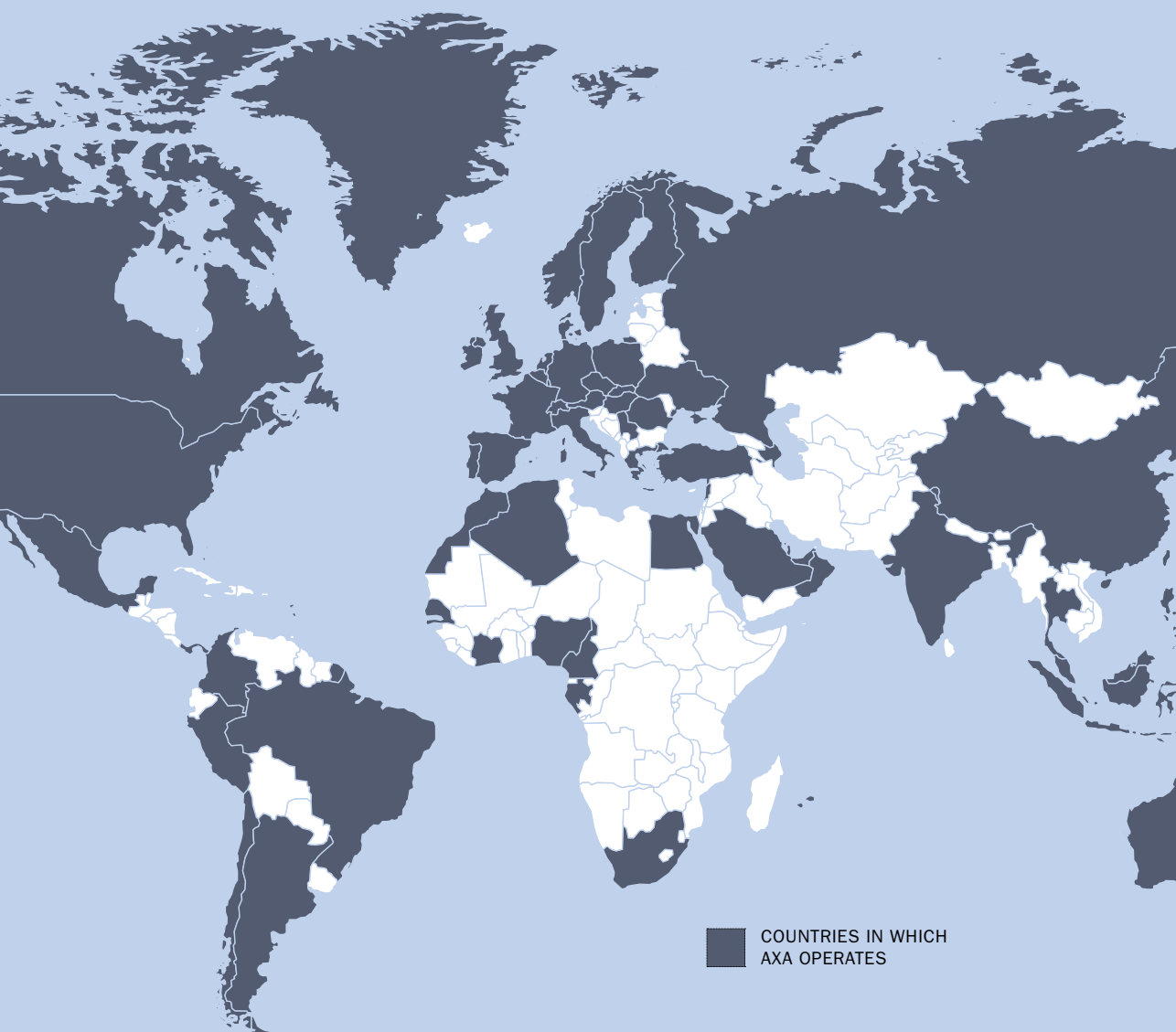
## COUNTRIES

# 166,000


## EMPLOYEES

# 103 MILLION

## CUSTOMERS



## Profile



Present in 64 countries, AXA's 166,000 employees and exclusive distributors provide their expertise in support of 103 million customers through four core business activities: Property & Casualty Insurance; Life & Savings; Health Insurance; and Asset Management. In a fast-evolving world, AXA anticipates change to offer services and solutions tailored to the current and future needs of its customers.

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day

## #tomorrowtoday

The large-scale transformations that will structure tomorrow's world are already at work. AXA listens to its customers, offering insurance that protects them in this world of change – and giving a powerful thrust to their future projects.

#to



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TOMORROW

day Tomorrow, small and mid-sized companies will create 70% of jobs in Nigeria. #to



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# Today, in Lagos, Obinna's staff numbers have risen thirteenfold over the last decade.

today



Obinna Obienue,  
*President and founder of IT World*

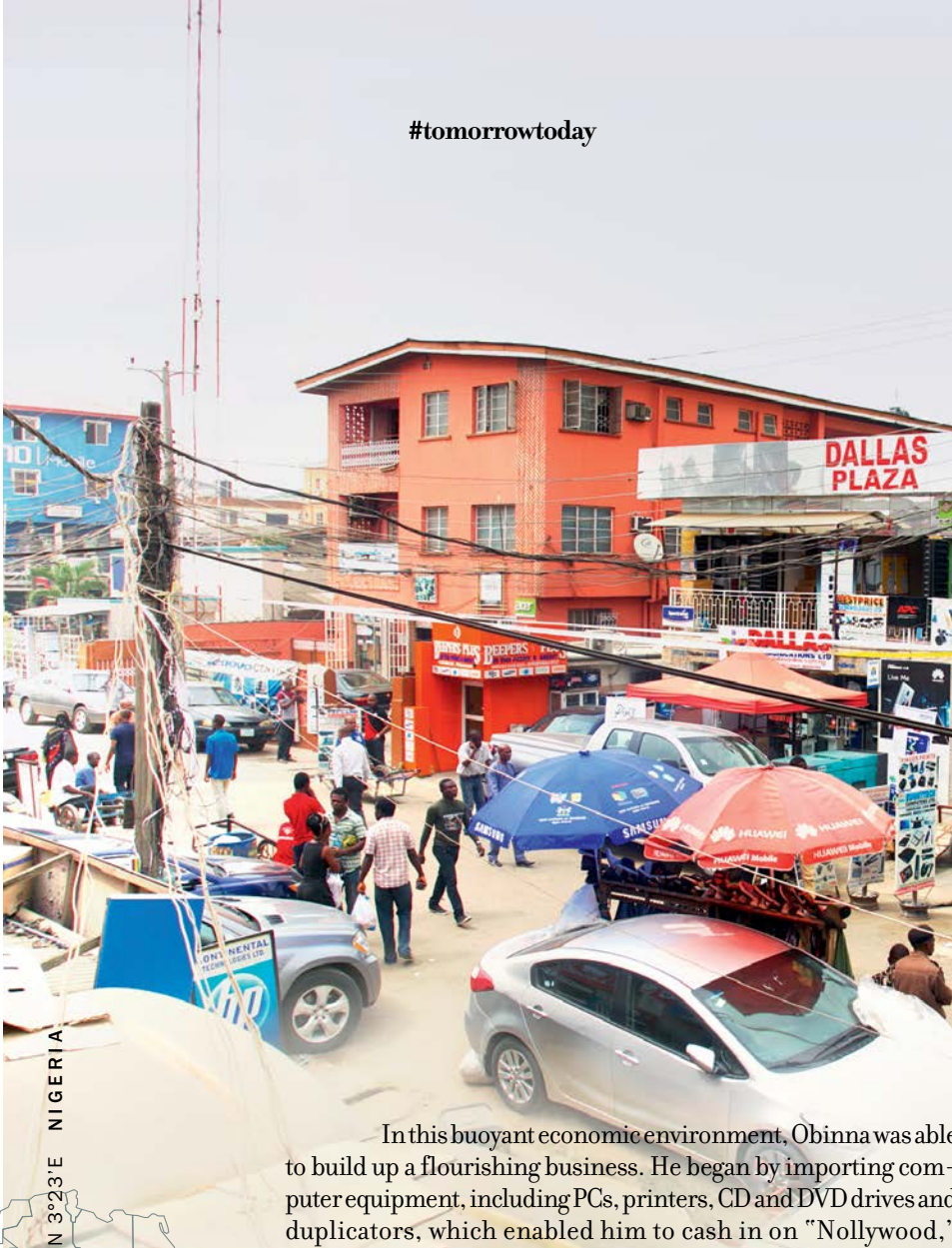
**"WITHOUT SOMEONE TO COVER  
YOUR BACK, YOU CAN'T RECOVER  
FROM A BLOW LIKE THAT."**

Obinna Obienue is an astute businessman. In February 1999, having spent ten years working in finance, he set up his own computer company called IT World. "Nigeria was moving out of the typewriter age into the computer era and demand was strong," he recalls in his deep, soft voice. Nigeria's strong economic growth first took off in the early 2000s when this oil-dependent economy began to diversify its activities. It turned out to be a winning strategy as, despite the difficulties caused by falling oil prices, Nigeria has recently overtaken South Africa to become Africa's leading economic power.





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to



In this buoyant economic environment, Obinna was able to build up a flourishing business. He began by importing computer equipment, including PCs, printers, CD and DVD drives and duplicators, which enabled him to cash in on “Nollywood,” Nigeria’s booming movie industry. Little by little, IT World broadened its scope to encompass large format photo prints, digital music, biometric cards and educational software. Having started out with just four employees, Obinna now employs 52 people and turned over nearly €12 million in 2015.

### A challenging environment

IT World’s premises are still on the second floor of a building in Computer Village at the end of an unevenly paved alleyway stained by water from the air conditioning units. Obinna was one of the first IT entrepreneurs to set up in the heart of the Ikeja district in Lagos. Today, more than 6,000 entrepreneurs do business in this

TODAY



**"INVESTING IN INSURANCE IS NOT A NATURAL REFLEX FOR THESE ENTREPRENEURS. YOU HAVE TO SHOW THEM WHY IT IS SO IMPORTANT FOR THEIR BUSINESS."**

**Wuraola Odensaya,**  
*Sales and Marketing Officer at AXA Mansard*

# day

vast market, a symbol of the Nigerian commercial capital's booming economy, but where the electricity supply is still limited, with only 156 kWh per inhabitant compared with 7,344 kWh in France.

This is a precarious environment for developing a business. In 2013, Obinna almost lost his business when an accidental fire destroyed IT World's main warehouse. More than 19 million nairas\* of goods went up in smoke. It was a hard blow for Obinna. "We were in a difficult economic position; profit margins in the IT industry had contracted sharply and in any case they weren't high enough to cover losses on that kind of scale," says Obinna, who feared that he would have to close the business down. In Nigeria, the cost of setting up and equipping a business is very high and access to credit limited. "Without someone to cover your back, you can't recover after a blow like that."

### **Minimizing risks to foster expansion**

That "someone" was his insurance policy. AXA Mansard quickly took stock of the extent of the damage and in less than six

\*About 900,000.



weeks had reimbursed the full value of the destroyed goods. An experience Obinna is not about to forget. "After the claim, we increased our insurance coverage and today, all of IT World's vehicles and premises are insured against theft and fire, and all employees have life insurance." This prudent approach is still something of an exception in Computer Village. "The idea that insurance companies won't pay out is still pretty widespread in Nigeria," suggests Obinna.

Wuraola Odensaya, an energetic lady in charge of sales and marketing at AXA Mansard, agrees. "Investing in insurance is not a natural reflex for these entrepreneurs. We have to raise their awareness, create an environment of trust and confidence and, most importantly, show them why it is so important for their business." So what is her strategy? "I tell them they'll sleep more soundly with an insurance policy because they'll have one less thing to worry about, and that's risk." Obinna happily acknowledges this. "I realized that insurance really does bring you peace of mind. That's how we succeeded in making IT World what it is today." •



# today



WITH 6%  
ANNUAL GROWTH,  
NIGERIA IS  
AFRICA'S BIGGEST  
ECONOMY.

# AXA AND THE AFRICAN CONTINENT

## Insight

**Africa is an attractive market for the insurance business and offers extremely promising long-term prospects.**

- Demographically, Africa has three main advantages: a young population; an expanding middle class with a rising standard of living; and an urbanization rate expected to rise from 36% in 2010 to 60% by 2050.
- Insurance penetration is the lowest in the world (1% of GDP – excluding South Africa – compared with 9% in France, for example); the potential for growth is therefore high.
- Economic growth is buoyant, running at a long-term average of about 5% to 6% a year, despite some volatility due to commodity price fluctuations.
- Innovation happens quickly. The African countries are catching up and are moving directly into the digital and mobile era; they

are an ideal testing ground for new ideas and innovative business models, especially in microinsurance and parametric insurance.

## Strategy

**The emerging countries were a key pillar of the Ambition AXA 2010-2015 strategic plan and the Group's growth has been particularly strong in Africa.**

Already well established in the French-speaking countries in North and West Africa, the Group opened new business lines in Algeria and entered Egypt for the first time.

In 2014, it also acquired a majority interest in Mansard, Nigeria's fourth largest insurance company.\* The Group's presence in Africa is a core growth driver of the 2020 strategic plan.

\* Mansard became the third-largest insurer as of end 2015.

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**50%**  
**OF THE AFRICAN**  
**POPULATION IS UNDER**  
**20 YEARS OLD.**

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**1%**  
**AFRICA HAS THE LOWEST**  
**INSURANCE PENETRATION**  
**IN THE WORLD.**

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**77%**  
**THE GROUP'S**  
**PERCENTAGE HOLDING**  
**IN AXA MANSARD.**

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Linda Rottenberg,  
*Co-Founder and Director of Endeavor\**

**“THE BEST ENTREPRENEURS ARE THOSE WHO  
KNOW HOW TO MINIMIZE RISK.”**

INTERVIEW

**Why are entrepreneurs so important in the emerging world?**

Entrepreneurs are the key drivers for long-term growth and wealth creation worldwide. The only difference is that while plenty of support networks existed for them in the developed countries, 15 years ago, when I co-founded Endeavor, they were lacking in emerging countries. We have built mentor and talent networks that erase some of the obstacles and help provide access to capital to high-growth entrepreneurs.

**How do you reduce the risks inherent in a business startup?**

We encourage people setting up a new business to be prudent. In my experience, the best entrepreneurs are risk-minimizers, not risk-maximizers. That's why we tell people who come to us for advice

to take it one step at a time, for example by holding on to their day job during the initial stages.

**What is the basis of your partnership with AXA?**

The Endeavor AXA partnership is based on our shared belief that entrepreneurs will lead economic growth and job creation in the next decades. We also believe that we can all benefit from being a bit more “entrepreneurial,” testing our limits to bring our ideas to life while managing the risks. So AXA employees and members of our network can all gain from this partnership!

\* Endeavor, a support program for high-potential companies worldwide, signed a partnership agreement with AXA in May 2015.

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TOMORROW

day Tomorrow,  
50% of car owners  
will share  
their vehicle  
with others.\*

\* Shared Mobility, Roland Berger study  
(July 2014).

#to



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# Today, Lilian already uses ridesharing for all his long- distance travel.

# today



Lilian,  
*BlaBlaCar member*

**“RIDESHARING? IT’S PARTLY ABOUT SAVING MONEY  
BUT MOSTLY ABOUT HAVING COMPANY WHILE  
YOU’RE TRAVELING.”**

It’s Friday the 13<sup>th</sup>, two in the afternoon at Porte d’Orléans in Paris. Lilian, a cheerful man in his forties, dressed in a three-piece suit, waits patiently by his car. He works for an IT management company and has been ridesharing for more than a year now. “It’s partly about saving money but mostly about having company” during long-distance business travel.

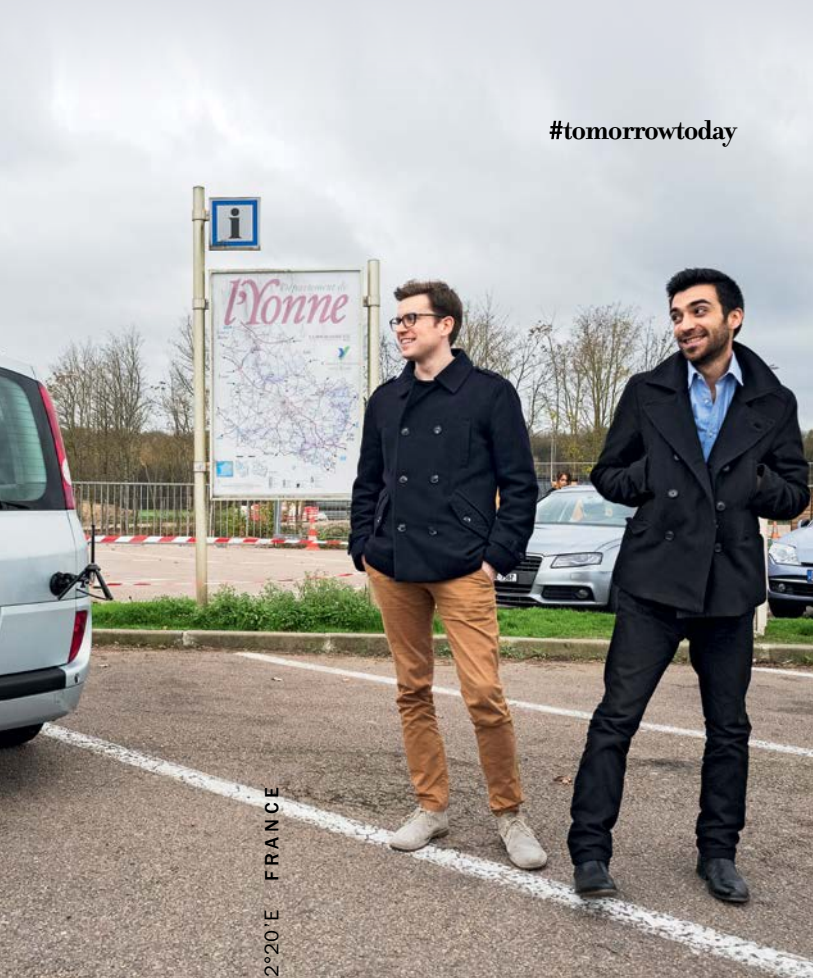
**“Are you going to Saint-Étienne?”**

Two days ago, he posted his trip on BlaBlaCar’s website. Three people have chosen to travel with him. Lilian knows what they look like because he has seen their profile photos, and he

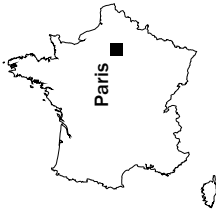


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19 MILLION  
TRAVELERS  
IN EUROPE  
ARE MEMBERS  
OF BLABLACAR.



48°51'N 2°20'E FRANCE



knows their first names – Stéphanie, Mérah and Simon. “Are you going to Saint-Étienne?” he enquires of a tall slim man in his thirties, who is looking around hesitantly. “Yes I am,” replies Mérah, a guitar teacher. He is soon joined by Simon, who has just finished his studies in video animation, and then by Stéphanie, a physical therapist.

All three of them are regular users of BlaBlaCar, Stéphanie as both driver and passenger. They all climb aboard, with that slight shyness of people who don’t know each other yet. Lilian sets off, driving carefully. There is no question of taking risks with three “guests” in the car. AXA’s Accident Prevention Barometer has indeed proved that people drive more carefully when sharing a ride than when driving alone.

Lilian is a BlaBlaCar Ambassador, the highest experience level in the BlaBlaCar community. He tries to make his

to

TODAY



**Romain Fau, General Manager France,  
Benelux and Iberia, BlaBlaCar**  
**Agnès Moreau, in charge of AXA digital partnerships**

**“AXA PROVIDES A HIGH-QUALITY  
SERVICE AND IS A BADGE OF TRUST FOR  
THE COMMUNITY.”**

day

passengers as comfortable as possible, providing candy, cookies and drinks in the door pockets. “One of my daughters had that idea. She said I ought to offer my passengers something to eat and drink on long trips. That way, if they’re a pain in the neck, maybe they’ll just eat,” he exclaims, his infectious laugh spreading to his three traveling companions.

### **A stressful incident on the road**

Just to make them feel better on a Friday the 13<sup>th</sup>, Lilian tells them about an incident he had a few months earlier when his car had just been serviced. That evening, he left Lyon with his three ridesharers. “Suddenly, all the dashboard lights came on and the car conked out a few seconds later. Nothing happening. It was pretty stressful.” Parked on the roadside, Lilian quickly called AXA and a breakdown truck was dispatched right away. “They looked after everyone. We were taken to a hotel and the next morning everyone was given a train ticket to get to their destination: Paris, Lille, etc. I didn’t have to do anything. And the main thing was that all my passengers got to where they were going without spoiling their weekend.”







# today

This assistance is the result of a partnership between BlaBlaCar and AXA signed in 2015. It gives members of the ride-sharing community additional insurance, guaranteeing that they will reach their destination if the car breaks down, as well as insuring another person to drive. "These were the two types of cover we designed specifically with BlaBlaCar for ridesharing users. Innovating together was one of the goals of this partnership," explains Agnès Moreau, who is responsible for digital partnerships at AXA. Romain Fau, General Manager France, Benelux and Iberia at BlaBlaCar, adds, "This innovative capability is one of the reasons we wanted to work with AXA. We also knew that they would provide a high-quality service to our members and would be a badge of trust for the community."

On the road to Saint-Étienne, a loud alarm goes off in the car. The passengers are speechless. Apparently the pressure in one of the tires is low. Lilian slows down and stops at the first parking area. "False alarm," he concludes, after checking the tires at the air pump. "That's why I like traveling with men," says Stéphanie ironically as they head on towards the south. •

# AXA AND THE SHARING ECONOMY

## Insight

**The sharing economy helps people save money and earn extra income**, so it is unsurprisingly attracting more and more consumers. In today's gloomy environment, this new economic model, which is redrawing the boundaries between ownership and use, is here to stay. Global revenue generated by the sharing economy is expected to increase from €15 billion in 2013 to almost €335 billion in 2025.\*

\*Consumer Intelligence Series: The Sharing Economy, published by PwC in April 2015.

## Challenge

**Insurance is a structural component of the large-scale sharing economy.** Once a community grows beyond a certain point, it has to find an external system to foster trust. Companies in the sector are therefore looking for effective, tailored insurance solutions.

## Strategy

**AXA aims to become the leading insurer of the sharing economy.** This goal involves a strategy of developing ambitious, stimulating partnerships for the Group. With BlaBlaCar, AXA offers the world leader in ridesharing an insurance solution. After just a few months, it is already available in five countries and insured almost 4 million shared rides in 2015. In early 2016, AXA also became the insurer of OuiCar in France and SocialCar in Spain.

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**€335 BILLION**

IS THE EXPECTED

VALUE OF THE SHARING

ECONOMY IN 2025.

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**4 MILLION**

SHARED RIDES

INSURED BY AXA

IN 2015.

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**5 COUNTRIES**

ARE COVERED BY

THE PARTNERSHIP BETWEEN

AXA AND BLA BLA CAR.

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Jeremiah Owyang,  
*Founder of Crowd Companies\**

**“OUR RESEARCH SHOWS THAT THE SHARING  
ECONOMY WILL CONTINUE TO GROW.”**

INTERVIEW

**The sharing economy is reaching more and more users. How widespread do you think it will become?**

The sharing economy has no bounds! It is based on collaboration and sharing, values that go back to early civilizations and that can now be developed on a large scale thanks to technologies such as mobile, social media and big data. The sharing economy first began to gain popularity during the global recession, but then it continued to grow even when the economy improved, cutting across all social classes. Our research among the people of North America shows that this trend is set to continue.

**How can insurers adapt to these new practices?**

The sharing economy gives people access to cars, homes and other physical goods without actually owning them. Insurance should therefore no longer focus on who owns these resources but on who uses them. The question insurers should be asking themselves is “who is liable when someone twists their ankle in a 3D printed shoe, getting out of a BlaBlaCar vehicle on an Airbnb property?” Also, town dwellers will increasingly use the on-demand services offered by the likes of Uber, Lyft, Halo and BlaBlaCar to get around. Insurers need to be able to adapt their offering to provide customers with pro-rated coverage for very fragmented use in short bursts.

\* Crowd Companies helps large companies to unlock the sharing economy and find their place in this new system.

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TOMORROW

day Tomorrow, women will control 75% of global discretionary spending.\* #to

\* Spending on non-essential items.



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TOMORROW

Today,  
nearly three-quarters  
of customers  
insured by Chotiros  
are women.

today



Chotiros Borisut,  
*National Sales Director, Krungthai-AXA Life*

**"TODAY, IN THAILAND, WOMEN MAKE  
MOST OF THE HOUSEHOLD'S  
ECONOMIC DECISIONS."**

Tourist guides might still call it "The Land of Smiles," but Thailand has come a long way from the traditional society of old. One sign of these changing times is the growing role played by women in the country's economic development. Women represent almost 50% of the working population and occupy 40% of higher-level jobs; their income is growing steadily. "They're the ones who make most of the household's economic decisions. More often than not, the husbands go along with their wives' decisions," confirms Chotiros Borisut, a forty-something Thai woman who is now in charge of four regional teams of Krungthai-AXA Life.





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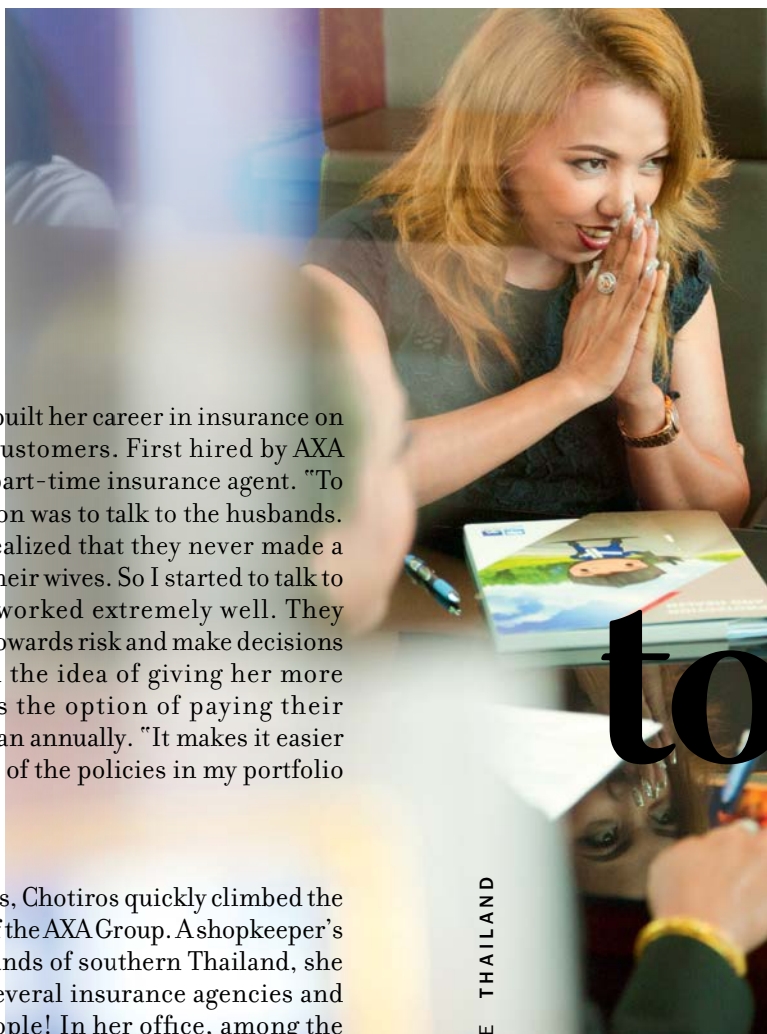
40%  
OF HIGH-LEVEL  
JOBS ARE HELD  
BY WOMEN  
IN THAILAND.

Chotiros has in part built her career in insurance on understanding her women customers. First hired by AXA 15 years ago, she began as a part-time insurance agent. "To begin with, my natural reaction was to talk to the husbands. But it wasn't long before I realized that they never made a decision without consulting their wives. So I started to talk to the wives directly and that worked extremely well. They have a more serious attitude towards risk and make decisions quickly." Chotiros also had the idea of giving her more modest-income customers the option of paying their premiums monthly rather than annually. "It makes it easier to close a sale and today 60% of the policies in my portfolio are monthly-premium."

### A modern Thai woman

Thanks to this success, Chotiros quickly climbed the ladder in the Thai subsidiary of the AXA Group. A shopkeeper's daughter raised in the farmlands of southern Thailand, she now has responsibility for several insurance agencies and manages a team of 5,700 people! In her office, among the various awards illustrating her remarkable career, a golden Buddha sits alongside a few photo souvenirs, including one of a broadly smiling Chotiros standing next to the wax figure of Barack Obama at Madame Tussauds in London. "I'm a modern Thai woman," she continues. "I'm married with two children and I look after them well. But I am also fully committed to my job and proud to earn a good salary."

Her position as manager has strengthened her conviction that women are the future of insurance. "80% of my team are women. They are patient, disciplined, tactful and know how to talk to women, who represent almost three-







Chotiros Borisut

“THE MAIN CONCERNS OF THAI WOMEN ARE TO SAVE MONEY AND PROTECT THE FUTURE AND STABILITY OF THEIR FAMILY.”

day

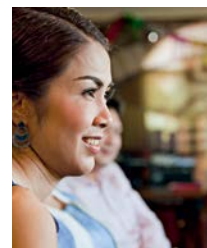
quarters of the agency’s clientele. They are better at explaining the finer details of a contract and are more attuned to women’s needs and expectations.”

And what are those needs and expectations according to Chotiros? “Their main concerns are to save money and protect the future and stability of their family. At the moment, our best-selling product is our comprehensive health insurance, because hospital costs have risen sharply in the past few years,” she explains, and then goes on “Not that long ago, most Thai people didn’t see why you would need health insurance or a savings plan. Today, they’re a part of everyday life.”

### Market potential

This morning, Chotiros has a meeting with the headmistress of a school. The children are playing in the huge covered schoolyard: the girls in white blouses and blue skirts, the boys in beige shorts. The headmistress is due to retire in a few months and wants to increase her health coverage. Like her, many Thai

€5–€8 BILLION:  
EXPECTED VALUE  
OF THE WOMEN'S  
INSURANCE MARKET  
IN THAILAND  
IN 2030.



## #tomorrowtoday

women are concerned about their retirement years. They stop work at 60 and have an average life expectancy of 77, so they have almost 17 years of retirement to finance. The basic state pension is meager and family solidarity is declining, so it can be hard to make ends meet. "Today's generations are much more aware of the need to save," says Chotiros. "We sell a lot of retirement savings plans today."

However, Chotiros acknowledges that "we lack a range of insurance products more specifically targeted at women. If we could offer them products better suited to their needs, we could open up a whole new growth opportunity and gain share in the market." A market that could be worth €5 billion to €8 billion by 2030. •

# today



# WOMEN, INSURANCE AND AXA

## Insight

**In 2015, AXA, IFC-World Bank and Accenture published SheforShield,\* a wide-reaching survey on women and insurance.** Conducted in ten emerging countries\*\* among women customers, prospective customers and employees in the insurance industry, it reveals a booming market in women's insurance, which could be worth as much as \$1.7 trillion a year by 2030, with 50% of that in these emerging countries.

As a result of socioeconomic progress, many more women now work and they earn better salaries. They are more alert to risks and more willing to take out insurance for themselves and their families, spending up to as much as 20% of their income on protection. They are reliable, loyal customers and make excellent brand ambassadors for their insurers.

Today, though, the female population is still broadly under-insured, mainly due to poor perception of their needs and poorly adapted products.

## Strategy

**SheforShield suggests three ways to win over the female population:**

- Improve comprehension of this still poorly understood market by gathering data on women's expectations and analyzing the service provided by existing products to ascertain which services are missing.
  - Create innovative, better-targeted products, and develop wrap-around services to help women address everyday needs.
  - Improve distribution and proximity, in particular by expanding the role of women in insurance companies' salesforces.
- The report reveals that women are more effective at selling to women.

**In each of the countries covered by the report, these three objectives have been rolled out into operational strategies.**

\*The SheforShield report can be downloaded at [www.axa.com](http://www.axa.com) in the section Newsroom/News & Updates.

\*\* Morocco, Brazil, China, Colombia, India, Indonesia, Mexico, Nigeria, Thailand, Turkey.

1/3

OF ENTREPRENEURS

WORLDWIDE

ARE WOMEN.

X 9

THE WOMEN'S INSURANCE

MARKET IN THE EMERGING

COUNTRIES (\$98BN IN 2013)

COULD BE WORTH AS MUCH

AS \$874BN IN 2030.

90%

OF WOMEN'S INCOME

IS SPENT ON THE HOME

AND FAMILY AND UP TO 20%

ON PROTECTION.





Henriette Kolb,  
*Head of the Gender Secretariat at the International  
Finance Corporation (IFC)*

**“ECONOMIC PROSPERITY IS IMPOSSIBLE  
WHEN HALF THE POPULATION IS IGNORED.”**

INTERVIEW

**How can we accelerate the contribution of women to global economic growth?**

Understanding that economic prosperity is impossible when half the population is ignored, countries and companies are placing more value on the importance of gender equality. Considering gender, much has been achieved in the last decade: the gap in literacy rates between boys and girls is diminishing, more women have tertiary degrees, and more women are joining the labor force. Yet despite these advances, women face significant constraints in securing quality employment and assets, such as land, housing, finance, and technology.

The World Bank Group’s Gender Equality Strategy 2016–2023 is built on the knowledge that jobs and assets are key levers of change for women and fundamental drivers for inclusive growth and poverty reduction.

**What role can insurers play?**

The work done by the IFC with the banks has shown that improving access to finance for women-owned enterprises is a win-win for banks, women, and the economies.

The insurance industry is another financial sector that is poised to catalyze the role of women in the global economy. By better targeting their women customers, they can encourage entrepreneurship, help women to protect their assets, mitigate their risks and gain peace of mind. Similarly, by leveraging women’s role as distributors or agents, insurers will increase women’s access to jobs and ability to generate income. Insurance can therefore contribute to the financial independence and personal fulfillment of women – and, through that, to a more stable global economy.

# #tomorrowtoday

New habits, new risks, new needs: to continue protecting our customers in a changing world, we at AXA are constantly questioning our practices, inventing targeted products and services and developing our talent. It's a continuous process of transformation that enables us to envision tomorrow, today.



AXA, tomorrow today



ANTICIPATE

“Tomorrow,  
we will continue  
to protect  
society in a  
rapidly changing  
world.”

HENRI DE CASTRIES

Chairman and Chief Executive Officer

>PAGE 38

PREPARE TOMORROW,  
TODAY

“Today,  
we have already  
initiated major  
transformations  
thanks to our  
good results.”

DENIS DUVERNE

Deputy Chief Executive Officer

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A Sustainable Strategy

# ANTICIPATE

AXA, TOMORROW TODAY



**HENRI DE CASTRIES**

Chairman and Chief Executive Officer, AXA



## A Sustainable Strategy

“THE ESSENCE OF OUR BUSINESS REMAINS PROTECTION. IT’S EVERYTHING ELSE THAT’S CHANGING! EACH LINK IN OUR VALUE CHAIN IS EVOLVING VERY RAPIDLY.”



**The first part of this report looks at several major shifts in society. What role do insurers play in response to such disruptive change?**

Our main responsibility is to protect our customers – people and businesses – from newly emerging risks. Tomorrow, like Lilian, half of all car owners will share their vehicle. It’s up to us insurers to design effective, innovative solutions to support this practice.

This is what led us to join forces with BlaBlaCar to develop an insurance product that makes ridesharing more reliable. We are also expanding our offering for the broader sharing economy; it’s a wide-open field that offers unique opportunities!

New technologies are a great way to meet these emerging needs, helping us to enhance our offering and rethink our customer relationships. Today, we have the opportunity to become our customers’ partner in health – and we intend to capitalize on it. In 2015, for example, we

developed a whole array of preventive services, including apps, websites and online medical consultations.

AXA has a critical role to play in improving access to insurance. Here again, new technologies are changing the rules of the game. For a long time, it was hard to find a viable development model for microinsurance. With digital technology, we can offer solutions right there where the wealth is being created, including among populations that do not yet belong to the middle classes. This year, we ran several projects in Africa, the Philippines and India.

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**€950 MILLION**  
HAS BEEN SPENT  
ON AXA’S DIGITAL  
TRANSFORMATION  
SINCE 2013.

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## A Sustainable Strategy



### **Many of these social shifts are linked to the “digital revolution.” How is that changing your business?**

The essence of our business remains protection. It’s everything else that’s changing! Each link in our value chain is evolving rapidly. Yesterday, the norm was to contact customers once a year. Today, with social media, email and mobile applications, there are opportunities for contact every single day. That enables us to send prevention messages, develop our service offering and propose better-targeted products and services to our customers.

The digital revolution is also changing the way we design our products. Today we have access to vast amounts of data, sometimes in real time. We have leveraged this technical advance by inventing products such as parametric insurance and “pay how you drive.” And that’s just the beginning. We can use big data to drive the quality of our services and develop ever-more personalized offerings.

---

#### **2.5 QUINTILLION**

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#### **BYTES OF DATA**

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#### **ARE GENERATED**

---

#### **WORLDWIDE EVERY DAY**

---

#### **BY PEOPLE, BUSINESSES**

---

#### **AND ORGANIZATIONS.**

### **Yet big data raises a number of issues, not least in terms of how personal information is used. How do you protect your customers’ information?**

Data has always been crucial to the insurance business, but today we are seeing a shift in scale. People, businesses and organizations worldwide generate 2.5 quintillion bytes of data every day and the volume continues to rise.

Data, coupled with software power and our business expertise, gives us a huge opportunity to insure people better, offer them new services and prevent risks. But it also requires a clear regulatory framework and a rigorously ethical approach, particularly when dealing with sensitive issues such as data on people’s health.

Our duty is to protect the information entrusted to us by our customers. AXA was the first insurer to adopt a set of Binding Corporate Rules governing data confidentiality. We consider ourselves as the custodians of our customers’ personal information and we will never sell it to third parties. I’m convinced that no company – insurance or otherwise – will succeed in the long term if its customers have any doubts about how their personal data will be used. We need to align the corporate interest with that of society.



**More broadly, what actions are you taking to align the Group's interests with society's long-term needs?**

AXA is involved in many concrete actions and initiatives to help create a safer society. This is a fundamental responsibility for a global group whose key mission is to protect. For example, we're involved in promoting the employment of young people in Europe alongside our partners Alliance for Youth.

For several years, the AXA Research Fund has been contributing to a better understanding and, therefore, better prevention of environmental, socioeconomic and human risks. In 2015, it devoted €15.5 million of funding for 44 new research projects run by major institutions in 16 countries.

But perhaps our most compelling initiative of 2015 was our commitment against climate change, an urgent issue if ever there was one. If global warming were to rise above 2°C, the world would become almost impossible to insure; extreme

weather events would be too frequent, too unpredictable and too violent to anticipate and the most vulnerable populations would be the first victims. I can only rejoice at the collective realization of this problem at the United Nations COP21 climate conference.

As an institutional investor, AXA made strong commitments at Climate Finance Day in May 2015 to contain the magnitude of climate change [see page 71]. It is extremely important, and I'm delighted to see that other financial groups are following our lead. Together, we can control substantial amounts of investment and create a real ripple effect.



**“THE GROUP’S SIZE IS CERTAINLY A STRENGTH, BUT WITHOUT AGILITY AND CREATIVITY, IT WON’T GUARANTEE OUR CONTINUITY. IN EVERY WAY WE CAN, WE NEED TO RESEMBLE A STARTUP WITH 166,000 EMPLOYEES!”**

**You have talked a lot about opportunities in this new world. What are the things AXA should watch out for?**

Technology is much less expensive than it was a few years back, which means that anyone with a good idea can make it a reality and become a competitor. There is one hitch, though: our sector is regulated and you need a lot of capital to develop on a large scale.

But we remain alert. Our customers are obviously not our captives and they have access to vast amounts of information to help them decide who can offer them the best service. It's up to us to maintain a continuous focus on their needs, habits and desires. The Group's size is certainly a strength, but without agility and creativity, it won't guarantee our continuity. In every way we can, we need to resemble a startup with 166,000 employees!

**Are you confident about the future?**

Yes I am! You have to remain humble and not forget that one day our business model could be challenged. But I think that today we have every reason to be confident in AXA's future. The world is the throes of upheaval and long-term disruptive change. But we are holding the AXA ship steady in these choppy waters. We are steering a clear course and we have powerful engines and resources to weather the storm serenely. You only need look at our 2015 results, which successfully concluded our



**“THANKS TO EVERYONE’S EFFORTS, WE HAVE A SOLID BASE FROM WHICH TO RISE TO FUTURE CHALLENGES. I’M CONVINCED THAT TO DO SO, WE NEED TO WORK EVEN MORE CLOSELY WITH ALL OUR STAKEHOLDERS.”**



## A Sustainable Strategy

Ambition AXA strategic plan. Thanks to everyone's efforts, we have a solid base from which to rise to future challenges. I'm convinced that to do so, we need to work even more closely with all our stakeholders. One, because it's vital to stay in tune with the insurance needs of an ever-changing world. Two, because consumers and society don't want us to impose solutions on them; they want to be involved in the decisions that affect them.

We've only gone a short way down the transformation path, but we are sure of one thing – in this uncertain world, the need for protection and support is more important than ever. We must keep our eyes firmly fixed on this long-term mission and recruit, retain and train the men and women who will carry the torch tomorrow.

**You have decided to hand over the reins of the Group to a new team in 2016. What was the reason for this decision?**

In the wake of our success in achieving our Ambition AXA plan, and before we enter into a new strategic cycle, I considered, with the support of the Board, that it was the best moment to begin the transition to a new management team who I know will very successfully lead AXA through the next stages of its development.

The succession planning process, initiated by the Board upon my request in October 2013, confirmed the breadth and the quality of AXA's teams and helped us identify a new generation of leaders. Denis Duverne and I are extremely proud of the team we have been able to build and develop.

While I will leave the Group with great emotion, I am very happy and confident to see Thomas Buberl take over the executive management of AXA. He will be ably supported by Denis, whose long experience and contribution to our key strategic decisions since 2000 have helped to make the Group the success it is today. Thomas has the experience, leadership skills and values to seize the opportunities offered by a rapidly changing world, and to make AXA a company that is always closer to its clients – which will be the key to our long-term growth. •

# A POSITIVE ROLE FOR SOCIETY

CAR, HOUSE, BELONGINGS, HEALTH AND EVEN LIFE – INSURANCE IS ALL AROUND US IN DAY-TO-DAY LIFE. IT HAS ECONOMIC, FINANCIAL AND SOCIAL IMPACTS THAT GO WELL BEYOND MERELY SETTLING INSURANCE CLAIMS.

The insurer analyzes risks and manages financial flows to create a system in which the many who are more fortunate support the few who encounter difficulties. It creates financial solidarity that cements society and supports the economy.

## ANALYZING RISKS

To operate effectively and fairly, insurance companies analyze and model risks as well as the resulting protection needs. When shared with the public authorities and civil society, this expertise also helps to improve prevention.

## INSURING PEOPLE

Be it health, property or savings, insurance creates a balance between premiums and claims, helping people to stabilize their income and build up their assets over time. With that peace of mind, they can look to the future with confidence, focus more on their families and their work – in short, participate more fully in society.

## INSURING BUSINESSES

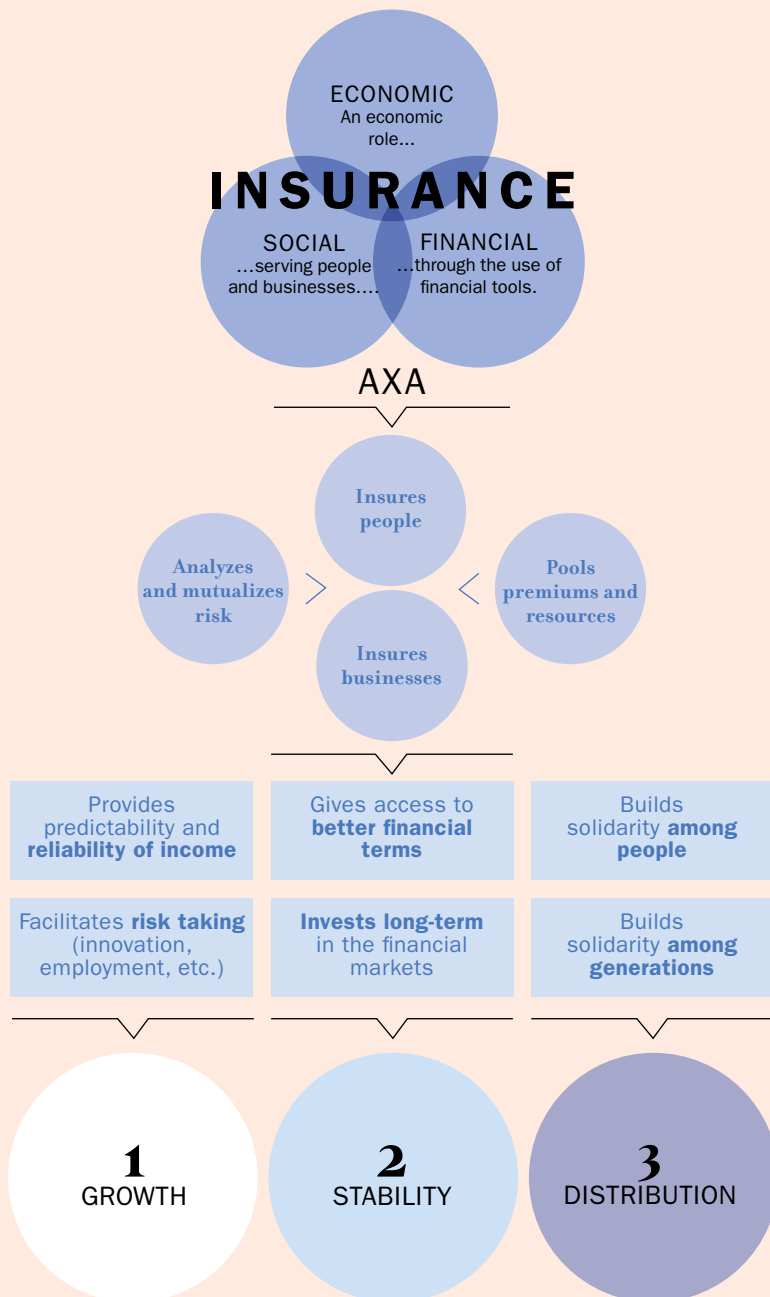
AXA's products and services enable companies to stay in business when disaster strikes. Stable companies are more able to invest, hire and innovate, and they get better access to capital and credit. By anticipating and tackling new risks, insurance gives companies the protection they need to develop innovative activities and win new markets.

## POOLING PREMIUMS AND RESOURCES

AXA has to deal with customer claims across a range of time scales, for example, immediately for property & casualty, in five years for health, and in 30 years for life insurance. This multi-term obligation makes it a unique financial player able to make both short-term and very long-term investments.

AXA's social, economic and financial role benefits more than just its customers. By providing better protection in countries where we operate, we help to bring about the conditions for their development in three key ways: by stabilizing economic and financial cycles, contributing to economic growth and ensuring a better distribution of risks and their consequences.

## Three key dimensions





# SUSTAINABLE VALUE CREATION

THE VALUE CREATED BY AXA CANNOT BE MEASURED SIMPLY BY LOOKING AT ITS FINANCIAL BALANCE SHEET. OUR APPROACH TO THE INSURANCE BUSINESS IS TO USE OUR CAPITAL TO GENERATE NOT JUST FINANCIAL WEALTH BUT ALSO HUMAN, SOCIAL AND COMMUNITY WEALTH, FOR THE GOOD OF SOCIETY AS A WHOLE.

AXA, TOMORROW TODAY



## Human

- New hires: 20,279
- Employees: 120,000\*
- 47% men
- 53% women



## Environment

- Energy: 423 GWh
- Travel: 332,000 km
- Paper: 18,000 tons



## Intellectual

- AXA Research Fund: €200m by 2018
- AXA Strategic Ventures: €230m
- Kamet: €100m
- Africa Internet Group: €75m



## International

- Operations in 64 countries
- Acquisitions in new markets (2010–2015)
- Asia: €4.2bn
- Middle-East, Africa, Latin America: €0.7bn
- Central and Eastern Europe: €0.2bn

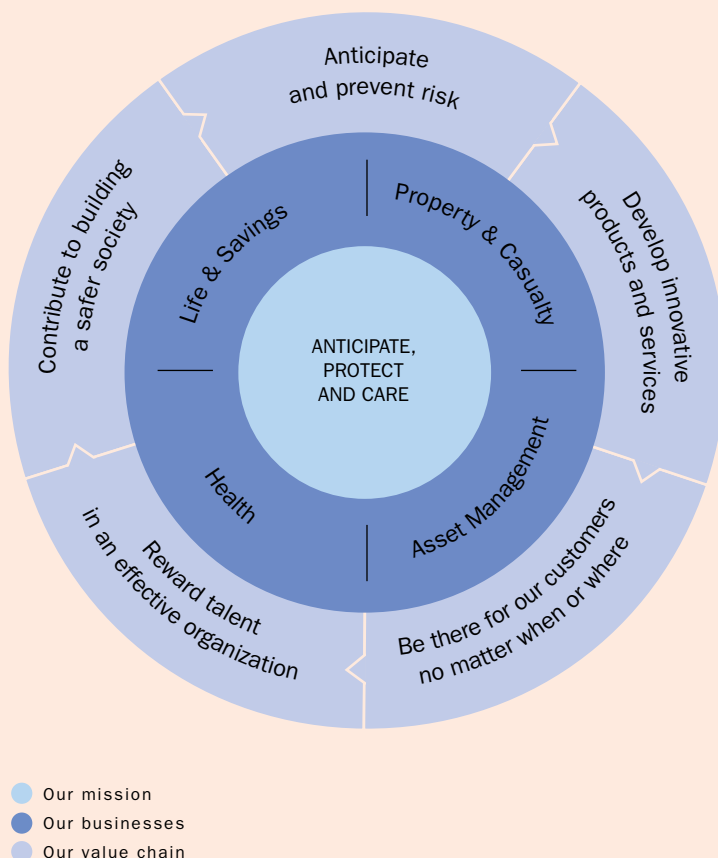


## Financial

- Shareholders' equity: €68.5bn
- Revenues: €99bn
- Operating free cash flow: €5.8bn

\* Excluding distributors.

RESOURCES



## RESULTS

### Financial

- Underlying earnings: €5.6bn
- Property & Casualty claims paid (retail + business): €20bn
- Protection and health benefits paid: €12bn
  - Growth in value of our customers' life insurance investments: +€19bn
  - Assets under management: +€88bn (€1,363bn)

### Human

- Employees receiving some form of training: 81.3%
  - Underlying earnings per employee: €57k
  - Revenues per employee: €1,003k

### Social

- Customers worldwide: 103m
- Gross premiums generated by small and mid-sized business customers in 2015: €3.3bn
  - Customers assisted by AXA Assistance: 4m in motor (vehicle breakdown); 3m in health

## IMPACT



### Financial/economic

- Dividend: €1.10 per share
- Gross payroll: €8.6bn
- Supplier payments: €12.6bn
- Corporate income tax: €1.7bn



### Social

- Customer satisfaction: 79.4%
- Employee volunteering: > 89,000 hours
- Beneficiaries of the CARE/AXA partnership: 2.2m people
- 75% of AXA's own investments covered by our ESG analysis



### Innovation

- Projects since the creation of the AXA Research Fund: 492
- Investments financed by AXA Strategic Ventures: 17
- AXA Drive downloads in 19 countries: over 800,000



### Human

- Group employee engagement rate: 79%
- Employee perception of AXA's customer focus: +1 point



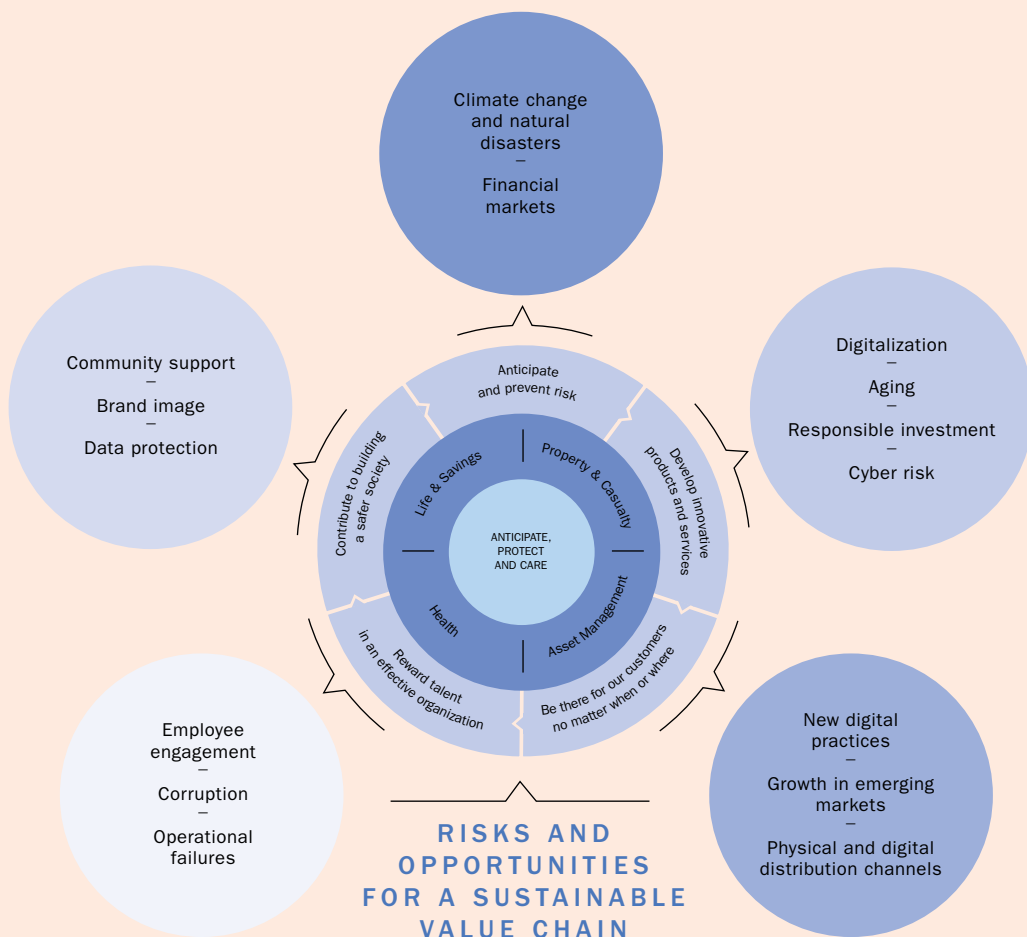
### Environment

- CO<sub>2</sub> emissions vs. 2014: -8%
- Carbon intensity of investments: 284 metric tons of CO<sub>2</sub> per million dollars of revenue\*\*
- Divestment of coal-related assets: €470m

\*\*using a "Carbon Intensity" approach based on methodology by TruCost (an agency specialized in analyzing climate-related impacts), applied to data from Dec. 2014.

# RISKS AND OPPORTUNITIES FOR THE FUTURE

TO RESPOND EFFECTIVELY TO CUSTOMER NEEDS, AXA MUST ANTICIPATE AND UNDERSTAND CHANGES IN CONSUMER PRACTICES, TECHNOLOGICAL AND REGULATORY CHANGE, AND NEW ENVIRONMENTAL CONSTRAINTS. WE TAKE ACTION TO MITIGATE RISKS AND CAPITALIZE ON OPPORTUNITIES AT EACH LINK OF OUR VALUE CHAIN.



## A Sustainable Strategy

### ACTION TAKEN BY AXA

Risks and opportunities	Actions	Examples
Climate change and natural disasters	Contribute to measures to improve resilience. Awareness.	Development of a storm-prediction tool in Europe.
Financial markets	Raise awareness to embed society's new challenges in the concept of financial risk.	Symposium on "New Rules for New Horizons: Reshaping Finance for Sustainability," organized with UNEP.*
Digitalization and competition	Innovate to support society in its transformation.	Creation of Kamet, an incubator for innovative products and services, with €100m of funding.
Aging	Anticipate retirement, health and protection needs.	Support for the Prof. Vaupel chair for research into the impact of genetics and the environment on aging.
Responsible investment	Integrate ESG considerations in own-account investments.	Development of ESG performance-scoring tools for our various asset classes.
Cyber risk	Help customers to protect against cyber risk.	Cybersecure: an information systems expertise and insurance program for small and mid-sized companies.
Physical and digital distribution channels	Adapt distribution channels to new customer expectations.	My AXA: an app offering new services and creating new contact opportunities.
Growth in emerging markets	Develop our presence in new markets.	Rapid growth in Asia where AXA is No. 1 international insurer in property & casualty and No. 3 in life, and acquisitions in Nigeria (in 2014) and Egypt (in 2015).
New digital practices	Design innovative products and services tailored to new practices.	Launch of a home-protection service package ("connected home" via Mon AXA app in France).
Operational failures	Manage operational risks through monitoring and control.	€1.2bn invested in our operations in 2014
Corruption	Ensure compliance with ethical practices in business conduct.	Training on bribery and corruption regulations.
Employee engagement	Attract, hire and retain new talent.	Presence at the Careers in Africa forum bringing together more than 400 high-potential job candidates from the African diaspora in North America.
Data protection	Respond to data protection and privacy issues.	AXA was the first insurance group to adopt a set of Binding Corporate Rules (BCR) on data privacy.
Brand image	For the 7 <sup>th</sup> consecutive year, AXA is ranked No. 1 global insurance brand.	The brand was valued at \$9.254bn by Interbrand and has moved into the top 50 most effective global brands.
Community support	Integrate criteria such as philanthropy and community engagement in performance assessment.	Partnership with CARE since 2011 (2.2 million beneficiaries).

\*United Nations Environment Program.

# A RIGOROUS RESPONSIBLE-INVESTMENT POLICY

FOR SEVERAL YEARS NOW, AXA HAS BEEN DEVELOPING A RIGOROUS RESPONSIBLE-INVESTMENT (RI) POLICY, AS EVIDENCED BY THE COMMITMENT TO THE UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT; THE USE OF SCORING TOOLS; AND THE EXCLUSION OF CERTAIN SECTORS, SUCH AS COAL IN 2015. AXA'S RI POLICY IS BASED ON THREE KEY AREAS OF ACTION. WE ACHIEVED A NEW MILESTONE IN 2015 WITH OUR ACTION ON CARBON RISK.

## EMBEDDING ESG AND CARBON FACTORS IN OUR INVESTMENT PROCESSES

AXA actively takes environmental, social and governance (ESG) considerations into account in its investment decisions for all relevant asset classes. It is a high-impact measure for a Group with over €1 trillion in assets under management and required us to develop a proprietary model.

AXA Investment Managers has developed RI Search,<sup>®</sup> a platform that enables our asset managers to extract an ESG score for all investments. This valuable tool supports our portfolio managers in their investment choices and helps to identify areas for progress and set specific targets. The Group has enhanced this process with in-depth

analysis and contact with the managers of the most risky companies in order to decide whether the investments should be retained or divested.

In 2015, we began to work on reducing the possible carbon "risk" of our investments through various actions:

- Coal divestment: AXA has decided to reduce its exposure to companies





## A Sustainable Strategy

### €470 MILLION:

AMOUNT DIVESTED BY AXA  
IN THE COAL INDUSTRY.

**€3 BILLION:** AXA'S GREEN  
INVESTMENT TARGET  
FOR 2020 (X3).

### €64 MILLION:

RENEWABLE ENERGY  
ASSETS INSURED  
BY AXA.

### 5000:

NUMBER OF COMPANIES  
COVERED BY RI SEARCH®,  
THE ESG SCORING TOOL  
DEVELOPED BY AXA  
INVESTMENT MANAGERS.

with a high degree of involvement in coal-related activities [see Highlights, page 71], including coal mining and electricity production. This represents a divestment of almost €500 million, a choice that helps not only to reduce our portfolio risk but also to develop an approach more consistent with our corporate responsibility strategy. In this way, we can contribute to building a safer, more resilient, more sustainable society.

- Green investments: we have pledged to triple our “green” investments in our general account assets to more than €3 billion by 2020, mainly through venture capital for clean technologies, investments in infrastructure and green bonds.
- Carbon intensity: having joined the Montreal Carbon Pledge, we now publish the carbon intensity of our investments.

We also supported COP21 and took an active part in the negotiations that took place in Paris in December 2015.

## EXCLUDING CERTAIN SENSITIVE SECTORS

Some sectors involve specific or acute environmental, social, ethical or human rights issues. We have developed and published several exclusion policies covering sectors such as controversial weapons, coal mining, palm oil and soft commodities derivatives.

## ENCOURAGING IMPACT INVESTING

Impact investing is investing in projects that generate environmental or social benefits while being financially profitable. It is an effective way of taking action to counter various development, environmental, health, poverty, or exclusion issues. The financial and extra-financial benefits are being monitored closely. AXA has launched two new funds in this area – AXA Impact Investment Fund (€200 million, focusing on various social themes) and AXA Renewable Energy Fund (€155 million).



# BALANCE AND TRANSPARENCY

## EXECUTIVE COMMITTEE

AT MARCH 21, 2016

The Executive Committee has 17 members, ten of whom are not French. It is composed of the nine members of the Management Committee and eight other members.

**AXA's Board of Directors decided on March 19, 2016 to separate the functions of Chairman of the Board of Directors and Chief Executive Officer, and approved the following appointments effective upon Henri de Castries' retirement on September 1, 2016:**

- Denis Duverne as Non-Executive Chairman of the Board of Directors (he will therefore step down from the Management Committee on September 1)
- Thomas Buberl as Chief Executive Officer of AXA and a member of AXA's Board of Directors co-opted to replace Henri de Castries.

## MANAGEMENT COMMITTEE

### 1. HENRI DE CASTRIES

Chairman & Chief Executive Officer

### 2. DENIS DUVERNE

Deputy Chief Executive Officer in charge of Finance, Strategy and Operations

### 3. THOMAS BUBERL

Deputy CEO ("Directeur Général Adjoint")

### 4. JEAN-LAURENT GRANIER

Chief Executive Officer of the Mediterranean and Latin America region, Chairman & Chief Executive Officer of AXA Global P&C

### 5. PETER KRAUS

Chairman & Chief Executive Officer of AB (United States)

### 6. JEAN-LOUIS LAURENT JOSI

Chief Executive Officer of AXA Asia

### 7. NICOLAS MOREAU

Chairman & Chief Executive Officer of AXA France and in charge of overseeing the worldwide operations of AXA Assistance, AXA Global Direct and AXA Partners

### 8. MARK PEARSON

President & Chief Executive Officer of AXA Financial, Inc. (United States)

### 9. VÉRONIQUE WEILL

Group Chief Operating Officer

## Governance



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### EXECUTIVE COMMITTEE MEMBERS

(IN ADDITION  
TO MANAGEMENT  
COMMITTEE MEMBERS)

#### PAUL EVANS

Chief Executive Officer  
of AXA UK and Chairman  
of the Board of Directors  
of AXA Corporate  
Solutions Assurance

#### GÉRALD HARLIN

Group Chief Financial  
Officer

#### FRANK KOSTER

Chief Executive Officer  
of AXA Belgium

#### JACQUES

#### DE PERETTI

Chief Executive Officer  
of AXA Japan

#### ANTIMO PERRETTA

Chief Executive Officer  
of AXA Winterthur  
(Switzerland)

#### ANDREA ROSSI

Chief Executive Officer  
of AXA Investment  
Managers

#### GEORGE STANSFIELD

Group General Counsel  
and Head of Group  
Human Resources

#### CHRISTIAN THIMANN

Group Head of Strategy,  
Sustainability & Public  
Affairs

## Governance

THE MISSION  
OF GOVERNANCE

## BOARD OF DIRECTORS

- The Board of Directors' role is to determine AXA's strategic orientation and ensure its implementation.
- At December 31, 2015, the Board had 14 members, ten of whom were independent. The Board has appointed a Vice-Chairman and Lead Independent Director responsible for coordinating the contribution of the independent directors to the Board's work and for expressing their opinions to the executive management team.
- The Board has three special committees that deal with specific issues and report on them to the Board: Compensation & Governance Committee, Audit Committee, and Finance Committee.

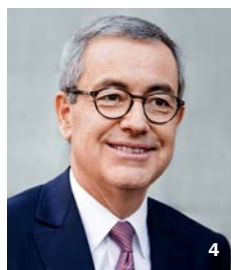
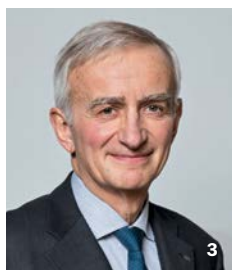


## EXECUTIVE MANAGEMENT

AXA's executive management team\* is composed of the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer. They are assisted in operational matters by:

- The Management Committee, which generally meets weekly;
- An Executive Committee, which meets quarterly and is composed of members of the Management Committee and the heads of AXA's main subsidiaries, the Group's business units and shared service departments.

\* until September 1, 2016.



## Governance

### BOARD OF DIRECTORS

(at December 31, 2015)

**1. HENRI DE CASTRIES**

AXA Chairman & Chief Executive Officer

**2. NORBERT DENTRESSANGLE**

Vice-Chairman & Lead Independent Director

**3. DENIS DUVERNE**

Director, Deputy Chief Executive Officer in charge of Finance, Strategy and Operations

**4. JEAN-PIERRE CLAMADIEU**

Independent Director, member of the Compensation & Governance Committee

**5. JEAN-MARTIN FOLZ**

Independent Director, Chairman of the Compensation & Governance Committee and member of the Audit Committee

**6. PAUL HERMELIN**

Independent Director

**7. ISABELLE KOCHER**

Independent Director

**8. SUET FERN LEE**

Independent Director, member of the Finance Committee

**9. STEFAN LIPPE**

Independent Director, Chairman of the Audit Committee and member of the Finance Committee

**10. FRANÇOIS MARTINEAU**

Director

**11. RAMON DE OLIVEIRA**

Independent Director, Chairman of the Finance Committee and member of the Audit Committee

**12. DEANNA OPPENHEIMER**

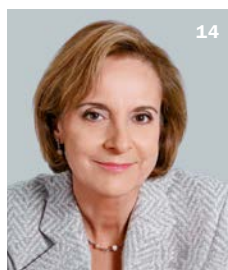
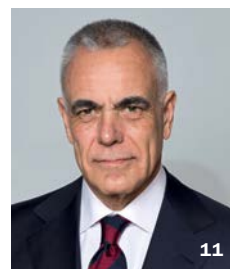
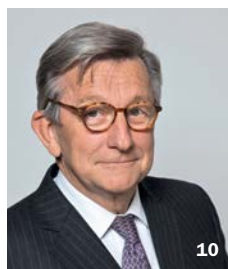
Independent Director, member of the Audit Committee and the Compensation & Governance Committee

**13. DOINA PALICI-CHEHAB**

Director, employee shareholder representative, member of the Finance Committee

**14. DOMINIQUE REINICHE**

Independent Director, member of the Compensation and Governance Committee



**71% OF THE DIRECTORS**

**ARE INDEPENDENT**

**9 BOARD MEETINGS**

**HELD IN 2015**

**96% ATTENDANCE RATE**

**AT BOARD MEETINGS**



A Foundation for the Future

AXA, TOMORROW TODAY

# PREPARE TODAY FOR TOMORROW



**VÉRONIQUE WEILL**

Group Chief Operating Officer

 [bit.ly/1SyQMHC](https://bit.ly/1SyQMHC)

 [@veroniqueweill](https://twitter.com/veroniqueweill)

**DENIS DUVERNE**

Deputy Chief Executive Officer

 [bit.ly/1QCQ3Ct](https://bit.ly/1QCQ3Ct)

## A Foundation for the Future

**“AMBITION AXA HAS ENABLED US TO INITIATE SOME MAJOR TRANSFORMATIONS, AND THAT HAS GIVEN US A NUMBER OF STRENGTHS – A ROBUST BALANCE SHEET, OF COURSE, BUT ALSO A MORE CUSTOMER-CENTRIC BUSINESS CULTURE.”**  
DENIS DUVERNE

**Your Ambition AXA strategic plan has now run its course. What do you think it has achieved?**

**D.D.:** It has been an extremely positive experience and has laid a solid foundation for the Group’s future. We have successfully implemented our three core strategic priorities and achieved our financial targets in terms of earnings and free cash flow growth, and a robust balance sheet. In terms of our selective approach in mature countries, we have radically shifted our business mix in the interests of both our customers and the Group’s long-term performance, for example by significantly increasing our weighting to health and protection insurance and unit-linked life insurance. The contribution from high-growth countries to Group results has risen sharply, notably driven by sustained growth in Asia. And to improve our operational efficiency, we have achieved €1.9 billion of cost savings and invested €950 million in digital technology over the past three years.

**In what way do those years provide a springboard for the future?**

**D.D.:** Ambition AXA has enabled us to initiate some major transformations in a challenging economic environment, and that has given us a number of strengths – a robust balance sheet, of course, but also a more customer-centric business culture. I believe this mindset will be key in the years to come. We have also opened up new growth horizons, for example in health insurance. And we have succeeded in getting to grips with the digital revolution, which is disrupting everything in its path.

**V.W.:** Our customers are the first to experience this disruptive change and our transformation is for their

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**36% OF NEW LIFE & SAVINGS  
BUSINESS COMES FROM  
HEALTH AND PROTECTION  
(+5 PERCENTAGE POINTS  
SINCE 2010).**

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## A Foundation for the Future



benefit. Today they can do everything online with their smartphone, from buying a plane ticket to checking their bank account or watching a TV series. They want to be able to contact their insurer just as quickly and easily, yet still leave other communication channels open if they choose to use them. We have to provide this seamless flexibility if we want to stay among the market leaders.

Since 2010 we have been working extra hard to build up a huge digital ecosystem. Through initiatives such as reverse mentoring and the Start-in challenge, we are building an internal digital culture and fostering a rapport between older and younger generations. Creating the AXA Labs and Data Innovation Lab in Paris has also made us more open. These initiatives enable us to continue our transformation while remaining focused on our customers. This will form the core of our 2016–2020 strategic plan.

### As you embark on this new plan, are you satisfied with the Group's 2015 performance?

**D.D.:** Yes, earnings per share were up sharply. However, excluding currency and scope effects, growth was marginally lower than in the previous year, particularly in the Property & Casualty business. We are, of course, working hard to reverse that trend.

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**€100 MILLION FOR THE KAMET**

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**INSURTECH INCUBATOR.**

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**90 CLIMATE-CHANGE PROJECTS**

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**FUNDED BY THE AXA RESEARCH FUND.**

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**V.W.:** AXA's solid performance was driven by two factors: our innovative strategy and our powerful brand. It was a busy year in terms of innovation. We opened a new AXA Lab in Shanghai and a Data Innovation Lab in Singapore. We also opened an AXA Strategic Ventures office in Hong Kong, which provides seed-to-venture funding for innovative startups. The launch of Kamet, our €100 million InsurTech incubator, and the international rollout of the My AXA app are further proof of our determination to be one of the most innovative players in the market. In terms of brand, AXA has been named top global insurance brand for the seventh consecutive year and has also made it into the top 50 best global brands! So we have to keep proving to our customers that their experience with AXA is worthy of this mark of recognition.

### 2015 was the year of COP21. What commitments has AXA made with regard to climate risk?

**D.D.:** We have been active in this area for several years. Our climate-

risk insurance offering is one of the most comprehensive in the market and our solutions for renewable energy operators are enjoying sustained growth. We also offer parametric insurance to farmers in 12 countries. AXA Corporate Solutions has developed a partnership with the World Bank to distribute these innovative products as widely as possible. And we are now developing green and community insurance offerings that have environmental and social benefits.

AXA Investment Managers has launched many responsible-investment funds. We have also joined the African Risk Capacity Initiative, a regional reinsurance mechanism whose mission is to help African Union Member States better anticipate extreme weather events and protect the food security of vulnerable populations.

For its part, the AXA Research Fund provides over €20 million in

financial support to some 100 academic climate-change projects. During COP21 we announced several commitments [see 2015 Highlights on page 71]. All of these measures are the result of an ongoing dialogue with our various stakeholders. This is crucial if we are to anticipate the long-term needs of society and play our role as insurer.

**You mention long term. In your view, what are the keys to AXA's success and longevity?**

**D.D.:** We have to be creative and venture off the beaten path! The world is shifting from a product economy to a use and service economy. AXA has to adapt to that change by inventing new distribution channels and business models.

This was one of the reasons behind the creation of AXA Partners. Working with partners isn't new for us, but the partnership boundaries have changed. First of all because businesses – especially those in



**“AXA HAS BEEN NAMED TOP GLOBAL INSURANCE BRAND FOR THE SEVENTH CONSECUTIVE YEAR. SO WE HAVE TO KEEP PROVING TO OUR CUSTOMERS THAT THEIR EXPERIENCE WITH AXA IS WORTHY OF THIS MARK OF RECOGNITION.”**  
VÉRONIQUE WEILL

the sharing economy and Internet sectors – need to develop quickly across a continent or even globally. Our agreement with BlaBlaCar is a good example of this. Initially aimed at France, Spain and the UK, it has already been expanded to Germany and Italy. Secondly because more and more players, such as telecom operators and utilities, now include insurance products in their own offerings. AXA Partners will build a dedicated team to capitalize on these new opportunities.

I also believe that women will have a key role in this “new world,” as demonstrated by the SheforShield report. Until now, the insurance sector has not really grasped the true value of women as entrepreneurs, distributors and protectors of the family unit. We should support them in order to develop the women’s insurance market, which is still very much overlooked, given its massive potential.

## 22,000 EMPLOYEES

TOOK PART IN THE START-UP  
GLOBAL INNOVATION PROGRAM.

## +6 PERCENTAGE POINTS

FOR THE PROPORTION OF WOMEN  
TOP EXECUTIVES IN THE GROUP  
IN 2015.

**V.W.:** I agree entirely. Our long-term future will depend on our ability to redefine ourselves. I would add “in line with customer needs.” This will be driven by three core priorities. First of all, using the data we have in an even more fine-grained and cleverer manner in order to tailor products and services to each customer within a completely ethical framework. So AXA will continue to invest in the much-vaunted big data. We must also continue the task of simplifying our offerings and generalizing that practice, which is essential to attract business through digital channels. Finally, we need to assist our distribution networks in transforming their business. They are a vital link, but they will have to move further towards an advisory role, explaining the finer details of complex products that customers cannot or dare not buy online.

## How will the Group’s talent help AXA achieve these objectives?

**D.D.:** First and foremost through their energy and commitment. Our internal survey shows that employee engagement rose yet again this year. This is a key strength for successfully rolling out major transformations. I also believe that if we want to be creative and stay in tune with society, we have to cultivate diversity among our own people. In 2015, the proportion of women







## A Foundation for the Future

**“THE WORLD IS SHIFTING FROM A PRODUCT ECONOMY TO A USE AND SERVICE ECONOMY. AXA HAS TO ADAPT TO THAT CHANGE BY INVENTING NEW DISTRIBUTION CHANNELS AND BUSINESS MODELS.”**  
**DENIS DUVERNE**

among AXA's 170 top executives rose from 15% to 21%. That's still far too low, but we are actively working on it. We have given 27,000 young people worldwide their very first job experience, in line with the target we set as part of our partnership with the Alliance for Youth. We were the first company in our sector to sign the Business Charter on Disability.\* In preparation for the future, we have also started to think about how to develop new skills in response to the digital revolution.

**V.W.:** Preparing our people for change is of vital importance to us. Change must come from within so that employees become stakeholders in our “digitalization.” We were extremely proud that two of our data scientists were among the top 15 in the Kaggle contest for data scientists worldwide. We encourage this ability to innovate that I talked about earlier. The popularity of our Start-in internal global innovation program is proof of this: 22,000 people have taken part and have

come up with 815 ideas. We should reward people more for taking risks, for their ability to test new ideas and quickly recognize their mistakes. That's what will increase our operational efficiency, make us more agile, and give us a lead in our markets. Of course, this internal drive does not stop us from recruiting new talent. We are looking for leaders able to usher in the digital revolution such that it permeates every layer of the company. A digital mindset coupled with our 200 years' experience in the business: that's what I believe is the key to AXA's success tomorrow. •

\* For the first time, in November 2015, in Geneva, 11 multinational corporations, including AXA, signed the Business Charter on Disability developed by the International Labor Organization (ILO).

## Key Figures

# AXA in 2015

AXA's results confirm its sound financial health and ability to look to the future with confidence.

## REVENUES

in billions of euros

**98.5**



+7%

Growth in all our business lines

## UNDERLYING EARNINGS

in billions of euros

**5.6**



+10%

New record high in 2015

## ADJUSTED EARNINGS

in billions of euros

**6.0**



+9%

Growth in adjusted earnings (which is the basis for our dividend distribution policy), thanks to a good underlying performance

## NET INCOME

in billions of euros

**5.6**



+12%

Strong growth in net income driven mainly by the increase in adjusted earnings

## DIVIDEND

in €/share

**1.10**



+16%

A dividend payout equivalent to 47% of adjusted earnings\*

\* Net of interest charges on undated debt

## ECONOMIC SOLVENCY RATIO (SOLVENCY II)

**205%**

Up 4 percentage points thanks to a strong operating return contribution (net of dividend)

## SHAREHOLDERS' EQUITY

in billions of euros

**68.5**

Increase of €3.3 billion

## ASSETS UNDER MANAGEMENT

in billions of euros

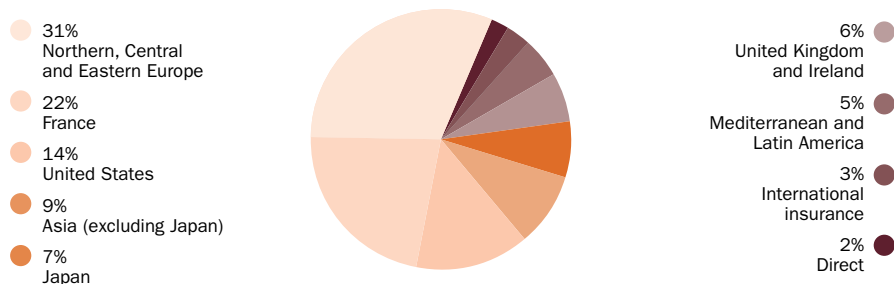
**1,363**

At December 31, 2015

## Key Figures

### GEOGRAPHICAL BREAKDOWN OF BUSINESS

Underlying earnings (insurance activities)



## SUSTAINABILITY AND ENGAGEMENT

**83/100**

Dow Jones Sustainability Index (DJSI)

**No. 1**

Best ESG performance in the insurance sector (Vigeo, 2014)

**20,279**

Number of new hires worldwide in 2015

**492**

projects supported by the AXA Research Fund

## SUCCESS OF AMBITION AXA

### OUR AMBITION AXA TARGETS

<b>Underlying earnings</b> per share	<b>+5–10% a year</b> from 2010 to 2015
<b>Free operating cash flow</b>	<b>€24 billion</b> cumulative from 2011 to 2015
<b>Adjusted return on equity</b>	<b>13–15%</b> in 2015
<b>Gearing ratio</b>	<b>23–25%</b> in 2015



### OUR ACHIEVEMENTS

<b>+7% a year</b> from 2010 to 2015	<input checked="" type="checkbox"/>
<b>€25.4bn</b> cumulative from 2011 to 2015	<input checked="" type="checkbox"/>
<b>14.1%</b> in 2015	<input checked="" type="checkbox"/>
<b>23%</b> in 2015	<input checked="" type="checkbox"/>

AXA, TOMORROW TODAY

# TALENT, INNOVATION AND DIVERSITY

## SUPPORTING PEOPLE WITH DISABILITIES

AXA has signed the ILO's new Business Charter on Disability, a mark of its commitment to promoting the inclusion of persons with disabilities in its workforce worldwide. We have taken several practical initiatives to implement our commitment, which seeks to broaden our pool of talent by making the most of everyone's skills. In Japan, for example, employees with disabilities are using their experience to help train the sales teams.



## PROMOTING YOUTH EMPLOYMENT

In 2014, AXA joined the Alliance for Youth, a private-sector initiative to address the issue of youth unemployment in Europe. The Group pledged to hire at least 20,000 young people aged 30 or under in its European entities between 2014 and 2018 to give them work experience, including 10,000 on apprenticeship contracts or paid internships and 10,000 on short-term or open-ended contracts. In addition, AXA has pledged to improve the employability of young people through coaching and training, to help them develop essential skills and improve their understanding of the business world. At the end of 2015, AXA had provided more than 13,800 work opportunities for young people in Europe and more than 27,000 opportunities in its worldwide operations.

## ENGAGING WITH TALENT IN CHINA

AXA has forged a strategic partnership with Tsinghua University School of Economics and Management, a prominent Chinese business school. AXA will provide international internship and job opportunities to Tsinghua students and graduates. This Strategic International Partnership further strengthens AXA's ties with the university. Last year, the AXA Research Fund, AXA's scientific philanthropy initiative, agreed to fund a Tsinghua research project to study the mechanisms underlying the Chinese monetary system and their links with the macro monetary stability of international markets. The AXA Research Fund has pledged to provide up to €3 million of funding for the project.



### ENCOURAGING INNOVATION AT AXA

The second edition of the Start-in participative innovation program attracted 22,000 participants, generated 815 ideas, and led to the development of four prototypes. This year, employees were invited to be innovative around two strategic priorities: “Reinventing the individual customer experience” and “Supporting the self-employed and micro-companies.” Five months of coaching helped the candidates to refine their projects and develop pre-production prototypes. The “Are you OK?” app, which was among the winners of the first Start-in challenge, has been made available to elderly people and their families in Japan since September.

### STRENGTHENING THE DIGITAL CULTURE

“Do you speak digital?” is the name of the first “gamified” (game-like) Corporate Open Online Course (COOC) for AXA employees. Designed and developed by AXA’s Digital Academy, it uses a social-media-friendly platform to help employees learn about the latest digital trends and make optimal use of digital tools, while knowing how to protect their e-reputation. The aim is to give everyone the means to play a part in the digital transformation.

## And tomorrow



**Christiane Bisanzio,**  
*Global Chief Diversity  
& Inclusion Officer and Head of Human  
Resources for Northern,  
Central and Eastern Europe*

[in bit.ly/1WkNff1](https://bit.ly/1WkNff1)



### **“WE CAN CAPITALIZE ON THE COLLECTIVE TALENT OF OUR EMPLOYEES BY RECOGNIZING THEIR SKILLS AND THEIR DIFFERENCES.”**

“Employing people with disabilities is one of the key priorities of our inclusion policy. We are very proud that Krungthai-AXA Life in Thailand ranks among the top 25 companies in terms of diversity.\* Our Thai subsidiary achieved this distinction not only through its proactive policy of recruiting the disabled but also through awareness initiatives, such as sharing best practices with public authorities, encouraging other companies to include employees with disabilities, and sponsoring events such as the Disability Matters Asia-Pacific Conference, etc. This is the type of experience that should inspire us throughout the Group. We can capitalize fully on the collective talent of our employees by fostering an inclusive culture that recognizes their skills and their differences.”

\* 2015 rankings produced by the Profiles in Diversity Journal.



# QUALITY OF SERVICE AND DIGITAL TRANSFORMATION

## MAKING RIDESHARING IN EUROPE MORE RELIABLE

AXA and BlaBlaCar, the world leader in long-distance ridesharing, have joined forces to provide free additional coverage for European users, guaranteeing that they will reach their destination if a car breaks down, as well as insuring the other passengers to take the wheel. This new, innovative product demonstrates AXA's ability to cover new risks arising from new practices. It is an important strategic step for AXA, which aims to become a leading insurer of the sharing economy.



## DEVELOPING INNOVATION IN ASIA

AXA has opened three new investment and innovation offices in Asia to improve its ability to network with entrepreneurs, talent and business models that are developing in the region. A new AXA Lab was launched in Shanghai to identify emerging technologies and potential partners, and to strengthen AXA's innovation capability and digital culture. A Data Innovation Lab – a center of expertise on big data, based on the French model – was opened in Singapore. AXA Strategic Ventures opened an office in Hong Kong to capture local investment opportunities. Alongside our similar facilities already operating in America and Europe, these new entities will contribute to improving the customer experience.

## DESIGNING TOMORROW'S INSURTECH

Kamet is a €100 million InsurTech incubator dedicated to conceptualizing, structuring, launching and supporting disruptive projects that will redefine insurance. Selected projects will be led either by AXA teams or external entrepreneurs and they will all benefit from the agility of the incubator and AXA's expertise around the world. This is a brand new initiative that complements AXA Strategic Ventures, our global venture capital fund dedicated to innovation and improving the customer experience.

## 2015 Highlights

### PROTECTING OUR CUSTOMERS' PERSONAL DATA

To provide personalized insurance solutions, we need to gather data about our customers in order to know them well. Today's big-data capability has increased the volume of available data and its rate of circulation. AXA has published a Data Privacy Declaration to set out the Group's commitments on the protection and use of personal data. It reaffirms our position as "data custodians" and our refusal to sell our data to third parties.

[www.axa.com/en/about-us/data-privacy](http://www.axa.com/en/about-us/data-privacy)



### TESTING THE "CONNECTED HOME"

What if your insurer were to get involved before disaster strikes? AXA is now offering a package of remote home-security services enabling customers in France to connect their alarm, smoke detector or other security system to the device of their choice (smartphone, tablet, watch, etc.) using the Mon AXA app. The app will alert them in case of an incident so that they can call on AXA Assistance right away.

## And tomorrow



**Frédéric Tardy,**  
*Group Chief Marketing &  
Distribution Manager*

[bit.ly/1TIC4yP](https://bit.ly/1TIC4yP)

@fredtardy



### "AXA IS DEVELOPING A GENUINE CONTENT POLICY FOR THE DIGITAL ECOSYSTEM."

"Today's consumers, particularly the young, watch fewer and fewer TV commercials and are turning increasingly towards social media. Our partnerships with Facebook and LinkedIn have increased our presence on those media and enable us to target our messages and offer more personalized solutions. When our customers change jobs, for example, we can immediately tailor our offering to their new circumstances thanks to LinkedIn. More broadly, AXA is developing a genuine content policy enabling us to push product, corporate and other lighter material through the entire digital ecosystem. Our agents around the world can access and personalize the content, and this works extremely well. We are already feeling the commercial benefits of our presence on Facebook and LinkedIn in the United States through increased sales."

# OPERATIONS AND EXPANSION

## EXPANDING IN BRAZIL

AXA has acquired 100% of SulAmérica's large industrial and commercial risks insurance subsidiary. This business has achieved 12% annual average growth over the past two years and gives AXA the opportunity to increase its position in the Brazilian market and take advantage of the strong medium-term growth outlook.



## ACCELERATING DEVELOPMENT IN EGYPT

AXA has entered into a ten-year exclusive life & savings bancassurance agreement with Commercial International Bank (CIB), the number one private-sector bank in Egypt with 10,000 points of sale. As part of the transaction, AXA will acquire Commercial International Life (CIL), Egypt's third-largest life & savings company.

## STRENGTHENING AXA'S PRESENCE IN AFRICA

AXA has further strengthened its position in Africa by acquiring 7.15% of Africa Re, the continent's leading reinsurer, and 18.6% of Eranove, a leading West African utility company with operations in power and water distribution. The Eranove acquisition forms part of AXA's strategy of expanding its investment in infrastructure through AXA Investment Managers.

## DRIVING GLOBAL PARTNERSHIPS THROUGH AXA PARTNERS

AXA Partners was set up to design, implement and manage global partnerships, and to support AXA entities to develop local partnerships. This new business unit aims to leverage its specific expertise and become the partner of choice for companies. Partnerships already generate revenues of €4 billion and offer a source of sustainable growth for AXA.

## TAKING THE LEAD IN CREDITOR PROTECTION

AXA has finalized its acquisition of Genworth Lifestyle Protection Insurance, thus becoming the European number three in creditor insurance. The business, which is operated by AXA Creditor and Genworth LPI, has become an important pillar of AXA Partners.





## 2015 Highlights

### STRENGTHENING OUR POSITIONS IN ASIA

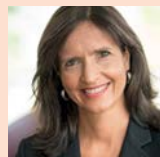
AXA has strengthened its positions in two fast-growing Asian markets. In India, we increased our stake in the two joint ventures with Bharti in life and property & casualty. In the Philippines, we entered the property & casualty market by acquiring Charter Ping An, the country's number five non-life insurer, and extending our agreement with GT Capital and Metrobank, the country's second-largest bank.

### ENHANCING THE CUSTOMER EXPERIENCE AT MAXIS GBN

MAXIS Global Benefits Network, created by AXA and MetLife, is one of the world's leading global employee benefits networks for employees of large enterprises. The two founders have now combined their existing operations under a joint venture company that will integrate key activities including sales, marketing and customer service to provide a single, seamless customer experience.



## And tomorrow



Corinne Vitrac,  
*Chief Executive Officer, AXA Creditor*



### **"2015, A NEW YEAR OF ACCELERATED GROWTH FOR AXA CREDITOR IN CREDIT AND LIFESTYLE PROTECTION."**

"Since our creation six years ago, we have built up an expert, cosmopolitan network. We now cover 35 countries with a team of 150 employees of 20 nationalities. We were able to make our mark quickly through a winning combination of expertise, local service, and innovative tailored solutions developed by a large Group with a powerful brand. We now have almost 500 partners distributing our products, including banks, automobile manufacturers, major retailers and service providers, with an average of 80 new contracts written each year. 2015 was another year of acceleration for AXA Creditor, with the acquisition of Genworth LPI, a market leader, and AXA Creditor's integration into the new AXA Partners business unit. These new developments will enable us to provide a broader, more innovative and more differentiating offering to our customers; improve synergies within the Group; and even more effectively develop our creditor insurance and lifestyle protection partnerships and business on a global scale."

# CORPORATE RESPONSIBILITY

## HELPING TO BUILD A MORE RESPONSIBLE FINANCIAL SYSTEM

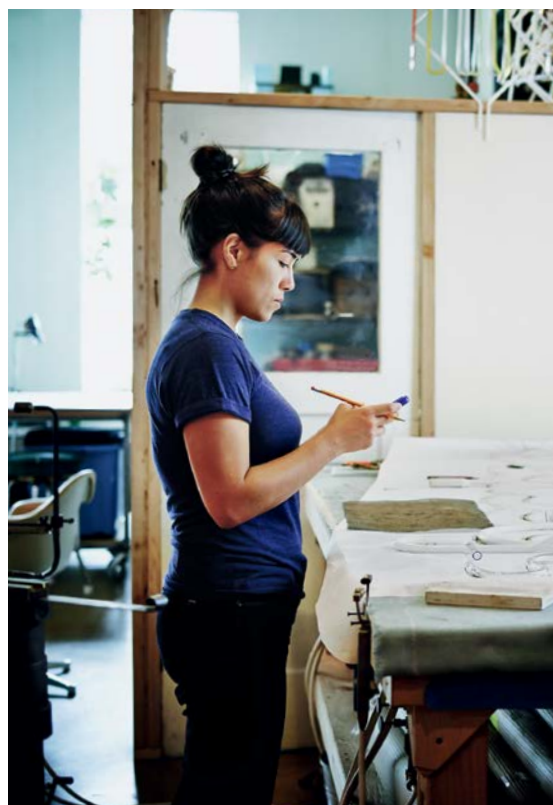
The symposium on “New Rules for New Horizons: Reshaping Finance for Sustainability” organized jointly by AXA and the United Nations Environment Program (UNEP) gathered leading representatives from society, academia and the financial world. They worked on five “warning signals” that are all impacting the financial system’s ability to support a responsible development model. The preliminary conclusions highlighted the need to widen the notion of “financial risk” to take better account of social and environmental issues, starting with climate change, and to establish a system that can respond to the major challenges facing economies in the 21<sup>st</sup> century.

## USING INSURANCE TO PROMOTE ROAD SAFETY

Road accidents kill 1.2 million people and injure 20–50 million more every year throughout the world. This is an unacceptable road safety record. At the second World Road Safety Conference in Brasília, AXA, IFC and the World Bank brought together several insurance companies to think about what insurers can do to help, particularly in emerging countries. The participants issued a joint statement of their commitments.

## DEVELOPING WOMEN’S INSURANCE

Are women adequately insured? Do current offerings meet their needs? Would better insurance enable them to play a more effective role in their countries’ development? AXA, IFC and Accenture conducted a survey across ten emerging countries’ and published the results in a SheforShield report entitled “Insure Women to Better Protect All.” It revealed a relatively overlooked market in women’s insurance with untapped potential of almost \$1,700 billion in 2030.







## 2015 Highlights

### 2015: MAKING SUSTAINABLE COMMITMENTS ON CLIMATE CHANGE

**AXA has taken a series of concrete measures to further its commitment to the fight against global warming by implementing a “low carbon” strategy.**

- We have decided to sell our investments in companies that are heavily involved in coal-related activities, representing a divestment of almost €500 million.
- We will triple our “green” investments in our general account assets to more than €3 billion by 2020, mainly through equity investments in clean technologies, green infrastructure projects, impact investment and green bonds.
- We take environmental, social and governance considerations into account in our investment decisions for all relevant asset classes. This is a high-impact measure given the Group’s size.
- By signing the Montreal Carbon Pledge under the aegis of the United Nations Principles for Responsible Investment, AXA is the first investor to commit to measuring and publishing the carbon intensity of its investments.
- The AXA Research Fund contributes to a better understanding of climate and environmental risks. It has already supported 158 projects and aims to provide €35 million in funding by 2018.

## And tomorrow



**Christian Thimann,**  
*Member of the Executive Committee,  
Group Head of Strategy, Sustainability  
and Public Affairs*

[in bit.ly/1LmnPNI](https://bit.ly/1LmnPNI)



### “WE MUST LISTEN TO SOCIETY.”

**“In 2014, AXA set up a Stakeholder Advisory Panel in the firm belief that we must listen to society if we are to respond to the challenges facing it.**

The Panel provides an informal forum for in-depth discussion about key issues for AXA. In 2015, the Panel provided valuable insight on the vision we developed in our new 2020 strategic plan. How can we measure our impact on society? How can we communicate better with our customers to make the company more open? The Panel also advised us on our commitment to data privacy and on how to simplify our product offerings. Lastly, our discussions with stakeholders encouraged us in our decision to make more ambitious commitments at the COP21 climate conference. Twice a year, the ideas arising from these meetings are shared with AXA’s Executive Committee.”

# Business Activities

# Property & Casualty and International Insurance

> PAGE 76

# Life, Savings and Health

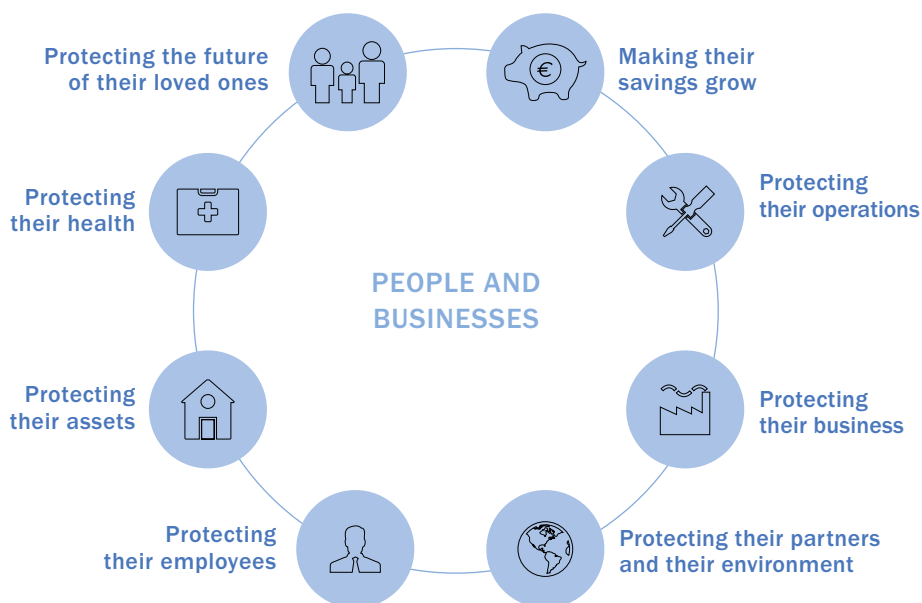
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# Asset Management

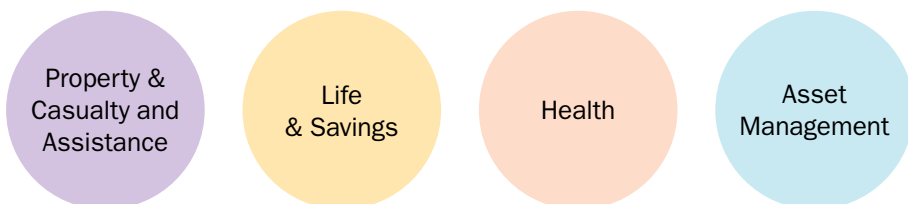
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# Partnering with our customers

AXA OPERATES IN ALL SEGMENTS OF THE INSURANCE MARKET. WE DEVELOP OUR BUSINESS IN RESPONSE TO THE NEEDS OF OUR CUSTOMERS – PEOPLE AND BUSINESSES ALIKE. WE ACT AS A GENUINE PARTNER TO THEM THROUGH OUR ABILITY TO PROVIDE THE RIGHT PRODUCTS AT THE RIGHT TIME.



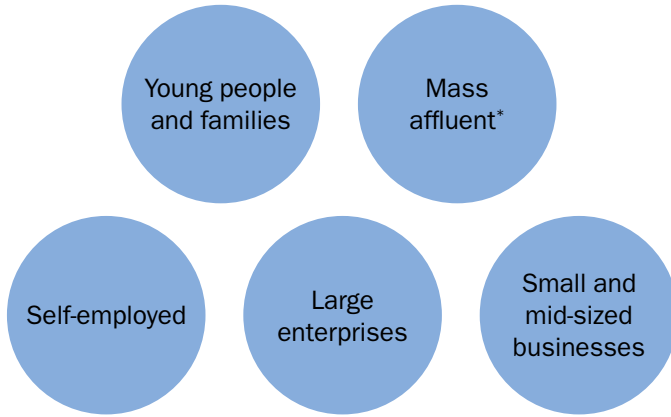
## FOUR AREAS OF EXPERTISE TO SUPPORT OUR CUSTOMERS



## Customer Approach

### FIVE IDENTIFIED CUSTOMER SEGMENTS

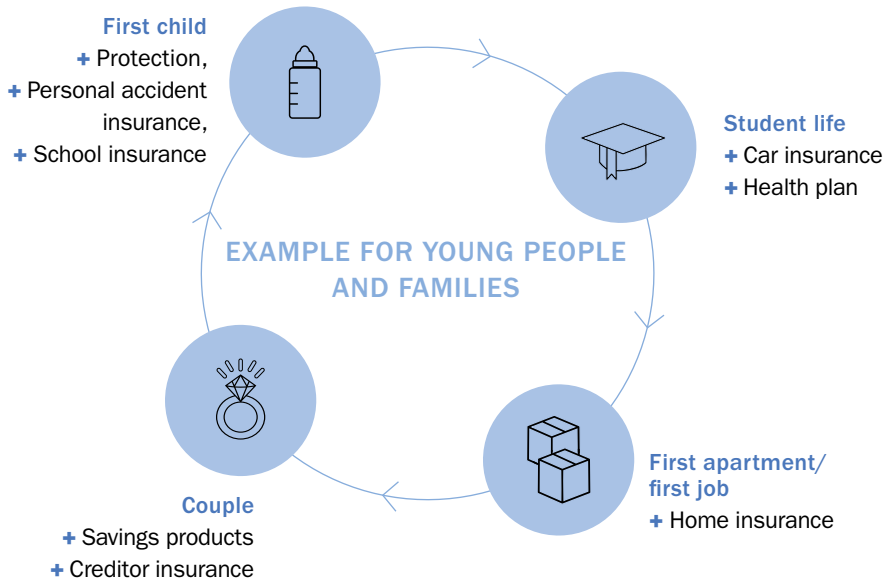
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\*Designates customers with above-average income or wealth in a given market.

### BEING THERE AT ALL STAGES OF LIFE

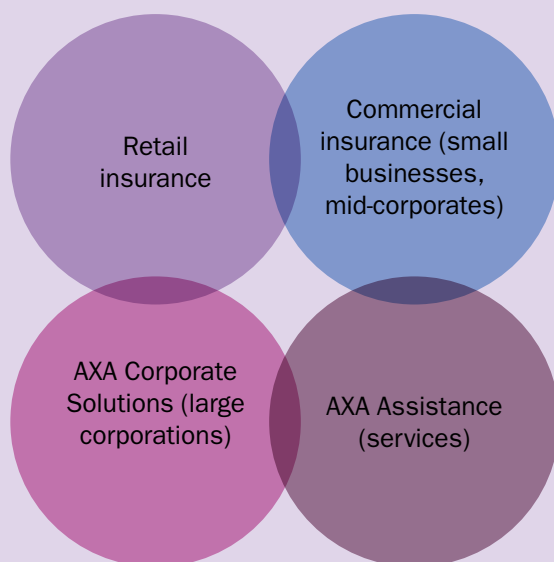
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# Property & Casualty

PROPERTY & CASUALTY INSURANCE NOW COVERS ALL CUSTOMER SEGMENTS AND PROVIDES A BROAD ARRAY OF PRODUCTS AND SERVICE TO PROTECT PEOPLE AND ASSETS AROUND THE WORLD.



## CONTRIBUTION TO THE GROUP

**€34.9bn**  
OF REVENUE



**39%\***  
Contribution  
to the Group's  
underlying  
earnings\*

\* Before tax,  
excluding holding  
companies

**96.2%\*\***  
Combined  
ratio

\*\*Excluding  
international  
insurance

## Property & Casualty and International Insurance

### PROPERTY & CASUALTY CUSTOMERS



**€11bn**

of claims paid to our retail customers



**€8bn**

of claims paid to our commercial customers



**4m**

customers taken care of by AXA Assistance following a car breakdown

### A BALANCED BUSINESS MIX

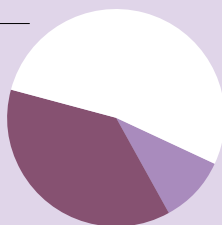
#### REVENUE BY BUSINESS TYPE FOR PROPERTY & CASUALTY AND INTERNATIONAL

**52%**

Retail

**38%**

Commercial



**10%**

International insurance

#### GEOGRAPHICAL BREAKDOWN OF PROPERTY & CASUALTY REVENUE

(in billions of euros, excluding international insurance)

**9.1**

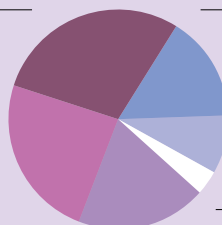
Northern, Central and Eastern Europe

**7.5**

Mediterranean and Latin America

**6.0**

France



**4.8**

United Kingdom and Ireland

**2.7**

Direct

**1.1**

Asia

**17%**

Contribution of emerging markets to Property & Casualty revenue

**9%**

Contribution of Direct insurance to Property & Casualty revenue

# CAPTURING DIGITAL USERS

IN AN UNEVEN ECONOMIC ENVIRONMENT, PROPERTY & CASUALTY DELIVERED ROBUST RESULTS DRIVEN BY DEVELOPMENT OF THE DIRECT INSURANCE BUSINESS AND EXPANSION IN FAST-GROWING MARKETS. THIS PUTS US IN A STRONG POSITION TO ADDRESS THE STRATEGIC CHALLENGES OF NEW PRACTICES IN AN INCREASINGLY DIGITAL WORLD.

We are focusing our efforts in Property & Casualty on building a digital ecosystem enriched with useful, innovative services that will redefine how we interact with our customers. We also continue to strengthen our technical excellence, particularly by investing in sophisticated pricing technologies.

## RETAIL INSURANCE: E-SERVICES TO MAKE LIFE EASIER

We are developing our multi-channel distribution model by focusing on mobile services that make day-to-day life easier for our customers. During 2015, we introduced a real-time claims-management app and stepped up our insurance telematics offering for young drivers (YouDrive in France, DriveCheck in Germany, Drivology and MyDrive in the United Kingdom, etc.). Through Mon AXA, we introduced a remote home-security offering developed by AXA Assistance, which

includes surveillance and emergency intervention services. These are all useful, innovative services that make insurance a partner in day-to-day life.

In the same vein, we embarked on a vast project to simplify our offerings, with the aim of providing fewer but better-targeted and more relevant options. Our internal start-ups are working to devise innovative solutions to our retail customers' concrete problems.

## COMMERCIAL LINES: DEDICATED INNOVATION

Commercial customers are a major market for the Property & Casualty business, which is organized on the basis of a clearly segmented offering. For the self-employed and small-business segment, the focus is on building digital ecosystems and developing useful everyday services. We have defined three priorities for "complex" small and mid-size companies: specific offerings by business sector; an extensive, innovative product range; and access to services previously available only to large multinational corporations. These large corporations are

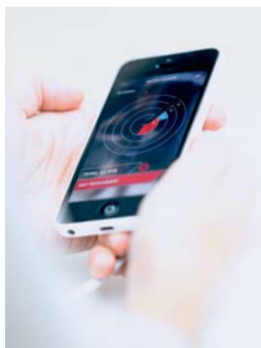




## Property & Casualty and International Insurance

served by a dedicated entity called AXA Corporate Solutions (AXA CS), which recently strengthened its presence in Brazil with the acquisition of SulAmérica's large industrial and commercial risks insurance subsidiary. It has also rolled out its parametric insurance offering on all five continents and continues to develop AXA Matrix Risk Consultants, a key risk prevention service for customers.

AXA combines growth opportunities with technical excellence through various initiatives, such as providing data scientist training for its actuaries, developing an underwriting tool using business intelligence software, and combating fraud more effectively through the use of big data tools.



### CONTROLLING YOUR HOME SECURITY SYSTEM BY SMARTPHONE

In France, some AXA customers can now remotely arm and disarm their home security system from a smartphone using the Mon AXA app. They are notified if there is an incident or intrusion at their home and they can even ask AXA Assistance to send out a security guard to check the premises. The app was developed in an open ecosystem and is compatible with all brands of home security systems. The offering is part of the "Connected Home" package, which comprises a series of connected objects for the smart home, including a fire alarm.

### TRACKING YOUR ROADSIDE ASSISTANCE VEHICLE

Roadside breakdown? AXA Assistance has developed an app called HereWithYou, available in several languages, which enables drivers to track the progress of their roadside assistance vehicle in real time as it approaches the site of the breakdown. Although currently only available for vehicle breakdown, the app could quickly be rolled out for other assistance services.

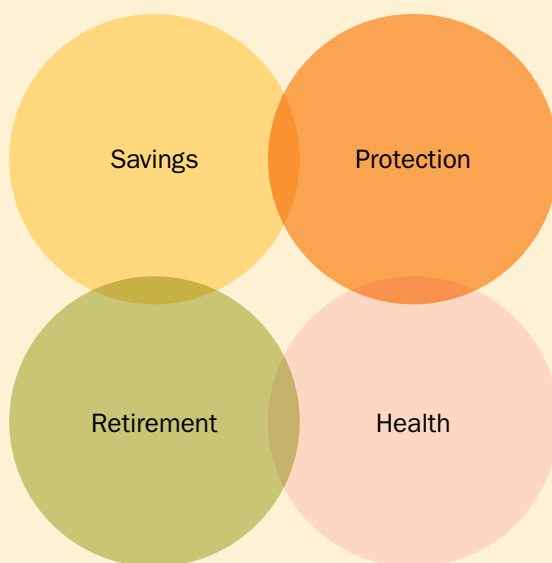


### HELPING SMALL AND MID-SIZE COMPANIES EXPAND INTERNATIONALLY

It is not always easy for smaller companies to expand abroad. AXA puts its international network at their service by providing a global package that insures their new operations and businesses as and when they expand. A dedicated team has been set up to meet their needs and develop new tools specifically for this segment.

# Life, Savings and Health

AXA'S LIFE & SAVINGS BUSINESS PROVIDES RETAIL AND BUSINESS CUSTOMERS WITH PRODUCTS TO PROTECT THEIR SAVINGS AS WELL AS PROTECT THOSE AROUND THEM. THE HEALTH LINE HAS BEEN A BUSINESS LINE IN ITS OWN RIGHT SINCE 2014.



## CONTRIBUTION TO THE GROUP

**€7.4bn**  
IN NEW BUSINESS



**51%\***  
Contribution  
to the Group's  
underlying  
earnings

\* Before tax,  
excluding holding  
companies

**34%**  
New  
business  
margin



## CUSTOMERS



**+€9.6bn**

in net new  
money



**+€19bn**

increase in  
the value of our  
customers' Life Insurance  
invested assets



**€12bn**

benefits paid  
to Protection  
& Health  
customers



**3m**

customers  
benefited  
from our health  
assistance  
service

## A BALANCED BUSINESS MIX

### UNDERLYING EARNINGS BEFORE TAX, BY BUSINESS LINE

**51%**

Protection  
and health

**29%**

Unit-linked



**18%**

General account  
savings

**2%**

Mutual funds  
and other

**18%**

Contribution of high-growth  
markets to new Life &  
Savings business

**X2**

Growth in new business  
in Asia, excluding Japan,  
since 2010

# DEVELOPING INNOVATIVE SERVICES

THE LIFE & SAVINGS BUSINESS PROGRESSED IN 2015. UNIT-LINKED SAVINGS CONTRACTS AND PROTECTION CONTRACTS PROVED INCREASINGLY POPULAR IN AN ENVIRONMENT OF PERSISTENTLY LOW INTEREST RATES, LENGTHENING LIFE EXPECTANCY AND GOVERNMENT DISENGAGEMENT.

To remain attractive in the market, we need to meet increasing customer demand for an offering that is both easier to understand and simpler to purchase from a tablet or smartphone. We have therefore developed some highly intuitive digital-simulation and pre-sale tools for protection and retirement products.

## PROTECTION: A GROWTH DRIVER FOR AXA

Protection is a strategic activity for AXA. It delivered excellent results in 2015, particularly in mature countries including France, Italy, Japan and the United States.

In individual protection, we have developed automated underwriting tools enabling us to respond to customers much faster thanks to better-targeted, shorter medical forms. The number of questions asked has been cut from 30 to 7 in France and from 15 to 8 in Italy.

Although the protection needs of small companies are similar to those

of individuals, larger companies need targeted responses through tailored group insurance plans. For large and mid-size companies, we have strengthened our organizational structure by creating a dedicated unit called AXA Employee Benefits Partners. The 2,000 largest global groups are served by MAXIS Global Benefits Network, a joint venture with MetLife.

## SAVINGS: INNOVATING IN A LOW INTEREST RATE ENVIRONMENT

Faced with persistently low interest rates, which have put severe pressure on general account returns, the Savings business has developed new offerings, including personalized asset allocation between general account and unit-linked funds, managed investment solutions, and unit-linked products offering capital guarantees such as iProtect in Italy, which provides 85% capital protection that can be activated or deactivated at any time by the customer. This provides a real plus for customers who are seeking a combination of security and performance.





## Life & Savings

Like the protection and savings offerings, retirement solutions are also developing an innovative digital approach. It now takes customers in Germany and Italy just a few minutes to simulate their additional income needs, according to their lifestyle.

### **BANKING: A RECORD YEAR**

AXA Banque (France) had an extremely good year, delivering 82% growth in new home loans and twofold growth in new current accounts with bank cards, leading to a 26% increase in its underlying earnings. Its wealth management services have won awards from *Gestion de Fortune* magazine.

### **RESPONDING TO CUSTOMERS MORE QUICKLY**

In Italy and Japan, AXA has developed a new automated underwriting process. In association with specialized actuaries, the medical questionnaire has been redesigned to make it more effective. The distribution networks have also been equipped with digital terminals so that customers can discreetly fill in the questionnaire themselves. The end result is an immediate pricing proposal in 89% of cases compared with 70% previously. For customers who are required to undergo further medical tests, the new process shortens the response time to 24 days compared with 40 previously. A simpler process that will boost sales!

### **REDEFINING THE DISCRETIONARY PORTFOLIO MANAGEMENT MANDATE**

What if you could entrust your savings to a specialist who can optimize performance? This is what AXA France's "managed investment" service offers. Customers get the benefit of expert asset management capability and active asset allocation, with investments selected strictly in accordance with the customer's risk profile and requirements. Orchestrated by Architas, AXA's specialist discretionary multi-manager platform, these solutions are also available in Belgium and will soon be rolled out to other European countries.

### **BECOMING THE MAIN BANKER TO AXA CUSTOMERS**

One of AXA Banque's ambitions is to become the main banker to AXA customers in France. In a step towards achieving this goal, AXA and AXA Banque converged their websites in 2015, enabling customers to see at a glance the entire range of insurance and banking services provided by AXA France and AXA Banque.



# SUPPORTING OUR CUSTOMERS IN THEIR HEALTHCARE JOURNEY

2015 WAS THE FIRST FULL YEAR FOR HEALTH AS A SEPARATE BUSINESS LINE. DURING THE YEAR, WE ENHANCED OUR HEALTH OFFERINGS AND STEPPED UP OUR USE OF DIGITAL TOOLS. THE AIM IS TO MAKE AXA A GENUINE HEALTH PARTNER FOR ITS CUSTOMERS.



AXA set up a dedicated Health business line in 2014 in the belief that insurers can play a vital role in individual and group health issues. In 2015, the new unit developed its strategy around four priorities.

## STRENGTHENING TECHNICAL EXCELLENCE

AXA's main areas for continuous progress are better management of health incidents, improving access to care and medical networks, refining pricing, and optimizing the underwriting process. For example, in 2015, we launched Meine Gesundheit in

Germany, an e-portal for managing healthcare expenses. In Asia, My AXA Health portal enables customers to locate a medical center, submit a health claim and request a letter of guarantee directly from their smartphone.

## HELPING CUSTOMERS TO MANAGE THEIR "HEALTH CAPITAL"

AXA is developing prevention tools to help customers take charge of their health. In Spain, users of the Health Keeper digital platform can track their physical activity, obtain health advice and benefit from advantageous prices. The Health Gateway digital coach already tested in the United Kingdom and Ireland is now being rolled out to other countries. To help people suffering from chronic illness, AXA Assistance has also developed the HealthLook app, which combines the expertise of AXA Assistance's teams of nurses and doctors with more than 60 connected objects covering 15 different brands. Lastly, HealthYou, a new health support service offered by AXA Life Japan, also forms part of an overall approach



## Health

designed to promote good health practices and habits so that they become ingrained in everyday behavior.

### BETTER PROTECTION FOR THE ELDERLY

80% of healthcare spending comes in the last two years of a person's life. To help customers prepare for this stage, AXA provides a range of long-term care products as well as new health savings solutions. We are also developing innovative services to combat the factors associated with deteriorating health in the aging, and to help families of the elderly cope on a day-to-day basis. In Japan, the "Are You OK?" app detects unusual incidents, such as a fall, in an elderly person's daily routine and alerts the family.

### PROMOTING COORDINATION OF HEALTHCARE OPERATORS

Patients should be at the heart of our healthcare systems, with performance criteria that are relevant to them. To achieve that, AXA aims to play the role of facilitator in partnership with other healthcare operators to improve the quality of care as perceived by the patient and to ensure a satisfactory patient experience.

### SUPPORTING RESEARCH TO ADVANCE HEALTH

The AXA Research Fund has allocated more than €45 million of funding to more than 200 health research teams. Their projects cover a broad range of areas, including chronic or aging-related illnesses, epidemics, addictions and health systems, as well as the influence of emotions and social interactions on health. A case in point is work by Fabrice Etilé at the *Institut National de la Recherche Agronomique*, who is studying the influence of networks on our health choices and eating habits. One observation stands out: even though we know what is bad for us, we don't always give up our bad habits.

### DEVELOPING ONLINE MEDICAL SERVICES IN THE WORKPLACE

In the United Kingdom, AXA has launched Doctor@Hand, an online medical service. Employees of large corporations can book a secure video consultation with a general practitioner at a time and location that suits them – whether they are at work, at home or on the move. All the doctors are registered practitioners with at least six years post-qualification experience; they are specially trained in virtual consultation skills and are authorized to issue prescriptions.

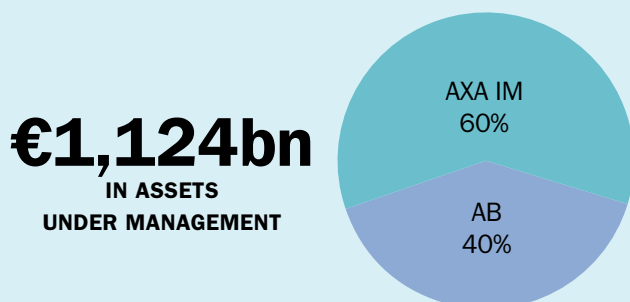
### OFFERING INNOVATIVE HEALTH COVERAGE

AXA has launched two new products in Hong Kong: a solution to protect pregnant women and their babies from pre-natal up to the age of three; and HealthElite Critical Illness Insurance, which allows multiple claims among covered illnesses and enhanced protection for three common serious illnesses – cancer, heart attack and stroke.



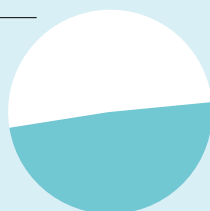
# Asset Management

POSITIVE NET FLOWS FOR BOTH ASSET MANAGERS:  
AXA INVESTMENT MANAGERS AND AB.



Total assets managed by the AXA Group:  
€1,363bn including €1,124bn for AXA IM and AB

**51%**  
Third party



**49%**  
Own account

## CONTRIBUTION TO THE GROUP

**€3.8bn**  
IN REVENUE



**10%\***  
contribution to  
underlying  
earnings

\* Before tax,  
excluding holding  
companies

**+€45bn**  
in net  
inflows



# SOLID PERFORMANCE IN AN ACTIVE MARKET

AXA INVESTMENT MANAGERS AND AB – AXA'S TWO ASSET-MANAGEMENT SUBSIDIARIES – INVEST AND MANAGE FUNDS ON BEHALF OF THE GROUP'S INSURANCE COMPANIES AS WELL AS THIRD-PARTY CLIENTS. IN 2015, THEY DELIVERED A ROBUST PERFORMANCE IN A DYNAMIC BUT HIGHLY COMPETITIVE MARKET.

## AXA INVESTMENT MANAGERS: INTERNATIONAL PRESENCE

In 2015, AXA IM attracted exceptionally high net inflows of +€42 billion, notably from its joint ventures in Asia. It is now one of the leading multi-expert asset managers in the world, with 2,300 employees managing €669 billion of assets in 21 countries. It has continued to expand internationally by strengthening its teams mainly in Asia and America, but also in the northern European countries. All of its specialized investment teams worldwide are now grouped under the AXA Investment Managers banner.

## AB: SECOND CONSECUTIVE YEAR OF NET INFLOWS

AB is also a leading asset manager with 3,599 employees in 21 countries and €455 billion in assets under management. In line with its strategy, AB continues to offer good investment returns (80% of its bond funds and 73% of its equity funds have outperformed over three years), diversify its offering and global presence, and constantly devise innovative solutions for its clients.

In 2015, for the second consecutive year, AB recorded net inflows, totaling +€3 billion.

## INVESTING RESPONSIBLY

AXA IM innovated in 2015 by launching AXA World Funds Planet Bonds, a green bond fund with an initial capital of €65 million. It enables clients to harness the rapidly growing Green Bond universe, investing

in environmental projects that facilitate the transition to a low carbon economy while generating attractive returns. The fund selects bonds and issuers that provide a solution to the energy transition, an approach in keeping with the Paris Green Bond

Statement launched by the Climate Bonds Initiative and signed by Andrea Rossi, AXA IM's Chief Executive Officer, at the COP21 climate change conference.

# STIMULATING AND MEASURING OUR PROGRESS IN CORPORATE RESPONSIBILITY

**In 2010, AXA embarked on an ambitious program to coordinate the rollout of its corporate responsibility (CR) strategy through the Group's operations worldwide.**

At the heart of this program, we developed and deployed an innovative model to measure and monitor the progress of each entity on a maturity scale based on a large number of CR factors.

The maturity level is determined annually using an auditable self-assessment grid inspired by the system used by the Dow Jones Sustainability Index (DJSI). Each factor is weighted and scored according to the entity's performance, resulting in an aggregate global score out of 100. This rating positions each entity at one of the five levels of the CR maturity scale.

The common goal for everyone, set at inception, was to achieve a "strategic" maturity level by the end of 2015. More than a simple measurement tool, the indicator acted as a genuine

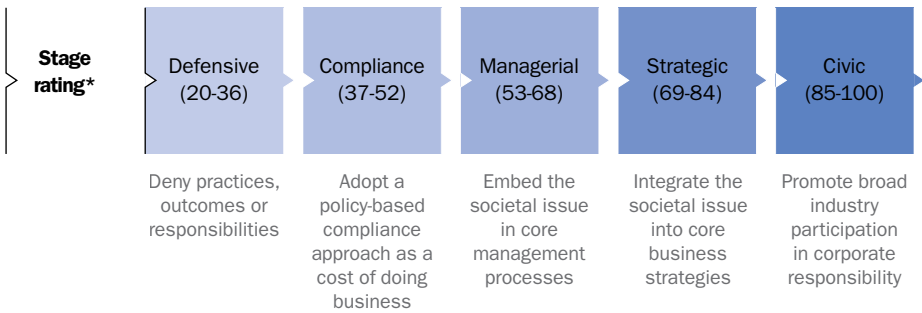
catalyst for change by giving the subsidiaries a means of benchmarking their performance and identifying the measures needed to roll out their own strategies.

Since 2010, the progress of each subsidiary in corporate responsibility maturity has been measured and targets revised each year, under the supervision of the Group's governing bodies and in particular its Board of Directors.

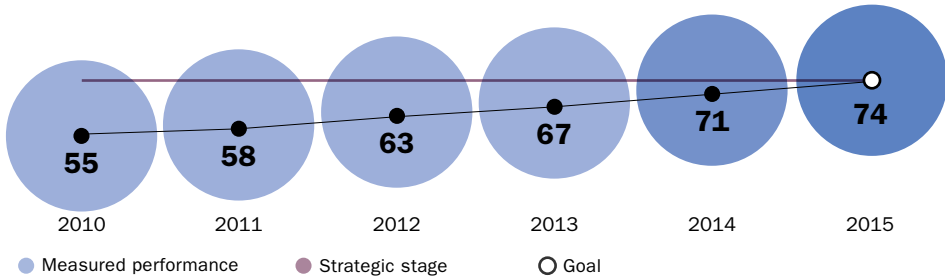
These collective efforts have paid off, as, in the six years from 2010 to 2015, AXA's consolidated score has improved by 19 points, from 55 to 74. In 2014, the Group reached the strategic maturity level – its initial objective – a year ahead of target.

Today, AXA wants to go even further. The internal model has been revised and improved for 2016 with a specific focus on issues related to products and services, and new targets have been set for 2020.

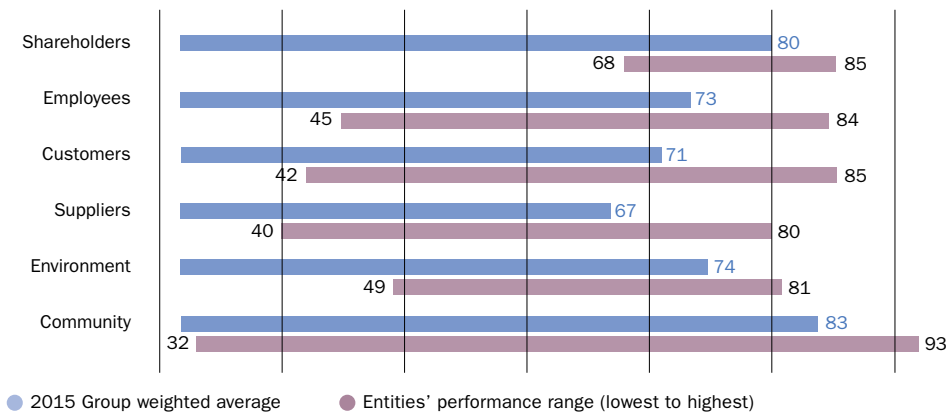
## Indicators



## EVOLUTION OF GROUP MATURITY LEVEL

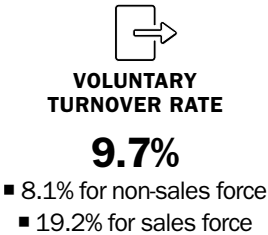
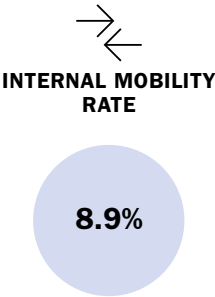
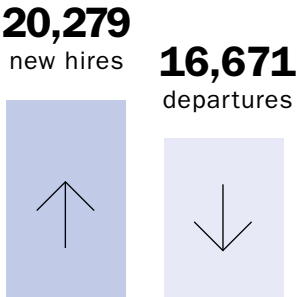
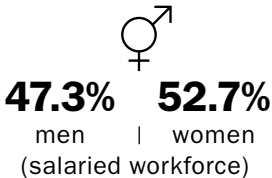


## MEASUREMENT OF GROUP PERFORMANCE BY STAKEHOLDER



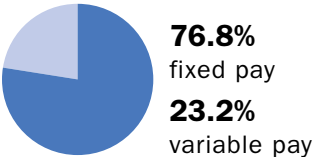
\* Scale developed by Simon Zadek, "The Path to Corporate Responsibility," Harvard Business Review, December 2004.

# HR DATA \*



## PAYROLL FOR SALARIED WORKFORCE

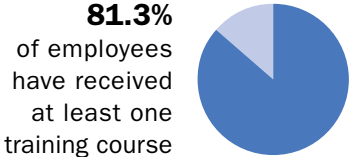
**€8.61bn**



## TRAINING



## BREAKDOWN

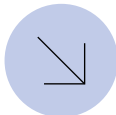


# ENVIRONMENTAL DATA \*



**POWER  
CONSUMPTION**

**3,637 KWH/FTE**



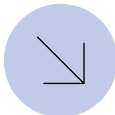
-7%

Savings since 2010:  
€22m



**PAPER  
CONSUMPTION**

**21 KG/FTE**



-11%

Savings since 2010:  
€3m



**BUSINESS  
TRAVEL**

**332,400  
THOUSAND KM**



+1%



**RECYCLED PAPER AND/OR PAPER FROM  
SUSTAINABLY MANAGED FORESTS**

**62%**



+1pt



**CO<sub>2</sub>  
EMISSIONS**

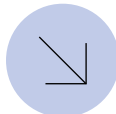
**2.01 tCO<sub>2</sub>eq/FTE**

resulting from power consumption,  
paper, business travel  
and AXA vehicle fleet



**WATER  
CONSUMPTION**

**9.23 M<sup>3</sup>/FTE**

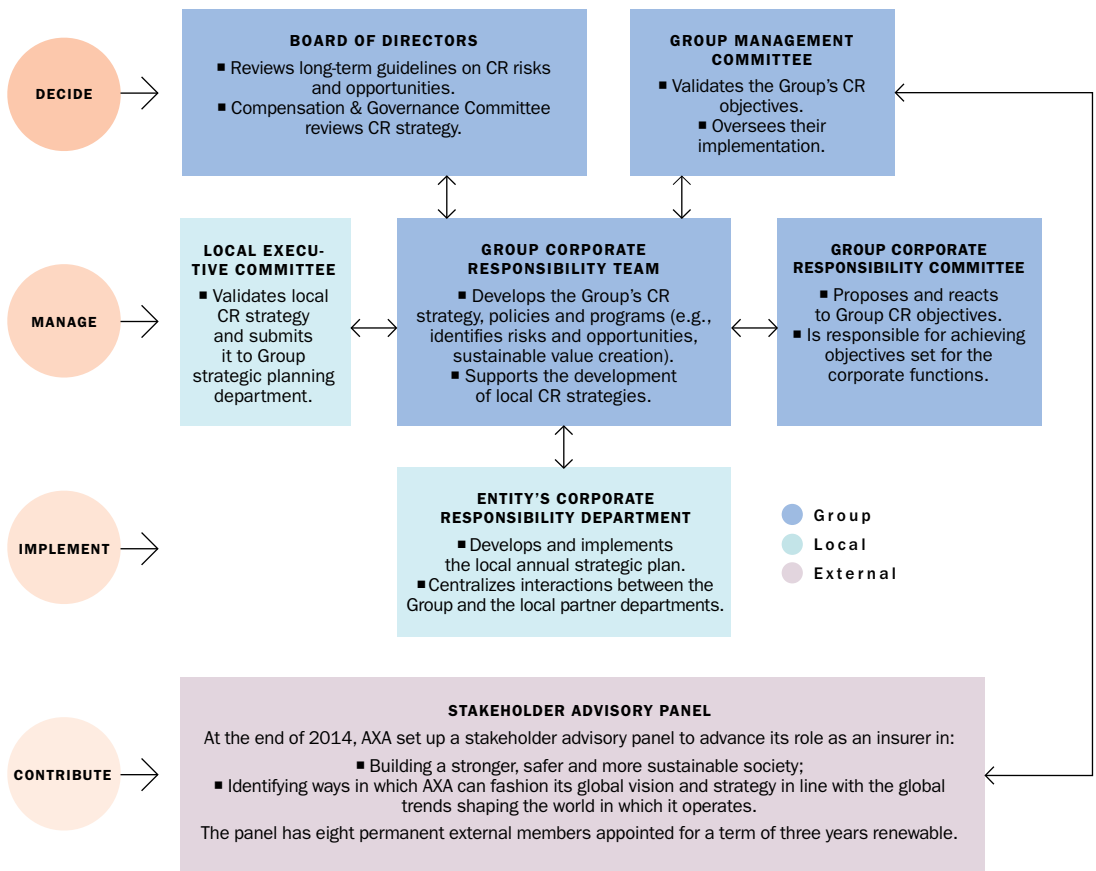


-4%

\* Our HR and environmental data are audited by our statutory auditors  
(see Annual Report, Appendix VII)

# A SPECIFIC GOVERNANCE FRAMEWORK FOR CORPORATE RESPONSIBILITY

CORPORATE RESPONSIBILITY (CR) OBJECTIVES HAVE BEEN ASSIGNED TO THE HEADS OF CORPORATE FUNCTIONS (HR, MARKETING, ETC.), AS WELL AS THE HEADS OF LOCAL ENTITIES WHO ARE MEMBERS OF THE EXECUTIVE COMMITTEE. IN ADDITION, THE CENTRAL CR TEAM REPORTS REGULARLY ON PROGRESS AND ON THE LONG-TERM STRATEGIC VIEW.





# RECOGNIZED SRI PERFORMANCE

AXA'S HR, SOCIAL, ENVIRONMENTAL AND GOVERNANCE PERFORMANCE IS RATED BY THE SPECIALIZED RATING AGENCIES THAT FOCUS SPECIFICALLY ON THE SOCIALLY RESPONSIBLE INVESTMENT (SRI) MARKET. AXA OVERALL IS RANKED ABOVE THE AVERAGE FOR ITS INDUSTRY.

## EURONEXT VIGEO

Leader in its sector  
**No. 1 of 37**

## FTSE4GOOD

Member since  
**2008**

## DOW JONES SUSTAINABILITY INDEXES

2015 score:  
**83/100**



+21 pts  
since  
2006

## SUSTAINALYTICS

Overall score:  
**87/100**  
ranked No. 2 of 150 in 2015



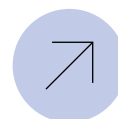
## INTERBRAND

Ranked top global green brand  
in the insurance sector  
(two-year rankings)



## CDP

Member of the CDP Climate Disclosure  
Leadership Index, with a score of  
**98/100**



# CONTACT US

## INDIVIDUAL SHAREHOLDER RELATIONS

### Individual shareholders

**0 800 434 843**

Service & call  
free of charge

+33 (0)1 40 75 48 43

Email: [actionnaires.web@axa.com](mailto:actionnaires.web@axa.com)

### Registered shareholders

**0 810 888 433**

Service charge €0,06  
per minute + cost of call

+33 (0)1 40 14 80 00

Email: [axa\\_relations@bnpparibas.com](mailto:axa_relations@bnpparibas.com)

## MEDIA RELATIONS

+33 (0)1 40 75 46 74

[media@axa.com](mailto:media@axa.com)

## AXA ON SOCIAL MEDIA

[facebook.com/axapeopleprotectors](https://facebook.com/axapeopleprotectors)

[twitter.com/axa](https://twitter.com/axa)

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[linkedin.com/company/axa](https://linkedin.com/company/axa)

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## JOIN US

[www.axa.com/en/careers](http://www.axa.com/en/careers)



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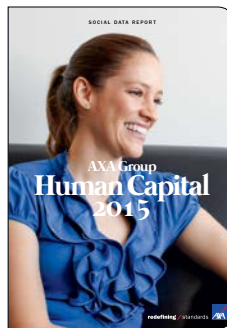
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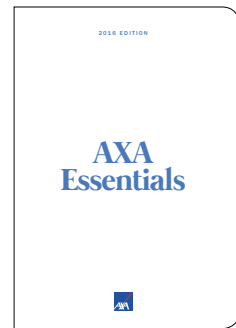
VISIT US AT  
[WWW.AXA.COM](http://WWW.AXA.COM)



2015  
**ANNUAL  
REPORT**



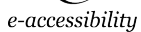
2015  
**SOCIAL DATA  
REPORT**



2016 EDITION  
**AXA  
ESSENTIALS**



**AXA, TOMORROW TODAY  
ON THE WEB**



e-accessible version by 