

2016 EDITION

# AXA Essentials



## Profile

AXA IN 2015

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**64****COUNTRIES**

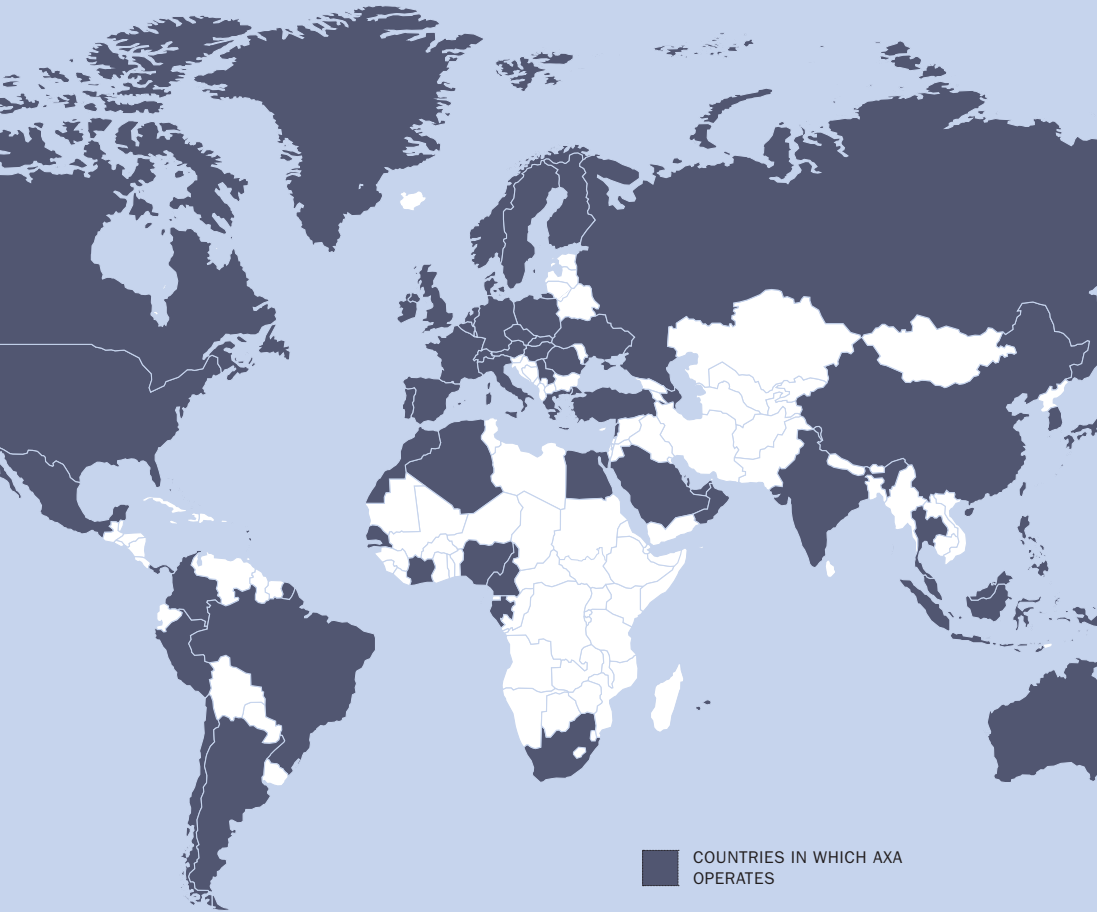
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**166,000****EMPLOYEES**

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**103 MILLION****CUSTOMERS**

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## 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.

## Key Figures

AXA IN 2015

# 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  
achieved in 2015

### ADJUSTED EARNINGS

in billions of euros

**6.0**



+9%

Growth in adjusted  
earnings (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

in €/share

**1.10**



+16%

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

\* Net of interest charges on  
undated debt

## Key Figures

### 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

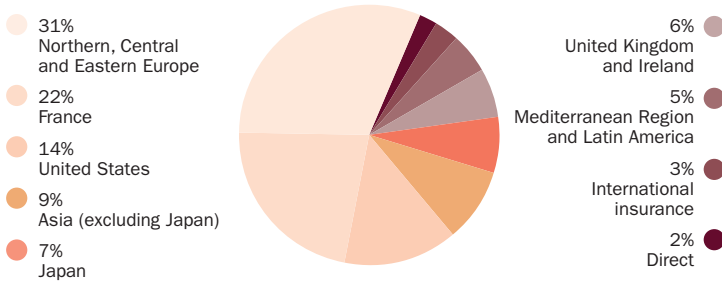
in billions of euros

**1,363**

At December 31, 2015

### 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

# 2015 Highlights

## 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

With the acquisition of Genworth LPI, a market leader, and AXA Creditor's integration into the new AXA Partners business unit, AXA will be able to provide a broader, more innovative offering for its customers, and even more effectively develop its creditor insurance and lifestyle protection partnerships and business on a global scale.



### 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, and to establish a system that can respond to the major challenges facing economies in the 21<sup>st</sup> century.



### 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 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.





### 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.

### DEVELOPING WOMEN'S INSURANCE

Are women adequately insured? Does the current offering meet their needs? Would better insurance enable them to play a more effective role in their country's development? AXA, IFC and Accenture conducted a survey across 10 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



### DEVELOPING INNOVATION IN ASIA

AXA has opened three new innovation offices in Asia to improve its ability to network with entrepreneurs, talent and business models that are developing in the region: an AXA Lab in Shanghai, a Data Innovation Lab – a center of expertise on big data – in Singapore, and an AXA Strategic Ventures office in Hong Kong to capture local investment opportunities. Alongside our similar facilities already operating in America and Europe, they will contribute to improving the customer experience.



### FURTHER STRENGTHENING OUR INTERNATIONAL PRESENCE

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. 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.

In Brazil, AXA has acquired 100% of SulAmérica's large industrial and commercial risks insurance subsidiary.

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.



### 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.

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



### MAKING COMMITMENTS ON CLIMATE CHANGE

AXA has implemented a "low carbon" strategy to advance the fight against global warming.

- 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.
- We take environmental, social and governance considerations into account in our investment decisions for all relevant asset classes.
- 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.



## New governance for AXA



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.

# Sustainable value creation

Five “areas of capital” enable AXA to create value



**Human**  
New hires and employee diversity



**Environment**  
Energy, commodities, ...



**Intellectual**  
Research, innovation, ...



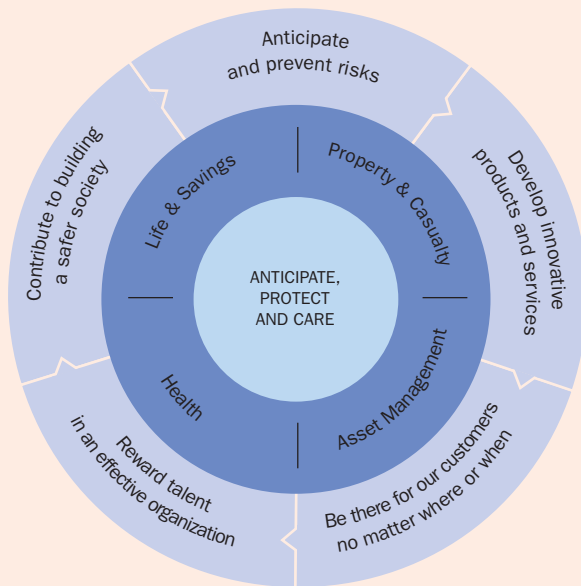
**International**  
Regional development and presence



**Financial**  
Shareholders' equity, revenues, free cash flow, ...

RESOURCES

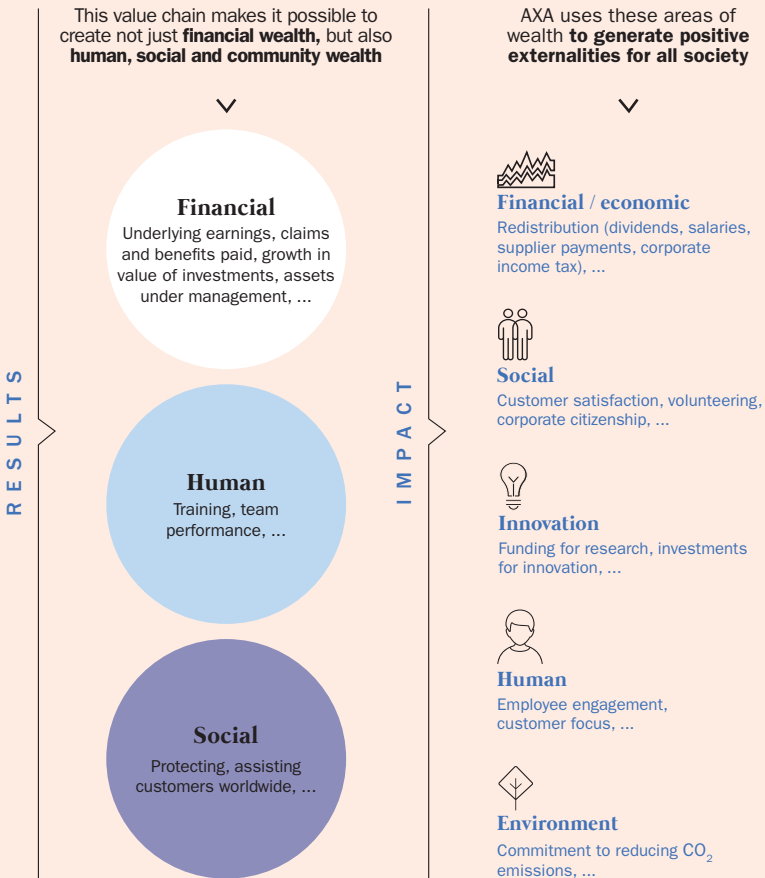
Aligned with the Group's missions, AXA's expert business capabilities create sustainable value through these areas of capital



- Our mission
- Our businesses
- Our value chain

# A Sustainable Strategy

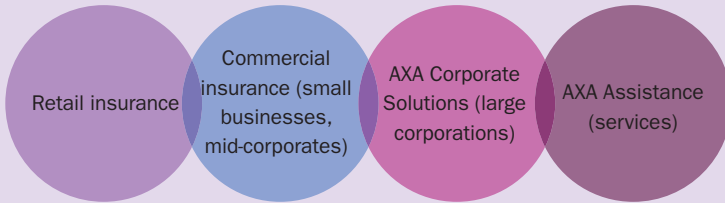
THE VALUE CREATED BY AXA CANNOT BE MEASURED SIMPLY BY LOOKING AT ITS FINANCIAL BALANCE SHEET. OUR APPROACH TO THE INSURANCE BUSINESS IS TO USE OUR CAPITAL TO GENERATE NOT JUST FINANCIAL WEALTH, BUT ALSO HUMAN, SOCIAL AND COMMUNITY WEALTH, FOR THE GOOD OF SOCIETY AS A WHOLE.



The detailed strategic model is available on [www.axa.com](http://www.axa.com) and in AXA's Activity and Corporate Responsibility Report.

# Property & Casualty

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



## CONTRIBUTION TO THE GROUP

**€34.9bn**  
OF REVENUES



**39%\***  
Contribution to the Group's underlying earnings\*  
\*Before tax, excluding holding companies

**96.2%\*\***  
Combined ratio  
\*\*Excluding international insurance

## PROPERTY & CASUALTY CUSTOMERS

**€11bn**  
of claims paid to our retail customers

**€8bn**  
of claims paid to our commercial customers

**4 MILLION**  
customers taken care of by AXA Assistance following a car breakdown

# CAPTURING DIGITAL USERS

FOR OUR CUSTOMERS, WE ARE BUILDING AN INNOVATIVE  
DIGITAL OFFERING, WHILE FURTHER STRENGTHENING  
OUR TECHNICAL EXCELLENCE.

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

**Moving forward with its multichannel development, AXA is focusing on mobile capabilities.** In 2015, we developed a real-time claims management app and stepped-up our telematics offer for young drivers. My AXA offers remote home-security services developed by AXA Assistance: surveillance, emergency intervention services, etc. The Group is also working to simplify its range of offering with the aim of providing fewer but better-targeted and more relevant options.

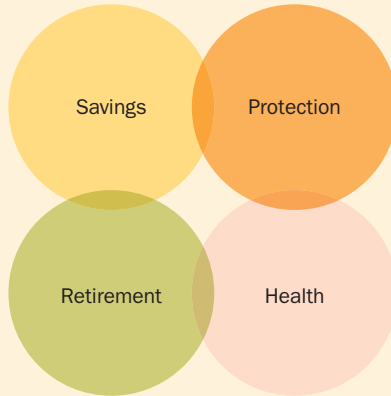
## COMMERCIAL LINES: DEDICATED INNOVATIONS

**A major market, commercial property and casualty insurance is organized around a clearly segmented offering.** For self-employed and small businesses, the focus is on building

digital ecosystems and developing usefull everyday services. Three priorities have been identified for "complex" SMEs: specific offers for each sector, an extensive range of innovative solutions, and access to enhanced services. Large corporations are able to benefit from the expertise built up by AXA Corporate Solutions (AXA CS), which has further strengthened its presence in Brazil and is moving forward with the development of AXA MATRIX Risk Consultants, a key risk prevention support service. AXA combines opportunities for growth with technical excellence, from data scientist training programs for actuaries to business intelligence software and initiatives to tackle fraud through the use of big data.

# Life, Savings and Health

AXA'S LIFE AND SAVINGS BUSINESS SOLUTIONS PROVIDE RETAIL AND BUSINESS CUSTOMERS WITH PRODUCTS TO SECURE AND MANAGE THEIR SAVINGS AND PROTECT THE PEOPLE AROUND THEM. SINCE 2014, HEALTH ACTIVITIES HAVE BEEN A BUSINESS LINE IN ITS OWN RIGHT.



## 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



# DEVELOPING INNOVATIVE SERVICES

IN AN ENVIRONMENT MARKED BY LOW INTEREST RATES, LENGTHENING LIFE EXPECTANCY AND GOVERNMENT DISENGAGEMENT, UNIT-LINKED SAVINGS AND PROTECTION PRODUCTS PROVED INCREASINGLY POPULAR IN 2015. AXA IS DEVELOPING ATTRACTIVE DIGITAL TOOLS FOR PROTECTION AND RETIREMENT.

## **PROTECTION: A GROWTH DRIVER FOR AXA**

**Protection is a strategic activity for AXA which delivered excellent results in 2015, particularly in France, Italy, Japan and the United States.** In individual protection, “automated underwriting” tools enable us to respond to customers much faster thanks to better, shorter medical forms. Tailored group insurance plans have been created for larger companies. With AXA Employee Benefits Partners, the Group has set up a dedicated unit for large and mid-size companies. The world’s 2,000 largest 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, the savings business has developed new offerings,** including personalized asset allocation between general account and unit-linked funds, discretionary management solutions, and unit-linked products offering capital guarantees. Retirement solutions are also building an innovative, digital approach: in Germany and Italy, customers can simulate their additional income needs in just a few minutes.

## **BANKING: A RECORD YEAR**

**AXA Banque (France) had a very good year,** with new home loans up 82% and twofold growth in new accounts with card leading to a 26% underlying earnings increase.

# SUPPORTING OUR CUSTOMERS IN THEIR HEALTHCARE JOURNEY

IN 2015, THE FIRST FULL YEAR FOR THE HEALTH BUSINESS LINE, WE ENHANCED OUR HEALTH OFFERING WITH A WIDER RANGE OF DIGITAL SERVICES. THE AIM IS TO MAKE AXA A GENUINE HEALTH PARTNER FOR ITS CLIENTS.

## 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. In 2015, the Group launched "Meine Gesundheit", an e-portal for managing medical costs, in Germany. In Asia, "My AXA Health Portal" enables customers to locate medical centers, submit health claims 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, "Health Keeper" enables users to track their physical activity, obtain health advice and benefit from advantageous

prices. For people with chronic illnesses, AXA Assistance has developed "Health-Look", an application that combines medical expertise with connected devices.

## BETTER PROTECTION FOR THE ELDERLY

**AXA provides a range of long-term care products, as well as new health savings solutions.** It is innovating with services like the "Are You OK?" app (Japan), which detects unusual incidents in the day-to-day lives of elderly people and alerts their families.

## PROMOTING COORDINATION OF HEALTHCARE OPERATORS

**As patients must be at the heart of healthcare systems,** AXA wants to take on a role, in partnership with the medical world, to improve the perceived quality of care and establish a more satisfactory patient journey.

## Life, Savings and Health

### LIFE, SAVINGS AND HEALTH CUSTOMERS

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**+€9.6bn**  
in net  
new money

  
**+€19bn**  
increase in the value  
of our customers'  
life insurance  
invested assets

  
**€12bn**  
benefits paid to  
protection and  
health customers

  
**3 MILLION**  
customers  
benefited from our  
health assistance  
services

### A BALANCED BUSINESS MIX

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#### UNDERLYING EARNINGS BEFORE TAX, BY BUSINESS LINE

**51%**  
Protection and  
health

**29%**  
Unit-linked



**18%**  
General  
account savings

**2%**  
Mutual funds  
and others

**18%**  
Contribution of high-growth  
markets to new  
Life & Savings business

**X2**  
Growth in new business  
in Asia, excluding  
Japan, since 2010

# Asset Management

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

**€1,124bn**  
ASSETS UNDER  
MANAGEMENT



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 REVENUES



**10%\***  
of underlying  
earnings

**+€45bn**  
in net  
inflows

\* Before tax,  
excluding holding  
companies

# SOLID PERFORMANCE IN AN ACTIVE MARKET

AXA INVESTMENT MANAGERS AND AB - AXA'S ASSET MANAGEMENT SUBSIDIARIES - INVEST AND MANAGE INVESTMENTS FOR THE GROUP'S INSURANCE COMPANIES AND THIRD-PARTY CLIENTS. THEY DELIVERED A ROBUST PERFORMANCE IN A DYNAMIC, BUT COMPETITIVE MARKET.

## AXA INVESTMENT MANAGERS: INTERNATIONAL PRESENCE

**With exceptionally high levels of inflows in 2015 (+€42 bn), particularly through its joint ventures in Asia**, AXA IM is one of the leading multi-expert asset management, 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. In addition, all its specialist investment teams worldwide are now grouped together under the AXA Investment Managers banner.

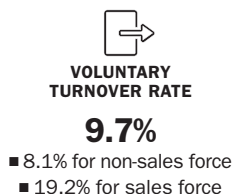
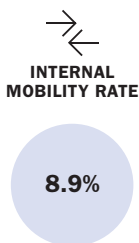
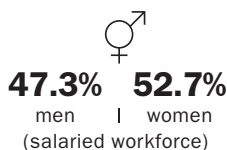
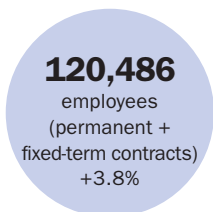
## AB: SECOND CONSECUTIVE YEAR OF POSITIVE NET INFLOWS

**AB is also a leading global asset investment managers firm**, with 3,599 employees in 21 countries and €455 billion in assets under management. In line with its strategy, AB continues to offer good investments for its customers (80% of AB's bond funds and 73% of its equity funds have outperformed over three years), diversifies its offering and global presence and constantly devises innovative solutions for its clients. In 2015, for the second consecutive year, AB recorded positive net inflows (+€3 bn).

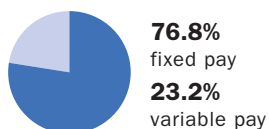
## Indicators

AXA IN 2015

# HR DATA \*



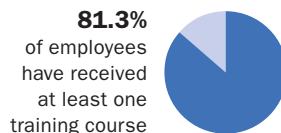
**PAYROLL FOR SALARIED  
WORKFORCE**  
**€8.61bn**



**TRAINING**



**BREAKDOWN**



## Indicators

# ENVIRONMENTAL DATA \*



**POWER  
CONSUMPTION**

**3,637 KWH/FTE**



-7%

Savings since 2010:  
€22m



**PAPER  
CONSUMPTION**

**21 KG/ETP**



-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**

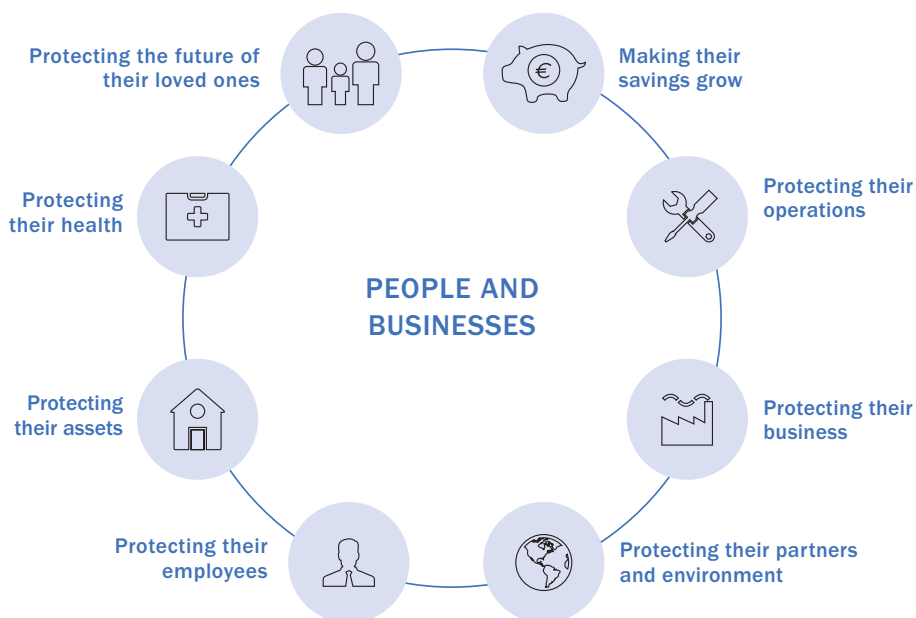
**9.23 M<sup>3</sup>/FTE**



-4%

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

# AXA, PARTNERING WITH ITS CUSTOMERS



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