

AXA

PRESS RELEASE

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AXA launches a global initiative to scale up its protection of tomorrow's Emerging Middle Class

- > The AXA Group announces a business initiative to contribute to financial inclusion and better serve the middle class of tomorrow by accelerating the development of its Emerging Customer insurance offer across high-growth markets
- > AXA also announces it has increased to 46% its stake in MicroEnsure, a leading micro-insurance specialist serving over 20 million emerging customers across Asia and Africa

Only 17% of global insurance premiums come from emerging markets, even though their contribution to global GDP is 40%¹. This discrepancy, in great part driven by the underinsurance of lower-income populations, highlights the potential growth impact of financial inclusion. The causes of this global protection gap range from a very local cultural understanding of risk and a lack of accessible and affordable solutions, to both limiting and fragmented regulatory frameworks.

By targeting this underserved but emerging middle class, the micro-insurance industry has experienced fast-paced growth in recent years. It is estimated to represent 3 to 4 billion people in need for protection, or a market of US\$ 30-50 billion in annual insurance premium revenue².

Building upon its existing micro-insurance schemes developed locally across Asia, Africa and Latin America that currently protect over 3 million emerging customers, AXA has decided to allocate dedicated resources and expertise to address this growth segment, and develop offerings encompassing Life & Savings, Health, Property & Casualty insurance as well as Assistance. This business is expected to develop innovative solutions, be it in terms of partnerships, products and services, distribution channels or operating models, in order to better address the needs of this client segment.

Garance Wattez-Richard is appointed to lead this Emerging Customer segment at Group level. Garance was previously the Group's Head of Media Relations and Reputation, and leader of AXA's Women & Insurance initiative, which notably led to the SheForShield³ report in 2015 in collaboration with the IFC-World Bank and Accenture. She will report to **Thomas Buberl**, Member of AXA Group's Management Committee, CEO of AXA Germany, and CEO of the Global Business Lines for the Health and Life & Savings businesses.

"Lower income populations in emerging countries remain unreached by mainstream commercial and social insurance schemes, all the while being the most vulnerable to shocks. There is a clear opportunity to accompany them in their journey to becoming the middle class of tomorrow", said Thomas Buberl.

¹ McKinsey and Company, [Global Insurance Insights, Fifth Edition](#) (2015)

² Accenture, [Succeeding at microinsurance through differentiation, innovation and partnership](#) (2013). See also Microinsurance Network: the Landscapes of Microinsurance – [Africa](#) (2015), [Latin America and the Caribbean](#) (2014), [Asia and Oceania](#) (2013).

³ IFC-World Bank, AXA, Accenture, [SheForShield: Insure women to better protect all](#) (2015)

“The specific protection needs and characteristics of this emerging middle class will force us to reinvent the way we conduct our business, opening up a space in which to leverage digital technologies, pilot innovative products and services, as well as scale up our partnership-building abilities to better reach and serve our clients. Ultimately, these are elements that will feed back into our traditional insurance business”, he added. “Garance’s strong track record during her previous roles within the AXA Group, and in particular the work she led in partnership with the IFC-World Bank to better tailor insurance to the needs of women as clients, will undoubtedly prove to be a strong asset to the success of this initiative”.

To accelerate the scaling-up of this initiative, AXA has increased to 46% its participation in MicroEnsure, a UK-based leader in the mobile micro-insurance space serving over 20 million emerging customers through partnerships with mobile network operators, banks and microfinance institutions in 17 countries across Asia and Africa. MicroEnsure will become the platform of choice for AXA to develop its emerging customer insurance offer.

Richard Leftley, Chief Executive Officer of MicroEnsure, explained: *“Nobody wakes up in the morning having dreamt of buying insurance, and 85% of MicroEnsure’s clients are new to the concept. We have a proven track-record of finding innovative, affordable solutions to reach the populations traditionally unreachable and unprotectable by insurance. The presence of AXA alongside our other shareholders Omidyar, Sanlam and the IFC-World Bank will significantly help us accompany our customers in their progression towards a higher socio-economic status whilst providing a safety net to reduce economic setbacks, ultimately contributing to eradicating poverty and boosting shared prosperity”.*

About MicroEnsure

MicroEnsure is a recognised leader in the provision of insurance for the mass market in Africa and Asia. As a micro insurance specialist, MicroEnsure designs, implements and manages products that address a range of risks faced by low-and-middle income consumers, including risks related to life, health, agriculture, assets, accidents, and political violence.

Headquartered in the UK, with a regional base in Nairobi, and country operations across Africa and Asia, MicroEnsure works with mobile network operators, banks, microfinance institutions, and other aggregators to serve its mass-market clients. MicroEnsure has been operating since 2002 and is owned by AXA, Sanlam, Omidyar Network, IFC and members of management.

For more information please visit www.microensure.com

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Biography

Garance Wattez-Richard, started her career at the European Commission, and went on to work in the Office of the Chief Economist of the European Bank for Reconstruction and Development (EBRD). From 2000 to 2004, she was a strategy consultant for several organizations, including Arthur D. Little in London.

In February 2005, she joined AXA Investment Managers as Executive Assistant to the Global Head of Communications and to the CEO on communications matters. In 2007, she was appointed Head of Corporate, Brand & Research Marketing of AXA IM, before becoming Head of Media Relations and Reputation for the AXA Group in 2012.

Garance Wattez-Richard is a graduate of the London School of Economics, the *Institut d’Etudes Politiques de Paris* and holds an MBA from INSEAD.

ABOUT THE AXA GROUP

The AXA Group is a worldwide leader in insurance and asset management, with 161,000 employees serving 103 million clients in 59 countries. In 2014, IFRS revenues amounted to Euro 92.0 billion and IFRS underlying earnings to Euro 5.1 billion. AXA had Euro 1,277 billion in assets under management as of December 31, 2014.

The AXA ordinary share is listed on compartment A of Euronext Paris under the ticker symbol CS (ISN FR 0000120628 – Bloomberg: CS FP – Reuters: AXAF.PA). AXA's American Depository Share is also quoted on the OTC QX platform under the ticker symbol AXAHY.

The AXA Group is included in the main international SRI indexes, such as Dow Jones Sustainability Index (DJSI) and FTSE4GOOD.

It is a founding member of the UN Environment Programme's Finance Initiative (UNEP FI) Principles for Sustainable Insurance and a signatory of the UN Principles for Responsible Investment (UNPRI).

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