Views on insurance, regulation and the macro environment

SUERF/Deutsche Bundesbank/Foundation Geld und Währung Conference
3-4 February, 2016

Christian Thimann
Insurance companies have very granular balance sheets

Asset Liability Management is at the core of balance sheet structure and management

Maturity structure of insurance stylized balance sheet
(excluding equity and debt for simplicity)
Regulation shapes asset allocation and funding of the economy

Domestic life insurers' asset allocation in Europe

as % of total investment

<table>
<thead>
<tr>
<th>Year</th>
<th>Other investments</th>
<th>Real estate</th>
<th>Mortgage and other loans</th>
<th>Equities</th>
<th>Public and private bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td></td>
<td></td>
<td></td>
<td>38%</td>
<td>35%</td>
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<tr>
<td>2005</td>
<td></td>
<td></td>
<td></td>
<td>29%</td>
<td>46%</td>
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<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td>18%</td>
<td>59%</td>
</tr>
<tr>
<td>2013 (FR, UK, GE, US)</td>
<td>12%</td>
<td></td>
<td></td>
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<td>63%</td>
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</tbody>
</table>
Managing the “Stock”
Breakdown of insurance reserves on AXA’s balance sheet for existing business by Line of business

- 28% G/A Protection & Health
- 11% P&C
- 30% G/A Savings
- 31% Unit Linked

Reorienting the “Flow”
Breakdown of new business mix in Life & Savings

- 42% G/A Protection & Health
- 40% Unit Linked
- 18% G/A Savings

New business = Annual Premium Equivalent

Insurance companies are adapting to low interest rates