

Full-Year 2023 Earnings and Strategic Plan 2026 Press Conference 22 February 2024

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Strategic Vision

Thomas BUBERL

Chief Executive Officer

Hello, everyone. Welcome to the presentation of AXA's 2023 annual results and new strategic plan for the period 2024-2026. This will be an opportunity for me to review the year's highlights and of course to unveil the pillars of our next plan. I am here with Frédéric de COURTOIS and I will hand over to him later regarding the details of the execution of our strategic plan, followed by Alban de MAILLY NESLE, who will then outline our financial targets for our 2024-2026 plan. The members of the Executive Committee are also here with me and we will include them in our exchanges with your questions to see how we can answer your questions together.

As you know, our earnings took place in a very uncertain context. You can see that in any company, with any retailer. The world has been uncertain, and it will probably remain so. Despite this environment, you notice that AXA achieved excellent results again this year, proving that the transformation of the Group that we initiated in 2016 has definitely been a success. Why has it been successful? First of all, our premiums are up by 3% to EUR 103 billion. This certainly illustrates the very good momentum driven by our main business lines. Secondly, this growth is profitable. The underlying earnings are up by 6% to EUR 7.6 billion. In addition, you see that our underlying earnings per share rose by 8% this year, well above the target range of our Driving Progress plan. All of this is taking place with a very solid balance sheet. We reached a solvency ratio of 227%, up by 12 points.

These annual results demonstrate once again our ability to deliver a solid performance that is fully in line with our objectives. I am very proud of this work that has been carried out and that was clearly done by our teams. We will go into further details in a few moments. I would again like to thank our teams and our agents, who were successful together with this beautiful performance.

If we were to underscore two companies that are really key regarding these earnings, they are clearly AXA XL and AXA France. The profitability of AXA XL is excellent. We see that the underlying earnings are approaching EUR 2 billion. I know that at the time when we announced the transaction with XL there were many questions around this. I hope that with these results, and with the successful integration of XL, we have put these questions aside. AXA France, on the other hand, confirmed its position as a leader. Its activity is growing despite the fact that AXA France has been working in an environment that was not easy. You will recall the riots last year. You will also recall the climate-related events in 2023. The year was very demanding for AXA France. Despite these impacts, AXA France was able to increase its results by 9%, while being capable of paying out 450 million claims, particularly for weather-related risks, and with customer satisfaction which is on the rise. In particular, I would now like to extend my thanks and salute the work of the teams and agents who worked really hard in a challenging environment and who were able to make this result a real success.

If we now take a look at these various lines in detail, I said that our premiums are up by 3%. It is a good momentum underlying each business line. Let me start with Property & Casualty. It is up by 7% to EUR 53 billion. This is truly a key business line and we are the largest insurer for companies worldwide and a major one in Europe for retail risk. We can see that our development strategy, which is, on the one hand, growing these business lines and better serving the results we need, and, on the other hand, having major pricing discipline, has led us to this beautiful 7% growth in our earnings.

Life & Pensions remains a significant business line for us, with about one-third of our results. In terms of earnings, in this case we are up by 1%, once again very much driven by

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protection and by life and savings products which are capital-light. This is a segment which remains really vital for us due to the fact that the needs among the population regarding protection and pensions are still substantial and will grow in the future. The third major business line is Health, with about 16% of our revenues. The context in this business has been challenging following an adverse environment in the United Kingdom. This is the reason why we see a decline in our earnings. In addition to this adverse environment in the UK, we decided not to renew two major group contracts. This accounts for the minus 7%. If I strip out these non-renewables, we see it is 7% of growth. In other words, this business line, which is significant for us, remains a business line which, apart from this nonrenewal of the contracts, is actually increasing the results.

Then, we have the Asset Management business line, which has also been working in a challenging environment with high volatility in the markets and certainly an increase in interest rates. That is assets are down and we see a slight decline here. However, it is important for us to continue on our path, especially with a growth-related strategy in alternative assets, such as real estate or private debt. You can see, all in all, that AXA is extremely well positioned and certainly AXA is very well balanced. We have about 50% of our business with commercial clients and 50% with retail clients. Underlying all of this, there is a geographic diversification that is such that we succeeded despite a context which remained quite demanding.

Looking now at the Driving Progress plan, which is ending soon, we can see that these are very good results for 2023 and they certainly contributed extremely well to the end of this Driving Progress plan because, as a matter of fact, we reached or we outperformed our targets in most of these results. If we take a closer look now at our underlying earnings per share, they are up by 9%. In other words, that is two points above the top end of our target range. In this case, we did outperform. Looking now at the second target, which is the cumulative cash remittance, we are at EUR 2.4 billion higher than the initial forecast and it amounts to EUR 16.4 billion. In terms of the solvency ratio, at the time we were considering a target of 190%, and now at the end of this plan as a matter of fact we are reaching 227%, once again well above our target. Finally, the return on equity (ROE) is at the top end of our target range of 13% to 15%, with 14.9%.

These results testify again to the great collective efforts that we have all made together in an AXA transition which has been deep since 2016, and we are now reaching the end of this major transformation and this new AXA, because once again the company is called AXA, but behind it and within it there are completely different things compared to 2016. This new AXA is the base for our future successes. What has been taking place since 2016? We simplified our organisation. We focused on fewer geographies, but we focused on major market shares. We have a geographic mix which is better focused and well distributed. Secondly, we switched our exposure from mainly financial risk to technical risk, especially with the acquisition of AXA XL. The integration of AXA XL has been a success within the AXA Group.

Looking now at the current environment and what it means for our plan, we can see that AXA is well positioned today. I think that the current environment we have seen for the past three years or so will remain at the same level of volatility and uncertainty. We have succeeded now for three years in performing well in a challenging and volatile environment, and I am confident that we will continue on this trajectory. Why do I feel confident? Firstly, as I mentioned before, our business mix is diversified in terms of the business lines and as far as our geographic footprint. In every geography we are in, we have significant positions that are solid, whether in France, in Europe but also in emerging markets. We have focused on fewer markets, but we are very strong in the markets where we are. We have lately been able to adjust our range of products. If we talk about climate change, very often the question that is raised is whether the client is insurable. Yes, clients remain 'insurable' provided that we have far more promotion and help our clients with protection. This is why AXA France at the start of this week launched a significant initiative with green cover. We will certainly talk about it later on. When I see what AXA Climate did with 200 scientists, experts in climate, to

help our clients to be better protected against the next storm, this is the direction that we are taking and must take.

Beyond this question that relates to the environment, as I underlined before, AXA is today also a perfectly balanced business model, and this model is very specific and very unique. You do not find any competitor which holds the same profile and the same portfolio. With regard to commercial lines, which represents about 50% of our volume, today we are the largest insurer in the world for commercial lines, for their physical goods, such as buildings and plants but also for employees. Secondly, with a tighter footprint we are one of the leaders in EB in the commercial and retail business, and we are very strong in Life & Health. This is precisely where our business, which is about asset management, goes well in line with our leadership in Europe because in the Life & Pensions insurance business it is very important to have a good pool and also a good manager for financial products for our clients.

Finally, if we now look at AXA today, it is also a company that has strengthened its commitment towards its employees. What is insurance about? You buy a promise, and you buy a promise from someone or for someone who is a human being. This is why it is very important that the commitment of our employees and the support we provide in the professional life of our employees is very important. Therefore, we launched under the leadership of Karima Silvent, Global Head of Human Resources of AXA, the programme We Care. We underline significantly the care aspect. In other words, how can we help our employees to remain committed and to continue to get trained in this world, which is constantly on the move. Secondly, AXA has always been a highly committed company when it comes to the weather and it wants to remain a leader regarding the climate transition. You will notice that we were first at the time to move away from the coal industry, and since 2015 we have invested EUR 26 million into investments in order to fight against global warming.

You will also notice that for the first time we have published our decarbonisation targets for some of our Property & Casualty insurance portfolios. That is significant in the fight against global warming as an investor and as an insurer and it will remain so over time. Our philosophy is not to penalise. It is to provide support to the companies and the retailers in this climate transition. This is what I have just mentioned for AXA France and the question of green cover follows this particular spirit. This commitment in society at large is truly speaking our philosophy that has been at the heart of AXA for 40 years. This question of sharing the value among the stakeholders is really key for us and we want to make sure that things are fair and balanced.

If I start with our employees, we are certainly a major employer in France and around the globe, with EUR 8.6 billion in salaries and bonuses around the globe. In terms of recruitment, we are extremely active and we will remain so. It is also important to do some nearshoring and offshoring in order to find the right skills, but if ever we feel like making a major growth bet in the next plan then we need to continue to hire. Regarding our customers, you can see EUR 50 billion in compensation. Certainly in the tough and challenging moment, as I spoke of before, like the climate changes and the riots, it is very important to remain close to our customers and help them. Certainly, when it comes to the support we provide to companies we are insuring them and we are investing. We are of course a major contributor in terms of French taxation and around the globe with about EUR 12 billion in taxes. AXA is a company which remains highly committed but also has major shareholders, and this is why we certainly make sure that the shareholders are taken care of with a dividend, which is up to the progression of our earnings and also to the level of the expectations compared to our competitors. I am very happy to notice that 30% of our employees are also shareholders. This gives us a good basis for the future, a good foundation.

Let me talk now on the next chapter of the Group, which is the 2024-2026 plan, which is called Unlock the Future. In other words, it is an ambitious plan. It is a plan that focuses on growth. It focuses on innovation and it is certainly a plan which aims to invest. What are the dimensions and the pillars of such a plan? First of all, it is about accelerating organic growth. We have a beautiful platform with AXA today. We have created a new AXA and now in the next phase it is about speeding up organic growth even further. The second item is that we

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continue to shore up our excellence, not only technically but also operationally, and certainly with the new technological means. Thirdly, we want to further assert our role at the heart of society at large.

How do we want to go about this? Regarding growth, we will certainly be focusing on areas where we are not present yet. We also want to focus on more recruitment and investments. Frédéric will provide further details in a little while. In terms of technical and operational excellence, as I said, the use of data and the use of technological means, in particular artificial intelligence, will give us the means to do better, in other words to have better pricing, to better manage claims and also to better manage customer service through automation. The third pillar is how AXA can remain and become even stronger when it comes to society. It remains a major issue. As I said, we will continue our efforts on the climate, including with the green cover, as I mentioned for AXA France, but we also want to come up with a new chapter of our societal commitment with inclusive insurance for more modest clients. Many French people either cannot afford to buy insurance or are excluded. We want to start a new range of products in France to take care of such needs, and after that we want to offer that in the European markets.

To confirm and establish the fact that we are committed to going even further with our next plan we are setting ourselves once again ambitious financial targets that go beyond the targets of our last plan and which are characterised by the fact that now we want to unlock the future, in other words take this beautiful AXA company and do better and do more. How do we go about this with underlying earnings per share which we want to reach a target range of 6% to 8%, a return on equity or capital with a target range of 14% to 16% and cash remittance exceeding EUR 21 billion by 2026. This requires debt investments, and we have plans for investments of more than EUR 2.5 billion over the next three years in technology, as I mentioned, and in the growth area because growth, after all, requires investments.

You have seen today that we also offer an attractive capital management policy for our shareholders. This discipline and the operational performance helped us to propose a higher dividend and to launch a new share buyback program. To reinforce this distribution plan, we will stick with it for the next plan. Frédéric will now go into the specifics of what this plan means and how we want to execute it.

Execution of the Strategic Plan

Frédéric de COURTOIS

Deputy Chief Executive Officer

Thank you, Thomas, and good morning, everybody. Thomas talked about the ambition of our plan. Today I am going to talk about the implementation of the business. The starting point, as you understood, is excellent. Our plan is not a revolution. Our plan is an evolution and an ambitious evolution or change. It is based on a portfolio of initiatives that is extremely ambitious.

What is the starting point? It is our franchise and, as you can see, it is excellent. In terms of our three businesses, which I will quickly review, the first is commercial insurance, with EUR 35 billion in premium income. That means very large corporations and multinationals. It includes small businesses, including very small businesses, and insurance of infrastructure and so forth. The second business is Health & Employee Benefits. As you know, that is coverage of employees in a company, in other words benefit schemes, and health insurance, a business line in which we generate EUR 20 billion in premium income. Then there is retail insurance, which we underwrite in some 20 countries with around EUR 42 billion. If we look at our position in that, although there are no clear official statistics, we are probably number one in commercial insurance. That is EUR 35 billion. By definition, it is a global business that we do in every country.

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If we look at Health & Employee Benefits, we are clearly number one in Europe in health insurance and we are probably number one worldwide, excluding the US, in EB. In individual health and retail insurance, we are generally in the top three in our main markets, which are, as you know, Western Europe, Hong Kong, Japan and a number of emerging nations. Thomas talked about the five pillars of our plan: three priorities and two resources. I would like to emphasise two messages. The first is that our plan is really a plan of investment in our core businesses, namely insurance and asset management, in countries where we already operate. Therefore, we do not mean to plant flags in new countries. We are focusing on our core business lines. The second message is that the major novelty of our plan is to scale up what we do. It is easy to have use cases and pilot tests and what have you. The whole point is to put it on an industrial scale, and the aim is to do this particularly in technology and technical excellence.

I will quickly review the five pillars of our plan, starting with the pillar of accelerating organic growth. We do not have an objective because we are not there with targets for premium income, but we do have an ambition. It is to increase premium income in the next plan by 5% per year. In general we believe we can grow P&C commercial lines beyond GDP. In other words, it is something that grows faster than GDP. The same thing for Employee Benefits & Health, so outperform GDP growth, and growth in line with GDP for retail insurance. That is the general aim.

What have we done since then? We worked in 2023 on a portfolio of initiatives of organic growth, and today we have a portfolio of 100 initiatives to accelerate growth. These are sometimes local initiatives and sometimes transversal ones throughout the Group. Just to mention a few, in commercial P&C a very important initiative is hedging of ETIs, of small and medium-sized businesses. Why very small ones? We have a very good position with AXA XL and we also have a very good position on our markets in small businesses. In very small companies we worked out that we had a good position in only four countries – France, Belgium, Germany and Switzerland – and our aim is to extend this business to other countries in Europe and selectively in the US. The project started in 2023 and it is a very ambitious one. We think we have everything we need to succeed. We know the business. We have the ability to propose and that is very important for this global coverage, and I think we have all the wherewithal to do this and to succeed.

A second major growth point is all the new risk lines, the risks of the 21st Century. That in particular is cyber insurance and energy transition insurance. For an insurer it is terrible because we do not have any historic data, and insurance means pricing based on historic data. We decided to be bold, to invest, to create centres of expertise and learn gradually to acquire and expand on cyber – we were already one of the top three insurers globally – and better cover the energy transition. In Employee Benefits & Health, which is also experiencing strong growth, our major initiative is to develop employee benefits for small businesses. Generally, employees of large corporations are normally quite well covered and smaller businesses have less good coverage. We decided to invest in this and we have an internal tech company called EB Partners that develops technological tools and services for HR divisions in large corporations and small businesses for this. We are already basing ourselves on this. We get to use it to expand our small business market.

We have three major initiatives in retail P&C. The first is to expand our proprietary distribution network, our agents and employees, which is quite new because we used to focus in recent years on improving productivity. Here we are focusing on both productivity and volume. In other words, we want to increase the size of our proprietary network of agents and employees and we are strongly committed to the idea that this is fundamentally the best investment we could make.

The second initiative in growth is still to improve productivity, and once again artificial intelligence will help us. In the previous plan we discovered that we could sell without physically meeting the client because we had no choice. COVID forced us to do this with electronic signatures, Teams, Zooms and so forth. The next phase, however, is the phase of artificial intelligence helping our networks of agents and employees to be more productive.

The third major initiative in retail is life insurance and savings, which remains a strategic business and a major opportunity for us. We are very powerful in these fields in France, Japan and Hong Kong, but we can always do better. We face major opportunities for growth in Belgium, Germany, Switzerland but also in Asia, so we decided to invest and accelerate growth in life insurance.

The next chapter is to scale excellence, which is both operational and technical. In technical excellence I can mention three issues. The first is that we are very focused on artificial intelligence technology, data and satellite photographs. All these new technologies now have the maturity for us to improve our technical excellence and pricing, along with coverage that we offer our clients. The second major issue is better coverage of natural catastrophes. It is clear that there are more and more of them. It is absolutely clear. It is a fact, it is a given, it is a threat. It is also an opportunity. We have everything we need to cover natural catastrophes. We have an internal model to measure these cases. We have an underwriting tool to ensure a consistent underwriting of natural catastrophes. We are investing in artificial intelligence and satellite imagery and we will continue to insure natural catastrophes.

The third issue is that we want to invest and further develop more services. I have talked about EB and health, but a quick word for commercial insurance. We have these major ecosystems that we call the digital commercial platform. It is an ecosystem of services for companies that has had a very promising start. It is part of one of these initiatives, and for us it always means service to companies and more prevention. In operational excellence there are again three major issues. Firstly, investing and concluding the fundamentals, and one of the major steps is the completion of our transition to the cloud by the end of our plan in 2026. The second major issue is to automate all simple tasks that are specifically the tasks where we find it difficult to hire. That is vital to us. The third is, as I said before, the scaling up of all our use cases and pilots in artificial intelligence and data. We have 400 experiments and pilots in the Group that are already operational, but we decided to select 17 of them that had the potential to be implemented throughout the Group. We will roll them out throughout the Group in the next few years.

I am moving on to the next pillar, which Thomas mentioned, our role in society. I would like to remind you that we have a fantastic purpose, which is a mission statement to act for human progress, and we want to be faithful to that purpose. That is every day in our business, so to speak, but in particular we have two extraordinary initiatives that I am going to describe briefly. The first is inclusive insurance. What we call inclusive insurance is insurance of people who have low incomes, insuring people who need even more insurance but who do not have the means to get the right insurance coverage. It is not a new business for us because some years ago we launched in emerging nations. We have a business unit that focuses on inclusive insurance that is called AXA Emerging Customers, and we have already got 14 million customers in these emerging segments. The major novelty for us is that it would be useful to do this in mature countries, so primarily Western Europe. We decided to start off in France and then extend it throughout Europe, and you will see new offerings this year. It is an issue of product, pricing and distribution. To take the example of France, networks will be mobilised about this. For us, this is a major initiative in the next plan.

The second major initiative, which is nothing new, is what we are going to do with the climate transition. As you know, we have already been very active in our carbon footprint for our portfolio of clients. We have done a lot already. The new thing here is that we want to expand along two axes. Firstly, we want to offer more services for adaptation and prevention. I have talked about our commercial services. I have talked about AXA Climate. Thomas talked about the green guarantee of AXA France. That is the first axis for growth and expansion. The second, which I talked about when I was talking about commercial lines, is insuring or protecting the energy transition, which is something where corporations and commercial lines find it difficult to find a partner, and there we have a very legitimate position.

The final chapter is something for men and women. I am used to saying that an insurance company is people, technology and money. That is an insurance company. We do not have

factories. We do not have patents. I think the biggest challenge facing a company like AXA in the next 10 years is the people issue. It is the men and women in it, and that is why we have an ambitious strategy with three chapters. The first is talent management and culture, where the major challenge is how we can attract young people and retain them and how we can retain our seniors and ensure that they impart their know-how to other people in the company when they retire. That is the first issue. The second major issue is the development of skillsets. As I said, insurance has been profoundly changed by artificial intelligence and data and we have to improve our team skills and invest in this issue. Finally, there is the idea of D&I and care, which is important in itself, and also important to attract and retain talented employees.

In conclusion, therefore, I believe that we have a good plan. I am convinced that we have a good team that is genuine and motivated. We measure client and employee satisfaction twice a year and it is at an all-time high. We can do even better, however, but it is very encouraging. Finally, we have a very good track record in our team because we have achieved or exceeded the objectives of our previous plan. That makes me very confident about the implementation of our next plan. Thank you.

Financial Performance

Alban de MAILLY NESLE

Chief Financial Officer

Good morning, everybody. Now, I am going to present how what Thomas and Frédéric talked about in the plan will be reflected in our figures in the next three years. Before looking at the future, it would be interesting, as Frédéric referred to before, to look at our track record, and if we look at our underlying earnings since 2016 you can see this underlying earnings trend has grown in an extremely regular way until 2023, with the exception of 2020, which was COVID-related. That shows our ability to enhance our margins year-on-year, but also to manage volatility and also, in particular, natural catastrophes.

If we look more specifically at the figures of 2023, our full-year earnings amounted to EUR 7.6 billion. It is a 6% increase. It is in line and even above the guidance we initially issued at the beginning of last year. With the passage of IFRS 17, everyone was a little bit lost. We said we would do over EUR 7.5 billion in underlying earnings, and in fact we got to EUR 7.6 billion in underlying earnings. Our net earnings, which have to be compared to IFRS 4, rose by 10% compared to last year, which is a fine performance, driven by all our business lines, in particular the P&C earnings at EUR 5 billion, which was up by 14%. If I look at solvency, it amounts to 227%, a very high level, up by 12 points over the end of 2022. You should retain two things from these figures. Firstly, we generate an awful lot of solvency every year. It was 29 points in solvency last year. We obviously get an awful lot back to our shareholders through the buybacks of shares and dividends – 22 points – but we still generate a lot of solvency year-on-year. The second thing to retain is the plus 12 points that you can see in the management of aid and that we massively reduced our own risk and our exposure to interest rates. In reducing these financial risks, we have reduced our EOF and we have, therefore, improved our solvency margin.

You can also see the cash amount that we remit from our entities. As you know, it is a point that we emphasised, and we have been doing so for some years. Our ability to remit cash is also a key factor to redistribute to our shareholders, but I will insist on this, and this is done after the investments we allocate to growth and technology, not at the cost of these investments. So, that is the past.

Let us now look at the future in our plan and the growth that we are planning for by business line. In P&C we believe that we can expand our underlying earnings each year by 4% to 6%. What are the drivers in that? The first, which reverts to what Thomas and Frédéric

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said, is growth in our earnings. We believe we can increase our earnings by 5% with a dynamic that is slightly different between the commercial and retail instruments lines. In commercial insurance it will be a lot to do with the development of our offering in the intermediary sector and also in supporting new risks, as Frédéric mentioned. Whereas in the retail aspects there we are talking about productivity gains and growth in our distribution networks. That will drive the earnings growth in these sectors. We also believe that we can continue expanding our margins and, therefore, we can reduce our combined ratio or our loss ratio by two points. How will we do this? By using the techniques that we mentioned before with better pricing, better claims management, a better understanding of our risks and thanks to the technology that we have mentioned before.

It is also interesting to point out that we believe we can increase our margin by two points, but we have also increased what we plan to pay out in natural catastrophes each year. We plan to pay out four points in the combined ratio in natural catastrophes and we will go up to four and a half points. Why? Because quite simply we can all see that the secondary dangers, which do not really deserve that name – in other words drought, floods, hail – will increase. In 2023 and in previous years, we saw that it is reasonable and prudent to think this would be a stable phenomenon, so we are increasing our natural catastrophe budget. We will continue to increase our productivity gains, as we have done in the past. A more technical aspect, as you know, is that in IFRS 17 we have to help with our claims. We have to book our claims differently, so we discount these claims, which you will find in our P&L. In the years to come, the discount will affect our earnings for EUR 500 million net in financial income. That is a purely accounting mechanism, but we have to take account of this, and you will see in the years to come. Despite all of this, given the growth of our income and the growth in our margin, we do plan on a 4% to 6% increase in P&C earnings.

If I move on to life insurance, sorry for all of the IFRS 17 jargon, but for everything to do in savings, just to make this simple, we are creating a PFM. A PFM is a reservoir of our future profit. We will give up some of this each year, and we believe that we can increase this by at least 3% each year. However, there is a whole part, EUR 15 billion in income, that equates to health and benefit schemes. Therefore, they are employee benefits. In this part now we believe that we can increase our income by 6% in topline growth thanks to initiatives that Frédéric described, once again, by increasing our margins. We believe that in reducing the EUR 15 billion we can in fact improve our combined ratio by three points. Some of this can come through. In the UK, as you know, in 2023 we suffered from the changes in the NHS. That is part of the three-point issue, but also there is an improvement in margins in benefit schemes and health that we plan on. Therefore, we plan that our net financial results would be stable. That means that globally speaking we see an increase in our earnings in life and in savings of 4% to 6%.

In asset management, which, as you know, accounts for approximately 5% of our earnings, when we look at 2023 there were an awful lot of new inflows, of about a third, of EUR 9 billion, half of which came from liquidities, which we call core, and the other half in alternatives, such as real estate and private debt, worth about EUR 4 billion, and we think that this net inflow should be more or less reproduced in the years to come and should lead to a regular increase in our underlying earnings of 7%.

In the holding part there will be a slight deterioration in the cost of this for several reasons. Firstly, it is the holding that is carrying the debt. With the increase in interest rates, debt will of course cost a little bit more. The second point is that we are investing in technology, in growth, in our entities and also in the holding, and that means increasing our expenses. The third point is that the OECD implemented a new tax or system that will ensure that all countries pay at least 15% corporate tax. That will affect us a little in Ireland, in Hong Kong and in Bermuda, and it will cost us a little under EUR 100 million.

Therefore, if I move on to our global financial targets, our underlying earnings per share, given what I have said about our earnings, should increase by 6% to 8% per year. In terms of profitability or our underlying return on equity, we gave a target of 13% to 15%. We ended up at 14.9%. We will increase this target to 14% to 16%, which reflects two things. Firstly,

we plan on increasing our margins, but also the fact that our required equity has fallen given what I have said for the reduction of our risks, particularly our financial risks. We plan to increase EUR 21 billion in cash from our entities. We set EUR 14 billion in the previous plan. We are now talking EUR 21 billion. It is a very significant increase.

Finally, we have a capital management policy that we are slightly changing. We are saying that in global terms we will redistribute to our shareholders 75% of our results of our underlying per share in the form of dividends and in share buybacks. In the 25% that we are not distributing we have capital for growth that we are allocating. You have to look at this as a balanced measure between what we give back to our shareholders and what we invest in future growth.

Conclusion

Thomas BUBERL

Chief Executive Officer

Thank you, Frédéric. Thank you, Alban. To sum up, our financial earnings for 2023, as you have seen, are very solid and have shown once again a major commitment for the company, society and our employees. Secondly, you noticed that we ended our Driving Progress plan with a great deal of success. The four financial targets have been achieved or even exceeded. Thirdly, the deep transformation of the plan that we initiated in 2016 has been successful and it has been done. It is our foundation for the next plan. You also noted that we are launching this new plan today, which is called Unlock the Future, based on three pillars: driving growth, scaling up our technical and operational excellence and expanding our role as a responsible player in society. The keys to this success, as you noted, are the skills and the wellbeing of our employees, as well as a disciplined management of the company and of our capital.

I would really like to take this opportunity to express my gratitude to all of AXA's employees and agents for their commitment towards our customers and towards society at large because this is not something that happens by itself. It is a major collective effort, which is based on the trust of our shareholders and it is based on the trust of our customers. This is something that makes me extremely proud.

You have noted that the role of the insurer has completely changed. I decided to join the insurance business nearly 20 years ago. At the time, the insurer was the one who was paying invoices, and you have noticed now in our presentations and in the major debates that we have that the insurer has become a partner of its customers and of society. We are very proud to now open up this new chapter of this new plan and succeed again together in completing this plan and also highlighting the major investment and the major involvement of AXA in society. Let us now switch to your questions in the Q&A session.

Q&A Session

Eric BENHAMOU, *La Tribune*

A study was published this morning on your exposure to shale gas in the United States. I'd like you to tell us more about your policy for covering risks in the oil and gas sector, particularly unconventional oil and gas.

I understand that life insurance is a strategic priority. Is this something new? Is this a change of direction? It seemed to me that AXA was putting its foot down in this area.

Thomas BUBERL

Thank you for both of your questions. I will answer the second answer and Ulrike will answer the first question on our underwriting and investment policy with regard to LNG.

Life insurance will always be a major pillar of AXA. It represents a major part of our company and we see, as I said before, that the needs of populations of customers in terms of retirement and protection will keep growing over time. This is exactly what we have been doing in the past few years. We certainly changed our life insurance mix. At the time we were highly focused on pure savings, in other words, in competition with many banks, many asset managers, and we have changed that mix towards more pensions and retirement because this is our core business, in other words, how can we help our customers manage the length of our life. We have changed this.

Secondly, we also changed our mix, which is more skewed towards more balanced products in terms of cover, guarantees and upside in the markets. It is this move which helped us change the mix and the direction of the products, which created the new foundation to generate growth in life insurance, certainly in Europe. All markets, especially the French market, are very significant markets, but remember, too, that in Asia we are a major player regarding life insurers, especially in Japan and Hong Kong.

Ulrike DECOENE, Chief Communication, Brand & Sustainability Officer

We had two questions on this, one regarding LNG. We do not have any exclusion policy regarding this kind of infrastructure. Regarding shale gas, we are excluding insurance to companies that draw 30% of their oil and gas production based on shale. We have been applying this for quite some time. These are the answer that we provided. Just to give you the context, we have less than 1% of our investments in fossil investments, and we keep reconsidering our policy constantly. That is the spirit of supporting ecological transition.

Amélie LAURIN, *Les Echos*

I would like to know about the cost of natural catastrophes in the last quarter, specifically in France.

You are not providing any solvency targets for your 2026 plan. Could you tell us why and possibly give us a few clues on that?

For the 2026 plan, do you have a quantified number in terms of cost reduction?

Can you tell us more as well about your offshoring and nearshoring project? Does it entail the fact that you will have more net hirings in those countries than in your mature markets, and to what extent?

One last question regarding France where the business was negative last year. What do you foresee for the coming years?

Alban de MAILLY NESLE

Regarding natural catastrophes, I cannot give you the figure for the last year. I think the figure which is interesting to note is that when you look at the French and European scope the cost of natural catastrophes was two points of our premiums in the first half and it was nine points of our premiums in the second half of the year, which proves precisely the sharp

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seasonality that we encountered. It chiefly impacted Italy, Switzerland and Germany, and to some extent France.

With regard to solvency, as a matter of fact we do not provide any target for a simple reason. We had said 190% for the previous plan and now we stand at 227%, and we constantly got this question: 'When will you give back the surplus?' We are very happy with the current level of 227%. What we are saying for the next plan is that we are very happy to operate at this level, which may vary slightly, but the key point to take away in this case is, as I said earlier, we are generating a great deal of solvency and we have reduced to a large extent the sensitivity of our solvency, especially to interest rates. We cut them by about 60%. In other words, our level of solvency is reasonably steady, so we are happy to operate at that level.

Frédéric de COURTOIS

Regarding costs, we do not have any cost-cutting targets in absolute terms, but we have goals to increase productivity. Why is that the case, especially given the inflationary context? We are focusing on productivity and you will see that we are providing a figure in the presentation to investors this afternoon. We say that you want to reduce the expense rate by 0.5 points, excluding fees, excluding premiums, which would move to 3.5%. Therefore, in other words, we are growing our business faster than our costs. To give you an example in this regard, and this is one reason we are focusing highly on automation, as I said before – so we intend to automate a great deal in the next three years – if you look at all of what we call operations – other people would call it back office, but I do not like this term – which represents 40% of our headcount, based on our experience automation should help us gain 3% of productivity per year, to give you a rough estimate. We want to increase productivity. That is our target. Therefore, that is basically the number of tasks, so to speak, carried out by an individual.

Thomas BUBERL

With the issue of offshoring and nearshoring, I think the question also concerned hiring. I will ask Alexander to answer that, and, Karima, if you could add something about recruitment or hiring.

Alexander VOLLERT, Group Chief Operating Officer, Chief Executive Officer AXA Group Operations

First of all, we have done nearshoring and offshoring service centres in India, Morocco and Poland for the last 10 years already. Today we have roughly 11 000 people working for us from these countries. Therefore, it is not new to AXA. Second, you have seen that on average we are hiring 17 000 people per year across the AXA Group, and roughly 60% of them are attributed to our core European markets. Third, you have also heard that we want to grow going forward and it is increasingly difficult to find all the right skills in our mature markets due to retirement. It will be increasingly difficult to find some of the skills that we need. You have also heard that we are investing in technology. We have initiatives on data and artificial intelligence. We have initiatives on automation, but also think about cyber defence, for instance, where we are struggling to find experts in all the markets where we need them. This is a very important initiative for us to get capabilities and skills that are not so easy to find in all of our markets, but that definitely means we continue to hire. However, we will also continue to grow in our nearshoring and offshoring centres in India, in Morocco and in Poland.

Karima SILVENT, Group Chief Human Resources Officer

Yes, Alexander has pointed that out. We have a dynamic movement. I believe that growth strategy is one in which we need people for this. Last year, we hired 17 000, as Alexander said. That is plus 6% compared to the previous period. We had 6 000 hired in France and we are among the top hirers each year, with a lot of rehiring and going through

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apprenticeships. These strong dynamics will continue, in particular because in some business lines we have a slight increase in our retirement departures, so it is very important for experts – I am thinking about actuaries, underwriting and IT – to continue hiring dynamically. Of these 17 000, as Alexander emphasised, between 50% to 60% are in Europe. We hire a lot of young people and in all categories of age groups, and of these 17 000 we include some of our markets, especially France, agents and sales staff.

Thomas BUBERL

Nearshoring and offshoring do not mean replacing hiring in France and elsewhere. It means adding to the hiring with profiles that we just cannot find in our classic countries. Guillaume, regarding premium income, if there was a contraction last year with all these investments, we will have to invert the trend.

Guillaume BORIE, Chief Executive Officer AXA France

Thank you for your question. Firstly, I would like to emphasise as a preamble that, as you know, business in France, as reported in all the Group's publications, includes an international segment that was very significant in 2022. In international health business lines, in particular, as Frédéric and Alban pointed out in their presentations, we have proactively ended two very large international health policies that accounted for EUR 2.2 billion in our premiums for 2022. Therefore, you can see there is a very significant reflection of this change.

I am now going to comment on the growth in the domestic business of AXA France in France. For AXA France's business we have plus 4% in 2023. That growth is sustained by all of our business lines, without exception. We grew by 8% on the domestic market in P&C. We grew by 6% on the domestic market in health. I would like to emphasise these aspects because in health and other lines you can see in the publications the global figure is the most impacted by that international growth. On the domestic market, we grew by 6% in health. In EB we grew on the domestic market in individual retail and in EB, and in savings we grew by 2% in 2023. Therefore, savings grew by the slowest rate, but we have returned to growth in the second half of the year, a change compared to the results you saw in the first half of the year, which also indicates our confidence in sustained growth in savings in 2024 because our distribution networks are highly committed to this development.

That growth on the domestic market is maintained by three factors. Firstly, for the first time in a long time, we have increased our distribution networks. That is the start of our next strategic plan. As Frédéric mentioned, we have an objective for the first time in many years to resume an increase in the number of distributors, exclusive tied agents for AXA France, in other words, the number of people exclusively distributing AXA France products on the French market, which grew by 3% in 2023, and we will accelerate this in 2024.

The second factor that this explains this growth is that for the second time in a long time we have increased the number of individual clients in AXA France. The number there in fact amounts to 427 000 policies. That is at a 10-year record for AXA France. It increased our individual client base, which was already above 6 million people, by 2%. That is a central factor for future growth because, as you know, where our exclusive distribution networks are very good is in supporting overtime and in multi-policy holding. Therefore, there is an extremely strong growth factor. The final factor is that growth on the domestic market, which was sustained in 2023, will be further sustained in 2024, and it is done under good profitability conditions. Where I look at the technical performance of 2023 compared to our technical results of 2022, intrinsic performance improved in the three main lines: P&C, Health and Savings. Therefore, we can say we have got a healthy portfolio for the next plan.

Mathieu ROSEMAIN, Reuters

On the Net-Zero Insurance Alliance, that was an important point and you left it. I believe it was chaired by one of your members. Is it completely dead and buried or could it lead to a new initiative at that level?

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Again, relating to the US, how do you assess the election or the possible re-election of Donald Trump this year?

Thomas BUBERL

I will try to answer the two questions. The first is easier than the second. For the Net-Zero Insurance Alliance, it was founded at the time and it was really driven by AXA in the sense that the Net-Zero Asset Owner Alliance had done in investments, to support the climate transition in underwriting risks. That is why we said we have to meet up with several global insurers to discuss the principles by which each entity underwrites risks and so that we can learn from each other what it means to support a climate transition as an insurer. We worked well together and discussed the principles over two years until we received a letter from the 23 Attorneys General in the US where this meeting of the Net-Zero Insurance Alliance was not compatible with the principles of free competition.

That was our first issue, which we clarified with the European authorities. However, we thought that the next step in that alliance would be for every company to publish their own ambitions. That is why we said that we worked well together for two years. We had everything we needed to go much further in the future, and now we said we should focus more on our climate commitments than in any legal battles we may have in the US. That is why we decided to withdraw from the alliance, without giving up our climate ambitions. As you saw, only two or three weeks after withdrawing, we published our own objectives that are more ambitious than those you saw in the past. We pointed out that we wanted to remain a dynamic and very important contributor and a leader in support of the climate transition.

As for the US presidential elections, that is something which is still a long way away because people forget we still have nine months to go, and I can see a lot of discussions about this. The only issue that might make me a little sad is that in nine months we can still do a lot to have a spirit, an attitude, instead of thinking that the election is all cut and dried. I do not think that is the right way of looking at things. Nine months is a long time. People have to be responsible to ensure that there are qualified candidates who can face the challenges before us. I believe and I hope that we will see more activity in the next nine months before this election.

Alexandre RAJBHANDARI, *Bloomberg*

There was a press article that was talking about your intention to sell some of AXA Partners in some European businesses. I just wanted to know where you stood with that. How is that part of your strategy plan that you presented this morning?

Thomas BUBERL

As you know, we never comment on rumours, which is why I shall not offer any comment there. It is clear that AXA Partners in itself is a company that is important for us because it is the service arm of AXA under the responsibility of Guillaume BORIE. Perhaps, Guillaume, you might want to develop on what AXA Partners is and why it is strategic for us.

Guillaume BORIE, Chief Executive Officer AXA France

AXA Partners, as you know, is a combination of three activities that we steer globally because there are right scale-up effects on this business, this insurance, namely what we call credit lifestyle protection, travel insurance and assistance business. Assistance business is clearly very much in line with all of our operations worldwide, so we work with AXA entities in each country. It is about 60% of our activities. Therefore, that is 40% that is also done with other insurers and other companies that need assistance services, in particular obviously major leasing companies and motor vehicle construction activities. We have seen sound development and growth in assistance business and in travel insurance in 2023. Those activities are quite strategic for us.

Guillaume CLEMENT, News Asset Pro

I have just one question on asset management. Last year, as in the previous year, you stated that the inflow comes from insurance groups, especially the savings issue. My question is: how will the situation evolve now in the next few years? Would you like to reverse the trend now given you were moving towards third-party clients and more profitable assets?

Thomas BUBERL

Clearly, our asset management is a key pillar for AXA. Asset management is twofold. It is very solid in managing liquid assets, such as bonds, treasuries and equities. It is also a major player when it comes to managing alternative assets such as property, real estate or private debt. AXA IM serves AXA, and you are totally right with the transactions we carried out, especially with respect to the life insurance portfolios, because we got rid of some of these portfolios, so automatically, therefore, the inflows at AXA are slightly more negative than ought to normally be the case. I had stated that the AXA transformation is now more or less complete. We have a new foundation so that we can really focus on the scale-up, as Frédéric mentioned, and this is why I expect new inflows that will be reversed. In other words, it will be more positive because we no longer have many portfolio transactions. Also, I hope that the interest rate issue will become normalised, in other words, we will have fewer outflows from our clients when it comes to life insurance. In terms of alternative asset management, we can see a sharp increase in our inflows because there we work with third parties a lot, and they remain assets that are very sought after by every institutional investor.

Laurence POCHARD, AGEFI

In terms of asset management, there is a slight consolidation move. Can AXA IM be part and parcel of that move?

Thomas BUBERL

I do not know if there is a consolidation. I have not seen anything so far. I mean there are rumours that people seem to be speaking about with each other. I told you before I told Guillaume that asset management is a key business for us, and this is why we are well positioned today on the liquid part and on the alternative part, and certainly with regard to the latter one we are leaders in Europe, in other words, today we are not actively seeking any discussions with others, but I am not ruling this out. If someone comes along and offers a partnership on something that could enhance our position today, I am always open. However, this is not something topical.

Thank you very much.

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