



# Half Year 2023 Earnings

Press conference

August 3, 2023

## **IMPORTANT LEGAL INFORMATION AND CAUTIONARY STATEMENTS CONCERNING FORWARD-LOOKING STATEMENTS AND THE USE OF NON-GAAP FINANCIAL MEASURES**

Certain statements contained herein may be forward-looking statements, including, but not limited to, statements that are predictions of or indicate future events, trends, plans, expectations or objectives. Undue reliance should not be placed on such statements because, by their nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause AXA's actual results to differ materially from those expressed or implied in such forward-looking statements. Please refer to Part 5 - "Risk Factors and Risk Management" of AXA's Universal Registration Document for the year ended December 31, 2022 (the "2022 Universal Registration Document") and "Operating Highlights – Risk Factors" on page 10 of AXA's Half-Year Activity Report as of June 30, 2023 (the "Half-Year 2023 Activity Report") for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations. AXA undertakes no obligation to publicly update or revise any of these forward-looking statements, whether to reflect new information, future events or circumstances or otherwise, except as required by applicable laws and regulations.

In addition, this presentation refers to certain non-GAAP financial measures, or alternative performance measures ("APMs"), used by Management in analyzing AXA's operating trends, financial performance and financial position and providing investors with additional information that Management believes to be useful and relevant regarding AXA's results. These non-GAAP financial measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these non-GAAP financial measures should be considered in isolation from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS. Underlying Earnings, Underlying Earnings per Share, Underlying Return on Equity and Combined Ratio are APMs as defined in ESMA's guidelines and the AMF's related position statement issued in 2015. A reconciliation from APMs Underlying Earnings and Combined Ratio to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 16 and 17 of AXA's Half-Year 2023 Activity Report. APMs Underlying Return on Equity and Underlying Earnings per Share are reconciled to the financial statements in the table set forth on page 29 of AXA's Half-Year 2023 Activity Report. The above mentioned and other non-GAAP financial measures used in this presentation are defined in the Glossary set forth on pages 31 to 36 of AXA's Half-Year 2023 Activity Report. The treatment of certain non-GAAP financial measures in this presentation for these purposes may change over time in connection with the development of IFRS 17/9 reporting practices.

AXA's half-yearly financial information as of and for the six months ended June 30, 2023 was subject to a limited review by AXA's statutory auditors, whose report was issued on August 2, 2023.

## **IMPORTANT CAUTIONARY STATEMENTS CONCERNING 2023 TARGET**

This presentation sets out management's expectations for the Group Underlying Earnings Target for 2023, which was initially published on AXA's website on May 15, 2023, in the press release "AXA publishes 1H22 and FY22 financial information under IFRS17 and IFRS9 accounting standards and provides 2023 Group Underlying Earnings Target," following the implementation of IFRS17/9 accounting standards, which became effective on January 1, 2023. The Group Underlying Earnings Target for 2023 (the "2023 Target") is subject to important assumptions that are supplemented by those included in the press release "Half Year 2023 Earnings". Because the 2023 Target has been provided exceptionally to enable analysts and investors to better assess the Group's underlying earnings trajectory in 2023 in connection with the implementation of IFRS17/9, it is not expected or intended that similar guidance will be issued in future periods beyond 2023, nor that such guidance will be updated, except as required by law. The 2023 Target and all information related thereto (including but not limited to its assumptions) are expressly qualified by the cautionary statements above concerning forward-looking statements, and no such information, financial or otherwise, has been audited.





# Agenda

## **1 Introduction**

Thomas Buberl, *Group CEO*

## **2 Business lines**

Frédéric de Courtois, *Group Deputy CEO*

## **3 Financial performance**

Alban de Mailly Nesle, *Group CFO*

## **4 Conclusion**

Thomas Buberl, *Group CEO*



# 1 Introduction

**Thomas Buberl**  
*Group CEO*

# Half Year 2023 earnings

Continued  
strong delivery,  
demonstrating  
the strength of  
our strategy

**GWP<sup>1</sup>**

**€55.7bn**

**+2%** vs 1H22 IFRS17/9

**GROUP UEPS<sup>3</sup>**

**+8%**

vs 1H22 IFRS4

**GROUP UE**

**€4.1bn**

**+5%** vs 1H22 IFRS4  
**+18%** vs 1H22 IFRS17/9<sup>2</sup>

**SOLVENCY II RATIO**

**235%**

**+20pts** vs FY22

# Solid performance across our markets

## UNDERLYING EARNINGS

### FRANCE

€1.0bn

+8% vs 1H22 IFRS4  
+20% vs 1H22 IFRS17/9

### EUROPE

€1.5bn

-2% vs 1H22 IFRS4  
+18% vs 1H22 IFRS17/9

### AXA XL

€0.9bn

+35% vs 1H22 IFRS4  
+33% vs 1H22 IFRS17/9

### ASIA, EME-LATAM & AFRICA

€0.8bn

-2% vs 1H22 IFRS4  
+8% vs 1H22 IFRS17/9

### ASSET MANAGEMENT

€0.2bn

-7% vs 1H22 IFRS4  
-7% vs 1H22 IFRS17/9

€4.1bn<sup>1</sup> | +5% vs 1H22 IFRS4  
+18% vs 1H22 IFRS17/9



# A well-positioned business model

**≈50%**  
Commercial

**Global leader  
in commercial lines insurance**

**P&C Commercial lines (≈40%)**

Excellent technical results driven by favorable pricing and organic growth

**Employee Benefits (≈10%)**

Benefiting from growing attention to employees' health

**≈50%**  
Retail

**Leading positions in Western Europe,  
Japan, Hong Kong and select emerging markets**

**P&C Retail lines (≈20%)**

Pricing and procurement actions to support technical margins, while reinforcing customer satisfaction

**Retail Life & Health and AM (≈30%)**

Maintaining quality L&H business mix, leveraging our strong proprietary distribution networks

# AXA reinforces leadership position in Ireland with the acquisition of Laya Healthcare



€650m

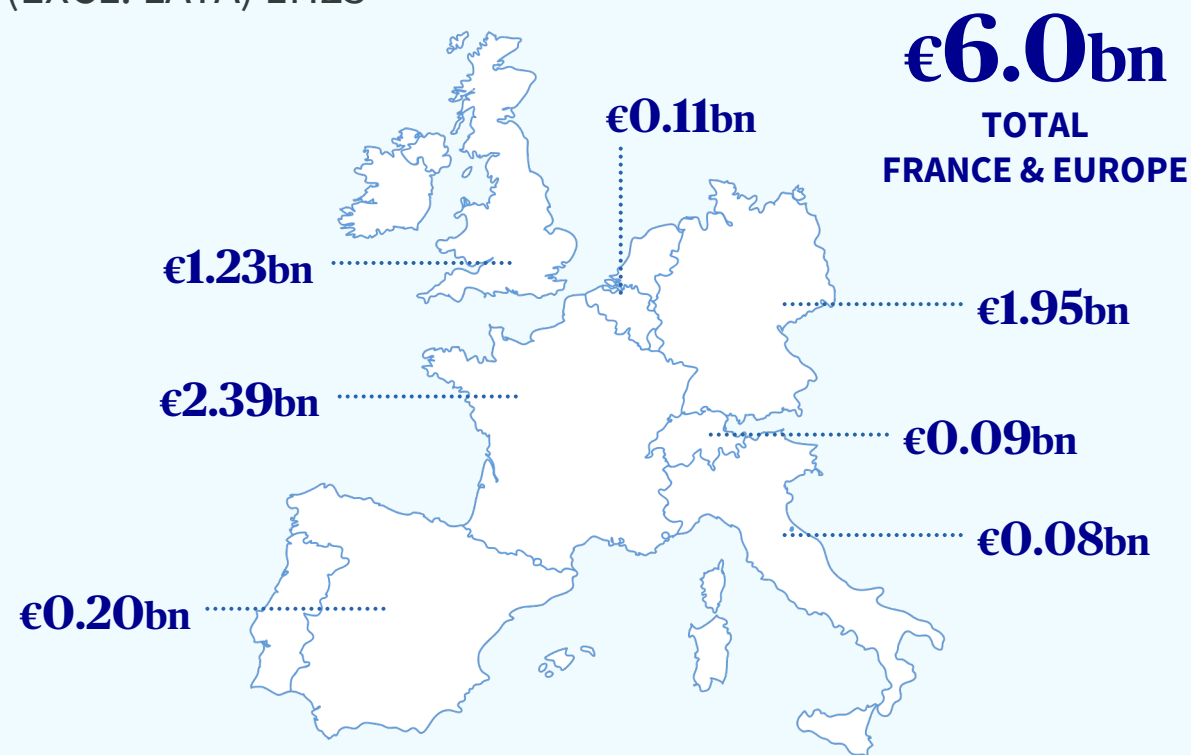
600,000  
Clients

€800m  
Premiums

28%  
Market share

An acquisition<sup>1</sup> fully in line with our strategy to accelerate in Health in Europe.

AXA HEALTH GWP AND OTHER REVENUES  
(EXCL. LAYA) 1H23





# Strengthening employee and client satisfaction



## Employees

**37pts**

**Employee Net Promoter Score**

**+2pts** vs 2022

**Progress on gender diversity and on inclusion at large:** 40% of women in leadership teams and global inclusion NPS at 40 points.

## Clients

**100%**

**NPS of our business lines at/or above market<sup>1</sup>**

vs **54%** in 2018

**Action plans implemented to improve customer experience** focusing on communications, claims processes improvement and customer journey redesign.

# Continuing our climate leadership position

**Announcements of new targets<sup>1</sup>  
to drive the decarbonization of various  
P&C insurance portfolios**

**-30%**

of the absolute carbon  
emissions of the Group's  
largest commercial  
insurance clients  
between 2021-2030

**-20%**

of the carbon intensity  
of the other Corporate  
clients and the personal  
motor portfolio  
between 2021-2030 and 2019-2030  
respectively

**Continuing our  
decarbonization efforts<sup>1</sup>  
in our investments**

**-50%**

of our general  
account assets'  
carbon footprint  
between 2019-2030

**Pioneering initiative  
to purchase green  
electricity**

**84GWh**

of solar electricity, equivalent  
to electricity consumption of  
all buildings and data centers  
of our European entities

Confident  
to deliver  
key targets

## DRIVING PROGRESS 2023 KEY TARGETS

### UEPS GROWTH

**+8%**

vs 1H22



**3%-7%**

To deliver at the high end  
2020 – 2023E

### SOLVENCY II RATIO

**235%**

+20pts vs FY22



**190%**

Target capital level

### CASH REMITTANCE

**€5.5bn**

FY22



**>€14bn**

Cumulated cash remittance  
2021 – 2023E

### RETURN ON EQUITY

**16.6%**

1H23



**13%-15%**

2021 – 2023E

## 2023 UNDERLYING EARNINGS OUTLOOK

**>€7.5bn<sup>1</sup>**



# 2 Business lines

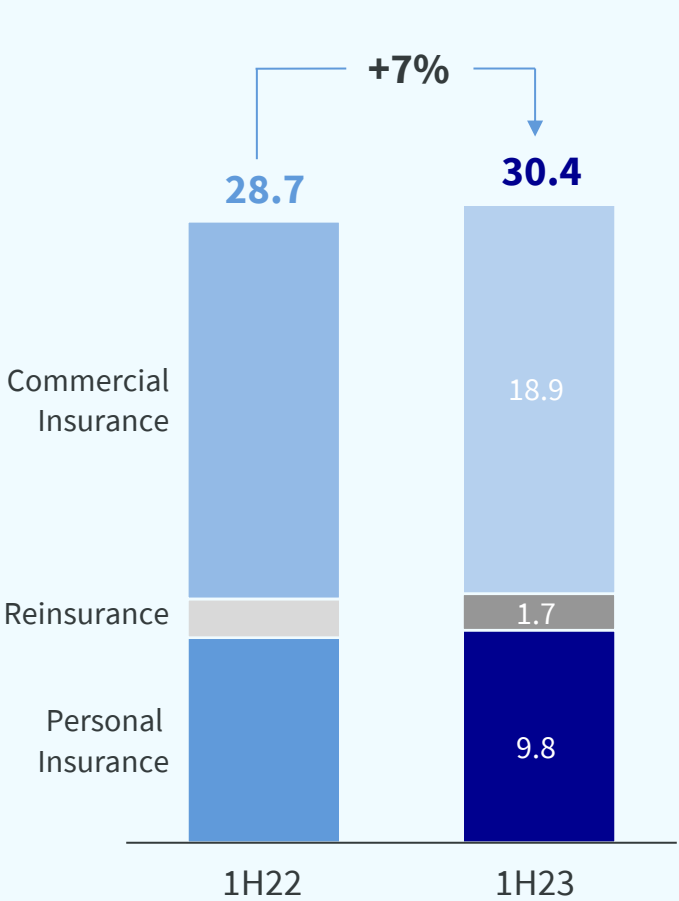
**Frédéric de Courtois**

*Group Deputy CEO*

# P&C | Profitable growth

## GWP & OTHER REVENUES

In Euro billion



## CHANGE<sup>1</sup>

+9%

-3%

+5%

- **Strong demand in commercial lines** in a context of rising prices
- **Reduction in Prop Cat exposure**, in line with strategy
- **Remain focused on profitability**





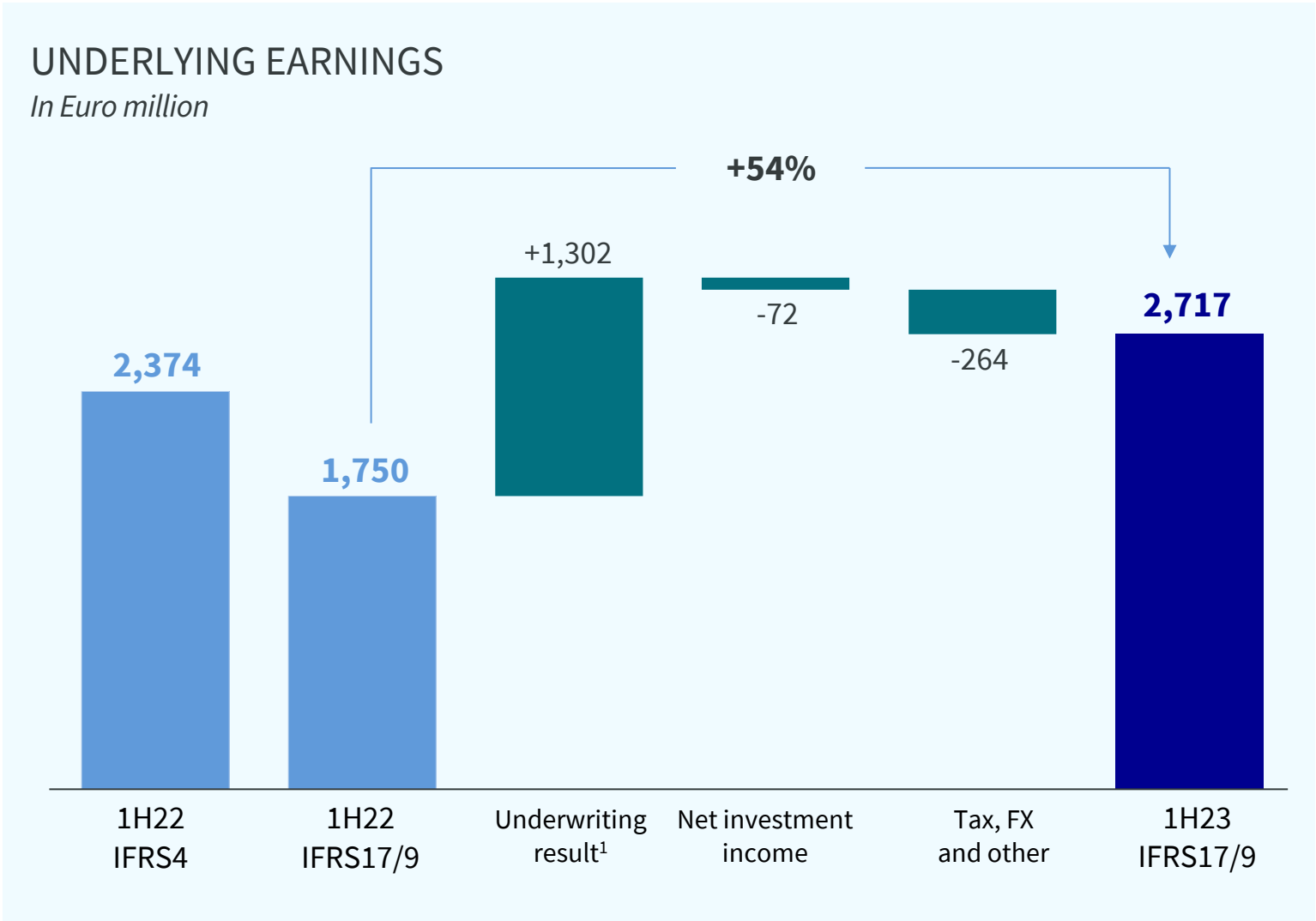
# P&C | High level of technical profitability

IFRS17  
COMBINED RATIO

90.9%

- **Frequency claims** improvement
- **Lower Nat Cat level**
- Maintaining **disciplined pricing**

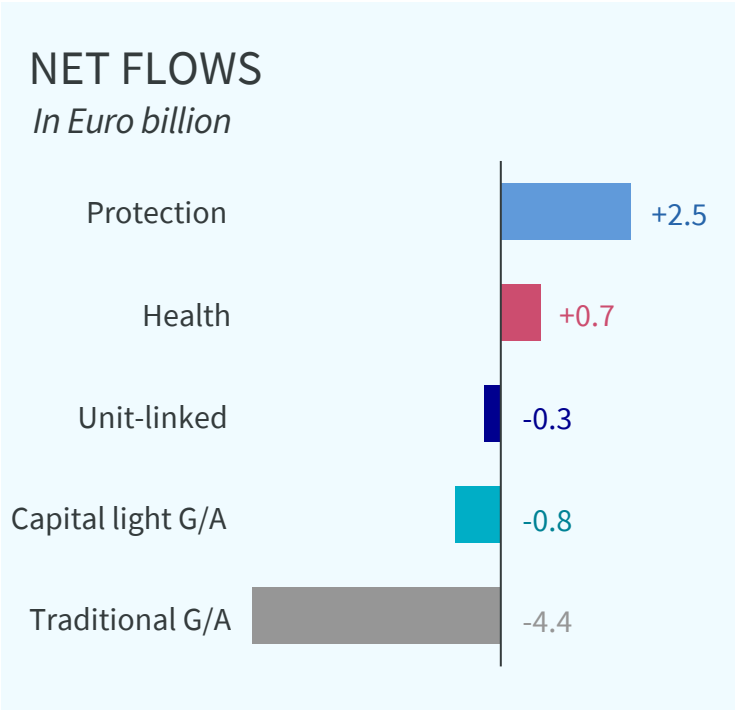
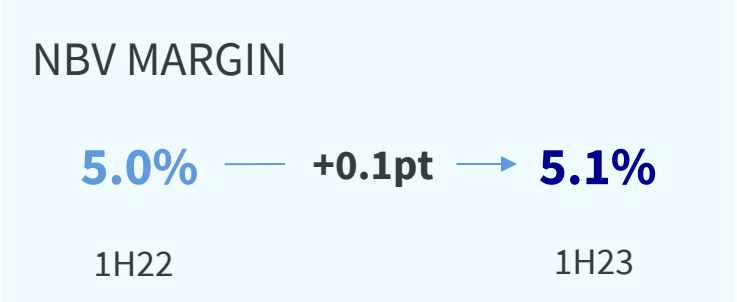
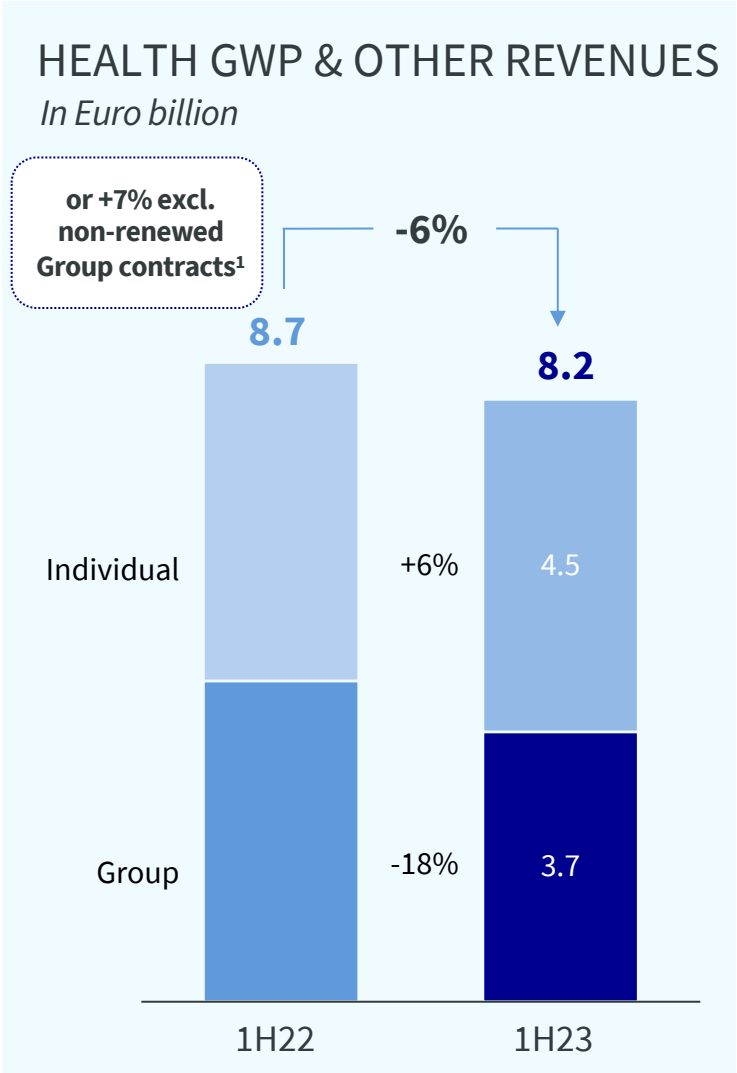
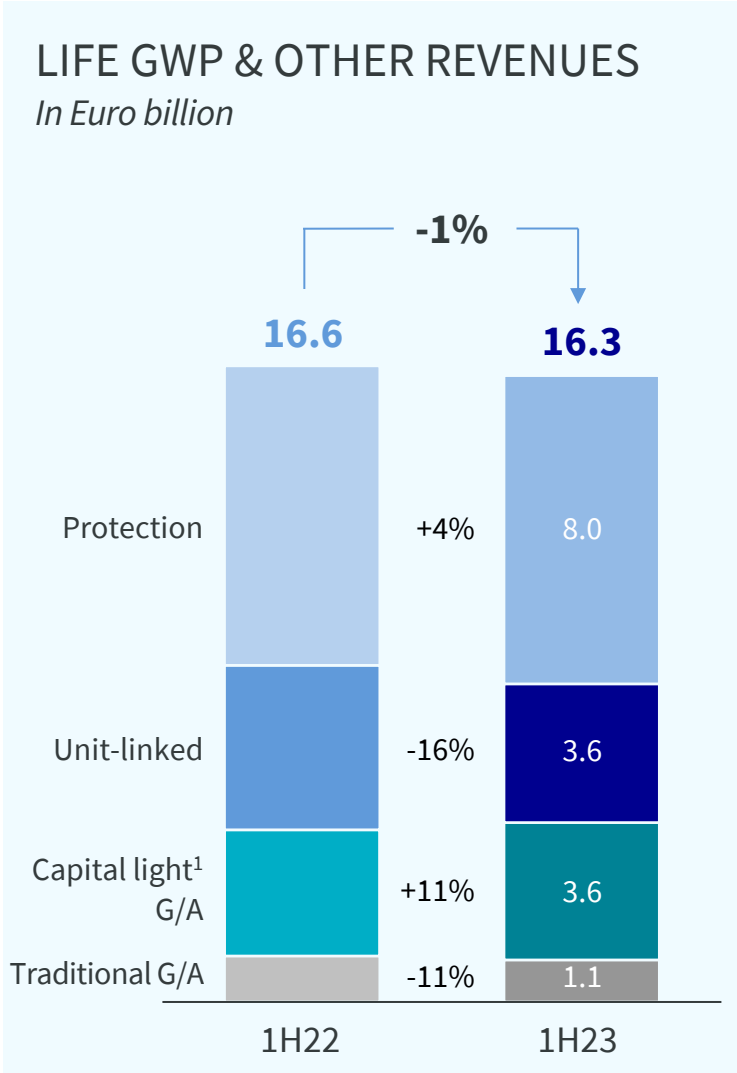
# P&C | Strong earnings growth from higher technical margin



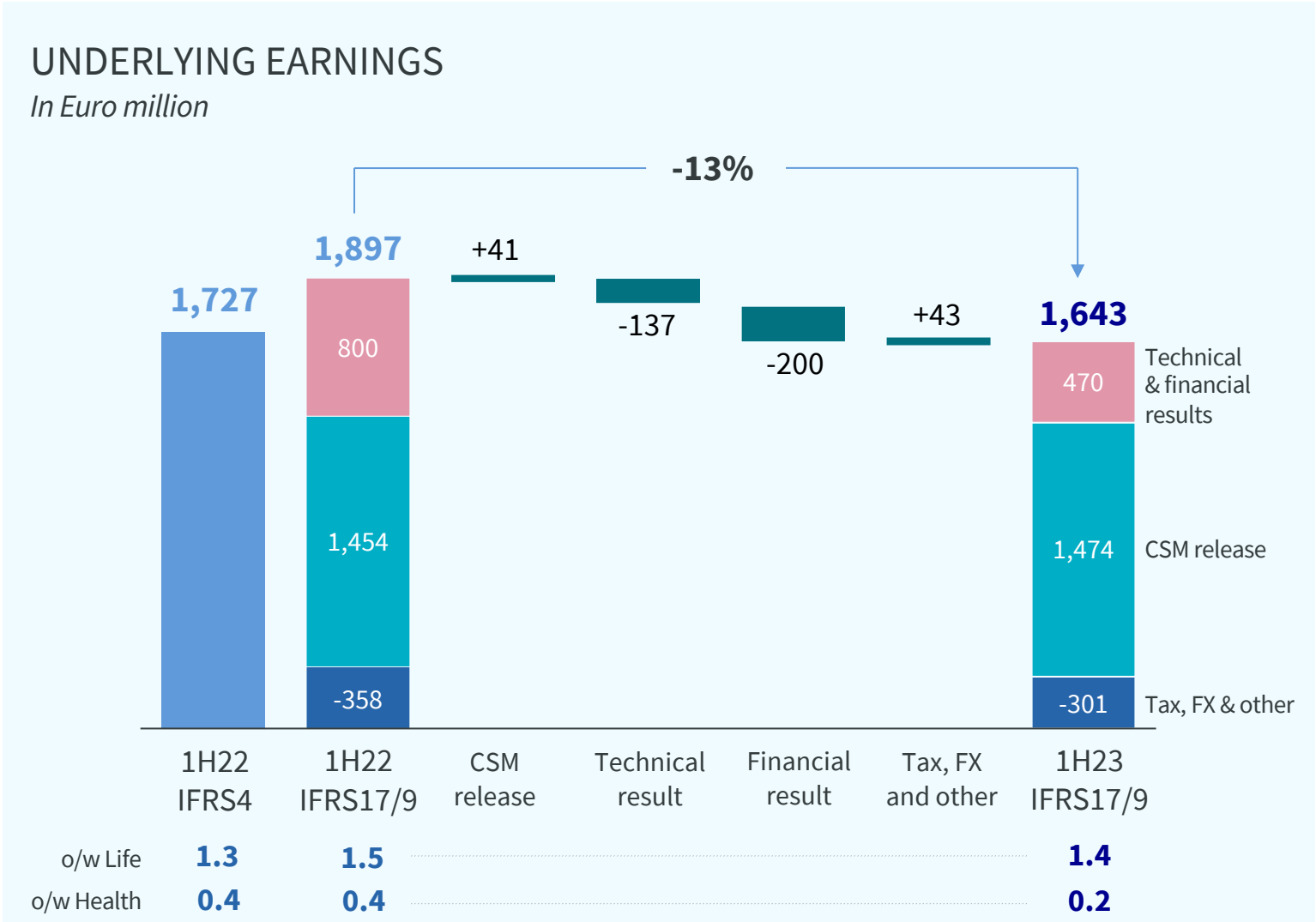
- **Excellent underwriting results,** driven by growth in revenues and a 90.9% combined ratio



# Life & Health | High quality net flows, Unit-linked impacted by volatile market conditions



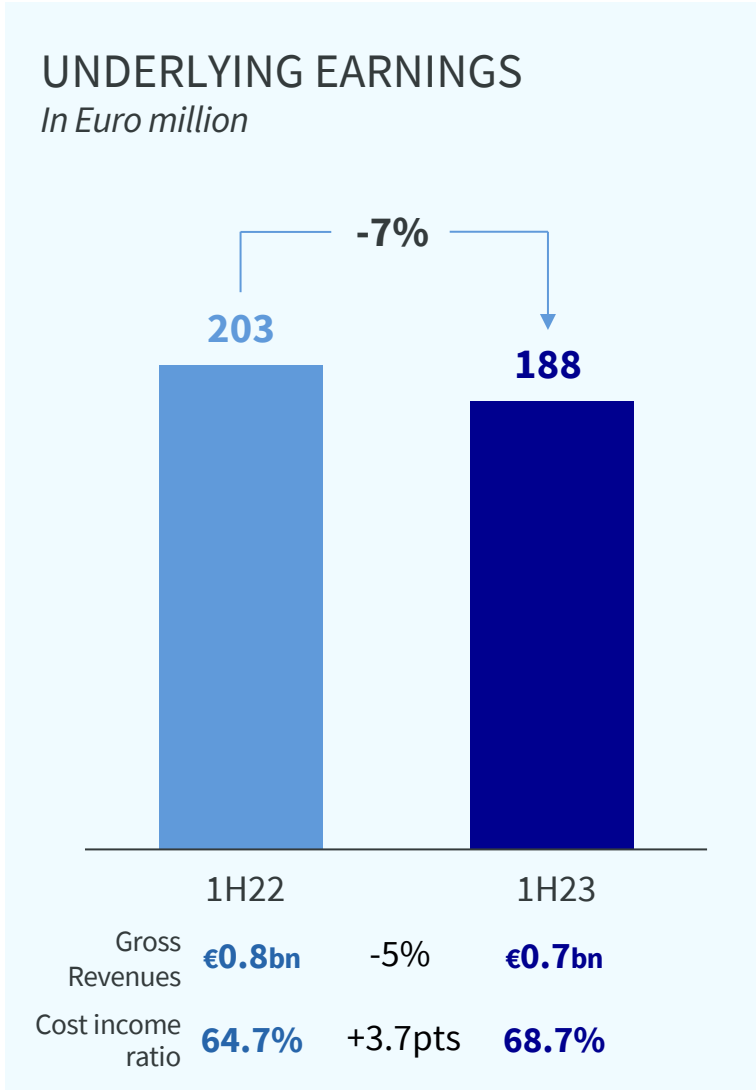
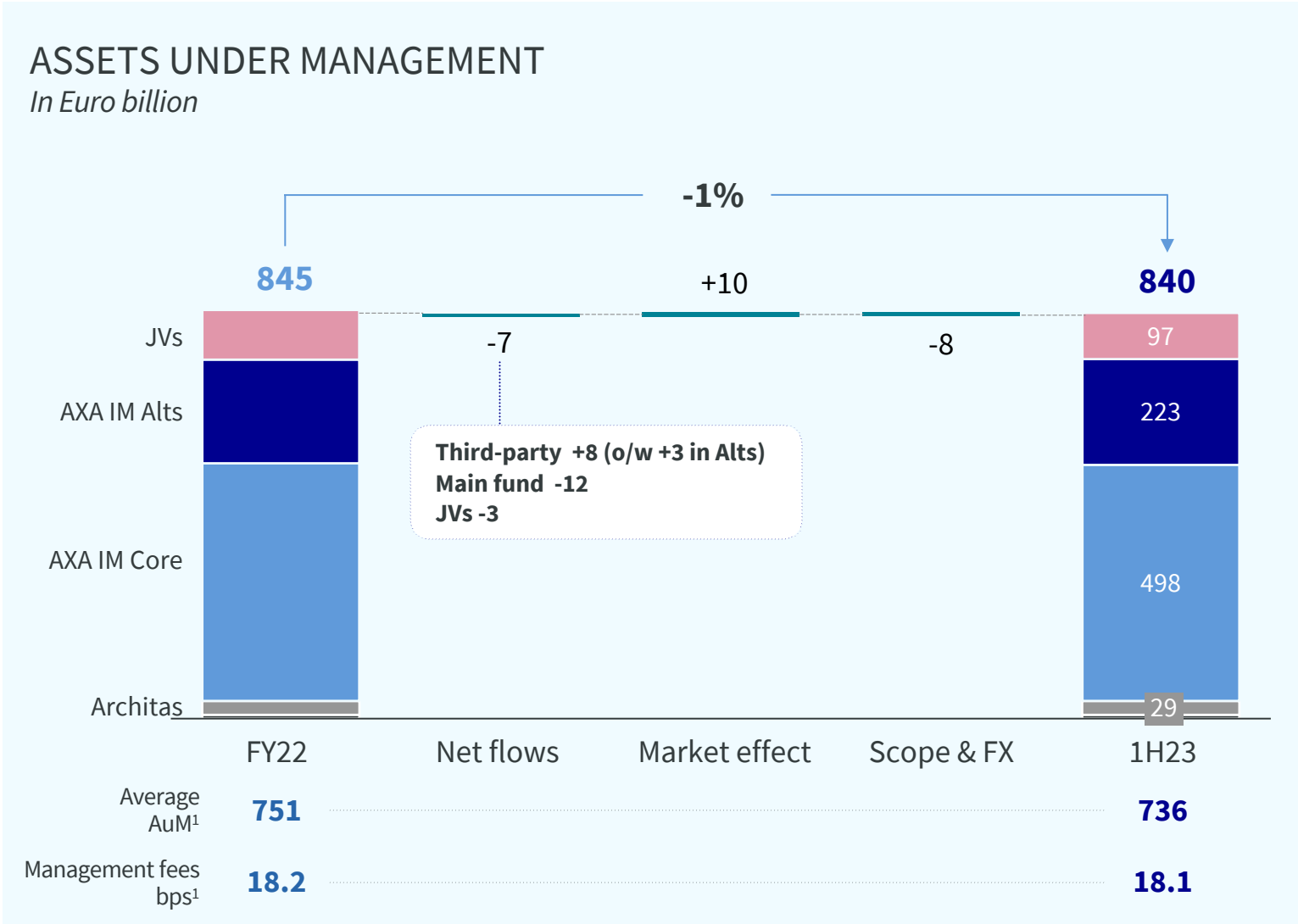
# Life & Health | Resilient Life earnings, Health impacted by higher claims in the UK



- **L&H underlying earnings** driven by a **predictable CSM release**
- **Technical result** reflects elevated Health claims frequency in the UK
- **Financial result** impacted by lower investment income including from the non-repeat of high fund distributions



# Asset Management | Robust third-party net flows, revenues impacted by market conditions







# 3 Financial performance

Alban de Mailly Nesle  
*Group CFO*

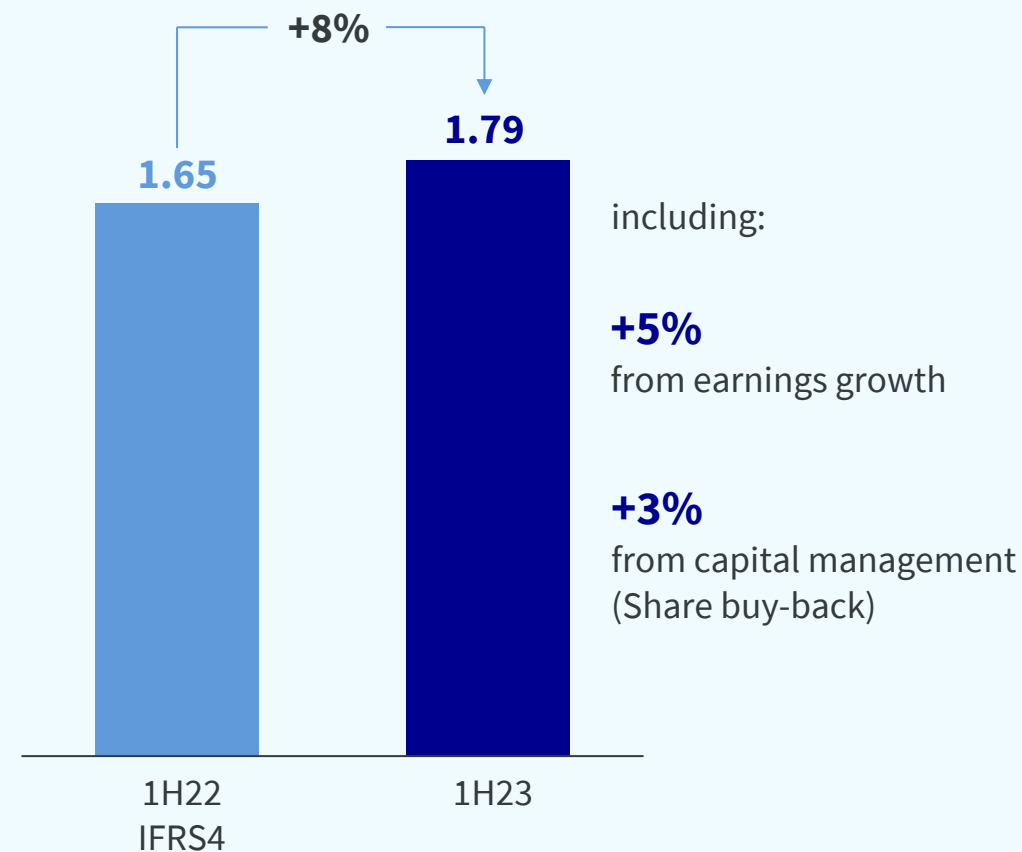
# Strong growth in UEPS

*In Euro billion*

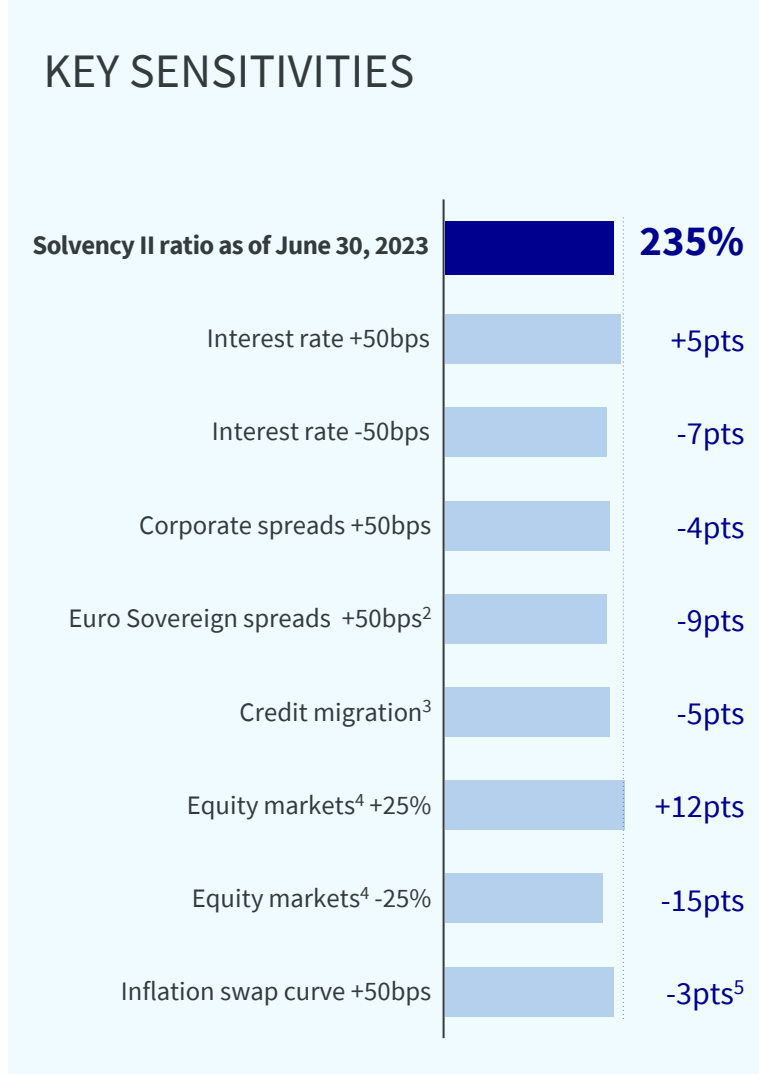
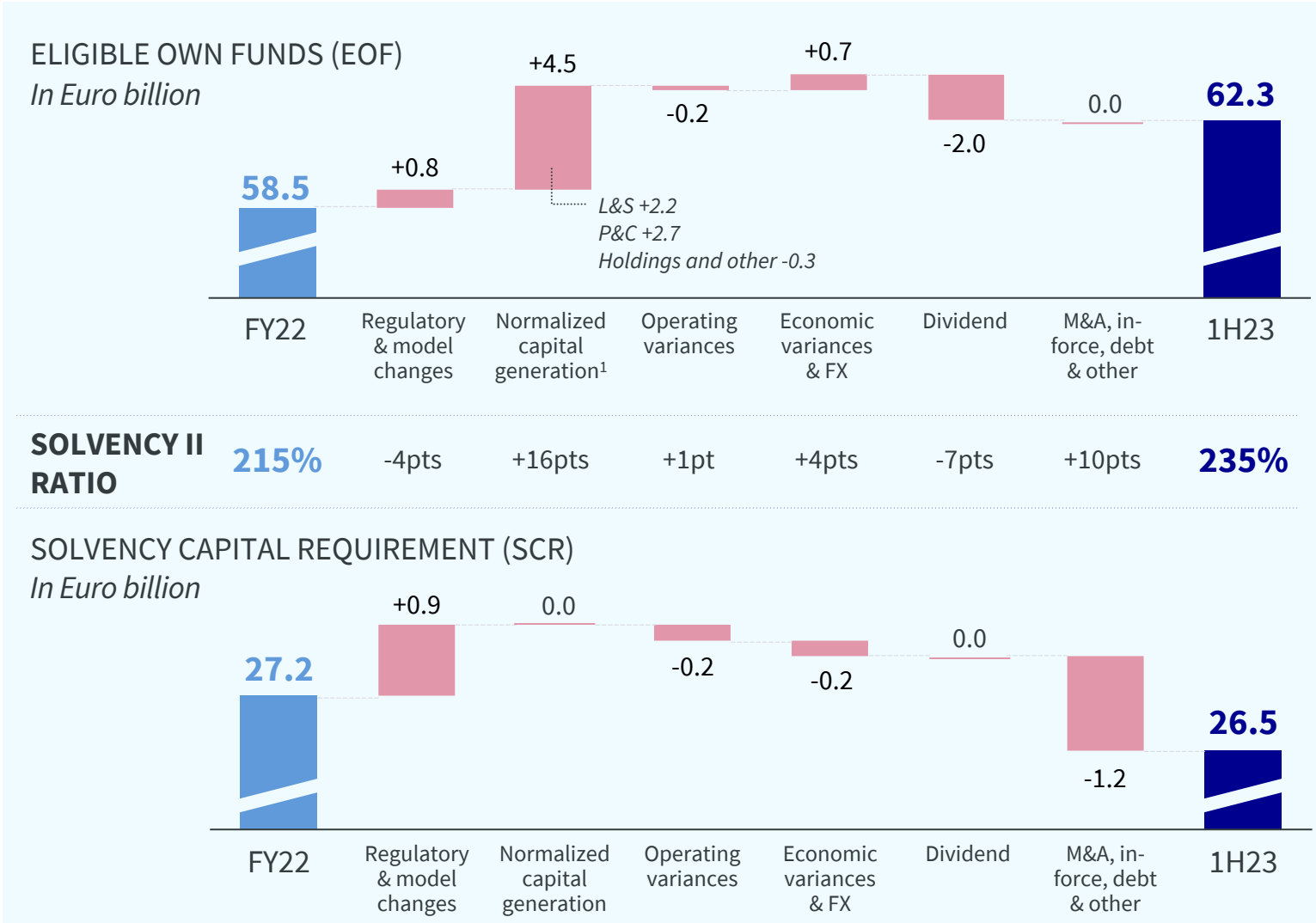
	1H22 under IFRS4	1H23 under IFRS17/9	Change
Property & Casualty	2.4	2.7	+13%
Life & Health	1.7	1.6	-4%
Asset Management	0.2	0.2	-7%
Holding & other	-0.4	-0.4	-
<b>Underlying earnings</b>	<b>3.9</b>	<b>4.1</b>	<b>+5%</b>
<i>Non-financial flows</i>	-0.3	-0.2	-
<i>Financial flows (incl. RCG)</i>	+0.5	-0.1	-
<b>Net income</b>	<b>4.1</b>	<b>3.8</b>	<b>-7%</b>

## UNDERLYING EARNINGS PER SHARE<sup>1</sup>

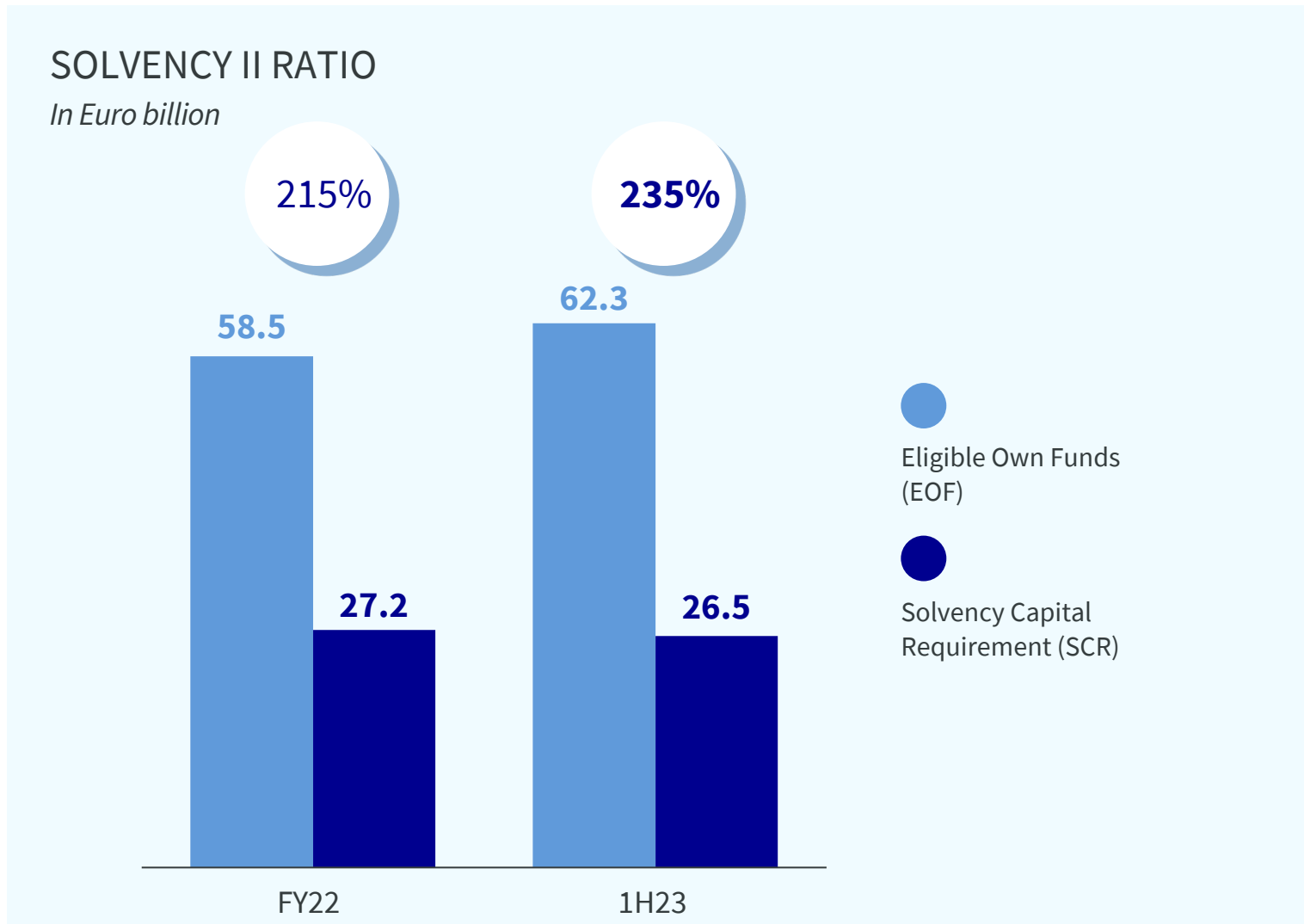
*In Euro*



# Solvency II at 235%, supported by strong capital generation and positive management actions



# A capital-efficient business



- **Strong operating capital generation**
- **Lower capital requirement**
  - **Shift in our Life business** toward capital light products
  - Actions to further **reduce the Group's duration gap**
- **Improved confidence in cash remittance**



# 4 Conclusion

Thomas Buberl  
*Group CEO*





# Very good performance in the first half of 2023

- /// **Increase in gross written premiums**, reflecting strong sales momentum and the relevance of our business model.
- /// **Strong growth in underlying earnings**, driven by our P&C business line and technical profitability, particularly at AXA XL.
- /// **Excellent balance sheet**, with a Solvency II ratio at 235%, well above our target of 190%.
- /// **Very well positioned** to deliver our key Driving Progress 2023 targets and on track to achieve our underlying earnings target of over €7.5 billion<sup>1</sup> in 2023.



# Q&A session



# Thank you

# AXA is a recognized sustainability leader

Member of  
**Dow Jones  
Sustainability Indices**  
Powered by the S&P Global CSA

2022 score: **91/100**  
In DJSI Europe & DJSI World indexes

**DJSI accounts for 10% of  
performance conditions of AXA's  
shares for top management**



2023 score: **C+**, with **Prime status**



2022 score: **AAA**



2022 score: **B**



Included in the  
**Bloomberg Gender  
Equality Index** in 2023



2022 ESG Risk Rating:  
**16.7 – Low risk<sup>1</sup>**

# Scope

**France:** includes insurance activities, banking activities and holdings.

**Europe:** includes Switzerland (insurance activities), Germany (insurance activities and holding), Belgium (insurance activities and holding), Luxemburg (insurance activities and holding), United Kingdom and Ireland (insurance activities and holding), Spain (insurance activities), Italy (insurance activities) and AXA Life Europe (insurance activities).

**AXA XL:** includes insurance and reinsurance activities and holdings.

**Asia, Africa & EME-LATAM:** includes (i) insurance activities and holding in Japan, insurance activities in Hong Kong, Thailand P&C, Indonesia L&S (excluding the bancassurance entity), China P&C and Malaysia P&C (insurance activities until June 2022 as disposed on August 30 2022), South Korea, and Asia Holding which are fully consolidated, and China L&S, Thailand L&S, the Philippines L&S and P&C, Indonesian L&S and India (L&S insurance activities and holding) bancassurance businesses which are consolidated under the equity method and contribute only to NBV, PVEP, the underlying earnings and net income, (ii) Morocco (insurance activities and holding) and Nigeria (insurance activities and holding) which are fully consolidated, (iii) Mexico (insurance activities), Colombia (insurance activities), Turkey (insurance activities and holding) and Brazil (insurance activities and holding) which are fully consolidated, as well as Russia (Reso) (insurance activities) which is consolidated under the equity method and contribute only to the underlying earnings and net income, (iv) AXA Mediterranean Holding.

**Transversal & Central Holdings:** AXA Assistance, AXA Liabilities Managers, AXA S.A. and other Central Holdings.

**AXA Investment Managers:** includes AXA Investment Managers and Architas.

***Unless otherwise specified, all comparative figures for prior periods in this presentation are 1H22 or FY22 figures (as applicable) restated under the IFRS17/9 accounting standards that became effective on January 1, 2023.***



# Glossary (1/2)

**Asset Management net flows:** Net inflows represent Inflows of client money less outflows of client money. Net inflows are used by the Management to measure the impact of sales efforts, product attractiveness (mainly dependent on performance and innovation), and the general market trend in investment allocation.

**Asset Management cost income ratio:** ratio of general expenses excluding distribution related expenses to gross revenues excluding distribution fees received.

**Assets under management (“AUM”):** the assets which management has been delegated by their owner to an asset management company such as AXA Investment Managers. AUM only include funds and mandates which generate fees and exclude double counting.

**Average assets under management (“Average AUM”):** an annual measure of the assets during the period, taking into account net flows, market effect and foreign exchange to compute the year-to-date average. It also excludes assets held in joint venture companies which are consolidated under the equity method.

**Capital-Light G/A Products:** encompass all products with no guarantees, with guarantees at maturity only or with guarantees equal to or lower than 0%.

**Contractual Service Margin (“CSM”):** a component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit to be recognized as services are provided to policyholders.

**CSM Release:** the portion of CSM stock net of reinsurance at the end of the defined period flowing through profit and loss representing the estimated profit earned by the insurer for providing insurance services during the reporting period. CSM Release is calculated based on the underlying coverage units of the group of contracts which quantify the overall insurance contract service provided over the coverage period of each contract within the group of insurance contracts.

**Economic variance:** the experience variance observed over the current year compared to the management case scenario on expected financial conditions for the current year at the end of the previous year.

**Financial result:** investment income on assets backing Building Block Approach (BBA) and Premium Allocation Approach (PAA) contracts as well as assets backing shareholder’s equity, net of the insurance finance expenses (IFE) defined as the unwind of the present value of future cash flow and risk adjustment.

**Gross Written Premiums & Other Revenues:** insurance premium collected during the period (including risk premiums, premiums from pure investment contracts with no discretionary participating features, fees and revenues, net of commissions paid on assumed reinsurance business). Other Revenues represent premiums and fees collected on activities other than insurance (i.e., services, asset management and banking activities). Gross Written Premiums & Other Revenues is also referred to in this presentation as “GWP” or “GWP & Other Revenues,” as the case may be.

**New Business Contractual Service Margin (“NB CSM”):** a component of the carrying amount of the asset or liability for newly issued insurance contracts during the period, representing the unearned profit to be recognized as insurance contract services are provided.

**New Business Value (“NBV”):** the value of newly issued contracts during the current year. It consists of the sum of (i) the New Business Contractual Service Margin, (ii) the present value of the future profits of Short-Term Business newly issued contracts during the period, carried by Life entities, considering expected renewals, and (iii) the present value of the future profits of pure investment contracts accounted for under IFRS 9, net of (iv) the cost of reinsurance, (v) taxes and (vi) minority interests.

# Glossary (2/2)

**New Business Value Margin (“NBV Margin”):** the ratio of (i) New Business Value representing the value of newly issued contracts during the current year to (ii) PVEP.

**Operating variance (net of reinsurance):** the variation of the year-end CSM vs the expected at opening due to (i) the differences between realized and expected operational assumptions, (ii) changes in assumptions such as mortality, longevity, lapses and expenses, and (iii) impact of model changes.

**Present Value of Expected Premiums (“PVEP”):** the new business volume, equal to the present value at the time of issue of the total premiums expected to be received over the policy term. PVEP is net of reinsurance and presented group share.

**Solvency II ratio:** is estimated primarily using AXA’s internal model calibrated based on an adverse 1/200-year shock. It includes a theoretical amount for dividends accrued for the first six months of 2023, based on the full-year dividend of Euro 1.70 per share paid in 2023 for FY22. Dividends are proposed by the Board, at its discretion based on a variety of factors described in AXA’s 2022 Universal Registration Document, and then submitted to AXA’s shareholders for approval. This estimate should not be considered in any way to be an indication of the actual dividend amount, if any, for the 2023 financial year. For further information on AXA’s internal model and Solvency II disclosures, please refer to AXA Group’s SFCR as of December 31, 2022, available on AXA’s website ([www.axa.com](http://www.axa.com)).

**Technical experience:** consists of the impacts on the underlying earnings of (i) the difference between the expected and incurred cash-flows of the defined period, (ii) the risk adjustment release, (iii) the changes in onerous contracts and (iv) the other long-term elements which are mainly composed of non-attributable expenses.

**Underlying Return on in-force:** the release of the time value of options & guarantees plus the unwind of CSM at the reference rate plus the underlying financial over-performance.

# Notes (1/2)

*Changes at comparable basis are constant Forex, scope and methodology for activity indicators, and at constant Forex for earnings, unless otherwise specified.*

## Page 5

1. Change in Gross Written Premiums & Other Revenues, New Business Value (“NBV”), Present Value of Expected Premiums (“PVEP”) and New Business Value Margin (“NBV Margin”) is on a comparable basis (constant forex, scope and methodology), unless otherwise indicated.
2. Restated under the IFRS17/9 accounting standards that became effective on January 1, 2023.
3. 1H23 UEPS increased by +23% vs 1H22 restated under IFRS17/9.

## Page 6

1. Includes Central holdings (€-0.4bn).

## Page 8

1. The completion of the transaction is subject to customary closing conditions, including the receipt of regulatory approvals, and is expected to take place by the end of 2023

## Page 10

1. For further information on these targets, the methodologies used to set and report on them, as well as key assumptions, risks and variables that may impact AXA’s ability to meet the targets, please refer to [AXA Net Zero strategy for investment & underwriting | AXA](#).

## Page 11

1. Based on normalized natural catastrophe charges and assuming current operating and market conditions persist.

## Page 13

1. Sum of pricing, volume, mix and others.

## Page 15

1. Underwriting result includes expenses.

## Page 16

1. Refers to the two large international Group contracts in France.

# Notes (2/2)

*Changes at comparable basis are constant Forex, scope and methodology for activity indicators, and at constant Forex for earnings, unless otherwise specified.*

## Page 18

1. Includes contribution from Architas. Excludes contribution from joint ventures and Capza, which are accounted for under the equity method.

## Page 20

1. 1H23 UEPS increased by +23% vs 1H22 restated under IFRS17/9.

## Page 21

1. Normalized capital generation refers to operating capital generation excluding operating variances
2. Sensitivity to Euro sovereign spreads assumes a 50bps spread widening of the Euro sovereign bonds vs. the Euro swap curve (applied on sovereign and quasi-sovereign exposures).
3. Sensitivity to credit rating migration assumes 20% of corporate bonds (including private debt) held are downgraded by one full letter (3 notches)
4. Includes listed, private and infrastructure equities
5. Estimated as of end of FY22

## Page 24

1. Based on normalized natural catastrophe charges and assuming current operating and market conditions persist.

## Page 27

1. For the ESG Risk Rating ranking of AXA Group, please refer to Sustainalytics' website: <https://www.sustainalytics.com/esg-rating/axa-sa/1007999484>.