



Half Year 2021

 **Earnings presentation**
August 2, 2021





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, 2020 (the "2020 Universal Registration Document") and "Operating Highlights – Risk Factors" on page 11 of AXA's half-year financial report as of June 30, 2021 (the "Half-Year 2021 Financial Report") for a description of certain important factors, risks and uncertainties that may affect AXA's business and/or results of operations, particularly in respect of the Covid-19 crisis. 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. In particular, we refer herein to the following APMs: (i) Underlying earnings, (ii) Underlying ROE, (iii) Underlying earnings per share, (iv) Debt Gearing, and (v) Combined ratio. In each case, these APMs and any other non-GAAP financial measures used in this presentation are defined in the Glossary set forth on pages 60 to 67 of AXA's Half-Year 2021 Financial Report. In addition, a reconciliation from the 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 21 and 22 of AXA's Half-Year 2021 Financial Report, while the APMs Underlying return on equity and Underlying earnings per share are reconciled to the financial statements in the table set forth on page 26 of AXA's Half-Year 2021 Financial Report. The calculation methodology for Debt gearing is set out on page 22 of AXA's Half-Year 2021 Financial Report.

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1H21 Highlights

Thomas Buberl, Group CEO



Half Year 2021 | Results are strong, delivering on our strategy


€54bn

Revenues

+7% vs 1H20
+5% vs 1H19


212%

Solvency II ratio

+12 pts vs FY20


€3.6bn

Group UE

+101% vs 1H20
+12% ex Covid


€619m

AXA XL UE

Confidence on €1.2bn UE

Strong performance across all dimensions

Simplification, focus and shift to technical risks is producing results

France & Europe geared for sustained delivery

across growth, margins & expenses



+6%

Revenues

+7%

UE ex Covid

AXA XL turnaround from disciplined underwriting

Euro 1.2 billion underlying earnings in 2021



+7%

Revenues

+40%

UE ex Covid

Upside from growth avenues in the rest of the Group

Asia and AXA IM



+9%

Revenues

+6%

UE ex Covid

+17%

Revenues

+32%

UE

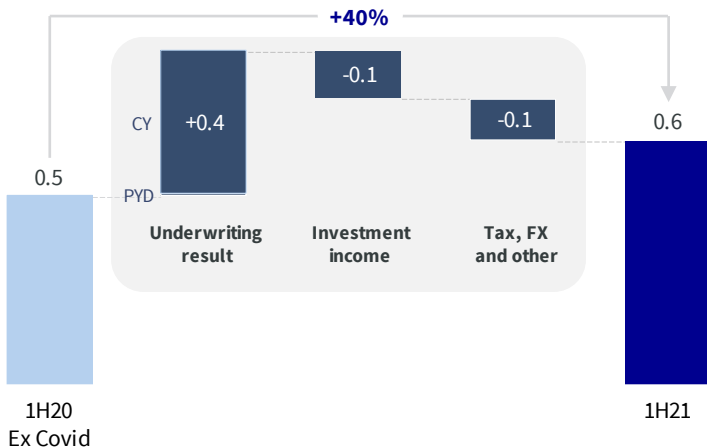
Asia

AXA IM

AXA XL | Delivering, with confident outlook

In Euro billion

Underlying earnings



✓
Strong underwriting performance

CoR 95.8%

✓
Portfolio re-underwriting well advanced

Positioning for growth

✓
Continued pricing momentum¹

+15% Insurance
+10% Reinsurance

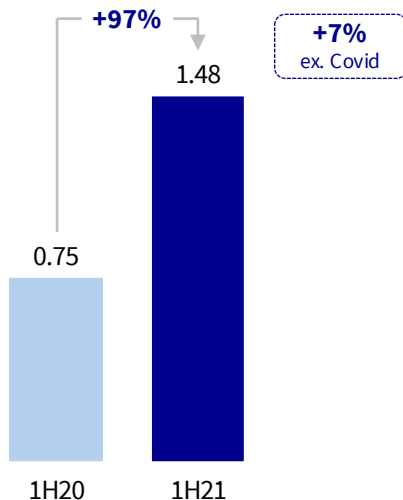
✓
Favorable reserves review

Excess reserves at €0.4bn

Disciplined execution | Translating into strong growth in UEPS and NI

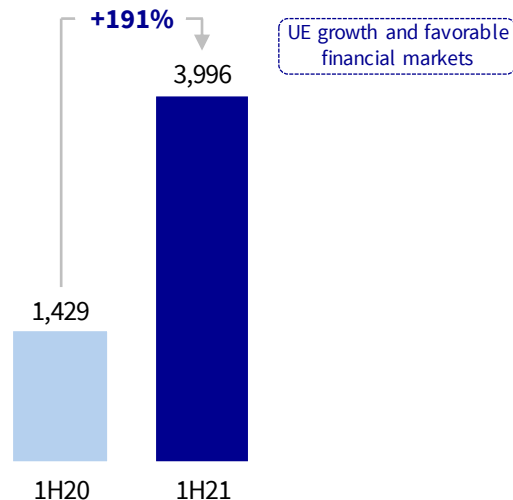
Underlying earnings per share

In Euro



Net income

In Euro million



Climate | Our commitments in action



Launch of the AXA for Progress Index

- ✓ 7 shared Group commitments
- ✓ 3 targets impacting compensation



Publication of our 2021 Climate Report

- Our “warming potential” at 2.7°C,
below the market’s (3.2°C)



Chair of the Net-Zero Insurance Alliance

- ✓ Formal launch at G20 (Jul 21)
- ✓ Action plan roll-out at COP26 (Nov 21)





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1H21 Business performance

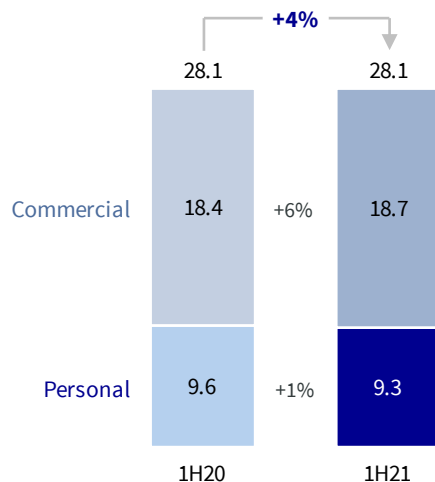
Frédéric de Courtois, Deputy Group CEO



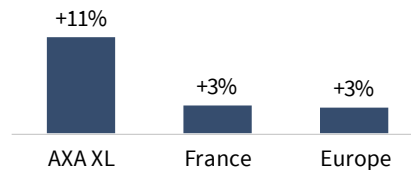
P&C Revenues | Favorable pricing momentum in Commercial lines

In Euro billion

Gross revenues



Commercial lines pricing¹: +7%



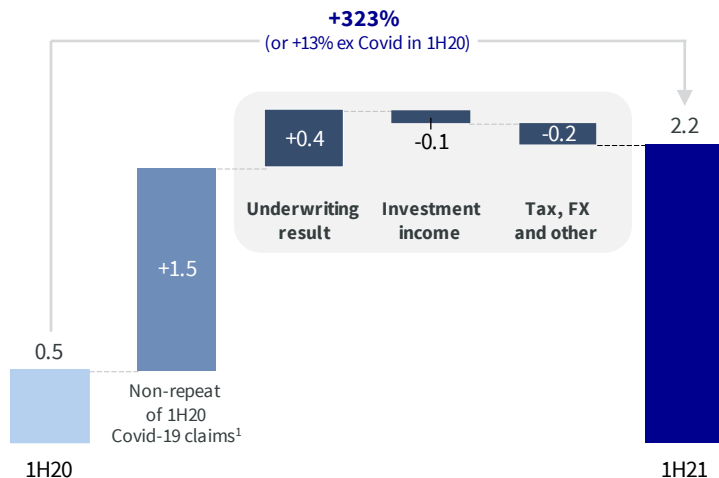
Personal lines pricing¹: stable



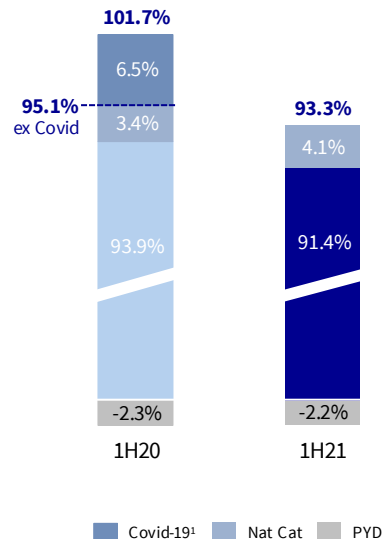
P&C Profitability | Strong underwriting performance

In Euro billion

Underlying earnings

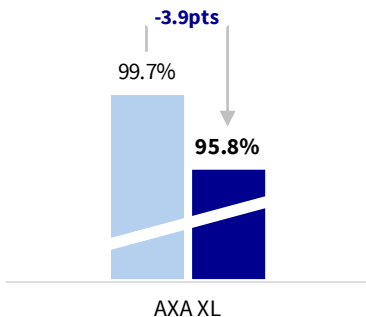


Combined ratio

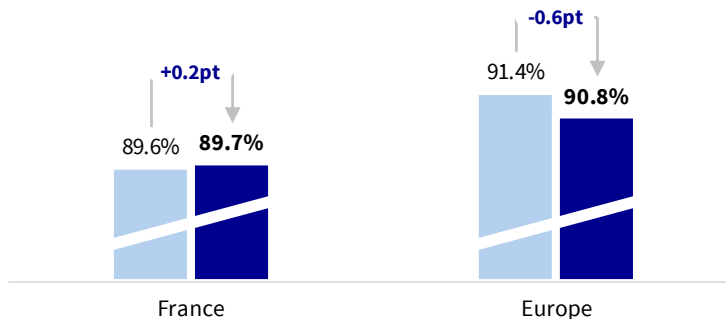


P&C Combined ratio | Strong technical profitability across geographies

1H20 (ex Covid) 1H21



- Higher pricing
- Portfolio re-underwriting
- Higher Nat Cats

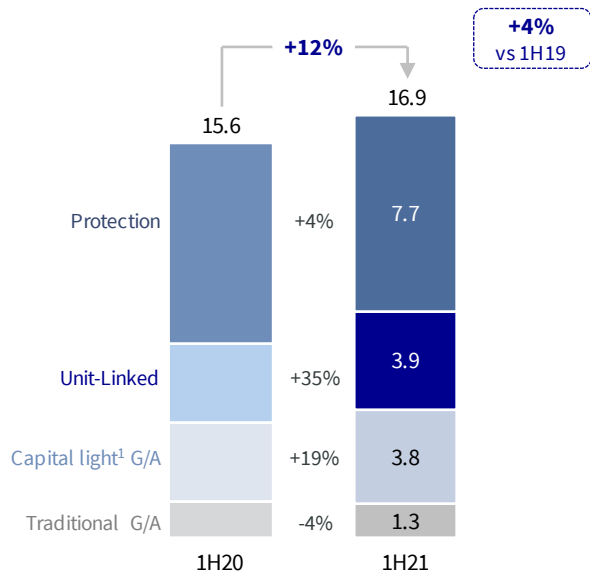


- Frequency benefits in France and Europe (in CY)
- French restaurant settlement offer (in PYD)
- More favorable PYD (ex. French settlement offer)
- Higher large losses and Nat Cats

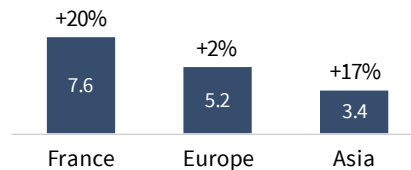
L&S Revenues | Growing across markets, with high quality mix

In Euro billion

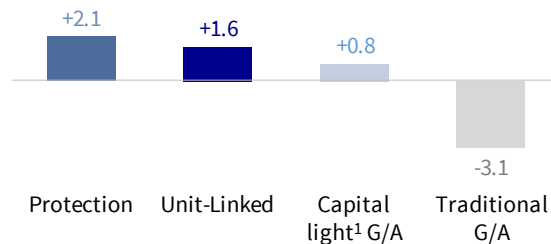
Gross revenues



Revenues by geography

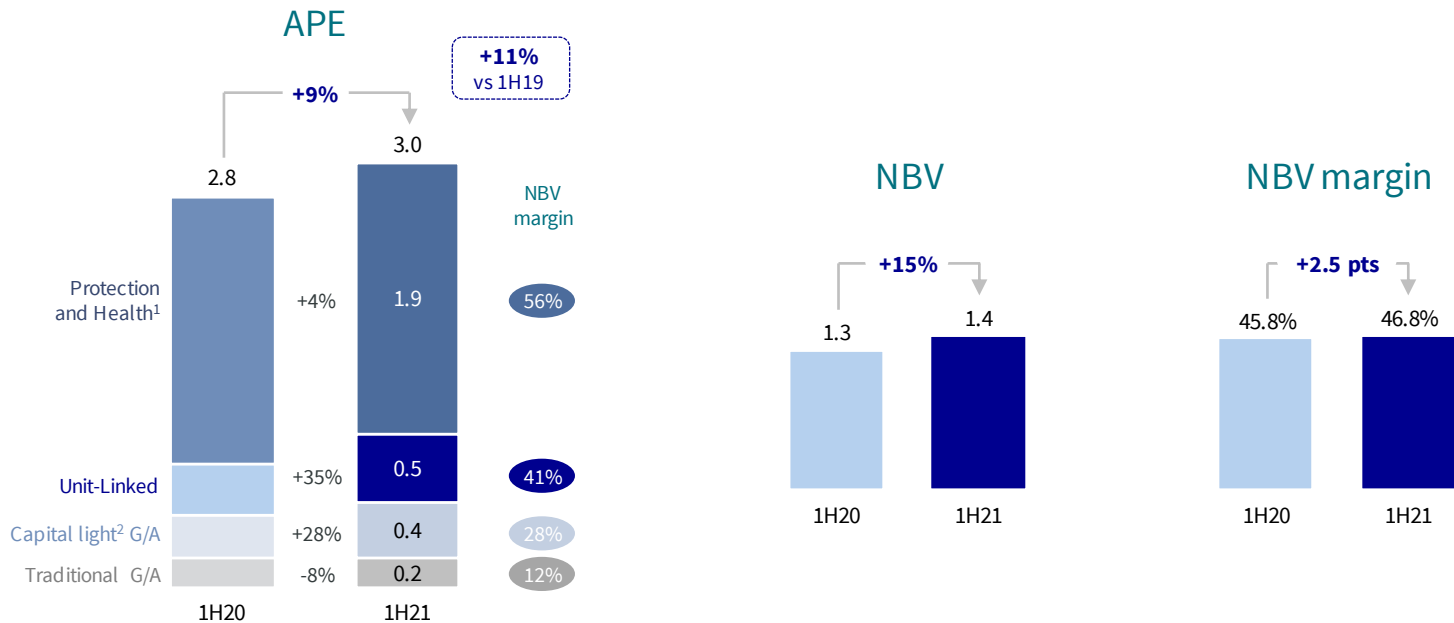


L&S net flows: +1.4bn



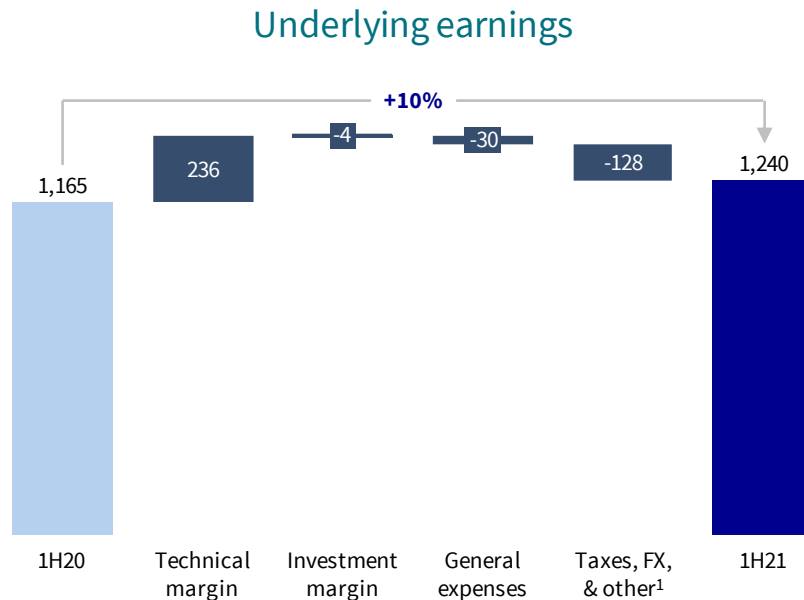
APE and NBV | Growing our highly profitable product mix

In Euro billion



L&S profitability | Higher technical margin, resilient investment margin

In Euro million



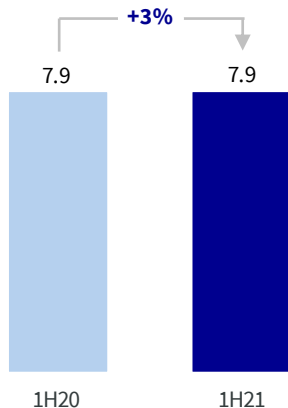
- **Higher technical margin** from business growth and the non-repeat of unfavourable exceptionals in 1H20
- **Resilient investment margin**, with lower yields offset by lower crediting rates
- Adverse impact from CEE and Greece disposals, forex impacts and taxes

Health | Continued profitable growth

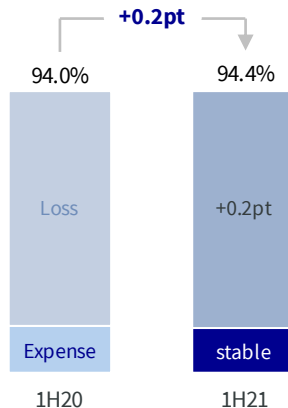
Revenues in Euro billion

Underlying earnings in Euro million

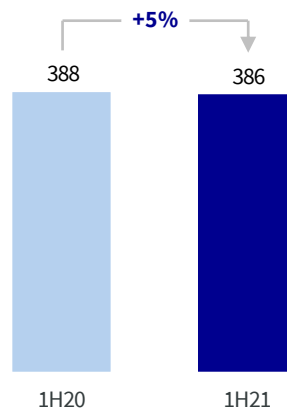
Gross revenues



Combined ratio

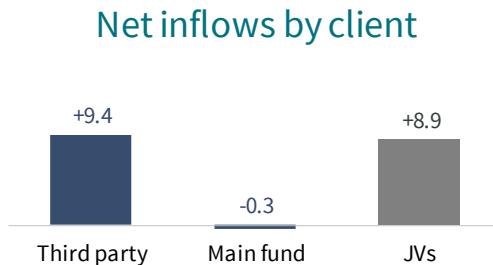
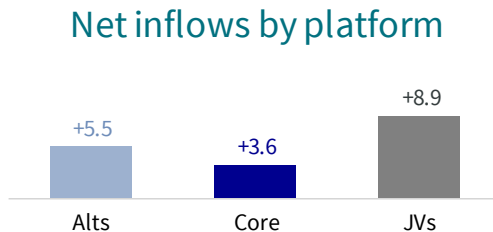
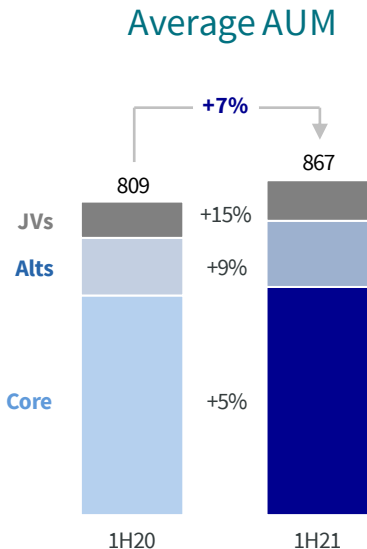


Underlying earnings



Asset Management | Higher AUM with favorable business mix

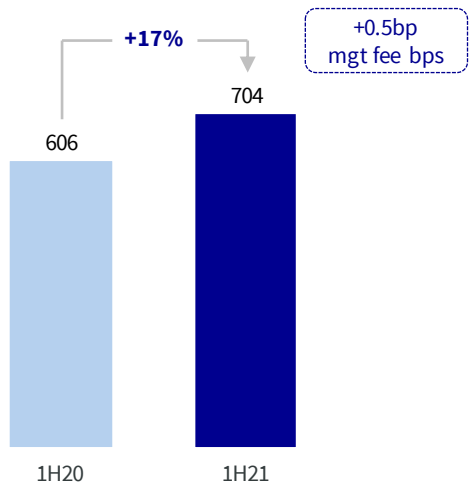
In Euro billion



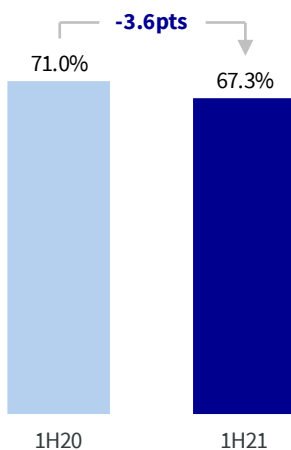
Asset Management | Earnings growth from margin expansion

In Euro million

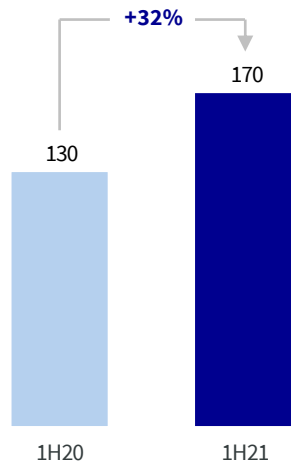
Gross revenues



Cost income ratio



Underlying earnings





3

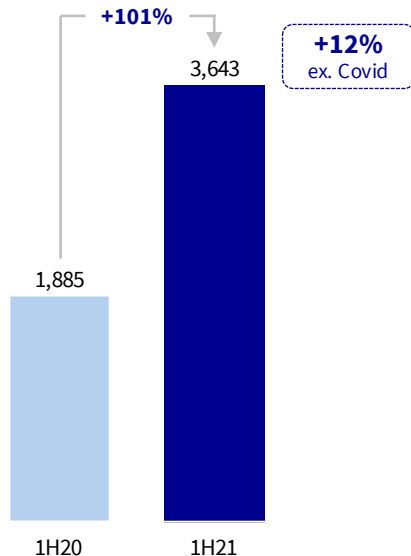
1H21 Financial performance

Alban de Mailly Nesle, Group CFO



Underlying earnings | Strong 1H21 performance

In Euro million

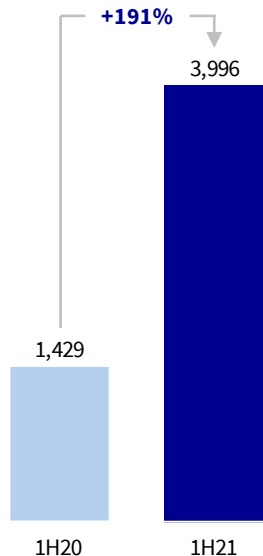


	1H20	1H21	Change
Property & Casualty	544	2,209	+323%
Life & Savings	1,165	1,240	+10%
Health	388	386	+5%
Asset Management	130	170	+32%
Holdings & other	-341	-361	-7%
Underlying earnings	1,885	3,643	+101%

+13%
ex. Covid

Net income | Strong growth from UE and favorable market conditions

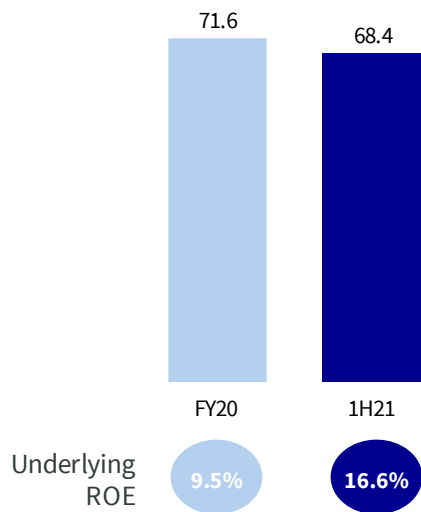
In Euro million



Underlying earnings	3,643
Gains/losses on financial assets	+547
o/w Net realized capital gains	+257
o/w Change in fair value and Forex ¹	+290
Exceptional and discontinued operations	-59
Integration and restructuring costs	-67
Goodwill and related intangibles	-69
Net income	3,996

Shareholders' equity | High ROE at 16.6%

In Euro billion



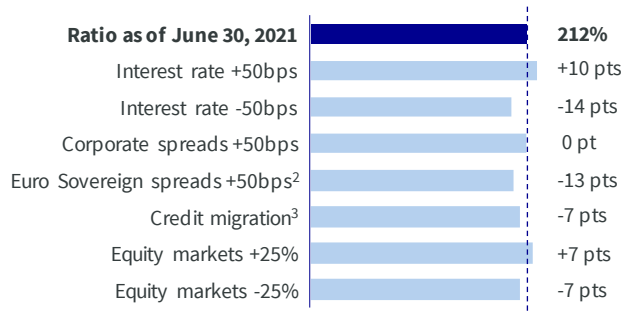
FY20 Shareholders' equity	71.6
Change in net unrealized capital gains ¹	-4.7
Net income for the period	+4.0
Dividend (paid in May 2021)	-3.4
Change in pension benefits	+0.5
Forex and other	+0.5
1H21 Shareholders' equity	68.4

Solvency II ratio | Strong at 212%

1H21: Solvency II ratio¹ roll-forward

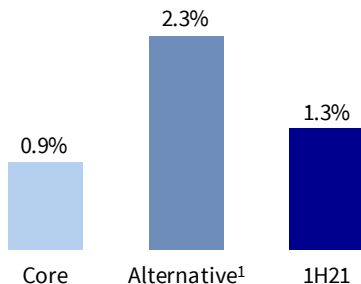
FY20 Solvency II ratio	200%
Operating return	+12 pts
Dividend accrual	-6 pts
Market impact excl. Forex	+3 pts
Debt issuance	+4 pts
Forex and Other	-0 pt
1H21 Solvency II ratio	212%

Key sensitivities



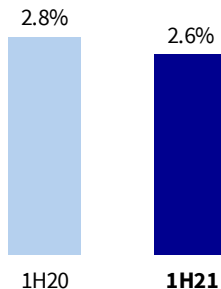
Investments | Yields supported by Alternatives, resilient L&S margin

1H21 Fixed Income reinvestment yield



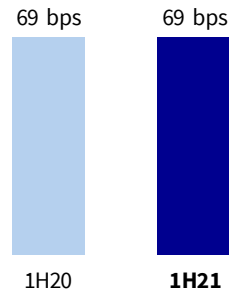
Government bonds Average rating: AA
Corporate bonds Average rating: A
Alternative Average rating: A

P&C yield²



10-20 bps
dilution per year

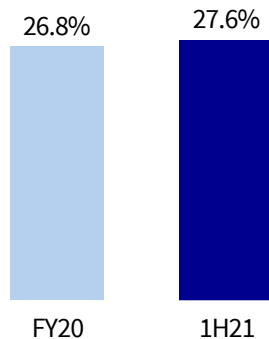
L&S investment margin



55 - 65 bps
2021E - 2023E

Debt gearing within guidance and strong credit ratings

Debt gearing



S&P Global
Ratings

March, 2021

Rating

AA-

Outlook

Stable

MOODY'S

June, 2021

Aa3

Stable

FitchRatings

May, 2021

AA-

Positive

(revised from stable)



Conclusion

Thomas Buberl, Group CEO



Half Year 2021 | Results are strong, delivering on our strategy



€54bn

Revenues

+7% vs 1H20
+5% vs 1H19



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Solvency II ratio

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Group UE

+101% vs 1H20
+12% ex Covid



€619m

AXA XL UE

Confidence on €1.2bn UE

Strong performance across all dimensions



Q&A

 **Half Year 2021 Earnings**
August 2, 2021





Meet our management

September – October	Virtual European and US roadshows	Virtual
September 23	Bank of America Annual Financials CEO Conference	London (Virtual)
November 4	Nine Month 2021 Activity indicators	Call
February 24	Full Year 2021 Earnings Release	London



Call us

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Thank you

 **Half Year 2021 Earnings**
August 2, 2021



Scope and definitions

Scope

- **France:** includes insurance activities, banking activities and holdings in France.
- **Europe:** includes Switzerland (insurance activities), Germany (insurance activities, holding, and banking activities until its disposal on December 31, 2020), Belgium (insurance activities and holdings), United Kingdom and Ireland (insurance activities and holdings), Spain (insurance activities), Italy (insurance activities).
- **AXA XL:** includes insurance activities and holdings.
- **Asia:** includes insurance activities in Japan (including the P&C business which was previously reported under “Asia-Direct” and holding), Hong Kong, Asia High Potentials of which (i) Thailand P&C, Indonesia L&S (excluding the bancassurance entity) and China P&C are fully consolidated, and (ii) China L&S, Thailand L&S, the Philippines L&S and Indonesian L&S bancassurance businesses are consolidated under the equity method and do not contribute to the gross revenues, South Korea, and Asia Holdings.
- **International:** consists of (i) AXA Mediterranean Holdings, (ii) EME-LATAM, which includes Mexico (insurance activities), Colombia (insurance activities), Turkey (insurance activities and holdings), Poland (insurance activities until September 2020 as disposed on October 15, 2020), the Gulf Region (insurance activities held for sale and holdings), AXA Bank Belgium (banking activities held for sale), Luxembourg (insurance activities and holdings), Brazil (insurance activities and holdings), Czech Republic and Slovakia L&S (insurance activities until September 2020 as disposed on October 15, 2020) and Greece (insurance activities until March 2021 as disposed on May 31, 2021) 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, and (iii) Africa & Asia, which includes Singapore (insurance activities and holdings), Morocco (insurance activities and holdings) and Malaysia P&C (insurance activities held for sale) which are fully consolidated, as well as India (P&C insurance activities held for sale, L&S insurance activities and holdings) and Nigeria (insurance activities and holdings) which are consolidated under the equity method and do not contribute to the gross revenues.
- **Transversal & Central Holdings:** includes AXA Investment Managers, AXA Assistance, AXA Liabilities Managers, AXA Global Re, AXA Life Europe, Architas (previously reported under “UK & Ireland”), AXA S.A. and other Central Holdings.

Definitions

- **“Covid-19 claims in 1H20”** includes P&C, L&S and Health net claims related to Covid-19 in 1H20, as well as the impacts from solidarity measures and from lower volumes net of expenses, linked to Covid-19 in 1H20. “Covid-19 claims in 1H20” does not include any financial market impacts (including impacts on investment margin, unit-linked and asset management fees, etc.) related to the Covid-19 crisis.
- **“P&C Covid-19 claims in 1H20”** includes P&C net claims related to Covid-19 in 1H20, as well as the P&C impacts from solidarity measures and from lower volumes net of expenses, linked to Covid-19 in 1H20. “P&C Covid-19 claims in 1H20” does not include any financial market impacts including impacts on investment margin, etc. related to the Covid-19 crisis in 1H20.

Notes

Page A7

1. Renewals only at AXA XL in 1H21, price effect calculated as a percentage of renewed premiums.

Page A11

1. Price effect is calculated as a percentage of total gross written premiums in the prior year.

Page A12

1. Refers to “P&C Covid-19 claims in 1H20”, including P&C net claims related to Covid-19, as well as the impacts from solidarity measures and from lower volumes net of expenses, linked to Covid-19. It does not include any financial market impacts (including impacts on investment margin, etc.) relating to the Covid-19 crisis.

Page A14

1. General Account Savings products which, at inception, create more Eligible Own Funds (EOF) than the economic capital they consume.

Page A15

1. Include Health “life-like” business.
2. General Account Savings products which, at inception, create more AFR than the economic capital they consume.

Page A16

1. Includes taxes, forex, fees & revenues, commissions, DAC amortization and capitalization, as well as the variation of underlying earnings for Poland, Czech Republic & Slovakia (disposed on October 15, 2020), Greece (disposed on May 31, 2021) and Architas UK (disposed on December 31, 2020).

Page A22

1. Includes the change in fair value of interest rate, equity and foreign exchange economic hedges not eligible for hedge accounting under IAS 39.

Page A23

1. Includes impact of change in fair value of derivatives that qualify to be booked through other comprehensive income Euro -0.8 billion.

Page A24

1. The Solvency II ratio is estimated primarily using AXA's internal model calibrated based on an adverse 1/200 years shock. It also includes a theoretical amount for dividends accrued for the first half of 2021, based on the full year dividend paid in 2021 for FY20. Dividends are proposed by the Board at its discretion based on a variety of factors described in AXA's Universal Registration Document for the year ended December 31, 2020 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 2021 financial year. For further information on AXA's internal model and Solvency II disclosures, please refer to AXA Group's Solvency and Financial Condition Report (SFCR) as of December 31, 2020, available on AXA's website (www.axa.com).
2. Sensitivity Euro sovereign spreads assumes a 50 bps 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).

Page A25

1. Notably including real estate debt and CLOs.
2. Gross asset yield.