



# Press release

Paris, August 6, 2020 (7:00am CET)

## Half Year 2020 Earnings

- **Total revenues**<sup>1</sup> down 2% to Euro 52.4 billion
- **Underlying earnings**<sup>2</sup> down 48% to Euro 1.9 billion, or up 1% excl. Covid-19 claims<sup>3</sup> and EQH<sup>4</sup>
- **Covid-19 claims**<sup>3</sup> estimated 2020 UE<sup>2</sup> impact confirmed at Euro 1.5 billion and booked in 1H20
- **Solvency II ratio**<sup>5</sup> at 180%, debt gearing<sup>2</sup> down to 27.6%, and cash remittance of Euro 4.9 billion
- **No exceptional distribution of reserves** in 4Q20 following ACPR's July 28 communication

"In the first half of 2020, AXA demonstrated its resilience in the challenging context of the Covid-19 pandemic. Revenues were down 2%, to Euro 52 billion, reflecting strong growth in the first quarter offset by lower business activity in the second quarter", said **Thomas Buberl, Chief Executive Officer of AXA**. "Growth in Health remained strong throughout the first six months of the year, at +9%, and price increases in P&C Commercial lines continued to accelerate."

"The Group's underlying earnings were Euro 1.9 billion, down 48%, and were up 1% excluding Covid-19 claims<sup>3</sup> and the disposal of Equitable Holdings. The impact of Covid-19 on AXA's earnings was in line with our previously published guidance. Commercial lines were the most impacted, notably at AXA XL. The rest of the Group was resilient, with the impacts from Covid-19 claims largely offset by lower frequency in Motor and growth in Health and Asset Management."

"AXA's Solvency II ratio was resilient at 180%, its debt gearing was reduced by 1.2 points to 27.6%, and cash remittance amounted to Euro 4.9 billion, confirming the strength of the Group's balance sheet in volatile market conditions."

"AXA's strategic vision and business profile shift are more relevant than ever, notably with its growing and profitable Health business, and an unparalleled opportunity to benefit from the hardening pricing cycle in P&C Commercial lines. With a clear focus on technical risks, the Group is well positioned for a prolonged period of low interest rates."

"The Covid-19 pandemic has shown the critical role of insurance in protecting societies and supporting economic recovery. This conviction is encapsulated in our new purpose 'Acting for human progress by protecting what matters'. As a global insurance leader and investor, the Group continues to take ambitious measures to meet the major challenges of our time, aligning post-Covid recovery strategies with our long-standing commitment to facilitate the green economy transition."

"Our people are key to the Group's performance, and I wish to thank all our employees, agents and partners, for their unwavering commitment to provide support and undisrupted service to our clients during these challenging times."

### Key figures (in Euro million, unless otherwise noted)

	1H19	1H20	Change on a reported basis	Change at constant Forex
Gross Revenues <sup>1</sup>	57,949	<b>52,391</b>	-10%	-2%
Underlying earnings <sup>2</sup>	3,620	<b>1,885</b>	-48%	-48%
Underlying earnings per share <sup>2</sup> (in Euro)	1.46	<b>0.75</b>	-48%	-
Net income	2,333	<b>1,429</b>	-39%	-39%

	FY19	1H20	Change on a reported basis
Solvency II ratio <sup>5</sup> (%)	198%	<b>180%</b>	-18 pts

All notes are on page 9 of this document.

## 1H20 key highlights

### Revenues

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**Total revenues were down 2%**, reflecting strong growth in the first quarter (+4%) and a decline in the second quarter (-10%) in the context of Covid-19.

Lower revenues in the first half were driven by (i) Life & Savings (-8%) mostly from lower sales in G/A Savings<sup>6</sup> in France and in Europe, largely impacted by Covid-19 in the second quarter, and (ii) Property & Casualty (-1%), reflecting a decrease in Personal lines (-2%) primarily due to lower new business activity during the lockdown periods across most geographies and stable Commercial lines, with strong price increases, notably at AXA XL, offset by lower volumes in the context of Covid-19, partly offset by (iii) Health (+9%) with growth across all geographies, and (iv) Asset management (+3%) linked to higher average assets under management.

### Covid-19 related claims impact

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AXA re-affirms its current best estimate<sup>7</sup> for the impact on 2020 underlying earnings for the Group from Covid-19 related P&C claims and solidarity measures at Euro 1.5 billion (post-tax and net of reinsurance), consistent with the Group's June 3<sup>rd</sup>, 2020 announcement. This impact has been reflected in the underlying earnings of 1H20.

### Earnings

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**Underlying earnings** decreased by 48% to Euro 1.9 billion, driven by (i) Property & Casualty (-72%) mostly due to the impact of Covid-19 related claims<sup>3</sup>, (ii) Life & Savings (-9%)<sup>8</sup> primarily linked to the extension of disability coverage in the context of Covid-19 and the decrease in annuities discount rate<sup>9</sup>, (iii) Health (+7%)<sup>8</sup>, reflecting strong revenue growth, as well as (iv) the impact of the deconsolidation of Equitable Holdings, Inc. ("EQH") in 2019. **Excluding Covid-19 claims<sup>3</sup> for an amount of Euro 1.5 billion, and the EQH deconsolidation impact, underlying earnings** grew by 1%.

**Underlying earnings per share<sup>2</sup>** decreased by 48% to Euro 0.75, driven by the decrease in underlying earnings and the impact of the deconsolidation of EQH. **Excluding Covid-19 claims<sup>3</sup> and the impact of the deconsolidation of EQH, underlying earnings per share** grew by 3%, from growth in underlying earnings and benefiting from lower financial charges linked to deleveraging.

**Adjusted earnings<sup>2</sup>** were down 51% to Euro 2.0 billion, reflecting lower underlying earnings, as well as higher impairments in the context of financial market volatility linked to Covid-19.

**Net income** decreased by 39% to Euro 1.4 billion, as the decrease in adjusted earnings and the negative marked to market impact of invested assets were partly offset by a favorable impact from the change in the fair value of derivatives, and the non-repeat of the negative impact from the deconsolidation of EQH.

## Balance sheet

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**Shareholders' equity** was at Euro 70.1 billion, up Euro 0.2 billion versus December 31, 2019, mainly driven by the positive impacts of the net income contribution and the change in net unrealized capital gains, partly offset by the Euro 0.73 dividend per share approved by shareholders at AXA's Annual General Meeting on June 30, 2020 and paid to shareholders on July 9, 2020.

**Solvency II ratio**<sup>5</sup> was 180% at June 30, 2020, down 18 points versus December 31, 2019, mainly driven by (i) unfavorable financial market conditions (-20 points), primarily from lower interest rates and higher corporate spreads, (ii) a positive operating return (net of Covid-19 impacts) of +6 points, offset by the accrued dividend for 1H20 (-6 points), (iii) the repayment of subordinated debt (-4 points), and (iv) the release of the provision for the 4Q20 exceptional distribution of reserves (+6 points).

**Debt gearing**<sup>2</sup> was at 27.6%, down 1.2 points versus December 31, 2019, mainly reflecting the positive impact of Euro 1.3 billion subordinated debt repayment.

**Cash remittance** to AXA S.A. from its operating entities in the first six months of 2020 was Euro 4.9 billion.

**Adjusted return on equity**<sup>2</sup> was down 9.6 points to 8.8% versus 1H19, driven by the decrease in adjusted earnings.

## BoD decision on exceptional distribution of reserves in 4Q20

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Following a number of discussions with the French regulator (ACPR<sup>10</sup>) and, in the context of Covid-19, reinforced communication from various European regulators, including the ACPR on July 28, 2020, recommending insurers to refrain from dividend distributions until January 1, 2021, AXA's Board of Directors, at its meeting on August 5, 2020, decided it will not propose an exceptional distribution of reserves to shareholders in 4Q 2020.

## Ambition 2020 targets

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In the context of the material estimated impact from Covid-19 on underlying earnings in 2020, AXA's management has withdrawn its Ambition 2020 Underlying earnings per share<sup>2</sup> and Adjusted return on equity<sup>2</sup> targets, whilst maintaining<sup>11</sup> its Solvency II ratio and Free cash flow targets.

## Ratings

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**S&P:** On March 16, 2020, S&P Global Ratings reaffirmed the long-term financial strength rating of AXA's core operating subsidiaries at 'AA-', with a stable outlook.

**Moody's:** On April 5, 2019, Moody's Investors Service affirmed the 'Aa3' insurance financial strength rating of AXA's principal insurance subsidiaries, changing the outlook to stable from negative.

**Fitch:** On April 30, 2020, Fitch Ratings reaffirmed the financial strength rating of AXA's core operating subsidiaries at 'AA-', with a stable outlook.

## Capital Management

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**Main transactions** since January 1, 2020:

- February 7, 2020: announcement to sell AXA's operations in Central and Eastern Europe;
- April 16, 2020: redemption of Euro 1.3 billion subordinated debt;
- August 5, 2020: AXA and Cinven mutually agreed to terminate the sale agreement related to AXA Life Europe ("ALE") as certain conditions to closing were not met by the agreed long stop date. AXA is reviewing its strategic options in order to maximize value creation and cash efficiency of ALE, while giving due regard to the interests of ALE's policyholders and ensuring a seamless continuation of service to these policyholders.

## Property & Casualty

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**Total revenues** were down 1% to Euro 28.1 billion.

- **Commercial lines** revenues were stable at Euro 18.4 billion, driven by strong growth in the first quarter (+5%) mainly from positive price effects, offset by a decline in the second quarter (-10%) in the context of Covid-19.

Revenues in the first half were driven by (i) lower revenues in France and Europe from favorable price and volume effects in the first quarter, more than offset by the impact of the economic slowdown in the second quarter, as well as solidarity measures mainly to support SME clients, and (ii) stable revenues at AXA XL from continued favorable price effects, largely offset by further selectivity primarily on long tail lines and Reinsurance and a provision for exposure adjustments<sup>12</sup> related to a decline in clients' turnover in the context of Covid-19. Excluding Covid-19 related exposure adjustments, AXA XL's Commercial lines revenues grew by 9%. Price increases on renewals at AXA XL remain strong, accelerating further in the second quarter. Overall for the first half, price increases<sup>13</sup> were +14.3% in Insurance and +7.5% in Reinsurance.

- **Personal lines** revenues decreased by 2% to Euro 9.6 billion, driven by (i) France and Europe mainly from lower new business activity during the Covid-19 lockdown period, (ii) International from lower Motor revenues notably in Mexico and Turkey, partly offset by (iii) Asia mainly from higher revenues in South Korea from Direct business.

**All year combined ratio**<sup>2</sup> was up 6.5 points to 101.7%, reflecting the impact from Covid-19 related claims<sup>3</sup> (6.5 points).

**P&C underlying earnings** were down 72% to Euro 544 million, mostly related to Covid-19, notably from (i) Business Interruption (Euro -0.8 billion) mainly at AXA XL, France, UK & Ireland, Switzerland and Germany, (ii) Event Cancellation (Euro -0.5 billion) mostly at AXA XL, (iii) other lines (Euro -0.3 billion, mainly from D&O, Liability, Travel) and (iv) solidarity measures and other (Euro -0.2 billion), partly offset by (v) lower frequency in Motor (Euro +0.4 billion) primarily in Europe and France. Investment result was stable as lower dividends received and reduced reinvestment yields in Europe were offset by higher private equity fund distributions at AXA XL.

**Excluding Covid-19<sup>3</sup>, all-year combined ratio** improved by 0.1 point to 95.1%, primarily driven by a lower expense ratio (-0.2 point). Higher Nat Cat charges (+0.6 point) at AXA XL and in Europe were largely offset by more favorable prior year reserve developments (-0.5 point) mainly in France and Europe.

**Excluding Covid-19<sup>3</sup>, P&C underlying earnings** were up 3% mainly from business growth with a slightly improving combined ratio, while investment results remained stable. Excluding Covid-19<sup>3</sup>, AXA XL underlying earnings were up 1% to Euro 0.5 billion, mainly driven by price increases, largely offset by risk and volatility reduction measures and claims related to civil unrest in North America (Euro 0.1 billion).

## Life & Savings

**Total revenues** decreased by 8% to Euro 15.6 billion, mainly driven by growth in the first quarter (+4%), more than offset by a strong decline in the second quarter (-21%) in the context of Covid-19.

- **G/A Savings**<sup>6</sup> revenues were down 25% to Euro 4.6 billion, mostly driven by (i) France (-34%) and Europe (-11%), notably in Italy, from lower sales during the lockdown period, and (ii) Asia (-21%) mostly in Japan with the discontinuation of a product, in line with our strategy.
- **Protection** revenues were up 1% to Euro 7.9 billion, mainly driven by Asia (+4%) in Japan from higher sales of Protection with Unit-Linked products, and Hong Kong with revenue growth gradually slowing down following lower new business (APE<sup>14,15</sup> -53%) in the context of Covid-19, partly offset by France (-4%) mostly from lower sales of mortgage insurance in the context of Covid-19.
- **Unit-Linked** revenues were up 1% to Euro 2.9 billion, notably in France (+16%) mostly following a new large contract in Group Savings<sup>16</sup> in 1Q20, partly offset by Europe (-24%), notably in Italy, mainly due to a shift in business mix towards pure investment contracts (which are not recognized in IFRS gross revenues).

**New Business Value**<sup>14,15</sup> increased by 1% to Euro 1.2 billion, with **APE**<sup>14,15</sup> (**new business volume**) up 2% due to Switzerland from significantly higher sales in semi-autonomous Group Life products, largely offset by lower sales in Asia in the context of Covid-19, and **NBV margin**<sup>14,15</sup> down 0.5 point to 44.5%.

**L&S underlying earnings**<sup>8</sup> decreased by 9% to Euro 1,165 million, mainly driven by (i) a lower technical margin including extended disability covers and a reduced discount rate for annuities<sup>9</sup> in France, as well as lower surrender benefits, combined with (ii) a lower investment margin, even if lower investment yields were mostly offset by lower crediting rates, partly offset by (iii) lower general expenses reflecting cost saving initiatives.

## Health

**Total revenues** up 9% to Euro 7.9 billion, with growth in the first and in the second quarter across all geographies.

- **Group business** was up 11% to Euro 3.8 billion, driven by France (+11%), and International (+18%), mainly from growth in the Gulf Region and Mexico.
- **Individual business** was up 7% to Euro 4.1 billion, mainly from Europe (+5%) across most countries, notably Germany, Switzerland and Spain, Asia (+11%), mostly in China following the launch of a new digital partnership, and International (+14%) driven by higher renewals in Mexico.

**Combined ratio**<sup>17</sup> increased by 0.2 point to 94.0%, reflecting a lower claims frequency during the Covid-19 lockdown period and an improved expense ratio, more than offset by less favorable prior year reserve developments.

**Health underlying earnings**<sup>8</sup> were up 7% to Euro 388 million, primarily driven by strong revenue growth.

## Asset Management

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**Asset Management revenues** grew by 3% to Euro 606 million, driven by higher management fees as well as higher real estate transaction fees.

**Asset Management net inflows** amounted to Euro +16 billion, with inflows in AXA IM Core (Euro +9 billion<sup>18</sup>) mostly in Fixed Income, as well as AXA IM Alts (Euro +5 billion) from Structured Finance and Real Assets.

**Average assets under management**<sup>19</sup> amounted to Euro 717 billion, up 10%, driven by net inflows in the previous four quarters combined with positive market effects in 2019.

**Underlying cost income ratio** decreased by 0.3 point to 71.0%.

**Asset Management underlying earnings**<sup>8</sup> were up 5% to Euro 130 million, reflecting higher revenues and an improved cost income ratio.

## Holdings

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**Holdings underlying earnings**<sup>8</sup> increased by 13% to Euro -379 million, mainly driven by AXA S.A., reflecting lower general expenses, higher dividends received mainly from the remaining stake in EQH (related to the EQH shares to be delivered on redemption of the AXA S.A. bonds mandatorily exchangeable into EQH shares, maturing in May 2021), and lower tax paid on dividends received from subsidiaries.

## Definitions

**Preferred segments:** includes Health, P&C Commercial lines and Protection, as set out in the 2017 Investor Day presentation on November 14, 2017.

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

**Europe:** includes Switzerland (insurance activities), Germany (insurance and banking activities, and holdings), 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 holdings), Hong Kong, Asia High Potentials of which (i) Thailand P&C, Indonesia L&S (excluding the bancassurance entity) and China P&C (since December 31, 2019) 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 contribute only to the underlying earnings, adjusted earnings and net income, and Asia-Direct (Direct Japan and Direct South Korea), and Asia Holdings.

**United States:** included L&S insurance activities and holdings in the US, as well as AB. Following the deconsolidation of Equitable Holdings, Inc. and its subsequent accounting as financial investment available for sale, the United States was consolidated under the equity method and contributed only to the underlying earnings, adjusted earnings and net income for the period January 1, 2019 to November 13, 2019.

**International:** includes (i) AXA Mediterranean Holdings, Mexico (insurance activities), Singapore (insurance activities and holdings), Colombia (insurance activities), Turkey (insurance activities and holdings), Poland (insurance activities), the Gulf Region (insurance activities and holdings), Morocco (insurance activities and holdings), AXA Bank Belgium (banking activities), Malaysia P&C (insurance activities), Luxembourg (insurance activities and holdings), Brazil (insurance activities and holdings), Czech Republic and Slovakia L&S (insurance activities) and Greece (insurance activities) which are fully consolidated; (ii) Russia (Reso) (insurance activities), India (insurance activities and holdings), Nigeria (insurance activities and holdings) and Lebanon (insurance activities and holdings), consolidated under the equity method and contribute only to the underlying earnings, adjusted earnings and net income.

**Transversal & Central Holdings:** includes AXA Investment Managers, AXA Assistance, AXA Liabilities Managers, AXA Global Re, AXA Life Europe, AXA S.A. and other Central Holdings.

## EXCHANGE RATES

For 1 Euro	End of Period Exchange rate		Average Exchange rate	
	FY19	1H20	1H19	1H20
USD	1.12	1.12	1.13	1.10
CHF	1.09	1.06	1.13	1.06
GBP	0.85	0.91	0.87	0.87
JPY	122	121	124	119
HKD	8.75	8.70	8.86	8.55



## NOTES

- 1** Change in gross revenues is on a comparable basis (constant forex, scope and methodology).
- 2** Underlying earnings ("UE"), underlying earnings per share ("UEPS"), underlying combined ratio, adjusted earnings, adjusted return on equity and debt gearing are non-GAAP financial measures, or alternative performance measures ("APMs"). A reconciliation from APMs adjusted earnings, underlying earnings and underlying combined ratio to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 19 and 20 of the Half-Year 2020 Financial Report. APMs adjusted return on equity and underlying earnings per share are reconciled to the financial statements in the table set forth on page 26 of the Half-Year 2020 Financial Report. The calculation methodology of the debt gearing is set out on page 22 of the Half-Year 2020 Financial Report. The above-mentioned and other non-GAAP financial measures used in this press release are defined in the Glossary set forth on pages 60 to 67 of the Half-Year 2020 Financial Report.
- 3** "Covid-19 claims" includes P&C, L&S and Health 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. "Covid-19 claims" does not include any financial market impacts (including impacts on investment margin, unit-linked and asset management fees, etc.) relating to the Covid-19 crisis.
- 4** Equitable Holdings Inc. ("EQH") was deconsolidated in AXA's Financial Statements in 2019.
- 5** The Solvency II ratio is estimated primarily using AXA's internal model calibrated based on an adverse 1/200 years shock. It also reflects the release of the provision for the 4Q20 exceptional distribution of reserves of Euro 0.70 per share and includes a theoretical amount for dividends accrued for the first six months of 2020, based on the full year dividend of Euro 1.43 per share initially proposed by the Board for FY19. Dividends are proposed by the Board, at its discretion based on a variety of factors described in AXA's 2019 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 2020 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, 2019, available on AXA's website ([www.axa.com](http://www.axa.com)).
- In compliance with the decision from AXA's lead supervisor (the ACPR) from January 1, 2019, entities that were part of the XL Group ("XL entities") have been fully consolidated for Solvency II purposes (as per the consolidation-based method set forth in the Solvency II Directive) and their contribution to the Group's solvency capital requirement has been calculated using the Solvency II standard formula. Subject to the prior approval of the ACPR, the Group intends to extend its Internal Model to XL entities as soon as December 31, 2020.
- 6** General Account.
- 7** The estimates provided are based on management's current assessment and are subject to change depending on the continued evolution of the Covid-19 pandemic and its related impacts.
- 8** Underlying earnings changes at constant forex, by line of business, have been restated to exclude EQH's earnings.
- 9** Linked to the continued decrease in interest rates.
- 10** Autorité de Contrôle Prudentiel et de Résolution.
- 11** In line with management's current assessment and subject to change depending on the continued evolution of the Covid-19 pandemic and its related impacts.
- 12** Mostly related to a provision linked to expected reduced revenues across lines in which premiums are contractually linked to clients' level of activity.
- 13** Renewals only at AXA XL, price effect calculated as a percentage of renewed premiums.
- 14** Annual premium equivalent (APE), NBV, and NBV margin are non-GAAP financial measures. APE, NBV, and NBV margin and other non-GAAP financial measures are defined in the Glossary set forth on pages 60 to 67 of the Half-Year 2020 Financial Report.
- 15** APE, NBV margin and NBV include Life & Savings business, as well as Health "life-like" business.
- 16** Euro 0.4 billion, of which Euro 0.3 billion in Unit-Linked.
- 17** The combined ratio change is at constant forex and excludes the contribution of EQH. Comments on the combined ratio change exclude the impact of a reclassification from expenses to claims handling costs in France in 1H20.
- 18** Includes net inflows in High Yield of Euro 1 billion and excludes net inflows from Asian JVs of Euro 1 billion.
- 19** Excludes the contribution from Asian joint ventures, which are consolidated under the equity method.

All comments and changes are on a comparable basis for activity indicators (constant forex, scope and methodology). Most significant changes in scope are as mentioned below:

- (i) The change in gross revenues on comparable basis includes the contribution from AXA Tianping for the first semester of 2019.
- (ii) The change in gross revenues on comparable basis excludes the US contribution of the first quarter of 2019 following the deconsolidation of Equitable Holdings, Inc. in Q1 2019.
- (iii) The change in APE and NBV on comparable basis excludes the US contribution of the first semester of 2019 following the deconsolidation of Equitable Holdings, Inc. in Q1 2019.

Actuarial and financial assumptions are not updated on a quarterly basis in NBV calculation. Actuarial and other financial assumptions will be updated at year-end 2020.

All comments are at constant forex, for earnings, unless otherwise specified.

AXA's 1H20 financial statements were examined by the Board of Directors on August 5, 2020 and were subject to a limited review of an audit procedure by AXA's statutory auditors, whose report was issued on August 5, 2020.

**ABOUT THE AXA GROUP**

The AXA Group is a worldwide leader in insurance and asset management, with 160,000 employees serving 108 million clients in 57 countries. In 2019, IFRS revenues amounted to Euro 103.5 billion and underlying earnings to Euro 6.5 billion. AXA had Euro 969 billion in assets under management as of December 31, 2019.

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

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

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

This press release and the regulated information made public by AXA pursuant to article L. 451-1-2 of the French Monetary and Financial Code and articles 222-1 et seq. of the Autorité des marchés financiers' General Regulation are available on the AXA Group website ([axa.com](http://axa.com)).

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**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 4 - "Risk Factors and Risk Management" of AXA's Universal Registration Document for the year ended December 31, 2019 (the "2019 Universal Registration Document") and "Operating Highlights – Risk Factors" on page 12 of AXA's half-year financial report as of June 30, 2020 (the "Half-Year 2020 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 press release 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. A reconciliation from APMs adjusted earnings, underlying earnings and underlying combined ratio to the most directly reconcilable line item, subtotal or total in the financial statements of the corresponding period is provided on pages 19 and 20 of the Half-Year 2020 Financial Report. APMs adjusted return on equity and underlying earnings per share are reconciled to the financial statements in the table set forth on page 26 of the Half-Year 2020 Financial Report. The calculation methodology of the debt gearing is set out on page 22 of the Half-Year 2020 Financial Report. The above mentioned and other non-GAAP financial measures used in this press release are defined in the Glossary set forth on pages 60 to 67 of the Half-Year 2020 Financial Report.

**Earnings: Key figures**

in Euro million	1H19	1H20	Change on a reported basis	Change at constant Forex
Property & Casualty <sup>i</sup>	1,981	544	-73%	-72%
Life & Savings <sup>i</sup>	1,261	1,165	-8%	-9%
Health <sup>i</sup>	355	388	+9%	+7%
Asset Management <sup>i</sup>	123	130	+6%	+5%
Banking & Holdings <sup>i</sup>	-383	-341	+11%	+11%
Equitable Holdings	283	-	-	-
<b>Underlying earnings</b>	<b>3,620</b>	<b>1,885</b>	<b>-48%</b>	<b>-48%</b>
Gross realized capital gains/losses	448	476	+6%	+5%
Impairments	-42	-343	-	-
Equity portfolio hedging	-20	-35	-72%	-68%
<b>Adjusted earnings</b>	<b>4,006</b>	<b>1,984</b>	<b>-50%</b>	<b>-51%</b>
Change in fair value & Forex	-767	-169	-	-
o/w gains/losses on economic hedges <sup>ii</sup>	-789	425	-	-
o/w change in fair value of assets accounted for as fair value option	22	-594	-	-
Goodwill and related intangibles	-59	-93	-	-
Integration and restructuring costs	-142	-123	-	-
Exceptional and discontinued operations	-705	-169	-	-
<b>Net income</b>	<b>2,333</b>	<b>1,429</b>	<b>-39%</b>	<b>-39%</b>

**Earnings per share - fully diluted**

in Euro	1H19	1H20	Change on a reported basis
Underlying EPS <sup>iii</sup>	1.46	0.75	-48%
Adjusted EPS <sup>iii</sup>	1.62	0.79	-51%
Net income per share <sup>iii</sup>	0.92	0.56	-39%

i Underlying earnings changes at constant forex, by line of business, have been restated to exclude Equitable Holdings, Inc.

ii Interest rates, equity and foreign exchange economic hedges not eligible for hedge accounting under IAS 39.

iii Net of interest charges on undated subordinated notes (TSDI) and undated deeply subordinated notes (TSS). In 2019, it was also net of preferred shares and bonds mandatorily exchangeable into shares of Equitable Holdings, Inc.

**Marked-to-Market impacts on unrealized capital gains/losses (through Other Comprehensive Income)**

In Euro billion	FY19	1H20
<b>Total Unrealized Capital Gains/Losses (through OCI)<sup>i</sup></b>	<b>19.9</b>	<b>20.2</b>
o/w equity	2.9	1.9
o/w government bonds	13.5	14.3
o/w corporate bonds	2.7	3.3

i on 100% basis



## APPENDIX 2: REVENUES BY GEOGRAPHY AND BY BUSINESS LINE

Press release

Gross revenues	Total <sup>i</sup>			o/w Property & Casualty		o/w Health		o/w Life & Savings		o/w Asset Management	
in Euro million	1H20	Change on a reported basis	Change on a comparable basis	1H20	Change on a comparable basis	1H20	Change on a comparable basis	1H20	Change on a comparable basis	1H20	Change on a comparable basis
<b>France</b>	<b>12,552</b>	<b>-6%</b>	<b>-6%</b>	<b>3,769</b>	<b>-3%</b>	<b>2,547</b>	<b>+10%</b>	<b>6,168</b>	<b>-14%</b>	-	-
<b>Europe</b>	<b>18,788</b>	<b>-5%</b>	<b>-2%</b>	<b>10,335</b>	<b>-1%</b>	<b>3,045</b>	<b>+4%</b>	<b>5,397</b>	<b>-7%</b>	-	-
Switzerland	4,263	-13%	+1%	2,923	-1%	31	+84%	1,309	+4%	-	-
Germany	6,094	+2%	+2%	2,763	-1%	1,745	+5%	1,575	+4%	-	-
Belgium	1,765	-2%	-2%	1,138	-2%	67	+13%	559	-3%	-	-
UK & Ireland	2,794	-2%	-1%	1,771	-2%	996	0%	28	+7%	-	-
Spain	1,366	0%	0%	877	0%	156	+7%	332	-4%	-	-
Italy	2,507	-16%	-16%	863	-1%	49	+8%	1,595	-23%	-	-
<b>AXA XL</b>	<b>10,522</b>	<b>+1%</b>	<b>0%</b>	<b>10,421</b>	<b>0%</b>	-	-	<b>101</b>	<b>+3%</b>	-	-
<b>Asia</b>	<b>5,522</b>	<b>+14%</b>	<b>+3%</b>	<b>1,055</b>	<b>+3%</b>	<b>1,261</b>	<b>+12%</b>	<b>3,206</b>	<b>0%</b>	-	-
Japan	2,508	+4%	-1%	-	-	767	+1%	1,741	-2%	-	-
Hong Kong	1,946	+6%	+3%	143	-4%	362	+5%	1,442	+3%	-	-
Asia High Potentials	512	-	+21%	359	-3%	130	-	23	-13%	-	-
Asia-Direct	556	+10%	+9%	554	+9%	2	+9%	-	-	-	-
<b>International</b>	<b>3,563</b>	<b>-3%</b>	<b>+2%</b>	<b>1,881</b>	<b>-2%</b>	<b>905</b>	<b>+16%</b>	<b>610</b>	<b>-2%</b>	-	-
<b>Transversal</b>	<b>1,444</b>	<b>-3%</b>	<b>-3%</b>	<b>621</b>	<b>-10%</b>	<b>100</b>	<b>+18%</b>	<b>116</b>	<b>-5%</b>	<b>606</b>	<b>+3%</b>
<b>Total</b>	<b>52,391</b>	<b>-10%</b>	<b>-2%</b>	<b>28,083</b>	<b>-1%</b>	<b>7,858</b>	<b>+9%</b>	<b>15,597</b>	<b>-8%</b>	<b>606</b>	<b>+3%</b>

<sup>i</sup> Including Banking (Euro 246 million).



# APPENDIX 3: UNDERLYING EARNINGS BY GEOGRAPHY AND BY BUSINESS LINE

Press release

Underlying earnings	Total <sup>i</sup>			o/w Property & Casualty			o/w Health <sup>iv</sup>		o/w Life & Savings <sup>iv</sup>	
in Euro million	1H20	Change at constant Forex	Change ex-Covid <sup>ii</sup>	1H20	Change at constant Forex	Change ex-Covid <sup>ii</sup>	1H20	Change at constant Forex	1H20	Change at constant Forex
<b>France</b>	<b>753</b>	<b>-14%</b>	<b>+2%</b>	327	-20%	+9%	72	+20%	355	-12%
<b>Europe</b>	<b>1,270</b>	<b>-6%</b>	<b>-3%</b>	787	-2%	+4%	94	-10%	349	-11%
<b>AXA XL</b>	<b>-843</b>	<b>-</b>	<b>+1%</b>	-796	-	+1%	-	-	7	+3%
<b>Asia</b>	<b>685</b>	<b>+7%</b>	<b>+5%</b>	72	+62%	+10%	212	+13%	405	-3%
<b>International</b>	<b>251</b>	<b>+8%</b>	<b>-2%</b>	172	+19%	+11%	8	-27%	50	+2%
<b>Transversal<sup>iii</sup></b>	<b>114</b>	<b>-39%</b>	<b>-17%</b>	-18	-135%	-57%	3	-	-1	-
<b>Central Holdings</b>	<b>-344</b>	<b>+15%</b>	<b>+15%</b>	-	-	-	-	-	-	-
<b>Total</b>	<b>1,885</b>	<b>-48%</b>	<b>+1%</b>	<b>544</b>	<b>-72%</b>	<b>+3%</b>	<b>388</b>	<b>+7%</b>	<b>1,165</b>	<b>-9%</b>

<sup>i</sup> Including Asset Management (Euro 130 million), Banking activities (Euro 38 million) and Holdings (Euro -379 million).

<sup>ii</sup> Change at constant Forex, and excludes Covid-19 claims impact (P&C, L&S and Health 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) and EQH

<sup>iii</sup> Including AXA IM (Euro 130 million, +5% at constant Forex)

<sup>iv</sup> Underlying earnings changes by line of business have been restated to exclude Equitable Holdings, Inc.



# APPENDIX 4: PROPERTY & CASUALTY – REVENUE CONTRIBUTION & GROWTH BY BUSINESS LINE

Press release

in Euro million	Personal						Commercial						Total P&C	
	Personal Motor	Change	Personal Non-Motor	Change	Total Personal	Change	Commercial Motor	Change	Commercial Non-Motor	Change	Total Commercial	Change	1H20	Change
France	1,042	-2%	1,031	-3%	2,072	-3%	335	-7%	1,361	-2%	1,696	-3%	3,769	-3%
Europe	3,805	-3%	2,104	0%	5,910	-2%	824	-5%	3,601	+1%	4,425	0%	10,335	-1%
Switzerland	1,098	-3%	407	+2%	1,505	-2%	113	-3%	1,304	+1%	1,418	+1%	2,923	-1%
Germany	796	-9%	812	+1%	1,607	-4%	100	-9%	1,056	+5%	1,156	+3%	2,763	-1%
Belgium	330	-1%	253	+1%	582	0%	143	-3%	413	-4%	556	-4%	1,138	-2%
UK & Ireland	678	0%	282	-4%	960	-1%	322	-10%	489	0%	811	-4%	1,771	-2%
Spain	462	-1%	188	+2%	651	0%	36	+6%	191	-1%	227	0%	877	0%
Italy	442	-3%	163	-5%	605	-3%	109	+2%	149	+8%	258	+6%	863	-1%
AXA XL	-	-	-	-	-	-	245	+17%	10,176	0%	10,421	0%	10,421	0%
Asia	770	+3%	129	+7%	900	+3%	58	-10%	97	+8%	155	+1%	1,055	+3%
Hong Kong	22	+10%	42	-15%	64	-8%	6	+31%	73	-1%	78	0%	143	-4%
Asia High Potentials	264	-4%	18	+2%	282	-4%	52	-13%	25	+50%	77	+1%	359	-3%
Asia-Direct	485	+7%	69	+29%	554	+9%	-	-	-	-	-	-	554	+9%
International	547	-5%	159	-7%	706	-6%	371	-5%	804	+2%	1,175	0%	1,881	-2%
Transversal	-	-	-	-	-	-	227	-11%	319	-7%	546	-9%	621	-10%
<b>Total</b>	<b>6,165</b>	<b>-3%</b>	<b>3,423</b>	<b>-1%</b>	<b>9,588</b>	<b>-2%</b>	<b>2,061</b>	<b>-4%</b>	<b>16,359</b>	<b>0%</b>	<b>18,420</b>	<b>0%</b>	<b>28,083</b>	<b>-1%</b>

**Personal lines net new contracts** amounted to -19k, driven by International (-80k) mostly due to lower new business in the context of Covid-19, partly offset by Asia (+29k) supported by a new partnership in Thailand, as well as by Europe (+23k) mainly from UK & Ireland primarily from direct and broker channels.



# APPENDIX 5: NEW BUSINESS VOLUME (APE), VALUE (NBV) AND NBV MARGIN

Press release

in Euro million	APE 1H20 by product										Total APE			NBV			NBV margin		
	Protection	Change <sup>i</sup>	G/A Savings	Change <sup>i</sup>	Unit-Linked	Change <sup>i</sup>	Health <sup>ii</sup>	Change <sup>i</sup>	MF & other	Change <sup>i</sup>	1H19	1H20	Change <sup>i</sup>	1H19	1H20	Change <sup>i</sup>	1H19	1H20	Change <sup>i</sup>
France	233	+1%	215	-34%	202	+19%	337	+18%	-	-	1,052	987	-3%	324	276	-14%	31%	28%	-4 pts
Europe	692	+128%	150	-10%	122	+5%	71	+7%	17	-9%	655	1,051	+55%	325	512	+53%	50%	49%	0 pt
Switzerland	611	+175%	0	-	1	-	1	-	2	-	218	615	+165%	110	300	+157%	50%	49%	-2 pts
Germany	35	+2%	64	+7%	11	+1%	70	+6%	10	+5%	181	191	+5%	107	112	+8%	59%	59%	+2 pts
Belgium	12	+7%	13	+9%	22	+75%	-	-	-	-	36	48	+32%	22	21	-4%	61%	44%	-17 pts
Spain	17	+14%	5	-38%	20	-2%	-	-	5	-	48	47	-3%	30	29	-3%	62%	63%	0 pt
Italy	17	-4%	68	-22%	67	-	-	-	-	-	172	152	-12%	56	49	-13%	33%	32%	0 pt
Asia	396	-30%	141	-29%	20	-	101	-19%	-	-	867	657	-27%	488	418	-18%	56%	64%	+6 pt
Japan	175	-16%	2	-79%	-	-	53	-20%	-	-	268	231	-19%	300	265	-17%	112%	115%	+3 pts
Hong Kong	104	-53%	13	-49%	6	-7%	17	-23%	-	-	268	140	-50%	110	70	-39%	41%	50%	+9 pts
Asia High Potentials	116	-13%	125	-23%	14	-	30	-14%	-	-	331	286	-14%	78	83	+6%	23%	29%	+6 pts
United States	-	-	-	-	-	-	-	-	-	-	524	-	-	105	-	-	20%	-	-
International	53	-23%	2	-66%	18	-43%	6	-17%	12	+8%	129	91	-27%	58	33	-41%	45%	37%	-9 pts
<b>Total</b>	<b>1,374</b>	<b>+17%</b>	<b>507</b>	<b>-27%</b>	<b>362</b>	<b>+11%</b>	<b>515</b>	<b>+7%</b>	<b>28</b>	<b>-13%</b>	<b>3,227</b>	<b>2,786</b>	<b>+2%</b>	<b>1,300</b>	<b>1,240</b>	<b>+1%</b>	<b>40%</b>	<b>45%</b>	<b>-1 pt</b>

i Changes are at comparable basis (constant forex, scope and methodology).

ii Only includes "life-like" Health business.

**Annual Premium Equivalent, APE (new business volume)** increased by 2%, mainly driven by higher sales in semi-autonomous Group Life product in Switzerland (including the acquisition of a significant number of clients), partly offset by lower new business activity impacted by Covid-19, notably in Hong Kong.

**NBV margin** was down 0.5 point to 44.5%, largely driven by a less favorable business mix in France, partly offset by an improved business mix in Asia. **New Business Value** was up 1% to Euro 1.2 billion.



Assets under Management rollforward			
in Euro billion	AXA IM	AXA IM - Fully consolidated scope	AXA IM - Asian Joint Ventures
<b>AUM as of December 31, 2019</b>	<b>801</b>	710	90
Net flows	16	14	1
Market appreciation	-4	-5	0
Scope & other	9	9	0
Forex impact	-5	-3	-2
<b>AUM as of June 30, 2020</b>	<b>815</b>	726	89
<b>Average AUM over the period<sup>i</sup></b>	-	<b>717</b>	-
Change of average AUM on a reported basis vs. 1H19	-	+10%	-
Change of average AUM on a comparable basis vs. 1H19	-	+10%	-

<sup>i</sup> Average AUM for AXA IM is calculated excluding the contribution from Asian joint ventures.



Corporate bonds - Ratings & Par / Non-Par split					
As at June 30, 2020	Participating		Non-Participating		Total
In Euro billion	€	%	€	%	€ %
<b>Total corporate bonds<sup>i</sup></b>	<b>101</b>	<b>60%</b>	<b>67</b>	<b>40%</b>	<b>169 100%</b>
AAA	21	12%	4	3%	25 15%
AA	11	6%	8	4%	18 11%
A	26	16%	25	15%	51 30%
BBB+	19	11%	12	7%	31 19%
BBB	14	8%	9	5%	23 14%
BBB-	4	3%	3	2%	7 4%
Below Investment Grade	6	4%	6	4%	12 7%

<sup>i</sup> As at June 30, 2020, Corporate bonds not rated by external rating agencies are reallocated under AXA's internal ratings: AAA: Euro 0.3billion, AA: Euro 1.7 billion, A: Euro 2,7 billion, BBB: Euro 2.4 billion, Below investment grade: Euro 5.7billion (of which Euro 2.6billion NR considered as BB+ from a conservative approach)

Exposure to Oil & Gas and Travel, Transportation & Leisure - Corporate bonds & Equity			
As at June 30, 2020	Oil & Gas		Travel, Transportation & Leisure
In Euro billion	€	%	€ %
<b>Corporate bonds</b>	<b>5.9</b>	<b>100%</b>	<b>5.5 100%</b>
AAA	-	-	-
AA	2.1	36%	2.1 38%
A	2.3	38%	1.3 24%
BBB+	0.3	6%	0.9 17%
BBB	1.0	17%	0.6 10%
BBB-	0.1	1%	0.4 6%
Below Investment Grade	0.1	2%	0.2 3%
<b>Listed equity</b>	<b>0.2</b>	<b>-</b>	<b>0.7 -</b>



**Changes in scope:**

- 02/14/2019 – [AXA has completed the sale of its Ukrainian operations](#)
- 11/13/2019 – [AXA S.A. announces the successful completion of the sale of its remaining stake in AXA Equitable Holdings, Inc.](#)
- 12/13/2019 – [AXA has completed the acquisition of the remaining 50% stake in AXA Tianping](#)

**Main press releases issued in 2020**

Please refer to the following web site address for further details: <https://www.axa.com/en/newsroom/press-releases>

- 04/01/2020 – [COVID-19: AXA strengthens its commitments to tackle an unprecedented health, economic and social challenge](#)
- 05/05/2020 – [1Q20 Activity Indicators](#)
- 05/14/2020 – [AXA published today its 2019 Group Solvency and Financial Condition Report \(SFCR\)](#)
- 06/03/2020 – [Decision of the Board of Directors in respect of AXA's dividend proposal for 2019](#)
- 06/30/2020 – [AXA presents the results of its Shareholder's Meeting, its purpose and its 2019 Integrated Report](#)

**Post 1H20 closing event**

- 07/03/2020 – [AXA publishes its 2020 Climate Report](#)
- 07/16/2020 – [Marco Morelli is appointed Executive Chairman of AXA Investment Managers and a member of AXA's Management Committee, Gérald Harlin to retire at the end of September](#)

**2020 Operations on AXA shareholders' equity and debt:** No significant operations

**Shareholders' equity:** no significant operation

**Debt:**

- 04/01/2020 – [Notice of early redemption \(XS0503665290\)](#)

**Next main investor events**

- 11/03/2020 – First Nine Months 2020 Activity Indicators
- 12/01/2020 – Investor Day
- 02/25/2021 – Full Year 2020 Earnings Release